2019
Women’s Leadership Development
IN MASSACHUSETTS
IMPACT STUDY

Presented by:
Liberty Mutual Insurance
Our pursuit of excellence begins with a passion for diversity and inclusion.

At Liberty Mutual, we foster an atmosphere of respect, where our collective differences and similarities drive new ideas that support our success. We are proud to support The Commonwealth Institute and share your commitment to advancing businesswomen in leadership.

LMI.co/Diversity
Introduction

The Commonwealth Institute’s goal of this research initiative is to continue to better understand employers’ actions to develop, retain, and advance women employees in Massachusetts, and to establish a scorecard for reporting annually on women’s progress and movement in the leadership pipeline. Specifically, we assess program effectiveness: what’s working, what’s not working, and gap areas to be addressed.
Advancing women into leadership positions – a business imperative

WHERE ARE WOMEN IN MASSACHUSETTS BUSINESS TODAY?

EXECUTIVE SUMMARY

Women employees are moving through the leadership pipeline, but too slowly. Our goal at The Commonwealth Institute (TCI) is to help women in business achieve greater success. This 2nd annual study of MA employers measures progress and identifies programs that respondents identified as successfully leading to women’s advancement. What have we learned?

- **Six of 10 responding companies** have formal advancement goals for women. The most frequently articulated goal is to develop “the talent of high potential women”.
- **One out of three responding Massachusetts companies** have programs addressing women’s leadership development.
- **8% of responding companies** have programs focused on advancing women of color.
- TCI estimates women now hold **one in five leadership positions** within Massachusetts companies of 20 employees or more.
- Responding companies indicated that **mentoring, external consultants, board training, ongoing group leader participation**, and **external networking** are most impactful.
- Companies continue to focus resources on **development and retention**, with much less emphasis on **promotion and advancement**.

A CALL TO ACTION – APPROACH THE “ADVANCEMENT OF WOMEN” LIKE ANY OTHER STRATEGIC BUSINESS PRIORITY: DO THE ANALYSIS, CREATE THE PLAN, MEASURE THE RESULTS.

The TCI Women’s Leadership Development in Massachusetts Impact Study results from 2018 and 2019, along with TCI’s extensive experience helping women leaders build successful businesses, organizations, and careers, leads the organization to confidently recommend that MA business leaders and executives take the following actions to ensure measurable impact for women leaders.
DO AN ANALYSIS OF INTERNAL AND EXTERNAL ENVIRONMENTS

• Evaluate effective and measurable practices in the marketplace, particularly your competitors, and read the rest of this report!

• Examine the structure of your firm to understand where women (including women of color) sit in the management pipeline and where you have high turnover

• Collect feedback regarding organizational commitment to gender equity

CREATE A PLAN THAT ADDRESSES THE KEY FINDINGS, INCLUDING METRICS AND ACCOUNTABILITY

• Set specific objectives and timeframes for gender leadership equity

• Define roles, responsibilities, and accountability metrics

• Establish interim goals and milestones, and align performance metrics and compensation to desired outcomes

PUT RESOURCES IN PLACE FOR SUCCESS OF YOUR PLAN

• Take an agile approach: test / pilot / assess programs before expansion

• Ensure resources are allocated for high-impact, high-value programs

• Structure mentor & sponsor programs to ensure accountability and impact

• Provide communications /tools to ensure active senior management engagement

• Become a wage equity compact signer with The Boston Women’s Workforce Council
Progress in Massachusetts

WOMEN’S LEADERSHIP DEVELOPMENT & ADVANCEMENT

Women have made progress in the workforce since the 1960s, and play a larger role in business through increased employment, expansion in new industries, and their advancement. However, numerous studies have confirmed that women do not have the same opportunities as men. Since 2015, as McKinsey & Company recently reported, “Progress isn’t just slow. It’s stalled”.

Through this 2019 study, The Commonwealth Institute sought to continue to better understand and report on the status, opportunity, and potential solutions for Massachusetts women specifically focused on leadership and advancement.

This study shows that progress over the last year has been sporadic, but women have opportunities for greater business leadership. Women still need to push themselves and other women forward – but for real progress, Massachusetts businesses can’t just “commit” to greater diversity in their workforces, and must provide the resources and active leadership and support for the development, retention and advancement of women leaders.

"We recognize that diversity and inclusion, and creating a true sense of belonging in one’s organization, is not about aesthetics, not about window dressing, not about marketing images, but about developing the best strategic thinking towards achieving long-term term success. Creating an inclusive environment improves our ability to be innovative, serve a broader group of customers, strengthen ties to our communities and build strength within our company.”

