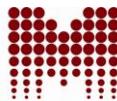


2008 FLORIDA WOMAN-LED BUSINESSES SURVEY

June 4, 2008

Prepared by:

Florida International University



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EXECUTIVE SUMMARY

The 2008 Florida Women's Leadership research study was co-developed by The Center for Leadership at Florida International University and 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 of their careers,
- (2) the impact of their choices on their personal lives,
- (3) the future of the organizations they lead, and
- (4) their leadership styles.

The analysis of the data demonstrates some key characteristics of women leaders and women-led organizations. Florida's women executives lead a variety of organizations from different industry sectors. Their organizations are successful, with sustained growth over the last two years. A majority of executives (73.4%) expect their organizations to continue to grow with a significant percentage (44.6%) anticipating growth of more than 5%. Respondents identified *new clients and customers* (79.3%) and *new geographic markets* (23.4%) as the top two ways to continue to drive revenue growth in their organization. *Cash flow for operations* was the most often mentioned source for financing growth by the overwhelming majority of respondents (97.9%). However, women executives also foresee some challenges their organizations face. Consistent growth (38.7%), responding to changing economic conditions (38.0%), and finding new markets (23.9%) are the most frequently mentioned challenges.

Women executives in Florida have built their career over a number of years with almost half of the respondents indicating more than 20 years experience in their industry. An overwhelming majority (84.4%) have also introduced a significant change in the organizations they lead, being the first women to hold the positions they currently have. While only 49.6% had developed a career plan with clear goals early on in their lives, 68.1% followed their aspirations and did start the businesses they lead themselves. In their careers they are driven by desire to undertake exciting work for which they have a passion (39.1%) and to make a contribution to society (34.8%).

While women leaders are committed to theirs and their organizations' success, the majority (61.1%) manage to balance their careers with their family and personal life. However, 37.5% feel they spend more time working than they'd like to. A significant percentage of respondents feel they have the support of their spouse in their career path. Of the women executives who are married, 78.6% indicated their spouse has a full time job. 50.5% of married female executives indicated their spouse would be able relocate if they need to make a move for their career.

Women executives also exhibit leadership qualities linked to career success. The majority share transformational leadership qualities which correspond to their ability to build loyal followers among employees by inspiring through a common vision, encouraging innovative thinking and treating each individual uniquely. Moreover, Florida's women executives are proactive and confident decision-makers, prepared to face the challenges of their workplace with self-assurance. Over 90% fairly often or frequently, if not always, act in ways that build other's respect for them. 97.1% fairly often or frequently, if not always, express confidence that goals will be achieved. 91.2% fairly often or frequently, if not always, suggest new ways for looking at how to complete assignments. Moreover, 57.6% never or only once in a while concentrate their full attention on dealing with mistakes, complaints, and failures. Also, 81.2% never avoid getting involved when important issues arise and 83.2% never or only once in a while let problems become chronic before they take action.

Women executives also display high levels of satisfaction with the outcomes of their leadership behavior. 97.0% feel they can handle many things at a time in their current organizations, and 84.9% are optimistic about what will happen to them in the future as it pertains to work.

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METHODOLOGY

The 2008 Florida Woman-Led Organizations Survey is the third 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 2,000 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 152 surveys were completed by women in high executive positions at for-profit organizations.

The survey included two questionnaires aimed to gauge leadership styles and qualities linked to individual and organizational performance. The *Multifactor Leadership Questionnaire (MLQ)*, developed by Bernard M. Bass & Bruce J. Avolio, provides measures for distinguishing between three types of leadership behaviors – transformational, transactional and passive/avoidant. The survey also utilizes 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.

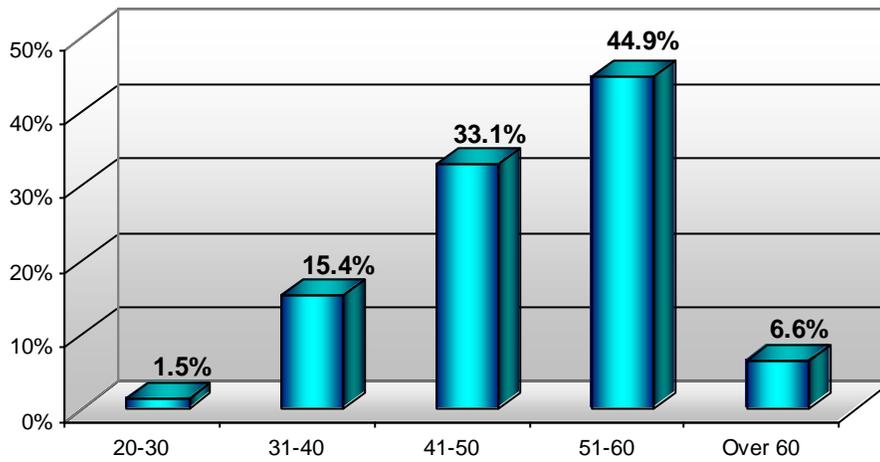
The analysis of the survey results is complemented by a list of the Top 50 Women-Led For-Profit Organizations in Florida ranked by 2006 revenues. The list is comprised of companies where a woman is the owner and/or holds the position of Chair of the Board, President, or Chief Executive Officer. Only 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

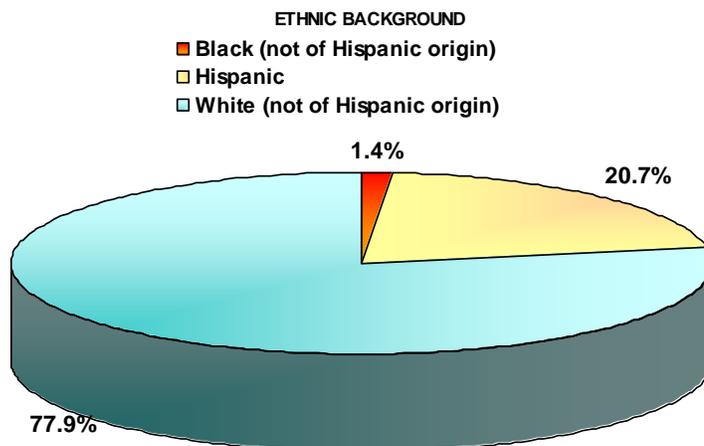
- The majority of women executives surveyed (78%) are between the ages 41 to 60.
- 9 Respondents (6.6%) are over 60
- Only 2 Respondents (1.5%) are under 30

