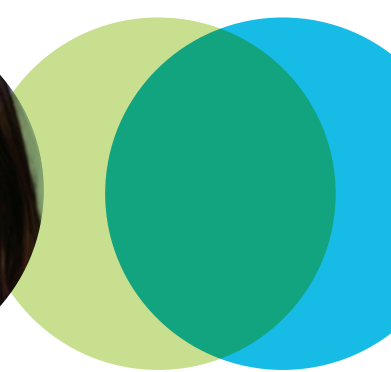


The Strauss Group and the Israel Women's Network are proud to present:

# THE ISRAELI CATALYST REPORT WOMEN **LEADING** BUSINESS

The Second Israeli Census Report 2011  
Women's Representation in the TA-100 Companies  
March 2012



Diversity is an Opportunity

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© **The 2011 Israeli Catalyst Census Report** was written and edited in accordance with the research methods and professional advice of Catalyst Inc. ©

**The quantitative study** was performed in accordance with the above research methods with the professional assistance of the Geocartography Knowledge Group, under the management of Professor Avi Degani and Dr. Rina Degani.

**Data interpretation and the theoretical review** were written by the Executive Director of the Israel Women's Network and the Research & Information Department.

# Foreword

The Strauss Group promotes diversity and inclusion in the belief that a culture which promotes diversity in the management team of businesses in Israel is our competitive advantage as a country, as we seek to compete with other countries and companies in the global arena. It is a known fact that the more that business firms promote a broader variety of people of different cultures and beliefs, with diverse perceptions and abilities and with a balanced mix of men and women, the more they are fair, humane and successful. Research has proved that espousing the concept of a diverse workforce is a key factor in the ability of business firms to realize their goals and accomplish organizational and business achievements. As a country, Israel's great competitive advantage lies in its human resource – our natural resource. Women account for over 50% of the world population and around 47% of the workforce in Israel, and it is therefore only natural that the diversity talk in the business world will start with the inclusion of more women in senior positions in businesses. All over the world, research studies demonstrating the advantage of organizations embracing concepts of diversity and variance are being published. The possibility of making objective measurements and empirically proving the relationship between and the influence of human and gender diversity on businesses, the economy and society is an important step in implementing these concepts.



Ofra Strauss  
Chairperson, the Strauss Group



The Israel Women's Network is proud to launch, together with the Strauss Group, the second Israeli Catalyst Census Report, examining the representation of women in senior management in the TA-100 Index companies. For the past twenty-seven years, the Israel Women's Network has led the battle for equality in the status of women in Israel. The Catalyst venture is additional proof of the need for mutual and profound dialogue between policy makers in Israel. A real increase in women's representation in decision-making circles will not occur without follow-up, the development of awareness and the recognition of organizations that champion the advancement of women. This year, besides presenting the data, we have chosen to emphasize the necessary tools for creating genuine gender equality in businesses, tools that require a decision and commitment by the organization and the state. The adoption and application of these tools are what will change the face of Israeli society.

Dr. Galit Desheh  
Israel Women's Network

Over our 50-year history, Catalyst's mission has been to expand opportunities for women and business. I am grateful that Strauss and IWN share this mission. With the release of the new Tel Aviv-100 Census, Israel can make a commitment to achieving gender parity. Don't "give it time" – instead, dump the myths and lead with real action, especially around proven solutions like sponsorship. When Israeli corporations take their place as leaders on gender parity and advancing women in business, the benefits will spread across the globe for women, men and business.



Ilene H. Lang  
President & Chief Executive Officer, Catalyst



## 1. Executive Summary

In 2010 the Strauss Group and the Israel Women's Network joined forces and for the first time, presented the Catalyst Census in Israel. This census is based on a measure developed in the Catalyst organization in the USA in 1995, and it provides an accurate, up-to-date picture of the status of women in senior management and leadership positions in the economy. Use of the measure allows for a comparison to be made simultaneously between companies, industry types and countries, and as it counts the number of women in every level and role, it provides an accurate picture in terms of numbers.

Counting the number of women in senior management positions and on boards of directors in the Tel Aviv 100 Index provides only a partial response regarding the position of women in the Israeli labor market. Its importance lies in the fact that it measures the thickness of the glass ceiling that separates professional advancement from senior management and women's leadership in the Israeli business world.

A significant rise in the number of women in key positions changes the attitude of society and state to women and increases diversity in decisions, in areas of specialization, in the attitude to the environment and the community. The goal is not only the integration of women in senior positions, but to pave the way to women's advancement in diverse professional and managerial positions in the organizational hierarchy.

In parallel to the census, in the past decade a large body of research has accumulated, demonstrating the significant contribution of women in senior management positions to the improvement of the organization's business performance, to the enlargement and diversity of stakeholder groups, and to deepening the significance of corporate responsibility in shaping the nature and character of the organization and of the business sector.<sup>1</sup>

The need for diversity and inclusion is becoming increasingly clear on both the organizational and public levels in Israel. However, one cannot assume that the leaders of the Israeli economy and state will undertake a commitment to diversity and inclusion without our demanding that they implement this policy at all times and develop an awareness of its complexity and importance. To argue that thinking in an homogeneous group may prevent the development of new ideas, and that refraining from looking at reality from different perspectives is liable to lead to an incomplete perception of reality may be convincing, but it is not enough when we are required to actively seek and identify in order to introduce new population groups to the board of directors (BOD) or senior executive positions. Therefore, it is important to repeatedly emphasize that the demand for diversity and inclusion does not aspire that these will be achieved at the expense of personal professionalism and suitability.

The reasons why business organizations must pursue inclusion, diversity and the promotion of women are a broader talent pool, heterogeneous thinking on the board of directors, attentiveness to customers, and building a labor market that achieves a work-life balance.

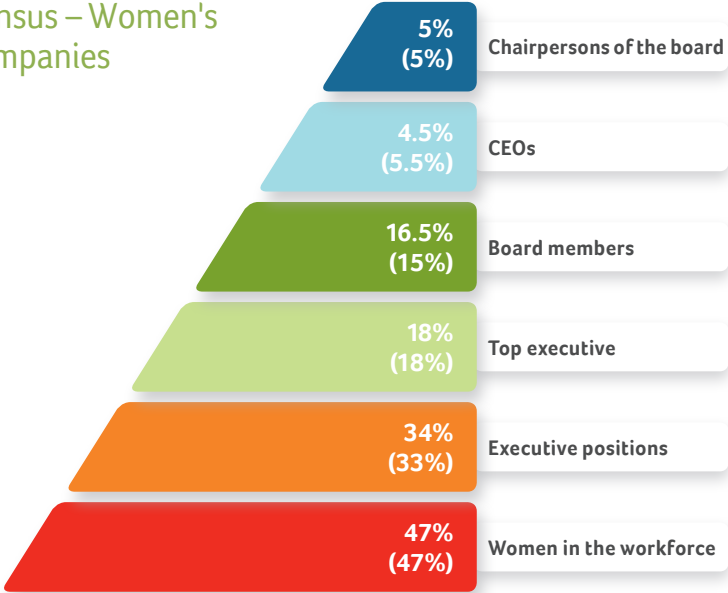
Socially, we must make promotion and genuine equal opportunity accessible, as well as development and the advancement of rights such as education, earning power, expression of opinion, and partnership in extensive social change.

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<sup>1</sup> Catalyst, 2007. The Bottom Line: Corporate Performance and Women's Representation on Boards  
<http://www.catalyst.org/publication/479/the-bottom-line-corporate-performance-and-womens-representation-on-boards-20042008>

# Major Findings – 2011 Catalyst Census – Women's Representation in Tel Aviv 100 Companies

Census Pyramid<sup>2</sup> –  
 Women in the Workforce in Israel 2011  
 Comparison to 2010 (figures in parentheses)



The pyramid clearly demonstrates the glass ceiling and the long way that lies ahead for women to take part in key positions in businesses. At the bottom of the pyramid the starting point is equal: women account for around half of the workforce; immediately after that there is a sharp drop, with only 34% filling management positions in the economy as a whole. Despite the low percentage of women executives, it plummets even further when it comes to companies traded on the TA-100 Index, in which only 18% of women are management members and 16.5% are on the board of directors.

A comparative look at the figures for 2010 shows that there has been no substantive change in women's entry to management positions in general and senior executive positions in particular.

The pyramid further demonstrates that the glass ceiling grows thicker in the transition from management positions to senior executive positions. This is a critical point both because of the substantial proximity to decision-making circles in senior management positions and because of the transition from management that is professional in nature to leadership-oriented management. Women are still not perceived as leaders to the same extent as men.

The percentage of board seats held by women in Israel is 16.5%. This is a slightly higher but similar figure to those for the USA and South Africa, and higher than the figures for Australia and New Zealand, and even for Great Britain and Canada. The high percentage of women on the board of directors in Norway is also the product of legislation, which enforces the obligation of at least 40% representation of women on the boards of public companies. This legislation, together with an entire system of laws dealing mainly with gender parity, has led to a jump in the percentage of women on boards of directors, from 13% to 40% within a short time.

The question whether coercive and obligatory legislation is the best tool to create equality in numbers and in essence is one that must be considered in depth. It is difficult, and perhaps impossible, to pass legislation of the Scandinavian model in an economy with certain economic nature. Coercive legislation requires an environment that demands and receives gender equality by means of diverse tools.

In Israel, protective and advancing legislation must be combined with the incessant exposure of data and by emphasizing the social and professional importance of gender diversity and inclusion in the different sectors in the economy.

