

2020



VISION

FOR RHODE ISLAND

WOMEN, LEADERSHIP AND WAGES:

NOT AND FOR-PROFIT BUSINESS

WOMEN'S fund
RHODE ISLAND
engage, invest, act

vision2020
EQUALITY IN SIGHT™

Leading Women





Vision 2020 is a national initiative developed by the Institute for Women's Health and Leadership at Drexel University College of Medicine to make equality a national priority through shared leadership among women and men. The Vision 2020 Rhode Island delegates have set several goals: to increase the numbers of companies using wage-equity audits, to ensure wage equity and ensure equity in the awarding of loans to women business owners who apply for them. The goals for women's health are to ensure widespread access to family planning services by securing the family planning waiver. In the area of political participation the goals are to increase the numbers of women appointed to cabinet, commission and board positions in state government.



The mission of Women's Fund of Rhode Island is to invest in women and girls in our community through research, advocacy and grant making designed to eliminate gender inequality through systematic change. Women's Fund is committed to social change grant making that focuses on long-term solutions to societal problems. Women's Fund believes in making strategic grants, sometimes for only one or two years, with the intent of addressing immediate social change. They have narrowed their focus to the key areas of civic engagement, economic justice and political representation. Over the past ten years the fund has awarded 55 grants to 27 organizations, founded a Women's Policy Institute and doubled the number of female, governor-appointed cabinet-level positions.



Since 2003, Leading Women has been providing what organizations need in order to meet their goals for the advancement and retention of women and what women need to succeed from career-start to the C-suite and onto corporate board. With a mission to inspire, power and honor the success of women in organizations, Leading Women offers uncommon programs, online resources, events and services that help companies and individual women overcome the barriers to career progress. Their array of solutions are designed to close the gaps between what most leadership programs teach and what women need to learn in order to move up. A recent survey found that over 62% of women who attend their leadership programs are promoted or given additional responsibility.



**LETTER FROM
VISION 2020
NATIONAL
DELEGATES**

We are very proud to serve as the Rhode Island State Delegates for Vision 2020. Nearly three years ago, we set an ambitious agenda to increase the representation of women in government and corporate leadership; advance wage equity for women in business; and to increase access and opportunity for the awarding of loans to women businesses owners. We are committed as delegates of Vision 2020, and as leaders in the Rhode Island community, to remove roadblocks and barriers to women's advancement. We believe that a healthy, vibrant state and economy require the engagement and access of all its citizens to representation and economic security. We look to the day when women are at the tables of decision-making and leadership policy and practices are shaped by the diversity of needs, experiences and backgrounds that make Rhode Island so unique.

To that end, this report explores Rhode Island's largest for-profit and nonprofit companies wage equity and leadership advancement for women policies and practices. Though on some levels the data may seem disappointing, our aim was to understand what was happening in the Rhode Island business community with respect to the advancement and compensation of women and to use this data as a benchmarking report. Additionally, our focus is on use of this data to engage in meaningful conversation with the business community, policymakers, and those working to advance our community to understand the benefits, both short and long term, of investing in women's leadership and economic security. As these conversations take place and shape, we believe that many companies and organizations will participate in ongoing research so that we have a clearer and broader understanding of what holds women, and thus Rhode Island, back. Further, the report offers a glimpse of best practices that companies and organizations can engage in to ensure wage equity and equal representation of men and women in top leadership positions within the company and on their boards.

We are very grateful to our Vision 2020 corporate committee members who have given countless hours to create the survey, collect, analyze and interpret the data and who are eager to engage in conversations in their work place, in their community and across the state.

Our thanks to Kathryn Eleuterio, Women's Fund of Rhode Island Intern and Women's Fund of Rhode Island for making this report a reality.

Susan Colantuono

Marcia Coné

Co-Chairs, Vision 2020 Rhode Island
Rhode Island State Delegates Vision 2020 National

EXECUTIVE SUMMARY

Women, Leadership and Wages reviews the findings of a survey conducted with 22 of the largest not and for-profit businesses in Rhode Island on initiatives and best practices that advance women—commitment to women’s leadership, advancement of women into senior leadership, wage equity and women on boards—and examines obstacles and barriers to advancing women into leadership. The first report of its kind in Rhode Island, the information gathered is part of a growing effort and urgent need to build and strengthen our local businesses and advance the state’s economic development. The emphasis of this report is, in part, to highlight the disparities of women in leadership, but more so to offer real solutions through the sharing of best practices. Our specific aim is to generate positive steps to help Rhode Island business be competitive and deliver results. The advancement of women is an important and well-documented case for how to improve business and thus, the state economy.

