

*Breaking Through the Granite Ceiling
in Corporate NH*

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Breaking Through the Granite Ceiling in Corporate NH

By Katherine Merrow, Executive Director

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About the NH Women's Policy Institute

The NH Women's Policy Institute is a non-partisan, non-profit research organization dedicated to informing policies and decision-making related to women in New Hampshire. The Institute was founded in 2002 on a belief that credible, unbiased data on issues affecting women can inform meaningful policy change, enable the public and private sectors to work together more effectively, and advance the well-being of women in this state.

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Executive Summary

Women in New Hampshire comprise 47 percent of the workforce, 61 percent of recent college graduates, and just over half of the state's managers and professionals,¹ but represent a minority of those serving on governing boards and in executive positions. While some women are breaking through this "granite ceiling"² to take leadership roles, this study suggests women represent an underutilized resource for business leadership. As New Hampshire's workforce ages and competition for younger workers increases, businesses that know how to fully utilize this resource will likely have a competitive advantage.

This report provides the first ever census on the extent to which women are represented at the top in New Hampshire's financial industry and hospitals, and updates prior research on leadership in publicly held corporations. It discusses business leaders' views on factors that influence women's advancement, and their recommendations on ways to increase representation at the executive and board levels.

The Institute's main findings include:

- Women represent 9 percent of directors of publicly held corporations, 21 percent of financial institution directors, and 26 percent of hospital trustees in New Hampshire.
- Women in New Hampshire comprise 80 percent of the workforce in banking and in hospitals, and about one-quarter of senior executives and one in five CEOs. Representation in financial institutions has increased in recent years, particularly among credit unions.
- National research suggests having three or more women on a board maximizes contributions to governance. Most of the state's hospitals and half of the credit unions had this level of representation; the majority of banks, trust companies, and public companies did not.
- Women represent the majority of college graduates in a shrinking pool of younger workers.
- Nationally, women are responsible for 83 percent of consumer purchasing, including 89 percent of new bank accounts and 80 percent of healthcare decisions.³

Business leaders we interviewed suggested several ways to increase opportunities, including:

- Increase visibility for executive women and better connect them to the networks that lead to board service,
- Increase mentoring opportunities for women, and provide education for companies about the business benefits of having women in leadership, and
- Change corporate culture to encourage and better enable women to advance, including increasing family-friendly workplace policies.

The Institute recommends that business and policy leaders pursue these recommendations. While representation of women has increased in some sectors, we conclude that without strategic and intentional action on the part of businesses to increase diversity at the top, there will likely be little significant change.

¹ U.S. Census 2006 American Community Survey.

² This term was coined by Ross Gittell, Allison Churilla, and Ann McAdam Griffin in the NH Women's Policy Institute's *The Economic Status of Working Women*, 2005; it alludes to the term "glass ceiling" which refers to situations where the advancement of women was halted due to invisible barriers like discrimination.

³ Barletta, Marta, *Marketing to Women*, 2003.

Why consider gender?

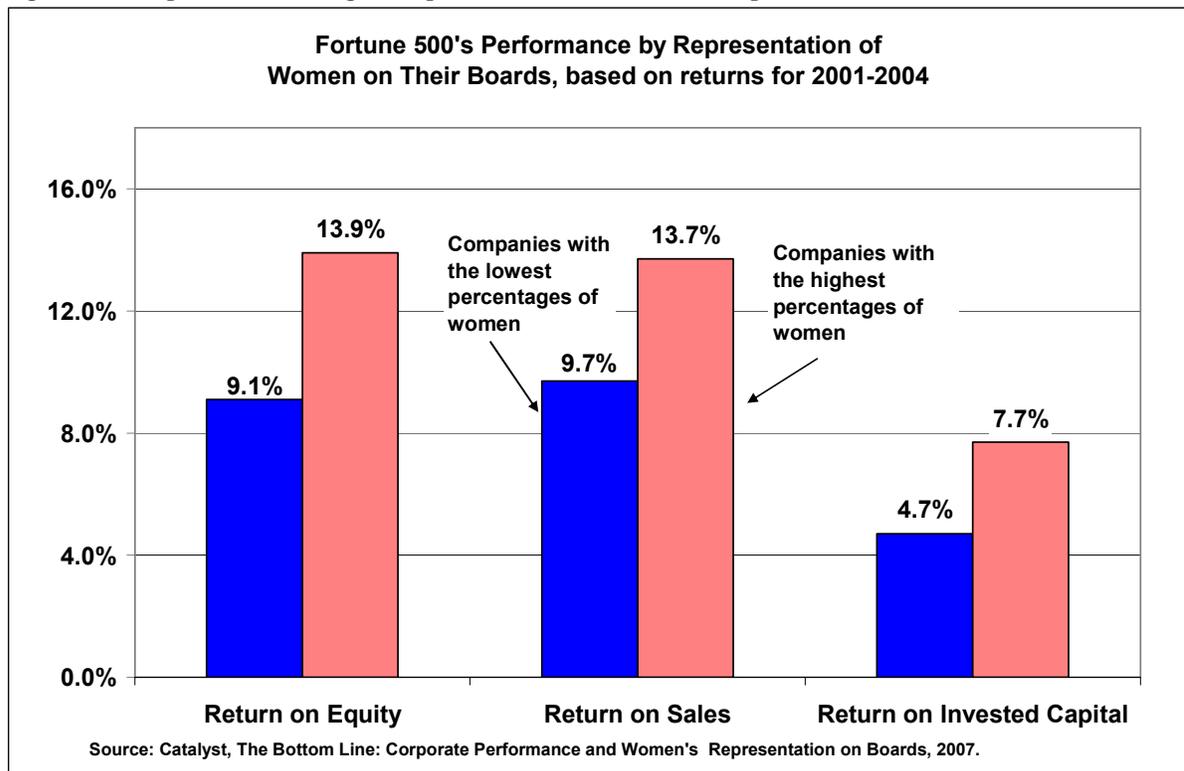
Women will be increasingly important as the workforce ages

New Hampshire's workforce is aging. As baby boomers retire over the next decade, New Hampshire will have relatively fewer younger workers. The state's population of 25- to 34-year-olds declined by nearly 12,000 between 2000 and 2005.⁴ With many younger workers seeking opportunities outside of New Hampshire, businesses will be competing for a shrinking pool of qualified workers. Since women represent the majority of college graduates in this pool, their contributions will become increasingly important as competition for workers increases. Those businesses that know how to best utilize women's talents in their workforce and in their leadership ranks will likely have a competitive edge in attracting qualified workers, and in helping New Hampshire maintain its competitive advantage

Women in leadership can improve business performance

A number of studies have shown a positive association between gender diversity on the board and financial performance.⁵ In two studies researchers grouped Fortune 500 companies by the percentage of women on their boards, and compared the groups with the highest and lowest percentages. Companies with more women performed better on average, as shown in Figure 1.⁶

Figure 1: Companies with a higher representation of women have performed better



⁴ U.S. Census Bureau estimates, American Community Survey.

⁵ Vesela Veleva, Sc.D., Citizens Advisers, "Gender Diversity and Financial Performance" 2005, available at www.efund.com/common/pdfs/Gender_Diversity_Paper_1105.pdf.

⁶ Louis Joy, Ph.D., Nancy M. Carter, Harvey M. Wagner, Ph.D., Kenan Flager; and Sriram Narayanan, Ph.D., *The Bottom Line: Corporate Performance and Women's Representation on Boards*, Catalyst, 2007.