But none of the above will succeed without the creation of a business and organizational environment that is aware of the many advantages of diversity and inclusion. Adopting this policy consensually will render coercive legislation superfluous and will create a business environment that promotes and supports women's work and their fitting integration in the economy and in decision-making circles.

<sup>2</sup> Women in the workforce and in executive positions based on 2011 Central Statistics Bureau data - Table 2.11 Employees by Occupation, Status at Work and Gender

## 2. Summary of the 2011 Catalyst Census Data

### **Women's representation on the boards of TA-100 companies**

- The percentage of women serving as chairperson of the board is 5%, unchanged from last year.
- The percentage of women serving as board members has risen from 15% to 16.5% this year.
- The percentage of companies with at least one woman on the board is 89%, virtually unchanged from last year (88%).
- The percentage of women serving on the board of more than one company has risen from 26% to 43%.
- In 2011, the number of companies in which the percentage of women directors is 25% and above rose from 18 to 26 companies.

### **Women's representation in top executive positions in TA-100 companies**

- In 2011 the percentage of women serving as CEOs dropped from 5.5% to 4.5%.
- The percentage of women holding senior executive positions this year is 18%, unchanged from last year.
- In 2011 the number of companies in which the percentage of women executives is 25% and above rose from 31 to 33.





## The Second Israeli Catalyst Census (TA-100 Index figures, 2011)

Ranking of companies with 25% and more of women in top executive positions

Name	Percentage of women executive officers
Israel Land Development Company Energy Ltd.	67%
Housing & Construction Holding Company Ltd.	50%
Norstar Holdings Inc.	50%
FIBI holdings	50%
Ormat Industries Ltd.	50%
Ratio Oil Exploration	50%
Africa Israel Investments Ltd.	40%
Golf Group A.K. Ltd.	40%
British Israel Investments Ltd.	38%
Israel Land Development Company Ltd.	36%
Matrix I.T. Ltd.	35%
Internet Gold Golden Lines Ltd.	33%
Melisron Ltd.	33%
Blue Square Real Estate Ltd.	33%
Alony Hetz Properties & Investments Ltd.	33%
Granite Hacarmel Investments Ltd.	33%
REIT 1 Ltd.	33%
Protalix Biotherapeutics	33%
Isramco Negev 2 LP	33%
Delek Drilling LP	33%
Bank Hapoalim	31%
Partner Communications Ltd.	31%
FMS Enterprises Migun Ltd.	29%
Mizrahi Tefahot Bank	29%
Ceragon Networks Ltd.	27%
Migdal Insurance and Financial Holdings Ltd.	27%
Cellcom Israel Ltd.	27%
Bank Leumi	26%
Frutarom Industries Ltd.	25%
HOT Telecommunication Systems Ltd.	25%
Jerusalem Economy Ltd.	25%
Airport City Ltd.	25%
Tower Semiconductor Ltd.	25%

In 2011 the number of companies in which the percentage of senior women executives is 25% and above rose from 31 to 33.

Ranking of companies with 25% and more of women on the board of directors

Name	Percentage of women board directors
B Communications Ltd.	60%
Internet Gold Golden Lines Ltd.	43%
Formula Systems (1985) Ltd.	40%
Melisron Ltd.	40%
Carasso Motors Ltd.	38%
Strauss Group Ltd.	36%
J.O.E.L. Jerusalem Oil Exploration Ltd.	33%
Bank Hapoalim	33%
Blue Square Real Estate Ltd.	33%
Azrieli Group Ltd.	33%
Housing & Construction Holding Company Ltd.	30%
Neto M.E. Holdings Ltd.	29%
Bank Leumi	29%
Naphtha Israel Petroleum Corporation Ltd.	29%
Frutarom Industries Ltd.	29%
British Israel Investments Ltd.	29%
Gilat Satellite Networks	29%
Alrov (Israel) Ltd.	25%
Mivnei Taasia & Mlacha Ltd.	25%
NICE Systems Ltd.	25%
Alrov Real Estate & Hotels Ltd.	25%
Alony Hetz Properties & Investments Ltd.	25%
HOT Telecommunication Systems Ltd.	25%
Norstar Holdings Inc.	25%
FIBI Holdings	25%
Israel Land Development Company Energy Ltd.	25%

In 2011 the number of companies in which the percentage of women on the board of directors is 25% and above rose from 18 to 26.

### 3. Theoretical Introduction – the 2011 Israeli Census

In 1994 the Israel Women's Network filed a petition with the High Court of Justice regarding the appointment of a new member on the Israel Ports and Railways Authority Council, and the appointment of two new directors on the board of the Oil Refineries Ltd. All three appointments were of men. The two councils concerned were comprised exclusively of men, and on the eve of the appointments did not include a single woman. The Supreme Court accepted the IWN's petitions, which demanded the actual enforcement of the obligation of suitable representation of women on the boards of directors of state-owned companies. The High Court of Justice ruled that suitable representation would be tested according to the "proof of the pudding" principle, and good intentions or a formal search for suitable women would not suffice.<sup>3</sup>

This ruling spawned a lengthy, complex debate regarding the tools to raise the number of women in senior management and leadership positions in the public space and the Israeli economy. There is no doubt that legislation, its enforcement by the state and by approaching the courts and expanding the legal debate are important, and even crucial, tools in the demand for broadening and deepening the effort to include women and generate diversity in senior decision-making echelons and in the seat of power. When government organizations are at issue, the obligation to represent the entire public, including all its diverse member groups, becomes even more profound.

Along with the duty to comply with the requirements of the law, we must constantly test the tools that will enable us to assimilate gender parity not only out of duty, but out of choice and desire. Here, we must dig deep and explore and continuously present data that demonstrate the contribution of diversity in general, and of the admission of women to the seat of power in particular, to the improvement and full exploitation of the capabilities and productivity of the Israeli economy.

In the absence of legislation mandating the admission of minimum a percentage of women to the boards of directors of public companies, we must create tools in the form of research and opportunities to disclose numbers with the aim of encouraging the leadership and assimilation of a profound change.

The census, performed in Israel for the second year, is a measurement and evaluation tool that has been applied in the USA for the past 19 years, and in Canada – for the past 13 years. In Israel, the Strauss Group and the Israel Women's Network have joined forces, with the professional accompaniment of the Geocartography Knowledge Group, to disclose the figures relating to women's representation on boards of directors and in senior managements of the public companies in the TA-100 Index.

This tool enhances our ability to examine the percentage of women in company leadership, as well as the processes of change in their representation in leading companies in the Israeli economy. Another aspect of the study also allows for an international comparison to be made. An accompanying research review indicates that gender and other diversification, as well as the development of an organizational culture of optimum work-life balance, improve the performance of corporations, increase workplace attractiveness and contribute to a change in perceived responsibility to the community. There is no doubt that diversification contributes on every level and provides a response to a social, civil and political need.

The findings presented in this report do not indicate a substantive change from last year. Significant rises coupled with dramatic drops are explained by the small size of the sample and combine to create a picture, the gist of which is the paucity of women's representation in key positions on executive managements and boards of directors.

The gap in the data that points to limited participation of women in the leadership of corporations is even more prominent considering the fact that they account for half of the workforce in Israel. As part of the workforce, women are dominant in caregiving professions, services and manual labor and are employed in poor work and pay conditions.

To this one must add the fact that there is no correspondence between the rise in women's education, their entry to a variety of professions that were and still are considered masculine, and the increase in their percentage in executive positions, and the fact that the wage differences between men and women have remained unchanged in the past thirty years at 17%-30%. The great challenge we therefore face is not only to raise the number of women in key positions in business, but to gain recognition of women's right to fitting compensation that is equal to that of men for identical work and identical professional and managerial skills.

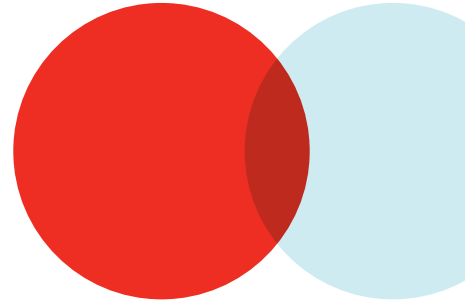
These changes will not be accomplished without a conscious and deliberate decision by the companies included in this study.

**Dr. Galit Desheh**  
Executive Director  
The Israel Women's Network

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<sup>3</sup> HCJ, 453, 454/94, Israel Women's Network v. the Government of Israel





## 4. Methodology

The measure used in this census was developed by Catalyst and applied for the first time in the USA in 1993, and in Canada - in 1998. This measure provides an accurate and up-to-date picture of women's standing in leading positions in the business world. Use of a uniform methodology enables us to compare the situation in Israel to that in other countries. The study in Israel was performed by the Geocartography Knowledge Group under the management of Professor Avi Degani and Dr. Rina Degani.

The 2011 Israeli Catalyst Census Report was written and edited in accordance with the research methods and professional knowledge of Catalyst Inc.

The methodology is based on a count of the number of women in leading positions on the boards of directors and managements of public companies. To this end, companies in the TA-100 Index on the Tel Aviv Stock Exchange were chosen. The TA-100 is an index that represents the aggregate change in the prices of the 100 shares with the highest market value traded on the Tel Aviv Stock Exchange, subject to the Index's threshold conditions. The Index reflects the state of the Israeli economy as a whole, because it is composed of the shares of the largest, most highly-traded companies in the economy.

