

The Silver Lining of Corporate Scandals *Tips for Women To Reach the Table*

By Sheryl Spanier

The clouds of corporate scandals have put board and executive committees under greater scrutiny and shown higher risk for both the organizations and the individual members. The well publicized scandals are forcing boards to focus on corporate responsibility and question the traditional board selection process that filled too many boards with friends from the "old boy network". This new awareness may have a silver lining by creating more opportunities for women.

Corporate executives and boards say they are aware their companies need strong, diverse teams in the executive suite and board room, bringing new professional skills and reflecting their consumers. A 2004 Catalyst study found that Fortune 500 companies with women in the senior ranks have a higher shareholder return than companies with a lower proportion of women in senior management teams. David Lord, the head of The Executive Search Information Exchange (ESIX), a worldwide network that advances best practices in executive recruiting noted that "boards and CEO's need to be driven by the belief that they are doing everything possible to strengthen the team, and consider whether they have taken every advantage to become more diverse."

However, despite these pressures a 2004 Corporate Women Directors International report found that "the glass ceiling in corporate directorships is solidly in place". Only 10.4% of all board seats in the *Fortune* Global 200 companies are held by women and of those that had women directors almost half (45.6%) had only one woman director. While the press gives tremendous coverage to women CEO's, females are currently at that corporate height in only eight Fortune 500 companies, bringing up the question of whether the low presence of women in large corporate board rooms partly produces the low percentage of women CEOs.

The problem remains that despite having strong professional skills and often a unique set of personal skills, many qualified women are never offered an invitation to sit at the executive table. Do not let the statistics deter you here are some ways to gain entrée.

Get to the top of the List:

Women, who have executive committee ambitions, often find entrée is a conundrum. It is well known that board and industry appointments enable you to meet and work alongside power brokers and decision makers, thereby positioning you for other board appointments and leadership roles. For those who are not in the loop, it feels like a Catch 22...if you are not there, you can't get there.

A recent National Association of Female Executives study found that the limited number of women with strong operational experience that included profit and loss responsibility restricts opportunity. "Most companies have not dispelled myths about women's commitment, about their risk quotient, willingness to relocate, and ability to manage men or run a manufacturing operation," says Betty Spence, President of NAFE, "so

women do not get offered the opportunities that lead to the corner office." or the board table.

Critical Skills. Obtaining actual P&L experience is an obvious advantage, but if you haven't obtained actual experience, move ahead by focusing and being able to talk about it. Learn to read income, balance sheet and cash flow statements. Lynda Davey, Chief Executive Officer of the Avalon Group Ltd., a private investment bank that represents executives raising growth capital or those selling private companies, comments that "to many operational people finance is viewed as either mysterious or rocket science. It isn't and it can be learned. The women and men, who are able to move their companies and themselves forward have always gained a basic understanding of finance and money raising issues and buzz words. That gives other "finance" people the confidence that they are serious about money. I've found that is a large part of being taken seriously."

Critical skill sets are not limited to P&L experience. Laurie Shahon, President of the Wilton Capital Group, who serves on two public corporate boards, states: "A lot of boards need functional knowledge, for example finance is very important now. Depending on the board, information technology, marketing and sales are also attractive functions." Women can make important contributions to corporate boards, particularly as female consumerism becomes more powerful to profits and positioning. Laurie points out, "obviously, industries like retail or cosmetics need women on their board to represent their market base, but there are many situations where a company thinks women are not the main consumer, but where women have much influence."

Maryann Bruce, President of Evergreen Investments Services, also emphasizes the importance of developing a specialty: "Focus on a unique set of experiences that differentiate you in your function and industry. For example competitive knowledge, broad contacts, presentation skills, training other professionals, and financial savvy."

Get Noticed – the Know-Ability. Appropriate skills alone will not suffice. Women need to expand their sense of what it takes beyond just working hard to be visible, to be noticed.

Being on highly valued committees is often a way to display expertise and gain visibility. For example, early on in her career, Dr. Jill Claster, the first female Dean of NYU School of Arts and Sciences became a member of the "club" by volunteering to participate in developing a new and innovative program for NYU returning adults. Serving on the committee with some of the most prominent academics, she "got friendly with the men and gained their respect". She proved her worth and was tapped for the slate when a new Dean was being sought.