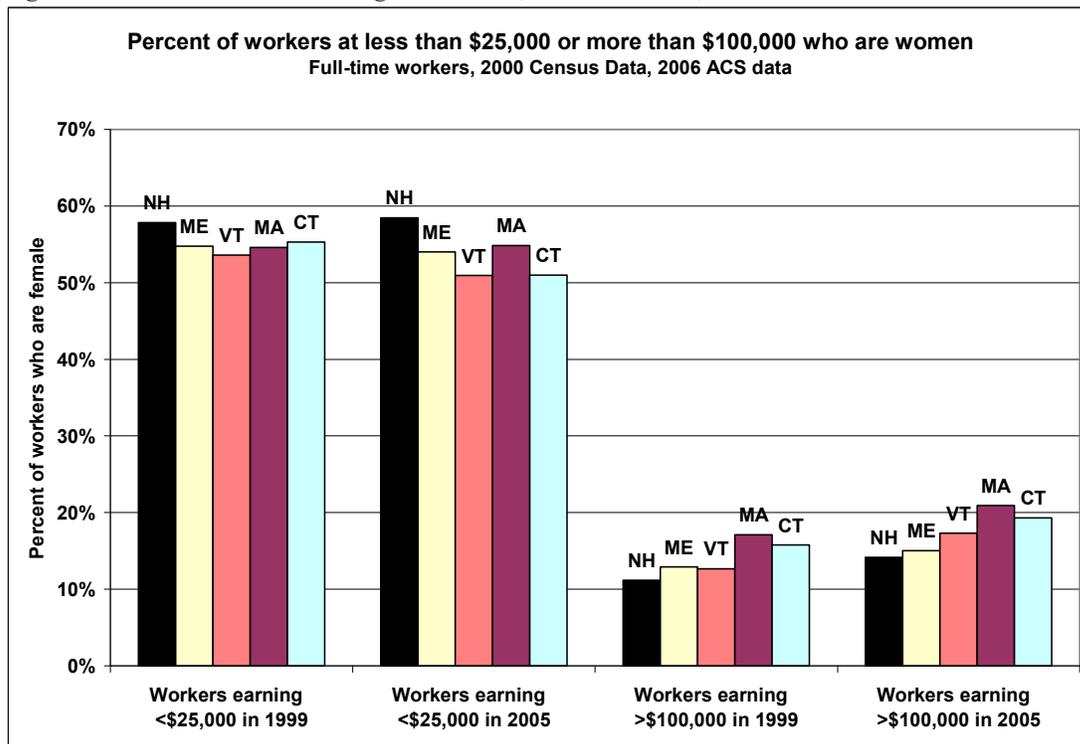
Although gender equity was associated with stronger performance and the findings were statistically significant,⁷ the studies did not show a causal relationship. The findings did hold true across industry sectors, and also for female representation in executive ranks.

New Hampshire business leaders told us that having women on their board is important for business performance, particularly for consumer-oriented companies. Nationally, women are responsible for 83 percent of all purchases of goods and services, including 80 percent of all healthcare decisions and 89 percent of new bank accounts.⁸ They comprise 45 percent of all investors in the US market.⁹ Research shows their buying patterns and behaviors are different from men’s.¹⁰

Helping women advance improves their economic status

Another reason to consider gender is because greater representation at the top can lead to increased earnings for women. Women in New Hampshire earn 72 percent of what men earn on average.¹¹ This ratio, based on a comparison of the median income for full-time working women with that for men, is the 45th lowest ‘wage ratio’ in the country. New Hampshire has relatively more women at the bottom of the wage scale, and fewer at the top, than our New England neighbors, as shown in Figure 2. Improving pathways to the top is one avenue to increase earnings potential and women’s economic status.

Figure 2: 13% of workers earning above \$100,000 are women, below other NE states



⁷ Statistically significant means the differences between the groups were highly unlikely to be due to chance.

⁸ Barletta, Marty, *Marketing to Women*, 2003.

⁹ Patricia Flynn, S. Adams, “A ‘Perfect Storm’ May Lead to Gains for Women Directors” *Directors Monthly*, 12/04.

¹⁰ *Business Week*, “I Am Woman, Hear Me Shop,” February 14, 2005, available at www.businessweek.com.

¹¹ Based on earnings data from the U.S. Census 2006 American Community Survey.

Three or more women maximize contributions to a board

Even one woman can and often does have a significant impact on a board, but research suggests a minimum of three women is the “critical mass” needed to maximize women’s contributions to governance.¹² The study, based on interviews of directors and CEOs, found women bring a number of benefits to a board in addition to their individual talents, including:

- ◆ Bringing different perspectives,
- ◆ Expanding the content of board discussions,
- ◆ Raising issues that pertain to multiple stakeholders,
- ◆ Asking tough questions and raising tough issues, and
- ◆ Using their interpersonal skills to positively influence board deliberations.

With only one woman on a board, researchers found women’s contributions more likely to be limited by ‘tokenism;’ directors were sometimes stereotyped or had to work harder to be heard. With two women, these limitations were reduced. With three or more women on the board, researchers found women’s presence was ‘normalized’ and they were better able to contribute as individuals, thus maximizing their contributions to governance. Research on Fortune 500 companies supports this finding, showing the average financial performance of companies with three or more women directors was better than the average for all Fortune 500’s.¹³

The Numbers—Women Directors and Executives in NH

The Institute gathered data on the number of women executives and directors in publicly held corporations, financial institutions, and hospitals. Women make up nine percent of public company directors, 21 percent financial institution directors in, and 26 percent of hospital trustees. Although women are more likely to be found on hospital and financial boards than on corporate boards, in no sector do women advance to the board room at the same proportion as men.

We studied publicly held corporations because they are important drivers of the state economy and their data allow comparisons with other states. We included financial institutions and hospitals because their workforces are predominantly female, and because the ratio of women’s to men’s earnings in the financial industry is lower than the state average. Also, the financial sector is considered to be an area where women can excel. States with strong financial sectors tend to have more favorable economic environments for women.¹⁴ Indeed, banking leaders we spoke to noted strong earnings opportunities for women in banking, particularly in the area of sales.

For all sectors, we focused exclusively on women in the most senior leadership positions, and did not gather data on women in middle management. Women already comprise half the managers and professionals in the state;¹⁵ this study examines their inclusion at the top.

¹² Kramer, Vicki of V. Kramer and Associates, Alison M. Konrad of the Richard Ivey School of Business, University of Western Ontario, and Sumru Ekrut of Wellesley Centers for Women, *Critical Mass on Corporate Boards, Why Three or More Women Enhance Governance*, Wellesley Centers for Women, 2006.

¹³ *The Bottom Line*, Catalyst, 2007, available at www.catalyst.org.

¹⁴ Institute for Women’s Policy Research, Washington, D.C., *The Best and Worst State Economies for Women*, December 2006.

¹⁵ 2006 American Community Survey.

Table 1 summarizes the findings on board service and senior executive positions, and the sections that follow discuss each industry sector in detail. Complete methodology is described in the last section.