The report provides context for the relevance of the survey questions, the breakdown of the responses by for and nonprofit businesses and shares recommendations for action based on best practices. Here is a summary of the key findings and recommendations.

Though the data, at times, falls below where we would hope Rhode Island businesses could be there are some practices that are being utilized to advance women. The aim is not to criticize, but to understand the strengths and challenges in the Rhode Island business community and to use this data as benchmarks. The data can and should be used by for and nonprofit leadership, human resource departments and boards to engage in meaningful conversations on how to improve and advance women’s leadership and the real benefits, short and long term, financial and workforce, of investing in women’s leadership and thus economic growth and security of our business sector. We invite our business sector to the table and urge them to participate in ongoing research to share successes and challenges as we work together to advance Rhode Island.

While a commitment from the most senior leader down to women's advancement is critical for women to progress into senior leadership positions, neither for profit nor nonprofit business respondents indicate they have clearly defined strategies.

Shifting for and nonprofit culture to be inclusive of women's advancement as part of core business mission, vision and strategy.

Less than half of for profit respondents require diverse slates of candidates and nearly half report diverse slates are not required.

Adopt diversity recruiting and advancement practices to recruit, retain and advance diversity.

Both for and nonprofit businesses conduct wage equity audits and a high percentage have found and corrected inequities.

Wage audits continue to be conducted as a regular part of the human resource compensation analysis cycle to eliminate the wage gap in for and nonprofit organizations.

Diverse slates of candidates for open board positions are required by 46% of for profit and 37% of nonprofit companies.

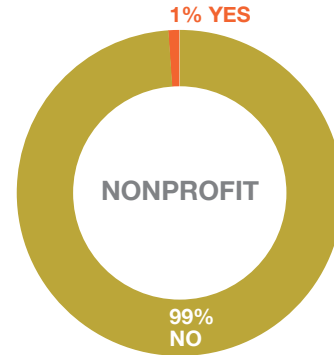
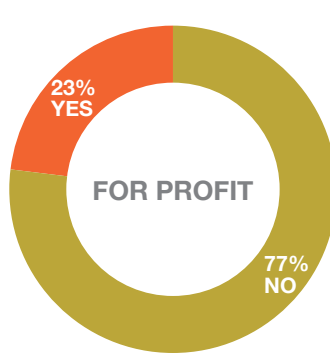
Institute board diversity policies, include boardroom diversity as a board meeting agenda topic, and ask search firms to provide diverse candidates.

57% of for-profit and 23% of nonprofit companies stated there were no obstacles to women's advancement yet women remain vastly underrepresented in leadership.

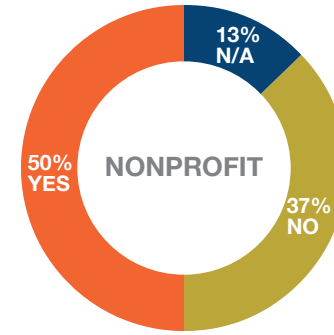
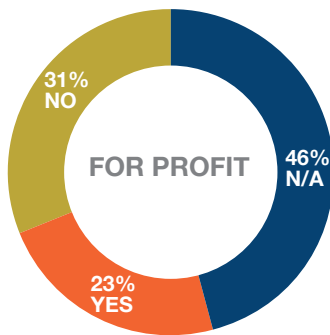
Set targets, assign projects, and mentor and coach women into key operational positions assist in advancing women in leadership positions.

Commitment to Women's Leadership >>>>>>>>

Does your company have a clearly defined strategy/philosophy for the development of women into leadership roles?



