

pulse

Women in the C-Suite



women leadership

March 2007



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Women in the C-Suite



Our Vision

To be a primary force enabling women and girls to take their place as equal partners in the creation of a just and sustainable community.

Our Mission

To transform the lives of women and girls in Greater Cincinnati through fund raising, grant making, research and advocacy to make our community a national leader in creating opportunities for women and girls.

The Women's Fund of the Greater Cincinnati Foundation

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I imagine that you are a 28-year-old woman, recently arrived in Cincinnati to work for one of our Fortune 500 companies. You've found a cool apartment on Fourth Street and you've started building your network of friends by connecting with Give Back Cincinnati. Your application for next year's C-Change class for young leaders is ready to go. You're a smart, capable professional who believes her opportunities are endless, and you want to grow your career while you invest in your community.

So you look around for role models and mentors, especially other women who have broken through the glass ceiling and are sitting in the CEO's chair. You hope that these women will guide you along the path to a leadership position in the corporate world. But your search is frustrating; there are no women at the top in your company and precious few in the pipeline to get there. You survey the rest of the landscape locally and the picture looks pretty much the same.

You start to think of Cincinnati as a short stop on the way to someplace better. A place where women aren't held back by old attitudes or old boys' networks that exclude women from the corridors of corporate leadership. A place where you can realize your full potential. And you come to the conclusion that your place is anywhere but in Cincinnati.



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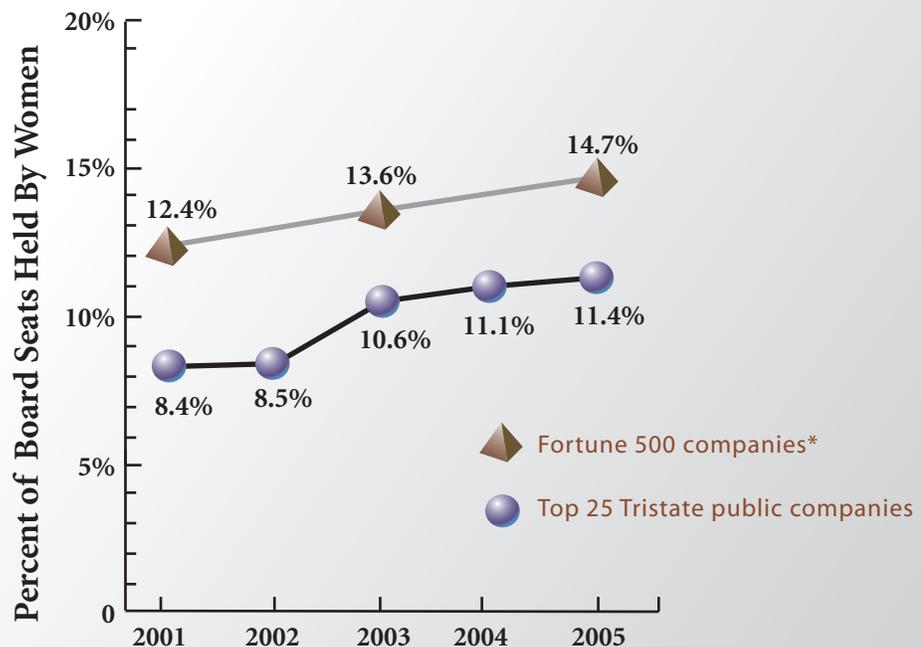
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In July 2005, The Women's Fund of The Greater Cincinnati Foundation released *Pulse: A Study on the Status of Women and Girls in Greater Cincinnati*. This groundbreaking report looked at how women were progressing on a variety of fronts: health, education, economic security, personal safety, and leadership. And leadership is the subject of this Pulse update, specifically how well women are represented among top leadership in our biggest corporations and professional practices. The results are sobering—there are precious few women in local C-suites or boardrooms.

Women on the board

Greater Cincinnati's largest public companies have been slower than their counterparts nationwide to increase the number of women on their boards of directors.



Sources: Annual reports and SEC filings; Catalyst report

* Data collected every other year

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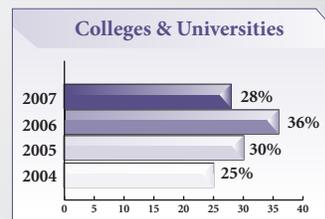
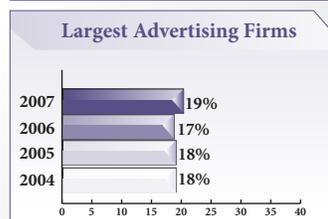
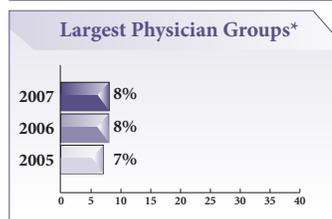
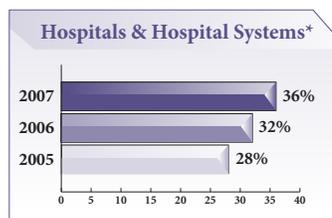
But the purpose of this report is not to point fingers, but to point out that there is still much work to be done in advancing women in our community to the rank of chief executive officer. While Pulse Update: Women in the C-Suite provides a graphic reminder that women are still largely absent from the corner office, it also unlocks stored potential and can be a baseline for measuring our progress.



