ADDRESSING THE INCREASED DEMAND FOR

GENDER BALANCE

BattaliaWinston

By Terry Gallagher, President

WHEN RECRUITING BOTH BOARD AND C-SUITE TALENT FOR COMPANIES IN A VARIETY OF DIFFERENT INDUSTRIES, BATTALIA WINSTON IS WITNESSING INCREASED DEMAND FROM CEO's TO PRESENT A DIVERSE SLATE OF CANDIDATES. IN QUITE A FEW CASES, THERE IS AN EXPRESSED PREFERENCE TO RECRUIT A FINAL CANDIDATE WHO IS DIVERSE BY GENDER, RACE, OR BOTH.

As a retained search firm specializing in placing top-level talent, we must respond to our clients, and there are many reasons behind their requests for greater diversity.

Their first concern, as it should be, is the health of their businesses, and organizational leaders can't ignore statistics that show publicly traded companies with a diverse board of directors generate higher return on investment (ROI) than those that aren't as diverse. In addition, they must respond to pressure from a variety of directions — shareholders, employees, clients, industry organizations, the media, and the public — for boards and the executive suite to reflect the diversity of their customers and workers.

> ***Finally, the #MeToo movement has revealed the downside risks to "boys' club" cultures that enable some men to exploit women while others turn a blind eye. The well-documented escapades of former Weinstein Company co-founder Harvey Weinstein not only led to his dismissal, but also to the bankruptcy of the company.***

Within upper management and boards of directors, women are clearly underrepresented. Even though women now make up 47% of the U.S. labor force, only 5% of Fortune 500 companies had a female CEO in 2018, according to Pew Research Center.

There is an increasing sensitivity from institutional investors, proxy advisory firms, and state legislatures to see more women elected to public company boards. As a result, corporate boards have become more balanced, with 22% of people serving on the boards of Fortune 500 companies being female.

More women than men have graduated from college since the 1980s, and 57% of people receiving college degrees today are female. More men than women in the workforce had college degrees — until this year, when the two genders reached parity, according to Pew data.

Diversity of thought is considered an asset to corporations, both on the board and within the ranks of the senior management team. This is particularly true in industries and areas where women are the primary customers, such as small business lending, apparel and fashion design, marketing services, and others. Much like a board of directors with a diverse set of functional experts, having women on boards and in senior management roles results in more robust discussions, broader insights, fewer blind spots, and better decision outcomes.

I recently completed searches for a Board Director Technology Expert, a Chief Audit Executive, an Executive Vice President Retail Banking, a Chief Information Officer, and a Senior Vice President who was designated to be the successor to the Chief Human Resources Officer. In all cases, the final candidates were women and/or racially diverse.

> ***My clients have all committed to the successful onboarding of these executives, and that process started even before the hiring decisions were made. For example, they utilized a broad pool of directors and executives in the selection process to obtain their buy-in and support for the person who was eventually hired.***

To facilitate the new executive's transition into the organization, several of these organizations have appointed mentors and cultural advisors. Some are providing one-on-one interface and guidance from career coaches. A few of these organizations already have proactive women's leadership groups that meet regularly to foster professional development, allow for open dialogue on career pathing, and provide community services. In addition, these clients encourage external involvement of their women executives in leadership roles at not-for-profit organizations

By truly understanding the value of diversity of thought and making a commitment to gender balance as part of their cultural values, these corporations are positioning themselves to be among the best run, highest performing organizations in their respective industries.

Battalia Winston Partner Profile

Terence Gallagher joined Battalia Winston in 1991 and was promoted to EVP in 1994 and President in 1997.Terry's search career of more than 25 years includes serving as Partner in Charge of the Northeast Region Executive Search Practice and National High Technology Practice Search Partner at KPMG.

Terry's primary focus has been in recruiting Presidents, CEO's, CFO's, CIO's, CISO's, Division General Managers, Board Directors and all C Suite Executives for Fortune 500 as well as Middle Market Companies and private equity firms and also Partners, Practice Leaders and Rainmakers for consulting firms.

He has consulted for a broad range of industries including: Non for Profit, Industrial Products, Financial Services, Construction, Professional Services, Business Services, Technology, Retail & Consumer Goods and Healthcare.

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Terry graduated from Duquesne University with a B.S. degree in Accounting and recently received the Distinguished Alumni Achievement Award. He served on the Americas Board for the Association of Executive Search Consulting Firms for seven years and the Advisory Committee for the National Association of Corporate Directors New Jersey Chapter.

Recognized by **Business Week** as one of the World's Most influential executive search professionals, Terry is a thought leader regarding executive recruitment and retention, organizational effectiveness, management development and succession planning.

Terry serves on the Board of Directors for Provident Financial Services (NYSE:PFS) as a member and Past Chairman of the Compensation Committee and a member of the Nominating and Governance Committee. Provident Bank is ranked as one of the best 50 banks in the US by **Forbes**.

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