

## The Status of Women Leaders in Utah Business: A 2018 Update

In 2014, the Utah Women & Leadership Project (UWLP) released a research and policy brief titled “The Status of Women Leaders in Utah Business.”<sup>1</sup> The document was one of four released in 2014 that focused on understanding the status of women’s leadership in politics, education, nonprofits, and business. This brief provides a four-year update to determine what, if any, progress has been made in women’s leadership within Utah’s business sector. The brief compares Utah data with national data and reviews the applicable literature dealing specifically with women in the highest levels of business leadership, including C-level positions and presence on executive boards.

### Study Background

Like the 2014 study, this study was based on two lists: 1) Utah companies obtained from the Utah Department of Workforce Services’ FirmFind, which is an online directory of more than 80,000 companies or businesses in Utah,<sup>2</sup> and 2) the largest 45 public Utah companies obtained by *Utah Business Magazine*. FirmFind provided the businesses’ name, address, phone number, industry group, employment size, and county or zip code. The website allows a download of “Salt Lake Firms” and “Other Firms,” which together cover businesses throughout the state. After removing duplications, educational institutions and government entities, and then narrowing our sample to firms that had at least 100 employees, 913 remained. Nine of the 45 largest public companies from the list in *Utah Business Magazine* were added to our database as they were not duplicates. Hence, 922 companies were the initial population for this study.

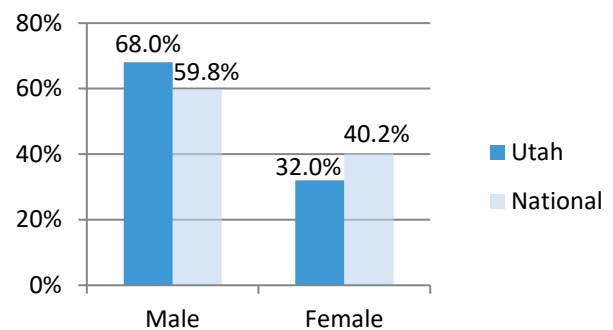
After contacting organizations on the list via websites, phone, and email, it was found that 20 were schools or nonprofits, or that they had closed or been acquired by other companies. As a result, the final number of potential sample organizations to the study was 902. Researchers attempted to find the needed data for each organization on websites. If this information was not available online, the company was contacted via email and/or phone. Doing so was challenging because many of the smaller private companies did not have boards, while others did not want to participate. In sum, researchers were able to collect at least partial data on 86% (775 of 902) of these organizations. Of these companies, 497 were headquartered in Utah; for the others, we gathered data on the gender of the general manager within Utah, but not the gender of the CEO, president, or board members as those individuals did not reside within the state. More details will be provided in the specific sections of this brief.

### Top Company Leaders

#### National

According to a 2017 Center for American Progress report, women make up 47% of the U.S. labor force and hold nearly 52% of professional-level jobs. Census data from 2016 show that women in the U.S. hold 40.2% of all “management occupations.” Utah women are well below the national average in this category, holding just 32.0% of these jobs. When looking specifically at the S&P 500<sup>3</sup> (large, public firms), U.S. women make up 44% of the S&P 500 labor force and hold 36% of first- or mid-level management positions.<sup>4</sup>

**Figure 1: Management Jobs Held by Gender**



Source: American Community Survey Data, 2016 Census

In terms of business executive positions, although there are not directly applicable national comparison data, we will provide some available statistics. First, according to the 2017 Center for American Progress report, 25% of executive- and senior-level managerial positions in S&P 500 companies were held by women, while 6% of these companies have female chief executive officers.<sup>5</sup> *Fortune* reported in 2016 that 18% of Fortune 1000 C-level executives were women, with women holding 6.9% of chief executive roles in these companies.<sup>6</sup> A 2017 Pew Research Center report shows 5.4% of Fortune 500 CEOs are women, up from 4% in 2013.<sup>7</sup> As is clear, S&P 500 and Fortune 1000 companies are enormous with thousands of employees worldwide, so these percentages cannot be compared to Utah percentages. More applicable, the Bureau of Labor Statistics<sup>8</sup> reports that 28% of U.S. companies have women chief executives. This includes businesses of all sizes, including companies having fewer than 100 employees. It is important to note that many women become the chief executive by launching their own businesses. Overall, based on our research results, we do know that Utah is well below national percentages for companies with more than 100 employees.