Table 1: Women directors and executives in hospitals, banks, and corporations

Women in Executive and Board Leadership	Directors or Trustees	CEOs or Presidents	Senior Executives**
Publicly Held Corporations	9%	4%	15%
Hospitals	26%	22%	25%
Financial Institutions*	21%	20%	28%

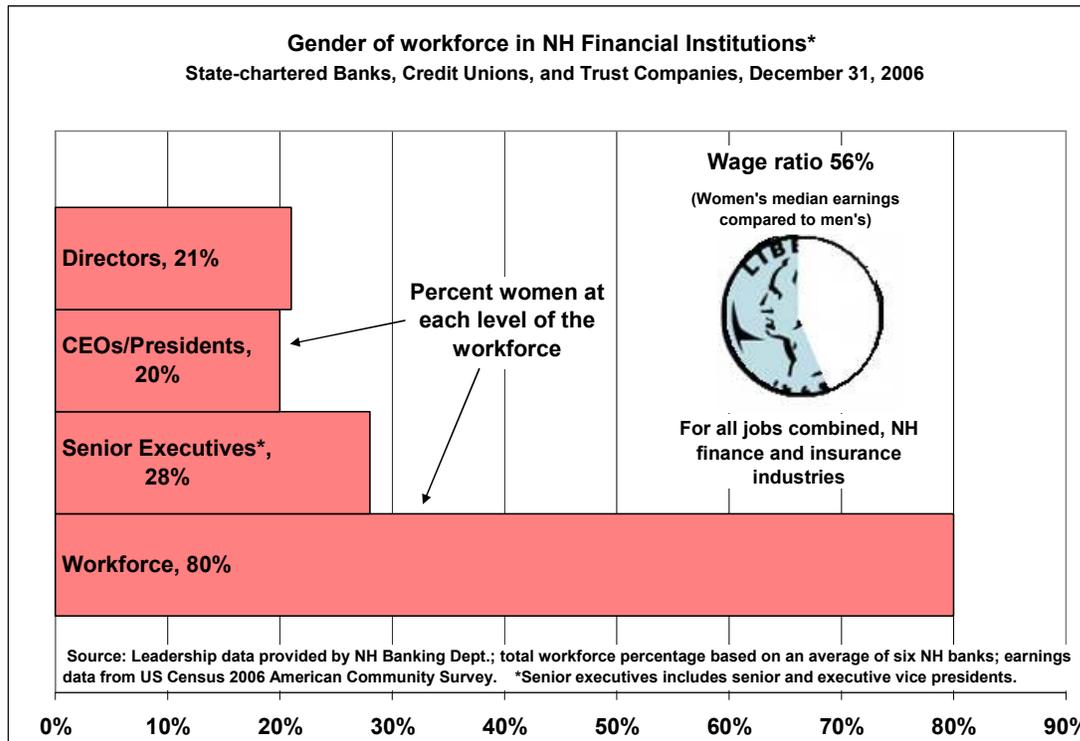
*Includes banks, credit unions, trust companies registered with the NH Banking Department.

**For public corporations this includes chief executives; for banks it includes senior and executive vice presidents; for hospitals it includes CFOs and COOs. Data sources provided in subsequent tables.

Financial Institutions

Our findings show women have made it to the top in New Hampshire’s financial institutions, though not in proportion to their presence in the workforce. The Institute studied the 58 institutions registered with the NH Banking Department. Twenty percent of CEOs and 28 percent of senior vice presidents were women, compared with 80 percent of all employees, as shown in Figure 3. The wage ratio for the industry reflects this distribution: women’s median income is 56 percent of the median income for men.¹⁶

Figure 3: Women comprise 80% of the workforce in banking and 28% of executives



In governance, women hold 21 percent of director positions and have a presence in 78 percent of the board rooms. Given that women are responsible for 83 percent of consumer purchasing,

¹⁶ Based on earnings for full-time workers in the industry, U.S. Census 2006 American Community Survey.

89 percent of new bank accounts, and represent nearly half of U.S. investors,¹⁷ it is significant that 13 institutions have no women in the boardroom.

Within the financial sector, women are more likely to serve on the boards of credit unions, which are volunteer, than of banks, where directors are compensated. Half of the credit unions have ‘critical mass’ or three or more women, far more than the banks and trust companies.

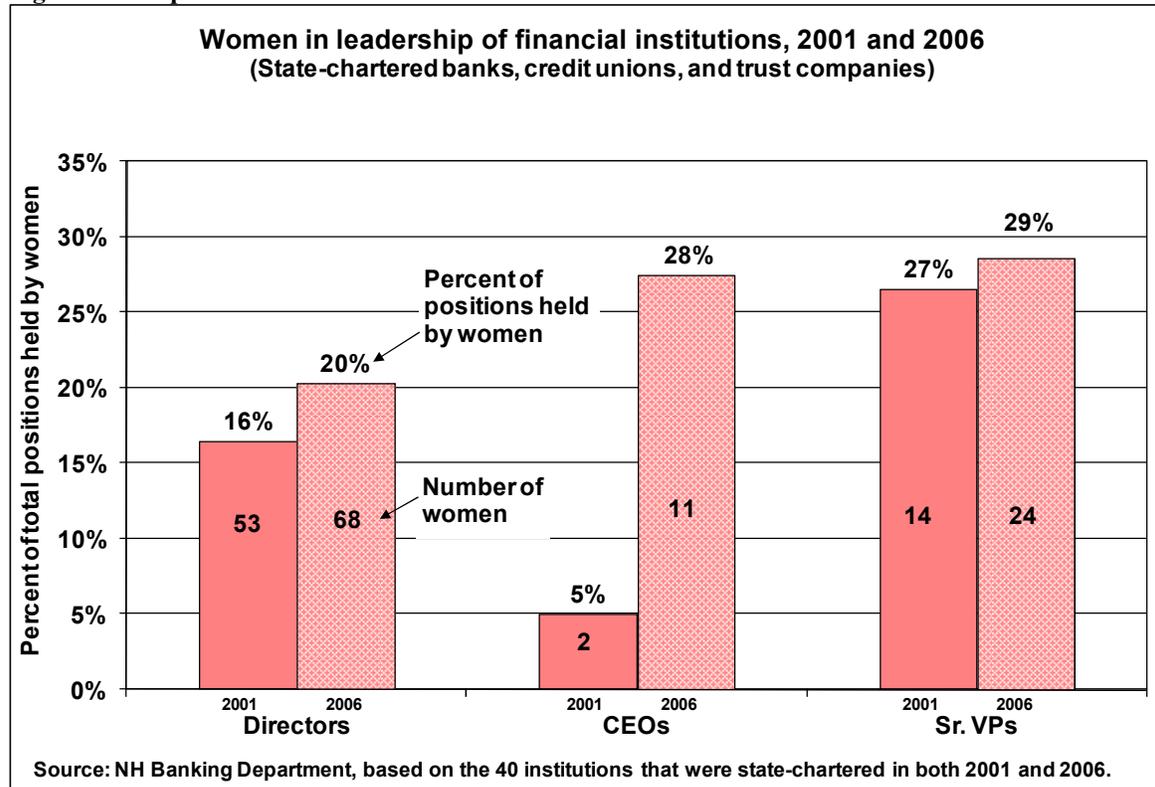
Table 2: One-third of credit union directors are women, compared with 16% for banks.

NH Financial Institutions (state-chartered)	Directors				CEOs/Presidents			Senior VPs			Avg # Directors	% w Critical Mass
	Total	W	% W	Chair	Total	W	% W	Total	W	% W		
Banks	228	37	16%	1	26	4	15%	109	31	28%	10	15%
Credit Unions	143	47	33%	4	20	5	25%	11	2	18%	8	50%
Trust Companies	110	17	15%	2	19	4	21%	7	3	43%	7	19%
Total	481	101	21%	7	65	13	20%	127	36	28%	8	28%

Includes state-chartered banks, credit unions, & trust companies as of Dec. 31, 2006; data provided by the Banking Department.

Women’s representation at the top in finance has been increasing. In the past five years, representation increased modestly among directors and senior vice presidents, and more significantly among CEOs and presidents, as shown below. Most of this increase was driven by changes in the credit unions. Among the banks, there were a total of two new women directors and two new CEOs over the five years. The trust companies had no female board chairs in 2001, but had two female chairs in 2006.

