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# Women of Color: The Challenge and Opportunity

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Best Practices from the  
**Network of Executive Women**  
Consumer Products and Retail Industry

SECOND IN A SERIES



# Women of Color: The Challenge and Opportunity Ahead

**I**T'S NO SECRET THAT women and minorities are under represented in the executive ranks of American business. Women hold just 19 percent of senior officer positions in corporate America, while ethnic minorities of both genders hold just 16.7 percent of the top spots – about one leadership position in six.<sup>1</sup>

But even the well informed might be shocked to learn how few women of color have achieved senior executive status in the United States. Though minority women make up 13.4 percent of the U.S. workforce,<sup>2</sup> they hold only 1.6 percent of corporate officer posts at 429 Fortune 500 companies who responded to a Catalyst survey.<sup>3</sup>

This stubborn lack of progress is reflected in the continuing wage gap between genders – and between white women and women of color. Though women make up 49 percent of the managerial/professional workforce, they earn 76.2 percent of what men of all races and ethnicities earn. The gap increases when you compare women of color with white men.

African-American women earn just 63 percent of white men, and Latina women fare worst of all – they earn only 53 cents for every dollar paid to white men. At current rates, it will take 50 years to close the pay gap between men and women<sup>4</sup> – it may take even longer for women of color.

This dismal performance follows decades of affirmative action and diversity education in American business. But there are things you can do now to speed the process of management diversity in your organization.

## THE REASONS WHY

In the executive suite, women of color have fallen behind even the modest progress made by white women.

According to a November 2004 NEW Women of Color Symposium focused on the challenges of African-American women in the CPG industry, there are no lack of reasons why:

On the job, black women can be doubly isolated, and may have few role models and mentors. They are often in staff roles, which may offer opportunity to advance than line positions do. Many companies have no outreach programs designed especially for African-American women. Black female managers may suffer from negative stereotypes, or be managed by people who do not possess the coaching skills or political savvy to groom them for leadership roles.

On a personal level, too many black women are discouraged from seeking promotion by the lack of progress they witness in their organizations. And family responsibilities can make it hard to accept distant work assignments.<sup>5</sup>

Creating an environment where every woman of color can prosper requires action from all concerned: stakeholders, senior management, human resource departments, advocacy groups, communities, family members and of course, women themselves.

The benefits of inclusion are manifest: greater productivity and creativity in the workplace, increased retention, reduced turnover and training, better morale, increased diversity in decision making, improved loyalty among consumers, and fewer grievances and litigation.

## WHAT COMPANIES CAN DO

Traditional hiring trends have led to non-diverse leadership teams at the upper echelons of almost every industry. Male managers speak the same language, share the same interests, come up from the same departments and belong to the same business networks as their predominately male superiors. It's not surprising they have the inside track on advancement.

In order to fully utilize the leadership potential of women of color, American industry must take urgent steps to improve management development, recruiting and retention, and corporate culture.

First, obvious barriers to women of color – which can include unequal pay, slow promotion, and lack of visibility chief among them – must be addressed. Most organizations are making good-faith efforts to resolve these inequities, but too many stop short of tackling the problems at their source. For example, studies have shown that the more women and people of color in a field, the lower the pay. This core problem must be addressed before women of color can achieve full equality of opportunity in corporate America.

Second, new programs and policies must be put in place to address the issue proactively. Organizations can start by forming internal networks and listening to their opinions. Be open and encourage for honest feedback.

Once you know where you stand, you can begin transforming your organization into a team that truly values diversity. Diversity starts at the top but builds from the bottom. So you will need a strong, transparent commitment from senior management, and new efforts to recruit, train and promote women of color executives. Incentives should be created to meet diversity goals, and managers must be held accountable for the promotion of women of color.

In many cases this will require a change in corporate culture, a culture that often advances men based on *potential*, but requires women of color to prove themselves before advancement.

Some cultural changes may seem symbolic, but that doesn't mean they are unimportant. Hiring more minority vendors and recruiters, hosting a company-wide women of color forum, and embracing minority institutions are steps that can send a powerful signal throughout your organization that women of color are valued.

## WHAT WOMEN CAN DO

For women of color to succeed in business, they must transcend subtle, often unspoken, stereotypes and expectations.

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Making their voice heard without raising it is a fine line for anyone to walk, but it can be done. One key to increased visibility for women of color is building strong relationships within their companies and wide networks throughout their industry. Too many female managers think that hard work is enough. This is a sure way to become invisible.

It is an unjust fact of business life that women of color have more barriers to overcome. They need to be attuned to themselves and the people around them to succeed. This means using “emotional intelligence” to find the right communication or leadership style for each situation.

To obtain advancement in their companies, women of color need to express their authentic voice and leadership style. They need to understand the political landscape within their organizations and its unwritten rules. And they need to keep their perspective and sense of self. Having a mentor – it need not be a woman of color – helps. Having channels of communication to the highest levels and the support of a direct superior is critical.

Women of color who succeed in business take ownership for their own advancement. This often begins by crafting a personal development plan and sharing it with management. Most senior executives understand ambition. Those on board with management diversity will support an executive’s career ambitions when they combine personal growth with company goals.

## THE FUTURE

When asked about their career prospects, the majority of women of color executives surveyed were not optimistic. Many believe that to move up, they must move out.<sup>6</sup> Census figures confirm that women executives of all colors are leaving the top ranks of American business in droves. They held 32 percent of top jobs in 1990, but only 19 percent of such positions in 2000.<sup>7</sup> This is a dangerous trend.

