

2010 Florida Woman-Led Businesses Survey

Report

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EXECUTIVE SUMMARY

The fifth annual *Florida Woman-Led Businesses* research study was developed by The Center for Leadership at Florida International University in collaboration with The Commonwealth Institute. The study's objective was to obtain an understanding on how women in leadership positions in organizations across Florida view:

- (1) the demands and satisfaction from their careers,
- (2) the impact of their choices on their personal lives,
- (3) the future of the organization they lead, and
- (4) their leadership styles

The analysis of the data demonstrates some key characteristics of women leaders and women-led organizations, including the way they establish a balance between their family and work lives, how they deal with the general economic decline, as well as their leadership styles. Florida's women executives lead a variety of organizations from different industry sectors with Professional, Scientific and Technical Services and Construction being the top two sectors of women-led organizations. The majority of survey respondents (60.9%) lead companies with revenues of \$2 million and above in 2008. Also in 2008, most women-led businesses (69.0%) had 20 or fewer full time employees.

The economic downturn has affected growth in the women-led businesses. While in 2009 the majority of respondents (54.1%) indicated their companies have experienced sustained growth over the last two years, only 36.9% reported growth for the previous two years in 2010. In 2010, the majority of women executives consider the current economic conditions either challenging (25.9%) or extremely challenging (38.4%). Their most frequently mentioned issues of concern include maintaining profitability (46.8%) and growing the business (27.7%). Almost a third (32.0%) believe financing presents an obstacle to the growth of their organization fairly often or frequently, if not always. Other major obstacles include government regulation (23.3%), lack of a well developed product or market strategy (13.1%), and difficulty in non-managerial employee hiring (12.5%). In addition, the majority of women executives are also very concerned (42.5%) or somewhat concerned (16.4%) that a national healthcare plan would create additional costs for their business. Almost a third of women-led businesses (30.8%) do not provide healthcare for their employees.

While in 2009 24.7% of women executives indicated their companies had undergone a decline of more than 5% over the previous years, in 2010, 39.0% reported the same. Despite the past revenue decline, most women executives continue to be optimistic about their companies' future. In 2009, only 10.1% of women executives expected a revenue decline of over 5% over the next two years, and the percentage remained almost unchanged in 2010, as only 10.4% of respondents indicate they anticipate revenue decline over the following two years. Instead, the majority (74.7%) anticipate their firms to grow financially. In addition, 45.1% anticipate a growth in their workforce in the coming years, and only 6.5% anticipate a loss. Almost half expect the number of employees in their business to remain the same.

In the difficult economic times women executives have used a variety of strategies to realign and reposition their organization for profitable growth this year. A significant percentage (41.3%) focused their efforts on the acquisition of new customer and clients. Approximately 39.2% enhanced existing customer relationships. More than a third (36.4%) pushed marketing and sales of existing products and services. About a third (33.6%) added new products and services to those offered by their business. The majority of women executives (76.3%) continue to rely on cash flow from operations to finance the operation of their businesses. Other most often reported sources for financing operations include retained earnings (30.0%), long-term bank debt (22.6%) and investments income (12.7%).

Florida's women executives have achieved and maintained their high positions through a combination of career choices, a careful balance between work and family lives, as well as personality traits that have made them successful in their careers. Women executives recognize the importance of mentors (87.1%), connection to a women's professional network (44.7%), as well as other professional business associations (36.9%).

The majority (67.1%) have been in their current organization for more than 10 years, and 58.3% have been in their current position for over 10 years. Almost a quarter (23%) had experience working for a Fortune 500 company before starting their business, and the majority of these with Fortune 500 experience (75.4%) occupied managerial positions in their respective Fortune 500 companies.

Almost 8 out of ten (79.7%) started the businesses they lead. In addition, half of the businesses women executives currently lead employ members of their immediate family, and 40.9% also employ their spouses. Probably as a result of this overlap between family and work women executives find a strong correlation between family and work. More than two thirds also believe they have had more positive feelings about themselves at work because they have felt good about themselves in their family roles (71.8%), and vice versa, they have had more positive feelings about themselves in their family roles because they have felt good about themselves at work (75.6%). The women executives' confidence at work and in their family roles is also affected with over 70% indicating that successfully handling their responsibilities in each of these life roles is a boost to their confidence.

Women executives believe they have supportive families which they can rely on for sharing work-related issues. The overwhelming majority (88.0%) feel it is normal for the family members to share concerns about their jobs, while 83.6% believe at home they can get advice on how to deal with work-related issues. However, women executives are ambiguous about the balance between work and family. While 72.9% feel they have to make family their top priority, slightly less than a half (49.6%) believe they have to put work second to their family. Only slightly more than a half (56.6%) are satisfied that they balance their time efficiently between family and career, while 42.3% report they spend more time working than they would like to.

The majority of women executives do not let family life interfere with their work. Only 37.8% indicate their homelife interferes with their responsibilities at work fairly often or frequently, if not always. However, 69.3% feel their job interferes with their family responsibilities and 66.6% believe their job or career keeps them from spending the amount of time they would like to spend with their families. Yet, a significant percentage of women executives are engaged in activities outside of work, such as travel (65.4%) and reading (57.6%).

In addition to supportive families and a tenuous balance between career and family life, Florida women executives' successful leadership is also related to their individual characteristics and goals that spur their drive for success in the business world. A majority (50.9%) had developed a career plan with clear goals early in their career, and 58.3% aspired to be the President or CEO of a company, or to own a business. The psychological capital shared by the majority of women executives also explains how they reached and maintained their top executive positions. The majority of executives ranked high on all four facets of psychological capital, including efficacy, hope, optimism and resiliency. The majority of respondents exhibit high levels of efficacy (92.5%), hope (88.2%), optimism (74.3%) and resiliency (60.6%).

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METHODOLOGY

The 2010 Florida Woman-Led Organizations Survey is the fifth annual research study conducted by the *Center for Leadership at Florida International University*, in collaboration with *The Commonwealth Institute* and with the assistance of the *Metropolitan Center at Florida International University*. The study rests on results obtained from a survey conducted with women presidents, CEOs, executive directors and other top executive positions across organizations in Florida. Only women holding a senior executive position within organizations headquartered in Florida were invited to complete the survey. Potential survey respondents included women in profit, non-profit and governmental organizations.

The survey was conducted online and approximately 25,000 women executives received notification about the survey web address. To ensure that only eligible respondents completed the survey, access to the online survey was password-protected. A total of 283 surveys were completed by women in high executive positions.

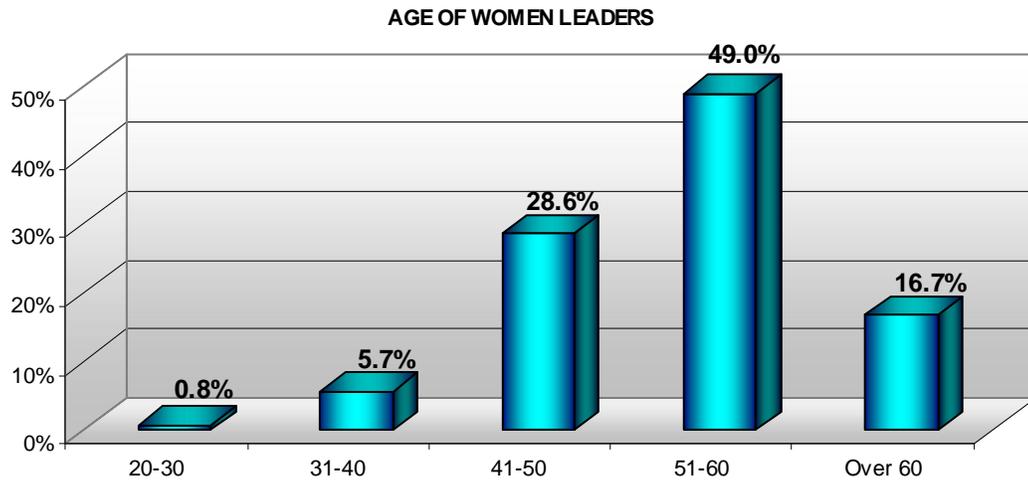
The survey included questions from the Psychological Capital index (PsyCap) developed by Luthans et al. (2007) to measure Florida women leaders' psychological state of development. PsyCap identifies characteristics pertaining to four leadership qualities strongly related to performance – efficacy, hope, optimism and resiliency. In addition, the organizational characteristics section of the survey was modeled after a survey conducted by The Center for Women's Leadership at Babson College in Massachusetts.

The analysis of the survey results is complemented by a list of the Top 50 Women-Led For-Profit Organizations in Florida ranked by 2008 revenues. The list is comprised of companies where a woman is the owner and/or holds the position of Chair of the Board, President, or Chief Executive Officer. Only companies which provided their revenues were included in the list, thus the list may not reflect the exact ranking of women-led businesses in Florida.