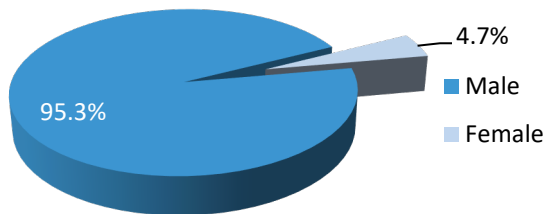
Overall, despite minor shifts in women’s leadership percentages from year to year, research from two major national organizations in 2017 shows that “women continue to fall far short of matching the success of their male counterparts in breaking into the top jobs”<sup>9</sup> and that, generally, women are less represented the higher up in an organization they go.<sup>10</sup> National research has also found that a company’s industry and organizational size can be a contributing factor in the number of women in top spots. Some studies confirm that more women executives are found in certain industry types and certain roles, including human resources and marketing leadership.<sup>11</sup>

*The percentage of female CEOs and presidents in Utah companies has slightly decreased in the past four years.*

**Utah**

Of the 343 Utah companies that reported having CEOs within the state, 16 (4.7%) currently have female chief executive officers, while 327 (95.3%) have males. In our 2014 report we found that 4.8% of Utah CEOs were women, so there has been a slight decrease in the last four years.

**Figure 2: Utah Corporate CEOs by Gender**



Interestingly, of the 49 publicly traded companies that report the gender of their CEO in this study, only one was a female (2.04%) which was the same as the 2014 study. Of the 294 private companies who reported CEOs, 15 were women (5.1%). Other analyses show that when a CEO is a woman in the state of Utah, there is a greater chance that there will also be women on their board of directors.

Of the 190 companies that reported the gender of their presidents (if different from their CEO), only 3.7% (n=7) of them were female compared with 6.2% in 2014. In addition, for companies headquartered outside of Utah (e.g. Walmart), we gathered data on gender of the top manager or leader within the state at each location that had more than 100 employees. Of the 320 locations that reported these data, 32 (10%) had female managers (it was slightly more than double that—20.8% of 207 companies—in 2014), while 288 (90%) had males (79.2% of 207 companies in 2014). This is a significant drop, and it could relate to the industries of the companies that have moved into the state of Utah in the last four years. Interestingly, a correlation analysis showed that when a company had

a female president, it was more likely that the company had a female as their board chair.

After combining all the leader categories for this study (i.e., CEO, president, top manager), 55 of 853 (6.4%) of top leadership roles within these companies were held by women compared to 58 of 500 (11.6%) in 2014. Hence, in the past four years, a substantially lower percentage of women are serving in top leadership roles in Utah businesses with 100 employees or more.

To help better understand the presence of female CEOs in Utah, this brief provides descriptive data related to number of employees (i.e., organizational size) (see Table 1), to Utah’s regions (see Table 2), and to Utah’s industry (see Table 3). As has been mentioned, while some national data do hint at the trend that larger companies have fewer female CEOs, our study, with its limited size, did not show this trend (see Table 1). There were not significant changes from our 2014 Utah data.

**Table 1: Utah Chief Executive Officers by Gender and Employee Count**

Number of Employees	Female	Male	Total	% Female
Less than 250	9	195	204	4.4
250–499	4	78	82	4.9
500–999	2	36	38	5.3
Over 1000	1	18	19	5.3
<b>Total</b>	<b>16</b>	<b>327</b>	<b>343</b>	<b>4.7</b>

In 2014 we found that although the percentages of female chief executive officers by region ranged from 0.0% to 13.3%, companies in some regions were so few that there was no statistical link between regions and presence of female CEOs within the state. This trend continued in 2018. Our current data show that regions range from 0.0% to 6.7% (see Table 2). The first region (Box Elder and Cache) decreased from 13.3% to 6.7%, the third region (Summit, Utah, and Wasatch) decreased from 4.4% to 3.6%, and the fifth (Beaver, Iron, Kane, and Washington) from 11.8% to 0.0%. The largest region of the state (Davis, Salt Lake, Tooele, and Weber) increased slightly from 3.4% to 5.4%.

Table 3 provides data on Utah CEOs by gender and industry. The percentages of female CEOs in various industries ranged from 0.0% to 11.1% in 2014, and the 2018 study shows that they range from 0.0% to 15.0%. The top industry categories for women CEOs in Utah include Transportation and Warehousing (16.7%) and Health Care and Social Assistance (15.0%). Currently, three industries have no Utah companies in the study with female CEOs (see Table 3).