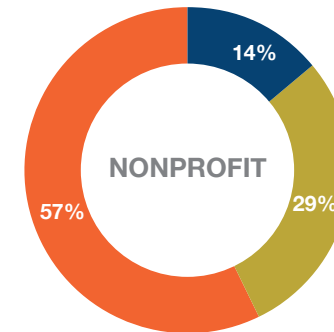
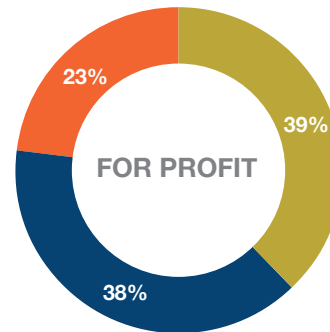
Does your company's diversity initiative have a focus on gender?



Does your company have goals for women's advancement?



How are line managers held accountable for talent development, particularly for women?

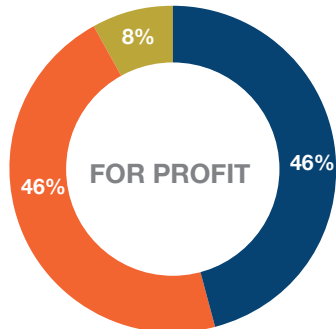


ACCOUNTABLE BUT NOT GENDER SPECIFIC
NOT HELD ACCOUNTABLE ASSEMENT/PERFORMANCE EVALUATION

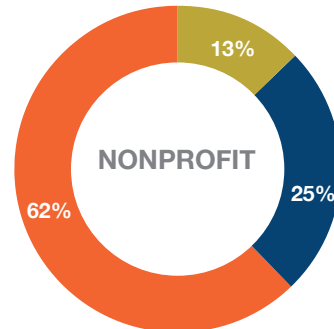
TALENT DEVELOPMENT PROGRAMS ASSEMENT/PERFORMANCE EVALUATION NOT HELD ACCOUNTABLE

Advancing Women into Senior Leadership >>>>>

When filling senior management positions, do you require recruiters to present a diverse slate of candidates (more women)?

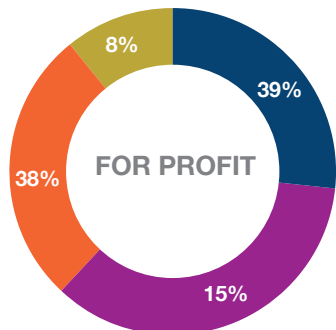


NOT REQUIRED
ON OCCASION
YES

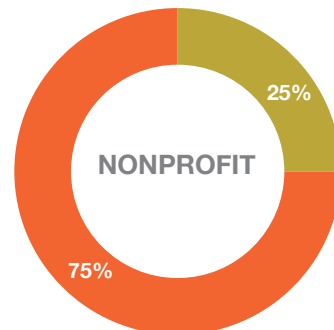


YES ALWAYS
ON OCCASION
NO

How often in the last 18 months have you been successful in presenting a diverse candidate slate for those senior positions?

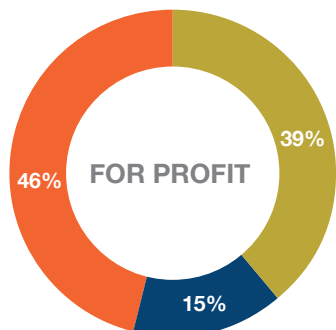


OVER 50% OF THE TIME
LESS THAN 50% OF THE TIME
ANSWERED NO ABOVE
NO OPENINGS IN THE PAST 18 MONTHS

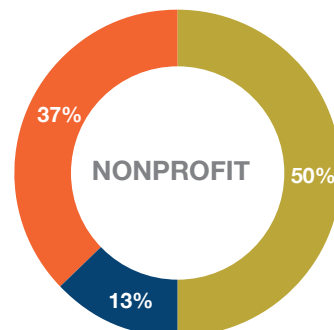


OVER 50% OF THE TIME
ANSWERED NO ABOVE

If you do not require a diverse slate of candidates for executive positions at this time, is this something you believe your executives would consider?



ALREADY HAVE DIVERSE SLATE
YES
UNSURE



YES
ALREADY REQUIRED
UNSURE

>>>>>>>>>>>>>>>>>> Boards >>>>>>>>>>>>>>>>>>>

WHY VISION 2020 ASKED

Research by Catalyst has found higher financial performance for companies with higher representation of women board directors in three important measures:

- Return on Equity: On average, companies with the highest percentages of women board directors outperformed those with the least by 53 percent.
- Return on Sales: On average, companies with the highest percentages of women board directors outperformed those with the least by 42 percent.
- Return on Invested Capital: On average, companies with the highest percentages of women board directors outperformed those with the least by 66 percent.