While many people advise women to become active in the not for profit arena as a way to gain experience and exposure this route has been a disappointment for some. If your goal in serving on a board is to become part of the inner circle of non profit board members, selectivity and strategy are critical. While she has served on a number of non-profit boards, Laurie Shahon recommends that "your non-profit-board position be

with a highly visible non-profit, or you need to be to be lucky to be around senior people who can invite you to a corporate board.”

Placement and access are key to maximizing a board appointment. Sheila Wellington, formerly President of Catalyst and currently at The Stern School of Business at NYU teaching a course on “Women in Business Leadership,” emphasizes that if a woman wants to maximize a not for profit board experience, she needs to make targeted choices to serve on a major museum or hospital board so that “happy accidents can occur because someone has you on the radar screen”.

Women’s professional associations can also be vehicles for both visibility and skill development. Ms. Bruce found great support through her membership in the Committee of 200, which is a group of female entrepreneurial and corporate executives who are elected to the organization if they have “C” in title, or generate \$250,000,000 or more in revenues. “Working side by side with these visible and powerful women executives is how I filled the void of women mentors.” In addition, Ms. Bruce has worked alongside men in her industry to shape critical issues and has gained visibility through her work. “You have the opportunity to develop expertise that will make you attractive by seeking experience outside your company. For example, I got active in the Bank Insurance Securities Association, where I learned strategic planning, annual conference planning, witnessed and participated in areas I did not have exposure to on the job. I was able to transfer these skills to my work and achieved significant visibility early in my career.”

Extra-curricular activities also offer opportunities women for women to connect. “Everyone talks about the glass ceiling,” says Ms. Bruce. “I think they should be calling it the ‘grass ceiling,’ because people can deepen and strengthen relationships on the golf course. Golf’s handicap system also offers an opportunity because you can play with a variety of levels as a colleague.”

The Fit Factor: Beyond being visible and having something companies need, is the illusive “fit” factor. Jo Bennett, a Partner at Battalia Winston, a premier executive recruiting firm, looks for a combination of style and substance in recruiting and recommending women for board positions. Women “have to realize that the like-ability factor is as important as the technical qualifications. She advises that both male and female candidates lighten up, show a sense of humor, and demonstrate a big picture, strategic sense and point of view about the business.”

Laurie Shahon reflects: “When boards let new people in they want someone who will get along with the group...many boards think chemistry is important. But, you don’t have to be a good old boy to get along with various people.”

“One reason I have been successful in a male industry”, Bruce states, is “I can balance typically male competitive, outgoing, driven behaviors with what I would call the female traits, such as compassion and relationship management.”

Dr. Wellington agrees that women need to build on their own style, while at the same time understand that “effectiveness is the whole deal. It is not about feeling good, or

being right. The focus is on the mission and what will make a difference in the organization, balanced with being in line with the culture.”

Aligned Contributions: Succeeding at the table is still a mystery for many women and the companies that wish to recruit them. As the unforgettable press about Carly Fiorina demonstrates, it’s not just about being invited to the table; aligning with the culture while driving a key objective is critical. The irony is that women are often brought on board because their profile of driving results, risk taking, and charisma are often what the company thinks it needs to succeed. Once on board, many women end up failing because they do not know how to calibrate ambition with accommodation. In practice, a diversity initiative is often recruiting someone different, but wanting them to be the same.

So, beyond fit, a realistic attitude counts. For women that means that not only do you have to be there, you have to belong. As Bruce notes, “The most important thing is to recognize that it is a man’s world. Women have to recognize they are like trail blazers in some respects. This implies that they have to be willing to adapt, be flexible, willing to change, be willing to learn from mistakes and not take it too personally.”

Jo Bennett agrees, “Women have the biggest trouble with lightening up. Instead, a lot of women are taking issues and dialogue more seriously than their CEO’s. Women can’t present them selves as someone who will be a devil’s advocate at the table. Boards don’t want a disruptive presence at the table. They want alignment with the strategy and a collaborative team. CEO’s will say they want good counsel, a sounding board, and a wise advisor. In reality they don’t want to be threatened by a disruptive force. Women can take things seriously but still show a sense of humor—the best ones do!”

And as Dr. Wellington emphasizes, women’s ability to collaborate, create agreement, reflect the marketplace and provide a balanced perspective is increasingly being seen as critical to board effectiveness. So, the time is right, and we can expect to see more women players at the board table!

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Sheryl Spanier, MS/CMF heads up Sheryl Spanier & Company, which provides individual and organizational consulting services for leadership strategy, team engagement, executive coaching and career management. She can be reached at sheryl@sherylspanier.com.