**Table 2: Utah Chief Executive Officers by Gender and Region**

Region/Counties	Female	Male	Total	% Female
Box Elder and Cache	1	14	15	6.7
Juab, Millard, Sanpete, and Sevier	0	4	4	0.0
Summit, Utah, and Wasatch	3	80	83	3.6
Carbon, Emery, Grand, and San Juan	0	3	3	0.0
Beaver, Garfield, Iron, Kane, and Washington	0	14	14	0.0
Daggett, Duchesne, and Uintah	0	0	0	0.0
Davis, Salt Lake, Tooele, and Weber	12	212	224	5.4
<b>Total</b>	<b>16</b>	<b>327</b>	<b>343</b>	<b>4.7</b>

**Table 3: Utah Chief Executive Officers by Gender and Industry**

Industry	Female	Male	Total	% Female
Mining, Quarrying, Oil, Gas, & Construction	0	38	38	0.0
Manufacturing	2	69	71	2.8
Wholesale and Retail Trade	3	56	59	5.1
Transportation and Warehousing	2	10	12	16.7
Info, Finance, Insurance, Real Estate, and Management	3	53	56	5.4
Professional, Scientific, and Tech	0	43	43	0.0
Admin, Support, Waste Mgmt., Remediation Sources	2	22	24	8.3
Health Care and Social Assistance	3	17	20	15.0
Accommodation and Food Services	0	3	3	0.0
Other	1	10	11	9.1
<b>Total</b>	<b>16</b>	<b>321</b>	<b>337</b>	<b>4.7</b>

Note: We could not obtain industry information on all companies.

## Corporate Boards

### National

A number of national reports reflect the status of women on public corporate boards of directors. For example, in 2017 the Center for American Progress reported that 20% of S&P 500 and 18% of S&P 1500 board seats are held by women.<sup>12</sup>

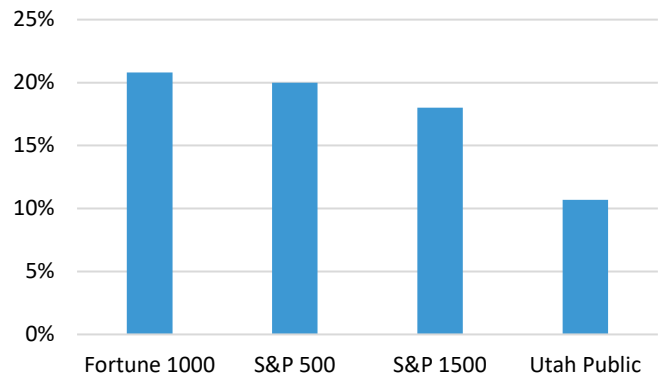
Catalyst reported similar numbers and added that 2.8% of these companies had no women directors, while 24.6% had only one.<sup>13</sup> *Fortune* reported in 2016 that women held the role of Chairman of the Board in 6.7% of Fortune 1000 companies.<sup>14</sup> According to the 2017 update of 2020 Women on Boards, women held 20.8% of total board seats in Fortune 1000 companies, a number that reflects an increase from 14.6% when their research began in 2011. Researchers note that some companies add women to the board by increasing the number of board seats, and that “smaller and newer companies continue to lag larger companies in finding women to serve on their boards.”<sup>15</sup>

### Utah

We were able to obtain information from only 143 companies about the gender of the board chair and from 141 the genders of their board members. Many privately held companies did not have boards, and we were disappointed with the many companies that did not respond or that refused to provide data even though it would not be shared publicly. In our sample, we found that 10 boards (7.0%) were chaired by women, up slightly from seven (5.4%) in 2014. Within the publicly traded Utah companies studied, two of the 45 (4.4%) companies had female board chairs (same as our 2014 data). As noted previously, we found that boards with female chairs are more likely to have female company presidents and more female directors.

Of the 141 companies studied in 2018, there were 748 board of director seats, with 658 males (88.0%) and 90 females (12.0%). In 2014, 85.8% of the directors were men and 14.2% were women. Hence, there is a slight decrease in women on boards in this sample of Utah companies. In Utah public companies, 10.7% of the board members were women; while in private companies, 12.8% of board members were female. More women do serve on boards of private companies in Utah and nationally. It is important to note that the national comparison data are focused only on large, publicly traded companies. Utah is still well below the national numbers (see Figure 3).