AGE OF WOMEN LEADERS



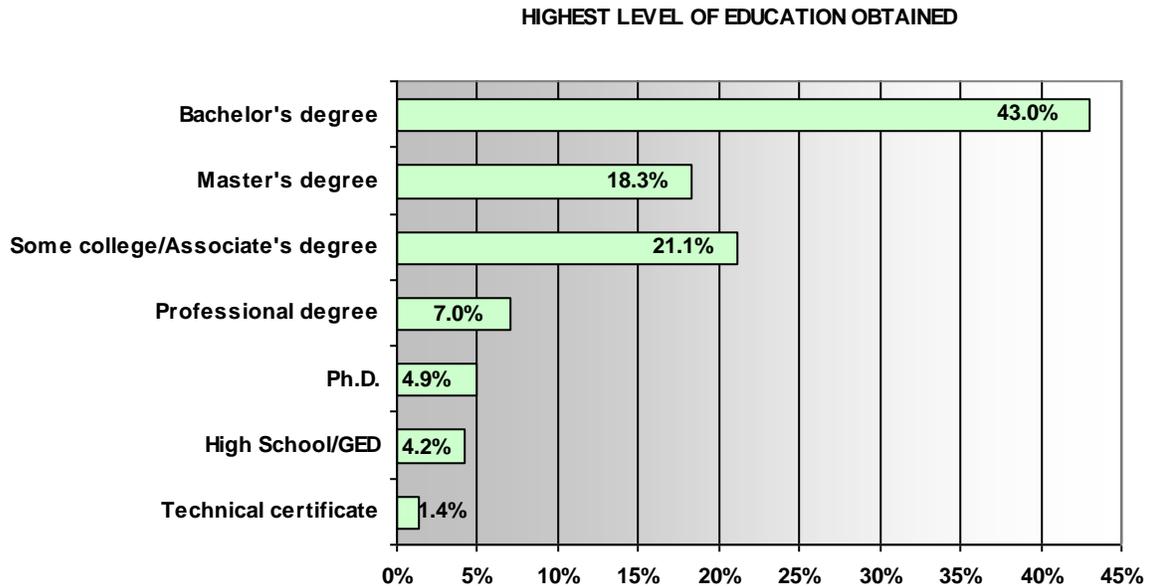
Ethnic Background

- 77.9% of respondents identified themselves as White not of Hispanic origin.
- 20.7% of respondents identified themselves as Hispanic.
- Only 1.4% of respondents identified themselves as Black.



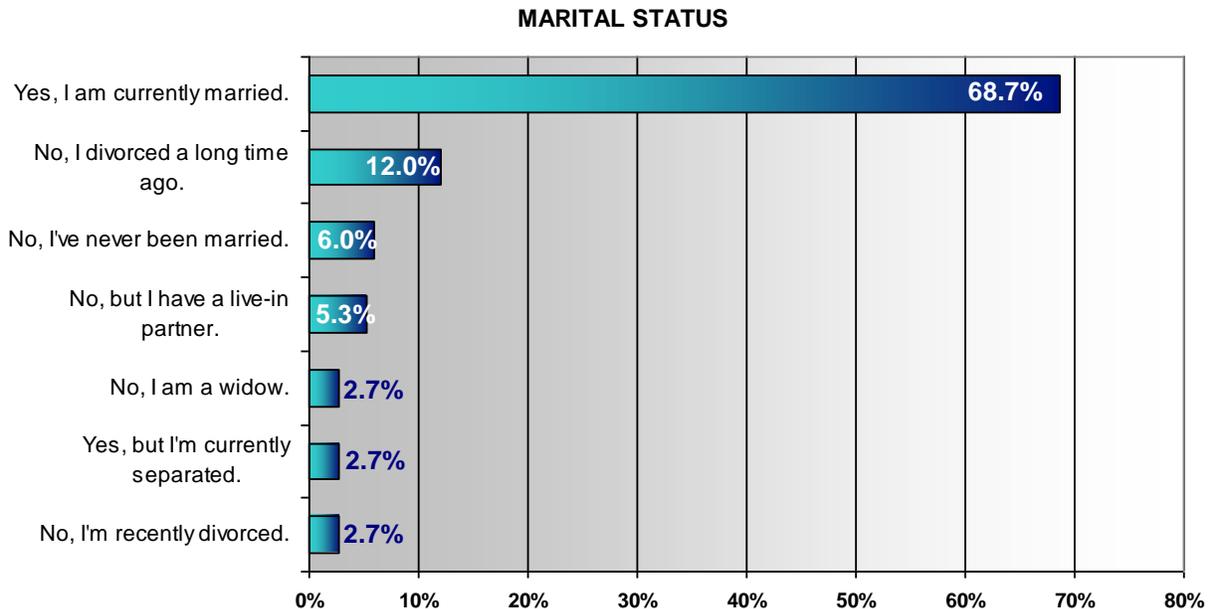
Education

- 43% of respondents have a Bachelor's degree and 21.1% have some college or have completed an Associate's degree.
- Approximately 23.2% of respondents have either completed a Master's Degree or Ph.D.
- Only 4.2% have obtained only High School Education or GED.

