

CHIEF EXECUTIVE

Issue Date: January/February 2006 , Posted On: 1/25/2006

Fighting the Glass Ceiling

Why Asian Americans don't have more positions at the top

The Old Navy presidency almost sailed right by Jenny Ming. About two years before she took the helm of the now 900-store division of the Gap in 1999, then CEO Millard "Mickey" Drexler asked Ming if she was interested in heading the fast-growing clothier with 2004 revenues of \$6.7 billion. She said no.

"Another person in my place would not have done that," says Ming, 50, who was born in China's southern Guangdong province and arrived in San Francisco at age nine. Before she graduated from San Jose State University with a degree in clothing merchandising, she pondered a career teaching home economics. "As Asians and women, we tend to underestimate ourselves," says Ming. "We were taught to be humble, instead of tooting our own horns, to stay more in the shadow."

Some months later, after realizing that her position as executive vice president of merchandising for the brand was already similar to running the business, Ming, a 19-year Gap veteran and a founding team member of Old Navy, approached Drexler and said, "I think I can do that job." His response: "It's about time."

Asserting confidence can help Asian Americans shatter the glass ceiling between them and the C-suite. At a time when Asian markets are looming larger for U.S. CEOs, one would think that tapping the linguistic and cultural skills of Asian Americans would be a no-brainer.

But as it stands, the nation's approximately 5 million Asian Americans in the work force, about 4.4 percent of the U.S. labor force, represent less than 1 percent of those holding a senior management rank. Those of Asian ancestry hold 1.2 percent of Fortune 500 board seats, up from only 1.1 percent from 2004, according to figures from the Committee of 100, a New York-based organization of Chinese Americans.

And Asian women? According to a 2003 Catalyst report called "Advancing Asian Women in the Workplace," Asian American women make up just over a quarter of 1 percent of corporate officers among more than 10,000 positions within the largest 500 companies. That's about 30 positions, versus around 1,600 for women overall. Those with the highest profiles include: Avon CEO Andrea Jung; Christine Poon, the first female vice chairman at Johnson & Johnson; and PepsiCo CFO and president Indra K. Nooyi.

Old boy networks are a barrier. A study by Kurt Takamine, a professor of organizational leadership at Chapman University's campus in Manhattan Beach, Calif., found that 87.1 percent of Asian American professionals reported an active network of white males at their companies; 78.6 percent reported working for companies with executive teams composed entirely of white males, or a combination of white males and white females.

Seeking Mentors

To penetrate the top ranks of Corporate America, Patrick Lo, CEO of Netgear, who also worked for Hewlett-Packard and Bay Networks, recommends that Asian Americans target three mentors at a level or two above them. At HP he had three: two white and one Asian. A political fight took the two white executives out of the picture, but the third later recruited Lo to Bay, where he sought out two more mentors. One was African American. "It seems like the minorities bond together a little bit better," he says. "The white male tends to pull up white males. It is a natural tendency."

But Asian American males do rise up. Take Robert C. Nakasone, former CEO of Toys “R” Us. Rather than found his own company, as did Yahoo! co-founder Jerry Yang or Computer Associates’ founder-CEO Charles Wang, Nakasone worked his way up. Chicago-born, San Fernando Valley raised Nakasone, who received an MBA from the University of Chicago, became the youngest vice president in the history of the Jewel chain in Chicago (now the Midwest arm of Albertsons). At age 28, the third-generation American was named vice president of Jewel’s Osco Drug Stores division. At age 32, he became the youngest president in the company, in charge of Jewel-owned Brigham’s Ice Cream Parlor, then headed the Midwest division of Jewel Food Stores. He moved to Toys “R” Us as president of its USA Toy Stores, where during his four-year tenure he tripled sales and net income.

You’d think there would be more Nakasones because, where there is education, there are high-income jobs. Compared to the 27 percent average for the U.S. population, Asian Americans have the highest percentage of college degrees of any group—50 percent—and 19 percent have an advanced degree beyond the bachelor’s level. The Census Bureau reports that 12 percent of Asian Americans have incomes of \$75,000 or more, compared to 10.9 percent of whites in that bracket. Asian Americans in the labor force have 39.3 percent of their number in managerial or professional roles, compared to 33.2 percent for whites.

Still, Asian Americans have been slow to climb into executive ranks. “The higher you go, the more political it is. It was difficult for me to merge into business society at the top level,” Ying Luo, an 18-year veteran of U.S. pharmaceutical companies and now CEO of Shanghai Genomics in China, told David Heenan, author of *Flight Capital* (Davies-Black,

“If you’re always sitting quietly...how can people know how good you are?”

—DAVID YEN, SUN MICROSYSTEMS

October 2005). The book discusses the exodus of America’s talented immigrants because of better opportunities in their birth countries or the slow pace of their advancement in Corporate America.

A similar story comes from Min Wu, founder of Macronix International, a Taiwanese computer chip manufacturer listed on Nasdaq. Wu received his education at Stanford and his training at Intel. But one day in the 1980s, he realized there were few Chinese engineers above the department head level at Intel. “I don’t want to call it racial discrimination, but it was not compatible with my ambitions,” he says.

Is there outright racial discrimination? Some say yes. Results from a Committee of 100 survey on American attitudes toward Asian Americans found that 25 percent of Americans have strong, negative attitudes toward Chinese Americans: 23 percent reveal they would be uncomfortable voting for an Asian American for resident, compared to 15 percent for an African American and 14 percent for a woman. And when it comes to Corporate America, 7 percent say they would not want to work for an Asian American CEO, in contrast to 4 percent for an African American and 3 percent for a woman.