SAMPLE DEMOGRAPHICS

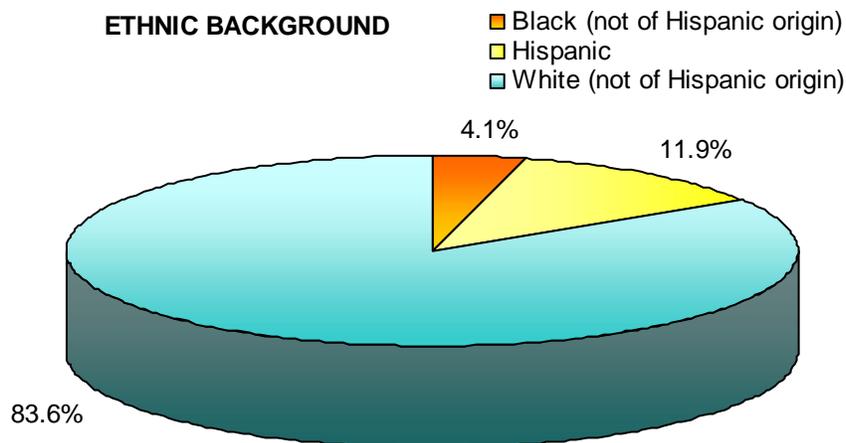
Age

- The majority of women executives surveyed (727.6%) were between the ages 41 to 60.
- 41 Respondents (16.7%) were over 60.
- Only two (2) of the respondents were under 30.



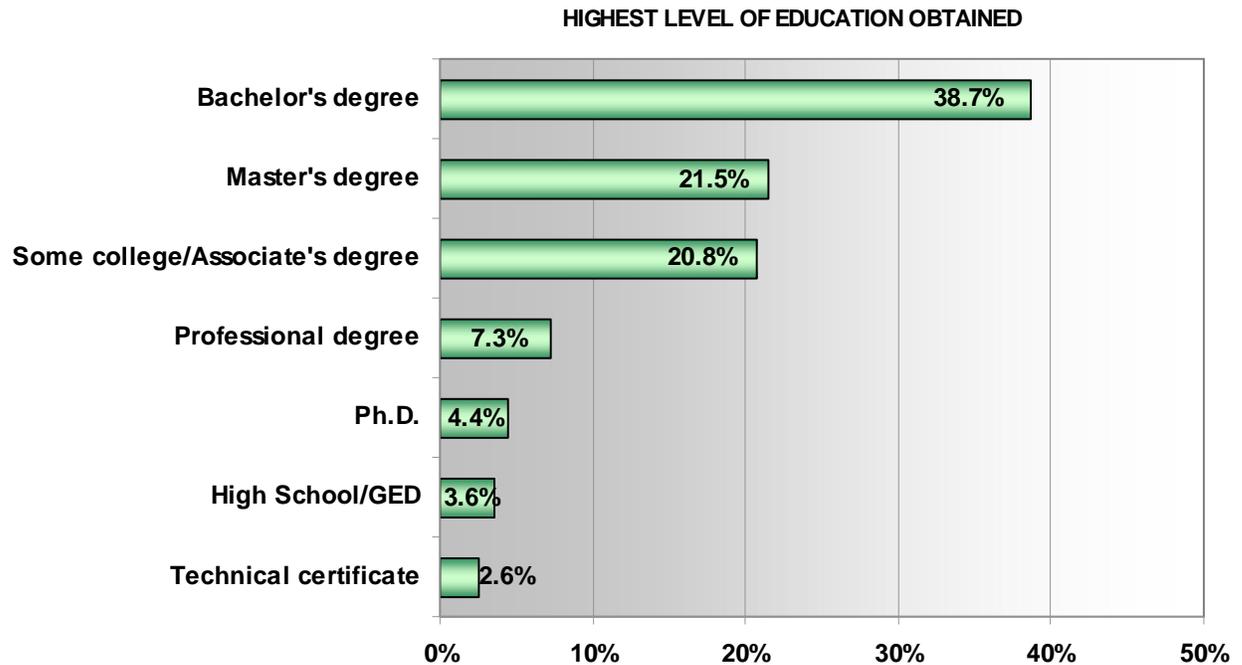
Ethnic Background

- 83.6% of respondents identified themselves as White not of Hispanic origin.
- 11.9% of respondents identified themselves as Hispanic.
- Only 4.1% of respondents identified themselves as Black.



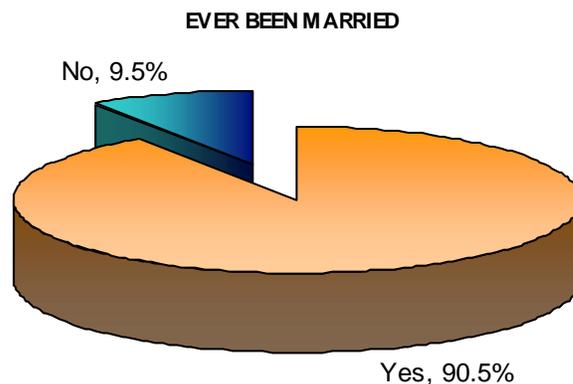
Education

- 38.7% of respondents have a Bachelor's degree and 20.8% have some college or have completed an Associate's degree.
- Approximately 33.2% of respondents have postgraduate degrees, a professional degree, a Master's degree or a Ph.D.
- Less than 4% have obtained only High School Education or GED.

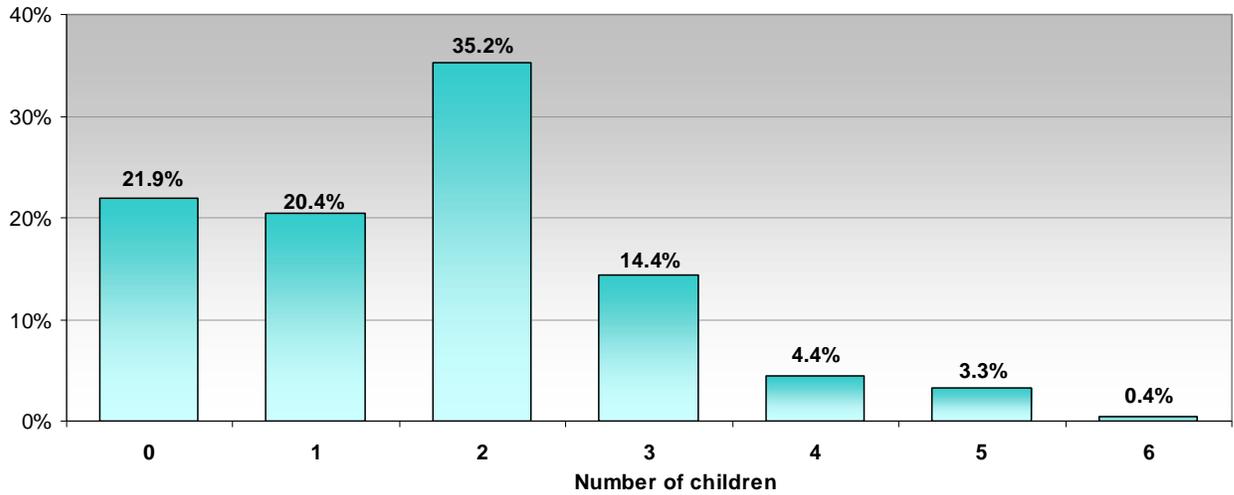


Family Status

- The majority of respondents (73.0%) are currently married.
- Of those who are married or had been married, more than half (56.8%) have been married only once.
- Of those who are not married, 21.4% divorced a long time ago and 11.9% divorced recently.



- Only 21.9% of women executives do not have children.
- Of those who have children, the majority (55.6%) have one or two children.
- A significant percentage (84.0%) took time off their career to care for their children.

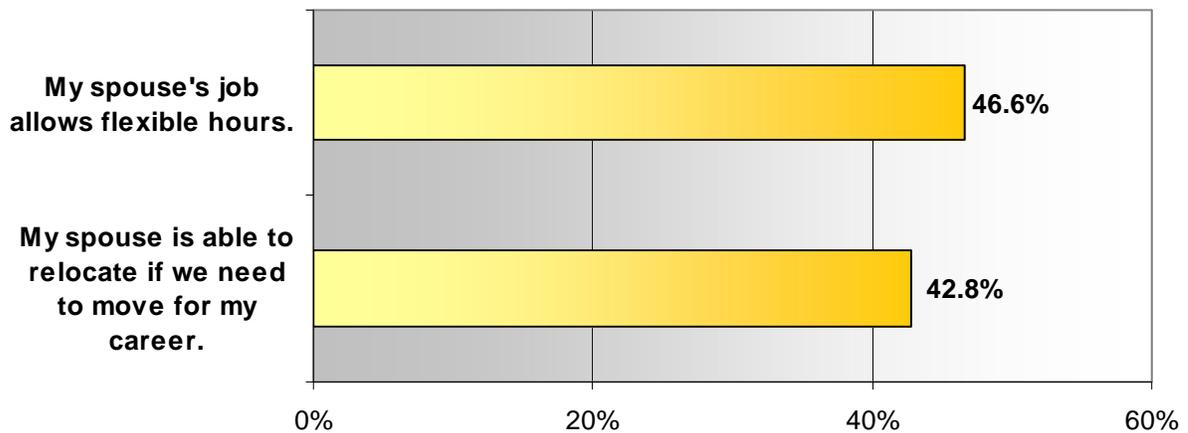


FAMILY/WORK BALANCE

A significant percentage of women executives rely on their families in their career growth, both in terms of mobility as well as work advice and support.