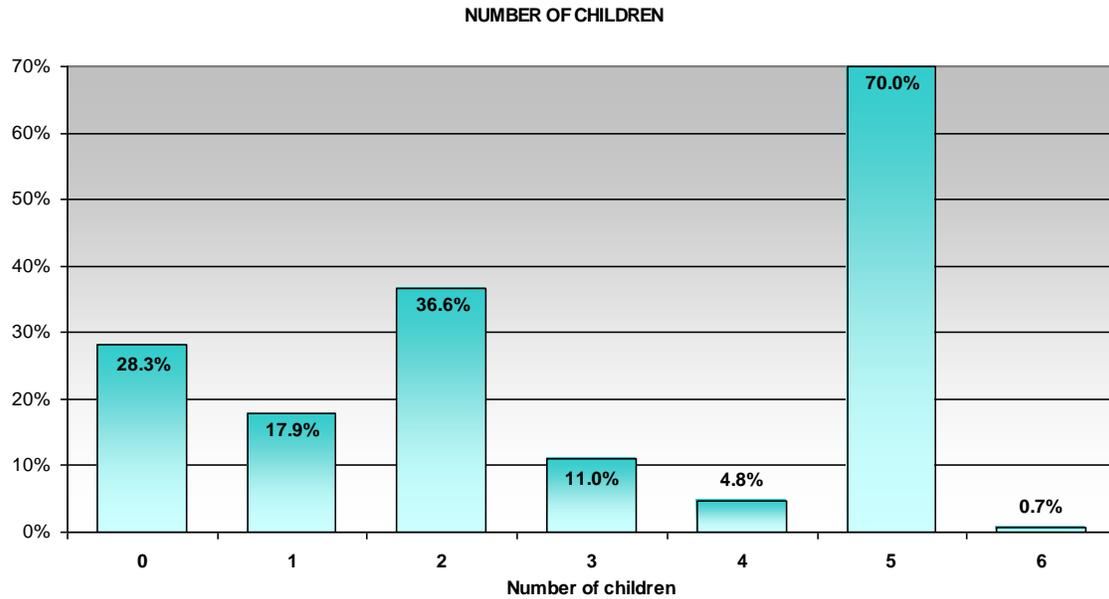


Family Status

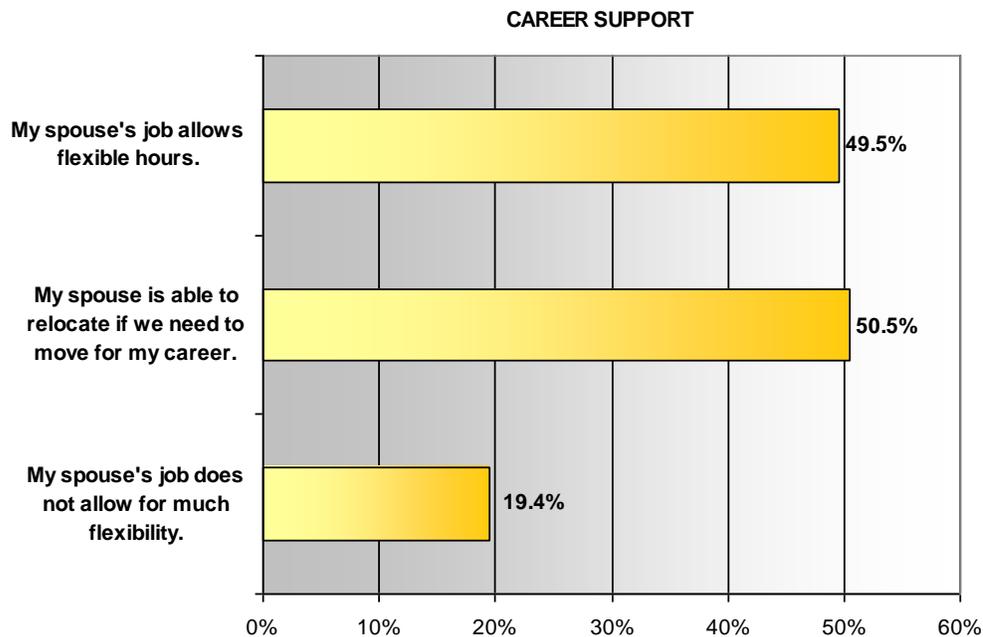
- The majority of respondents (68.7%) are currently married.
- 12% of respondents divorced a long time ago while 2.7% responded had divorced recently.
- 5.3% of respondents have a live in partner.



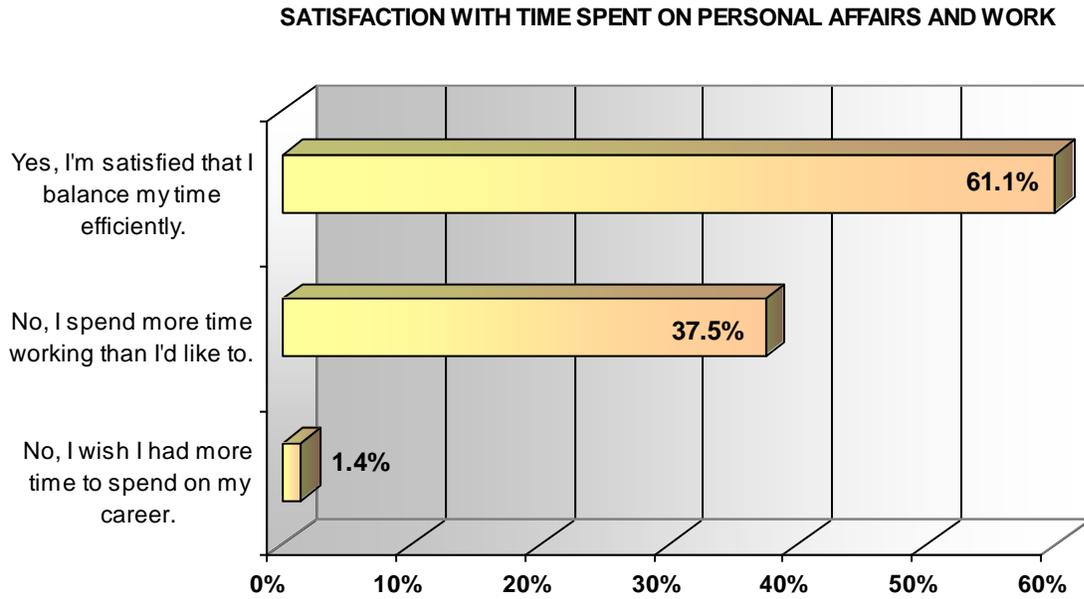
- Slightly more than a quarter (28.3%) of women executives do not have children.
- The majority (53.8%) have two or more children
- More than half of respondents (66.9%) with children have or had outside help for their children’s care.
- Slightly less than half (48.6%) took time off their career to care for their children.



- Of the women executives who are married, 78.6% indicated their spouse has a full time job.
- Approximately half of the women executives can rely on spousal support in their career with 50.5% of them indicating their spouse is able to relocate if they need to make a move for their career.
- In addition 49.5% report their spouses’ jobs allow flexible hours.



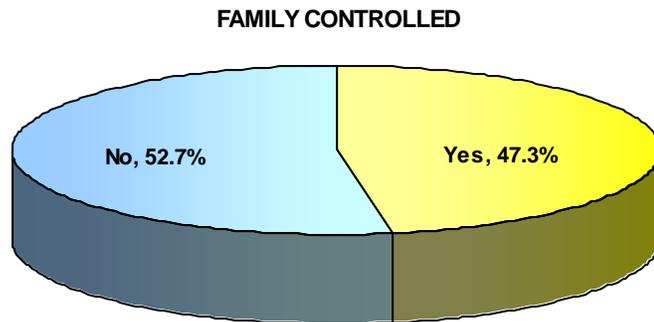
- The vast majority of women (61.1%) indicated they are satisfied that they balance their time between career and family efficiently while 37.5% stated that they spend more time working than they'd like to.
- Only 1.4% wish they had more time to spend on their careers.



