

## HERE'S THE BOTTOM LINE: YOU PROFIT

The numbers don't lie: Having women in positions of leadership makes companies more successful



BY MEG FRY

After more than 50 years in business, T&M Associates, a multimillion-dollar consulting, environmental, engineering and construction management firm in Middletown, appointed its first woman board member in company history.

Lynn Spence, senior vice president and director of human resources, believes her appointment last month sends a positive message for the company.

"While the industry is evolving, the employee population at our company is still 65 percent male," she said. "I thought it was very important for T&M to be able to highlight their positive support of women in leadership here."

Spence had been part of the company's five-year strategic planning team, charged with helping the company to diversify and invest in its employees while it expanded its geographic footprint.

"It became clear during that process to me and to some of the other leadership here the value that Lynn brought to the company," Gary Dahms, CEO and president of T&M Associates, said.

"Half of the talent pool out there is of the female gender — her appointment and the perspective that she will bring to the board speaks to the leadership and the culture that we are representative of."

While U.S. companies are (finally) starting to get it, Michellene Davis, president-elect of Executive Women of New Jersey and executive vice president and chief corporate affairs officer of RWJBarnabas Health, said the change may still not be as fast or widespread enough.

"When you have women on your board and in your C-suite, what you are doing is sending a message, intentional or unintentional, to your employee population and to the world at large," she said. "This is a global discussion."

"There are countries that have now mandated a particular number of women be added to boards," she said. "Those countries understand two things: one, they know that having women on boards helps to lift the bottom line, and two, that the status of women in one's society is a huge reflection of the future progression of that country."

Barbara Kauffman, executive vice president of the Newark Regional Business Partnership and chair of the board appointments committee for Executive Women of New Jersey, said that, although it is always the goal for a company to reach gender parity, bottom-line benefits will show up long before then.

"Research has demonstrated that when there are three women on a board, that is when you start to see the most effective changes in revenues and in the perception of the company," she said.

Here is the kicker:

Despite these ever-present statistics, an increase in companywide women leadership initiatives and the fact that women today make up nearly half of the labor force, women still make up just 15 percent of the board seats of New Jersey's 99 publicly held companies in the Russell 3000 — an increase of just 1 percent since 2013.

According to the latest "A Seat at the Table" report from Executive Women of New Jersey, a leading senior-level executive women's organi-

zation in the state, the report also reveals that the number of companies in New Jersey with a female CEO (four) and total female top earners (10 percent) have remained unchanged since 2013, and that nearly 25 percent of New Jersey public companies still do not have any female directors.

Why won't the numbers budge?

Well, for one thing, while most women have done their best pulling other women up with them, the conversation has largely remained gender-specific.

"So long as we continue to talk amongst ourselves, it will be a conversation of camaraderie — not one that moves the needle," Davis said. "The inclusion of men into our objective is certainly something I have my eye toward once I assume the presidency of EWNJ and have the opportunity to develop that platform agenda."

Because most CEOs are men, Kauffman said, they must often be the ones to advocate for change.

"They are the ones in power who can make sure it happens," she said.

Kauffman cited Ed Zimmerman, a venture capital lawyer at Lowenstein Sandler in Roseland, who pledged in 2014 that any dinner he was invited to attend and any panels that he was asked to speak on must include women in order for him to participate. The pledge famously cost Zimmerman various invitations.

"Sometimes, when we ask men to do these things for women's leadership, they get push-back," Davis said. "We have to remain encouraging so that they understand that stepping forward is important but walking it out is what really makes the difference."

Barry Ostrowsky, CEO and president of RWJBarnabas Health, walked the walk when he spoke at the New Jersey Business & Industry Association's second annual Women Business Leaders Forum in September.

"If you want to sit down and put directors in your boardroom, the last thing (other men) need in (a) boardroom are women who are going to read the material, actually think about the topics, and then welcome you, when you are welcomed to the boardroom, with questions. Why would any male, who is a CEO, invite that into the boardroom?" he said.

"The fact that women are underrepresented in boardrooms, and underrepresented in the C-suite, is by design. We can, in fact, explain it away in many different ways, and we can make all the excuses we want, but the time for analysis has expired.

"It is now the time for action."

In the same spirit, here are some actionable ideas that companies and current CEOs can adopt in order to achieve higher numbers of women board members and executives:

First, limit board terms.

"With the way that board term limits are written now, turnover is very slow, and without limit, the people who are in those seats are very happy to stay there," Kauffman said.

Second, recruit and promote based on the principle of company inclusion and skillsets rather than through informal networking.

"The way in which boards have recruited traditionally is that they have looked at what other former CEOs were available to serve, and if you look at what that existing pool produces, we know that it is male-dominated," Davis said.

While EWNJ suggests that companies commit to including at least one woman for consideration on every slate, Davis said it also could be as simple as taking a quick look around before starting every meeting.

"Ask yourself, do we truly have everyone who needs to be in this room?" she said. "Are there not other segments of the employee population that you need to make certain are part of this dialogue? What diversity of thought are you looking to add into this space? Do not start a meeting until those people are there."

"Just one man can educate an entire room full of men about the importance of inclusivity."

Next, identify senior and mid-level women in the company who have potential.