**Figure 3: Percentage of Females on Public Corporate Boards (Utah vs. Nation)**



It appears that 79 of the 141 Utah companies in our sample still have no female board directors (56.0%), while 42 (29.8%) had only one, and 20 (14.2%) had two or more. Not surprisingly,

companies with female board members are also more likely to have a female CEO, as well as larger boards.

To better understand the presence of female directors on company boards (public and private) within Utah, descriptive data are provided related to number of employees (see Table 4), regions (see Table 5), and industry (see Table 6). Table 4 shows that there is a trend in the Utah data (except for the 500–999 range) that companies with greater numbers of employees appear to have more women holding seats on the boards of directors. This is consistent with national data as described previously.

**Table 4: Utah Corporate Board Members by Gender and Employee Count**

Number of Employees	Female	Male	Total	% Female
Less than 250	38	295	333	11.4
250–499	23	163	186	12.4
500–999	9	111	120	7.5
Over 1000	20	89	109	18.3
<b>Total*</b>	<b>90</b>	<b>658</b>	<b>748</b>	<b>12.0</b>

*Note:* We could not obtain employee numbers on all companies.

Table 5 shows that the percentage of female directors ranges from 0.0% to 14.1%, compared to 6.3% to 21.4% in 2014. As was the case previously, with so few participating companies analyzed in some regions, there is no statistical link between regions and presence of female directors.

**Table 5: Utah Corporate Board Members by Gender and Region**

Region/Counties	Female	Male	Total	% Female
Box Elder and Cache	1	15	16	6.3
Juab, Millard, Sanpete, and Sevier	0	0	0	0.0
Summit, Utah, and Wasatch	20	122	142	14.1
Carbon, Emery, Grand, and San Juan	0	6	6	0.0
Beaver, Garfield, Iron, Kane, and Washington	2	22	24	8.3
Daggett, Duchesne, and Uintah	0	0	0	0.0
Davis, Salt Lake, Tooele, and Weber	67	493	560	12.0
<b>Total</b>	<b>90</b>	<b>658</b>	<b>748</b>	<b>12.0</b>

Table 6 shows that the percentages of female directors in various industries range from 3.5% to 22.2%, while in 2014 the range was 6.0% to 26.3%. National research has confirmed that more female directors hold seats in industries where more

women generally are employed. This is the case for Health Care and Social Assistance (22.2%), Other (22.2%), Administrative, Support, Waste Management, and Remediation Sources (16.1%), and Wholesale and Retail Trade (16.1%), and where the highest percentages of female directors were found within Utah. The lowest numbers in Utah industries were found in male-dominated industries such as Mining, Quarrying, Oil, Gas, and Construction (3.5%); Info, Finance, Insurance, Real Estate, and Management (9.4%); and Manufacturing (11.8%).

**Table 6: Utah Corporate Board Members by Gender and Industry**

Industry	Female	Male	Total	% Female
Mining, Quarrying, Oil, Gas, & Construction	2	55	57	3.5
Manufacturing	16	120	136	11.8
Wholesale and Retail Trade	23	120	143	16.1
Transportation and Warehousing	4	28	32	12.5
Info, Finance, Insurance, Real Estate, and Management	16	154	170	9.4
Professional, Scientific, and Tech	11	80	91	12.1
Admin, Support, Waste Mgmt., Remediation Sources	5	26	31	16.1
Health Care and Social Assistance	4	14	18	22.2
Accommodation and Food Services	0	0	0	0.0
Other	8	28	36	22.2
<b>Total</b>	<b>89</b>	<b>625</b>	<b>714</b>	<b>12.5</b>

*Note:* We could not obtain industry information on all companies.

### Important Questions

Although many business leaders state that they have difficulty finding qualified women to serve in top leadership positions or on corporate boards, others argue that the low representation of women has little to do with a lack of capable women and more to do with women not being as visible or networked as effectively as men (e.g., good old boys club). Either way, it is well worth the time and effort for current CEOs and board chairs to create diverse leadership teams as the business environment continues to become more globally competitive and tumultuous. One thing is clear; all organizations are in need of more creative and innovative business strategies and solutions, and leadership diversity is linked to that benefit. To do this, there are a few important questions that should be answered.