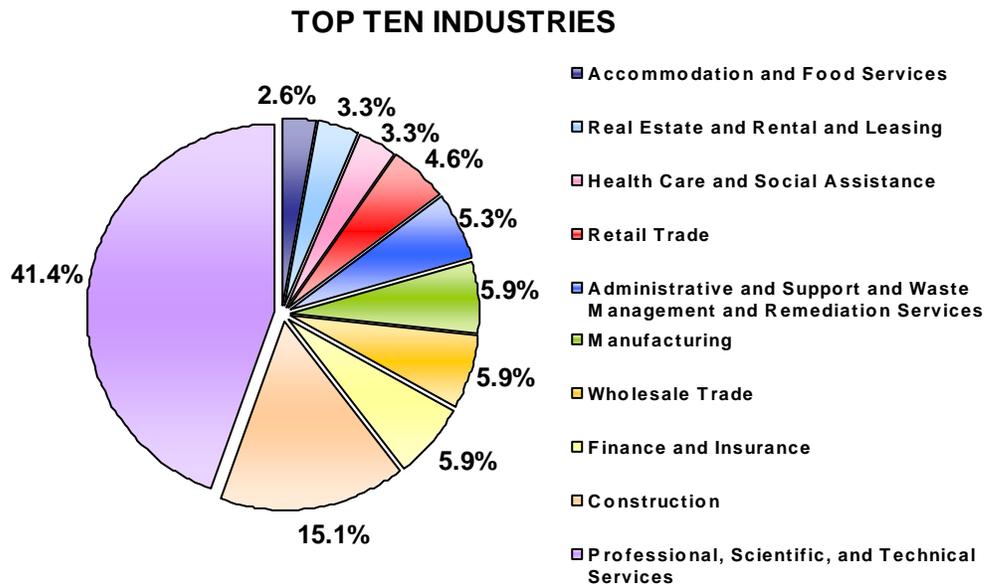
ORGANIZATIONAL CHARACTERISTICS

Types of Organizations

- Of the for-profit organizations whose female executives completed the survey,
 - 4.9% are proprietorships
 - 4.1% are partnerships, and
 - 91% are corporations
- 94.4% of respondents lead privately-held businesses.
- Almost half of the respondents (47.3%) lead family-controlled organizations.



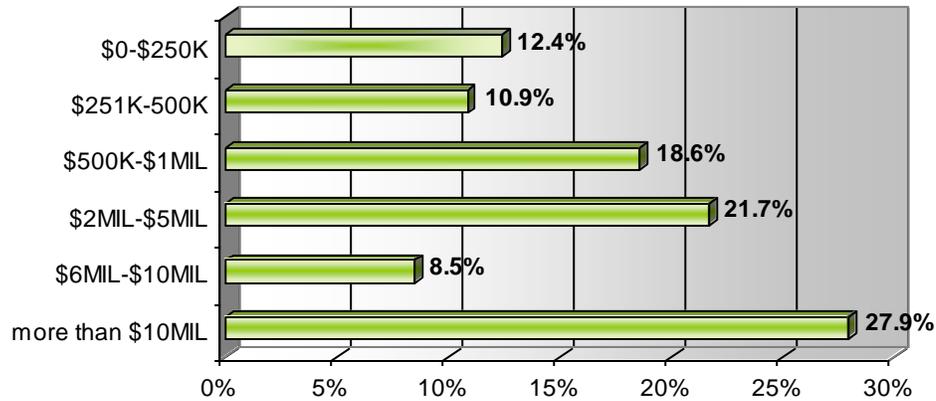
- Most respondents (41.4%) are in the Professional, Scientific, and Technical Services Industries while 15.1% are in the Construction industry.



Organization's Statistics

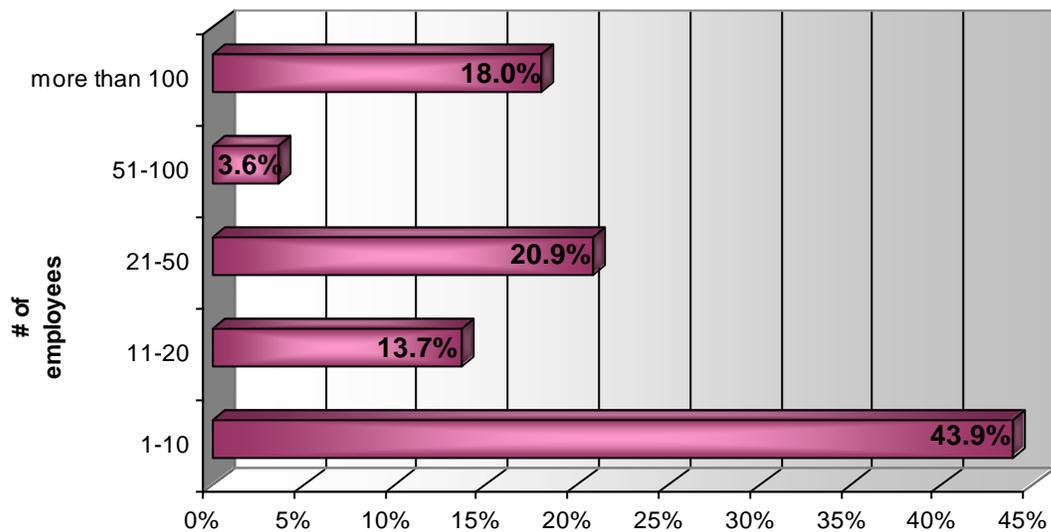
- 27.9% of respondents indicated that their company revenue for 2006 was more than \$10 million. 21.7% of women indicated that their company revenue was between \$2 million and \$5 million.
- The combined economic impact of all women-led businesses, for 2006 was \$2.1 billion.

