

**THE CONTRIBUTIONS AND STATUS OF WOMEN INSIDE
DIRECTORS IN FORTUNE 1000 COMPANIES**

By

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Introduction

By

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My interest in women and corporate boards evolved from a general desire for more information on boards. Being the most senior woman executive in an educational institution, there appeared to be no senior individuals available to assume a role on our board and to illustrate the possible role women executives could play. During my initial research, it became obvious there were very few senior women executives who had ascended to positions on their organization's corporate board. There was also very little known about women inside directors, giving me a tremendous opportunity to begin to answer numerous questions. My grand tour questions were to identify how women inside directors were represented on corporate boards and how their status was determined. Questions surrounding representation included the following sub-questions:

- Do women inside directors sit on larger boards?

- Do boards with women inside directors have a larger number of inside directors?
- Do boards with women inside directors have a larger representation of family members who are also directors?

The question on status was an issue of determining the influence of women inside directors by identifying their contributions and how they are utilized. The sub-questions surrounding influence included the following:

- Are women inside directors younger than male inside directors?
- Do women inside directors have shorter board tenure than male inside directors?
- How do the titles of women inside directors compare to male inside directors?
- How do the salaries of women inside directors compare to male inside directors?
- How are women inside directors utilized?

This research did not vary from this initial intent. These questions are answered, but as with most research, more questions were raised.

Similar to many women executives, I had never attributed any success or lack of success to anything other than my own performance. Many women executives feel no need to be a part of the women's movement and perhaps may even distance themselves from it, due to the negative consequences associated with being a gender advocate. Attributing the lack of women at the top to discrimination appears to be an

excuse for one's lack of success. I wasn't looking for any findings that there is some gender-bias in the corporate world. In fact, gender-bias was something that I had resisted. I was looking for understanding that would help women – something they could control themselves. The interviews of the women inside directors, presented later in this study, suggest some behaviors that women can control. The majority of the other findings gives understanding to the corporate dynamics and suggests there is a least one factor women cannot control - gender-bias in the corporate world.

The pursuit of the findings in this study included endless hours reviewing 1000 proxy statements, running never ending quantitative statistics, making numerous calls to extremely busy women, and analyzing qualitative interviews. Other than reviewing proxy statements, which is an extremely boring task that must be done with the utmost care, the pursuit was not drudgery. On the contrary, each finding spurred me to the next. When there appeared to be no clear direction, my advisors provided careful reviews and evaluations that were especially valuable. Nearly every waking hour (outside of my normal 50 hours per week of work) has been devoted to this project for the last year and a half. The entire Applied Research Project has been fascinating. The decision to write three publishable papers instead of the normal Applied Research Project was definitely a good decision. However, the three papers don't include all of the research. There is additional new knowledge that needs to be eventually disseminated to the public. Some of this information includes salary data on the women inside directors and additional interview results.

At this time the first paper is under review by the Strategic Management Journal and will be presented at the Academy of Management Conference in August 2001. I had no real understanding of the time involved in writing a publishable paper. Each word in each paper required considerable thought and then rethought.

The only disappointment in this project was the number of women inside directors that participated in the interviews. Interviewing only six out of 45 possible women have limited the possible findings. The only way I can interpret the lack of response is that the dynamics surrounding corporate boards and women is sensitive information that few are willing to share. Unfortunately other women can't learn from the valuable experience of these select executives. I am very grateful to the exceptional women who agreed to assist in this project and I look forward to their comments on these findings.

The design of the project was carefully laid out to give confidence in the results. This research used a multi-method approach that included quantitative and qualitative analysis. The quantitative portion of the research, which was deductive and hypothesis-driven, compared demographic data utilizing t-tests and chi-square tests. The qualitative portion, which was an inductive process, systematically analyzed the interviews of women inside directors. The reliability of the results is enhanced through the utilization of two reviewers of the proxy statements and two coders of the interviews.

There are very few women CEOs in Fortune 1000 corporations. The lack of women is generally attributed to either the absence of qualified women or a corporate

culture that is biased against women. Women inside directors are those that hold the dual roles of corporate board members and executive officers. Women holding inside director roles are an interesting group because this role is often considered a necessary stepping-stone to becoming a CEO. The current knowledge of women inside directors is limited to numerical representation. The following is a comprehensive study with a purpose to expand knowledge and understanding by identifying the contributions and status of some of the most highly placed women executives.

Forty-six women inside directors (WID) in thirty-seven firms were identified through a thorough review of 1000 proxy statements from the Internet. One woman was not included in this study, because the firm was privately held and information could not be obtained. The identification of these women began a journey that ultimately analyzed their current status from three perspectives. Each perspective culminates in a separate paper. The first perspective looks at how women inside directors compare to male inside directors. The second perspective looks at the corporate culture, specifically the CEOs and the board structure, that have women inside directors. The third perspective analyzes the views of the women inside directors themselves.

The first paper was coauthored with Dr. Diana Bilimoria, an Associate Professor in Organizational Behavior at Case Western Reserve University. She has conducted extensive research on women and boards and was also one of my advisors. This experience gave me an opportunity to see my research framed into an argument

utilizing theory. This paper compares women inside directors to a random sample of male inside directors at other Fortune 1000 firms and to male inside directors on the same corporate boards as the women inside directors. The finding is that women and men inside directors have equivalent experience, defined as age and board tenure. However, women inside directors participate on boards that are larger in size have more inside directors, and directors have more family relationships. The implication is that women inside directors (WID) experience token treatment and are not fully utilized.

The second paper analyzes the CEOs and board characteristics of firms that have added women inside directors. This paper uses the same data set as the first paper, but has a different focus. This paper analyzes the CEOs of the boards with and without women inside directors and draws from a different conceptual base. According to agency theorists the maximization of director independence will ensure the interests of the stockholders. Director independence can be enhanced through effectively structuring boards to be smaller in size, to have fewer inside directors, and to select CEOs with fewer family relationships, shorter board tenure, and who share the leadership of the organization with a Chairman of the Board. The supposition is that WIDs participate on boards that are most effectively structured because these boards are seeking director independence through selection of individuals with diverse perspectives. Through a comparison of boards with WID to a random sample of corporate boards without WID, it was found that women inside directors do not sit on boards that are most effectively structured. Boards with WID are boards are

controlled by management and have powerful CEOs. The implication is that CEOs without strong influence do not have the necessary control or comfort to add WID, and that CEOs who do not encourage WID are otherwise more closely following the precepts of effective principal – agent relations. These findings suggest that the lack of WID has to do with the corporations themselves and not with the women executives.

The third paper analyzes the interviews of six of the women inside directors. From the systematic coding of the interviews a model evolved which identified influence and inclusion as critical dimensions of their experience. This study identified three prototypes of women – accommodators, strivers and socialized achievers. The corporate environment and the behaviors of women are important factors that determine the ultimate influence and inclusion within the senior ranks. Too often corporate environments have control structures or peer behaviors which restrict how women are integrated. Some of these structures are exclusion from meetings and lack of autonomy, as well as intimidating peer behaviors. These structures or behaviors cause some women to balance protectiveness with abandonment, both of which ultimately limit their influence. Women who work in supportive environments without these structures are able to avert this choice. The implication is that corporations have a responsibility to provide a corporate environment that is supportive of women.

This project was more than I could have personally hoped for. It gave me a greater understanding that even the best performance does not guarantee an inside

board position. My hope is that this study will give a deeper understanding to women inside directors and to the corporate world in general. There is a huge gap between men and women inside directors in board representation and in status. Any changes in the corporate dynamics need to be a joint effort with those in power leading the challenge because the powerful have more opportunities to make changes.

More research centered on the most senior women executives is needed. Hopefully these findings will raise additional questions and spur researchers to generate further understanding. Perhaps even some of the findings in this study will be extended beyond women inside board members to other women executives and their corporate environments.

There are a number of weaknesses in the methodological approach that limits the study's findings. The entire study uses small sample sizes. There are only a few women inside directors so the group of corporations with women inside directors is obviously small. A larger random sample that also controls for industry would have increased the strength of the results. Additional statistically tests with correlation matrixes would also increase the validity and reliability of the findings. The t-tests selected on the dependent variable of women inside directors rather than the independent variables of board of board size and composition. The findings in the CEO paper are limited by a lack of variables that measure the CEO's motivation or reasons for adding women inside directors. And as pointed out early, the small number of interviews limit the findings in the third paper.

DEDICATION

This research is dedicated first and foremost to my family who allowed me the luxury to put this research ahead of family responsibilities. It is also dedicated to the phenomenal faculty at Case Western Reserve who not only challenge views, but also provides a supportive environment that allows even mature adults to develop.

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**TOKENS AT THE TOP: THE REPRESENTATION AND STATUS
OF WOMEN INSIDE DIRECTORS IN LARGE CORPORATIONS**

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ABSTRACT

TOKENS AT THE TOP: THE REPRESENTATION AND STATUS OF WOMEN INSIDE DIRECTORS IN LARGE CORPORATIONS

We examine Fortune 1000 corporations where women hold the dual roles of corporate board members and executive officers. Possibly because these women inside directors constitute a miniscule corporate elite, current knowledge about their nature, functioning, and impact is extremely limited. In the present study, we shed light on this understudied population by examining the extent to which their representation and status resembles those of tokens. Specifically, we examine board size, board composition, family relationships between directors on the board, board average age, board average tenure, executive titles and salary to evaluate the treatment of women at the top.

Our results demonstrate strong evidence that women inside directors sit on boards that are significantly different than other boards. We find that although women and men inside directors hold equivalent experience bases, the corporate boards on which women insiders sit have more members, more insiders, longer tenure, more family relationships, and a greater variety of executive titles. Women inside directors themselves hold less powerful titles and are paid less than comparable men inside directors. Implications are drawn of a board culture where women executives' participation includes token treatment and utilization even at the top.

TOKENS AT THE TOP: THE REPRESENTATION AND STATUS OF WOMEN INSIDE DIRECTORS IN LARGE CORPORATIONS

Inside and outside corporate directors differ in terms of their affiliations to the corporations on whose boards they sit. Inside directors are generally described, as board members who are also officers of the firm, while outside directors are non-management board members. Typically, the boards of large corporations are comprised mostly of outside directors who are valued for their range of experience, business counsel, and ability to secure important resources. However, inside directors bring an added dimension to the board's deliberations – in their capacities as officers of the firm, they are repositories of valuable information and knowledge specific to the corporation.

Studying inside directors is important since CEOs are most frequently chosen from inside the corporation. Currently, two thirds of the CEOs in Fortune 1000 companies succeeded to this position from within the corporation (Business Week, 1997). Inside director positions thus continue to be the most fertile grooming grounds for CEO succession. Studying *women* inside directors, including CEOs, is particularly important because these individuals appear to constitute an exclusive and particular elite at the top of corporations – their numbers are so small as to invite curiosity about their qualifications, dynamics, and impact. To this point, pretty much all that is known about women inside directors is their numeric representation (Daily, Certo, & Dalton, 1999), and even this information has been systematically collated for the largest corporations only since 1996 (Catalyst, 1997). More empirical work is

needed now to examine the specific dynamics of this group (including comparisons of the overall functioning and decision making of female and male inside directors and CEOs) as well as to investigate the contributions of this group (for example, in terms of their overall impact as mentors and champions of other corporate women employees).

In addition to the fact that they are a curious anomaly at the leadership and governance apex of corporations, the study of women inside directors is important because they explicitly provide us the opportunity to investigate the issue of diversity in corporate executive suites. Studying some of the most successful women in corporate America gives us the opportunity to identify themes and patterns in how women are represented and treated at the top. On the face of it, it would appear that corporations that include women officers on their boards of directors are more sensitive to issues of diversity. Indeed, by various annual and periodic quantitative measurements of the numeric representation of women outside and inside directors (e.g., Catalyst, Fortune, Working Woman) it would appear that this criterion is extremely important in the determination of a corporation's progressiveness with regard to women.

However, presence alone may be misleading, whether in small numbers in the case of women inside directors, or in large numbers in the case of women outside directors (c.f., Bilimoria and Piderit, 1994, who demonstrated the existence of a systematic sex-based bias in board committee assignments). The particular dynamics of what occurs at the top of organizations need to be specifically studied so as to

enhance extant knowledge about the accurate representation and status of women in corporate governance and leadership. In other words, the mere presence of women corporate inside directors cannot be interpreted at face value alone; to gain an accurate picture of diversity at the highest levels of the corporate hierarchy it is necessary to assess women's treatment and utilization as valuable colleagues on a board.

In this paper we empirically examine the representation and dynamics of women inside directors from the theoretical perspectives of tokenism and sex-based treatment. We seek to address broad questions, such as whether women inside directors are treated as tokens despite their qualifications and successes and whether general themes can be drawn that distinguish boards on which women inside directors sit as compared with other boards. By drawing inferences from a variety of tests that examine women directors' representation, we present evidence about the continued token status of women despite their presence at the highest peaks of the corporate hierarchy.

Previous Findings on the Representation of Women Inside Directors

Previous research on women inside directors has focused exclusively on their numeric representation (Bilimoria & Wheeler, 2000). Currently, women corporate inside directors constitute an extremely small group within director ranks. Women directors, both outside and inside, represent only 11.2% of all directors in Fortune 500 firms and 8.5% of Fortune 501 to 1000 firms (Catalyst, 1999a). Women inside directors comprise much smaller numbers – in 1999, there were 46 women inside

directors in all of the Fortune 1000 companies, comprising .004% of all directors or less than one half of one percent of total Fortune 1000 directors. And in 1999, there were five women CEOs in Fortune 1000 firms, again representing one half of one percent of total CEOs.