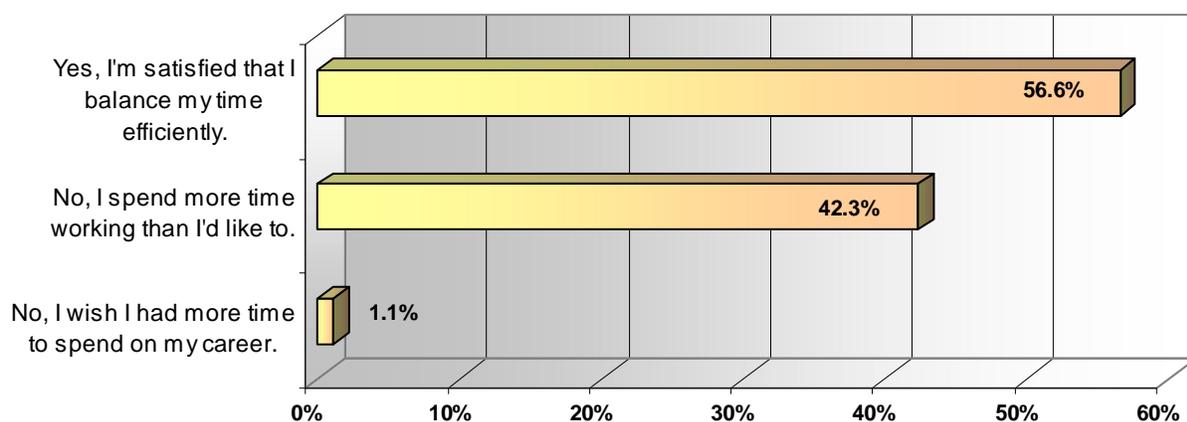
- The majority of women leaders who are married (75.1%) indicated their spouses also work full time. However, 42.8% indicate their spouses are able to relocate if we need to move for their career and 46.6% believe their spouses' jobs allows flexible hours.

CAREER SUPPORT



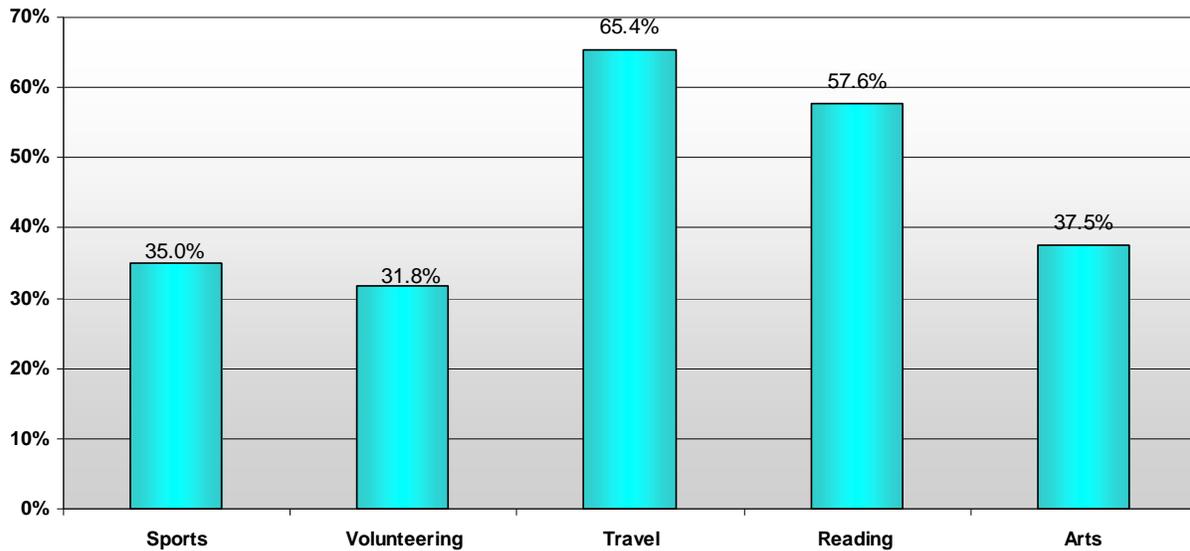
- The majority of women (56.8%) indicated they are satisfied that they balance their time between career and family efficiently while 42.1% stated that they spend more time working than they'd like to.
- Only 1.1% wish they had more time to spend on their careers.

SATISFACTION WITH TIME SPENT ON PERSONAL AFFAIRS AND WORK



Most women executives engage in activities outside of work of which the most often mentioned are

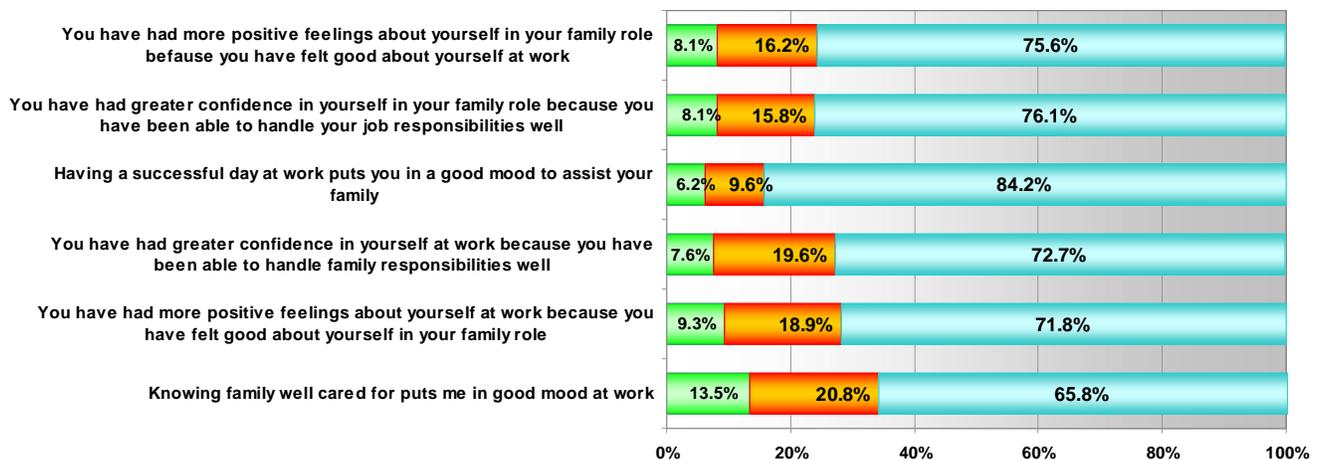
- Travel (65.4%)
- Reading (57.6%)
- Arts (37.5%) and sports (35.0%).



The respondents also indicate that their work and family lives are very closely interrelated. The majority agree with statements that demonstrate how the work and family lives of women executives affect each other.

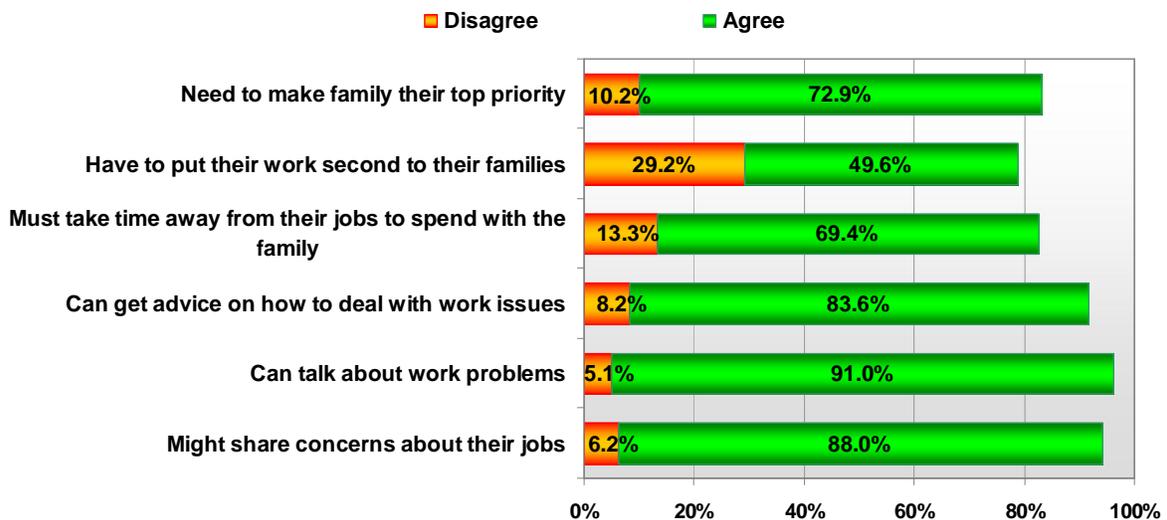
- ◆ The overwhelming majority indicate that knowing their family is well cared for puts them in a good mood at work (86.6%), but also that having a successful day at work puts them in a good mood to assist their family (84.2%).
- ◆ More than two thirds also believe they have had more positive feelings about themselves at work because they have felt good about themselves in their family roles (71.8%), and vice versa, they have had more positive feelings about themselves in their family roles because they have felt good about themselves at work (75.6%).
- ◆ The women executives' confidence at work and in their family roles is also affected with over 70% indicating that successfully handling their responsibilities in each of these life roles is a boost to their confidence.

