

The Status of Women Leaders in Utah Business

In September 2013, the *Center for American Progress* released a report titled “The State of Women in America: A 50-State Analysis of How Women Are Faring Across the Nation.”¹ This report ranks Utah last of all 50 states in terms of women holding positions of decision making and leadership. The report focuses solely on the percentage of women in elected office and private sector management positions. To promote understanding and action, we provide a more detailed look at the status of women in leadership in various sectors in Utah. This is the last of four 2014 briefs, each of which compares national data with Utah data and provides a pertinent literature review. The first three provide data on women leaders in Utah politics, nonprofit organizations, and higher and public education institutions. This brief focuses on the status of women leaders in Utah business. More specifically, it provides data regarding the gender of top company leaders (e.g., CEOs, presidents, or lead managers) and the corporate board chair and members. But first we highlight details about the Utah study we conducted.

Study Background

The study was based on two lists: 1) Utah companies obtained from the Utah Department of Workforce Services’ FirmFind, which is an online directory of over 80,000 companies or businesses in Utah,² and 2) the largest 45 public Utah companies obtained from *Utah Business* magazine. FirmFind provided the business’ 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, 712 remained. Forty of the 45 largest public companies from the list in *Utah Business* were added to our database as they were not duplicates. Hence, 752 companies were the initial population for this study.

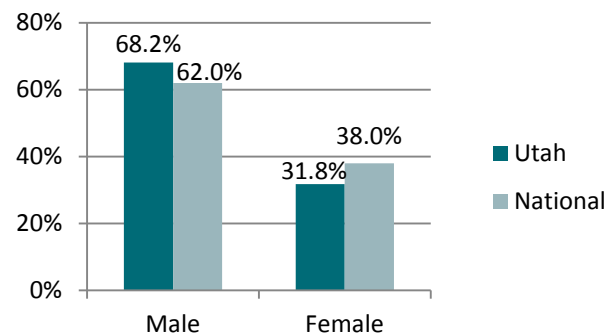
After contacting organizations on the list via websites, phone, and email, it was found that of the original 752 organizations, 13 were non-profit and five had been acquired by other companies. As a result, the final number of potential sample organizations to study was 734. Researchers then attempted to find the needed data for each organization on websites. If this information was not available, 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 61% (451 of 734) of these organizations.

Top Company Leaders

National

According to a recent report, “Benchmarking Women’s Leadership in the United States,” 49.1% of the labor force is comprised of women, while 51.4% of all professional, managerial, and related positions in the U.S. are held by women.³ However, when focusing solely on managerial positions across the country, the *Center for American Progress’* report—based on U.S. Census data—found that women held only 38% of these positions.⁴ This report also stated, “Utah is the third-worst state in the country in terms of the percentage of managerial jobs held by women,” with women holding 31.8% of management jobs in the state (see Figure 1).⁵

Figure 1: Managerial Jobs Held by Gender
(Center for American Progress Data)



In terms of business executive positions, one report stated that only 14.1% of these positions are occupied by women.⁶ A 2013 Catalyst report maintained that 14.6% of executive officer positions in Fortune 500 companies were held by women, and that there had not been progress in that category for four consecutive years.⁷ This trend is common across many sectors in which the “percentage of female top leaders is not representative of the labor force or the number of women in management and professional roles.”⁸

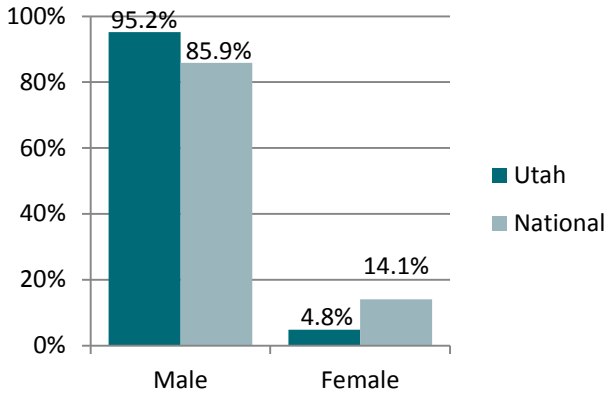
A company’s industry and organizational size can be a contributing factor in the number of women in top spots in companies. Some studies have confirmed that more women executives are found in specific industry types—firms that cater to females as their primary purchasers and that rely on advertising to promote their products to customers.⁹ Some non-U.S. studies have found more women in executive positions within banks, retail, health, media and publishing, service, and utilities.¹⁰ There are insufficient data published about the impact of organizational size on the presence of female CEOs. However, the literature hints at the trend highlighted in the non-

profit organizational literature. Organizations with larger budgets and more employees tend to have fewer women leaders at their helms.¹¹