Figure 4: The percent of women leaders in financial institutions has increased since 2001



¹⁷ Barletta, Marty, *Marketing to Women*, 2003.

The following sections describe findings for each type of institution in more detail.

Banks

Of the 24 banks studied, only five had critical mass—or at least three women—on their board. The banks had significant representation of women in top executive ranks, with 28 percent of senior and executive vice presidents being women. Given that corporate boards often seek executives with financial experience, this may be a potential source of candidates. At the time our data was collected, three banks had no women on their boards *and* no women among their senior and executive vice presidents.

Among the state-chartered banks, the size of the bank or of the board did not seem to affect representation of women on the board, although national research on corporations shows larger firms have greater gender equity at the top.¹⁸ Banks with critical mass in New Hampshire included both large and small banks, with boards ranging in size from seven to 12 directors. In terms of executives, the larger banks had at least one-third of their senior positions filled by women, suggesting women may find more opportunity in these larger institutions. The numbers for each bank are listed in Table 3. Institutions with critical mass on their board, and with women in at least one-third of senior executive positions,¹⁹ are indicated with a check (✓).

¹⁸ Patricia Flynn and S. Adams, “A ‘Perfect Storm’ May Lead to Gains for Women Directors” *Directors Monthly*, December 2004.

¹⁹ ‘Senior executives’ are defined as senior and executive vice presidents and presidents or CEOs.

Table 3: Sixteen percent of state-chartered bank directors in NH are women.

Banks (state-chartered)	Directors				CEOs/ Presidents			Senior VPs			'Critical Mass'	
	Total	W	% W	Chair	Total	W	% W	Total	W	% W	Board: ≥3 W	Execs: ≥33% W
Bank of New England	8	1	13%	M	2	0	0%	2	0	0%		
Bow Mills Bank and Trust	12	1	8%	M	1	0	0%	5	1	20%		
Centrix Bank & Trust*	13	2	15%	M	1	0	0%	4	1	25%		
Citizens Bank NH	5	1	20%	n/a	1	1	100%	36	14	39%		✓
Claremont Savings	10	1	10%	M	1	0	0%	1	0	0%		
Community Bank & Trust Company*	8	0	0%	M	1	0	0%	1	0	0%		
Community Guaranty Savings	7	1	14%	M	1	0	0%	3	1	33%		✓
The First Colebrook	9	2	22%	M	1	0	0%	4	2	50%		✓
Franklin Savings	12	1	8%	M	1	0	0%	2	0	0%		
Hampshire First	11	1	9%	M	1	0	0%	2	1	50%		✓
International Bank & Trust	7	4	57%	M	2	0	0%	0	0	n/a	✓	
Laconia Savings	12	3	25%	M	1	1	100%	11	2	18%	✓	
MerchantBanc, LLC	4	0	0%	M	1	0	0%	1	1	100%		✓
Meredith Village Savings	10	1	10%	M	1	0	0%	2	0	0%		
Merrimack Cty Savings	13	2	15%	n/a	1	0	0%	8	2	25%		
Northway*	10	0	0%	M	1	0	0%	5	0	0%		
Piscataqua Savings	8	1	13%	M	1	0	0%	1	0	0%		
Salem Co-operative	7	2	29%	M	1	1	100%	0	0	n/a		✓
Savings Bank of Walpole	10	2	20%	M	1	0	0%	3	0	0%		
St. Mary's	11	2	18%	M	1	0	0%	2	0	0%		
State St. Bank & Trust Co	7	3	43%	F	1	1	100%	2	1	50%	✓	✓
Sugar River Savings	11	1	9%	M	1	0	0%	1	0	0%		
TD Banknorth	10	5	50%		1	0	0%	12	5	42%	✓	✓
Woodsville Guaranty Savings	13	0	0%	M	1	0	0%	1	0	0%		
Total	228	37	16%	1	26	4	15%	109	31	28%	15%	32%

*These three banks are publicly held, so they also appear on the list of publicly held companies in the following section.
Source: Banks studied include all state-chartered banks as of December 31, 2006. Data provided by the NH Banking Department, data clarification based on bank websites as of May 2007.

Credit Unions

New Hampshire's credit unions have relatively more women on their boards and in CEO positions than the banks, and fully half have critical mass on their boards. Unlike bank directors, credit union directors are not compensated. Most of the credit unions do not have senior vice presidents in their management structure.

Table 4: Half of state-chartered credit unions have at least three women on their board.

Credit Unions	Directors				CEOs or Presidents			Senior VPs			Critical Mass on Board: ≥ 3 W	Execs: $\geq 33\%$ W
	Total	W	% W			W	% W	Total	W	% W		
Bellwether Community Credit Union	7	0	0%	M	1	0	0%	2	1	50%		✓
Freudenberg-NOK Employees Credit Union	9	7	78%	F	1	1	100%	0	0	-	✓	✓
Granite State Credit Union	8	1	13%	M	1	1	100%	0	0	-		✓
Guardian Angel Credit Union	8	0	0%	M	1	0	0%	0	0	-		
Holy Rosary Regional Credit Union	9	2	22%	M	1	0	0%	0	0	-		
Members First Credit Union of N.H.	11	3	27%	M	1	0	0%	1	1	100%	✓	✓
New Hampshire Postal Credit Union	5	2	40%	F	1	0	0%	0	0	-		
Northeast Credit Union	13	3	23%	M	1	0	0%	2	0	0%	✓	
Precision Credit Union*	7	2	29%	F	1	-	n/a	0	0	-		
Salmon Falls Community Credit Union	9	4	44%	M	1	0	0%	0	0	-	✓	
Seacoast Credit Union	7	3	43%	M	1	1	100%	0	0	-	✓	✓
Service Credit Union	6	1	17%	M	1	0	0%	5	0	0%		
St. Joseph Hospital Employees' Credit Union	6	4	67%	M	2	1	50%	0	0	-	✓	✓
Timken Aerospace Credit Union	5	2	40%	M	1	0	0%	0	0	-		
Triangle Credit Union	6	1	17%	M	1	0	0%	1	0	0%		
Union Leader Employees Credit Union	12	5	42%	F	2	1	50%	0	0	-	✓	✓
Woodlands Credit Union	9	3	33%	n/a	1	0	0%	0	0	-	✓	
WRG Credit Union	6	4	67%	M	1	0	0%	0	0	-	✓	
Total	143	47	33%	4	20	5	25%	11	2	18%	50%	39%

Trust Companies

Trust companies were the least likely of the state-chartered financial institutions to have women in the boardroom. Although the percent of directors in total and the percent of institutions with critical mass was comparable to the banks, almost half of the trust companies had no women on their boards. Trust company boards were slightly smaller on average than the credit unions and banks.