The Geocartography Knowledge Group created a database containing the names of the one hundred companies by industry, which includes the names of the board and management members of these companies, drawn from the Tel Aviv Stock Exchange's website. This year, 13 companies in the TA-100 Index were replaced by others compared to 2010. In the second stage, the data was verified with the companies; the verification rate is 87% of the companies. The reason for the verification process is twofold: First, to verify the list of office holders in light of potential changes of positions in the companies. Second, to verify those roles in terms of classification by gender, due in part to the fact that part of the names in Hebrew are unisex and cannot be objectively classified by gender.

The report includes a comparison to the measures for 2010, as well as a comparison to other countries where a census is published, such as the USA, Canada, South Africa, Great Britain and New Zealand.

## 5. Detailed Findings – Women on Boards of Directors

In the past thirty years the number of women participating in the workforce in Israel has risen significantly. In 1980, 35.7% of women participated in the workforce<sup>5</sup>, meaning that the number of working women has increased by 11.3 percentage points. Against the backdrop of these data, the gap between the percentage of working women and their presence in management positions on all levels is prominent, and most particularly in executive positions, on the board of directors and as CEO and chairperson in public companies.

It is evident that between 2010 and 2011 there was no substantive change in the rate of women's representation in senior management and on the board of directors. The percentage of women CEOs in office dropped by one percentage point due to the replacement of a female CEO by a male CEO in one company only.

In 2011 there was a change in the companies included in the TA-100 Index, with 14 companies joining the Index and 13, leaving it. Despite this change, there was no substantive change in the data, which demonstrates the need for a multiyear sample that examines progress and the increase in data along a multiyear graph. A moderate increase indicates the profundity of the process of change that is required.

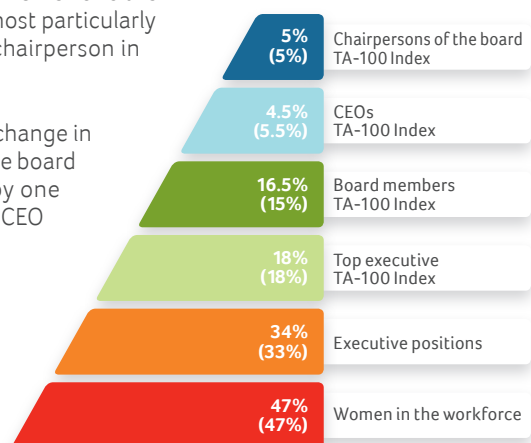
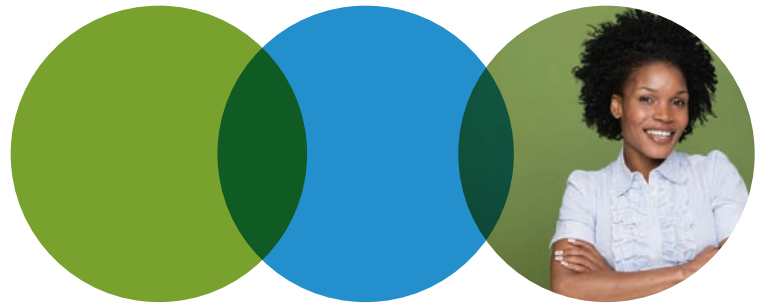


Figure 1: Census Pyramid<sup>4</sup> – Women in the Workforce in Israel 2011 Comparison to 2010 (figures in parentheses)

<sup>4</sup> Women in the workforce and in executive positions based on 2011 Central Statistics Bureau data – Table 2.11 Employees by Occupation, Status at Work and Gender

<sup>5</sup> Ministry of Industry, Trade and Labor, [www.moit.gov.il/NR/rdonlyres/047EA0B0-8A39.../0/X7584.doc](http://www.moit.gov.il/NR/rdonlyres/047EA0B0-8A39.../0/X7584.doc)



## 5.1 Women on Boards of Directors

16.5% of the offices of directors in the one hundred companies in the TA-100 Index are held by women [151 seats out of 913] compared to last year, when 15% of directors were women [128 seats out of 852]. This is a rising trend of 1.5 points in the number of women on boards of directors compared to last year. This year 61 seats were added; of them, 23 are held by women.

The general rate of increase in the number of women serving on boards of the directors is moderate and in relation to it, the percentage of women elected among the new directors added in 2011 must be examined. Here, we find that of the 61 new directors, 38% are women. At the same time, it should be borne in mind that some of the women who were appointed as new directors in certain companies already serve on the boards of other companies. This is also true of men who were appointed as new directors. This fact demonstrates the need to expand the existing databases from which suitable male and female directors can be drawn. When it comes to identifying women, the argument is that there are no suitable women. This argument is also raised when women must be located for public office and for compulsory appointments on the boards of public companies. We believe that it is the organization's obligation to expand the search and identification circles in order to create gender and other diversity on a significant scale.

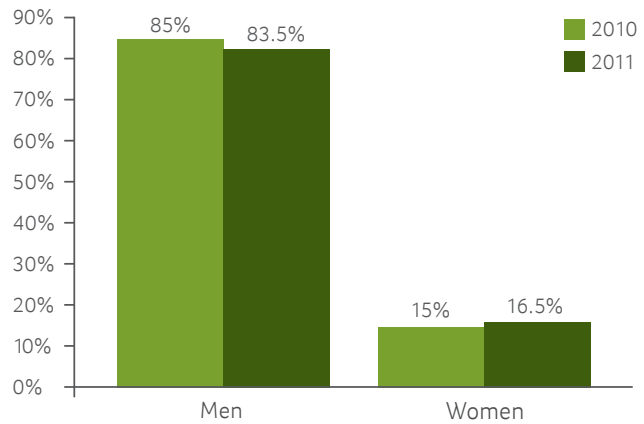


Figure 2: Directors in the TA-100 Index by Gender

## 5.2 Chairperson of the Board Positions Held by Women

Only 5% of the companies have a woman as chairperson of the board, i.e. in 95 companies out of 101 the chairman of the board is male.

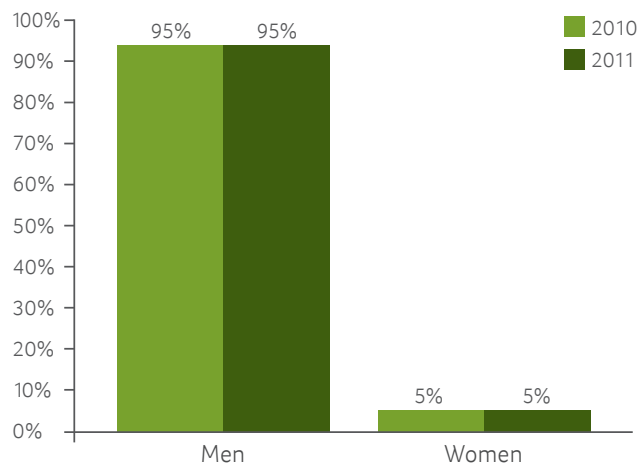
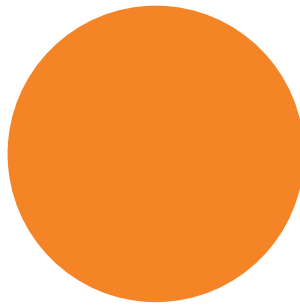


Figure 3: Percentage of Positions of Chairperson of the Board Filled by Women



### 5.3 Companies According to the Number of Women on the Board of Directors

In 89% of the companies in the TA-100 Index, there is at least one woman on the board of directors. In 2011 the percentage of companies with two women on the board of directors rose from 17% in 2010 to 32% (a percentage point increase of almost double in this category). Additionally, the rate of companies in which there are three women and more on the board, has risen from 9% to 11%. These increases are on account of a decrease in the percentage of companies in which there was only one woman on the board. The percentage of companies where no women serve on the board at all is 11%, an inconsequential decrease compared to last year (12%). On average, each board comprises 8 directors, of who 1.4 are women (compared to 8.5 directors last year, of who 1.3 were women).