Disagree Neither Agree nor Disagree Agree



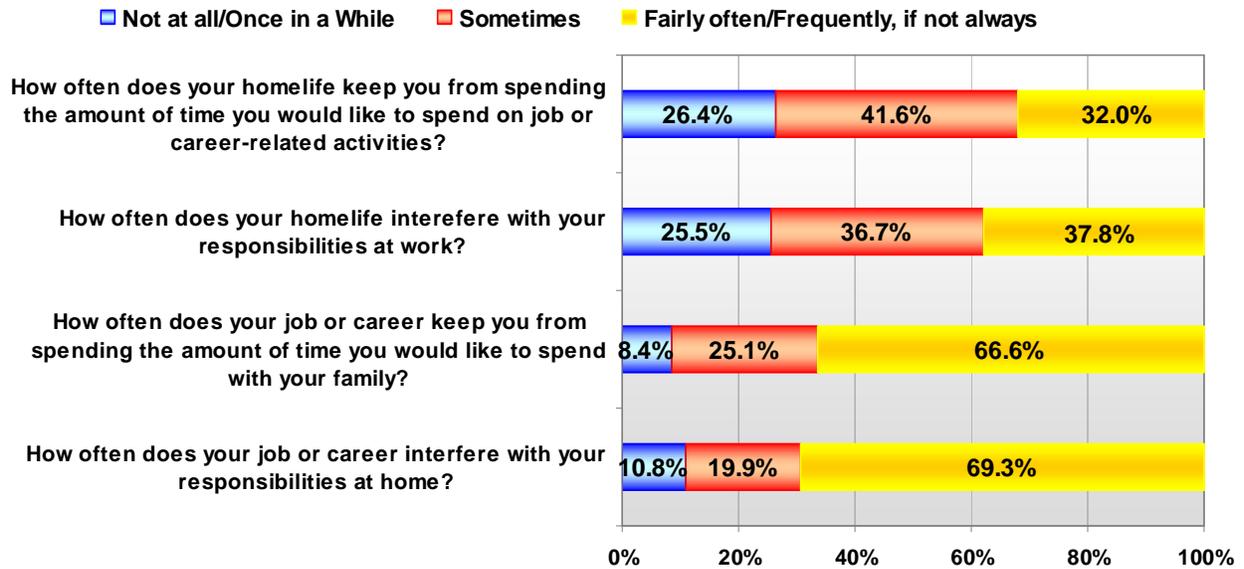
Women executives believe they have supportive families which they can rely on for sharing work-related issues.

- ◆ The overwhelming majority (88.0%) believe it is a norm that the family members share concerns about their jobs, while 91.0% believe in their family people can talk about work problems.
- ◆ Almost half of women executives seem to prioritize family over work as 49.6% believe family members have to put their work second to their families, while at the same time 72.9% believe they need to make family their top priority.

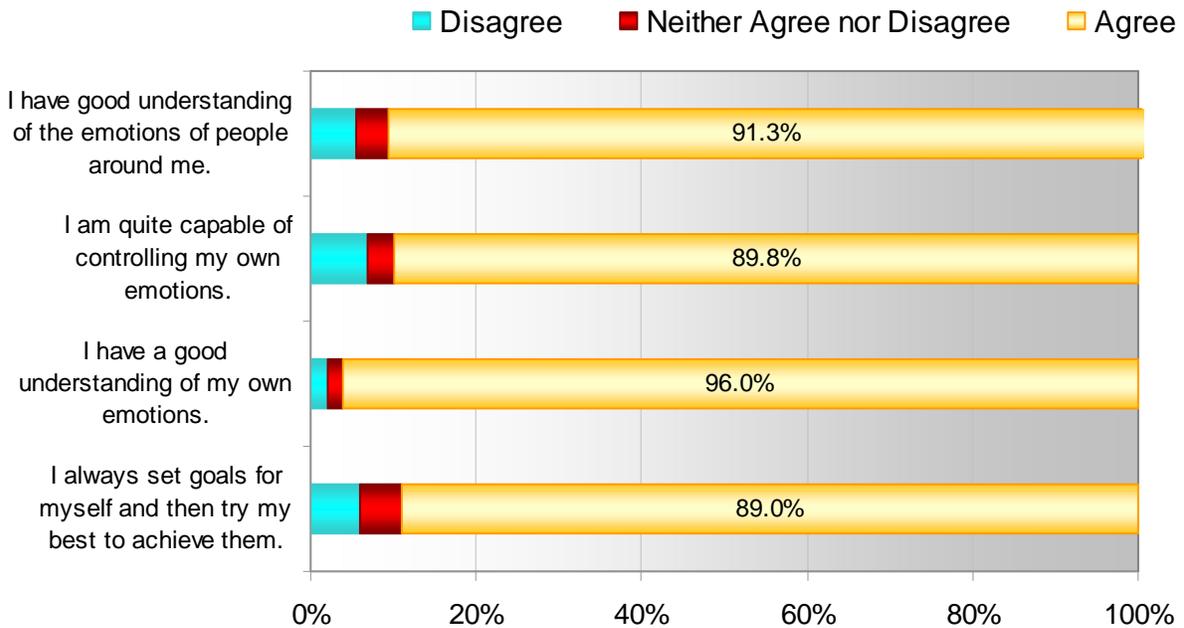


In addition, the majority of women executives do not let their work interfere with their family life, and a significant number see their career as preventing them from spending more time with their family.

- ◆ Only about a quarter indicate their homelife does not keep them from engaging in job or career-related activities and does not interfere with their responsibilities at work.
- ◆ However, the majority (66.6%) indicate their job/career keeps them from spending the amount of time they would like to spend with their family fairly often or frequently, if not always.
- ◆ More than half (69.3%) also see their job/career as interfering with their responsibilities at home fairly often or frequently, if not always.



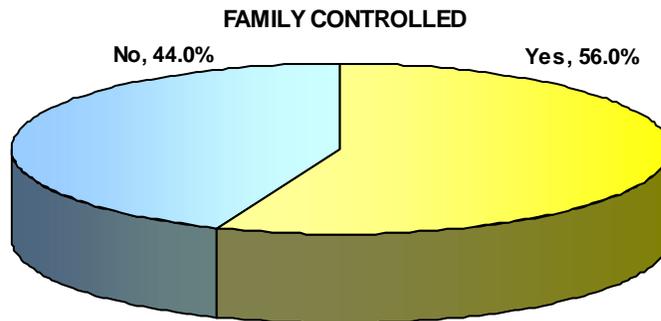
The majority of women executives also believe they have a good understanding of both themselves and the people around them.



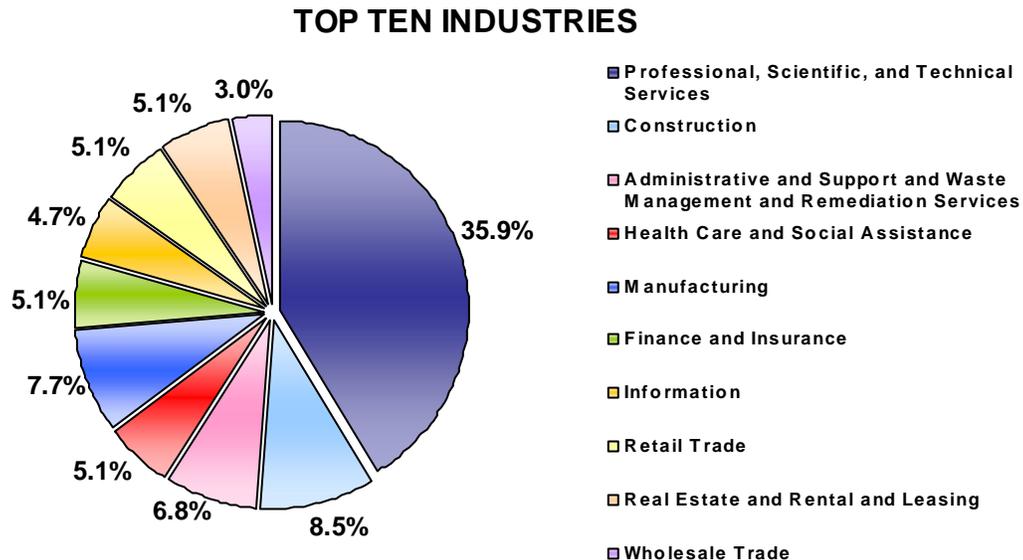
ORGANIZATIONAL CHARACTERISTICS

Types of Organizations

- Of the for-profit organizations whose female executives completed the survey,
 - 8.3% are proprietorships
 - 4.8% are partnerships, and
 - 86.9% are corporations
- Only one respondent leads a publicly traded businesses.
- More than half of the respondents (56.0%) lead family-controlled organizations.

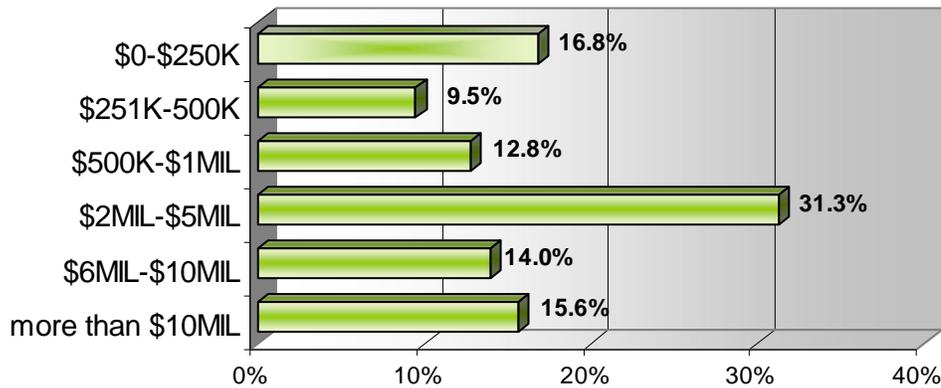


- Most respondents (35.9%) lead companies in the Professional, Scientific, and Technical Services Industry followed by the Construction industry (8.5%).