- Bob Rivers, Chair and CEO, Eastern Bank

WOMEN’S LEADERSHIP IN MASSACHUSETTS BUSINESS TODAY

ESTIMATED % OF WOMEN IN FIRMS’ LEADERSHIP LEVELS

<table>
<thead>
<tr>
<th>Level</th>
<th>Estimated %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry leadership (example titles might include Manager, Senior Associate)</td>
<td>22%</td>
</tr>
<tr>
<td>Management team (example titles might include SVP, Senior Management, AVP, Partner, VP)</td>
<td>15%</td>
</tr>
<tr>
<td>Executive leadership team (example titles might include CEO, COO, CMO, CIO, EVP, Executive Director)</td>
<td>31%</td>
</tr>
<tr>
<td>All staff</td>
<td>20%</td>
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Examining three leadership levels, we estimate that women now hold one in five leadership positions within Massachusetts firms of 20 employees or more. Differences are reflected by company size, type and whether they are women-run.

One positive sign is that women-led businesses represent 42% of participating companies, an increase from 36% in our 2018 study. These women-led firms tend to be small and/or non-profits; 69% of the responding non-profits are women-led. These women-led organizations also are frequently professional services or social service oriented.

This growth in women-led firms reflects the national trend of increasing numbers of women entrepreneurs.

Notably, women develop and advance to a greater extent in women-led businesses. These firms show greater proportions of women employees at every level. This is essential for advancing women’s leadership opportunities.

For example, in woman-led firms, 66% have women in at least one in every two Executive Leadership positions; compared to one in five in male-run businesses.

Still, this progress is found in small firms or non-profits; women leadership has not advanced appreciably in mid-sized and large firms where results from this study show little change in the number of women at any of three leadership levels.
How can companies advance women leaders?

In FSG’s 2019 Talent Rewire Initiative report, three business practices are recognized for advancing women in leadership: commitment and accountability, company policies and practices, and career and development opportunities. “Each practice has been proven to be effective in advancing women to management roles, and companies that are most successful at retaining, engaging, and advancing women employ practices across all three areas.”

COMMITMENT AND GOALS ARE A FIRST STEP.

Companies must prioritize the development of women leaders through commitment and goal setting. Our study found that six in ten Massachusetts businesses now have formal or informal goals targeting women’s growth especially among large businesses.

When businesses were asked why they created goals to advance women leaders, the most frequent reason was “successful executive women . . . setting the right example” followed by “pressure from the top” of their organization. This points to the importance and recognized success of current women leaders, which affects opportunities for future women.

WHAT ACCELERATORS AFFECT GOALS AND PROGRAMS FOR WOMEN LEADERS?

1) “12 Ways to Help Women in Retail Advance into Management”. Fay Hanleybrown, Elizabeth Hawkins, and Sandra Medrano, FSG, February 27, 2019
WHAT ARE YOUR OBJECTIVES IN SETTING GOALS FOR WOMEN IN LEADERSHIP?

- **We want to further develop the talent of high-potential women**: 91%
- **We want to increase the number of women in leadership roles**: 84%
- **We want to increase the number of women of color in leadership roles**: 70%
- **We have publicly stated our commitment to women’s leadership development**: 54%
- **We want to increase the number of LGBTQ women in leadership roles**: 46%
- **We have a stated core value to grow women leaders, as documented in internal objectives**: 39%
- **Other goal-setting activities**: 18%
- **None of these**: 0%

The commitment to establishing and achieving leadership goals for women is not universal, and is mostly found in mid- to large-sized companies.

Interestingly, women-led companies and small companies are less likely to sponsor such goals than male-run companies. Small companies, and ones with more women leaders, explains why this is not a primary focus.

- “We focus on workforce development for all staff. We have a large number of women in the organization so we have not felt the need to have specific goals targeting them.”
- “As a woman-led organization, we have women in leadership roles at every level. . . We are now focused on creating more racial diversity in senior levels of management”

Another explanation for not having goals, especially among male-led companies, is “sufficient buy-in, but not a high-enough priority relative to other things”.
Structured programs are essential to achieving goals

To meet goals, companies need specific initiatives and dedicated resources to implement programs. Not all organizations that have made a commitment actually have a focused program that provides resources to build women’s leadership development. Little more than half of companies with a stated commitment to develop women leaders also have a structured program. This means that only one in three Massachusetts companies have programs addressing women’s leadership development. Only 8% have a program focused on advancing women of color.

Those companies who do have programs addressing women’s leadership development use a range of both internal and external resources to implement those programs and reach goals. These include access to present leadership, external leadership resources or consultants, and funds dedicated to women’s leadership development.

