The chasm that is WNY’s gender gap

The management team at Lake Shore Bancorp Inc. is unique among large companies here: Six of 10 officers are women. Seated are Nicole May, left, compliance and CRA officer; and Sonia Ortolano, VP of information technology. In back row are Beverly Sutton, left, VP of retail banking operations; CFO... more

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Take a hard look at the list of public companies headquartered in Western New York and you may notice something similar about all 21. Their CEOs are men. The same is true of the 66 companies included last year in Business First’s Top Private Companies list, which annually ranks firms based on self-submitted revenue information from the prior year.

It’s as startling as it is unsurprising. While more women join corporate boards - and while there are many women in charge of health and human services organizations and law firms in this region - corporate chief executive jobs by and large continue to be occupied by men.

And it may stay that way for a while. Despite the fact that companies pay more attention to the importance of diversity and inclusion, it’s slow-going when it comes to actual change.

According to “2018 Women in the Workplace,” a study by McKinsey & Co. and LeanIn.org, the proportion of women holding jobs at U.S. corporations, at any level, isn’t increasing; it’s actually stalled.
Karen King is executive director of the Erie County Commission on the Status of Women. She said the dearth of women CEOs at local corporations is not unique.

“Western New York is no different than any other place,” King said. “You have a culture that is used to seeing leadership in a particular way, and for the most part that’s male. So how do you change that perception? How do you encourage the people in power to look beyond where they would normally look for talent?”

**The gender gap**

Gender diversity in leadership has been top of mind at some companies for years as a means to achieve equity and improve the bottom line. The dialogue ramped up last year in the wake of the #MeToo movement against sexual harassment and assault in the workplace.

The discussions highlighted the stark reality of the gender gap in the workplace and across boards and C-suites, and the numbers back up the anecdotes.

In May 2018, Fortune magazine released its annual Fortune 500, a list of the largest U.S. corporations ranked by total revenue. The list included just 24 women CEOs, down from 32 in 2017.

Meanwhile, among S&P 500 companies, just 25 (5 percent) have women CEOs. That number will rise to 26 on June 11 when Corie Barry is set to become chief executive of Best Buy Co.

Serena Fong is vice president of strategic engagement at Catalyst, a New York City nonprofit whose mission is focused on improving the workplace for women. Fong said the percentage of women CEOs leading S&P 500 companies has been “fairly stagnant” over the years.

“It’s never reached 6 percent, she said.

“Basically, there are still systemic barriers that exist within organizations in terms of getting more women into these corporate leadership positions,” Fong said. “I think it has changed a bit from outright discrimination where people would say, ‘No woman is capable of holding this job,’ to a much harder issue with barriers such as unconscious bias playing out when these positions get filled.”

One key bias: Men are more likely than women to be perceived as leaders. A study conducted by University at Buffalo researchers Katie Badura and Emily Grijalva shows that gender stereotypes favor male leaders over female leaders.
There's also a lack of sponsorship and mentorship opportunities, a dearth of diversity among the teams doing the actual hiring and the fact that some women - willingly and unwillingly - put their career aspirations on the back burner when they have children.

These and other factors lead to a scarcity of women at the highest levels of many corporations. So when the coveted CEO job becomes available, there are more male candidates from which to choose.

**Rich Products Corp. CEO William Gisel Jr. is determined to make sure more women hold corporate jobs in the company. “No one with any kind of competitive view of the world will say that (diversity in leadership) doesn’t matter,” he says. “The real question is do people have the conviction to drive... more**

**Progress made, but it’s not done**

In Western New York, CEO turnover still favors men. Of the 21 public companies headquartered here, eight have changed leadership since 2017 and another - National Fuel Gas Co. - will get a new CEO in July. All of the successors have been men, with the exception of Ecology & Environment Inc., which has not...
In the last 10 years, the bank has been more deliberate in hiring and promoting women into leadership roles, she said.

But there's always more work to do.

“I have seen things change really dramatically in all the years I've been here and I would say I'm now much more encouraged about the diversity I see around me,” Coletti said. “But you can't be what you can't see, so it's very hard to think, ‘I'll be the first woman or the first African-American or the first anything’ to take on a senior role. I think it's much better, but we have a ways to go.”

Rich Products Corp., the largest company on Business First's Top Private Companies list, has made similar moves. The Buffalo-based company –whose vice chairman is Melinda Rich, wife of Chairman Robert Rich Jr. – is trying to increase gender diversity at the top management levels, according to CEO William Gisel Jr.

“This is something that really requires a deep change in an organization, so we study this ... and we've been working through what I would call 'generational shifts' to address this topic,” Gisel said.

That includes having “open conversations with talented women” about their career goals, ensuring that search firms provide diverse candidates and creating a culture that doesn’t “roll its eyes when someone says they're working away from the office” that day, he said.

Could the next CEO of Rich's be a woman? Gisel said it's not only likely but desirable.

“I expect no fewer female candidates for the CEO role than there would be male candidates. And I think the work we're doing now will establish those kinds of options that will allow us to select a female candidate with no undue hardship, meaning no loss of confidence in the direction of the company's future,” he said. “To me, we're on a really good path but it's not done.”

The top leaders at Delaware North, the second-largest private company, were unavailable for interviews. So, too, was Kim Pegula, president and CEO of Pegula Sports & Entertainment. She is one of the only women to hold a corporate, non-health or human services-related CEO seat in Western New York.

All in and what's ahead
Lake Shore Bancorp Inc., parent company of Lake Shore Savings Bank, has a male CEO, but six of the 10 officer positions are held by women. CEO Daniel Reininga said the Dunkirk-based company does not have a formal gender diversity policy but instead hires and promotes based on skills and abilities.

“In the banking industry, we can't discriminate,” Reininga said. “It's just that simple, whether we're hiring or making loans or making a credit decision. Disparate treatment is not in our vocabulary.”

Rachel Foley is one of the bank's officers. She joined in 1999 as controller and now is CFO.

“We have to represent all of our customers,” Foley said. “I think that's important because many women own businesses and run households, and so our voices as females need to be at the table.”

At Life Storage Inc., a self-storage and real estate investment trust headquartered in Amherst, new CEO Joseph Saffire said the company and the industry as a whole have traditionally been male dominated. But there are recent shifts.

Though the Life Storage three-person management team is all men, the nine-member board now has two women and the company recently appointed its first female regional vice president after making a policy change about where those jobs can be based.

Status of women recently held discussions with business leaders about increasing the number of women in leadership positions.

Last year, the WNY Women's Foundation launched the All In initiative. The program includes a cohort of 14 organizations including M&T Bank, Delaware North and Linde Technology Center (formerly Praxair) that made a commitment to creating and supporting equitable workplaces.

All In is expected to release a baseline report in June that will cover employee breakdown by gender, wage gaps and workplace culture. Part of the goal, according to WNY Women's Foundation Director Sheri Scavone, is to be able to show quantitatively the underrepresentation of women leaders at local workplaces.

“That's part of the impetus,” Scavone said. “We know it, but we can't show it.”
NAWBO Buffalo Niagara is the local chapter of a national organization that supports women business leaders. President Christine Howard said the group is trying to find ways to get more women placed on corporate boards.

How much change ultimately takes place will take time, at the national level and locally.

Fong of Catalyst said there is “no silver bullet” because “systemic change is hard.”

Howard agreed. She said the change won't happen overnight.

“It's hard to change the direction of a very large ship. It takes time,” Howard said. “I think the conversations are still filtering in and for those (women) coming into the pipeline now, maybe we'll start to see the effects five or 10 years or 15 or 20 years from now.”