

BUSINESS

Wal-Mart Taps Judith McKenna

● As the head of international, she will become the second woman ceo in Wal-Mart's history.

BY KALI HAYS

Wal-Mart is adding a woman to the ranks of its all-male top executives for the second time in its history.

Judith McKenna will be replacing David Cheesewright in the position of president and chief executive officer of Wal-Mart International, which includes more than 6,300 stores in 27 countries.

Cheesewright has been with Wal-Mart since 1999, when he joined its U.K. affiliate Asda, and in 2008 became ceo of Wal-Mart Canada. He then served as president and ceo of Wal-Mart EMEA before coming to head up all international operations in 2014.

Doug McMillon, president and ceo of Wal-Mart, said Cheesewright had a "reputation as an insightful strategic thinker with a track record of delivering consistent, profitable growth" and has been "instrumental in strengthening our business across the globe."

A Wal-Mart spokeswoman said Cheesewright was unavailable for comment. It's unclear what spurred his departure and whether he is headed for a new position elsewhere and the spokeswoman declined comment.

McMillon was a bit more effusive regarding McKenna, who currently serves as executive vice president and chief operating officer for Wal-Mart U.S. and has worked with the company for more than two decades. She will take up her new role at the start of February.

"I've had the pleasure to work with Judith for many years and have seen firsthand her ability to lead strategic change,

build relationships with our associates and strengthen our business," McMillon said. "It has been inspiring to see her personal growth and the results she's driven over the years. Her integrity, high expectations and passion for the business and our associates will ensure our continued success in international."

For her part, McKenna sees her new role as "an honor," adding, "I can't think of a more exciting time to be in this part of the business."

McKenna will now be the sole woman among Wal-Mart's five executives with the title president and ceo. She is only the second female executive at Wal-Mart to hold such a title in the company's 55-year history. The first was Rosalind Brewer, who served at president and ceo of Sam's Club for about four years before resigning in June and subsequently being replaced by John Furner.

While it seems that there are more women ceo's, as companies in many industries have publicly committed to promoting diversity in their workplaces and new companies like StitchFix and Glossier have been founded and led by women, the number of women in the c-suite has progressed at a sluggish pace.

Other women in ceo positions at public companies include Mary Dillon of Ulta Beauty, Barbara Rentler of Ross Stores, Virginia Drosos of Signet Jewelers, Fran Horowitz of Abercrombie & Fitch, Jan Singer of Victoria's Secret and Sheri McCoy of Avon, who is actually leaving her position in March. But overall, the S&P 500, a ranking of the largest companies by market capitalization trading in the U.S., has only 5.2 percent female ceo's, according to a recent survey by Catalyst, a nonprofit research firm focused on women in the workplace.



Judith McKenna

In its Women in the Workplace study last year, business adviser McKinsey & Co. in partnership with LeanIn.org found that 20 percent of c-suite positions at 222 companies were held by women, compared with 19 percent in 2016 and 18 percent the year before. The 2017 study included data from nearly 100 more companies than in 2016 and nearly double the number included in 2015.

The study found that, despite conventional ideas to the contrary, women do not leave companies at a higher rate than men and "very few" have any plans to leave to focus on family. Nevertheless, McKinsey said women are hired and promoted less, despite making up 52 percent of the population and a tendency to be better educated than their male peers.

"The biggest gender gap is the first step up to manager: entry-level women are 18 percent less likely to be promoted to manager than their male peers," McKinsey said in its report.

There is also a big difference in perception between genders as to what constitutes a diverse workplace. 63 percent of men surveyed by McKinsey said their company was doing a good job promoting

diversity, while only 49 percent of women agreed. About 50 percent of men also said women were "well represented" at work with only one woman in 10 senior leadership or executive positions. A third of women agreed.

According to Jaimee Marshall, an executive vice president with executive search firm Kirk Palmer Associates, the business world is in something of a catch-22 when it comes to women ceo's.

"It's very typical that companies, when looking for people, they want someone with previous ceo or c-level experience, and if you're looking to hire from outside, it's extra common," Marshall said. "When women are promoted less, they're obviously less likely to have the desired experience."

She also noted that company boards, which select and approve new ceo's, are predominantly male. (Only 21.2 percent of S&P 500 board members are women, according to Catalyst.)

"I certainly commend Wal-Mart, but the industry has a long way to go to see parity for women in the c-suite," Marshall added. "As much as a lot of companies are looking to boost diversity they should be looking to boost the female population in the top spots and sometimes that has to be an active initiative."

Andrea Weiss, a veteran of the retail industry who sits on the board of Chico's and operates the retail consultancies The O Alliance and Retail Consulting Inc., also applauded Wal-Mart's move, while pointing out that it's had at least two women ceo's in the past. But she's looking forward to a time when "gender is less the story" and admitted "we're far from that."

"We're still telling the story of women becoming executives like 'Oh, gee wow,' and we need to get beyond that," Weiss said. "We're still looking at industries as bifurcated by gender."

Nevertheless, Weiss thinks a consumer facing industry like retail, which largely depends on and caters to women shoppers, should have many more women at the top.

"I've been at this a long time and I remember being the only woman in the room," Weiss said. "I'm happy to say there's a lot more in the room now, but it's not enough."