We share Tom Peters' contention that "what gets measured gets done," and with Cincinnati's increasing roster of Fortune 500 headquarters, we have an opportunity to be a national leader in advancing women. We can build on the work already being done in locally based corporations like Federated Department Stores and Procter & Gamble, and learn from national models like Deloitte & Touche's Women's Initiative.

Trends at the Top

Women have gotten the top jobs in some local industries in the past four years, but still make up small percentages of the total.



Source: Women's Fund analysis based on Cincinnati Business Courier's annual Book of Lists; dates based on the year published.

* Comparable data not available for 2004.



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In our top 25 public companies and our top 50 private companies, there are no women chief executives.

The current picture, however, must be examined. Despite increasing numbers of women holding powerful line and finance positions, few women have advanced to CEO. Reviewing our top 25 public companies and our top 50 private companies, we find no women chief executives. In fact, in the 2006 Deloitte 100 list of the largest private companies in the region, we found just one woman CEO.

And though there are many women with the requisite skills to serve on corporate boards even in a post-Sarbanes-Oxley world—there are still few women holding these influential seats. And if we look at top earners in local corporations—another indication that the needle is moving in the right direction—we find only a handful of women on the list. While we celebrate their achievement, we think there should be more.

Leaders by industry

Number of women leading Greater Cincinnati's largest companies in these fields:

| | 2007 | | 2006 | | 2005 | | 2004 | |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | WOMEN | TOTAL | WOMEN | TOTAL | WOMEN | TOTAL | WOMEN | TOTAL |
| Hospitals & Hospital Systems* | 9 | 25 | 8 | 25 | 7 | 25 | NA | NA |
| Largest Physician Groups* | 2 | 25 | 2 | 25 | 2 | 27 | NA | NA |
| Largest Law Firms** | 2 | 23 | 3 | 24 | 2 | 25 | 2 | 24 |
| Largest Advertising Firms | 5 | 27 | 4 | 23 | 4 | 22 | 4 | 22 |
| Largest Accounting Firms | 0 | 26 | 1 | 26 | 1 | 26 | 1 | 26 |
| Colleges & Universities | 7 | 25 | 9 | 25 | 7 | 23 | 6 | 24 |
| Highest-Paid Non-CEOs | 4 | 25 | 2 | 25 | 2 | 25 | 2 | 25 |

Source of data: Women's Fund analysis based on Cincinnati Business Courier's annual Book of Lists; dates based on the year published.

* Comparable data not available for 2004.

** Firms governed by committee removed from totals.



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**It is not just
about fairness;
companies that
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There are some hopeful signs: Our region's largest employer, the University of Cincinnati, has a woman president. Women lead all but one of the hospitals in the Health Alliance and many of our leading nonprofits have female CEOs, including The Greater Cincinnati Foundation, the Urban League and the Fine Arts Fund. There are women leading law firms, medical practices, and advertising agencies. But the numbers simply do not reflect women's representation in the workforce overall. Viewed through the eyes of women of color, the picture is even more discouraging.

So it's time for us to get to work. There are powerful business reasons to change this story. It is not just about fairness; companies that develop and promote women are simply more successful.

“Women hold fewer than 20% of corporate officer positions in Fortune 500 companies nationally.”

Reports by the New York based research group Catalyst, which tracks the performance of some 300 companies in the Fortune 500, demonstrate that putting women in the executive suite confers a competitive advantage. Increases in return on equity and total return to shareholders averaged more than 30 percent higher in companies with more women executives. But the procession to the C-suite is very slow for most women, despite the fact that they now hold more than half of the managerial and professional jobs in U.S. companies.

Writing in the *Harvard Business Review**, Dawn Carlson, K. Michele Kacmar, and Dwayne Whitten discuss attitudes toward women in management from the perspectives of both men and women. Not surprisingly, the attitudes vary. In general, men paint a more positive picture of women's progress and opportunities to move to senior management. But the numbers don't support the perceptions: “Women hold fewer than 20% of corporate officer positions in Fortune 500 companies nationally. Only eight of those companies have female CEOs.”

*Source September 2006 edition.

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Women in the C-Suite

Percentage of women directors at Greater Cincinnati's top 25 public companies in 2005

(the last year for which all companies listed board membership in SEC filings or on their Web sites).

| | |
|---|-------|
| Omnicare..... | 33.3% |
| Federated Department Stores..... | 30.0% |
| AK Steel..... | 22.2% |
| Ashland..... | 20.0% |
| Hillenbrand Industries..... | 20.0% |
| EW Scripps..... | 16.7% |
| Kroger..... | 15.4% |
| Procter & Gamble..... | 13.3% |
| Cinergy..... | 12.5% |
| Chiquita Brands International..... | 11.1% |
| Cintas..... | 11.1% |
| Ohio Casualty..... | 11.1% |
| Milacron..... | 10.0% |
| Pomeroy IT Solutions..... | 10.0% |
| Convergys..... | 9.1% |
| NS Group Inc (IPSCO)..... | 8.3% |
| Chemed..... | 7.7% |
| Cincinnati Financial Group..... | 7.1% |
| Fifth Third..... | 6.7% |
| Midland..... | 5.9% |
| Alderwoods Group..... | 0.0% |
| American Financial Group..... | 0.0% |
| Cincinnati Bell..... | 0.0% |
| General Cable..... | 0.0% |
| Great American Financial Resources..... | 0.0% |

| | |
|----------------------------------|---------------|
| Total women board members | 31 |
| Total board members | 271 |
| Percentage women | 11.44% |