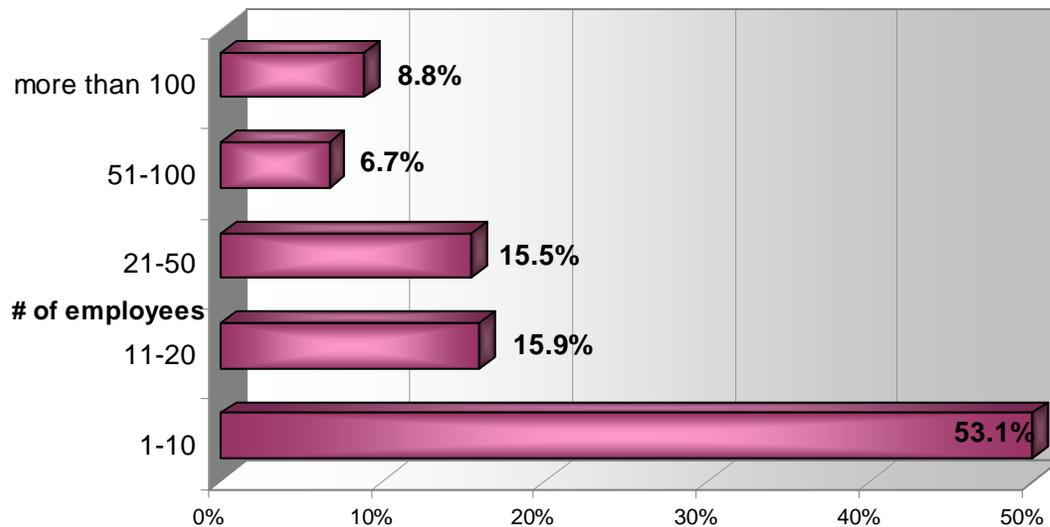
- 15.6% of respondents indicated that their company revenue for 2008 was more than \$10 million. 31.3% of women indicated that their company revenue was between \$2 million and \$5 million.
 - Only 9.3% of respondents indicated that more than 10% of their business revenues come from outside the United States.

2008 COMPANY REVENUES



- The majority of participating respondents (69.6%) lead small businesses with less than 20 full time employees.

FULL TIME EMPLOYEES IN 2008

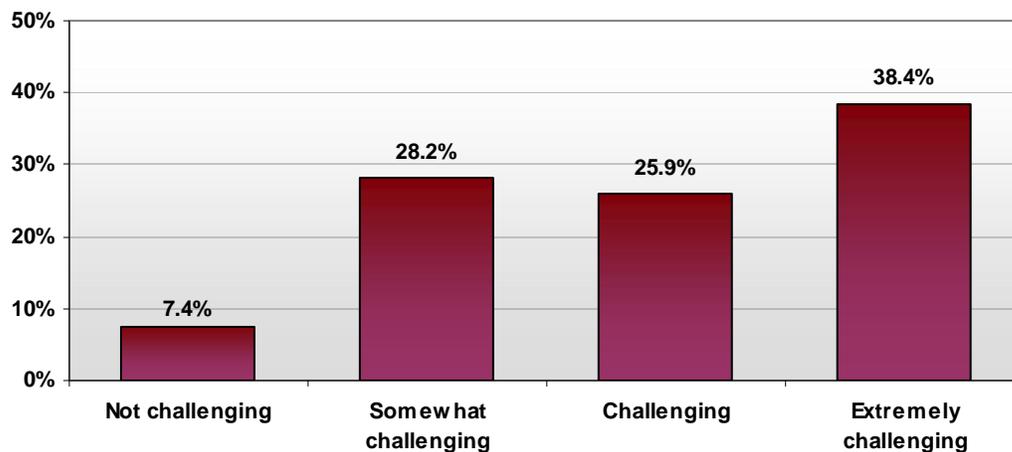


- 97.2% of women have the highest executive operating position in their organizations.
- Approximately 76.7% of women have a majority ownership in their company.
- Only 33.0% of organizations have a Board of Directors. In only 24% these organizations the Board of Directors has a majority of women.

Expectations for the Organization's Future

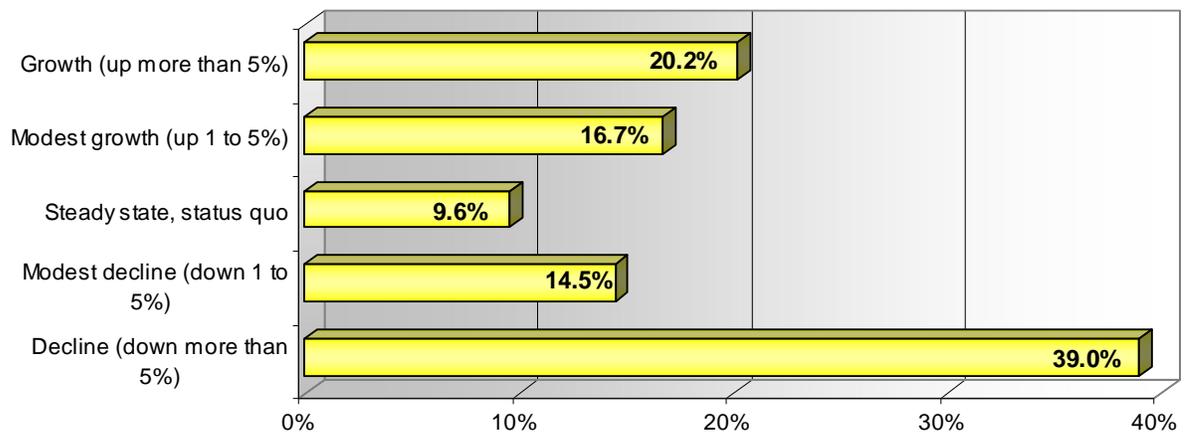
- The majority of women find the continuing economic recession challenging for their organizations.

HOW CHALLENGING ARE CURRENT ECONOMIC CONDITIONS

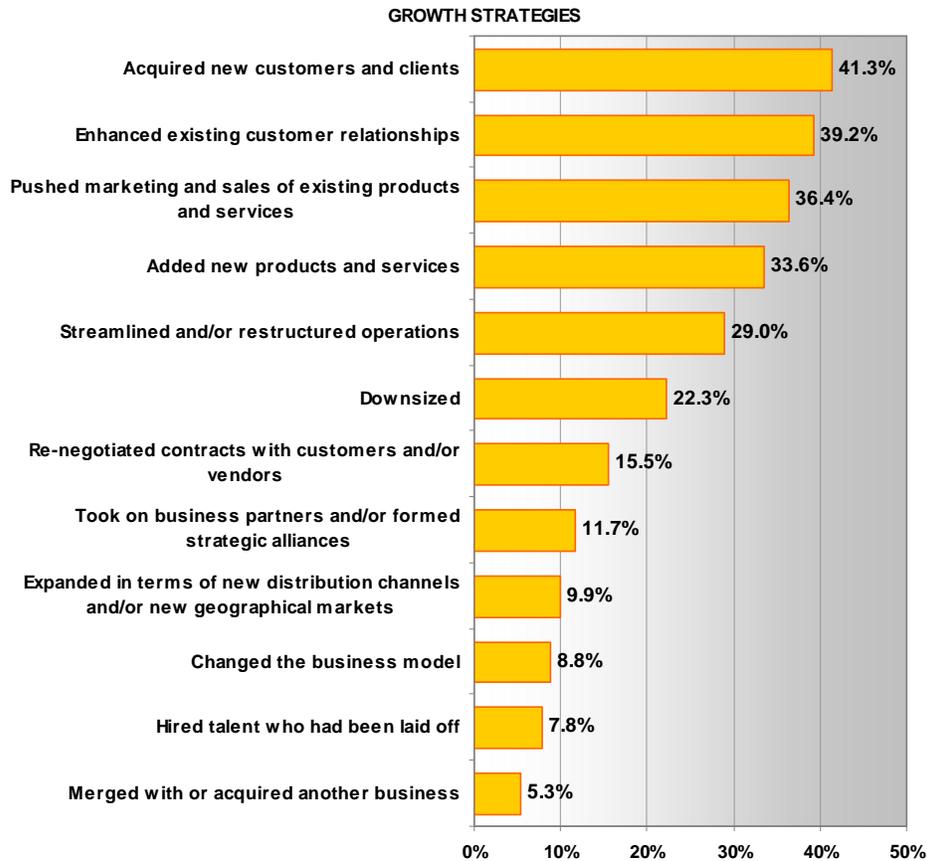


- Only 20.2% of organizations have experienced growth of more than a 5% in last two years.
- However, 39.0% of organizations have experienced a significant (more than 5%) decline.