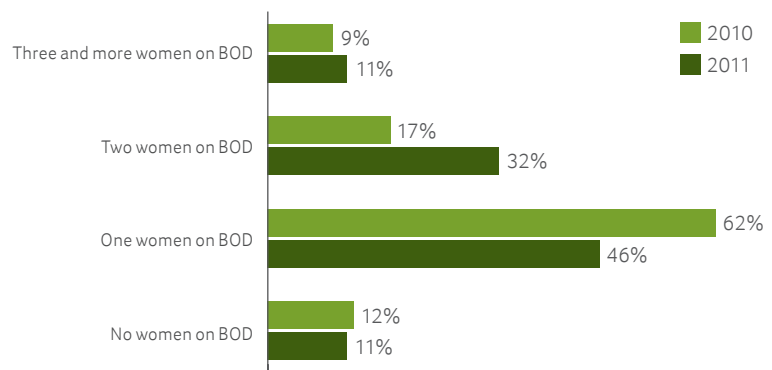


Figure 4: Percentage of Companies According to the Number of Women on the Board

### 5.4 Membership of More Than One Board<sup>6</sup> – Segmentation by Gender

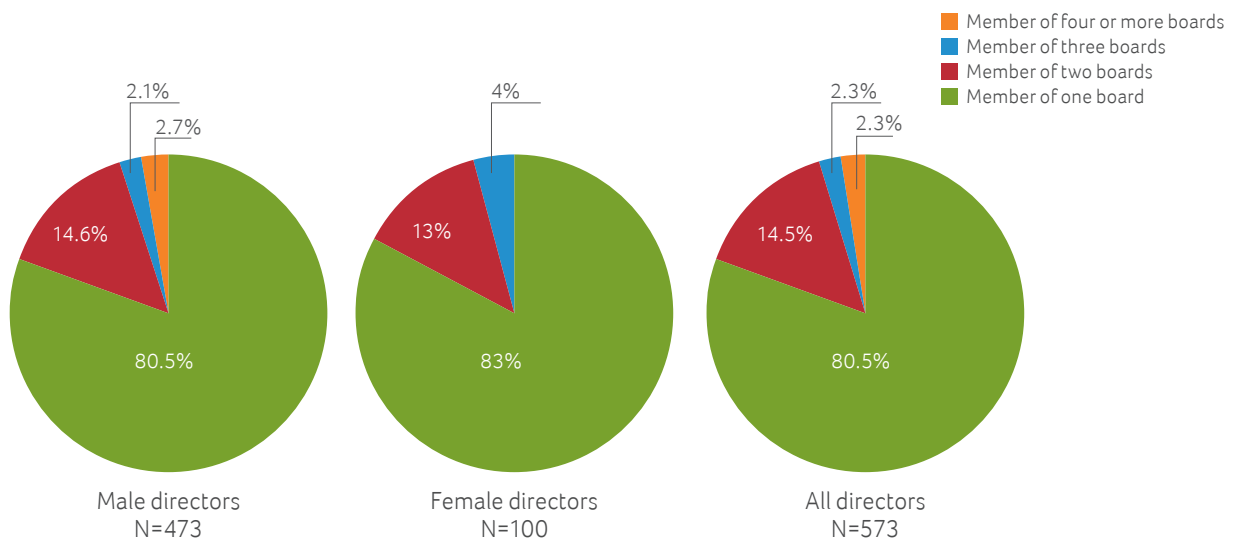
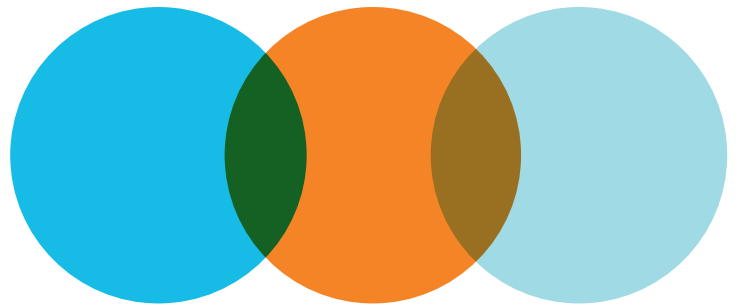


Figure 5: Membership of More Than One Board – Segmentation by Gender

81% of directors are members of one board (compared to 85% last year) in the TA-100 Index. 19% of the men are members of more than one board compared to 17% of the women (as opposed to 15% of men and 11% of women last year).

<sup>6</sup> Based on the findings of 78 Israeli companies in the TA-100 Index (the other 23 companies are dual and were not included in this calculation).

\* In 2011 there were 101 companies in the TA-100 Index. When a company that is traded abroad or a new, large company is listed on the Stock Exchange it joins the Indexes in the "fast track", and no share exits the Index at that moment. Similarly, when a large company is delisted from the Stock Exchange, no company automatically enters the Indexes in instead, and only in the next half-yearly revision does the number of shares return to the round figure.



## 5.5 Women on the Board of Directors by Industry

The percentage of women on the board has risen in the communication and media, food, and computer industries. By contrast, the rate of women on the board in the fashion and clothing industry and in the financial services industry has decreased. As noted, in the remaining industries the situation was relatively stable.

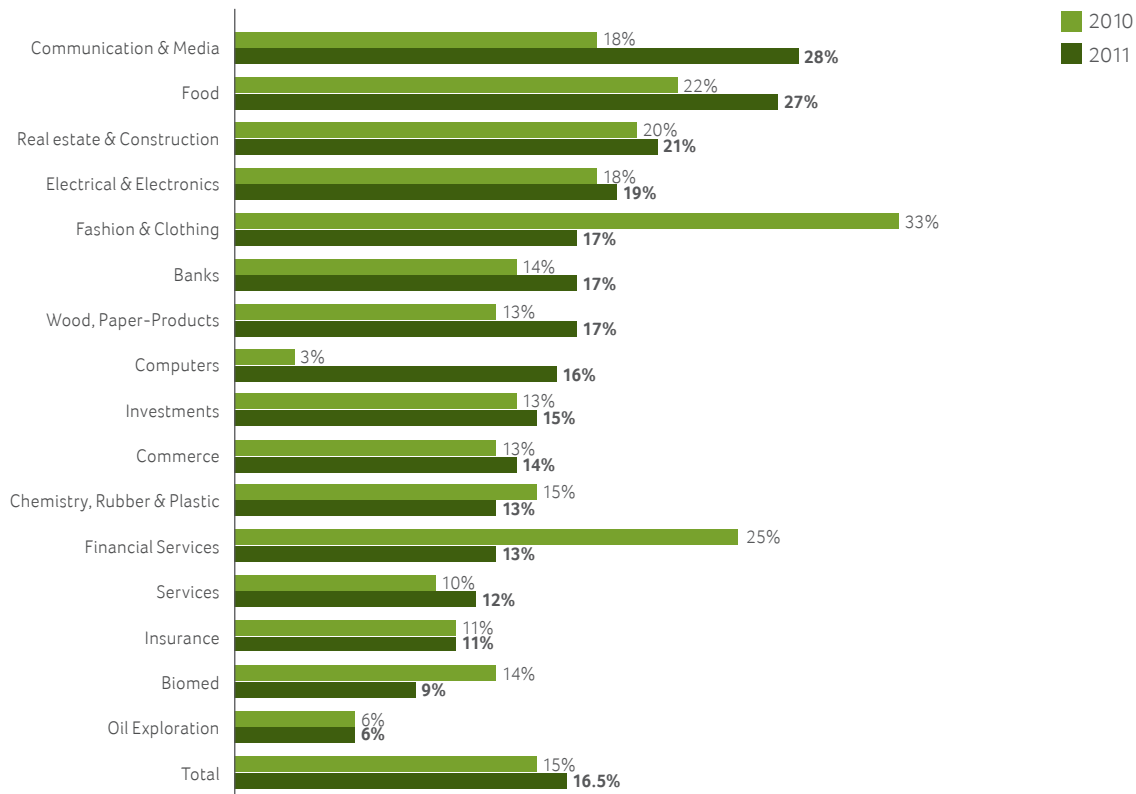
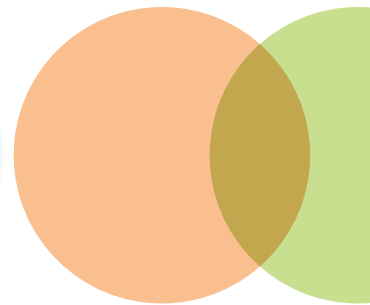


Figure 6: Percentage of Companies According to the Number of Women on the Board by Industry

A significant drop (almost half) is noted in the presence of women on the board in the fashion industry. Despite this significant decrease, the general percentage of women on boards of directors has risen from 15% in 2010 to 16.5% in 2011. The decrease in the fashion industry, which is considered a "feminine" field, is partly compensated for by the increase in the number of women on the boards of companies in industries considered "masculine", such as real estate and electronics.



## 5.6 International Comparison – Boards of Directors

The percentage of board seats held by women in TA-100 companies is 16.5% and is in fourth place in a world comparison. The countries with the highest percentage of women board members are Norway, Sweden and Finland. In Norway by law, a board of directors with fewer than 40% women members can be dissolved.