2006 COMPANY REVENUES



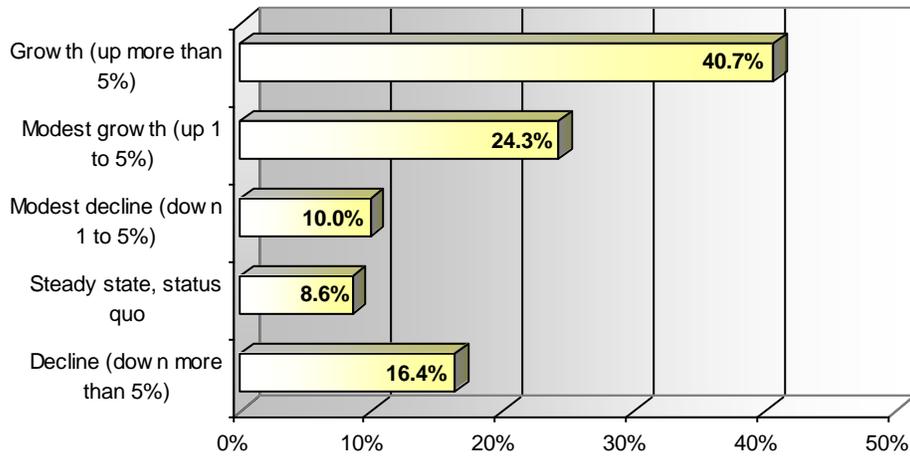
- The majority of participating respondents (57.6%) lead small businesses with less than 20 full time employees.

FULL TIME EMPLOYEES IN 2006



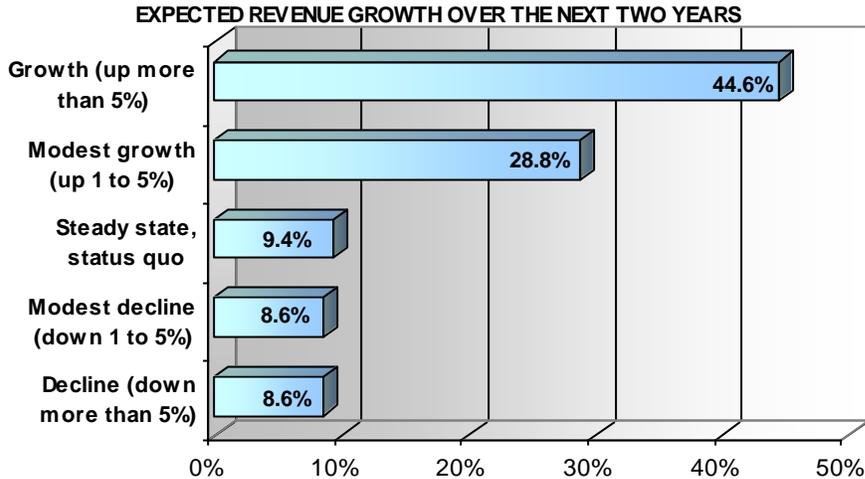
- 87.1% of women have the highest executive operating position in their organizations.
- Approximately 60% of women have a majority ownership in their company and almost half of them have full ownership.
- 40.7% of organizations have experienced growth of more than a 5% in last two years.
- However, 25% of organizations have experienced a significant (more than 5%) or modest decline (less than 5%) in their revenue growth.

TYPE OF REVENUE GROWTH OVER THE PAST TWO YEARS

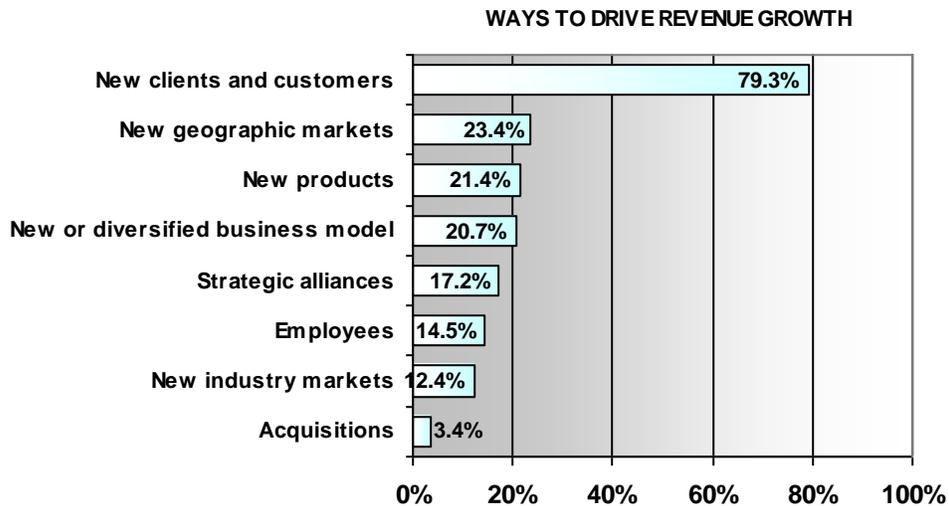


Expectations for the Organization's Future

- A significant number of women leaders (44.6%) anticipate a growth of more than a 5% in their organizations in the next two years.
- 28.8% expect a modest growth of up to 1 to 5 percent in the next two years.
- Only 8.6% expect a decline of more than a 5%.

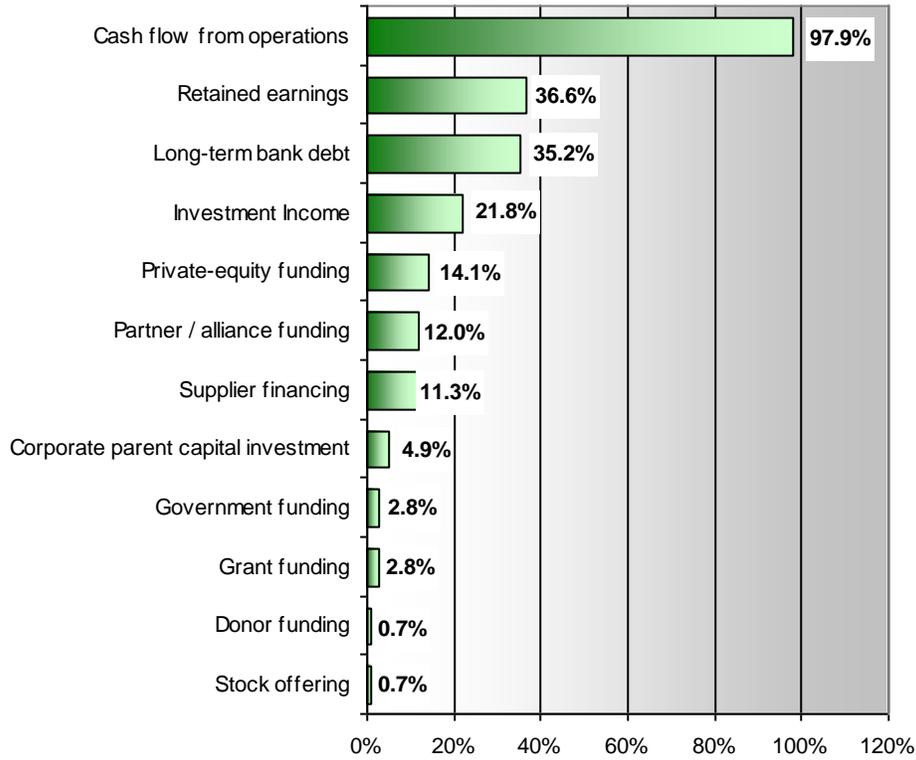


- The majority of women leaders (79.3%) expect to drive revenue growth for their organization over the next two years through new clients and customers.
- 23.4% of leaders also expect new geographic markets to drive revenue growth while 21.4% will rely on new products.