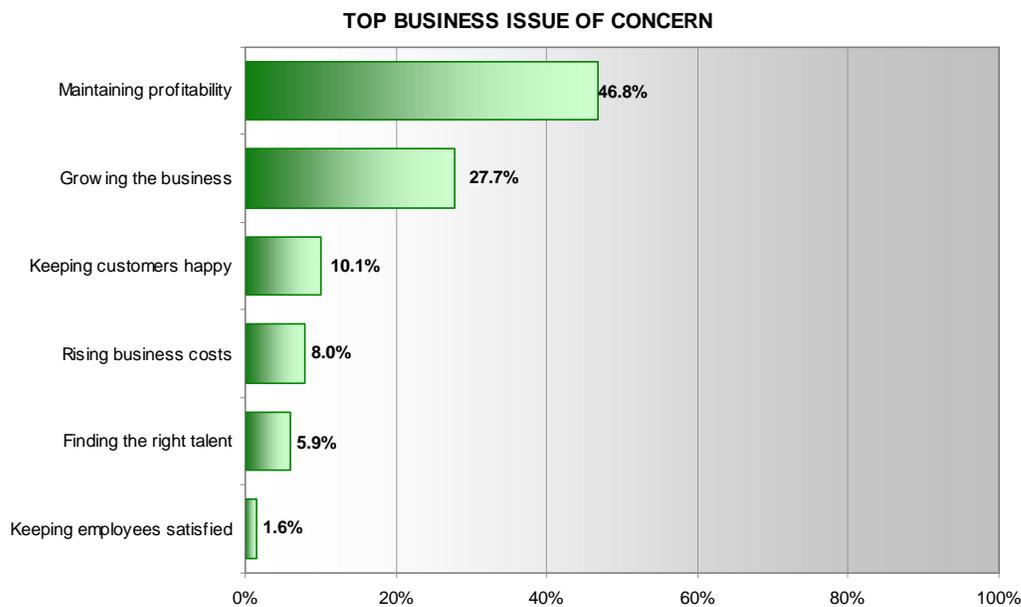
TYPE OF REVENUE GROWTH OVER THE PAST TWO YEARS



- Women executives have used a variety of strategies to realign and reposition their organization for profitable growth this year.

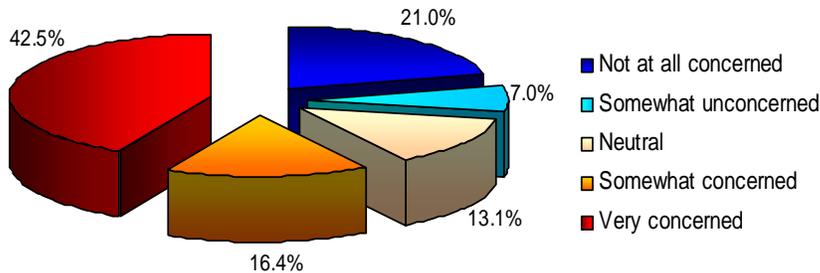


- However, maintaining profitability remains the main issue of concern that keeps at night almost half of women executives.



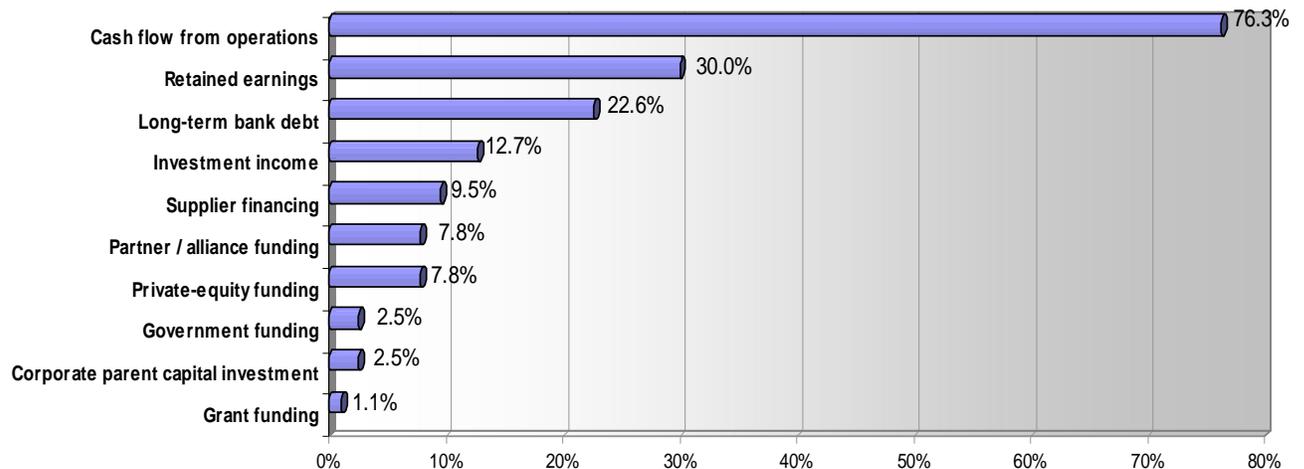
- In addition women executives are also concerned about the healthcare reform. 69.2% of respondents indicated their businesses do not provide healthcare coverage for employees.

CONCERN WITH NATIONAL HEALTHCARE PLAN ADDING COSTS TO BUSINESS



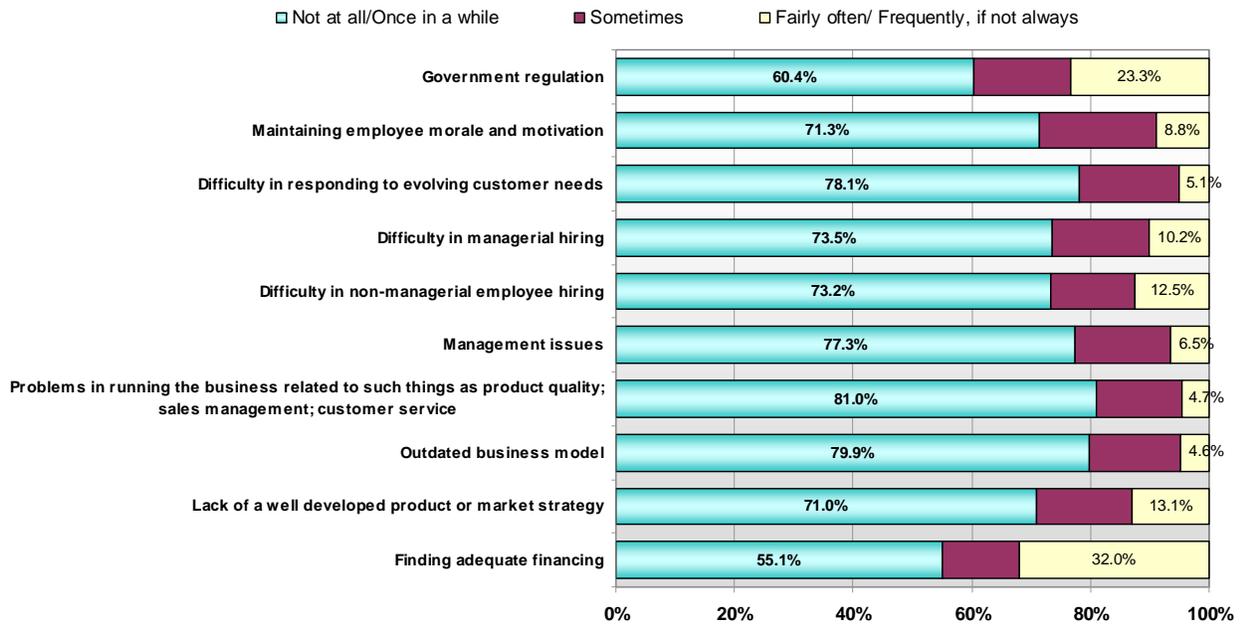
- The majority of women executives (76.3%) rely on the cash flow from operations to finance their businesses.

SOURCES FOR FINANCING OPERATION OF ORGANIZATION



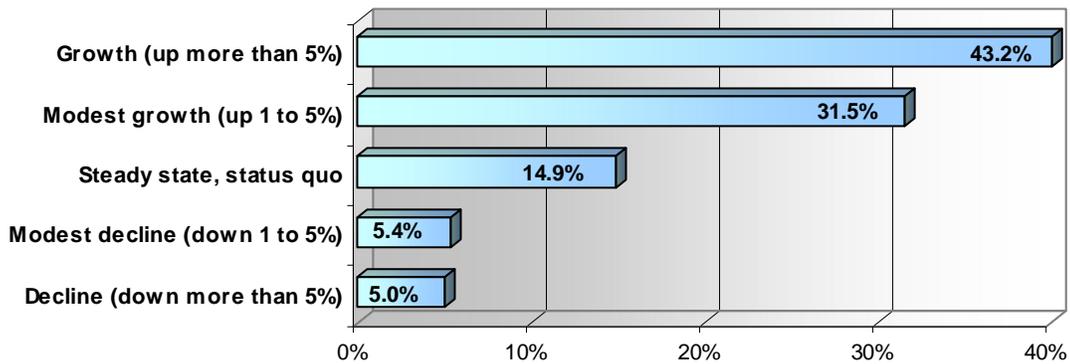
- Finding adequate financing is the challenge women executives most frequently mention as an obstacle to growth. Almost a third (32.0%) believe financing presents an obstacle to the growth of their organization fairly often or frequently, if not always. Other major obstacles include:
 - Government regulation (23.3%)
 - Lack of a well developed product or market strategy (13.1%)
 - Difficulty in non-managerial employee hiring (12.5%)
 - Difficulty in managerial hiring (10.2)
 - Maintaining employee morale and motivation (8.8)