A recent study documented the progress of women inside directors over a ten-year period (Daily, Certo, & Dalton, 1999). This research found that from 1987 to 1996 there was no increase in women serving as inside directors in Fortune 500 companies. In fact the number actually decreased from 11 inside women directors in 1987 to eight women in 1996. The study also found that there was not an increase in the number of women serving as CEOs. This is especially disturbing considering previous findings that have documented the importance of participating as an inside corporate director before progressing to a CEO position.

The first time Catalyst's annual census report made a distinction between board member's corporate affiliations was in 1996. These reports have shown an increase in women inside directors *at a time when there has been a decrease in total inside directors* (see Figure 1). In the last four years, the percentage of women inside directors compared to all inside directors of Fortune 500 firms increased from .9% to 2% (however in 1999 this still adds up to a mere 23 women in the 500 largest industrials). This recent information indicates that there may be a new pattern of enhanced board receptivity to women inside directors in large corporations despite the general trend of significant reduction in the overall population. Clearly, more research needs to be undertaken to establish the reasons for women officers' recently

heightened popularity as board members during a time in which inside directors as a group appear to provide less value-added to corporate boards.

Figure 1 about here

THEORY AND HYPOTHESES

In seeking to understand the representation and status of women inside directors, we draw on the theoretical perspectives of tokenism and sex-based treatment. Before we build on these concepts, however, it is important to assess the corporate and business experience of women and men inside directors (c.f., Bilimoria & Piderit, 1994). If women inside directors have significantly less experience than male inside directors, then it is reasonable to infer that women are appropriately advancing, and that numeric parity and equal treatment will be achieved once women acquire the necessary exposure to business issues, past performance, and seniority. By extension, then, for any explanation other than their lack of experience to hold water (e.g., sex-stereotypic representation and status), a reasonable starting condition must be that the experience base of women and men inside directors do not differ significantly.

In support of the notion that both men and women require the necessary qualifications for promotion, a male executive in a Harvard Business Review survey stated “Men and women follow the same career path if their capabilities are equal” (Sutton and Moore, 1985:50). More recently, women chief executives have made similar statements. Linda Wachner, CEO of Warnaco stated, “I never felt

discriminated against.” (Dobrzynski, 1996). Carly Fiorina, CEO of Hewlett Packard said, “I never felt that my sex has been a disadvantage to me. There’s a lot of discussion that men won’t give adequate clout or power to women. Women share an equal burden for that. No one can be expected to be handed power” (Segal & Zellner, 1992).

For the purposes of this study, we investigate two director characteristics that reflect general business and specific corporate experience: age and board tenure.

Director Experience: Age and Board Tenure

A director’s age reflects experience, background, and maturity. Simply put, directors who are older have had more opportunities to develop their governance skills. Previous research has indicated that the average age of women directors is increasing, and that female board members are still younger than male directors (Catalyst, 1993).

Board tenure also reflects the experience as a director as well as knowledge of the company. Experienced directors are better prepared to provide valuable oversight and strategic direction of the company; whereas individuals new to the board are more likely to be susceptible to the pressures to conform and therefore follow the existing norms. Previous research on the relationship between board tenure of the CEO and power or status has generally found a direct relationship between expert power and length of tenure (Finkelstein, 1992). Increased tenure provides an increased familiarity with the firm’s resources and methods of operation. As noted by Kosnik (1990), other research findings have conflicted with previous studies and have

determined that a curvilinear relationship between tenure and performance exists, with performance reaching its peaks when average tenure approaches the median. However, for our purposes of exploring the differences between women and men inside directors, generally it can be expected that board tenure is a desirable indicator of qualifications and experience that increases an inside director's status.

Thus, to verify whether the notion that women inside directors' representation and status may be understood on the basis of tokenism explanations, we would need to first confirm the following hypotheses:

Hypothesis 1a: There are no differences in the age of women and men inside directors.

Hypothesis 1b: There are no differences in the board tenure of women and men inside directors.

Research evidence for the existence of tokenism and sex-based treatment can be found in the literature. Women have been shown to be at a disadvantage when selection decisions are made (Heilman, Martell and Simon, 1988). Salaries and promotions of women were found to lag men when education and experience were controlled (Brett and Reilly, 1992). Salary differences for men and women with the same experience were found for all levels, except for those with fewer than five years of experience (Sutton and Moore, 1985).

Executives continue to believe that women do not possess the right qualifications for corporate leadership. A 1985 Harvard Business Review survey of men and women executives found that they believe that women are not emotionally

equipped for management and that men are more competitive than women are. One-third of the survey respondents still believe women will never be totally integrated into corporate life; and women executives are more likely than men executives to share this perspective (Sutton and Moore, 1985). Another study found that attitudes of men and women managers had changed little over the last 15 years; managers continue to view women managers as more deficient than men in the necessary attributes for success as a manager (Heilman, Block, Martel, & Simon, 1989).

Additionally, evidence of the existence of a glass ceiling for women executives abounds. Women partners at Coopers and Lybrand were distressed because only 8% of the 1,300-strong partnerships are women after a decade of gender-neutral hiring (Himelstein & Anderson, 1997). Previous research indicates that from 1987 to 1996 there was no increase in the proportion of women serving as inside directors in Fortune 500 companies (Daily, Certo, & Dalton, 1999). In fact, the number actually decreased from 11 women inside directors in 1987 to eight in 1996. The study also found no increase in the number of women serving as CEOs. It has been suggested that women who managed to climb the ladder are likely to find a culture of tradition, stereotypes and an “old boy’s” network (Morrison, White, Van Velsor & the Center for Creative Leadership, 1987). This culture has a glass ceiling or an invisible wall, which women don’t recognize until they hit their head on it (Personnel Journal, 1990).

Researchers have attributed the lack of success of qualified women to barriers such as exclusion from the inner circle and tokenism. Kanter (1977) describes

tokenism as a numerical imbalance, which is generally less than 15% of one category. She concluded that this numerical imbalance places women in roles that limit their probabilities of success. Token women have also been termed “double deviants” or women who deviated from gender norms due to their commitment to a career and then deviated a second time by their desire to succeed in a male-appropriate role (Laws, 1975).

Interestingly, as Yoder (1991) pointed out, research has determined that tokenism is not gender neutral; rather a necessary ingredient for tokenism is being female. Token men do not experience the isolation, performance pressures and role entrapment that are common to tokenism. Researchers tend to agree on the dynamics surrounding token women. These include being subjected to excessive scrutiny (increased visibility and performance pressure), increased marginalization and isolation, and entrapment in stereotypical roles (Kanter, 1977; Yoder 1991; Laws 1975).

Board Size

According to token theory, men in male dominated occupations may have much to lose by substantially increasing the number of women, and may hence act to restrict the overall proportion of women to a token level. As women enter an occupation, the value of the occupation has been found to decrease compensation (Zimmer, 1986; Coser, 1981) and prestige (Coser, 1981). Prior research on racial minorities has suggested that discriminatory behavior to limit power gains is increased when a numerical surge threatens the majority (Brown & Fuguitt 1972;

Frisbie & Neidert, 1977; see Yoder, 1991); the dominant group numerically regulates the flow of outsiders into the group. Tokens do not change the system they enter (Laws, 1975) in part because their power is restricted by the dominant group's explicit and implicit controls, and in part because their numbers are too small to effect change.

If tokenism at the top does exist, we would expect to see that women directors, whether inside or outside, are added to boards as additional members instead of as replacements for men who are leaving. By this addition of "extra" women, the overall size of the board is enlarged, yet the proportion of women is kept small, thereby enhancing the likelihood of their treatment as tokens. Extra directors are more apt to be window-dressing rather than utilized and valued effectively. Karla Scherer, daughter of the founder of RP Scherer Corporation, recently had the following to say in describing the selection of women directors: "More often than not, though, they are mere sops to appease a rising tide of public opinion. One can almost hear those anxious males debating which woman they can nominate who will appear to have the credentials but who will not have the temerity to rock the boat (The Corporate Board, 1997: 4).

While previous research has examined board size in the context of the degree of CEO monitoring (Johnson, Daily & Ellstrand, 1996), only recently have studies begun to explicitly correlate this variable with the number of women directors. Burke (2000) undertook two studies, the first of which found that in the Business Top 1000 Canadian corporations, larger organizations had larger boards of directors and more

internal and external women and men directors. In the second study of the Canadian Financial Post 500 companies, Burke found that “larger companies and larger boards had more external women and men directors, more internal men directors, but not necessarily more internal women directors” (2000: 164). In a related finding, Bilimoria and Messer (2000) found a positive correlation between company size of the 135 largest Fortune 500 firms and the number of women outside directors. A similar correlation was also found to exist at the level of board committee functioning: committees staffed by women directors had larger sizes (Sethi, Swanson & Harrigan, 1981).

Based on these reasons, and extending specifically to women inside directors, we draw the following hypothesis:

Hypothesis 2: Boards with women inside directors will be bigger than boards without women inside directors.

Board Composition: Proportion of Inside Directors

Board composition primarily refers to the relative proportions of inside and outside directors. A commonly cited statistic is that corporate boards are comprised of approximately 20% inside directors. Korn/Ferry (1998) established that insider representation is somewhat dependent on industry, but that the average board has two inside directors and nine outside directors. This implies that each board has an inside director who is most likely the CEO and one additional inside member who is likely to be the groomed successor.

For similar reasons of maintaining control over small numbers of different others, and the discussion of board size that is developed above, male dominated boards of directors are more likely to appoint a woman as an “extra” inside (non-CEO) director rather than as a singular or replacement inside director. Token theory would suggest that as more peripheral members of the board, these women inside directors are likely to have less personal influence in boardroom deliberations. Additionally, the presence of other inside directors will serve to balance out the individual influence exerted by women; once again, their proportionally small numbers allows the status quo to continue unchallenged. Hence, if token theory were correct, we would expect to see:

Hypothesis 3: Boards with women inside directors will be comprised of more inside directors than boards without women inside directors.

Board Composition: Average Age and Tenure of Directors

Board average age and tenure represent the overall experience base present on a board of directors. Older boards and boards with higher average tenure of directors are likely to have a different culture than younger boards and boards with lower tenure. Based on tokenism arguments, we would expect that older boards and boards where the average tenure of directors is high would appoint and treat women inside directors largely in a token capacity, since these boards are already well staffed with the experience required to govern effectively. Hence,

Hypothesis 4: Boards with women inside directors will be older than boards without women inside directors.

Hypothesis 5: Boards with women inside directors will have longer tenure than boards without women inside directors.

Board Family Control

Kinship ties and family dynamics are often important aspects of corporate board functioning. Parent-child, uncle-nephew/niece, sibling and cousin relationships are examples of family ties that impact the board's decision making.

The sex-based unequal treatment arguments developed above suggest that women inside directors frequently serve as window-dressing extras. We may speculate that the dominant group in a family-run firm may appoint women family members as inside directors because these women proffer multiple avenues for influence and control: family as well as business. Thus, the dominant group in a board that is family controlled may seek to give the appearance of progressiveness while essentially maintaining the status quo by appointing women family members as inside directors. Of course, such appointments render these women as "double tokens", first because of their gender-specific minority representation, and second because of their controllability on the basis of family ties and loyalties. If these speculations are true, we would expect to see:

Hypothesis 6: Boards with women inside directors will have more family relationships than boards without women inside directors.

Executive Titles

An important test of the possibility of tokenism at the top is the difference in titles prevalent on boards with and without women inside directors. Token theory suggests that we would find significant differences in the kinds of titles used in boards with women inside directors as compared to boards without. Primarily, if women inside directors are being utilized as tokens, we would expect to see a variety of titles present in these boards, spanning a broad range of hierarchical power and functional influence. In contrast, we would expect to see a narrower range of titles in boards without women inside directors; the titles of men inside directors on these boards would primarily cluster around the hierarchically powerful titles of Board Chair, CEO, and President. In other words, officers on boards without women inside directors will tend to show a greater consolidation of corporate power than the officers of boards that include women insiders.

Formal authority, as defined by title, is an indicator of one's source of hierarchical and functional (expert) power. The prerequisite for a top management position is generally considered to be line positions, while staff positions provide support to the corporation. In the late 1970's few women held executive positions within US corporations (Harrigan 1981). However, not much has changed since then. A 1999 study has indicated that almost half of all corporate officers have line positions and men hold 93.2% of these positions, while women hold only 6.8% of line positions (Catalyst, 1999b). Women are more likely to hold staff positions and expert positions than men. This finding has been supported by the Burson-Marseller

(1977) survey, which found that a number of women directors had reached that the top in the fields of law, non-profit organizations and education. Executive respondents to a Harvard Business Review (Sutton & Moore, 1985) survey believed that women have more opportunities in staff positions and in fields of education, social services, health care and the performing arts. They also responded that the fewest opportunities were in the manufacturing of industrial goods, transportation and construction, mining and oil.

Given these findings and extending token theory, we would expect to find support for:

Hypothesis 7: Boards with women inside directors will have a greater range of officer titles than boards without women inside directors.