Table 5: Over 40% of trust company boards have no women

Trust Companies	Directors				CEOs or Presidents			Senior VPs			Critical Mass \geq 3 W	Execs \geq 33% W
	Total	W	% W	Chair	Total	W	% W	Total	W	% W		
American Trust Co.	4	0	0%	M	1	0	0%	0	0	-		
Charter Trust Co.	8	1	13%	M	2	0	0%	2	2	100%		✓
DWS Trust Co.	4	0	0%	M	1	0	0%	0	0	-		
Exeter Trust Co.	9	1	11%	M	1	0	0%	1	0	0%		
Fiduciary Trust Co. of NH	6	0	0%	M	1	0	0%	0	0	-		
FNTC America Trust Co.	6	3	50%	n/a	1	0	0%	0	0	-	✓	
General Motors Trust Co.	8	1	13%	F	2	1	50%	0	0	-		✓
Independence Trust Co.	5	0	0%	M	1	0	0%	0	0	-		
Mercer Trust Co.	8	0	0%	M	1	0	0%	0	0	-		
MFS Heritage Trust Co.	6	3	50%	F	1	1	100%	0	0	-	✓	✓
The New Hampshire Trust Co.	8	1	13%	M	2	0	0%	2	0	0%		
Noble Trust Co.	5	1	20%	M	1	0	0%	1	1	100%		✓
The PENSCO Trust Co.	6	0	0%	M	1	0	0%	0	0	-		
Pyramis Global Advisors Trust Co.	10	0	0%	M	1	0	0%	1	0	0%		
State St. Global Advisors Capital Mgmt Trust Co.	9	2	22%	M	1	1	100%	0	0	-		✓
Vantage Trust Co.	8	4	50%	M	1	1	100%	0	0	-	✓	✓
Total	110	17	15%	2	19	4	21%	7	3	40%	19%	38%

Publicly-Held Corporations

Of New Hampshire’s 25 publicly traded companies, half had no women on their boards, and three-quarters had no women in their top five highest-paid positions. Only two public companies had at least three women on their boards. As shown below, the number of companies with critical mass had increased by one since 2003, though the number of companies with no female directors has also increased.

Table 6: Number of publicly held corporations without women in leadership

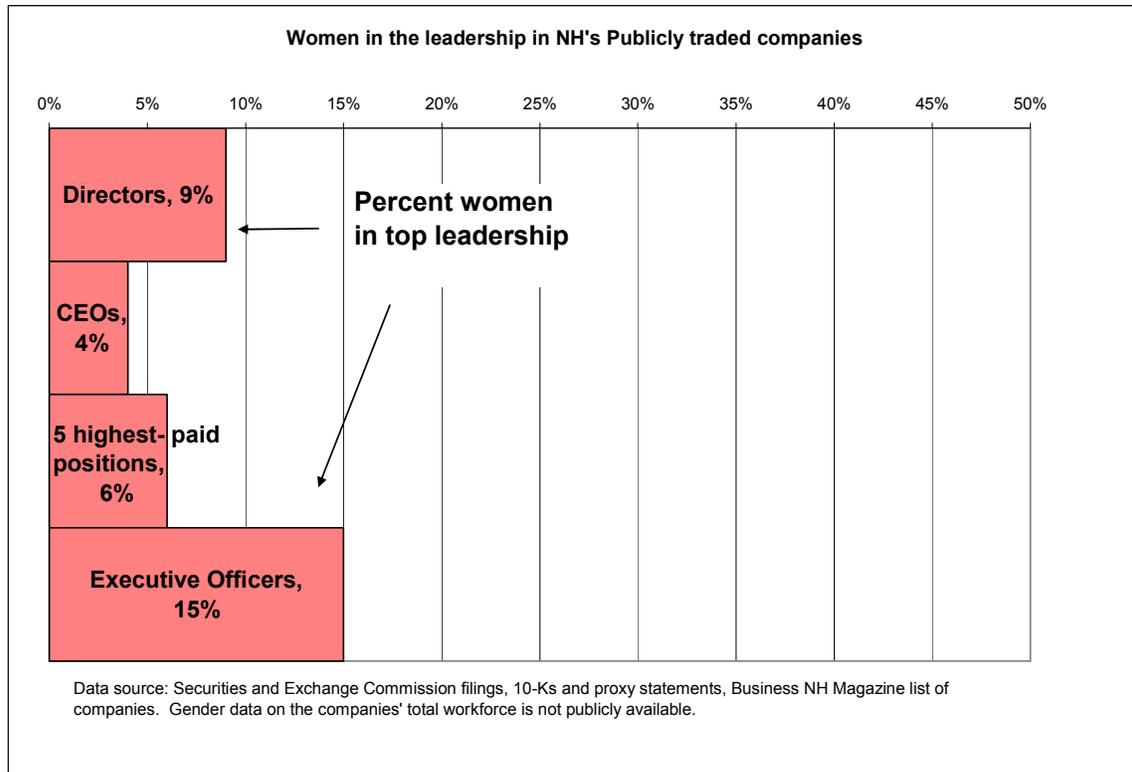
NH Publicly Traded Companies	NH 2003		NH 2004		NH 2005		Other States*
	#	%	#	%	#	%	Range
Number of Companies in NH	25		29		25		
Number With No Women Directors	12	48%	16	55%	13	52%	30 - 53%
Number w No Women Executive Officers	12	48%	15	52%	12	48%	36 - 79%
Number w No Women Directors or Officers	8	32%	11	38%	9	36%	
Number w No Women in 5 Highest-Paid Positions	17	68%	20	69%	16	76%	68 - 79%
Number w 'critical mass' (3+ women on board)	1		1		2		

Source for NH data: Securities and Exchange Commission 2004 - 2006 proxy statements and 10-K filings.

*Includes Interorganizational Network (ION) member states California, Florida, Georgia, Massachusetts, Michigan, & Wisconsin (excludes Chicago and Philadelphia), from ION’s *Women on Boards: Missed Opportunities*, Feb. 2007.

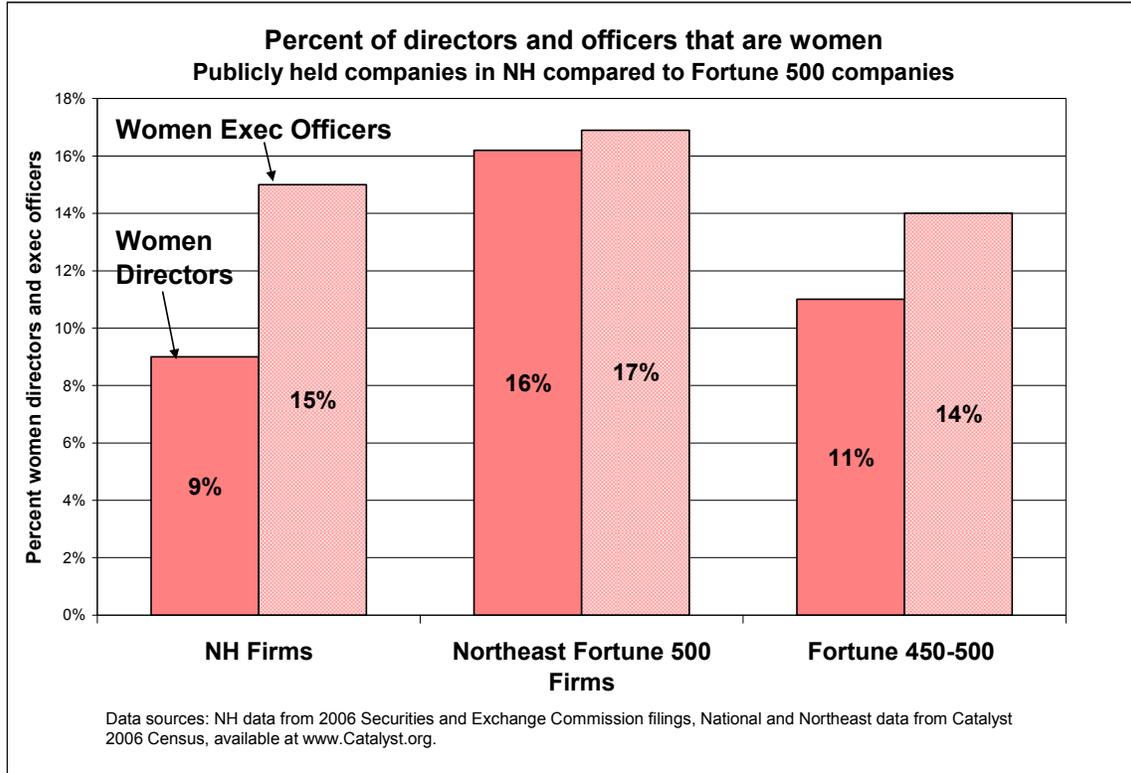
Figure 5 shows the percent of women in leadership in the publicly held corporations.