A rigorous study published in the Academy of Management Perspectives* echoes this scenario. The authors' conclusion: "If current trends continue, perhaps 6 percent of CEOs in the Fortune 1000 will be women by 2016."

In an economy in which innovation is the new currency, the retention of talent becomes critically important. That's why there such a heated dialogue underway in our community about the group economist Richard Florida calls the "creative class" and why so many organizations are reaching out to touch the ranks of young professionals in our midst. While talent isn't limited to the under-40 population, these emerging leaders look for opportunities in cities where talent is valued and a broad range of opportunities for advancement exist.

Right now, Cincinnati isn't measuring up. But it could, if we have the collective will and the concerted effort to change the story. Working together we can retain the young talent we are working so hard to recruit.

*Source November 2006 edition.

What you can do to change the picture?

Attaining gender parity in business leadership—the equal distribution of leadership opportunities between men and women—is a long way off. But our corporate leadership can start today in accelerating the pace of women moving into the C-suite and corporate boardrooms.

C-SUITES Steps to change

suggestions for advancing women:

- C CALCULATE**
Develop the qualitative and quantitative business case for gender parity in leadership positions. Include the benefits of a diverse leadership, such as increased retention, a wide range of perspectives, and reflection of consumer markets. Connect these benefits to the corporation's overall business strategy.
- S SPECIFY**
Move from general goals such as "promote women" to specific goals within the organization, including gender diversity in all candidate slates for positions at mid-management level and above and P&L roles. Two levels of management should review loss of any key female pipeline candidates. Include performance on gender diversity goals (recruitment, retention, promotion) in evaluations and incentive plans.
- U UNDERSTAND**
Conduct confidential exit interviews with departing male and female pipeline candidates to identify potential underlying issues. Track former pipeline candidates in subsequent years to assess "lost potential" to the corporation.
- I INFORM**
Articulate, clearly and continuously, the importance of creating a diverse leadership pool. Your leadership commitment should be part of major business performance reviews with direct reports as well as expressed in organization-wide communications. The messaging should include the competitive advantage diverse leadership brings to the company.
- T TRACK**
Benchmark the progress of women in the pipeline in comparison to their male peers. Include job grade progression, salary levels, scope of responsibility, P&L responsibility and comparison of overall performance reviews by gender. Create a cross-functional review team to surface and analyze disparities.
- E ELEVATE**
Identify special projects, key committees and other opportunities that provide high visibility for participants and ensure women have significant representation in these activities.
- S SOURCE**
Identify and track high-potential women across the community, industry and in other businesses. Build lists of possible candidates in every key discipline to use when an opening occurs. Identify and build relationships with organizations that have high-level women as members or participants and circulate opportunities through that network.

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RESOURCES

Catalyst

A nonprofit organization recognized worldwide as a leader in researching women's career advancement and advising corporations and women on building inclusive environments. The Catalyst "Making Change" series includes a wide range of informative and instructional pieces on creating gender and minority diversity in the workplace, such as Advancing Women in Law Firms, Assessing Your Work Environment and Tapping Women for Global Assignments. www.catalystwomen.org

American Bar Association Commission on Women in the Profession

Its mission is to "secure the full and equal participation of women in the ABA, the legal profession and the justice system." The commission conducts industry research and produces a variety of reports on women's advancement in the legal industry. www.abanet.org/women

Dallas Chamber of Commerce

In 1994, the Dallas Women's Covenant was created to "facilitate broad-based, lasting change in the business community that would result in the expansion of economic opportunities for all women." As a result dozens of the largest Dallas-area corporations have committed to specific goals and regularly report a number of key metrics including: Women Reporting Directly to the CEO; Women with Cash Compensation Above \$100,000; Women Who Serve on the Board of Directors. www.dallaschamber.org

Deloitte & Touche USA Women's Initiative (WIN)

Launched in 1993, WIN is an excellent example of a robust and successful program to increase gender diversity in the workplace. WIN produces an annual report that provides insight into its extensive business case, including what is tracked and how the value of the initiative is calculated. The report provides many tips and recommendations for other corporations looking to increase women in leadership roles. www.deloitte.com

Raw data available on request. Contact Jenna McHugh, Executive Director of the Women's Fund, 513.768.6123.

Thank you to Jene Grandmont, University of Cincinnati graduate student, for compiling the data for this report.

For more information on Pulse and other initiatives of The Women's Fund go to www.pulsecincinnati.com.

If you are interested in supporting the work of The Women's Fund send your donation to:

The Women's Fund Endowment
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Cincinnati, OH 45202

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