Executive Pay

Pay is an important indication of perceived value within a corporation and hence is relevant for gauging token status. Salary comparisons between men and women have generally determined that women's salaries are less. Some studies have identified a narrowing of the gap, while other studies have shown a consistent gap. Women currently earn approximately 75 cents compared to each dollar earned by men. Over a period of 27 years the gap has narrowed from 41 cents to 29 cents. Among top officers the gap increases – only 3.3% or 77 women are among the most compensated officers in the Fortune 500 firms (Catalyst, 1999b).

Compensation studies have produced conflicting findings as to the reasons for the salary differentials. A cross-tabulation of salaries with years of experience reveals

that males earn more than females in every experience category except five years or less. Executive men with 21 or more years of experience were twice as likely as women with equal experience to earn more than \$50,000 (Sutton and Moore 1985). Hitt and Barr (1989) found that in middle- and upper-level managerial selection decisions, gender was more important than qualifications. They found that when controlling for qualifications, the recommended starting salary for managers was significantly less for women. In another study that attributed the gap as a partial reflection of the salary differential between men and women in our society, Catalyst identified the relatively low earning power of women directors: their reported annual “income is considerably below what we would observe for male corporate directors” (Catalyst, 1993: 16).

If women inside directors are indeed tokens whose corporate status and power is limited, then we are likely to see them excluded from the highest corporate pay ranks – the list of top five earners that is declared annually. These top earners instead would likely be officers who are not board members. Hence we would expect to see:

Hypothesis 8: Women inside directors will be proportionally less represented in the list of top five earners than men inside directors.

METHODS

Sample

Data on the representation and characteristics of inside directors were collected through a detailed review of the proxy statements of Fortune 1000 corporations. Specifically the data were gathered for fiscal year 1998; these data

were generally issued in the spring and summer of 1999. For the purposes of comparisons between boards with and without women inside directors, we first identified all boards that had at least one woman inside director. 36 firms were found to have 45 women inside directors and 109 men inside directors. These 36 boards constituted our first comparison group. One additional privately held corporation, which has a woman inside director, was not included in this study because relevant information about this company was not available.

Data for the second of our comparison groups, boards without women inside directors, were collected from the proxy statements of a random sample of Fortune 1000 firms. Our criterion for the precise number of these random firms was that the sample size must be a good representation of the whole population within a 95% confidence level. Using Freund, Williams & Perles' (1988) formula, we started by determining that the necessary sample size for the list of 1000 firms by the 1998 total revenue is 49. However, this formula assumes that each firm's total revenue levels decrease consistently. To determine if this indeed was the case with our data, all revenues were plotted on a spreadsheet. We determined that while there is little difference in revenues in the Fortune 501 – 1000 firms, there are indeed marked revenue differences in the top 25 firms and specifically in the top 10 firms of the Fortune 1000. To adjust our sample size to more adequately represent large firms, we followed the advice of a statistical expert to pull more data from the top firms in the list. Based on this expert's advice, we collected data from one additional firm in the

top three firms and one firm in the fourth through the seventh firms. With these changes, the representative random sample size was determined to be 52 firms.

To comprise the random sample of 52 firms, data were collected from every twentieth firm on the 1999 Fortune 1000 list. In cases where information was impossible to get, generally because the firm was not public, information was collected from the next firm on the list. This random sample included 0 women inside directors and 112 men inside directors. The final comparative samples are presented in summary form in Figure 2

Figure 2 about here

Data

Information on a director's gender, age, board tenure, title, salary, and bonus were collected, as well as whether the director was related to any other board member. The names of corporate officers listed as the firm's top five earners were collected. Board size consisted of the total number of directors on a board. Director age and board tenure were measured in years. Binary classifications were used to classify a director's gender (male or female), status (insider or outsider), family relationships (yes or no), and inclusion in list of top five earners (yes or no). Officer titles were collected in six categories: Chair/CEO, Vice-Chair, President, EVP/COO, SVP, and Other. Where more than one title was given for an individual, the highest or most powerful corporate title was chosen.

Definition of Inside Director

Critical to the analysis is the clarification of the definition of inside directors. In the strategic management literature, there is considerable conflict and confusion about who exactly comprises this category of directors. However, the commonly used definition of inside directors in board research is “current members of the top management team and employees of the company or its subsidiaries” (Pearce & Zahra, 1992). Outside directors are then classified as all non-management members of the board, and are further divided into affiliated and non-affiliated or independent directors. This definition is reinforced by item 6(b) in the Securities and Exchange Commission, which requires the corporation to disclose economic and personal relationships between directors and the firm’s management. Using this definition, the following individuals are outsiders: former officers and employees; relatives of officers; officers, directors, employees or owners of significant supplies or customers; creditors; attorneys; and investment and commercial bankers (Kesner & Dalton, 1986).

This definition is not to be confused with the independence of directors. Clearly family board members who do not work for the organization, retired CEOs and consultants are not independent in the true sense. “A Practical Guide for Corporate Directors” by the National Association of Corporate Directors (1995) describes inside directors as those employed in a managerial capacity. Inconsistent with the above description is the inclusion of controlling shareholders or shareholder group, which may be an individual, a corporation or family members as inside

directors. This organization defines outside directors as having no “significant relationship, financial or otherwise with the corporation.” Unfortunately the NACD has no definition of directors who do not fit into either category. Thus, using any of these definitions requires making numerous judgment calls. For the purposes of this study, we use a conservative approach to define inside directors as only the current members of a firm’s management (i.e., current employees of the company).

Since we are primarily interested in the dynamics and treatment of women and men inside directors, we have tried to employ a conservative standard in defining membership in this insider category. The definition we use does not include any retired CEOs (not even fathers whose sons are current CEOs), retired founders of the corporation, or principal stockholders – some who hold large amounts of stock. No doubt some of these principal stockholders or fathers of the CEO have strong influence – and in some cases may have more influence – than any other inside director. Also not included, as insiders are Chairman or Vice-Chairs of the Board, who are considered non-employees. Some of these individuals earn substantial board fees – some well over \$100,000 a year – and some of these non-employees were at one time, full-time employees of the corporation. For these reasons, our definition of inside directors is a narrow definition that has the ability to capture influence within the management ranks. Using this narrow definition reduces the impact of historical and external influences and focuses on current managerial dynamics, thereby strengthening the findings of this study.

RESULTS

Director Experience: Age and Board Tenure

To test Hypotheses 1a and 1b for the differences between women and men inside directors regarding their age and board tenure, two-sample t-tests were conducted. To be comprehensive about experience distinctions, comparisons were made between women inside directors and (a) all men inside directors who sat on the randomly selected boards without women inside directors, and (b) all men inside directors who sat on the same boards as the women inside directors.

The results are reported in Table 1. These results indicate a significant difference in only one of the comparisons between the ages of women inside directors and men inside directors in the random sample. That is, women inside directors are significantly younger than their randomly selected male counterparts. However, when the CEO is removed from the sample comparisons, age fails to be a significant differentiator between women and randomly selected men inside directors. All other results of this analysis show that women and men inside directors hold equivalent age and board tenure, regardless of whether the comparisons are made with men from a randomly selected sample or are drawn from the same boards to which the women inside directors belong. In summary, thus, we can conclude that Hypotheses 1a and 1b are generally supported: the experience base of women and men inside directors does not differ significantly.

Table 1 about here

Board Size and Composition

To test Hypotheses 2 through 5, t-tests were conducted comparing boards with inside women directors to boards without. The results are reported in Table 2. These results indicate that boards with women directors are significantly larger, have more inside directors (twice as many on average), and have marginally longer tenure than boards without women inside directors. No significant difference in the average age of the two kinds of boards was observed. Based on these results, hypotheses 2, 3, and 5 are supported: overall, the evidence indicates that women inside directors are generally “extra” directors whose presence must be traded off against more directors, more insiders, and directors with longer tenure.

Table 2 about here

Board Family Control

We employed a Chi-square test to test Hypotheses 6, that boards with women inside directors will have family relationships more than boards without. For this analysis, a finding that at least one director – male or female - had a family relationship with another director on the board classified that board as a family board. Family relationships could be with other inside directors or with outside directors. The results, presented in Table 3, indicate that a large percentage (39%) of the boards with women inside directors comprised of individual directors who have at least one family relationship with another director, compared to only 17% of the boards in the

random sample that have this type of relationship. Since the X^2 statistic is significant, the results indicate support for Hypothesis 6: corporate boards with women inside directors have significantly more family relationships than boards without.

Table 3 about here

Officer Title

Hypothesis 7 seeks to compare the range of titles prevalent in boards with and without women inside directors. The results are reported in Table 4. These results indicate that the X^2 statistic is highly significant – the differences in titles between board with and without women inside directors are highly significant. As can be seen from this table, boards with women inside directors have a higher concentration of executives who are also board members. This is true at each of the 5 categories of titles. Boards with women inside directors have titles that span the officer ranks whereas boards without WID have officer titles that are clustered in the higher (more powerful hierarchical) ranks. In addition corporations with WID have a larger number of inside directors (19) who have titles that are generally considered to have no power associated with it. Whereas corporations without women inside directors only have 7 executives with titles that have no power associated with it. In summary, the data presented in Table 4 demonstrate strong support for Hypothesis 7: boards without women inside directors show a significant consolidation of corporate power in the hands of high-ranking officers while boards with women inside directors show a spread of corporate power across a variety of officer ranks. Corporations with WID

also show an environment where more corporate executives also hold a Director position.

Another interesting ancillary analysis of officer titles that suggests evidence for the typecasting of women inside directors. We determined that 7 of 45 women (16%) have “Secretary” in their title compared to 2 men in the random sample (2%). In other words 7 out of 36 boards with women inside directors (20%) had a Secretary; 2 out of 52 boards without women inside directors (4%) had a Secretary.

Table 4 about here

Officer Pay

Hypothesis 8 checks the extent to which the persons included on the annual list of top five earners are women and men inside directors for boards with and without women insiders. Since normally the CEO is the highest paid officer, and only 5 CEOs in our sample are women, including CEOs in this test would bias the results even more strongly in favor of the tokenism argument. Thus, in order to ensure a conservative test, we excluded the CEO from the analyses reported in Table 5.

Table 5 about here

The results indicate that whether women inside directors are compared with men inside directors who sit on their own or on randomly selected boards, the likelihood of inclusion in the list of top five salary earners is far higher for men than

for women. The chances of men from the same board being included in the list are almost twice as high as women's, while randomly selected men's chances are over twice as likely to be on the list of top earners as women are. Thus, these results indicate support for Hypothesis 8, extending the argument that even women at the highest corporate levels are treated as tokens.

DISCUSSION

Annual surveys, that indicate that the number of women directors is improving, provide an incomplete picture of the representation and status of women at the top. These yearly increases, although modest, have given the illusion that increases in representation are the measuring stick for the gains in women's progress. Although representation has increased somewhat, a more complete analysis is needed. The selection of women as inside directors is indeed an important step in giving women corporate recognition and responsibility. However the findings in this study depict a sobering view of the status of the executive women at the uppermost echelons of corporate leadership and governance. The facts are that women inside directors sit on boards that have more members, more inside directors, more family control, longer tenure, and a greater variety of executive titles. The investigation of their experience base (age and board tenure) further reveals that women do not significantly differ from men on these variables. Despite this lack of differences, women inside directors possess fewer symbols of corporate power – their officer titles reveal their generally lower rank in the corporate hierarchy, they are less likely to be top corporate salary earners than other officers who are not even board members, and

they are less than half as likely to be in the list of top earners as their male inside director counterparts.

The fact that these boards have more insiders indicates women inside directors do not replace male inside directors. Instead women are additional members. A further review shows the percentage of women outside directors is relatively consistent in both samples (boards with and without women inside directors), while the percentage of male outside directors decreases when women inside directors are added. This suggests that women inside directors replace male outside directors rather than inside directors. This again suggests that women inside directors are added as “extras”, after male inside directors have been appointed.

However, it is important to point out that although the finding that women sit on larger boards with more insiders can be characterized as tokenism, there are also more *men* inside directors on these boards than typical, and the overall board size is also bigger. The typical corporate board representation of inside directors is two executives - the CEO and one other executive. However, the typical representation on boards with women insiders is four executives - the CEO and three executive representatives - one of whom happens to be a woman. Therefore, there tend to be one or two “extra” men inside directors on these boards; apparently, these boards have a propensity for inside directors and a larger total number of directors. In addition, our findings revealed that these boards tend to display greater family control and a variety of executive titles. The sum of these characteristics seems to suggest that women who hold inside director positions do so in board cultures which have

strong, built-in structures (more members, more insiders, more family control, more titles) that limit the influence and authority of individuals, whether men or women. Future research should more specifically test the antecedents, nature, and consequences of this board culture.

Further, a current corporate board trend is to increase the independence of the directors. Advocates suggest that this may be accomplished through smaller board size, fewer inside directors and fewer “special” relationships. Clearly the companies with women inside directors have not adopted these trends: their boards are larger, have more inside directors, and have more family relationships. This further suggests that the boards where women are inside directors are boards that may be categorized as having less independent decision-making. Future research needs to be undertaken to specifically test the veracity of this speculation.