Utah

In our study, of the 228 Utah companies that reported CEOs within the state, 11 (4.8%) currently have female chief executive officers, while 217 (95.2%) have males. This is well below the national data as illustrated in Figure 2.

Figure 2: Corporate CEOs by Gender (Utah vs. Nation)



It is important to note that 181 of the companies in our study were not headquartered in Utah, so they did not have CEOs based within the state; hence, they were not included in our numbers. In addition, 252 companies in this study were headquartered in Utah; we could not find the headquarter location for the remaining 18 companies in this study. Interestingly, we found only one female CEO (2%) in the 51 publically-traded companies in our study.

Of the 65 companies that reported the gender of their presidents (if different from the CEO), four (6.2%) of them were female. In addition, for companies headquartered outside of Utah (e.g., Walmart), we gathered data on the gender of the top manager or leader within the state at each location that had more than 100 employees. Of the 207 companies that reported these data, 43 (20.8%) had female managers, while 164 (79.2%) had males. After combining all leader categories (i.e., CEO, president, top manager), 58 of 500 (11.6%) top leadership roles within these companies were held by women.

To help better understand the presence of female CEOs in Utah, we provide descriptive data related to number of employees (i.e., organizational size) (see Table 1), regions (see Table 2), and industry (see Table 3).

As mentioned, while some national data do hint at the trend that larger companies have fewer female CEOs, this study, with its limited size, did not show this trend (see Table 1).

Table 1: Utah Chief Executives Officers by Gender and Employee Count

Number of Employees	Female	Male	Total	% Female
Fewer than 250	6	145	151	4.0
250–499	2	31	33	6.1
500–999	1	18	19	5.3
Over 1000	1	18	19	5.3
Total*	10	212	222	4.5

*Six companies with CEOs did not report number of employees.

Although the percentages of female chief officers by region (see Table 2) range from 0.00% to 13.3%, companies in some regions are so few that there is no statistical link between the regions and presence of female CEOs within the state.

Table 2: Utah Chief Executive Officers by Gender and Region

Region/Counties	Female	Male	Total	% Female
Box Elder and Cache	2	13	15	13.3
Juab, Millard, Sanpete, and Sevier	0	4	4	0.0
Summit, Utah, and Wasatch	4	87	91	4.4
Carbon, Emery, Grand, and San Juan	0	5	5	0.0
Beaver, Iron, Kane, and Washington	2	15	17	11.8
Duchesne and Uintah	0	8	8	0
Davis, Salt Lake, Tooele, and Weber	3	85	88	3.4
Total	11	217	228	4.8

Table 3 provides data on Utah chief executive officers by gender and industry. The percentages of female chief officers in various industries range from 0.00% to 11.1%. Again, the sample size is not large enough to show statistical significance between and among industries. There are a few more women in both the Healthcare and Social Assistance category, as well as the Retail Trade category, which is to be expected based on the national studies. The bottom-line, however, is that Utah is well below the national average in terms of female CEOs leading public and private companies, particularly those with over 100 employees.

Table 3: Utah Chief Executive Officers by Gender and Industry

Industry	Female	Male	Total	% Female
Mining, Quarrying, Oil, Gas, and Construction	0	27	27	0.0
Manufacturing	2	32	34	5.9
Wholesale and Retail Trade	2	29	31	6.5
Transportation and Warehousing	0	9	9	0.0
Info, Finance, Insurance, Real Estate, and Management	1	24	25	4.0
Professional, Scientific, and Tech	0	24	24	0.0
Healthcare and Social Assistance	3	34	37	8.1
Accommodation and Food Services	0	9	9	0.0
Other	3	24	27	11.1
Total	11	212	223	4.9

*We could not obtain industry information for all companies.