Figure 5: Nine percent of directors of publicly held corporations are women



Many of New Hampshire’s publicly held companies are relatively small in size. Since smaller company size is associated with fewer women on boards,²⁰ it is not surprising that New Hampshire companies’ have relatively fewer women directors than the Fortune 500 companies, as shown in Figure 6.²¹ New Hampshire companies compare favorably in terms of the number of female executive officers however.

Figure 6: NH corporate boards have fewer women than Fortune 500s in the region.²²



The numbers for each publicly traded company appear in Table 7.²³ Only Pennichuck and iCad have three women on their board; Timberland has two. In four companies, half of the executive officers are women.

²⁰ Patricia Flynn and S. Adams, “A ‘Perfect Storm’ May Lead to Gains for Women Directors” *Directors Monthly*, December 2004.

²¹ The Fortune 500 companies are 500 largest publicly traded companies, a list of which is published annually by *Fortune* magazine.

²² In NH, only The Timberland Company is on the Fortune 500 list and is therefore included in both the Northeast firms and NH firms.

²³ The list includes six publicly traded banks. Three of them were state-chartered and thus are counted both among our listing of all state-chartered banks, and here among the list of all publicly held companies.

Table 7: Women make up 15% of executive officers of NH Publicly Held Corporations

NH Publicly Held Companies	Directors			Executive Officers			Highest Paid		Critical Mass	Execs \geq 33% W
	Total	W	% Women	Total	W	% Women	# Women	% Women		
Bentley Pharmaceuticals	6	0	0%	4	0	0%	0	0%		
Bottomline Technologies	9	0	0%	11	0	0%	0	0%		
BrandPartners Group Inc.	4	0	0%	2	1	50%	1	20%		✓
Brazilian Resources Inc.	4	0	0%	1	0	0%	0	0%		
Centrix Bank and Trust*	13	2	15%	5✦	2	40%				✓
Community Bank & Trust Co.*	9	0	0%							
Connecticut River Bancorp**	10	1	10%	1	0	0%	0	0%		
Environmental Power Corp.	8	0	0%	4	0	0%	0	0%		
Fisher Scientific	10	1	10%	5	0	0%	0	0%		
iCad	8	3	38%	6	3	50%	1	20%	✓	✓
Mangosoft Inc.	1	0	0%	1	0	0%	0	0%		
Micronetics Inc.	6	1	17%	7	2	29%	0	0%		
Monadnock Bancorp Inc.	8	1	13%	5	0	0%	0	0%		
Nashua Corporation	6	0	0%	6	3	50%	2	40%		✓
NH Thrift Bancshares Inc.	8	0	0%	2	0	0%	0	0%		
Northway Financial Inc.*	7	0	0%	7	0	0%	0	0%		
Omtool Ltd	7	1	14%	4	1	25%	1	25%		
PC Connection Inc.	6	1	17%	5	1	20%	1	20%		
Pennichuck Corp.	9	3	33%	6	1	17%	0	0%	✓	
Presstek Inc.	8	0	0%	10	0	0%	0	0%		
Skillsoft PLC	7	0	0%	5	0	0%	0	0%		
Standex International Corp.	12	1	8%	6	1	17%	1	20%		
StockerYale Inc.	6	0	0%	2	1	50%	1	20%		✓
The Timberland Company	11	2	18%	10	1	10%	0	0%		
Unitil Corporation	12	1	8%	9	1	11%	0	0%		
Total	195	18	9.2%	119	18	15%	8	9%	8%	20%

Source: Securities and Exchange Commission (SEC) 2006 annual reports, 10-K filings, and proxy statements, also bank websites; list for companies from Business NH Magazine, plus other companies with SEC filings showing NH activity during 2005.

*These three banks are state-chartered, so were also counted on the list of state-chartered banks. They are included here as well to maintain a consistent count from year to year in leadership of all publicly held corporations in the state.

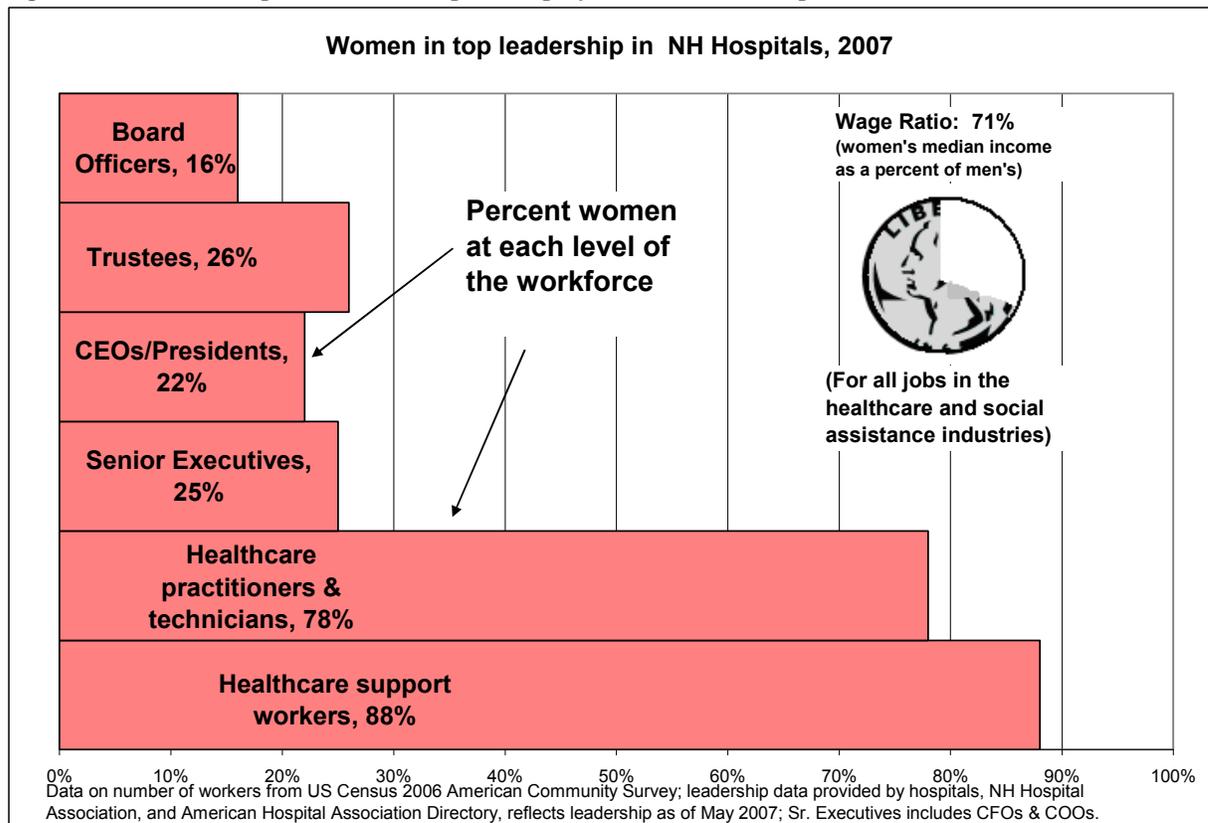
**Directors and officers listed for Connecticut River Bancorp, Inc. do not include directors and officers for Connecticut River Bancorp, N.A.