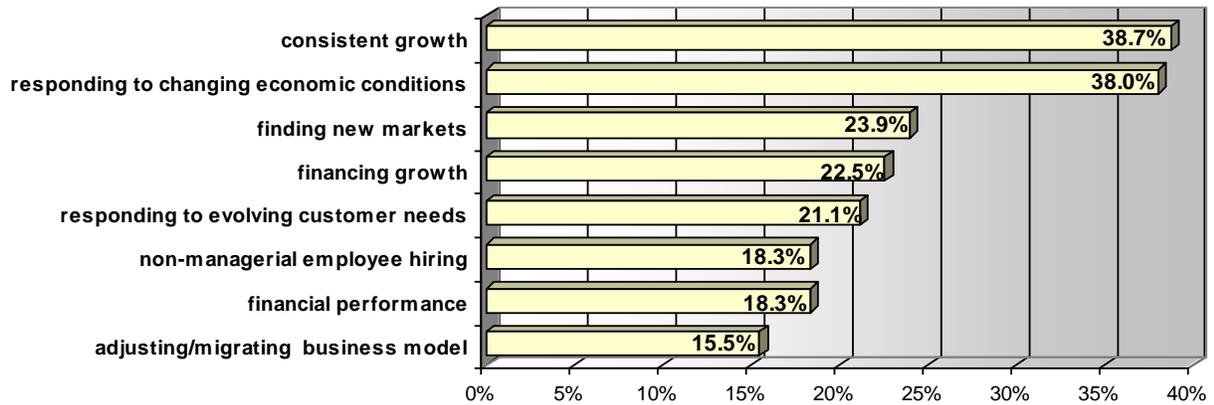
- The overwhelming majority of respondents (97.9%) rely on cash flow from their operations for financing their organization’s growth.
- More than a third of women leaders (36.6%) also pointed their organizations’ retained earnings as a major source for growth, while 35.2% would also rely on long-term bank debt.

SOURCES ORGANIZATIONS MUST RELY UPON FOR FINANCING GROWTH



- According to respondents, the top three biggest challenges their organizations face are:
 - Consistent growth (38.7%)
 - Responding to changing economic conditions (38%)
 - Finding new markets (23.9%)

MOST FREQUENTLY CITED BUSINESS CHALLENGES



LEADERSHIP QUALITIES

The following section seeks to assess the leadership behavior of women in top executive positions. To that end, the study utilizes the *Multifactor Leadership Questionnaire* (MLQ) which provides the instrument for distinguishing between three types of leadership behaviors – transformational, transactional and passive/avoidant leadership. The MLQ also measures three outcomes of a person's leadership profile exhibited by the leader's followers – extra effort, effectiveness and satisfaction. Bruce Avolio and Bernard Bass (2006) defined each leadership style as follows:

Transformational Leadership

The leader changes not only employee behavior but also perception as a result of:

- Idealized Influence – employees view their leaders in an idealized way
- Inspirational Motivation – the leader provides a common vision
- Intellectual Stimulation – the leader encourages innovative and independent thinking
- Individualized Consideration – the leader treats each individual uniquely

Transactional Leadership

Transactional leadership demonstrates itself with the leader displaying the following behaviors:

- assigning tasks with corresponding rewards
- motivating by offering incentives
- focusing on task execution

Passive/Avoidant Leadership

A passive/avoidant leader avoids making decisions and tends to take action only after problems become serious.

All three styles are displayed by successful leaders but with varying frequencies. The leader with the optimal profile displays most frequently transformational components, less frequently transactional, and least frequently laissez-faire manners. The 0 to 4 rating used by respondents to assess each of the 45 statements reflecting leadership qualities corresponds to a scale in which a leader indicates the frequency of each statement in their style.

0=Not at all/Never | 1=Once in a while | 2=Sometimes | 3=Fairly Often | 4=Frequently, if not always

A successful leader is expected to have a score between 3 and 4 in transformational leadership qualities, between 2 and 3 in transactional leadership and between 0 and 1 in passive/avoidant qualities.

The results from the *2008 Florida Woman-Led Organizations Survey* indicate that Florida's top female executives are transformational leaders who rely strongly on contingent rewards in their workplace. Moreover, they are leaders who act decisively and do not avoid confronting problems head on.

Type of Leadership

	N	Minimum	Maximum	Mean
Transformational	138	2.1	4.0	3.4
Transactional	138	1.3	3.9	2.5
Passive/Avoidant	138	.0	2.4	0.7
Efficacy	133	2.8	6.0	5.6
Hope	133	3.2	6.0	5.3
Optimism	133	3.5	6.0	5.3
Resiliency	132	3.0	6.0	5.2

TRANSFORMATIONAL LEADERSHIP

83.3% of women leaders scored between 3 and 4 on the transformational leadership ranking, which denotes strong transformational leadership qualities. In regards to the components of transformational leadership, the results are as follows:

Idealized Influence (Attributed)

- 51.1% indicated they frequently, if not always, instill pride in others for being associated with them.
- 88.4% fairly often or frequently, if not always, go beyond self-interest for the good of the group.
- 90.4% fairly often or frequently, if not always, act in ways that build other's respect for them.
- 86.9% fairly often or frequently, if not always, display a sense of power and confidence.

Idealized Influence (Behavior)

- 71.0% fairly often or frequently, if not always, talk about their most important values and beliefs
- 88.4% fairly often or frequently, if not always, specify the importance of having a strong sense of purpose.
- 76.6% frequently, if not always, consider the moral and ethical consequences of decisions.
- 83.8% fairly often or frequently, if not always, emphasize the importance of having a collective sense of mission.