The spending power of women of color is immense. Their presence in the workforce is growing. But American industry’s persistent failure to promote women of color to leadership positions threatens morale, productivity and growth. What’s at stake is the kind of organizations, and the kind of society we will have.

Industry must act to create the diverse management teams and inclusive corporate cultures needed to lead tomorrow’s organizations. Much work needs to be done. The time to start is now.

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SOURCES: 1. Analysis of U.S. Census Data by Peopleclick Inc. Share of women and minorities in CEO, CFO, president and vice president positions, 1990 vs. 2000. 2. Bureau of Labor Statistics, 2003. 3. Catalyst Census of Women Corporate Officers and Top Earners in the Fortune 500, 2002. 4. Institute for Women’s Policy Research and the Urban Institute (*Women’s eNews*), 2004. 5. NEW Women of Color Symposium on African-American Women in the CPG Industry, 2004. 6. Catalyst “Women of Color in Corporate Management: Three Years Later,” 2004. 7. Analysis of U.S. Census Data by Peopleclick Inc.

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# Women of Color: A Corporate Action Plan

*Developed by the Network of Executive Women*

1. **FIND OUT WHERE YOUR COMPANY STANDS.** Determine how many women of color you have in managerial jobs, then determine how many minority women you have in corporate officer positions. Is your talent pipeline draining valuable resources? The answer will tell you how much work you have to do.

2. **SET GOALS.** You cannot achieve any real progress if you don’t aim high. Set a goal of parity between women of color at the bottom of your managerial chart and women of color at the top. Remember that equality of opportunity is a process, not a quota. It may take years to achieve, so you need to start now.

3. **WORK FROM THE TOP DOWN.** To turn a turn a ship you must first turn the helm. Let everyone in your organization know that senior management is committed to equality of opportunity with official statements, policies, programs and, most importantly, actions.

4. **HIRE STARS.** Recruit more women of color for high-profile executive positions and your board of directors. This will send a powerful message throughout the organization while providing new diversity in your decision-making.

5. **HAVE A BLUEPRINT.** Work with outside experts and your inside diversity team to craft a comprehensive plan to achieve stated, measurable and incremental goals. Benchmark your progress and make adjustments as needed.

6. **BE TRANSPARENT.** Perceptions create their own realities. Male managers will begin to look at women of color in a new light as the culture of

your organization changes. And minority women will stay longer in your company and work harder for promotion when they see progress being made.

7. **BUILD A SOLID FOUNDATION.** You cannot promote women of color into senior positions if you don’t have enough minority females in middle management. Start grooming your next generation of diverse leaders now, from within your own ranks. Create career track and training programs for promising managers. Encourage lifelong learning with tuition assistance. And start hiring talented women of color straight from college to follow the middle managers you promote.

8. **MENTORING.** Partner senior executives with newer managers through internal mentoring programs or outside programs like NEW’s Facilitated Mentoring Program. Such mentoring helps level the playing field, nurture new talent and retain company knowledge.

9. **NETWORKING.** Encourage women of color to forge ties within your organization and throughout your industry. Support internal affinity groups, sponsor a company-wide women of color summit, participate in minority and women trade fairs, hire minority recruiters, and support diversity networks like NEW. Jump in, the water’s fine.

10. **COMMUNITY.** Show your commitment to your women of color employees by showing commitment to their communities. Partner with worthwhile advocacy groups, sponsor scholarships, adopt a school, donate products, support charities and become an active partner in the communities where your employees live.

# It's Up to You (But Not You Alone)

THERE ARE ONLY THREE WOMEN OF COLOR CEOs in the Fortune 500—PepsiCo's Indra K. Nooyi, Avon's Andrea Jung, and ADM's Patricia Woertz.\* If you're reading this report, chances are you agree that there's something wrong with this picture.

You don't have to be an idealist to believe in the power of advancing women of color. There is ample evidence that the advancement of women and minority executives is good for growth. Executive women of color are a vast, underutilized business resource. Their leadership can be the key to new markets, increased consumer loyalty, greater productivity, creativity and diversity in decision-making and fresh insights to your customers.

The easy work of eliminating overt discrimination is largely done. Now comes the heavy lifting of leveling the playing field and eliminating discrete barriers to advancement. Start at the top with a renewed commitment to the promotion of women of color. Change your corporate culture with executive sponsorship and mentoring. Strengthen your middle ranks through training and education. And open the door to young graduates of color who will become your leaders tomorrow.

Whether you're a senior line executive, human resource professional or diversity advocate, the advancement of women of color is your cause. But you don't have to go it alone.

The Network of Executive Women is committed to the advancement of women of color in the consumer products and retail industry. We stand ready to assist you and your organization through networking events, mentoring programs, diversity education and professional development. For more information on how we can help, visit our website, [NEWonline.org](http://NEWonline.org), or contact our Executive Director, Joan Toth, [jtoth@newonline.org](mailto:jtoth@newonline.org), telephone (312) 693-5393.

\*Washington Post, August 15, 2006

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## Women of Color: The opportunity

Promoting women of color to leadership roles brings direct benefits to the bottom line. Here's how.

*Greater employee retention*

*Less turnover and training*

*Higher productivity*

*Improved employee morale*

*Larger talent pool*

*Diversity in decision-making*

*Improved customer loyalty*

*Broader sales networks*

*Better community relations*

*Fewer grievances and litigation*

*Greater understanding of consumers*