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## A slow climb up the corporate ladder Houston lags behind the national average of women on corporate boards

BY MOLLY RYAN | HOUSTON BUSINESS JOURNAL

Houston has the second-highest concentration of *Fortune* 500 companies in the nation, but when it comes to their corporate boards, they have a staggeringly low percentage of women compared to the national average.

Women comprised only 7.5 percent of the boards of the largest companies in Houston in 2011, according to a study by the Houston office of executive search firm Spencer Stuart, which analyzed some of the city's largest companies. This is less than half the national average of women on corporate boards in the S&P 500, which was 16 percent in 2011.

Furthermore, the gap is found across various industries. In 2011, 16 of the top 50 public companies on the *Houston Business Journal's* list did not have a woman on their board. This year, three of those added female directors. While the number of women on corporate boards is growing — across the nation Spencer Stuart measured an increase from 12 percent in 2001 to 16 percent in 2011 — it's not happening in dramatic strides. And, in an area like Houston, which already has a lower percentage, many professional women are pushing to have more of a presence on corporate boards, according to women's business groups in Houston.

Responding to this increased demand, the Greater Houston Women's Chamber of Commerce and a newly formed Houston chapter of Women Corporate Directors have taken up the cause of increasing the number of women on corporate boards. The GHWCC recently received a grant from Houston-based Marathon Oil Corp. (NYSE: MRO) in which the company will lend some executives to assist in the chamber's initiative, although the specifics have not been determined.

The Houston chapter of WCD is in the process of recruiting eligible members to join the organization, which hosts symposiums and educational seminars about topics concerning women on corporate boards.

"I didn't raise the issue because I was interested (in joining a corporate board); I raised the issue because it needs to happen," said Patricia Gardner Young, a

Houston-based principal at NRG Solutions LLC who is leading the GHWCC's new initiative to get more women on Houston's male-dominated corporate boards. "There are statistics that women make or influence 80 percent of consumer decisions and make up 50 percent of managerial positions at the workplace."

Furthermore, women approach problems differently and have different professional experiences, Young said. With added input from women, and with more diverse corporate boards in general, Young and other local experts agree that companies stand a higher chance of success.

### BOY'S CLUB

Kim Denney, a partner at Newport Board Group, a nationwide corporate advisory firm founded in Houston in October, has a laundry list of qualifications experts say are desirable to almost any corporate board. But, she said, at some companies, it can be hard to break into the traditional all-boys boardroom in Houston.

Denney is in talks with a Houston-based private company and a publicly traded multinational company with operations in Houston about joining their boards.

"It's easier (to get on a corporate board) than in the past," said Denney, former chief administrative officer at Air Liquide and the first female chair of the Compressed Gas Association, an industry nonprofit group. "Women may get more attention because a company is looking for a female requirement, but more often you get less attention because (adding a woman) would be going to a place they haven't gone before."

Especially in Houston's largest sectors, energy and heavy industry, adding a woman to help lead a company's organizational structure can be difficult due to resistance to change and a smaller pool of women with industry knowledge, Denney said.

"My experience has been that boards are looking for someone who can understand the details of what the company is doing from a technical perspective, and that's why most people on the boards



Kim Denney of  
Newport Board Group

ERIC KAYNE/HBJ

have experience in that industry," she said.

Suzanne Nimocks, a member of three corporate boards, including Houston-based Rowan Companies Inc. (NYSE: RDC), and a founding member of the WCD chapter in Houston, agreed.

"The energy industry has been engineering driven, fairly male driven and the senior management ranks are underrepresented in women," she said, adding that companies have made more of an effort to diversify boards. "There is an increasing amount of emphasis on diversity — not only gender, but other types of diversity. Houston is the fourth-largest city in the U.S. and home to so many *Fortune* 500 companies that it ought to have more diverse boards."

Some Houston companies have already diversified, such as Sysco Corp. (NYSE: SYY), which has the most female board members in Houston — four out of 12 — and ConocoPhillips (NYSE: COP), which has three female board members out of 13.

More boards are seeing the benefit of having different perspectives and, with increased government regulations of boards, corporations are taking steps to ensure all their actions are transparent and fair, said Denney.

"I think what's happening is we now have CEOs who are diversifying in their own company, and they have gotten a lot of value from the opinions of people from different backgrounds," she said.

### TALENT SEARCH

Many local companies that do not have women on their corporate boards claim it is hard to find qualified candidates, said

Young. However, the GHWCC believes there are plenty of qualified women in Houston, and the chamber is in the process of creating a database of experienced women to recommend to companies looking for a female board member.

"Many board candidates come from a recommended pool, so its current members are recommending future members," said Young, noting that this way of recruiting only helps perpetuate male-dominated boards.

In addition, the GHWCC is helping prepare women to be eligible for corporate boards by identifying candidates with strong corporate governance, legal and finance backgrounds and assisting them in making the right choices to get on a corporate board. For example, a woman can join the finance committee on a nonprofit board to develop her skills, said Suzan Deison, CEO of the GHWCC.

However, Janet Clark, Marathon Oil's CFO, a Round Rock-based Dell Inc. (Nasdaq: DELL) board member and a co-chair of the Houston chapter of the WDC, said that no matter how many steps women take to be on a corporate board, ultimately, corporate boards are looking for candidates with a strong career.

"It's your career that puts you in a position to be on a corporate board," Clark said. "If you are a senior executive (and you want to join a corporate board), you need to let people know you are looking and have an idea of what you bring to the table." ■

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