OBSTACLES TO GROWTH



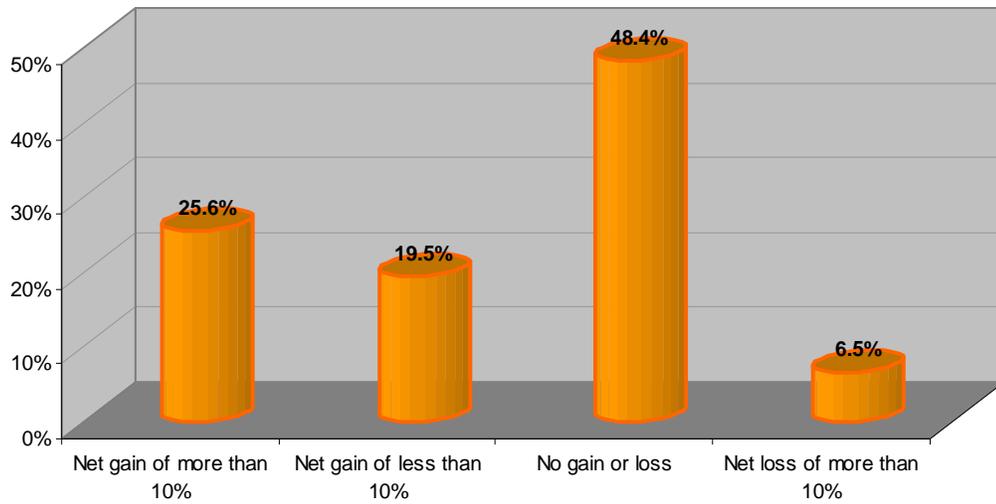
- Despite the challenges their businesses face, a growing number of women have a positive outlook on the potential for growth of their businesses. In 2008 a significant number of women leaders (44.6%) anticipated a growth of more than a 5% in their organizations in the next two years, while only 27.0% of 2009 respondents shared the same positive outlook. In 2010, 43.2% expect their revenues to grow by more than 5% over the next two years.

EXPECTED REVENUE GROWTH OVER THE NEXT TWO YEARS



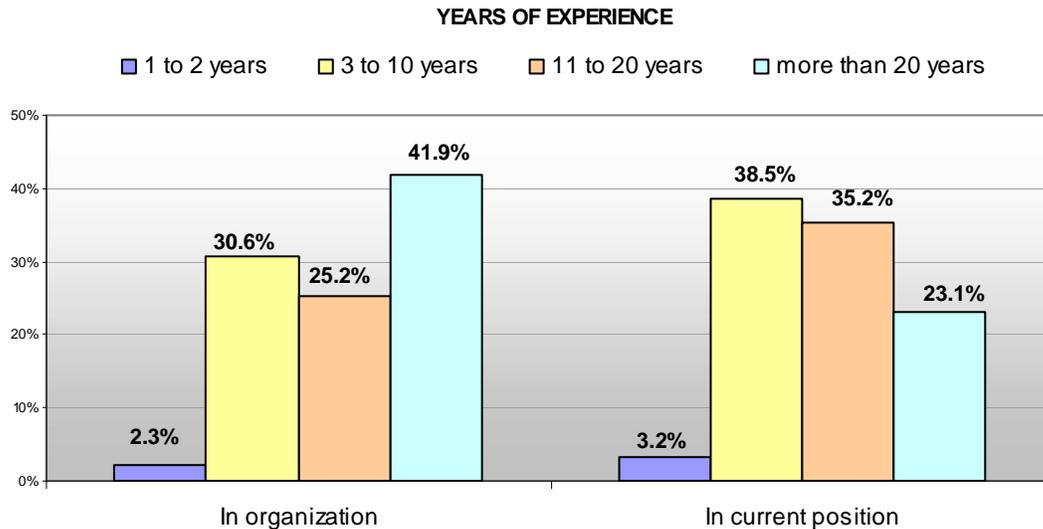
- A significant percentage of women executives are also optimistic about the growth of their workforce. Only 6.5% anticipate a net loss in employees of more than 10%.

ANTICIPATED EMPLOYMENT

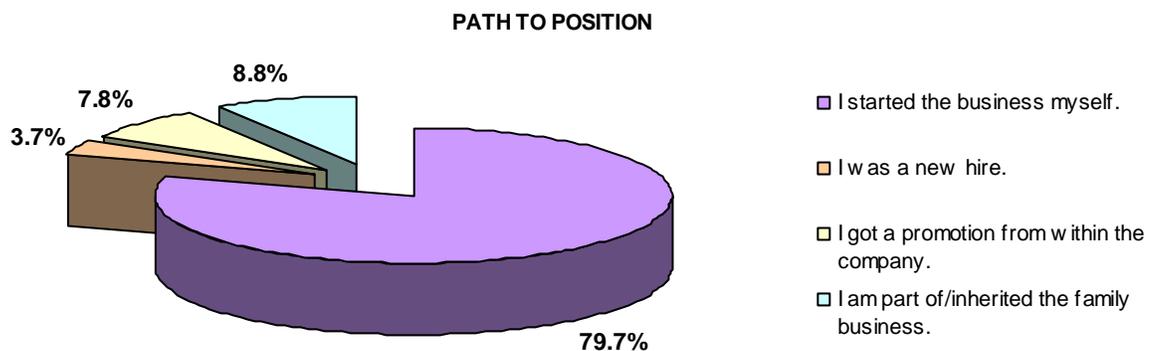


CAREER PATH

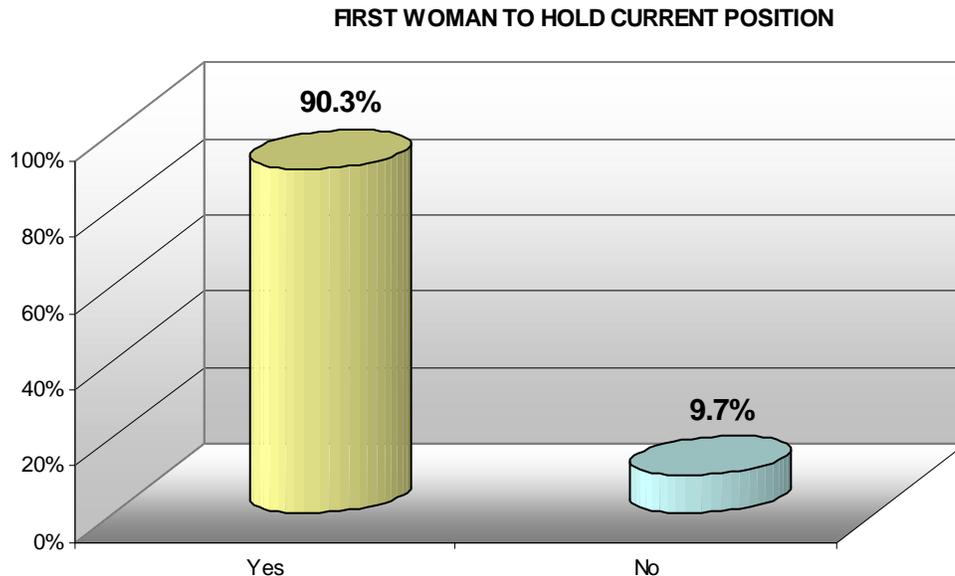
- A large majority of women executives (67.1%) have been working at their current organization more than 10 years.
- The majority of women leaders (58.3%) have been in their current positions for over 10 years.



- Less than a quarter (23.0%) had experience working for a Fortune 500 company before starting in their present business. Of those who have worked for a Fortune 500 company, 75.4% occupied a management position.
- A majority (50.9%) had developed a career plan with clear goals early in their career, and 58.3% aspired to be the President or CEO of a company, or to own a business.
- The majority of women executives reached their current position by starting the business they currently lead.



- The majority of respondents (90.3%) are the first women to hold the position they currently have at their organizations.