“Our DentaQuest Women’s Group (ERG) is a forum for uniting women to support one another and reflect on issues that affect their growth and development. By encouraging women to share their voices, we are raising awareness and providing opportunities to collaborate with Executive Leaders on issues such as work life balance and professional development.“

- Alison Corcoran,
  EVP and Chief Marketing Officer, DentaQuest
WHAT RESOURCES DO YOU HAVE TO SUPPORT WOMEN’S LEADERSHIP DEVELOPMENT?

Access to external leadership resources and/or consultants: 74%

Internal programs in place: 66%

Dedicated resources or funds embarked for women’s leadership development: 52%

Process to identify and track high-potential women leaders: 48%

Designated women’s leadership development officer or champion: 37%

Invest in developing men as partners (allies) in recruiting, retaining and advancing women: 34%

Other supporting programs: 11%

None of these: 1%

Reasons for a lack of a program varies widely. When asked why, reasoning included:

- “We are training everyone as a whole, and not isolating women.”
- “The senior leadership team is made up of 5 middle-aged white men. They haven’t announced or discussed any initiatives at all in terms of adding more women or people of color to the ranks. I just don’t think they understand the importance, or prioritize it enough to formalize anything.”
- “Our leadership development initiatives are focused on developing all managers who support our community.”
- “We are a small firm and do not have a formal or informal leadership development program. However, we are led by a woman of color and we take advantage of training offered by other organizations on behalf of our staff.”
Metrics are required to determine success, impact, and identify best practices

It is important to align the programs with metrics to determine success or lack of it in achieving goals. Of those companies with stated formal or informal goals, relatively few have implemented metrics to determine success. The primary metrics relate to retaining and promoting or advancing women.

IF YOU HAVE METRICS, WHAT DO YOU TRACK?

<table>
<thead>
<tr>
<th>Metric</th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting/advancing women</td>
<td>51%</td>
<td>43%</td>
<td>6%</td>
</tr>
<tr>
<td>Increasing women in leadership roles</td>
<td>49%</td>
<td>44%</td>
<td>7%</td>
</tr>
<tr>
<td>Retaining women</td>
<td>46%</td>
<td>46%</td>
<td>7%</td>
</tr>
<tr>
<td>Promoting/advancing women on color</td>
<td>30%</td>
<td>55%</td>
<td>15%</td>
</tr>
<tr>
<td>Increasing women on color in leadership roles</td>
<td>28%</td>
<td>59%</td>
<td>13%</td>
</tr>
<tr>
<td>Retaining women of color</td>
<td>29%</td>
<td>57%</td>
<td>13%</td>
</tr>
</tbody>
</table>

“Metrics help measure progress and show an organization how it is tracking against its goals. With women’s leadership development programs, metrics provide insights into what needs to be addressed and how to improve the program holistically to help truly advance women, rather than depending on one-off anecdotal feedback. Focusing on results, enables us to learn and continuously evolve our Diversity & Inclusion efforts.”

- Kevin Smithson, Partner, Northeast Market Tax Leader, PwC

Companies measuring success look at annual or quarterly results. For example, when asked about tracking high potential women – the most frequent goal measured – 83% measure on an annual basis, whereas 14% indicate that they measure opportunistically, and 3%, never.

Unfortunately, ratings of success are relatively low for most of the initiatives, both internal and external. Only the board training initiative reached over 50% of extremely positive approval.
We firmly believe that what makes us different also makes us stronger. We always strive to provide equal access to growth and advancement and support the Commonwealth Institute’s initiative to better understand employers’ actions to develop, retain, and advance women employees in Massachusetts.

americantower.com/us
WHAT INTERNAL PROGRAMS WORK BEST?

With internal programs, contact with senior managers was reported to be the most positive, which included listening tours, mentorship and internal affinity groups. 54% of the companies with resources for women’s leadership development sponsor internal initiatives.

- Senior management listening tour: 46%
- Mentorship program to match internal mentors to individual: 41% (5% Extremely Positive)
- Internal affinity groups: 39%
- Internal portal/mailing list of online resources (corporate): 38% (13% Extremely Positive)
- Internal speakers/subject matter experts: 34% (6% Extremely Positive)
- Other (please specify): 33%
- Programs to encourage an inclusive workplace: 32% (5% Extremely Positive)
- Sponsorship program to match internal sponsors to individual: 29%
- Brown bag lunches: 22% (4% Extremely Positive)
- Financial incentives to develop women leaders: 50%

According to the TCI Women’s Leadership Development in MA Impact Study, programs to encourage an inclusive workplace and financial incentives to develop women leaders were highly rated. On the other hand, programs like mentorship and senior management listening tours were less frequently implemented but still rated positively.
WHAT EXTERNAL PROGRAMS WORK BEST?