✦ This count includes only senior vice presidents or executive vice presidents .

Hospitals

Women have historically been involved in the health care field, which may account for their greater representation on boards and in chief executive positions compared to the two other sectors studied. About one-quarter of New Hampshire’s hospital trustees are women, as are 22 percent of CEOs. In the healthcare and social assistance industry, women’s median earnings are 71 percent of men’s, reflecting not only their concentration at the staff level of the workforce, but also the different pay scales for nurses and physicians. Ninety to 95 percent of nurses in New Hampshire are women.²⁴

Figure 7: Women comprise 79% of hospital employees, and 25% of top executives.



Nine hospitals or 32 percent have women in leadership roles on their boards. The hospital boards are larger on average than those of banks or corporations with an average of 18 trustees, 23 of the 28 hospitals studied have at three women on their boards. Table 8 shows the details for each hospital. In this sector we counted only chief executive officers, chief operating officers, and chief financial officers as senior executives. (Officers with more medical functions such as Chief Medical Officers, Chief Nursing Officers, and Chief Clinical Officers were excluded since the focus of this study is on governance as opposed to medical leadership.)

²⁴ Based on data from the U.S. Census 2005 and 2006 American Community Survey.

Table 8: Percent of hospital trustees and chief executives that are women

Hospitals	Trustees				Female Chief Executives			W Execs total	Critical Mass	≥ 33% F Chief Execs
	#	# W	% W	Women Officers*	CEOs	COOs	CFOs			
Alice Peck Day	19	8	42%	2	0	n/a	1	50%	✓	✓
Androscoggin Valley	16	3	19%	1	0	n/a	n/a	0%	✓	
Catholic Medical Ctr	22	6	27%		1	0	0	33%	✓	✓
Cheshire Medical Ctr	19	4	21%	1	0	n/a	1	50%	✓	✓
Concord	21	6	29%	2	0	0	0	0%	✓	
Cottage	15	7	47%	1	0	n/a	n/a	0%	✓	
Crotched Mountain	20	4	20%		0	n/a	0	0%	✓	
Dartmouth-Hitchcock	20	4	20%	0	1	0	0	33%	✓	✓
Elliot	25	6	24%	0	0	1	0	33%	✓	✓
Exeter	14	2	14%	0	0	n/a	0	0%		
Frisbie Memorial	29	6	21%		0	n/a	0	0%	✓	
Hampstead	4	0	0%		0	1	0	33%		✓
Healthsouth Rehab	9	1	11%	0	n/a	n/a	0	0%		
Huggins	24	6	25%	1	0	0	0	0%	✓	
Lakes Region Genl	24	7	29%		0	n/a	0	0%	✓	
Littleton Regional	20	4	20%	0	0	n/a	0	0%	✓	
Memorial	17	6	35%	1	0	n/a	0	0%	✓	
Monadnock Comunity	13	2	15%	0	0	1	1	67%		✓
New London	20	6	30%	2	0	n/a	1	50%	✓	✓
Northeast Rehab	3	0	0%		0	n/a	0	0%		
Parkland Medical Ctr	12	3	25%	1	1	n/a	0	50%	✓	✓
SNHMC	17	6	35%	1	0	n/a	0	0%	✓	
Speare Memorial	12	4	33%		1	n/a	0	50%	✓	✓
St Joseph	12	3	25%		0	1	0	33%	✓	✓
Upper Ct Valley	12	3	25%	0	1	1	n/a	100%	✓	✓
Valley Regional	18	8	44%	0	1	0	0	33%	✓	✓
Weeks Medical Ctr	13	3	23%	0	0	n/a	0	0%	✓	
Wentworth-Douglass	16	4	25%	0	0	0	0	0%	✓	
Total	466	122	26%	13 (16%)	6 (22%)	5 (45%)	4 (16%)	15 (24%)	82%	46%

Source: NH Hospital Association, Hospital Public Affairs Officers, Hospital websites, Directory of the American Hospital Association. Blank cells indicate that no officers were included on Hospital board lists.

Business Leaders reflect on factors that affect advancement

In order to gain an understanding of the factors that affect women’s participation in governance and executive leadership in New Hampshire, the Institute conducted confidential interviews with 20 business leaders from around the state and region. The Institute also held three roundtables attended by a total of 30 business leaders to gather feedback on the results of the interviews and data findings. The positions and gender of those interviewed are listed in Table 9.

Table 9: Business leaders interviewed

Interviewees	Female	Male	Total
Bank Presidents	2	2	4
College President	0	1	1
Corporate & Bank Directors	3	0	3
Executives	3	2	5
Hospital Trustees	1	0	1
CEOs	2	2	4
Regional executive in corporate search firm	1	1	
Total	12	8	20

We conduct semi-structured interviews about the process for board selection, factors that affect advancement, and ways to improve opportunities for women or corporate governance in NH. With one exception, every leader we spoke with underscored the importance of opportunities for women in business leadership and offered suggestions for change. Issues varied slightly among the different industry sectors, but there were common threads throughout the responses. Following is a compilation of their opinions and insights.

Barriers perceived by business leaders

Business leaders perceived the following barriers for board selection or advancement:

- **‘Women lack visibility and connections’**— Many suggested that women are not sufficiently connected to networks used for board referrals and tend not to participate as much as men in the activities that provide visibility or link them to the networks, such as golf.
- **‘Home and family responsibilities leave no time for board service’**—Some suggested that because many executive women shoulder family responsibilities in addition to their careers, particularly caring for aging parents, and thus face time constraints that prevent commitment to a board. Not all agreed this was a barrier.
- **‘Women don’t ask’**— We were told women are less likely than men to ask their connected friends and colleagues to recommend them for boards.
- **‘There are not enough women with financial, technical, or operations experience.’** Some perceived there were insufficient numbers of women in the finance or technical fields and the positions that boards tend to draw from, such as line positions in corporate operations as opposed to human resources.
- **‘People select people who are like them,’** and most directors and executives are men.
- **Men don’t necessarily value what women bring to a board,** such as collaborative leadership, some female respondents suggested.
- **‘Women are unwilling to make the sacrifices currently required to rise in the corporate world,’** some of female respondents suggested the pool of women who have gained the level of experience required for board service is still small.
- **Low turnover in New Hampshire’s banking leadership** has meant fewer chances to advance for women who have made it into the senior executive ranks.

Opportunities perceived by business leaders

- **The increasing use of search firms and deliberate selection processes** could help women be considered for boards.

- **An increasing understanding that gender diversity is good for business**, though respondents recommended boards engage in 'purposeful diversity,' bringing on women who have the individual talents needed to advance the organization.
- The **increasing numbers of women in higher education leadership** could be a good source of board talent respondents from higher education said.
- **Younger parents tend to share family responsibilities** more than prior generations (although current research shows women still spend 8 to 10 hours more per week on home and family than men.²⁵)

Finding qualified women for boards

Many of those we interviewed reported their organizations had deliberately sought out women for their boards. Some thought it was difficult to find qualified female board candidates, while others said there were plenty of qualified women out there, though they sometimes had to go beyond the list of 'usual suspects.' Businesses in less populated areas remarked on the difficulty of finding qualified board candidates of any gender.