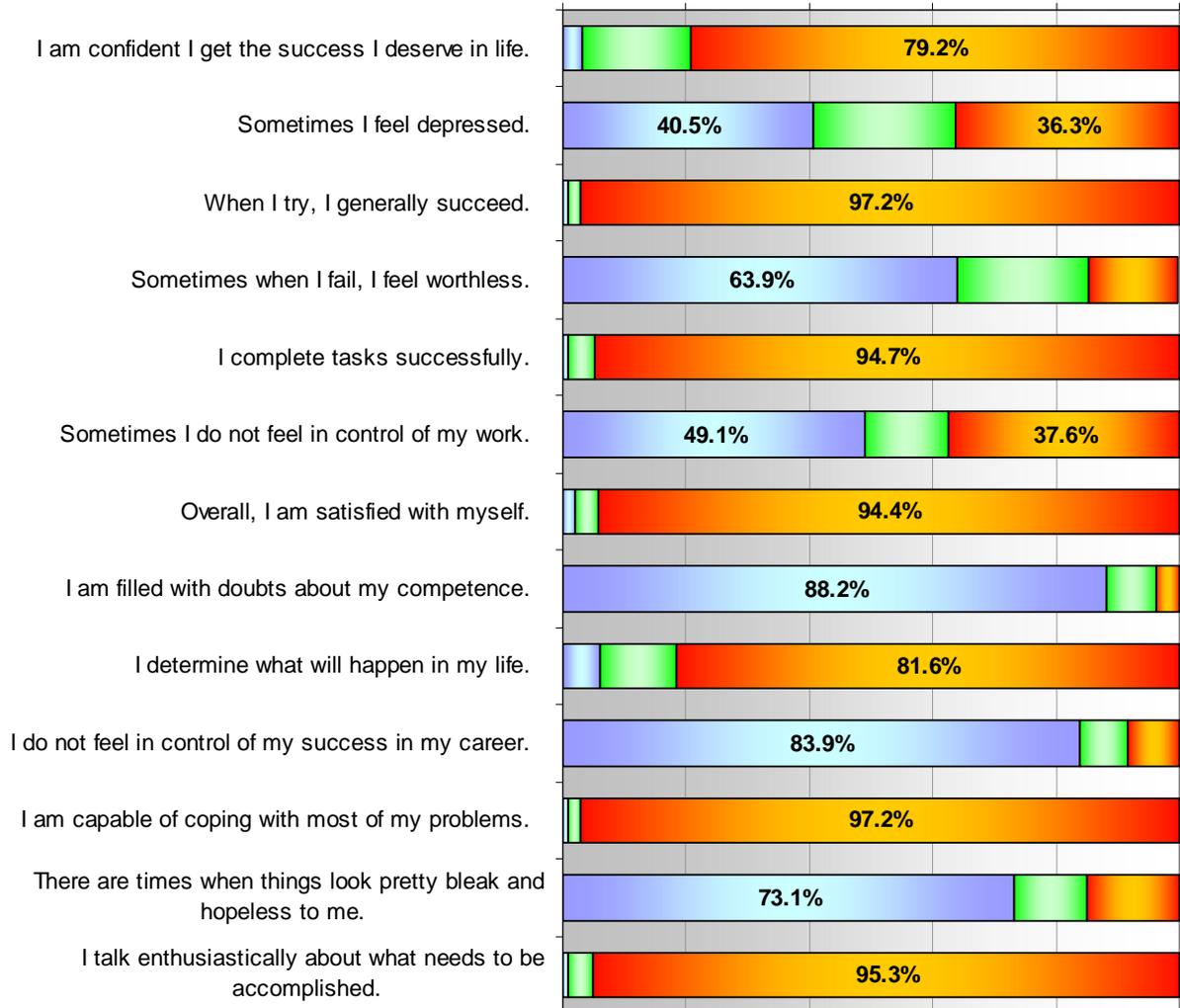


- The majority (77.1%) have no business partner in their business but of those who do, 36.4% have a woman as a business partner.
- Half of the businesses women executives lead (50.0%) also employ other members of their immediate family, and 40.9% also employ the women's spouses.
- The majority of women executives reported that growth has either exceeded their expectations (44.5%) or has been in line with expectations (28.8%) since they founded the business or became top executive. Only 26.7% indicated growth has been slower than they expected.
- Business networking and mentorship are considered important factors in their career success by a majority of executives.
 - ◆ 44.7% believe a connection to a women's professional network is somewhat or very important to the growth of their business or professional development.
 - ◆ 36.9% actively participate in professional business associations, economic development groups, or community organizations, and 47.0% participate somewhat.
 - ◆ Mentors have been somewhat or very important to 87.1% of executives.

Respondents were also asked to indicate their level of agreement with different statements. The responses to these statements show that the majority Florida's top women executives feel confident about themselves and their jobs.

- ◆ The majority (97.2%) believe that when they try, they generally succeed.
- ◆ The majority (94.7%) also indicate that they complete tasks successfully.
- ◆ In addition, 94.4% are satisfied with themselves and 97.2% are capable of coping with most of their problems.
- ◆ However, a significant percentage (36.3%) reported than sometimes they feel depressed and 37.6% indicate that sometimes they do not feel in control of their work.

■ Strongly Disagree/Disagree
 ■ Neutral
 ■ Strongly Agree/Agree



Women executives were also asked to describe how they felt about themselves by selecting the statement that best describes them out of a pair. The results are show below.

Statement	Percentage Agreeing
I know that I am good because everybody keeps telling me so.	54.3%
When people compliment me, sometimes I get embarrassed.	45.7%
I like to be the center of attention.	38.2%
I prefer to blend in with the crowd.	61.8%
I think I am a special person.	60.8%
I am no better or no worse than most people.	39.2%
I like having authority over people.	63.9%
I don't mind following orders.	36.1%
I find it easy to manipulate people.	27.7%
I don't like it when I find myself manipulating people.	72.3%
I insist upon getting the respect that is due me.	5.3%
I usually get the respect I deserve.	94.7%
I am apt to show off if I get the chance.	12.0%
I try not to be a show off.	88.0%
I always know what I am doing.	44.7%
Sometimes I am not sure of what I am doing.	55.3%
Everybody likes to hear my stories.	20.1%
Sometimes I tell good stories.	79.9%
I expect a great deal from other people.	41.4%
I like to do things for other people.	58.6%
I really like to be the center of attention.	44.0%
It makes me uncomfortable to be the center of attention.	56.0%
People always seem to recognize my authority.	65.7%
Being an authority doesn't mean that much to me.	34.3%
I am going to be a great person.	60.4%
I hope I am going to be successful.	39.6%
I can make anybody believe anything I want them to.	45.2%
People sometimes believe what I tell them.	54.8%
I am more capable than other people.	32.2%
There is a lot that I can learn from other people	67.8%
I am an extraordinary person.	61.8%
I am much like everybody else.	38.2%

PSYCHOLOGICAL CAPITAL

Positive psychological capital refers to the personal growth and positivity level fueled by the development of positive psychological capabilities. The study utilizes the Psychological Capital index (PsyCap) developed by Luthans et al. (2007) to measure Florida women leaders' psychological state of development. The index rates respondents' answers on a 1 to 6 scale.

1 = Strongly Disagree 2 = Disagree 3 = Somewhat Disagree 4 = Somewhat Agree 5 = Agree 6 = Strongly Agree

The PsyCap questionnaire includes 24 statements, with six statements providing the scoring for each of the four components:

Efficacy

Efficacy is defined as the confidence to succeed at challenging tasks. Respondents had an average score of 5.6 (5.5 in previous year). The overwhelming majority of respondents (92.5%) received a score between 5 and 6.

- 91.3% of respondents strongly agree or agree that they feel confident in analyzing a long term problem to find a solution.
- 96.2% of respondent strongly agree or agree that they feel confident in representing their work area in meetings with management.
- 97.5% strongly agree or agree that they feel confident contributing to discussions about the company's strategies.
- 94.2% strongly agree or agree that they feel confident helping set target/goals in their work area.
- 91.7% strongly agree or agree that they feel confident contacting people outside the company to discuss problems.
- 92.9% strongly agree or agree that they feel confident presenting information to a group of colleagues.

Hope

Hope is defined as the perseverance towards goals and redirecting paths to goals if necessary. Average score in this category is 5.3 (5.2 in previous year), with 77.6% of respondents scoring between 5 and 6.

- 91.2% strongly agree or agree that if they should find themselves in a jam at work, they could think of many ways to get out of it.
- 88.4% strongly agree or agree that at the present time they are energetically pursuing their work goals.
- 90.9% strongly agree or agree that there are lots of ways around a problem.
- 85.9% strongly agree or agree that they see themselves being successful at work.
- 85.5% strongly agree or agree that they can think of many ways to reach their current work goals.
- 70.2% strongly agree or agree that they are meeting the work goals that they have set for themselves.

Optimism

Optimism is exhibited in a positive outlook about succeeding at present and in the future. 74.3% of leaders surveyed received scores between 5 and 6, with an average overall score in this category for all respondents of 5.2 (5.2 in previous year).

- 66.0% strongly disagree or disagree that when they have a set back at work, they have trouble recovering from it and move on.
- 91.9% strongly agree or agree that they usually manage difficulties one way or another at work.
- 94.4% strongly agree or agree that they can be “on their own” so to speak, at work if they need to.
- 72.5% strongly agree or agree that they usually take stressful things at work in stride.
- 86.7% strongly agree or agree that they can get through difficult times at work because they have experienced difficulty before.
- 94.4% strongly agree or agree that they feel they can handle many things at a time in their current organizations.

Resiliency

Resiliency denotes the ability to bounce back when beset by problems. Respondents indicated high resiliency with 60.6% scoring 5 or more. Overall average score for all respondents is 5.0 (5.1 in previous year).

- 80.3% strongly agree or agree that when things are uncertain for them at work, they usually expect the best.
- 79.4% strongly disagree or disagree that if something can go wrong for them work-wise, it will.
- 79.7% strongly agree or agree that they always look at the bright side of things regarding their job.
- 82.6% strongly agree or agree that they are optimistic about what will happen to them in the future as it pertains to work.
- 82.1% strongly disagree or disagree that things in their current jobs never work out the way they want them to.
- 65.6% strongly agree or agree that they approach their jobs as if every cloud has a silver lining.