Corporate Boards

National

There are a number of national reports published on the status of women on public corporate boards of directors. For example, Catalyst reported that women held only 16.9% of Fortune 500 corporate board seats in 2013, with women of color faring particularly poorly at 3.2%.¹² These researchers also found that 10% of these companies had no women serving on their boards. These numbers have increased only slightly over the past few years.¹³ Yet, an Ernest & Young report stated that 26% of the companies on the S&P 1500 had no women directors.¹⁴ More generally, the *Committee for Economic Development* (CED) reported that the percentage of women on all publicly-traded U.S. corporate boards has been stuck for a decade in the 12.1%–12.3% range.¹⁵

According to *2020 Women on Boards*, company size does matter when it comes to the number of women on boards. However, this report only compared the Fortune 500 to the Fortune 501–1000 companies. They found that the top 500 had more women directors than the 501–1000 Fortune companies.¹⁶ Scholarly studies with broader samples have also found at least some evidence that fewer women serve on boards of smaller companies.¹⁷ Authors argue that larger companies have larger boards and therefore more available seats that can be filled by women. Researchers for one study also stated that “larger, more visible organizations experience more pressure to conform to societal expectations for more diverse boards as well.”¹⁸

2020 Women on Boards also reported some interesting differences among sectors with utilities (19.9%), real estate

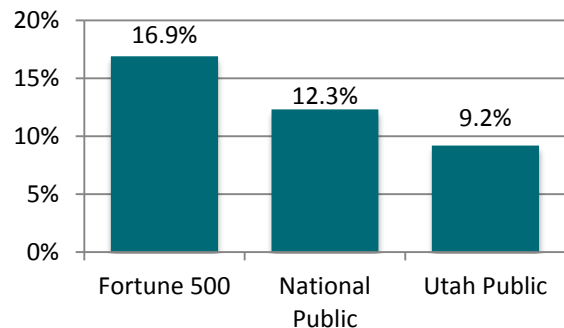
(19.4%), consumer defensive (19.0%), and financial services (18.1%) with the highest numbers of women directors. And, the lowest percentages were found in energy (10.8%), technology (14.7%), and industrials (14.7%). Basic materials, communication services, consumer cyclical, and healthcare range in the middle from 15.0% to 17.4% percent of their board seats held by women.¹⁹ Another study²⁰ found more female board members in financial services and conglomerates, sectors that have a significant number of female clients, while a different study found more female directors in retail trade and transportation and fewer in mining.²¹ A final study confirmed that there are more women directors in industries that employ more women generally.²²

Utah

A 2013 Utah study in *Utah Business* magazine looked at the boards of the top 45 public companies in the state. They found that “only 8.4% of board positions in Utah’s public companies are filled by women.”²³ They also found that 55.5% of the companies had no women directors, 37.7% had one, and only 6.6% had two or more female directors.²⁴ A *Salt Lake Tribune* reporter, Napier-Pearce, also studied publicly-traded companies on the *Bloomberg Utah Index* and found that women occupied just 7.4% of board seats in those organizations.²⁵

Of the 252 companies in this study that were headquartered in Utah, we could obtain information from only 129 about the gender of the board chair and 137 on the genders of their board members. Many of the privately held companies did not have boards. Within the 129 organizations mentioned, seven boards were chaired by females (5.4%) with 122 (94.6%) being chaired by men. Within the 137 publicly traded and privately held companies studied, there were 965 board of director seats, with 828 males (85.8%) and 137 females (14.2%). It is important to note that the national comparison data is focused only on publicly traded companies. It appears that more women do serve on boards of private companies in Utah and nationally. Within the publicly-traded Utah companies studied, two of the 50 (4%) companies had female board chairs. Also, within the public companies, 31 (9.2%) of the board members were women and 306 (90.8%) were men. This is slightly higher than the two Utah studies reported above, but it is still well below the national numbers.

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



It appears that 73 of the 137 Utah companies had no female board directors (53.3%), while 30 (21.9%) had one, and 34 (24.8%) had two or more. Not surprisingly, companies with female board chairs are also more likely to have female CEOs and other female board directors.

To better understand the presence of female directors on company boards (public and private) within Utah, descriptive data is provided related to number of employees (see Table 4), regions (see Table 5), and industry (see Table 6).