The correlations are found across industries—from consumer discretionary to information technology.

In addition, the percentage of women directors is a predictor of women corporate officers. Their influence increases the percentage of line positions held by women thereby influencing increased numbers of women corporate officers.

Women on corporate boards are also correlated with good governance. A Canadian study by The Conference Board found that more gender-balanced boards tended to:

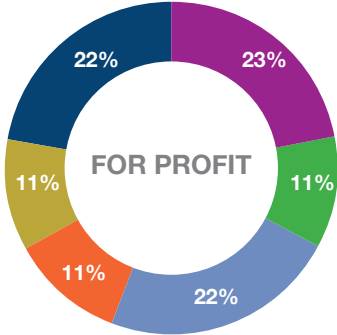
- Pay more attention to audit and risk oversight and control
- More often consider the needs of more categories of stakeholders
- Examine a wider range of management and organizational performance
- 94% of boards with three or more women (compared to 58% of all-male boards) insist on conflict-of-interest guidelines.

It also found that:

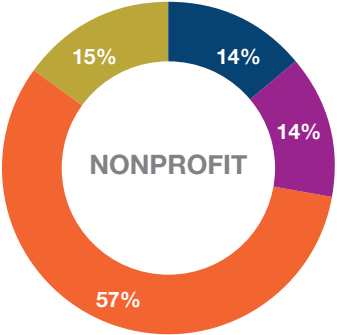
- 72% of boards with two or more women conduct formal board performance evaluations, while only 49% of all-male boards do
- Companies that provide boards of directors with formal, written limits to authority have a greater percentage of women directors than do organizations with no formal limits to authority
- Organizations that provide boards of directors with formal orientation programs have a greater percentage of women directors than do organizations with no such program.

Advancing Women into Leadership >>>>>>>>>>

What are the greatest obstacles your organization faces in advancing women into leadership roles?



- PROMOTING FROM WITHIN
- NONE
- LACK OF POSITION OPENINGS IN TOP POSITIONS
- PROMOTING FROM WITHIN
- KEEPING SENIOR MANAGEMENT TEAM FOCUSED
- LACK OF SUFFICIENT PREPARATION LINE ROLES
- PREDOMINANTLY MALE INDUSTRY



- NONE
- LACK OF QUALIFIED CANDIDATES
- UNDEFINED GOALS/LACK OF COMMITMENT
- LONGEVITY IN SENIOR ROLES

WHY VISION 2020 ASKED

In 2010, the World Economic Forum reported “there is a statistical correlation between gender equality and the level of development of countries as measured by GDP and competitiveness.” (One of their measures of gender equality is percentages of women in senior positions in organizations and on boards.) And study after study for the past two decades have pointed to a strong correlation between women in leadership and organizational performance.

- In July 2011 USA Today reported “Fortune 500 companies that had a woman at the helm for all of 2009 were up an average 50%.” And according to Forbes, “as a group they outperformed the overall market—companies dominated by male chief executives—by 28%, on average, and topped their respective industries by 15% [in 2010].”
- NASDAQ.com reported the same about the period from January – November 2011. “We’ve compared the performance of the current Fortune 500 companies with women CEOs to the S&P500 performance and their industry competitors from the start of the calendar year to present. Correlation and causation aside, the trend holds true: women have been ruling the stock market.”ⁱⁱ

ii. <https://infocus.credit-suisse.com/app/article/index.cfm?fuseaction=OpenArticle&aoid=360157&coid=284071&lang=en>

METHODOLOGY

The survey instrument was developed by the Vision 2020 subcommittee on Business whose members represent Senior Level Management in Human Resource, Communications and Diversity from the for and nonprofit sectors. The survey highlights tenets from the literature on women's leadership and advancement to ensure the questions are grounded in best practice and thus, lend to their validity. Questions in the survey align with research conducted by well-respected organizations leading the national discussion on women's advancement, such as McKinsey, Catalyst, Inc., Institute for Women's Research, The World Economic Forum among others.