An analysis of executive titles and salaries gives further indication of the responsibilities, status and influence of insider women. The findings show that women inside directors are less likely to hold “power” titles expected of men insiders. The salary information on women inside directors is no more favorable. Women inside directors who are included in the upper echelons of leadership do not have the degree of influence and stature otherwise associated with the position. Clearly, however, some women inside directors do have responsibilities that are comparable to men inside directors. The 21 women inside directors (16 women plus 5 CEOs) who are included in their respective organizations’ lists of top five salary earners appear to have the associated titles and responsibilities that are consistent with

men inside directors. Certainly the titles of CEO, President, and COO are titles that demonstrate the highest levels of authority and power. Future research should investigate the nature of the boards on which such women sit, in terms of the board characteristics that favor the appointment of powerful, well-titled, and well-rewarded women.

It would appear from this study that the addition of women insiders provides an increase in women's representation, but without the associated prestige, influence, and impact. Importantly, although women insiders are generally single additions to a board, they appear to be enough to appease shareholder and public dismay over the lack of women on corporate boards – the addition of merely one woman on a corporate board nowadays is sufficient to move a corporation out of the public eye. The problem with this, as our findings reveal, is the perpetuation of the token status of women, even at the topmost ranks of the corporate hierarchy.

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APPENDIX

Figure 1
Women Inside Directors in Fortune 500 Companies

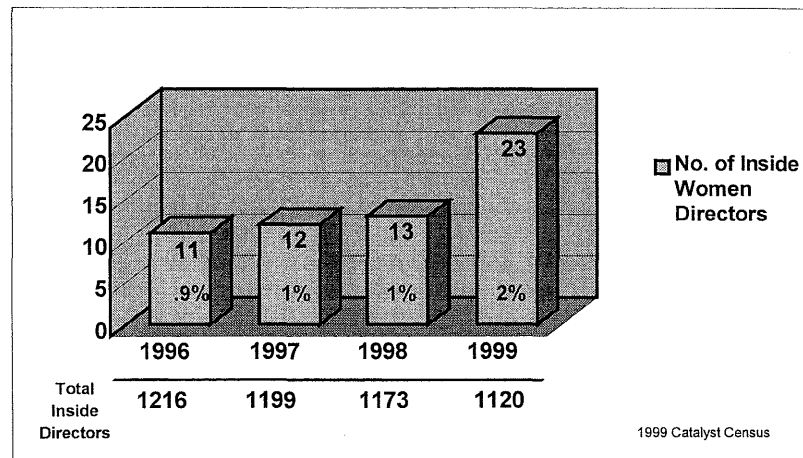


Figure 2
Boards With Women Inside Directors and Boards Without Women Inside Directors (Random Sample)

	Male		Female	
	Outside	Inside	Outside	Inside
Boards With Women Inside Directors (N= 36)	240 (55%)	109 (24%)	33 (7%)	45 (10%)
Random Sample Boards Without Women Inside Directors (N=52)	390 (71)%	112 (21)%	45 (8%)	0 (0%)

Table 1
T-Tests of Experience-Based Differences Between Women and Men Inside Directors

	<u>WID</u>	<u>MID (Random Boards)</u>	<u>MID (Same Board)</u>	<u>T</u>
Age	52.1 (n=45)	55.73 (n=112)		-2.16*
Age without CEO	51.8 (n=40)		54.13 (n=61)	-1.20
Age	52.1 (n=45)	54.5 (n=109)		-1.35
Age without CEO	51.8 (n=40)		53.99 (n=78)	1.08
Tenure	8.6 (n=45)	9.21 (n=112)		-0.33
Tenure without CEO	7.4 (n=40)		8.66 (n=61)	-0.63
Tenure	8.6 (n=45)	11.7 (n=109)		-1.63
Tenure without CEO	7.4 (n=40)		10.6 (n=78)	-1.57

* $p < .05$

Table 2
T-Tests of Differences between Boards With and Without Women Inside Directors

	<u>Boards with WID</u> n=36	<u>Boards without WID (Random Sample)</u> n=52	<u>T</u>
Number of Directors	11.86	10.54	1.99*
Number of Inside Directors	4.28	2.19	5.45**
Average Age	54.47	55.85	-1.25
Average Board Tenure	10.81	7.98	1.76+

+ $p < .10$

* $p < .05$

** $p < .01$

Table 3
Chi-Square Test of Family Relationships in Boards With and Without Women Inside Directors

	Boards with Family Relationships		
	Yes	No	Total
Companies with WID	14 (39%)	22 (61%)	36
Companies without WID (Random Sample)	9 (17%)	43 (83%)	52
Total	23	65	88

$\chi^2(1,88) = 5.13 *$

* $p < .05$

Table 4
Comparison of Officer Titles in Boards With and Without Women Inside Directors

	Boards with WID		Boards without WID Random Sample	
	W + M	Standardized	M	Standardized
Chair/CEO	50/180	27.8	62/260	23.8
Vice Chair	12/180	6.7	9/260	3.5
President	24/180	13.3	16/260	6.2
EVP/COO	26/180	14.4	14/260	5.4
SVP	33/180	18.3	4/260	1.5
	145/180		105/260	
No Rank	19		7	

$$\chi^2 (4, 120.9) = 214.8 ***$$

* $p < .05$

** $p < .01$

*** $p < .001$

Table 5
Chi-Square Tests of Inclusion in Top Earners' List

(a) Comparison with Men Insider Directors from the Random Sample

Non-CEO/Chair	Inclusion in List of Top 5 Salaries		Total
	Yes	No	
Women Inside Directors	16 (40%)	24 (60%)	40
Men Inside Directors (Random Sample)	54 (92%)	5 (8%)	59
Total	70	29	99

$$\chi^2 = 30.55 ***$$

(b) Comparison with Men Insider Directors from the Same Board

	Inclusion in List of Top 5 Salaries		Total
	Yes	No	
Women Inside Directors	16 (40%)	24 (60%)	40
Men Inside Directors (Same Board)	63 (81%)	15 (19%)	78
Total	79	39	118

$$\chi^2 = 19.86 ***$$

* $p < .05$

** $p < .01$

*** $p < .001$

**THE CEO FACTOR IN ADDING
WOMEN INSIDE DIRECTORS**

By

DEBORAH DAHLEN ZELECHOWSKI

ABSTRACT**THE CEO FACTOR IN ADDING
WOMEN INSIDE DIRECTORS**

This study examines Fortune 1000 corporations where women hold dual roles of inside directors and executive officers. The focus of this research is on the CEOs of firms that have added women inside directors. The CEO's family relationships with other directors, the CEO age and tenure, the dual role of CEO and Chairman of the Board as well as the board size and board composition are investigated. Agency theorists recommend that maximization of director independence will ensure the interests of the stockholders are paramount. Effectively structured boards are where the CEOs have fewer family relationships, shorter CEO board tenure, a separation of the roles of CEO and Chairman of the Board, smaller board size and fewer inside directors. Effectively structured boards generally should also have more diverse compositions and specifically they should have higher representation of women inside directors. The results of this study suggest that women inside directors participate on boards that are less effectively structured according to agency theory criteria and that these conditions limit the influence of directors, including women inside directors.

INTRODUCTION

Studying the corporate environments that surround women inside directors is as important and perhaps even more important than studying the women themselves. This research focuses on one of these contextual factors - the CEOs of the firms that have added women inside directors. Researchers have found that CEOs play a critical role in the selection process of all directors. In fact it is thought that directors are not added without the approval of the CEO (Herman, 1981). Therefore it is prudent that we study the CEOs who have women inside directors on their boards.

THEORY AND HYPOTHESES

There is an ongoing debate in the literature as to whether the board of directors controls management or the board is a management tool. A 1932 study by Berle and Means expressed the view that management dominates the board of directors. In 1976, Michael Jensen and William Meckling developed *agency theory*, which is concerned with the relationships between the “principal” and the “agent”. In corporate governance, the principal-shareholder delegates work to the agent-management. Conflicts of control or governance occur because agents are self-interested and therefore cannot be expected to act in the best interests of the principal-shareholder. In essence, agents cannot be expected to be primarily concerned with the firm’s performance and the maximization of profits. Consequently, monitors, who are the board of directors, are needed.

Herman in 1981 and Kosnick in 1987 reinforced the view that management dominates the board of directors. Agency theorists have argued that effective

monitoring of the firm by the board is contingent on the independence of the directors from management. These advocates recommend ways to most effectively structure boards that increase independence. Factors that have been found to affect independence are insider affiliation (Boeker and Goodstein 1993), the dual CEO/Chairman of the Board roles (Beatty and Zajac, 1994), social and personal ties to the CEO, and demographic similarity with the CEO (Westphal and Zajac, 1996).

There are current trends to decrease the board size (Korn/Ferry, 1998) and increase diversity (Conference Board, 1999). The trend to decrease board size appears to be grounded in the belief that smaller size provides increased opportunity to reach a consensus. The call for diversity is not for diversity in and of itself; rather it should be within the context of improving corporate returns and therefore increasing shareholder value. The expectation is that perspectives on the board are broadened with men and women of different ages, races and ethnic backgrounds, in turn adding shareholder value. The call for diversity is not limited to, but includes, gender. Diversity is considered a “business necessity” (Conference Board, 1999:8) and should be viewed within the context of good governance.

This study seeks to determine if boards with women insider representation are also most effectively structured. Boards that act in the best interests of the shareholders are boards that ensure that performance of the firm is paramount. It is these boards that consider the ability and talent of its directors at the highest level, because it is these directors that can improve performance to the greatest degree. Advocates of this perspective argue that fewer CEO “special” relationships (Wade,

O'Reilly and Chandratat, 1990), shorter CEO board tenure (Finkelstein, 1992), and a separation of the roles of CEO and Chairman of the Board (Vance, 1983) as well as smaller board size and fewer inside directors (Fama and Jensen, 1983) will increase director independence. Boards with these characteristics are most effectively structured because director independence improves the quality of the decision-making.

The purpose of this study is to determine what is distinctive about boards with women inside directors. Specifically, have boards that increased diversity by adding women inside directors also adopted other characteristics advocated by agency theorists for effective boards? A finding that boards with women inside directors are effectively structured would support agency theory. This would indicate effectively structured boards also have women inside directors. A finding that women inside directors do not participate on boards that are effectively structured indicates a failure to follow agency theory. This failure will also indicate another corporate hurdle in accomplishing gender diversity.

Agency advocates argue to increase board independence. There is an implication that as independence increases; it is at the expense of the CEO's degree of certainty and control. Excessively powerful CEOs work against the premise of agency theory that the CEO, who is the agent, is subordinate to the board, which is the principal's representative. This implies that for agency theory to be working, CEOs must have a certain level of uncertainty. Increasing board diversity disrupts the old boy's network and increases this uncertainty. Adding women inside directors

suggests an increased level of CEO uncertainty. We can theorize that CEOs who have added women inside directors have done so at the expense of their own control and therefore these boards will more closely conform to the precepts of good principal – agent relations. This study seeks to identify the special characteristics of these exceptional CEOs who have added women inside directors – perhaps even at the expense of their own control.

This study is distinguished from other studies of women inside directors that have generally centered on representation and the increases in the number of companies with one or more women directors. This study seeks to offer a glimpse of the corporate dynamics surrounding women inside directors. Corporations with women inside directors (WID) are compared to a random sample of corporations without WID. Comparisons are made concerning the CEOs and structure of the boards. Specifically examined are the CEO's family relationships, the CEOs' age and board tenure, and the role of the CEOs and Chairmen of the Board. Board size and composition will also be studied.

Family Relationships

CEOs who have family relationships with other directors have additional avenues of influence in the decision-making process and in the board selection process. This study is concerned with CEOs who have family relationships with other directors or management. These relationships include family ties with the founder, CEO, another director, or management. The Securities and Exchange Commission has promoted the need for independent directors by requiring disclosure

of financial, family or other special relationships of all directors. These disclosure requirements do not prohibit board members from having numerous ties or financial arrangements that benefit individual directors—only the disclosure of these relationships.

Social and personal ties to the CEO, as well as demographic similarity, have been found to affect independence (Westphal and Zajac, 1996). The Council of Institutional Investors has called for selection of directors who do not have special ties to the CEO (Westphal, 1998). These findings are consistent with agency theory that suggests that CEOs with family relationships on the board, and within the ranks of management, are apt to be less independent in decision-making and thus less likely to appoint women inside directors on their boards. Therefore, effectively structured boards include CEOs with fewer family relationships.

Hypothesis 1. CEOs with fewer family relationships will more frequently have women inside directors on their boards.

CEO Age and Board Tenure

Research on the relationship between expert power and board tenure has generally found a direct relationship (Finkelstein, 1992). Increased tenure is thought to provide an increased familiarity with the firm's resources and methods of operation. Generally it can be expected that longer term CEOs will provide more “valuable” advice and possess a higher status. Longer-tenured executives have also been found to select directors who are demographically similar to them (Westphal & Zajac, 1995); thus, it is expected these executives will select fewer women inside

directors. Agency theory predicts that CEOs who are older and have longer tenure are more powerful and will have more opportunity to entrench themselves and control the selection process. Excessively tenured executives, because of their status and influence, are less likely to be closely scrutinized and held to high performance standards. Therefore, it is expected that boards that effectively monitor and evaluate the CEO will have more CEO turnover. The effects of this turnover will be CEOs who have shorter tenure and are younger in age.

Hypothesis 2a. CEOs who are young will more frequently have women inside directors on their boards.

Hypothesis 2b. CEOs who have shorter board tenure will more frequently have women inside directors on their boards.