Recommendations to increase women's representation

Every business leader we spoke to gave us ideas about how to increase opportunities for women in corporate governance and executive ranks. The recommendations fall into three general areas:

- **Increase visibility and networking,**
- **Provide mentoring, support, and training, and**
- **Change corporate culture to encourage and enable women to pursue advancement.**

Some respondents suggested actions that could be taken by individual companies; others had ideas for the business community as a whole. Following is a compilation of the ideas:

Business leaders' suggestions for the business community

- **Create a talent bank for female board candidates**, with a networking component to connect highly qualified women with each other and with the networks used by boards, similar to an organization called the Boston Club in Massachusetts.²⁶ Most leaders thought their organizations would use such a talent bank if it were of high quality, except for banks that draw members from groups of local "corporators."
- **Provide training for high-level executive women** in board skills such as finance, similar to the American Bar Association's annual board training program for select female attorneys.
- **Educate women about what it takes to be on a board**, what the expectations are, how to prepare.
- **Educate companies about practices that facilitate advancement and about what women contribute to a board**, provide high-profile examples of successful companies that have diversified their boards.

²⁵ Conway, Carrie, "Where Does the Time Go?," *Regional Review*, Volume 14, No. 3, Q1 2005, The Federal Reserve Bank of Boston, Special Issue 'Reaching the Top.'

²⁶ The Boston Club is a non-profit organization focused on services for high achieving executive women, including board placement.

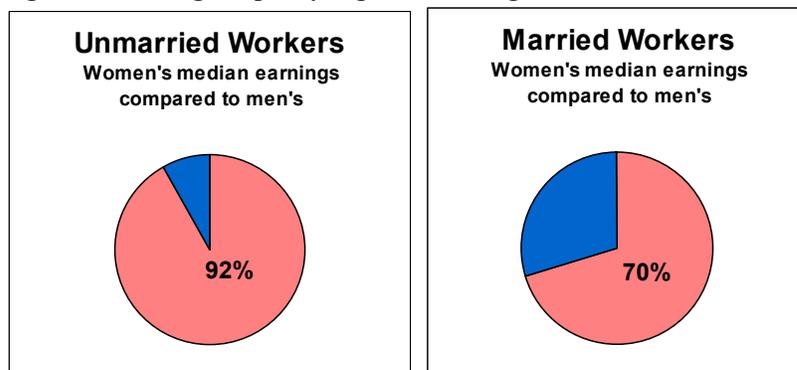
Business leaders' suggestions for individual companies

- **Encourage women** to stay in the workforce, provide mentoring opportunities.
- **Identify women leaders early in the pipeline**, consciously and openly, talk with senior management and the women themselves about it, promote from within.
- **Require diversity in leadership ranks of all contractors.** Some large national firms have begun requiring gender diversity in law firms they contract with, including Wal-Mart, Sara Lee, Visa, Pitney Bowes, and Del Monte.²⁷ NH companies could follow this example.
- **Monitor gender diversity internally within the corporate hierarchy.**
- **Train boards in how to identify attributes they need** and how to assign relative values to them, improving the nomination and selection processes.
- **Provide incentives for men to take more home and family responsibilities**, so women can ramp up.
- **Provide support to help women balance home and family responsibilities**, allow more flexibility with 'face time' at the office.
- **Publicly declare your organization's commitment to increase diversity**; let the community, and women in particular, know you are looking for female leaders.

National Research

National research on management advancement supports some of the perceptions business leaders shared with us. Studies have shown women's home and family responsibilities do reduce their work experience and time spent in training and development, thus reducing advancement.²⁸ For men, greater home and family responsibilities *increase* experience, leading to greater likelihood of advancement. These findings are reflected in data on married women's and men's earnings in New Hampshire, which show greater wage disparity among married workers than unmarried workers, the so-called 'marriage penalty.'²⁹

Figure 8: Earnings disparity is greater among married workers.



Source: Data analysis by Allison Churilla, UNH Carsey Institute, based on 2005 American Community Survey data.

²⁷ "Wal-Mart Demands Diversity in Law Firms," by Meredith Hobbs, Fulton County Daily Report, July 6, 2005, available at www.law.com.

²⁸ Tharenou, Phyllis and Shane Latimer, University of Queensland, and Denise Conroy, Queensland University of Technology, "How Do You Make it to the Top? An Examination of Influences on Women's and Men's Managerial Advancement," Vol. 37, No. 4, *Academy of Management Journal*, 1994.

²⁹ Ross Gittell, Allison Churilla, Ann McAdam Griffin, NH Women's Policy Institute 2005 report *The Economic Status of Working Women in NH*, available at www.nhwpi.org.

National research also supports leaders' suggestions that providing encouragement to working women would make a difference. One study showed women were more likely to advance in management if they have had someone who encouraged them at their work, because this encouragement leads to more training and development. This effect was stronger for women than for men and, interestingly, held whether the mentor was male or female and whether or not there was a male leadership hierarchy in the workplace.³⁰ In another national study, women who made it to the top credited mentoring—along with performance, resilience, and perseverance—as the most critical factors in their success.³¹

It should be noted that our data do not reveal to what extent women choose not to climb the corporate ladder because of personal preferences, or whether circumstances such as family responsibilities, corporate culture, or discrimination stop them on the way up. As the interview responses suggest, a variety of factors affect whether women advance and ultimately take leadership or governing roles. This study makes no assumptions about the relative extent to which these factors explain the numbers of women currently at the top, nor about the 'correct' choice for women and their families regarding career advancement.

Prognosis for the future

New Hampshire businesses have the opportunity to increase the representation of women in governance. Corporate boards generally look for people who have had major executive responsibility at the chief executive level, often with experience in finance. Our findings show there *are* female executives in this pipeline: 28 percent of the top executives in banking and 24 percent of those in hospitals are women. In spite of this presence, women remain a minority among top executives in those sectors studied, and our interviews suggest many women are not sufficiently connected to networks that feed boards to be considered for board service. In addition, given current corporate culture, women's family responsibilities prevent many talented women from ever entering the pipeline, and these responsibilities are expected to increase as the baby boom population ages and begins needing care. Given these factors, businesses will need to take concerted, strategic action to intentionally broaden and diversify their leadership, or there will likely be little change at the top.

³⁰ Tharenou, Latimer, and Conroy, see footnote 28.

³¹ Peus, Claudia, *What Brings Women to the Top? Factors for Success*, available at www.thebostonclub.com.

Methodology

The data sources and methodology for each business sector studied are summarized below.

Financial Institutions:

The Institute gathered data on all state-chartered banks, credit unions and trust companies registered with the NH Banking Department. The data reflected board and executive activity as of December 31, 2006, as reported to the NH Banking Department.

The Institute's count of senior executives includes Senior Vice Presidents and Executive Vice Presidents. Where we noted institutions with 33 percent or more of their senior executive positions filled by women, we counted senior and executive vice presidents, CEOs, and presidents.

Publicly Held Corporations

The institute gathered data from 2006 Securities and Exchange Commission annual reports, 10-K filings, and proxy statements, which reflected company activity and gender distribution in leadership during calendar year 2005. The Institute counted as 'executive officers' all positions listed as executive officers in SEC filings, and counted the top five highest-paid positions from those reported to the SEC. The Institute derived its list of publicly held companies from the *Business NH Magazine* 2006 list of public companies with additional companies added that had 2006 SEC filings reflecting New Hampshire activity and headquarters during 2005. Directors Emeritus were not counted.

Although three of the six publicly held banks were state-chartered, and therefore counted among the financial institutions, the Institute counted them with publicly held corporations as well, in order to ensure consistent reporting and comparison with prior year data on the publicly held corporations.

Hospitals

The Institute based its count on information provided by hospital public information offices, the NH Hospital Association, and the American Hospital Association directory.

Data reflects board and staff during the Spring of 2007. The count of senior executives included chief operating officers and chief financial officers. CEOs were added to this count when determining which institutions had 33 percent or more women in their total senior management positions. Clinical positions such as chief medical officers, chief nursing officers and chief clinical officers were not counted.

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