Although 77 percent of 1,216 Americans surveyed said they believe that Chinese Americans are honest business people, 32 percent also felt that Chinese Americans would be more loyal to China than to the U.S.

Beyond race, cultural issues and individual personality types play a role, notes David Yen, an executive vice president at Sun Microsystems. “I happen to have the type of personality where I am not afraid of speaking out, and my bosses know that. And that helps,” says Yen, who was 24 when he came to the U.S. from Taiwan to earn a Ph.D. in electrical engineering from the University of Illinois. “Some of my [Asian-American] friends are indeed very timid and very afraid of speaking out, so they don’t give people an opportunity to recognize their ability,” he says. “If you’re always sitting quietly at the corner of the table and are not participating and providing value to the meeting, how can people know how good you are?”

To some extent, being foreignborn can keep people from climbing beyond middle management—especially

if their English isn't very good.

Chapman University's Takamine is working on another study that examines how cultural issues play apart in success. Based on anecdotal evidence he has gathered so far, the language barrier may not be the only factor. "It is not [only] whether an Asian American is more loquacious than another, but it is all about how they carry themselves," he says. "You might deal with someone who is struggling with an accent, but if they feel intrinsically and internally a leader and have important information to share, they are more likely to take on leadership positions."

Some immigrants with heavy accents tell of having to repeat information during presentations because the audience couldn't understand them. Many just choose to opt out of Corporate America. "This is why you see a lot of entrepreneurs among foreign immigrants," says Yen. "It is much easier for them to go out and create their own company rather than climb the corporate ladder."

At 11 percent, Asian Americans rank the highest of the self-employed among ethnic minorities, close behind whites, of whom 12.8 percent are self-employed. As it is, they own 34.6 percent of businesses in California. And although a large percentage are small businesses, such as dry cleaners, restaurants and grocery stores, a rising number are in professional services. During the 1990's Silicon Valley tech boom, 25 percent of high-tech enterprises were started by Indian or Chinese entrepreneurs, according to the Milken Institute. Moreover, Asians, at 34.6 percent, lead all groups in high-skill occupations, according to Asian-Nation.org. Yet, their bosses still tend to be white.

But Asian Americans looking to climb into the C-suite should focus not only on their boss, but on who they are themselves. That may mean enrolling in leadership programs or hooking up with an executive coach. "There are Asians who may not even think they will need a focused program for themselves," says Jane Hyun, author of *Breaking the Bamboo Ceiling* (HarperBusiness, May 2005). "If they are not aware of cultural influences that affect their behaviors, they will not be able to impact their actions for future assignments that will advance their career."

Hyun, a New York-based career coach and human resources consultant, says that an Asian's deep-rooted value of authority may lead colleagues to view him simply as a yes man. Someone who has ingrained cultural values that may have her waiting to speak until asked her opinion might be viewed as lacking knowledge when meetings come and go and she never speaks because she is never called upon, says Hyun.

The key, Thomas Chen, a vice president at Abbott Laboratories, often tells the 500 members of a Chinese cultural network at the pharmaceutical giant, is to get out of one's comfort zone. It's advice he heeded from the get-go. Chen knew that he wanted to be in management ever since high school in Taiwan. So, he became a business major instead of a scientist or engineer. "That caused a lot of uproar from my friends and relatives and teacher who thought I should be in sciences," says Chen.

The onus is also upon CEOs to make an effort to pull the brightest minds to the top. If they don't, according to author Heenan, it may be too late to stop the brain drain of Asians accepting top jobs in their home countries—or even setting up the competition. Heenan found that in 2004, more than 20,000 Chinese émigrés went home, up from 5,800 in 1995. He estimates that up to 1,000 people from different countries, in scientific, medical and technological disciplines, leave the U.S. every day. "If not careful, [employers] will lament the fact that they were not keeping their eye on particular talent, and to their surprise and chagrin they have created a monster across the street or across the ocean," says Heenan.

Intel tried to stop its Asian brain drain in the '80s. Albert Yu, a retired Intel senior vice president, recalls when, in 1983, then-CEO Andy Grove came to him and asked, "How can we not lose this great talent?" Yu soon was spearheading a committee. In its current incarnation, Intel's program offers behavior seminars, speakers and meetings with management. "People [who attended] were shocked to learn that I once had trouble speaking up. For the first time, they realized 'I am not alone,'" Yu recalls.

Today, retention rates are better, and Intel has received repeated nods for its policies. "Andy is kind of

unique in that since he is an immigrant from Hungary; he opened his eyes and took advantage of all of the immigrants," says Yu.

Flowing from the Top

For almost anything to be effective, it needs to flow from the top. At GE, for example, CEO Jeffrey Immelt has attended at least four meetings of its Asian Pacific American Forum, a mentoring group with guest speakers such as Jenny Ming and Andrea Jung.

C-suite executives also need to set up and encourage cross-racial mentoring. "Often when you are at the top, you are not aware of the unique challenges Asians and other people of color may be facing," says Hyun.

Companies also can tap their bilingual work force. Harry Shum of Microsoft is an example. Raised near Shanghai, the computer science Ph.D. never imagined he'd one day find himself back in China. But after two years hammering out 3-D graphics in Redmond, Shum was tapped for Beijing. He now heads Microsoft Research Asia. "It is a good thing for a company to assign an ethnic employee to his or her home country," he says. Perhaps one day, he'll be back in Redmond in the C-suite.