Dual Role

Director independence is affected by CEOs who have disproportionate influence. CEOs who also hold the roles of Chairmen of the Board are considered to possess greater power. Therefore, the ability of outsiders to challenge the CEO, who is also the Chair, in board meetings is reduced (Westphal, 1998). According to agency theory, boards should split the roles of CEO and Chairman of the Board because a separation of the roles increases the board's capacity to control decision-making (Beatty and Zajac, 1994) and to challenge the actions of the CEO. To maximize independence, Chairman should have no ties to the firm, because these ties conflict with shareholder's interests. Certainly Chairmen whose sole role is Chair should not be paid officers of the firm. A split divides the power and influence and

assists in ensuring that all perspectives and opinions are considered. It therefore follows that to maximize independence, boards should split the roles of CEO and Chairman of the Board; and the Chairman should not be an officer of the firm.

Hypothesis 3. Boards that split the roles of CEO and a non-management Chairman of the Board will more frequently have women inside directors on their boards.

Board Size

There is no universal finding on the effect of board size and susceptibility to managerial dominance. Zahra and Pearce (1989) found that larger boards are less susceptible to managerial control and therefore have more independent decision-making. Conversely Alexander et al. (1993) found larger board size to be associated with stability and status quo and found that CEOs with larger boards were able to “entrench themselves, which led to a generally stable strategic orientation” (Johnson et al. 1996).

In 1973, the average board size ranged from 16 to 25 board members. By 1998 the average board size had decreased to 11 members (Korn/Ferry, 1998). The rationale for the decrease is that as board size increases, perspectives are also likely to increase but at the expense of the board’s ability to reach a consensus. Based on these findings it is hypothesized that more effectively structured boards seek to increase perspectives and at the same time decrease board size. Therefore, effectively structured boards will be smaller in size.

Hypothesis 4. Fortune 1000 boards with fewer directors will more frequently have women inside directors.

Board Composition

Board composition is an aspect of managerial influence. Numerous studies have argued that it is the outside directors who are more likely to make objective decisions (Zahre and Pearce, 1989). Agency theorists believe inside directors have a conflict of interest and consistently recommend that boards be composed with a strong majority of outside directors. Researchers have argued that boards that are structurally more independently from management are more likely to control decision-making and ensure the interests of the shareholder (Fama and Jenson, 1983). It is generally thought that inside directors vote as a block and will suffer retaliation if their voting conflicts with the CEO.

Board composition has also been found to impact the choice for the CEO successor. Inside directors are considered to be dependent on the CEO for their positions and therefore are less apt to challenge or question direction (Boeker, 1992). Organizations with a high proportion of insiders are more likely to select an inside candidate than boards with low proportions of insiders (Boeker and Goodstein, 1993). Typically researchers have equated the selection of a CEO from the outside with the need to change the status quo (Salancik & Pfeffer, 1980). While inside directors can fulfill an important function by providing valuable information, appropriate monitoring and evaluating of a CEO are difficult because inside directors are in subordinate positions. A smaller representation of inside directors indicates the board

and managements' desire for effective monitoring and evaluation of corporate performance.

Hypothesis 5. Fortune 1000 boards with fewer inside directors will more frequently have women inside directors.

METHODS

Sample

To identify Fortune 1000 corporations where women participate as inside directors, one thousand 1999 proxy statements from the Internet were analyzed and data were collected. The statements are generally posted in the spring. Thirty-six firms were found to have a total of forty-five women inside directors and 109 male inside directors. One additional privately held corporation with a woman inside director was not included in this study because complete information was not available. A random sample of 52 firms from the list of Fortune 1000 corporations was used for comparison data. This sample included 112 male inside directors.

Data

The information collected included board size and affiliation status, as well as CEO age, CEO board tenure, title, gender, and family relationships. The names of the Chairmen of the Board, CEOs, and inside directors were collected. In addition a determination was made as to the affiliation (insider or outsider) of each director. Board size consisted of the total number of directors on the board. The age and tenure of the CEOs were measured in years. Binary classifications were used to

classify a director's gender (male or female), status (insider or outsider), and family relationships (yes or no). T-tests and chi-square tests were conducted comparing both groups.

Definition of Inside Director

This study uses the most common definition of inside director, that is, an inside director is an officer of the firm. This narrow definition of inside director has the ability to capture influence within the management ranks. Using this narrow definition reduces the impact of historical influence and focuses on current managerial dynamics. However, as demonstrated by the SEC guidelines, this definition does not capture the full interpretation of independence. Affiliate directors that were not included as inside directors include fathers whose sons are current CEOs, retired founders of the corporation or principle stockholders – some who hold large amounts of stock. No doubt some of these board members have strong influence – and in some cases more influence than any other inside directors. Also not included, as insiders are Chairmen or Vice-Chairs of the Board who are considered non-employees. Some of these individuals receive substantial earnings (some well over \$100,000 a year) and many of these non-employees were once full-time employees of the corporation.

There is not consistent agreement on definitions of insider and outsider because of the difficulty in determining the degree of independence. The Securities and Exchange Commission has provided guidelines that require corporations to disclose

economic and personal relationships between directors and the firms' management. "Inside directors have generally been defined as directors who also serve as firm officers with outside directors being classified as all non-management members of the board" (Johnson, et al. 1996). An in-between status has been termed "affiliation" status. While directors with this status may have varying degrees of influence, in this study, affiliated directors are considered "outside" directors. The following list identifies those individuals generally defined as affiliate directors:

- employed by the firm or an affiliate within the past five years
- family relationships by blood or marriage with a top manager or other director
- affiliation with the firm as a supplier, banker or creditor within the past two years
- affiliation with the firm as an investment banker within the past two years or within the upcoming year
- association with a law firm engaged by the corporation
- stock ownership resulting in the SEC designation of control person (Johnson, et al 1996)

RESULTS

CEO Family Relationships with Directors

For hypothesis 1, a chi-square test was conducted to determine the significance of the CEO's family relationships with other directors. The random sample includes only 51 CEOs because one CEO was not included on the board. In

cases where two individuals shared the CEO role, only one CEO was included. The results presented in Table 1 were the opposite of what was expected.

 Insert Table 1

The χ^2 is significant indicating women inside directors participate on boards where the CEOs have more family relationships, rather than fewer. The results indicate that a large percentage (31%) of the CEOs of the boards with women inside directors have at least one family relationship with another director, compared to only 9% of the boards in the random sample. The CEOs with women inside directors have significantly more family relationships. It should not be concluded that the women inside directors also have more family ties. A comparison of the WID to the male inside directors identified that women do not have statistically significant more family ties.

CEO Age and CEO Board Tenure

Hypothesis 2 proposes that CEOs who have inside women directors are younger and have less board tenure. As Table 2 demonstrates, this hypothesis was not fully supported. While no statistical difference was found in ages, board tenure was found to be statistically significant. The mean age for CEOs with women inside directors is 55.64 years compared to 57.65 years in the random sample. The

significant difference in board tenure was exactly opposite of what was hypothesized. The t-test on the CEO board tenures found that the CEOs (male and female CEOs) with women inside directors have statistically significantly longer tenure than the CEOs in random sample. The average tenure for CEOs with women inside directors is 15 years compared to only 9.88 years in the random sample.

 Insert Table 2

Women inside directors were also added to the board after the CEOs were established. Seventy-five percent (30/40) of the women inside directors were appointed to the board after the CEO was added. Three additional women have the same tenure as the CEO, which leaves only seven women who have more board seniority than the CEO and five of these seven women are family members. This finding suggests the CEOs participated in the decision to add the women inside directors.

CEO Dual Role

Hypothesis 3 tests the dual role of CEOs. As Table 3A demonstrates, there was no statistical difference between the two groups of CEOs on the percentage of CEOs who share the leadership with a Chairman of the Board. The corporations with women inside directors split the roles 37% and corporations without women inside directors split the roles 38% of the time. However the corporations with women inside directors were found to have a significant difference in how the roles were

split. As Table 3B indicates, only one (3%) corporation with women inside directors split the role between a CEO and a non-paid Chairman of the Board, compared to 23% of the corporations without women inside directors. This type of separation is not a “true” separation from management, because both roles are management roles. This leaves the remaining 97% of the firms with women inside directors to either not split in the roles of a CEO and a Chairman of the Board or split the roles with another paid officer of the firm. CEOs and Chairmen who are officers of the firm are more likely to work in tandem with each other and have one voice. This is not a typical split of responsibilities and indicates a lack of independent decision-making. There is little support for this hypothesis. This finding indicates women inside directors participate on boards where there is strong managerial influence.

 Insert Table 3A

 Insert Table 3B

Board Size and Composition

To examine hypotheses 3 and 4 t-tests for the differences in means were conducted to determine the significance of board size and insider affiliation. Neither hypothesis was supported; rather the exact opposite was found. The results presented in Table 4 indicate boards with women directors are significantly larger and have

significantly more inside directors. The mean board size with women inside directors was 11.86 and the random sample board size mean was 10.54. The composition of boards with women inside directors has a mean of 4.28 inside directors, while the random sample has a mean of 2.19 inside directors.

DISCUSSION

Agency theorists recommend effectively structured boards are those that have the most independent decision-making. The structures that assist in independent decision-making are CEOs that have fewer “special” relationships, shorter board tenure, share the leadership of the organization with an independent Chairman of the Board, have smaller boards and fewer inside directors. It is hypothesized that it is these CEOs that seek independent decision-making though increasing diversity with women inside directors. CEOs with women inside directors have increased gender diversity, but are structured exactly opposite of what was hypothesized. These CEOs have more “special” relationships, longer board tenure, fewer “true” separations of the CEO role and Chairman of the Board roles, larger boards and more inside directors. CEOs of boards with women inside directors have not adopted the modern board trends of independence; rather they have a very traditional look. These findings suggest boards with women inside directors are not structured to “effectively” monitor management and ensure the interests of the shareholders. It also indicates agency theory has not guided decisions about structuring these boards.

These traditional boards have every indication of being more controlled by management. The characteristics of these boards give management numerous

avenues to have more control over decision-making and therefore more opportunities for self-serving practices.

These corporations appear to have a corporate practice of promoting family members into the most senior roles of the organization. The CEOs have significantly more years of board service and more family relationships. The CEOs with women inside directors have an astonishing 15 years of board service compared to the random sample CEO's 9.88 years of board service. This coupled with the findings that 31% of the CEOs have family relationships suggests the CEOs have been handpicked and then groomed by powerful family members.

Previous researchers have found that as the CEO tenure increases, the firms are more apt to continue the status quo. This is consistent with previous studies that have concluded that boards with more insiders prefer decisions that reflect status quo. Successors from the inside as well as promotions from within are often attributed to the organizations leader's desire to maintain consistency rather than the need for radical change. The findings in this study suggest that the family and management add numerous inside directors whose success is dependent on the success of the CEO. Women inside directors that are added to these boards must also benefit from the status quo.

Women inside directors have been found to have equal age and tenure to male inside directors (Zelevchowski and Bilimoria, 2001), indicating women inside directors have equal qualifications to male inside directors. In spite of this fact, women inside directors are more common on boards that have a unique set of

characteristics. This set is a high degree of managerial and family influence. Corporations with these influences indicate an environment with a high degree of control, which affects the contributions of men and women inside directors. However, it is the controlled environments that have added women inside directors; this suggests that ONLY in more controlled environments are inside women added to the board. This indicates that women are added when a board has a stable and more centralized structure. Corporations without these built-in controls have not added women. Unfortunately there are 964 Fortune 1000 firms without women inside directors. This suggests a sobering view of life for women at the upper echelons of a corporation.

Boards that are first and foremost concerned with the interests of the stockholder are thought to select inside board members who have the most talent and ability to make decisions, increasing shareholder value. It is expected that the most progressive boards would be the boards most concerned with performance; therefore talent would propel women officers to board seats. While the women inside directors are equally talented to men, the different characteristics of these boards, challenges whether it is the talent that has propelled these women to board seats. It is the most traditionally structured boards that have opened doors for women inside directors and these boards appear to have made structural decisions that are not normally associated with increasing director independence.

Previous researchers have found that few women were in the pipeline for CEO positions (Daley, Certo, Dalton, 1999). This current study suggests the explanations

for lack of women at the top have more to do with the culture of the corporate environment and gives support to the gender-bias argument. If more controlled environments are needed before women are added, women must demonstrate their ability to work with a higher degree of control than is typical. Therefore women at the top are not likely to rock the boat due to the structures that restrict their independence. This environment is also likely to limit the experiences and therefore the women's potential for attaining CEO positions.

We must ask why women inside directors are not represented on boards that otherwise have increased director independence? There is reason to expect that women inside directors would be more represented, not less represented on boards that are more closely conforming to agent – principal precepts. The fact that there is an absence of women inside directors on these boards lends support to the view of gender-bias on corporate boards, because it is these boards that have adopted other aspects of director independence except those involving gender.

The thirty-six CEOs with women inside directors are unique. Clearly these CEOs have taken a progressive stance on women representation, as they are the only CEOs that have given women inside directors this opportunity. The CEOs that have added women inside directors have enmeshed a high degree of status and influence through family relationship, dual roles and longer tenure. With this status comes an increased level of control and ability to influence others and meet expectations. This also suggests that the CEOs without women inside directors do not have this control; rather they have an increased level of uncertainty that is normally associated with

director independence. The irony is that only more powerful CEOs have women inside directors on their boards. This is inconsistent with agency theory. These findings suggest because CEOs do not have enough power and because they do not have management-controlled boards, they have not added women inside directors. Therefore it is these factors that may limit the representation of women inside directors and not their “qualifications.”