For external groups, training to be on boards, ongoing group discussion sessions and executive coaching are perceived to be the most positive.

- Training programs to prepare for a role on a Board of Directors: 63% Extremely Positive, 13% Haven’t Tried
- Ongoing group leadership development participation: 47% Extremely Positive, 5% Haven’t Tried
- Executive coaching: 46%
- External speakers/subject matter experts: 38%
- Short-term individual leadership development program: 29%
- Partnering with external organizations for professional networking: 26% Extremely Positive, 6% Haven’t Tried
- Other (please specify): 25% Extremely Positive, 25% Haven’t Tried
- Leadership consultants: 25%
- Industry-specific conferences/programs: 23% Extremely Positive, 3% Haven’t Tried
- Women’s leadership conference participation: 23% Extremely Positive, 3% Haven’t Tried
Advancement in women’s leadership

Sadly, despite affirmation of effectiveness for the internal and external programs in use, they appear to impact development and retention, but not advancement.

Respondents say the most effective advancement programs are mentoring, executive coaching, and board of director training. Some of these, such as mentoring, are commonly used while others, such as board training, executive coaching, and ongoing group leadership development participation, is less common.

“It’s critically important for American Tower to continue to invest in our women by providing them with tools and resources to grow their careers through development programs that meet their unique needs. We see this investment is resulting in a greater number of women in leadership roles across our business.”

- Steve Vondran, Executive Vice President and President U.S. Tower American Tower

HAVE A POSITIVE IMPACT ON LEADERSHIP ADVANCEMENT. . .

<table>
<thead>
<tr>
<th>Development</th>
<th>Retention</th>
<th>Advancement</th>
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<tbody>
<tr>
<td>Executive coaching</td>
<td>78%</td>
<td>92%</td>
</tr>
<tr>
<td>Senior management listening</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Internal speakers</td>
<td>87%</td>
<td>81%</td>
</tr>
<tr>
<td>Women Leadership conferences</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Brown bag lunches</td>
<td>78%</td>
<td>85%</td>
</tr>
<tr>
<td>Partnering in professional networks</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Internal Affinity Groups</td>
<td>74%</td>
<td>83%</td>
</tr>
<tr>
<td>External speakers</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>Mentorship</td>
<td>82%</td>
<td>73%</td>
</tr>
<tr>
<td>Internal sponsorship to individual women</td>
<td>71%</td>
<td>71%</td>
</tr>
<tr>
<td>Board Director Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal portals</td>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>Leadership consultants</td>
<td>70%</td>
<td>75%</td>
</tr>
<tr>
<td>Industry specific conferences</td>
<td>85%</td>
<td>70%</td>
</tr>
<tr>
<td>Inclusive workplace programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term development</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Ongoing group leadership</td>
<td>71%</td>
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At DentaQuest, we are serious about keeping children and families healthy. This means expanding access and affordability and focusing more on preventing dental disease – rather than just treating it. We call this Preventistry®.

JOIN US

Women are often leaders on the road to family health and making decisions as families grow. Your experience informs the paths we explore to improve the oral health of all. Together, we’ll create healthier communities through better oral health.

Learn more at www.preventistry.org.
About the research

These 2019 findings are from representatives of Massachusetts companies with 20 or more employees. The respondents self-identified as having a senior leadership role in the recruitment, development, retention and/or advancement of women in their individual firms.

PARTICIPANTS BY COMPANY SIZE

<table>
<thead>
<tr>
<th># of Employees</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>20-99</td>
</tr>
<tr>
<td>Midsized</td>
<td>100-499</td>
</tr>
<tr>
<td>Large</td>
<td>500+</td>
</tr>
</tbody>
</table>

PARTICIPANTS BY INDUSTRY

- Higher Education
- Advertising / Communications / Marketing / PR
- Manufacturing
- Retail or Wholesale
- Construction
- Real Estate and Construction
- Other
- Health Care and Human Services
- Professional Services and Engineering
- Financial Services and Insurance
- Technology
THE COMMONWEALTH INSTITUTE

The Commonwealth Institute (TCI) is a non-profit organization that works with women CEOs, corporate executives, entrepreneurs, sole proprietors, and the rising generation of women leaders to help them build successful businesses, organizations, and careers.

In short, TCI helps women in business achieve greater success!

Strategies for Success is our highly-regarded leadership development program designed to enhance leadership skills of high-talent, high-potential women leaders. In an environment where retaining the best women talent is a business imperative, Strategies for Success has proven year over year to be an effective complement to internal leadership development efforts.

LEARN MORE

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