"A man is often selected as a candidate for a new position because they have potential; a woman is often selected because she is qualified," Kauffman said.

Rosina Racioppi, CEO and president of WOMEN Unlimited Inc., a New York-based organization that helps Fortune 1000 companies cultivate talent by developing high-potential women and building pipelines of diverse leaders, said there is often a disconnect between well-articulated strategies around promoting women into senior roles and the execution plans to do so.

"The men who are responsible for executing such strategies are often not clear on the precise activities that they should be doing in order to make sure they happen," she said. "Such things as providing women with more opportunities to stretch their capabilities, or having more frequent conversations with women about their career development."

Kauffman and Davis said there is also more that companies can do to push past the stigma of taking time off to become a caretaker, a role more frequently put upon women.

"How do you not penalize for gap time, for example? Judge salary based not on how many years someone has in the game, but what it is they bring to the job," Kauffman said.

"Also, if someone wants to go part-time, look to see if there are situations in which your company can create job sharing opportunities that would allow for both women and men to continue in their career. That levels the playing field, at least until men begin to start to take the breaks that women often have to."

Flexibility for both genders is key, Davis said.

"Are you giving them the opportunity and the ability to work two days from home, for example?" she said. "I think even large corporations need to be nimble enough to be responsive to the needs and desires of our employee base. Experience and quality of life for millennials is often times more attractive than compensation."

The burden of advancing women does not simply fall on the companies hiring them.

"WOMEN Unlimited often works with women to advocate and ask questions for themselves," Racioppi said. "As much as we tweak the cultures of organizations and the mindsets of men within them, we also have to own up to the fact that, as women, we are responsible for the outcome of our career growth."

For example, women need to think strategically to get in front of the right people, she said.

"Who are the key influencers in your organization? Do they know you? Is their knowledge of you current and relevant or is it based on an encounter you had three or four years ago?" Racioppi said. "Doing good work and having expertise is of value but it is just the ticket to entry. You need to develop your story and be able to articulate it through networking."

"Socialize the ideas around your advancement. Spend time talking with different people saying things such as, 'I've been thinking about my career and how I aspire to be in this role. What are some of the things I need to be thinking about for my own development so that when that opportunity comes I am prepared for it?' That plants the seed in others' minds that this is where you would like to go, and, it will validate your key strengths as well as identify areas that you need to focus on further."

And just because a woman has left corporate America, Davis said, does not mean she is no longer eligible for board appointment.

"Women are the fastest-growing segment

of the entrepreneurial community," she said. "One of the things that we need to ensure that we mention is that, for women who have left corporate America for entrepreneurial ventures, it is really important how they continue to expand and elevate their brand. You have to be a known quantity with the right level of expertise over the right period of time. How can you ensure that folks don't equate out of sight with out of mind?"

Women need also continue to work on their levels of confidence despite societal pressures.

"Society says that being a good worker is like being a 'good girl.' The ones who complain are traditionally and culturally perceived as too demanding," Davis said. "That is why most studies will show that women have a tendency not to negotiate their starting salary, their bonuses or even their severance packages. But negotiation is both an art and a science. You negotiate from a point of strength and in order to do that you have to have a portfolio that evidences what those strengths are."

"A lot of women don't know how to do that and are not necessarily trained how, so women tend not to go into that space at all in fear of doing the wrong thing."

Racioppi said that same fear keeps women from applying jobs they are more than qualified for.

"We often hear from women, 'I have never done that job before.' That is female insanity. How could you have ever done that job before if it is a promotion?" she said. "There are elements of the job in which you will have good thoughts on how to approach it."

"Sometimes, we put barriers in our own way of moving forward."

Perhaps the most important thing that women can do to advance their own careers is to continue speaking up and speaking out, Kauffman said.

"For example, if you invest in public companies, you can speak up as a shareholder," she said. "I have personally started to write in to companies after looking at the diversity of the board to ask, where are the women?"

If a woman is put in a position where she believes the executive leadership continues to hire simply from the "old boy's club" and feels that no one is advocating for her, she can then go right to the board members themselves, Davis said.

"The board members need to understand that the CEOs and the management teams that they have in place may not be appointing board members by a practice that best positions the corporation," she said. "Best practice tells us that the way to do that successfully is to utilize a matrix, to make certain that there is diversity of industry and expertise around the table as well as of gender and ethnicity and more to help better that bottom line."

"Simply asking board members whether they have given thought to that lets them know that you are aware of it, that you are watching, and truly only they have the opportunity to change it."

Lastly, go straight to the CEO, Davis said.

"Make certain that the CEO knows that this is a fantastic way to both make their mark on the company and to impress the board, by showing in a transparent manner that all are welcome here," she said.

Spence said that the more vocal she became about what she believed was needed, the more input the company asked of her.

"The moment I stopped being as concerned with how direct I was with how I expressed my recommendations of where I thought the real hard decisions needed to be made was the moment in which things started to turn around for me in terms of becoming a peer to the C-suite here," she said.

Her forthcoming attitude not only helped her achieve her own career goals, but also has helped to open the door to more inclusionary efforts at T&M Associates.

"Diversity will be part of our culture going forward," Dahms said. "I see the continual expansion of a more widespread diversity happening at the board level and even within our shareholders."

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