CONCLUSION

This study gives some indication of the difficulty in increasing the representation and status of women. It is doubtful there will be increases in status without the increases in representation. At least some corporations have taken the progressive step of adding a woman inside director. Nevertheless, this corporate picture presents progress in the smallest increments. Firmly embedded historical and cultural roots are difficult to change. Perhaps an environment that has numerous controls is NECESSARY for gender advancement, because women at the top are seen as “drastic” additions.

Attributing the lack of women inside directors to the absence of qualifications is misleading because it leads women to conclude they should work harder to gain the appropriate experience and qualifications. This “working harder” perspective is consistent with the dynamics of tokenism and perpetuates the attitudes of the dominant coalition. Women inside directors have been found to be treated as tokens and do not possess the prestige and power of the men inside directors (Zelevchowski and Bilimoria, 2001.) Women are apt to have more success if they shift their focus

from “working harder” to gaining power and prestige. Unfortunately they may have to gain this power and status in very controlled environments and in the smallest increments.

Shareholders and gender advocates have raised the level of awareness of the necessity of including women at the top; adding a woman inside director appeases that cry. Further research needs to go beyond the exercise of counting to analyzing the corporate dynamics that have propelled and denied women’s advancement. Corporations that have demonstrated an increased representation of women in upper management may have done so without the intent of granting them status and power. In fact, the highlighting of corporations that have added women may give credit to organizations for their treatment of women, when in fact a less attractive picture prevails. If all corporations need to do is add a woman for diversity reasons, then that is what they will do.

Men and women need to work together to change the embedded historical and cultural influences in board selection processes and decision-making. However, the men in power have more opportunities to champion the changes. Directors need to facilitate the director selection process to ensure that women are given board responsibilities when appropriate, because currently only the more institutionally secure CEOs have taken that step. Attributing the absence of women at the top to qualifications gives corporations an excuse to not make the necessary changes. Attributing the lack of women to gender-bias suggests the responsibility rests with the corporations. The findings in this study support this argument. We need to be

unified in our voices to change this culture so that the speed of progress toward creating greater opportunities for women can be hastened.

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APPENDIX

Table 1
Chi-Square Test of the CEO Family Relationships in Boards With and Without Women Inside Directors

	CEOs with Family Relationships		
	Yes	No	Total
Companies with WID	11 (31%)	25 (69%)	36
Companies without WID (Random Sample)	5 (9%)	46 (90%)	51
Total	16	71	87

$$\chi^2(1,87) = 6.05^*$$

* $p < .05$

Table 2
T-Tests of Differences between Boards With and Without Women Inside Directors

	<u>Boards with WID</u> n=36	<u>Boards without WID (Random Sample)</u> n=52	<u>T</u>
CEO Board Age	55.64	57.65	-1.32
CEO Board Tenure	15.00	9.88	2.52*

* $p < .05$

** $p < .01$

Tables 3A and 3B
Chi-Squared Tests of the Dual Roles of CEO/Chairman of the Boards

Table 3A

	Chair/CEO Split		
	Yes	No	Total
Companies with WID	23 (63%)	13 (37%)	36
Companies without WID (Random Sample)	32 (62%)	19 (38%)	51
Total	55	32	87

$$\chi^2 (1,87) = .01$$

Table 3B

	Non-management Chair/CEO Split with the Board		
	Yes	No	Total
Companies with WID	1 (3%)	35 (97%)	36
Companies without WID (Random Sample)	12 (23%)	39 (76%)	51
Total	13	74	87

$$\chi^2 (1,87) = 7.15^*$$

Table 4
Tests of Differences between Boards With and Without Women Inside Directors

	<u>Boards with</u> <u>WID</u>	<u>Boards without</u> <u>WID (Random</u> <u>Sample)</u>	<u>T</u>
	n=36	n=52	
Number of Directors	11.86	10.54	1.99*
Number of Inside Directors	4.28	2.19	5.45**

* $p < .05$

** $p < .01$

THE INFLUENCE AND INCLUSION OF WOMEN INSIDE DIRECTORS

By

DEBORAH DAHLEN ZELECHOWSKI

ABSTRACT

Women inside directors are highly placed executives who hold the dual roles of officers of the firm and corporate board members. Six women inside directors from Fortune 1000 corporations were interviewed in an exploratory study. Through systematic coding of the interviews, two independent dimensions of influence and inclusion evolved as critical factors that enhance or restrict their contributions. This study found there are three prototypes of women inside directors – accommodators, strivers and socialized achievers. Corporations have characteristics that determine how women inside directors are integrated into the corporate board. Factors that hinder the inclusion of women are unsupportive peer behavior and control structures such as lack of autonomy and isolation.

INTRODUCTION

Understanding the upper echelon and corporate dynamics and culture surrounding the most senior corporate executives appears to be elusive in general, and perhaps even less is known about women senior executives. Women inside directors in Fortune 1000 corporations are a part of this upper echelon and are some of the most successful women in corporate America. Prior research has determined that an extremely small number of women are senior executives and also sit on the corporate boards of their companies. In fact, a report published in 1999 determined there were 46 women in this group (Catalyst, 1999). Little beyond this numerical data is known (Daily, Certo & Dalton, 1999). Research that extends beyond representation has the potential to add to the understanding of the contributions of these women and to offer a glimpse of corporate culture in the executive suite.

There are numerous definitions of the affiliation status of inside and outside directors. In this study inside directors are defined as board members who are also officers of the firm. All other directors are outside directors. This narrow definition of inside director is consistent with previous studies (Johnson, Daily & Ellstrand, 1996). Inside directors play critical roles as executives and directors on the board. In fact, the inside director role is often viewed as a stepping-stone to the CEO position and is often a necessary position prior to becoming a CEO position. Currently, two thirds of the CEOs in Fortune 1000 corporations succeed to this position from within the corporation (Business Week, 1997).

This is an exploratory study that seeks to add a new dimension of knowledge surrounding women inside directors. This is a grounded study that investigates the behaviors of women inside directors and the corporate dynamics in which they work. Its purpose is to identify the organizational contributions of some of the most highly placed women in corporate America by concentrating on identifying their realm of influence and the context of this influence in the corporate environment. Being “highly placed” doesn’t guarantee women have the influence and prestige typically associated with being an inside director.

Because so little is known about this group of women, an exploratory, qualitative study is appropriate. Open-ended questions centering on the descriptions of specific incidents allowed for this exploration. The respondents’ comments provided thick descriptions that were then systematically coded. The interview questions aimed to draw out stories so as to understand women inside directors’ perceptions of their contributions within the corporate environment. These perceptions, as all perceptions, have the possibility of suffering from a variety of distortions. While this is a limitation of the findings, insight can still be gained. Perceptions are reality to the holder of the beliefs and they are a starting point for understanding this unique aspect of corporate life.

METHOD

Women inside directors were identified through a thorough review of the proxy statements of Fortune 1000 corporations. The 1998 statements, which are generally posted in the spring and summer of 1999, were collected from the Internet.

Only thirty-six firms were found to have a total of forty-five women inside directors. One additional privately held corporation, which has a woman inside director, was not included in this study because relevant information was not available. The women's ages, salaries, board tenures and titles were identified from the proxy statements. Company addresses were also collected so the women could be contacted to participate in this study.

Letters were sent to all forty-five women inside directors requesting an interview surrounding their contributions and experiences as inside directors. The request was for an hour telephone interview that would be tape-recorded. The letter clearly stated the interviews would be confidential and asked for signed informed consent. Subsequent telephone calls were made requesting a time commitment for the actual telephone conversation. All offices of the women received a minimum of three or four phone calls. Six women had left the corporations, so letters were forwarded and eventually all women were contacted.

Only 13% (6 women) signed the consent form and were interviewed. Forty-six percent (21 women) said no, another 35% (16 women) did not respond to the calls and two interviews were incomplete. The reasons for the negative responses fell into two categories – “too busy” or “information too sensitive.” While the response rate is disappointing, this category of executive women has never before been interviewed. It appears the six interviewees are a cross section of the 45 women in that there were no two women from the same firm. However the interviews are not representative of the entire group when salary and title are considered. Sixty-seven

percent of those interviewed are in the top-five salaries in their companies, while only 35% of the total group of women is included in the top-five salaries of their firms.

The interview guide was finalized after mock interviewing a number of women to test each question. The mock interview responses were analyzed to determine if they contributed to the understanding of the women inside director's experiences as board members and senior executives. The finalized guide is presented in Appendix A. Before proceeding with the interviews, a second researcher was trained on the interview guide and together we conducted two mock interviews. The names of the 45 women inside directors were randomly divided into two groups. Each researcher took one group, scheduled and conducted the interviews in their assigned group. The length of each interview was approximately 45 minutes. Each researcher completed three interviews for this study.

Verbatim transcripts were made from the tape-recorded interviews. To increase reliability, the transcripts were compared with the tape and editing changes were made. The coding process was a systematic system where I initially listened to the tapes of each interview a minimum of three times following along with the transcripts. To identify emerging patterns each response to each question was put on a matrix. These responses were repeatedly analyzed to identify similarities, differences, themes and categories.

EMERGING THEMES AND PATTERNS

From the analysis of the interviews, patterns and themes emerged that centered on the contributions of the women and the corporate environments in which

they worked. Women inside directors were found to have distinct differences in the way they made their contributions. These differences are captured in a dimension that suggests the ways women extend influence in their roles. This dimension is simply titled “influence.” A second difference between the respondents pertained to different characteristics that appear to determine how the women were integrated in the corporate setting. A dimension titled “inclusion” captures these differences.

INFLUENCE THEME

Decision-Making Arena and Role in the Decision-Making Process

There was a distinct difference in the types of decisions in which women inside directors participated. The women were asked to describe a recent important decision in which they were involved. Some of the women participated in decisions that spanned a narrow arena because their decisions were limited to a specific focus. These decisions have a low impact on the organization and tend to be associated with support areas of the organization such as legal or human resources. Others participated in decisions that affected the overall direction of the firm such as merger and acquisition decisions. These decisions have a high impact on the firm.

On a related dimension, women played roles in the decision-making process that ranged from following someone else’s lead to leading and directing the decision. Women who followed someone else’s lead participated in the decision-making process by playing an advisory role. The advisory role may include an offering of an occasional opinion even when not asked. These women took a secondary role by

offering advice to the CEOs who clearly made the decisions. Others took leadership roles by initiating the decision-making process, guiding them by pushing points and at times were even relentless. The same women involved in decisions that have a narrower impact were found to follow someone else's lead, whereas women involved in decisions that have a broad impact were found to be the same women who led the decision-making process.

Illustrations of the decision-making arena and role follow:

Narrow Impact/Follows

The board looked to me for my input in “employee relation strategy and succession planning and diversity and how we go through that process.” (4, p. 7) The CEO “creates an environment where you can feel comfortable expressing your opinion. He seeks input. He wants to know my opinion about certain things. And, even if he doesn't ask, I'll give it. But, he takes it the right way, which I think is important.” (4, p. 16)

Broad Impact/Leads

“As an inside director it was my responsibility to drive and develop an Internet strategy for our company...The board had some questions about them and I basically, I guess, sponsored this whole thing because I thought it was absolutely the right thing to do for our company and ultimately was able to influence the board to approve a fairly sizable investment.” (2, p.5)

Credit for Selection

Credit for selection evolved as an area where the women's views differed. Some women clearly credit their selection to an inside position to a sense of a just claim due to something other than their own accomplishments. These reasons include longevity, family relationships, and contract agreements. These women speak of a family member hand-picking them, or a contract that states the General Counsel must be on the board, or the position was gained due to seniority. These responses have been categorized as "entitlement." Other women appear more confident in their abilities by crediting their selection to an inside position to their own talents and performance. These women emphasized they had something the organization needed such as a skill set that no one else had, or information and company knowledge the senior executives needed.

Illustrations of credit for selection follow:

Entitlement

"My father at the time was the CEO as well as Chairman of the Board. And we thought... he thought, really that another family member should be on the board and I was the most logical pick, because I was employed. I mean, I'm the oldest and a lot of my brothers and sisters were not yet working....It was his idea. I was kind of doing what I was told. I wasn't really arguing with him."
(5, p. 4-5).

Talent

“I had all the business knowledge, so he needed to rely on me for information. (1, p.5) And we needed some impetus to grow the company and now all of a sudden my skill set(s) were needed and we didn’t have the big conservative parent that had no women in management.” (1, p.7)

Source of Influence

The strategies women rely on to influence others fall into three categories – individuals that primarily rely on facts and figures, those that primarily utilize relationships, and those that utilize both strategies with no dominant preference. Individuals who rely primarily on facts and figures do so to the exclusion of relationships. These women know where to get assistance, but utilize relationships only in the final resolution of the issue. These women emphasize the need to be well prepared and to have done their homework. They come armed with charts and figures` believing this is what is necessary to present and argue their views. Other women talk of “acting political” and “maneuvering” to sell themselves or their position. For these women it is primarily the relationships and the building of these alliances that is most important. In fact there was no evidence for this group of any reliance on the importance of facts and figures. A third group of women utilize both strategies with no particular preference. These women balance utilizing facts with relationships.