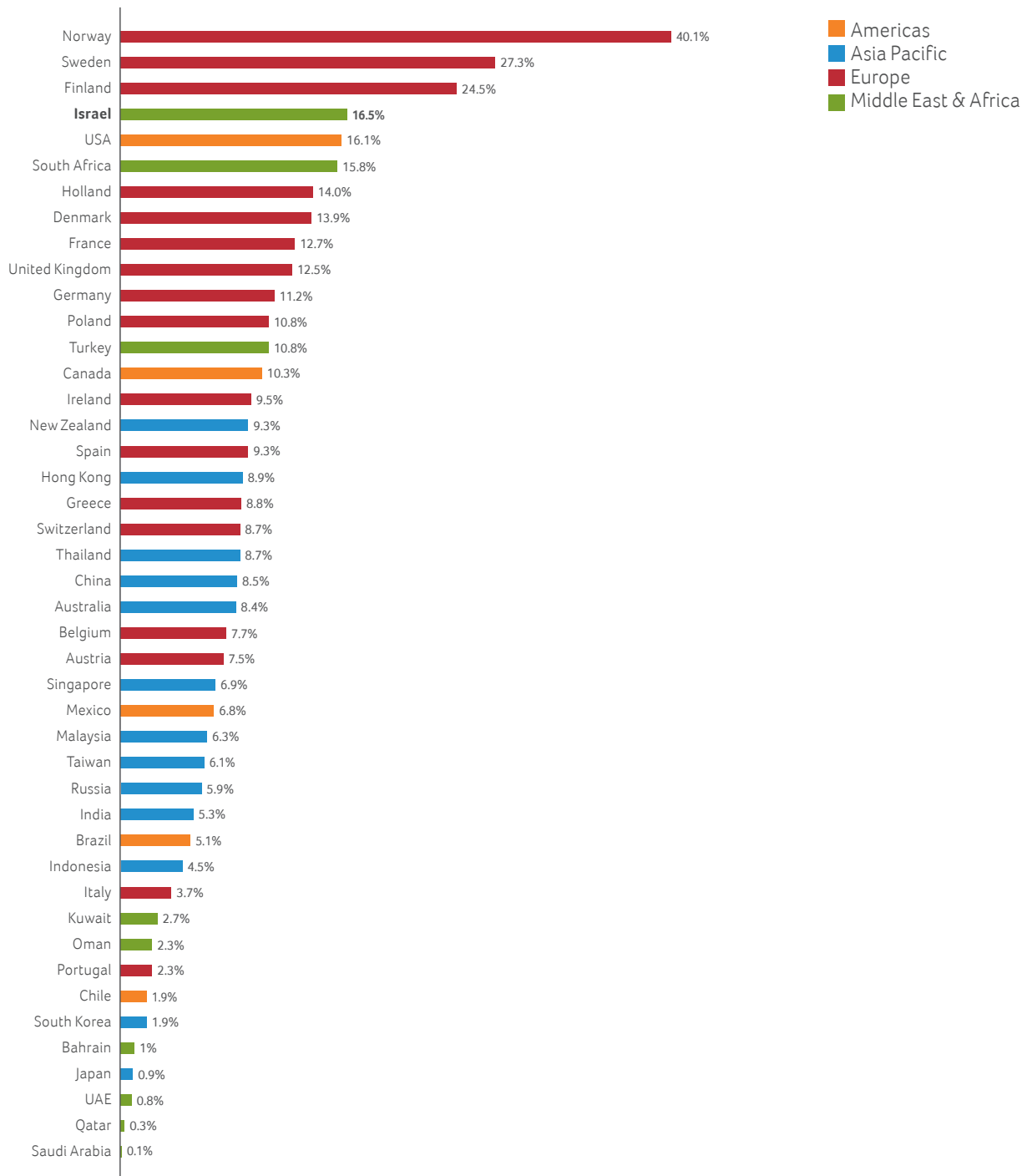


Figure 7: Percentage Women on the Board – International Comparison



### Companies with at Least One Woman on the Board – International Comparison

89% of the companies in the TA-100 Index have at least one woman on the board of directors.

In 2011 the percentage of companies with at least one woman on the board rose by only 1 percentage point. The presence of women on the board of directors is essential as part of the diversity that is necessary for the benefit of stakeholder groups such as employees, suppliers, customers and the community, in addition to the familiar stakeholders – shareholders. Gender diversity on the board facilitates a change in forms of dialogue, expands the subjects on the agenda and the variety of viewpoints and solutions proposed to different problems.

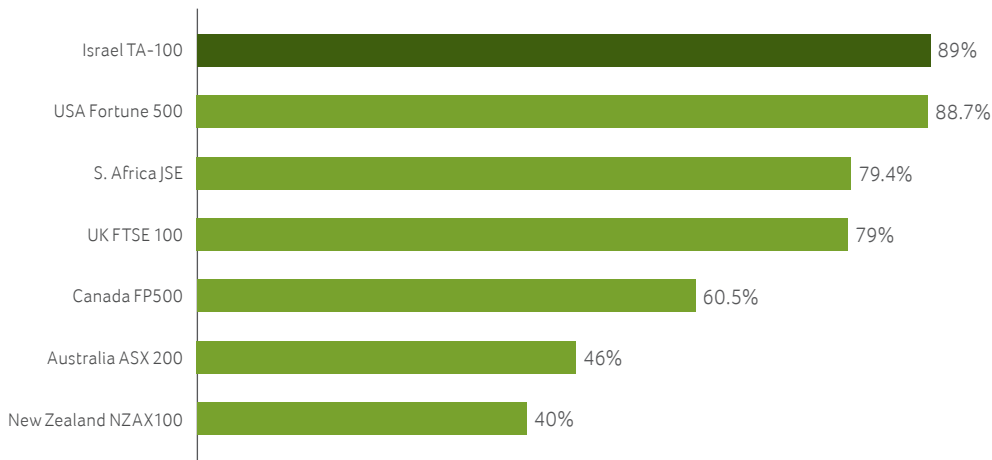


Figure 8: Percentage of Companies with at Least One Woman on the Board – International Comparison. Source: Catalyst

## 6. Detailed Findings – Women in Top Executive Positions

### 6.1 Women in Top Executive Positions

18.2% of management positions in the one hundred companies in the TA-100 Index are held by women [174 executive positions out of 954] compared to 18% last year [170 executive positions out of 937]. This year, 17 senior managers were added, of them, 4 women in senior executive positions.

Of all the additional senior executives, 2.4% are women. Meaning, compared to an inconsequential percentage point increase (0.1) in the representation of women in senior executive positions, there is a slightly higher increase in women's representation among new appointments. At the same time, the figures remain very low. These small percentages are in part negligible and also include executive turnover.

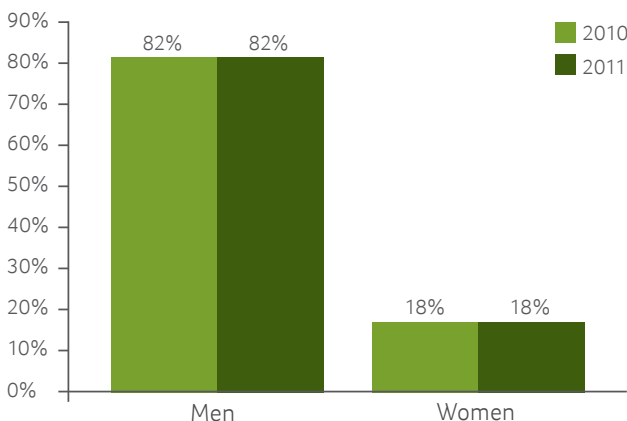


Figure 9: TA-100 Index Managements by Gender



## 6.2 Chief Executive Office Positions Held by Women in Israel and in an International Comparison

4.5% of those serving in the office of CEO are women, representing an insignificant drop of 1 percentage point compared to last year.

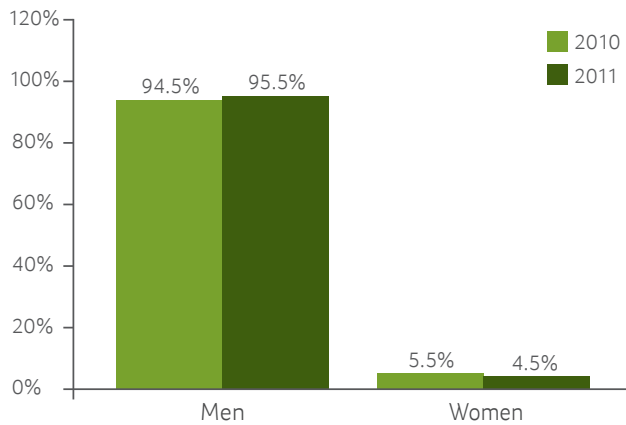


Figure 10: Percentage of CEO Positions Held by Women

The percentage of women serving as CEO in Israel is 4.5%.  
The country with the highest percentage is Canada, with 6.5% of women in the role of CEO in public FP500 companies.

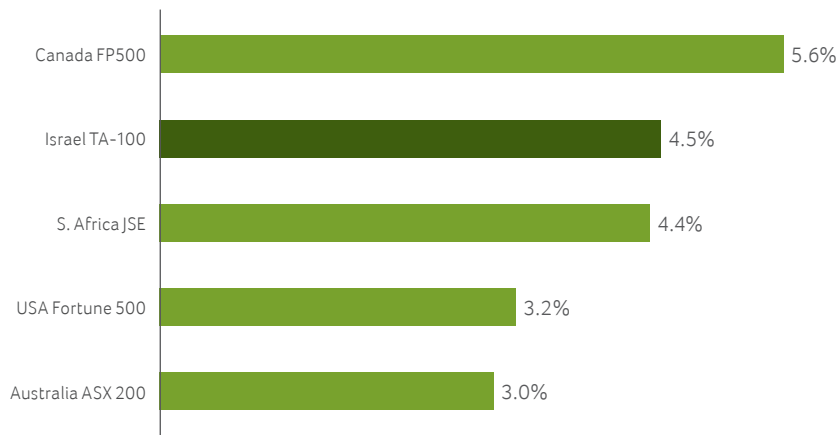
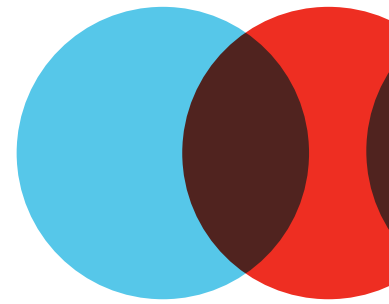
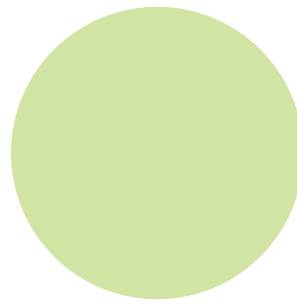


Figure 11: Percentage of CEO Positions Held by Women – International Comparison  
Source: Catalyst



### 6.3 Companies According to the Number of Women in Top Executive Positions

In 82% of the companies there is at least one woman who is a member of management, an increase of 3 percentage points compared to last year when there was at least one woman management member in 79% of the companies. There has been an increase of 7% in the rate of companies with two women in management (up from 21% to 28%). Simultaneously, there has been a drop of 4% in the rate of companies with only one woman in management (down from 37% to 33% today). On average, there are 9.4 members of management in each company, of them, 1.7 are women (unchanged from last year).