## *Why is it important to have women in corporate executive leadership and on boards?*

Although there are a host of reasons that could be mentioned, four will be highlighted in this brief. First, it makes good business sense. A number of studies have found that companies with “more women directors actually rank higher on various performance measures than other boards.”<sup>16</sup> Other studies have shown “positive correlation between gender diversity on boards and improvements in corporate governance and financial performance.”<sup>17</sup> A large study (2,360 companies) conducted by the Credit Suisse Research Institute “found that companies with a market capitalization of more than \$10 billion that have at least one female director outperformed peer companies with all-male boards by 26 percent.”<sup>18</sup> These researchers also reported that companies having at least one female director “averaged higher net income growth, lower net debt-to-equity ratio, and faster reduction in debt compared to companies with no female directors.”<sup>19</sup>

Second, a 2013 Canadian study found that women on corporate boards help companies strike better deals. This study “shows companies with female directors bring down costs of acquiring other firms, [and] make less risky bids.”<sup>20</sup> This means that women directors “are avoiding costly mistakes that end up hurting shareholders.”<sup>21</sup> Researchers say that women tend to be less overconfident than men, especially in times of uncertainty.

Third, women tend to be more holistic than linear thinkers. They more often look for win-win instead of win-lose solutions. Women also ask different questions, are known to be more sensitive to nonverbal communication cues, and are often more comfortable with ambiguity.<sup>22</sup>

Finally, some researchers argue that having more women on boards could help companies better engage with society. Women tend to be more concerned with corporate social responsibility and feel more compelled to be involved with efforts to help families, children, the needy, and others who are underserved.<sup>23</sup> More details on the research around the benefits of having women in top leadership positions and on boards can be found in the 2015 brief, titled “Why Do We Need More Women Leaders in Utah?”<sup>24</sup>

### *How do we move the needle in Utah?*

We believe that there are current efforts in the state that, if continued, could make a difference in starting the process of increasing the percentages of women in top leadership roles in Utah companies at least through increased awareness, but hopefully much more.

*First*, companies should take the ElevateHER Corporate Challenge (Women’s Leadership Institute) and pledge to elevate the stature of women’s leadership. Each organization may adapt its own policies within its unique structure to meet the commitments.

*Second*, Many Utah companies (encouraged by Silicon Slopes) have taken the Parity Pledge, which is an initiative of Parity.org designed to increase the representation of women at the

highest levels of leadership. The pledge is simply a commitment to interview at least one qualified woman for any open position at the vice president level or higher. The simplicity of this initiative appeals to companies that are beginning to work on increasing diversity. It is important to note, however, that taking the pledge is just a first step, and it will not lead to lasting change if company leaders do not make more in-depth goals and plans to measure the company’s progress toward them.

*Third*, to prepare women to lead at various levels of the organization (which is the pipeline to top leadership), women’s business networks and groups across the state currently provide opportunities for networking, learning, and peer-coaching for women in business at all levels of organizations, including entrepreneurs.

*Fourth*, schools of business at colleges and universities across the state are continuously looking for ways to recruit, retain, and place female students who have knowledge, skills, and aspirations to become business leaders.

*Finally*, research focused on women and gender has provided rich data from which policy (corporate and public) can be strengthened. Continued research sets a foundation for better understanding of the status and complexities of women and leadership, which helps guide positive change. This includes collecting data of various kinds. For example, we are starting an initiative to track companies who have created specific intentional initiatives or efforts to recruit, develop, retain, and promote women (e.g., women’s networks, women-only leadership development programs, bold company policies).

To bring more diversity to companies, leaders should also consider the following suggestions:

1. Create a pipeline of women leaders by strategically providing developmental opportunities for females identified as potential leaders (e.g., coaching, mentoring, training, new assignments).
2. Educate and encourage top company leaders to become change agents for diversity; this includes declaring that a necessary component of good governance includes having women on boards and in the highest company leadership positions.
3. Consider at *least* one woman candidate for every director opening and, as a start, ensure your company has at least one woman (hopefully more) seated on your board.
4. Expand your pool of potential directors by looking beyond current CEOs to other executive level candidates.
5. Examine your practices to see if there are changes that can be made to better recruit, promote, and retain women leaders for executive positions and boards.

In addition, the state could offer incentives to companies for diversified boards. Local chambers could also provide recognition for companies who have diverse boards. It is important to note that these are only a few key recommendations among a host of published suggestions.

## Conclusion

Current research has found that Utah companies generally have lower female representation in top leadership positions compared to the nation—particularly CEO and corporate boards—and that we have slightly decreased our percentages since 2014. Our guess, although we are not certain, is that the influx of tech companies to Utah has brought with it more male CEOs, presidents, general managers (for those headquartered outside the state), corporate board members, and employees more generally. Yet, researchers predict that future successful businesses will be those that “attract, retain, and grow talent in ways that provide more women the opportunity to succeed at all levels of the company, including the board.”<sup>25</sup> As we have

highlighted in the previous section, there are influential efforts being led inside the state to address these discrepancies.