Illustrations of sources of influence follow:

Depend on Relationships

“It’s very hard, I think, for women to get comfortable, and I don’t necessarily mean bragging, but I mean, working aggressively, acting politically, maneuvering to get a position they want. I think, generally thinking, we’re much more reticent about that kind of thing. We’d rather work in a group that reaches consensus as opposed to go in, and be the one who climbs the stairs, and scratches other people along the way.” (6, p.16)

Depend on Facts

“I try to let the numbers and the facts speak for themselves.I will hand them exhibits, charts, lists, whatever, so that the weight of the evidence – there is written evidence from me and then there is chat from the board member. If you’re being objective, it’s really difficult to have chat outweigh facts and figures.” (3, p. 11-12)

The decision-making arena, the role in decision-making, the credit for selection and the strategies for influencing others are factors that determine an individual’s influence. A distinct pattern in these factors emerged, which identified two categories of women - those with low influence and those with high influence. The same women were found to participate in low impact decisions, follow someone else’s lead, attribute their selection to something other than their own talent and

primarily utilize relationships to present their views. These women were identified as having low influence. Other women lead decisions that have a high impact on the organization, credit their selection to their talent and utilize facts to present their views. These women were identified as having high influence. Researchers have found that possessing the verbal ability and self-confidence to advance one's cause are important power skills (Pfeffer 1981). These high influence women appear to be able to advance their cause, which may be in part because they have developed confidence in their own abilities and credit these abilities as the reason for their selection.

INCLUSION THEME

Level of Support

The second theme that evolved is that women inside directors described distinct differences in their perceived levels of support and acceptance by the other senior executives. The relationships among the senior executives ranged from dislike and even intimidation to support that included guidance and words of encouragement. Women in some settings felt they received strong support from the CEO or their peers. There were other environments where women had strained relationships with peers. The strained relationships included an absence of support or silence in difficult situations to peers that "despised" the woman inside director to intimidation to humiliation. One CEO used intimidation by berating the inside director's presentation. She was always expected to be the first presenter because the CEO is "going to be this way and then he'll get it out of his system." (1, p.12). It appeared

she was expected to take the “abuse” and soften the CEOs stance or attitude for the remaining presenters. A lack of support through silence, intimidation or relationships that generally are antagonistic toward one another have the effect of leaving the women to their own resources.

Illustrations of level of support follow:

Support

“My relationship with my boss, the CEO, is a good strong relationship. I’ve learned a style or adopted a style of disagreeing with him that was accepted. That didn’t mean that he always changed his mind and agreed with me. But, it was a way of putting my opinion in front of him without offending him – without implying he was wrong.” (6, p.18)

“But, because we (senior management) are... come from the same mold, so to speak, and from the early beginnings of a non-management division where there’s a driver, or an administrative employee, or whatever, that you don’t really have that kind of competition that you might find in some other companies. Even being... the first woman on the management committee was a first... I never felt that it was a bunch of males sitting back waiting for me to make a mistake.” (4, p.12)

Lack of Support

“He treats me like he would treat his daughters as opposed to a real peer level. But... I’m tough skinned and I don’t let it - it may bother me at the moment, but I get over it...I mean a lot of people say...we’ll let (me) go first because he’s going to be this way and then he’ll get it out of his system and we’ll get past it.”
(1, p. 12)

...As kind of a number two person I didn’t really have any peers, but the next level were the senior executives. Almost all of them despised me. (3, p.15)

Control Structures

Another pattern that evolved in concert with the level of perceived support was that only certain cultures had structures that excluded the women. The structures that were evident were isolation and lack of autonomy. These may be called control mechanisms. A lack of autonomy was repeatedly evident in one corporation where the CEO decided to sit in on the performance reviews of the women’s subordinates. She rationalizes that the CEO wants to find out “how the communication is going.” While that may be true, there are other ways to find out how the communication is going. The purpose of a review is to evaluate performance and set direction. By the CEO sitting in on reviews, the inside director’s autonomy is restricted which has the effect of limiting the support of her subordinates and her own influence. Another woman describes how peers worked to exclude her from important client meetings.

She states that a change in dynamics began to occur only as it became clear that she was a contender for the top position. This suggests the isolation is not due to any of her behaviors or her own personal capacity, but to the dynamics within the organization.

Illustrations of control structures follow:

Lack of Autonomy

“One of the things we are doing because of the merger, which might not be very good... (The CEO) decided this year that he would sit in on all my regional manager’s performance appraisals and I would sit in on all their joint reports... Besides it would be because we had a merger... And so he said this is a really good way to get out in the field and find out how the communication is going.” (1, p. 20)

Isolation

“There just came a time when my male partners realized that like them I was considered to be somebody who might take the top job someday. And I kind of went from being their best friend who was always there for them to feeling that they were shoving me out of say client opportunities. ... As soon as I was given some additional operating responsibilities and it became clear that I was viewed as very, very senior talent potential all of a sudden the key client meetings, I wasn’t invited to and things started to

occur that it was looking obvious that they were trying to take their competitor (me) out of position.” (3, p .5)

Advice Women Received

The type of advice women received fell into three categories – negative personal advice that centered on what to change about themselves, positive personal advice that centered on how to get promoted, and advice that centered on improving organizational performance. Women in less inclusive environments received negative personal advice. This advice tended to center on changes in style that women were expected to make. Women in environments that were more inclusive received advice that was supportive in the sense of how to get promoted or how to improve organization performance.

Illustrations of advice women received as follows:

Negative Personal Advice

“(The CEO) said to me, you really irritate (name) so the less said is probably the better. He said to make your point...Even though my style works for me in the company, now I’m on the board and he basically told me I need to adapt my style for the time period with the board... just make my points and shut up.” (1, p. 18 – 19)

“Male colleagues early on said ‘the male minds actually think differently than you do and you need to be cognizant that the fact that if you put somebody down at a meeting, you’re thinking that

you're just saying no that's not right. But half the males in the room are thinking God darn that bitch. She's embarrassing me in front of the other males.' ” (3, p. 19)

Positive Personal Advice

“No matter what job you get.... I've been around thirty years, so some of those jobs early on... working nights and all the other, I don't think I would have been volunteering. But someone said this is all experience. So even if it's not the most exciting thing, do it, because... you would be able to say that you had that experience.” (4, p.14)

Organizational Performance Advice

You can't carry the weight of the world personally on your own shoulders, and the key to success in business as you move up the ladder, is you have to make sure that you have the right people in the right jobs. And if you do that and hold yourself accountable for that, having the right people in the right jobs, everything else will take care of itself. (2, p.10)

These three findings in differences in type of support, existence of control structures and the advice received can be described as perceived characteristics of the organization, because they are to some degree beyond the individual's control. Researchers have identified structural elements necessary to gaining power include

access to powerful people and information (Blackburn, 1981). The formation of committees and office locations assist in determining this access as well as the behavior of peers and general support within the senior ranks. These organizational dynamics or structural elements are captured by the dimension “inclusion”. This dimension is defined as corporate cultures that provide opportunities to fully participate in the senior ranks of management and within the corporate board.

Two categories of corporate environments emerged within the dimension of inclusion – low or high inclusion. Low inclusion environments displayed unsupportive peer behaviors, had evidence of control mechanisms and offered women negative advice. High inclusion cultures had no evidence of unsupportive peer behavior, did not have control mechanisms and provided women words of encouragement surrounding organizational performance or personal advice.

DEFINING THE DIMENSIONS OF INFLUENCE AND INCLUSION

An analysis of the differences in responses within the framework of the dimensions of influence and inclusion was conducted using the code presented in Table 1. A second coder was utilized to ensure reliability and minimize the threats to interpretation. The two coders had an agreement rate of 86% in the classification of responses. All differences in the coding were discussed and a final determination was made. The coding for the dimension of “influence” includes:

- Influence arena – specific expertise vs. strategic arena
- Decision-making role – follow someone else’s lead vs. leads
- Credit for selection – sense of entitlement vs. chosen

- Strategy to influence others - depends on facts, relationships or both

The coding for ‘inclusion’ includes:

- Peer support – lack of support vs. support within the ranks of management
- Control structures – existence of structures vs. non-existence of structures
- Advice received – negative personal advice, positive personal advice, or organizational performance advice

Insert Table 1

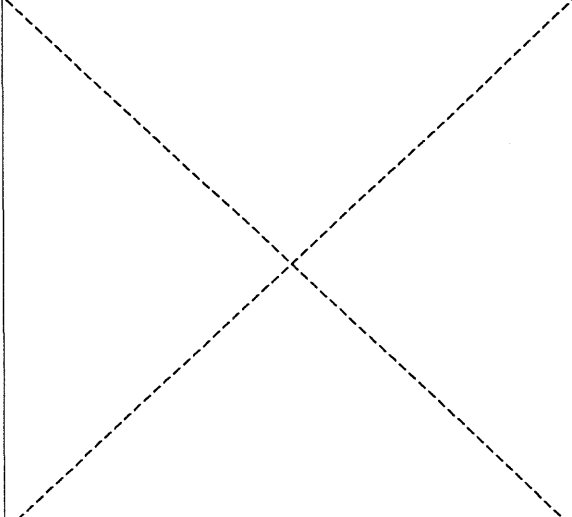
Utilizing this framework, women inside director responses fell into three groups. Each group defines a different prototype of women inside directors. Each prototype has distinct behaviors and work in environments that have different levels of support. The prototypes are labeled accommodators, strivers and socialized achievers. Accommodators have low influence and work in supportive environments that may even be described as protective. Strivers are high on influence and low in inclusion due to structures and peer behaviors that control their inclusion. Socialized achievers, who are high on both dimensions, lead the organizations in a collaborative environment. Two women were identified as accommodators, two as strivers and two as socialized achievers. Table 2 identifies the coding of each interviewee’s responses within the context of the influence and inclusion dimensions.

Insert Table 2

The following chart defines each prototype.

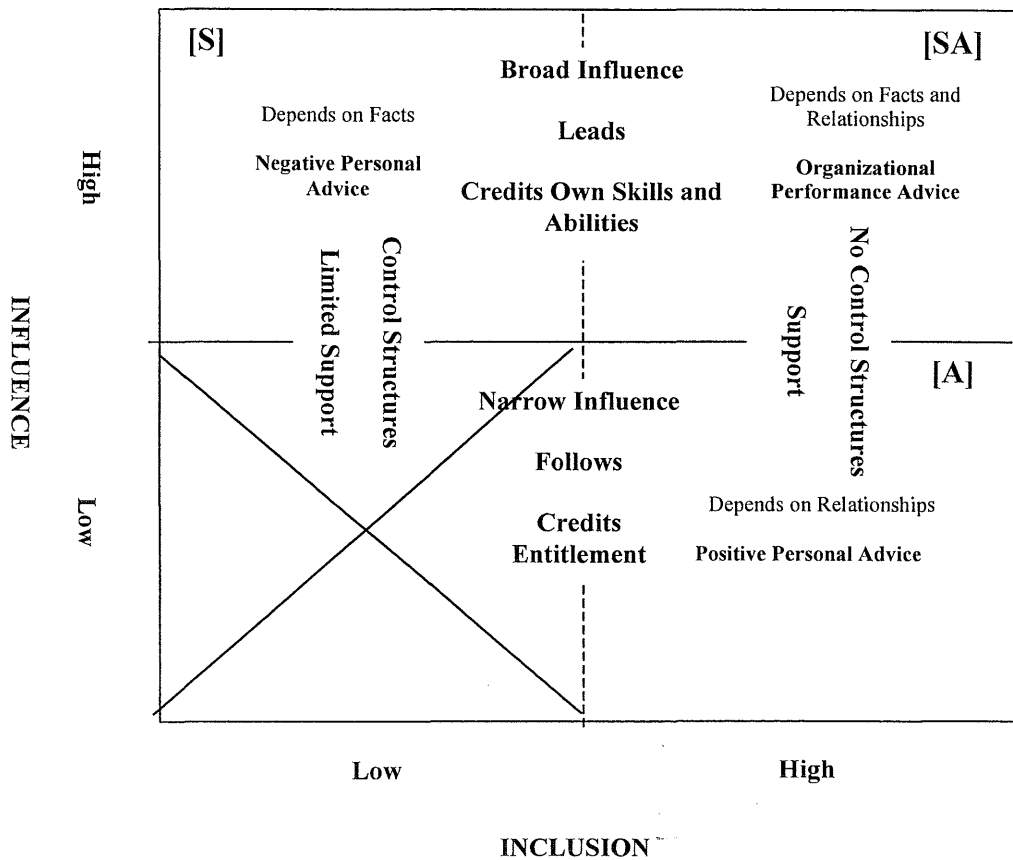
INFLUENCE	High	Strivers – Influential decision-makers, but are restricted by structures that limit integration and status Interviews 1 and 3	Socialized Achievers – Leads the organization in a collaborative environment Interviews 2 and 5
	Low		Accommodators – Generally included but influence is limited to giving advice Interviews 4 and 6
		Low	High
		INCLUSION	

The next chart is a detailed description of the coding of group. Each bullet defines the corresponding code.