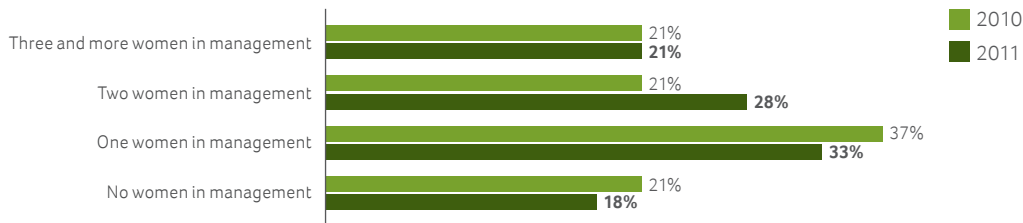


Figure 12: Percentage of Companies According to the Number of Women in Top Executive Positions

### 6.4 Women in Top Executive Positions by Industry

There is a rising trend in the percentage of women in executive positions in the fashion and clothing, oil exploration, and real estate and construction industries. In the banking and food industries, this trend is reversed.

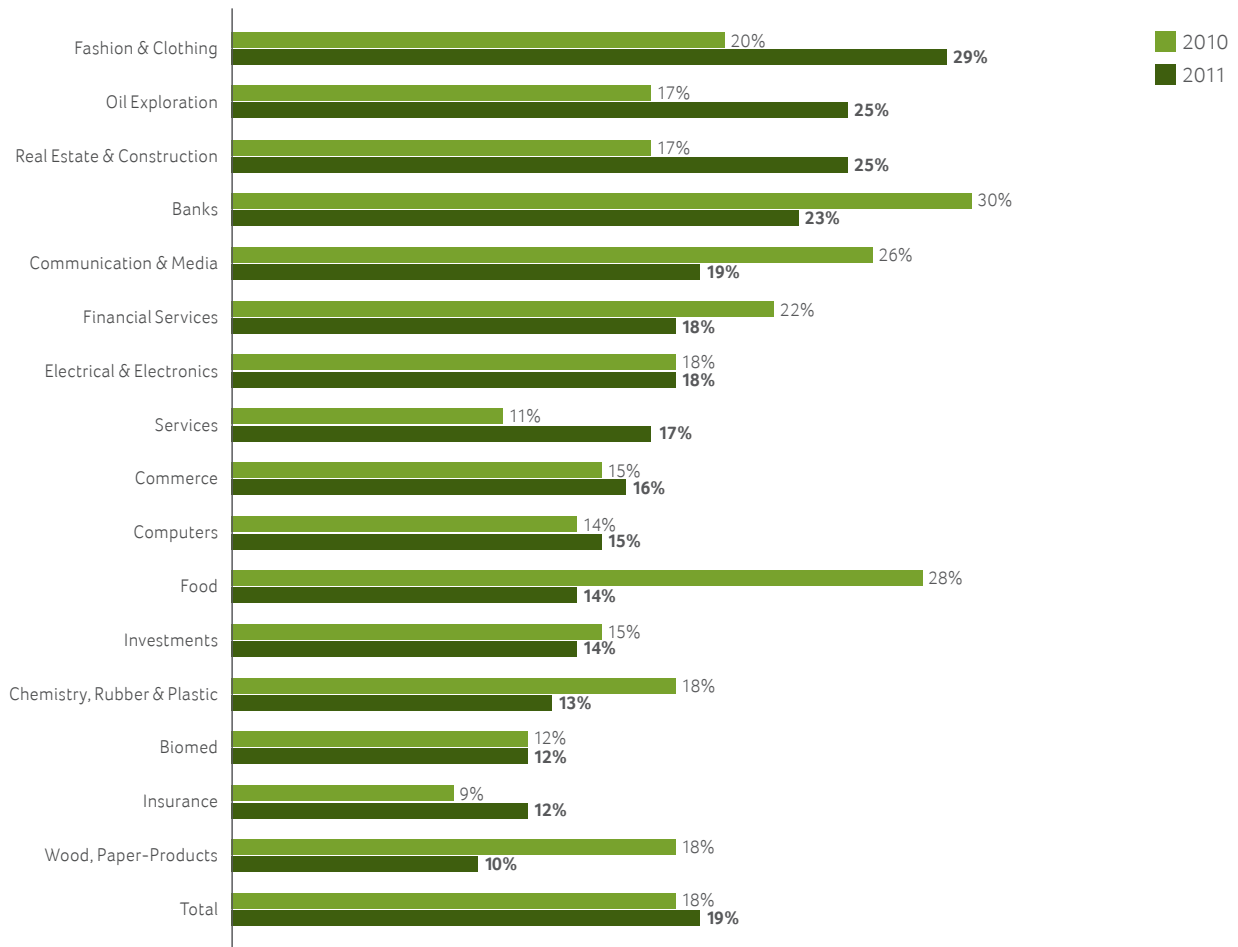
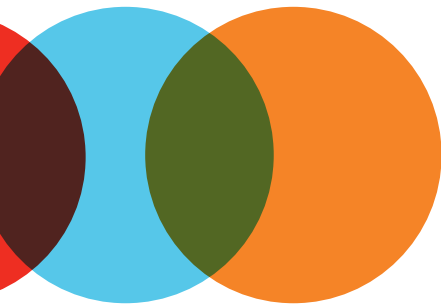


Figure 13: Percentage of Companies According to the Number of Women in Top Executive Positions by Industry





## 6.5 International Comparison - Managements

In Israel, 18% of the executive positions in the managements of the companies are filled by women (unchanged from last year). This percentage is identical to the percentage of women in executive positions in Canada and higher than the rate in the USA and Australia, but lower than in South Africa.

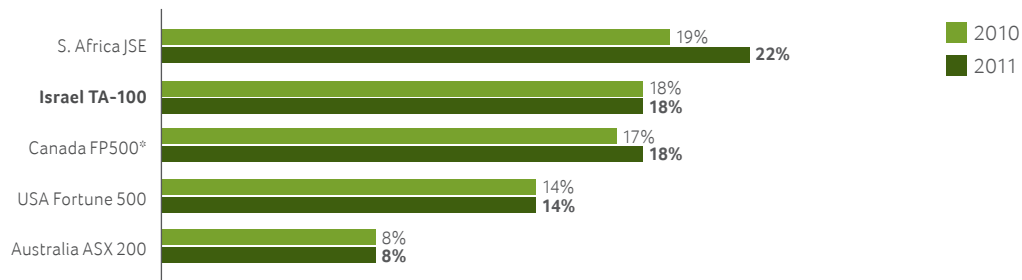


Figure 13: Percentage of Women in Top Executive Positions – International Comparison

All data are based on the recent publications of the Catalyst Censuses in all countries. [www.catalyst.org](http://www.catalyst.org)

\* Data for Canada refers to 17% in 2008 and 18% in 2010





## 7. The Path to Change – Theoretical Review

### The positive connection between women leaders and business management

Today, more than a decade into the 21st century, it can be said with certainty that the rise in women's representation in executive positions and on boards of directors in the business market has led to a change in the definitions of the character of the economic leader. Research demonstrates that the increase in the number of women on the board contributes to improved financial performance of corporations<sup>7</sup>. The qualities that women bring to management (including board membership) contribute to a change in the conduct of all executives. The tendency of women to less absenteeism from meetings, a broader and more intensive performance of monitoring duties by participating in different committees such as the audit committee, nominations and appointments committee, corporate governance committee, etc., leads to enhanced functioning of the organization's internal controls and casts a spotlight on the importance of internal improvement processes<sup>8</sup>.

It has also been proved that women bring with them a management style that increases listening, support and attempts to solve problems to the benefit of both parties; they tend to increasingly deal with controversial issues and demand direct, detailed answers, even more so than men<sup>9</sup>. Additionally, it has been proved that women increase discussions of innovations and emphasize the perspectives of diverse stakeholders<sup>10</sup>.

The contribution of increasing the number of women in executive positions and on the board of directors is essential to enlarge diverse talent pools and to generate a productive and innovative dialogue arising from diverse lifestyles and worldviews entering the dialogue. It is also important to point out that growing equality in numbers is a significant step toward mitigating gender discrimination and contributes to the mitigation of discrimination for other reasons (ethnic, religious and class oriented).

Women's tendency to view customers and consumers as key stakeholders, as a result of the dialogue they hold between being consumers/customers and being in management positions, increases the ability to understand consumers and to tailor character and activity of the business organization to his/her purposes. The fact that women's life experience and accepted social norms compels them to balance work and family has led to a similar change in the discourse of accepted work norms and is influencing a change in the modern labor market<sup>11</sup>.

### Reasons for the gaps in the representation of women and men in executive positions:

Despite the substantial changes emerging in the presence of women – both in numbers and in substance – in executive positions in the business world, there is no doubt that the gaps in data remain significant. The reasons for these gaps are diverse and can be divided into three major categories:

#### A. Gender stereotyping:

Women are unsuitable for management and leadership: Women and "feminine" characteristics are still labeled as possessing emotional skills of containment and care, while business leadership (despite the changes taking place in the definition of the qualities of a good manager) is defined as characterized by qualities such as leadership, assertiveness and analytical skills.