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

Number of Employees	Female	Male	Total	% Female
Fewer than 250	55	435	490	11.2
250–499	18	85	103	17.5
500–999	16	69	85	18.8
Over 1000	39	119	158	24.7
Total*	128	708	836	15.3

*We could not obtain employee numbers on all companies.

There is a clear statistical trend in the Utah data that show that companies with greater numbers of employees have more women holding seats on the boards of directors (see Table 4). This is consistent with national data as described previously.

Table 5: Utah Corporate Board Members by Gender and Region

Region/Counties	Female	Male	Total	% Female
Box Elder and Cache	12	48	60	20.0
Juab, Millard, Sanpete, and Sevier	1	15	16	6.3
Summit, Utah, and Wasatch	36	311	347	10.4
Carbon, Emery, Grand, and San Juan	2	16	18	11.1
Beaver, Iron, Kane, and Washington	21	66	87	24.1
Duchesne and Uintah	3	15	18	16.7
Davis, Salt Lake, Tooele, and Weber	62	356	418	14.8
Total	137	827	964	14.2

Although the percentages of female directors range from 6.3% to 24.1% (see Table 5), because there are so few participating companies that were analyzed in some regions, there is no statistical link between regions and presence of female directors.

Table 6: Utah Corporate Board Members by Gender and Industry

Industry	Female	Male	Total	% Female
Mining, Quarrying, Oil, Gas, and Construction	9	87	96	9.4
Manufacturing	12	92	104	11.5
Wholesale and Retail Trade	18	109	127	14.2
Transportation and Warehousing	4	18	22	18.2
Info, Finance, Insurance, Real Estate, and Management	11	97	108	10.2
Professional, Scientific, and Tech	6	94	100	6.0
Healthcare and Social Assistance	63	218	281	22.4
Accommodation and Food Services	5	14	19	26.3
Other	8	89	97	8.2
Total*	136	818	954	14.3

*We could not obtain industry data on all companies.

The percentages of female directors in various industries range from 6.0% to 26.3% (see Table 6). National research has confirmed that more female directors hold seats in industries where more women generally are employed. This is the case for Healthcare and Social Assistance (22.4%) and Accommodation and Food Services (26.3%), where the highest percentages of female directors were found within Utah. The lowest numbers in Utah industries were found in the following male dominated industries: Professional, Scientific, and Technology (6.0%); Mining, Quarrying, Oil, Gas, and Construction (9.4%); and Manufacturing (11.5%). Yet, further analysis did not show statistical significance between and among industries within this data set.

Important Questions

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

Although there are a host of reasons, 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.”²⁶ Other studies have shown “positive correlations between gender diversity on boards and improvements in corporate governance and financial performance.”²⁷ 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.”²⁸ These researchers also reported that companies with 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.”²⁹

Second, a recent Canadian study finds that having 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.”³⁰ This means that women directors “are avoiding costly mistakes that end up hurting shareholders.”³¹ The researchers claim 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.³²

Finally, some researchers argue that having more women on boards help companies to 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.³³

How do we move the needle in Utah?

Although many business leaders claim to have difficulty finding qualified women to serve in top leadership positions or on corporate boards, others argue that the lack of women has little to do with a lack of capable women and more to do with women not being as visible or effectively networked 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 bring more diversity to companies, leaders should consider the following suggestions:

1. Creating a pipeline of women leaders by strategically providing developmental opportunities for females identified as potential leaders (e.g., coaching, mentoring, training, new assignments).
2. Educating and encouraging 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 top company leadership positions.
3. Considering at least one woman for every director opening and, as a start, ensuring that your company has at least one woman (hopefully more) seated on your board.
4. Expanding your pool of potential directors by looking beyond current CEOs to other executive level candidates.

5. Examining 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 can offer incentives to companies for diversified boards. Local chambers can also provide recognitions 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

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.”³⁴ This research has found that Utah companies generally have lower female representation in top leadership positions compared to the nation—particularly CEO and corporate boards. 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 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.

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⁵ Chu, A., & Posner, C. (2013, pp. 20, 25).

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²⁰ Burke, R. J. (1999).

²¹ Geiger, S. W., & Marlin, D. (2012).

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²⁴ Ibid.

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