<p>Strivers</p> <p>Influence</p> <ul style="list-style-type: none"> • Integrally involved in strategic decisions such as mergers, new markets and selling corporation • Directs and leads decision-making • Credits selection to own skills and abilities • Utilizes numbers and statistics to present views <p>Inclusion</p> <ul style="list-style-type: none"> • Control structures indicating lack of autonomy and isolation are evident • Evidence of unsupportive peer behavior • Receives negative personal advice 	<p>Socialized Achievers</p> <p>Influence</p> <ul style="list-style-type: none"> • Integrally involved in strategic decisions such as mergers, new markets and selling corporation • Directs and leads decision-making • Credits selection to own skills and abilities • Utilizes relationships and facts to present views <p>Inclusion</p> <ul style="list-style-type: none"> • No restrictive control structures • Peer behavior is supportive • Receives advice on improving organizational performance
	<p>Accommodators</p> <p>Influence</p> <ul style="list-style-type: none"> • Involved in decisions that are restricted to a specific area, generally a support area of the organization • Follows others' lead • Credits own selection to entitlement • Utilizes others for information or builds alliances to present views <p>Inclusion</p> <ul style="list-style-type: none"> • No restrictive control structures • Peer behavior is supportive • Receives positive personal advice

DEVELOPMENT OF MODEL

From this coding the following model emerged which interprets how women inside directors have become integrated into the executive suite. The model identifies the characteristics of each prototype, some of which overlap two quadrants. The characteristics that overlap are in bold. The non-bolded characteristics are those that are unique to each quadrant.



Accommodators are primarily different from the strivers and socialized achievers on the dimension of influence. An accommodator's influence is restricted to advising others and following someone else's lead. These women also attributed their selection as an inside director to entitlement. This is significantly different from the strivers and socialized achievers who are integrally involved in decisions that have a broad impact on the organization, are leaders in the decision-making process, and credit their selection to their own abilities or talent.

Accommodators and socialized achievers are different from the strivers on the inclusion dimension. These women work in cultures that are supportive and have no

control structures. Whereas strivers work in environments with little support and control structures.

Strategies for influencing others and the advice received are different in each quadrant. Differences in each quadrant may be due to factors that are more dependent on the inside director's influence and on the characteristics of the organization. Individuals in environments that are low on inclusion predominantly rely on facts and information. Individuals who are in inclusive environments predominantly depend on relationships if their influence is low, but those having high influence utilize relationships and facts equally. The type of advice women receive also may depend on both dimensions. Low inclusion environments tend to give women negative advice indicating that women need to make changes, whereas high inclusion environments tend to give advice centering on organizational performance or positive personal advice on how to get promoted.

There is a general tendency to attribute behavior an individual's personal characteristics rather than the structure of a situation. However, certainly to some extent, people behave a certain way because of the circumstances. Specific behavior and traits must also be viewed as an individual's reaction to the treatment received. Women who utilize facts and figures may do so because they have learned not to expect support from others; and women who utilize relationships may do so because they have learned that the support of others is the only necessary ingredient to influence a situation. The advice women receive may also be dependent on the behavior of the women and the corporate environments in which they work.

PROTOTYPE SUMMARIES

Accommodators

The accommodators primarily rely on relationships with other senior executives, relegating performance to a secondary status. When influencing others they first and foremost utilize these relationships rather than numbers, statistics or facts. These relationships, especially with the CEO, provide strong support that may even be described as somewhat protective. It appears these women are taken under the CEO's wing and provided with coaching on how to personally work their way up the ladder. However, the women rarely, if ever advocated a different view, so there was little need for support in difficult situations.

The women are aware of their status and attribute their selection as an inside director to a sense of entitlement such as longevity or contract requirements and not to performance or talent. Their sphere of influence is restricted to a specific area of expertise and is a more advisory than a leadership role. These women have titles that indicate staff roles generally associated with assisting others and not as influential as line roles. It may be unlikely these women will move from their current position into a CEO position.

Strivers

Strivers believe the most necessary element is performance and that it is results that will carry them through difficult situations. Both women earned respect by demonstrating competence in a technical area, which they believe has assisted in propelling their careers forward. To sell or present an idea, they focus on facts and

statistics; thinking the numbers will speak for themselves. These women lead decisions that have a broad impact on the organization. However they work in environments that have control structures, which serve to exclude or isolate them.

In addition to these control structures, the strivers work in environments where there is little support within the ranks of management. The women express confidence in their own abilities and appear to gloss over any perceived lack of assistance from peers. It is as if the consequence of this confidence is a set of dynamics that include little support, or the addition of control structures. In spite of these factors, the strength of the women lies intact, as does their persistence to continue to seek results.

Socialized Achievers

The socialized achievers are involved in decisions that have a broad impact on the direction of the firm. These women are confident in their abilities and talent. They lead the decision-making process and utilize facts and relationships when presenting or selling an idea. The environments provide a context where peers are willing and able to provide assistance, encouragement and guidance. It is these factors that assist the women in becoming savvy alliance builders. The effect is the women are not in a position to stand alone without the support of colleagues.

DISCUSSION OF THE MODEL

Influence and inclusion are important determinants for success. Researchers have debated the extent to which power is dependent on an individual's own personal capacity versus contextual or structural elements within the organization. Power is

extremely complex, making separating these two facets impossible because they are intertwined. Most descriptions of power include both elements. Kanter described powerful individuals as those who have access to tools for action and the ability to get things done (Kanter, 1977). Ability to get things done is perhaps more closely associated with one's personal capacity, but having it does not ensure anything will be accomplished if access to the tools is not available. Structural elements are more closely associated with the contextual factors of the organization or something other than the person's personal capacity. Women inside directors are in roles that are structurally included in the highest echelons of the organization, but even that doesn't ensure maximum utilization. There are other dynamics at work that determine an individual's ultimate impact on the organization.

Women cannot attain maximum status without corporate cultures that are inclusive in nature. One dimension without the other has a tendency to restrict the ultimate impact a person can have on an organization. It may not be a coincidence that one person using a striver style left a corporation because she felt she could not counteract the exclusive corporate dynamics and another striver stated she does not expect or desire the CEO position. Accommodators also do not see themselves in line for the CEO position because of their narrow realms of influence.

The accommodator and striver roles are difficult roles to play. Strivers are limited by a lack of peer support and control structures that force women to stand alone, while the inclusion of accommodators appears to be associated with playing a lesser role in decision-making.

DEMOGRAPHIC DATA

Table 3 provides demographic information on the women inside directors and suggests there is more to identifying contributions than numeric representation that utilizes demographic information. Salary, title, age and board tenure were collected from the proxy statements.

Insert Table 3

It is not surprising that women high on both dimensions – the socialized achievers are also in the top five salaries and have titles associated with power. “Power” titles are generally considered - Chair, CEO, President, Vice-Chair and COO. However, other top-five salaried individuals with powerful titles – those identified as strivers – may not be fully integrated. Actually there are dynamics at work that serve to ensure that they may not be fully integrated. This finding indicates that the sheer fact that one has a powerful title and is included in the top-five does not guarantee she is fully integrated and works in a supportive environment.

This study also finds that the accommodators, who have limited influence, are not included in the top-five salaries and do not have powerful titles. This indicates that being included in the top-five and having a powerful title are critical elements for serious consideration for a CEO position. The accommodators do not believe they are currently in line for a CEO position. One of the accommodators has utilized her position as an opportunity to develop relationships to further advance her career and

perhaps be in line for a CEO position at some future point. She recently moved into a line position with responsibilities that have a broader impact on the organization. Unfortunately in this larger role, she no longer could be on the board because she was no longer “entitled” to the board seat.

CONCLUSION

The findings in this study suggest that women must combine influence with inclusion. This is consistent with some of the dynamics of tokenism described by Kanter. The tokenism theory argues that women need to balance protectiveness with abandonment. Individuals who allow other people to take over and fight their battles are protected at the expense of staying out of the main action. This ultimately restricts their impact or influence. There is some indication that accommodators play these roles. Individuals, who choose not to be protected, stand by themselves (Kanter, 1977). The strivers are individuals who appear to have made the choice to stand alone. Choosing protection or standing alone ultimately limits one’s contributions. Corporations must take some responsibility for providing a culture that put women in a situation that forces them to choose one or the other. Socialized achievers averted this choice, but also work in environments where they didn’t need to make such a decision.

Implications for Women Inside Directors

These findings suggest women inside directors should spend equal time on developing both dimensions. They need to take every opportunity to develop their networks within the organization. It is these alliances that will assist in the elevation

to larger roles and opening doors for new challenges. This study also suggests corporate environments have perceived cultures and dynamics that assist and restrict one's influence. Corporations must work in tandem with women executives because behaviors and corporate cultures are dependent on one another.

Implications for Board of Directors

Board members should be aware of the dimensions of influence and inclusion and understand that in some corporate environments inclusion and influence work against each other. Ways these dimensions can both be enhanced need to be explored. An understanding of these dynamics can assist boards in developing plans that increase inclusion and ultimately increase opportunities for influence. These plans will also serve the interests of the shareholders, because wider perspectives and opinions will be considered.

Implications for Future Research

The model that emerged in this study is a preliminary one that needs to be tested and refined. Future research needs to determine if these findings extend beyond the six respondents. The socialized achievers may be in unique environments because one is a family organization and the other is a corporation that takes pride in its success with women. An additional study that compares women inside directors with men inside directors is needed to identify if the behaviors exhibited and the dynamics described in the corporate suite are unique to women.

As a final note, this study is based on the interpretations of the perceptions of women inside directors. The suggestion is that the organization influences the roles

women inside directors' play. In addition, it may be that the roles women play influence their perceptions of the organization. This study does not make a determination about which dynamic is at work or if both processes operate. Further research would need to test this finding.

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APPENDIX

INTERVIEW GUIDE

I want to thank you for taking time out of your busy schedule to share your stories. You have achieved a position that few women or men for that matter have achieved. I am primarily interested in your experiences on your own corporate board. By your sharing these experiences more women may have an understanding of the dynamics surrounding the role of an inside director. The information you provide will be confidential and will only be shared with researchers directly involved in this project. Your stories will not be associated with you or your corporation. I will also share with you any significant findings.

I would like to clarify information that I have obtained from the proxy statements. Years on the Board _____, Title _____ and Family relationships with other board members _____.

Questions

Please answer the first group of questions surrounding your involvement on the board.

I would like to understand more about your role as an inside director and in particular your background/career immediately preceding your being added to the board. Share your story of your membership on the board by beginning with a description of the selection process. Describe how the idea of your being added to the board first arose. What does the future hold for you?

What was your biggest surprise when you got on the board?

Describe a recent situation where you were involved in making an important decision.

Describe a situation in the last three months where the board looked to you for your input.

Describe a time when you had a different point of view or a confrontation with someone on the board.

Describe a social occasion, where you had an opportunity to socialize with other board members outside of a corporate function.

Please answer the following questions surrounding your experiences as a senior executive.

Describe your biggest recent success.

Describe a time you received advice that you felt was valuable.

Describe the talent pool of the female executives in your organization. What classic mistakes do females make?

Summarize what it takes to be an effective inside director.

Table 1

CODE			
Decision-making Arena	<u>Narrow</u> Involved in decisions which are restricted to a specific area, generally a support function of an organization	<u>Broad</u> Integrally involved in strategic decisions such as mergers, new markets and selling corporations	
Decision-making Role	<u>Follows</u> Follows others lead	<u>Leads</u> Directs and leads decisions	
Credits Selection as Inside Director	<u>Entitlement</u> Credits someone or something other than self for selection, such as relationships, contract requirements or longevity	<u>Talent</u> Credits own skills, ability or company knowledge for selection	
Strategies for Influencing Others	<u>Relationships</u> Utilizes others for information or builds alliances to present view	<u>Facts</u> Utilizes numbers and statistics to present view	<u>Both</u> Relies on facts and relationships
Control Structures	<u>Non-Existent</u> No techniques by others that limit influence	<u>Existent</u> Techniques by others that restrict one's influence such as isolation or lack of autonomy.	
Support within Management Ranks	<u>Lack of Support</u> Peer behaviors include intimidating responses in difficult situations or lack of encouragement. Support may be given when asked.	<u>Support</u> Peers described as supportive.	
Advice Received	<u>Positive Personal Advice</u> Guidance centers on how to improve individual success	<u>Negative Personal Advice</u> Guidance centers on behaviors the women must gain to better interact with males or the corporate culture	<u>Organizational Performance</u> Guidance centers on how to improve organization results

Table 2
DISTINGUISHING FACTORS

		Accommodators		Strivers		Socialized Achievers	
		Interviewee 4	Interviewee 6	Interviewee 1	Interviewee 3	Interviewee 2	Interviewee 5
Influence	Influence Arena	Narrow	Narrow	Broad	Broad	Broad	Broad
	Decision-Making Process	Follows	Follows	Leads, Directs	Leads, Directs	Leads, Directs	Leads, Directs
	Credits Selection to Talent or Entitlement	Entitlement	Entitlement	Talent	Talent	Talent	Entitlement
	Strategies for Influencing Others	Relationships	Relationships	Facts	Facts	Facts and Relationships	Relationships
Inclusion	Control Structures	Non-existent	Non-existent	Existent	Existent	Non-existent	Non-existent
	Support within Management Ranks	Support	Support	Lack of Support	Lack of Support	Support	Support
	Advice Received	Positive Personal	Positive Personal	Negative Personal	Negative Personal	Organizational Performance	Organizational Performance

Table 3
DEMOGRAPHICS

	Accommodators		Strivers		Socialized Achievers	
	Interviewee 4	Interviewee 6	Interviewee 1	Interviewee 3	Interviewee 2	Interviewee 5
Top Five Salaries	No	No	Yes	Yes	Yes	Yes
Title	Non-Power	Non-Power	Power Title	Power Title	Power Title	Power Title