Inspirational Motivation

- 60.9% frequently, if not always, talk optimistically about the future.
- 60.6% frequently, if not always, talk enthusiastically about what needs to be accomplished and 33.6% fairly often do the same.
- 83.1% fairly often or frequently, if not always, articulate a compelling vision of the future.
- 97.1% fairly often or frequently, if not always, express confidence that goals will be achieved.

Intellectual Stimulation

- 52.9% frequently, if not always, seek differing perspectives when solving problems while

- 28.3% do the same fairly often
- 77.5% fairly often or frequently, if not always, re-examine critical assumptions to question whether they are appropriate
- 85.3% fairly often or frequently, if not always, get others to look at problems from many different angles.
- 91.2% fairly often or frequently, if not always, suggest new ways for looking at how to complete assignments.

Individualized Consideration

- 73.2% fairly often or frequently, if not always, spend time teaching and coaching.
- 94.9% fairly often or frequently, if not always, treat others as individuals rather than just a member of a group.
- 86.8% fairly often or frequently, if not always, consider an individual as having different needs, abilities, and aspirations from others.
- 93.4% fairly often or frequently, if not always, help others develop their strengths.

TRANSACTIONAL LEADERSHIP

17.4% of respondents received high scores ($4 < x \leq 3$) on the transactional leadership scale. However, the overwhelming majority (63%) displayed transactional leadership qualities less frequently than transformational qualities with scores between 2 and 3.

Contingent Reward

- 81.3% fairly often or frequently, if not always, provide others with assistance in exchange for their efforts.
- 73.2% fairly often or frequently, if not always, discuss in specific terms who is responsible for achieving performance targets.
- 75.9% fairly often or frequently, if not always, make clear what one can expect to receive when performance goals are achieved.
- 97.1% fairly often or frequently, if not always, express satisfaction when others meet expectations.

Management-by-Exception (Active)

- 52.9% only once in a while or sometimes focus their attention on irregularities, mistakes, exceptions, and deviations from standards.
- 57.6% never or only once in a while concentrate their full attention on dealing with mistakes, complaints, and failures.
- 59.2% either never or only once in a while would keep track of all mistakes.
- 53.7% either never or only once in a while would direct their attention towards failures to meet standards.

PASSIVE/ AVOIDANT LEADERSHIP

79.7% of women leaders exhibited very weak passive/avoidant leadership qualities.

Management-by-exception (Passive)

- 64.9% never or only once in a while fail to interfere until problems become serious.

- 58.1% never wait for things to go wrong before taking action.
- 50.7% only once in a while or never show that they are firm believers in “If it ain’t broke, don’t fix it.”
- 83.2% never or only once in a while let problems must become chronic before they take action.

Laissez faire

- 81.2% never avoid getting involved when important issues arise.
- 65.2% are never absent when needed.
- 71.6% never avoid making decisions.
- 89.1% either never or only once in a while delay responding to urgent questions.

OUTCOMES

Extra Effort

- 92.0% indicated they fairly often or frequently, if not always, increase other’s willingness to try harder.
- 93.5% believe they fairly often or frequently, if not always, heighten others’ desire to succeed.
- 75.6% believe that fairly often or frequently, if not always, they get others to do more than what they are expected to.

Effectiveness

- 93.4% fairly often or frequently, if not always, lead a group that is effective.
- 90.5% fairly often or frequently, if not always, are effective in meeting organizational requirements.
- 82.3% fairly often or frequently, if not always, are effective in representing others to higher authority.

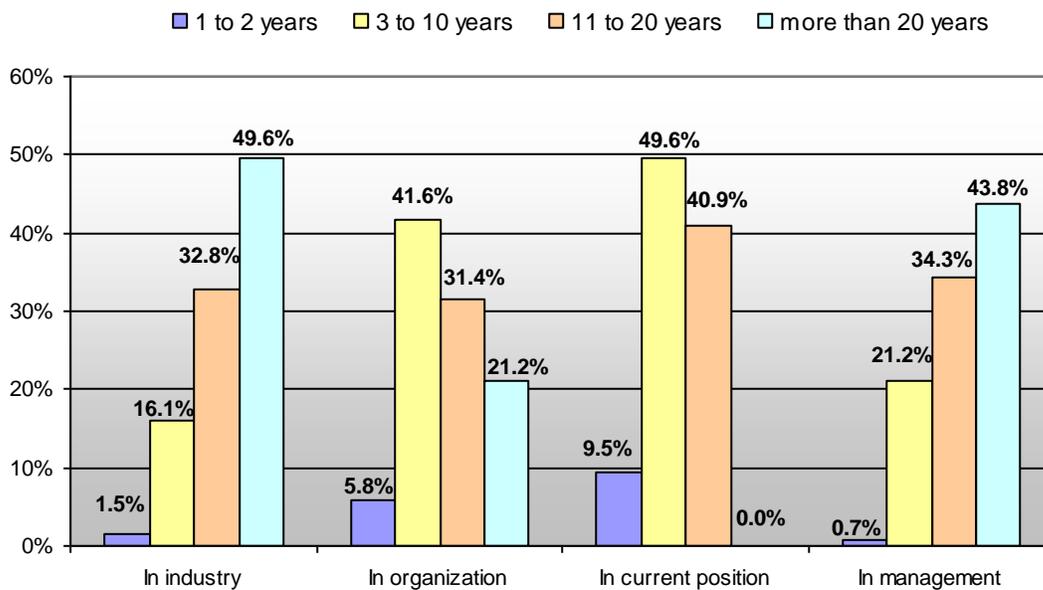
Satisfaction

- 94.1% fairly often or frequently, if not always, work with others in a satisfactory way.
- 81.7% fairly often or frequently, if not always, use methods of leadership that are satisfying.

CAREER PATH

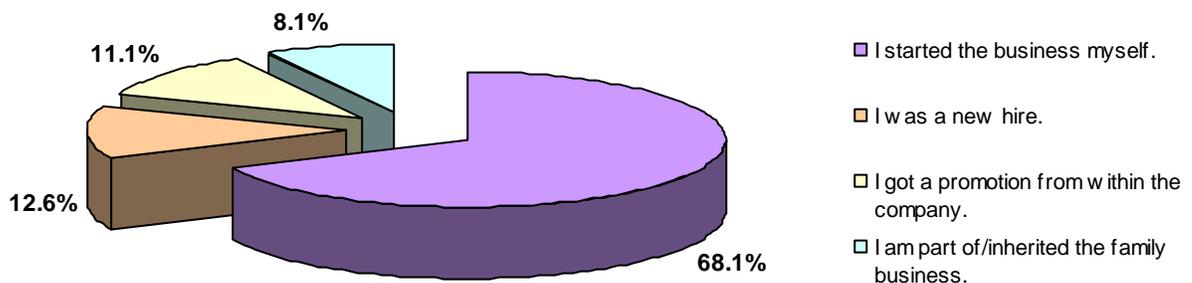
- Almost half of the respondents (49.6%) have been working in the industry for more than 20 years.
- Only two respondents are newcomers to their respective industry with two years or less experience.
- 52.6% of women have been working at their current organization more than 10 years.
- The overwhelming majority of women leaders (90.5%) have been in their current positions for three or more years.
- 78.1% have been in managerial positions for more than 10 years.