Vision 2020 compiled a list of non-and for-profit companies that were among the largest employers in Rhode Island. Members of the Vision 2020 subcommittee on Business reached out to their Human Resource colleagues with an invitation to reply to a confidential online survey. The descriptive statistics contained in the report are based on 22 responses from Rhode Island companies, of which 13 were for-profit and 9 were nonprofit.

Aggregate data analysis was conducted by a Research and Communications Intern at the Women's Fund of Rhode Island and Vision 2020 Delegates, Susan Colantuono and Marcia Coné, provided the data interpretation and conducted a review of best practices. The compilation of this data was edited and reviewed by the Vision 2020 Subcommittee on Business.

Sources

QUESTION 1 & 2

Business Case for Gender Equality, Women to The Top.
<http://www.women2top.net/uk/thatswhy>.
 UC Davis Study of CA Women Business Leaders <http://www.forbes.com/2010/02/10/sodexo-executives-management-forbes-woman-leadership-michel-landel.html>

QUESTION 3

Women's Advancement Issue III – December, 2008 Compiled by Meredith Ross Boston College Center for Work & Family

QUESTION 4

Benchmarking Women's Leadership by the White House Project)
 STEPPING UP TO DIVERSITY RECRUITING: CHAPTER 8
 TEN KEYS TO DIVERSITY RECRUITING© Copyright
 Diverse Workplace Inc. 2003 <http://www.ert.eu/women/>

QUESTION 5,6 & 7

Diverse Workplace Inc., Stepping Up to Diversity Recruiting It Starts at the Top: Engaging the C-Suite

QUESTIONS 10 & 11

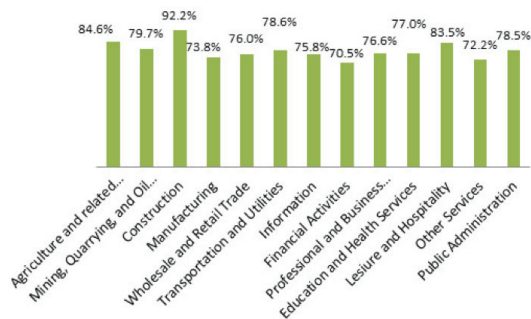
<http://www.catalyst.org/press-release/73/companies-with-more-women-board-directors-experience-higher-financial-performance-according-to-latest-catalyst-bottom-line-report>

Women on Boards: Not Just the Right Thing ... But the 'Bright' Thing , The Conference Board of Canada, June 2002

http://www.bizjournals.com/prnewswire/press_releases/2012/07/17/NY41495

QUESTIONS 8 & 9

Year	White men	Black men	Hispanic men	White women	Black women	Hispanic women
1970	100%	69.0%	n.a.	58.7%	48.2%	n.a.
1975	100	74.3	72.1%	57.5	55.4	49.3%
1980	100	70.7	70.8	58.9	55.7	50.5
1985	100	69.7	68.0	63.0	57.1	52.1
1990	100	73.1	66.3	69.4	62.5	54.3
1992	100	72.6	63.3	70.0	64.0	55.4
1994	100	75.1	64.3	71.6	63.0	55.6
1995	100	75.9	63.3	71.2	64.2	53.4
1996	100	80.0	63.9	73.3	65.1	56.6
1997	100	75.1	61.4	71.9	62.6	53.9
1998	100	74.9	61.6	72.6	62.6	53.1
1999	100	80.6	61.6	71.6	65.0	52.1
2000	100	78.2	63.4	72.2	64.6	52.8
2003	100	78.2	63.3	75.6	65.4	54.3
2004	100	74.5	63.2	76.7	68.4	56.9
2006	100	72.1	57.5	73.5	63.6	51.7
2010	100	74.5	65.9	80.5	69.6	59.8



<http://www.catalyst.org/publication/217/womens-earnings-and-income>

<http://www.iwpr.org/initiatives/pay-equity-and-discrimination/>

<http://www.wageproject.org/files/costs.php>

Vision 2020 Rhode Island Corporate Sub Committee Members

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Stephanie Chamberlin

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Jyothi Ganesh

Angela Wiczek

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–Susan Colantuono & Marcia Coné

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