

Wal-Mart vows to promote women

Matthew Boyle

At the retailer's annual meeting, CEO Mike Duke announces a President's Global Council of Women Leaders to help boost the share of female managers at Wal-Mart.

Seeking to counter Wal-Mart's image as a company that sells mostly to women yet is overwhelmingly run by men, new Wal-Mart (WMT) CEO Mike Duke pledged at the company's annual shareholder conference on Friday, June 5, to boost the retailer's commitment to developing female leaders by launching a "global women's council."

Wal-Mart also announced at the boisterous, star-studded meeting that its board has approved a new \$15 billion share-repurchase plan. The program replaces a previous \$15 billion initiative that began in 2007 and had approximately \$3.4 billion of remaining authorization. Wal-Mart's shares were down 0.03, to 50.84, as of 3 p.m. Friday.

The women's council, made up of 14 members representing each of the global markets in which the company operates, met for the first time earlier this week. It aims to increase the percentage of women in management roles at Wal-Mart. Some 27% of the company's senior managers are women, a figure that didn't improve from 2007 to 2008, according to Wal-Mart's most recent federal equal-employment filing.

Entertainment by Ben Stiller and Miley Cyrus

"No one should be left out," Duke said, addressing the thousands of raucous employees and shareholders who converged on the University of Arkansas' Bud Walton Arena in Fayetteville. (Bud Walton co-founded Wal-Mart with his brother Sam in 1962, and the company maintains close ties with the school.) Comedian Ben Stiller emceed the affair, which included performances by Miley Cyrus, Smokey Robinson, and American Idol winner Kris Allen, who hails from Wal-Mart's home state of Arkansas. Stiller warmed up the capacity crowd, which filed into the arena at the crack of dawn for the 7 a.m. meeting, by noting that "they're still sleeping over at Target."

Duke had informally established a similar council of female leaders about a year ago, when he was running Wal-Mart's international operations, a role he held from 2005 until his succession to the CEO slot in February, replacing Lee Scott. Now, Duke is taking the group, formally called the President's Global Council of Women Leaders, companywide.

A Wal-Mart spokesperson says the group's goals are still being determined. Duke called the council "an important group that we're going to look to for advice," emphasizing that he's "not satisfied" with Wal-Mart's progress on diversity. "I want to move faster," Duke said. Wal-Mart's track record in providing senior leadership opportunities for women is uninspiring. Wal-Mart talks often about how approximately 80% of its shoppers are women, but it's less proud of the fact that 73% of its senior leaders are men.

Eight years into a class action

In June 2001, six female Wal-Mart employees filed a sex-discrimination lawsuit in U.S. District Court in San Francisco against Wal-Mart Stores. The suit, *Dukes v. Wal-Mart Stores Inc.*, gained class certification in 2004 as the largest such suit ever filed against a private employer, affecting more than 2 million female employees. In the suit, female employees alleged that they were denied opportunities for advancement and paid less than men doing similar work. The suit also detailed a locker-room culture at Wal-Mart that made women uncomfortable.

Wal-Mart has fiercely battled the class certification. Sometime this fall, a federal circuit court of appeals will rule on Wal-Mart's request to review the class certification. The case could eventually end up before the U.S. Supreme Court.

Wal-Mart's diversity efforts were dealt a blow last month when Linda Dillman, executive vice-president for benefits and risk management—and one of the company's highest-ranking women—announced her departure. She was previously chief information officer and has expressed a desire to get back into the IT world. Today there is only one woman among CEO Duke's eight direct reports: Executive Vice-President of People Susan Chambers.

Developing female leaders will be a challenge for Wal-Mart, but it plays to Duke's strengths. Wal-Mart insiders say talent development is one of his strong suits and that it contributed to his earning the top job over Vice-Chairman Eduardo Castro-Wright. Just as Scott defined his legacy with his well-publicized sustainability efforts, Duke could mark his tenure by improving the company's record on diversity.

At the shareholder conference, Duke said that historically, "women have been left out of too many economies in the world." He could easily have been speaking about Wal-Mart. His job is to change that.

WAL-MART vows to promote women. **BusinessWeek**, New York, June 5th, 2009. Disponível em: <www.businessweek.com>. Acesso em: 8 jun. 2009.

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