

Women make slow progress on corporate boards

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by Harold Nedd

Women executives are making slow progress in being named to the boards of Hawaii's 10 publicly traded companies.

Although the number of high-level businesswomen sitting on these boards has nearly doubled in the past six years, they still represent only about one in seven members.

A PBN study shows that 13 of the 95 directors on the 10 boards are women --13.7 percent. In 2001, seven out of 60 directors were women -- 11.7 percent.

'Climate has changed'

"The climate has changed in boardrooms," said Mary G.F. Bitterman, the lead director for Bank of Hawaii's board since 1999. "The insights of women are increasingly seen as valuable. In the years ahead, there will no longer be a lone woman on a board, but rather groups of women on a board."

The increase comes as companies focus more on experience than title to help broaden the pool of likely candidates for board seats. The increase also comes at a time when a board seat in today's post-Enron world is more important than ever.

Such issues as accounting scandals and inflated compensations have increased the liability exposure and scrutiny of all directors.

Still, serving on a corporate board has many advantages. Experts say that not only do members learn a great deal about another company, the experience enhances management skills and develops career opportunities.

While companies are making progress in recruiting women directors, women have been filling only a fraction of the seats, according to Equilar Inc., a compensation research firm that did the study for PBN using the latest Securities & Exchange Commission filings issued by the 10 Hawaii-based companies.

Women directors are getting a boost from companies such as Hawaiian Electric Industries Inc., Central Pacific Financial Corp. and Bank of Hawaii.

According to the research on women board members in Hawaii, three women directors accounted for 25 percent of HEI's 12-member board in 2006, up from 17 percent in 2001.

Similarly, three women directors accounted for 25 percent of Bank of Hawaii's 12-member board, up from 11 percent in 2001.

And three women directors accounted for 20 percent of Central Pacific's 15-member board, up from an 11 percent representation on a then nine-member board in 2001.

Trend bodes well

Jim Ellis, president of Executive Search World, a professional recruiting firm in Honolulu, said the trend toward a more diverse lineup of directors bodes well for women executives involved in key corporate functions, from strategy to succession to auditing.

"Women who are well-qualified are in great demand," Ellis said. "And these aren't just token people."