Women themselves are not interested: A well-known basic assumption is that women are not willing to give up caring for the family in favor of climbing the corporate ladder, which requires lengthy absence from the home and constant accessibility. Furthermore, according to accepted stereotyping women are not interested in executive positions. The Catalyst Census has found that the myth that describes the right methods for professional and executive promotion indeed promotes men, but not women.

What does the myth say? The right way to get promoted is to inform your boss that you are willing and interested in

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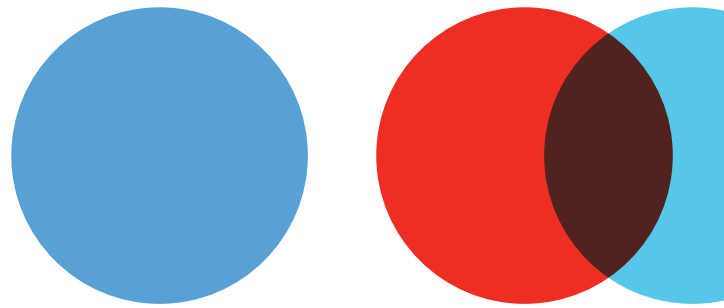
<sup>7</sup> Nancy M. Carter and Harvey M. Wagner, "The Bottom Line: Corporate Performance and Women's Representation on Boards (2004–2008)" (Catalyst 2011) <http://catalyst.org/publication/479/the-bottom-line-corporate-performance-and-womens-representation-on-boards-20042008>

<sup>8</sup> Renne B. Adams & Daniel Ferreira, 2008 "Women in the Boardroom and their Impact on Governance and Performance". The Journal of Financial Economics.

<sup>9</sup> Judy B. Rosener, 1990, "Ways Women Lead", Harvard Business Review, Nov-Dec. pp. 3-11 Alice H. Eagly, Mary C. Johannesen-Schmidt, 2001, "The Leadership Styles of Women and Men", Journal of Social Issues Volume 57, Issue 4, pages 781–797.

<sup>10</sup> Vicki W. Kramer, Alison M. Konrad, Sumru Erkut, "Critical Mass on Corporate Boards: Why Three or More Enhance Governance". <http://www.wcwonline.org/pdf/CriticalMassExecSummary.pdf>

<sup>11</sup> Liz Doherty, (2004) "Work-life balance initiatives: implications for women", Employee Relations, Vol. 26 Iss: 4, pp.433 - 452



challenging assignments. You must reveal and emphasize your ambition to get ahead and your future aspirations in terms of career development. You also need to build a relationship not only with your boss, but with your boss's boss. Indeed, an interesting method, but it turns out that it helps men to get ahead, and women, far less so. In fact, the Report shows that "doing all the right stuff", as recommended here, and mainly, displaying productivity, does not get women promoted. The study shows that the myth that claims that women simply do not express their desire to get ahead and do not talk about their successes is also untrue. The problem is that this doesn't promote them enough. According to the Report, the methods applied by women with great potential for advancement had little – if any – impact on their promotion<sup>12</sup>.

### **B. Lack of suitable social networks:**

The old boys' network is alive and well, and is based on the myths presented in the previous paragraph. The scarcity of women in established senior positions in the organization or as members of its senior management prevents women from creating informal connections based on personal acquaintance and on similarity between them and their managers. The understanding that a mentor who will facilitate professional and personal advancement is necessary limits women due to the numerical shortage of women in the organization, and also because women state that they are unable to create a professional personal and intimate relationship with a senior manager.

The fight over the limited number of seats at the executive pinnacle is also likely to limit the ability of senior women to serve as mentors and even sponsors. Women recognized the importance of the need for a mentor/sponsor<sup>13</sup>. Research by LinkedIn demonstrates that 82% of women in the USA believe it is important for them to have a mentor. Contrary to the recognition of this importance, one out of five career women in the USA has never had a mentor. The argument proposed in this study is that women are afraid to ask for mentoring and often, because the boss is male, they have no one to approach with the request. Additionally, because of the small number of women at the top, there is also a fear of highly successful women. The study also claims that women do not know what to ask for, and over 50% claim that they have not met anyone who is suitable enough to serve as a mentor<sup>14</sup>.

### **C. Intra-organizational barriers:**

Promotion and compensation are the two major components that influence the creation of a glass ceiling obstructing women in senior executive positions.

Lack of an official policy for women's promotion limits the identification of the potential of young women and their suitability for junior management positions that will help them climb the management hierarchy, similar to the advancement of young male managers.

Lack of measurement and evaluation according to deliverables prevents women from receiving recognition for their competencies. The fact that women in executive positions have a double workday that also includes caring for the family prevents them from being present at the workplace to the same extent as their male counterparts. The evaluation of managers on the basis of accessibility and attendance rather than according to their output continues to be a major tool in identifying management competencies and job suitability. The basic assumption that women, as opposed to men, have limited loyalty to the organization (due to their absolute commitment to the family) lowers their evaluation according to output and deliverables<sup>15</sup>.

Wage gaps: Salary and benefits are a significant incentive for encouraging aspirations to climb the management hierarchy in the organization. The fact that women receive a lower salary than men, and one that is low in relation to their position in the organization, reduces their incentivization<sup>16</sup>.

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<sup>12</sup> Judith G. Oakley, 2000, "Gender-based Barriers to Senior Management Positions: Understanding the Scarcity of Female CEOs" *Journal of Business Ethics*, 27: 321–334, © 2000 Kluwer Academic Publishers. Printed in the Netherlands.

<sup>13</sup> As opposed to a mentor, whose role is to provide support and serve as a role model, a sponsor accompanies the manager closely from within the organization and is known in the organization as her supporter. Her job is to make processes accessible to her and to support her vis-à-vis senior management. The sponsor removes obstacles and hurdles. Additionally, this relationship generates feedback and diverse gains for the sponsor him/herself.

<sup>14</sup> [http://www.usatoday.com/MONEY/usaedition/2011-10-27-IBM-CEO-Sidebar1\\_ST\\_U.htm](http://www.usatoday.com/MONEY/usaedition/2011-10-27-IBM-CEO-Sidebar1_ST_U.htm)  
Heather Foust-Cummings, Sarah Dinolfo, Jennifer Kohler, 2011, "Sponsoring Women to Success", <http://www.catalyst.org/publication/485/sponsoring-women-to-success>.  
Sylvia Ann Hewlett, Kerrie Peraino, Laura Sherbin, Karen Sumberg, 2011, "The Sponsor Effect: Breaking Through the Last Glass Ceiling", *Harvard Business Review*, <http://hbr.org/product/the-sponsor-effect-breaking-through-the-last-glass/an/10428-PDF-ENG>

<sup>15</sup> Ibid.

<sup>16</sup> Clara Kulich, Grzegorz Trojanowski, Michelle K. Ryan, S. Alexander Haslam, Luc Renneboog, 2009, "Who Gets The Carrot and Who Gets The Stick? Evidence of Gender Disparities in Executive Remuneration." *Strategic Management Journal*

### **What are the reasons for the data gaps between different businesses?**

After understanding the reasons for the data gaps between men and women in senior executive positions, we must look at the reasons for the data gaps between the organizations themselves, meaning why, for example, in a particular company the percentage of women is lower than in others, and vice versa. Is there an explanation for the relative high numbers in other companies?

### **Industry type as a factor of influence on women's representation percentages in executive positions**

A comprehensive look at Catalyst Censuses in Israel and in other countries suggests that there is a direct correlation between industries considered "masculine" and the relatively low number of women in executive positions. The Catalyst Census shows that in industries such as construction, oil and gas, mining, agriculture, electricity and water there are fewer women also in management echelons based on identification on the basis of talent and managerial suitability. The study argues that as the nature of the industry is masculine and it is perceived as a field which women do not understand and are not qualified to engage in for reasons of physiological unsuitability, even when it comes to roles that do not require professional expertise or physical work (e.g. financial management), a gender bias and male stereotyping "sneak" into HR screening processes, and the number of women decreases accordingly<sup>17</sup>.

Since 1970 the composition of companies on the Fortune 100 list has changed. Additionally, the women who hold senior executive positions present a profile that differs substantially to that of their male counterparts. They are younger, and do not advance as veteran employees within the organizations. The time spent in each position is shorter and they climb the executive ladder faster<sup>18</sup>. Women display rapid advancement processes and significant aspirations for promotion. As a result, the basic assumption regarding the gap in numbers between men and women in senior executive positions in "masculine" industries is that the reason is not the lack of aspirations for promotion on the part of women or the absence of women altogether, but old, longstanding stereotyping regarding the nature of gender difference.

Another myth that has been broken is the reaction of investors and customers to the placement of women in senior executive positions and in the seat of CEO and board member.

A 2009 study challenges the conventional assumptions regarding chauvinistic stereotyped reactions to the appointment of women to managements and demonstrates that investors tend to react positively to the appointment of women as directors, even in countries considered more conservative (such as Singapore)<sup>19</sup>.