Overall, Utah business leaders are encouraged to be more open-minded and thoughtful in terms of recruiting, promoting, and retaining prepared and competent women into these top-level positions. We also encourage companies to provide leadership development training and opportunities for their current female employees. The effort will be well worth it both in the short- and long-term. It is our hope that the data and insights shared in this brief will spark discussion and assist companies in making needed changes to diversify their leadership teams and corporate boards.

<sup>1</sup> Madsen, S. R., Backus, C., & Jones, G. (2014). The status of women leaders in Utah business. Research & Policy Brief No. 4, Utah Women & Leadership Project. Retrieved from <https://www.usu.edu/uwlp/files/briefs/9-status-of-women-leaders-in-utah-businesses.pdf>

<sup>2</sup> Utah Department of Workforce Services. (n.d.). FirmFind. Retrieved from <https://jobs.utah.gov/jsp/firmfind/#/>

<sup>3</sup> The American stock market index based on 500 large public firms.

<sup>4</sup> Warner, J., & Corley, D. (2017). The women’s leadership gap: Women’s leadership by the numbers. Retrieved from <https://www.americanprogress.org/issues/women/reports/2017/05/21/432758/womens-leadership-gap/>

<sup>5</sup> Warner, J., & Corley, D. (2017, p. 1).

<sup>6</sup> Darrow, B. (2016). There are hardly any women leading Fortune 1000 companies. *Fortune*. Retrieved from <http://fortune.com/2016/09/06/fortune-1000-still-led-by-men/>

<sup>7</sup> Brown, A. (2017). The data on women leaders. *Pew Research Center*. Retrieved from <http://www.pewsocialtrends.org/2017/03/17/the-data-on-women-leaders/>

<sup>8</sup> Bureau of Labor Statistics. (n.d.). Labor force statistics from the current population survey. Retrieved from <https://www.bls.gov/cps/cpsaat11.htm>

<sup>9</sup> Warner, J., & Corley, D. (2017, p. 2).

<sup>10</sup> Catalyst. (2018). Women in S&P 500 Companies. Retrieved from <http://www.catalyst.org/knowledge/women-sp-500-companies>

<sup>11</sup> Darrow, B. (2016).

<sup>12</sup> Warner, J., & Corley, D. (2017).

<sup>13</sup> Catalyst. (2017). Women on corporate boards globally. Retrieved from <http://www.catalyst.org/knowledge/women-corporate-boards-globally-2017>

<sup>14</sup> Darrow, B. (2016).

<sup>15</sup> 2020 Women on Boards. (2017). 2020 women on boards: Gender diversity index. Retrieved from [https://www.2020wob.com/sites/default/files/2020WOB\\_GDI\\_Report\\_2017\\_FINAL.pdf](https://www.2020wob.com/sites/default/files/2020WOB_GDI_Report_2017_FINAL.pdf)

<sup>16</sup> Committee for Economic Development (CED). (2012). Fulfilling the promise: How more women on corporate boards would make America and American companies more competitive (p. 11). Retrieved from [http://www.fwa.org/pdf/CED\\_WomenAdvancementonCorporateBoards.pdf](http://www.fwa.org/pdf/CED_WomenAdvancementonCorporateBoards.pdf)

<sup>17</sup> Lillienfeld, D. E. (2012). Measures to increase gender diversity on corporate boards gain traction. *New York Law Journal*, 251(4), 1–2.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Taylor, M. (2013, December 3). Study: Women on corporate boards help companies strike better deals. Retrieved from

<http://america.aljazeera.com/articles/2013/12/3/study-women-on-corporateboardshelpcompaniesstrikebetterdeals.html>

<sup>21</sup> Ibid.

<sup>22</sup> Rosener, J. B. (2011, June 7). The “terrible truth” about women on corporate boards. *Forbes*. Retrieved from <http://www.forbes.com/sites/womensmedia/2011/06/07/the-terrible-truth-about-women-on-corporate-boards/>

<sup>23</sup> Committee for Economic Development (CED). (2012, p. 13).

<sup>24</sup> Madsen, S. R. (2015). Why do we need more women leaders in Utah? Retrieved from <https://www.usu.edu/uwlp/files/briefs/10-why-do-we-need-more-women-leaders.pdf>

<sup>25</sup> Committee for Economic Development (CED). (2012, p. 11).

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