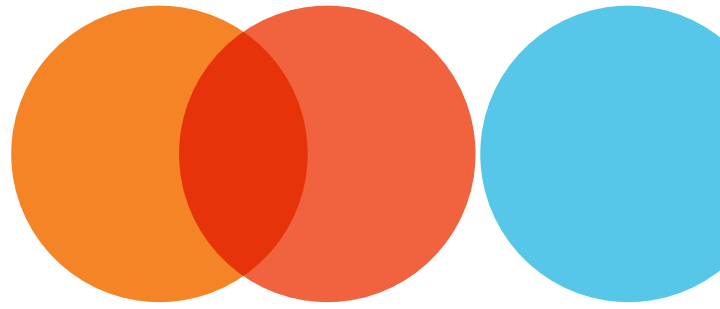


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<sup>17</sup> Women in Male-Dominated Industries and Occupations in U.S. and Canada, 2011, <http://www.catalyst.org/publication/381/women-in-male-dominated-industries-and-occupations-in-us-and-canada>

<sup>18</sup> Peter Cappelli and Monika Hamori, 2005, The New Road To the Top. <http://www.management.wharton.upenn.edu/cappelli/documents/pathtotophbr.pdf>

<sup>19</sup> E. Kang, David K. Ding, 2009, "Investor Reaction to Women Directors" Research Collection Lee Kong Chian School of Business. Paper 1761. [http://ink.library.smu.edu.sg/lkcsb\\_research/1761C](http://ink.library.smu.edu.sg/lkcsb_research/1761C). Charoenwong



### How do we get the numbers to go up?

- In companies where women are considered customers and stakeholders, their presence in senior executive positions also increases. The significant rise in the number of women considered professionals in the spheres of management and economics influences the course charted for them as they advance to senior management and the integration of more women in senior financial and professional management also in industries and businesses engaging in "masculine" fields<sup>20</sup>.
- The higher the number/percentage of women serving as directors in a company, the greater the positive impact on the increase in the number of women in professional executive positions in the company. The impact was measured mainly on the increase in executive positions involving profit and loss processes, which have a significant influence on progress to senior management jobs<sup>21</sup>.
- Deliberate intra-organizational processes aimed at increasing gender and other diversity (origin, ethnicity, nationality, language, sexual orientation, religion and disabilities). Increasing gender diversity creates the understanding among the organization's senior management and its employees and managers that gender equality is a defined business goal among the organization's success factors and is based on data demonstrating an increase in success measures as a result of gender and other diversification<sup>22</sup>.
- Encouragement of sponsorship by senior women executives with the aim of developing skills and increasing the visibility of women in management positions. The sponsor, in him/herself, eliminates barriers facing the women he/she supports. Furthermore, the sponsor's status also awards him/her gains that include feedback, greater knowledge of the needs of the organization and the opportunities it contains, personal and professional satisfaction and the acquisition of additional skills. Recognition of the contribution of this model to organizations must be encouraged as a tool that promotes better leadership, teamwork and greater commitment to the organization.
- Men and women aged 30-40 seek more significant attention in the workplace in order to balance work and family. Although the loyalty of men and women managers has not decreased, today many more are talking about the difficulty in balancing their career with their family and private life. Family and the advancement of personal values are today ranked higher on the list of priorities of men and women managers. Models allowing for flexibility at work, recognition of the importance of one's private life and freeing time and place for hobbies and the family increase the maneuverability of managers of both sexes. The fact that women are still perceived as the primary parent increases their need for this balance. However, splitting the workday so that the woman will be home to take care of the kids and then resume her work from home in the evening to complete her assignments should not be confused with balancing work and family. Consequently, balanced work models that will advance women in executive positions must be tailored to both women and men and must be marketed as such. Additionally, splitting work hours should not be viewed as a balancing tool; rather, complex models dealing mainly with self-actualization outside the workplace and with the prevention of burnout must be studied.

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<sup>20</sup> Catalyst, 2006, "BP p.l.c. -Global Path to Diversity and Inclusion", <http://www.catalyst.org/publication/107/bp-plcglobal-path-to-diversity-and-inclusion>

<sup>21</sup> Lois Joy, 2008, "Advancing Women Leaders: The Connection Between Women Board Directors & Corporate Officers. Catalyst.

<sup>22</sup> Catalyst, 2006, "BP p.l.c.-Global Path to Diversity and Inclusion", <http://www.catalyst.org/publication/107/bp-plcglobal-path-to-diversity-and-inclusion>  
Catalyst, 2005, "Georgia-Pacific Corporation-Bridging Cultures, Leveraging Differences", <http://www.catalyst.org/publication/115/georgia-pacific-corporationbridging-cultures-leveraging-differences>



## Summary

Many research studies deal with the relationship between increased gender diversification in management and positive business results. Additionally, many myths, such as the assumption that customers and stakeholders object to women in senior executive positions and consider them, or their growing numbers in the organization, a risk to business success, are frequently being invalidated. Still, there remain many challenges to the effort to bridge between these important understandings and a significant increase in the percentages of women in senior management positions in every business organization, particularly those characterized as "masculine". These challenges apparently also include increasing internal gender diversification, connecting the center and periphery, creating parity across various measures between socioeconomic classes and ethnic groups, and, of course, increasing the presence of disabled populations.

There is no doubt that an increase in the number and percentage of women entering professional management positions in diverse fields formerly considered "masculine", such as engineering, financials, transportation, real estate, construction, etc., is likely to raise the number of women in senior management positions. But despite this assumption, it should be borne in mind that the promotional springboard from middle-level management to senior management and organizational leadership in management, on the board and as CEO and chairperson, involves far more than professional competencies. Often, the essence of these roles is perceived as leadership. Here, myths about women, leadership and management remain prominent: strongly rooted myths about women's inability to serve as leaders or their lack of desire to lead create a glass ceiling between the middle-level management phase and senior management. This glass ceiling is perhaps even thicker than its predecessors.

The most essential and important point of emphasis is that it should not be assumed that the numbers will increase gradually and continuously without any effort. The main effort must come from within the organization. The organization must combine recognition of the importance of women's presence in senior executive positions both in terms of their contribution to the organization's success and goals, and as an element in the partnership in creating social equality and corporate and community responsibility. None of this will be expressed without planned, official moves put in place by the organization on the way to creating a distinct policy of diversity and equality.

## 8. Annexes

### 8.1 Census Size

Number	2010	2011
Number of companies in the TA-100 Index	100	101*
Chairmen of the Board	100	101*
Directors	852	913
Chief Executive Officers	165	134
Senior executives	937	954
Women directors	128	151
Senior women executives	170	174

\* In 2011 there were 101 companies in the TA-100 Index. When a company that is traded abroad or a new, large company is listed on the Stock Exchange it joins the Indexes in the "fast track", and no share exits the Index at that moment. Similarly, when a large company is delisted from the Stock Exchange, no company automatically enters the Indexes instead, and only in the next half-yearly revision does the number of shares return to the round figure.

## 8.2 Reference - 2010 Catalyst Census Data

### The Second Israeli Catalyst Census (TA-100 Index figures, 2010)

Ranking of companies with 25% and more of women in top executive positions

Name	Percentage of women executive officers
Housing & Construction Ltd.	50%
Gazit Inc.	50%
FIBI	50%
Ormat	50%
Delek Drilling Yahash	50%
Osem	46%
Golf	45%
Partner	42%
Union Bank	40%
HOT	36%
B Communications	33%
Bank Hapoalim	33%
Internet Gold	33%
Israel Land Development Company (Hachsharat Hayishuv)	33%
Oil Refineries	33%
Protalix	33%
Matrix	33%
Granite	33%
Isramco Yahash	33%
Bank Leumi	32%
Frutarom	29%
Israel Corporation	29%
Teva	27%
Tower	27%
Netvision	27%
Migdal Insurance	26%
Ceragon	25%
J.O.E.L.	25%
Airport City Ltd.	25%
Otzar Hityashvuth Hayehudim Ltd.	25%
Koor	25%

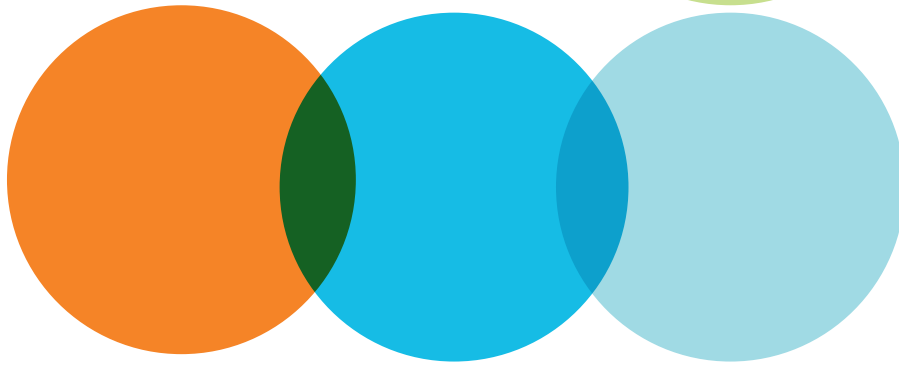
Ranking of companies with 25% and more of women on the board of directors

Name	Percentage of women board directors
B Communications Ltd.	60%
Bank Hapoalim	46%
Electra	40%
Internet Gold	38%
Azrieli Group	38%
Strauss Group	36%
Mellanox Technologies	33%
FMS Enterprises	33%
Blue Square Real Estate	33%
Housing & Construction	33%
Melisron	30%
Gilat Satellite Networks	25%
Alony Hetz Properties & Investments Ltd.	25%
Alrov Israel	25%
Alrov Real Estate	25%
Dash Apax	25%
Mivnei Taasia	25%
Rami Levy	25%

\* In 2010 an error occurred in the verification of the name of one of the directors of the Strauss Group. The correct figure is 36% and not 45% as presented in 2010.







respect

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