YEARS OF EXPERIENCE

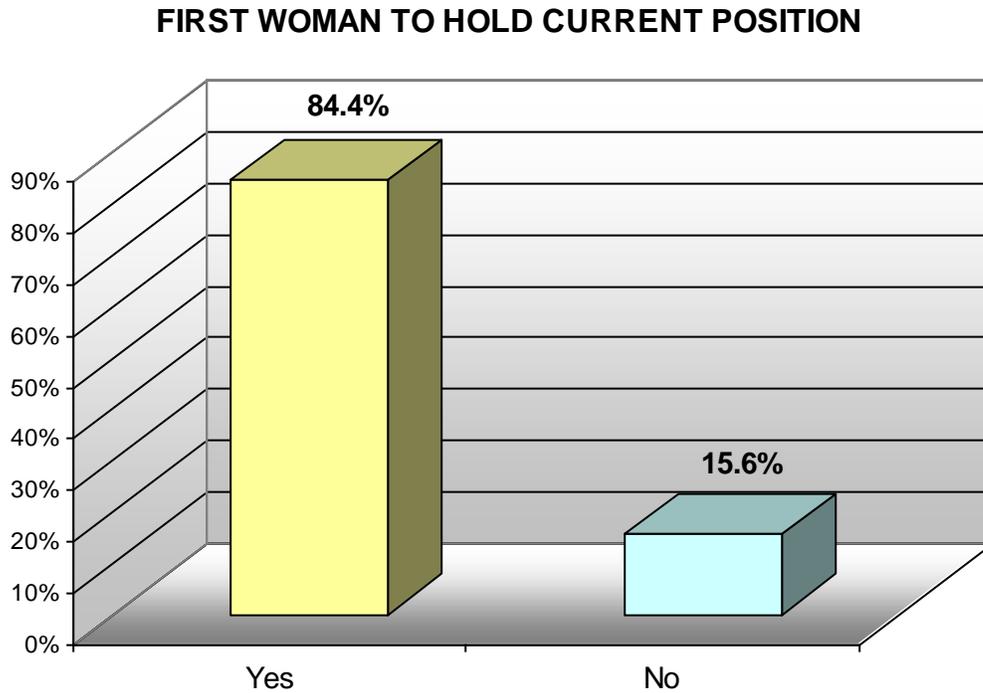


- The majority of executives (62.8%) aspired to be the President or CEO, or aspired to own their own business.
- While only 49.6% had developed a career plan with clear goals, 68.1% followed their aspirations and did start the businesses they lead themselves.

PATH TO POSITION



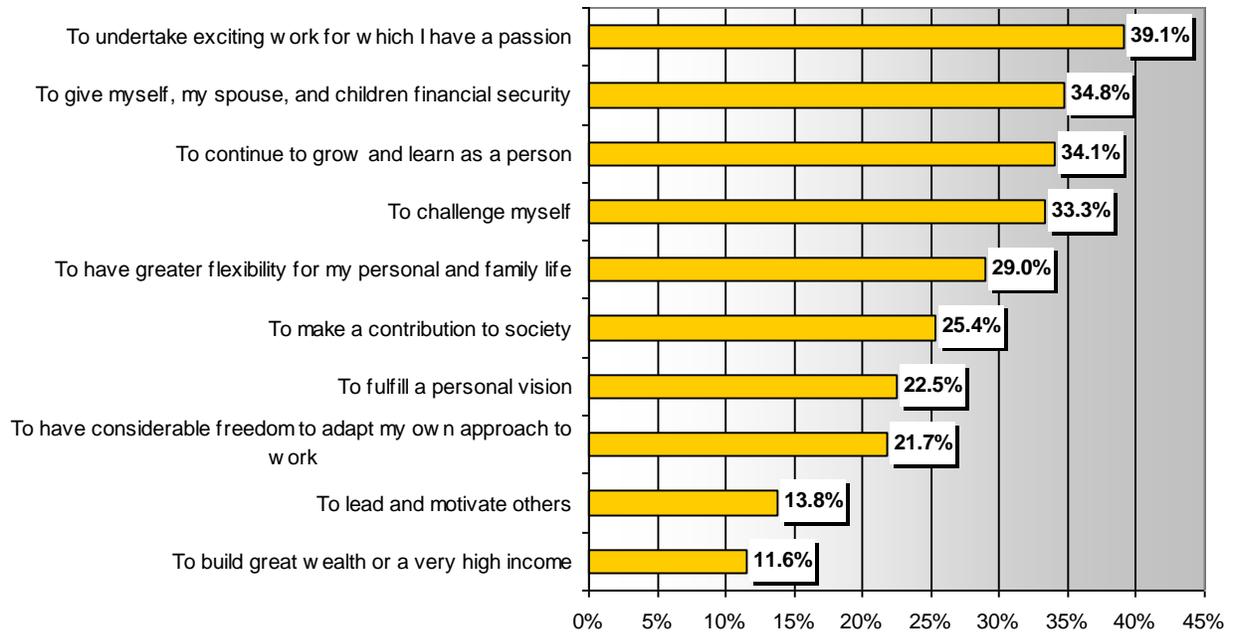
- The majority of respondents (84.4%) are the first women to hold the position they currently have at their organizations.



- Business networking and mentorship are considered important factors in career success by a majority of executives.
 - ◆ 53.7% believe a connection to a women's professional network is somewhat or very important to the growth of their business or professional development.
 - ◆ 83.2% actively participate in professional business associations, economic development groups, or community organizations.
 - ◆ Mentors have been somewhat or very important to 86% of executives.

- The motivation for pursuing a career most frequently indicated by respondents (39.1%) is “to undertake exciting work for which they have a passion.” Other top ranked motivations were:
 - “To give myself, my spouse, financial security” (34.8%)
 - “To continue to grow and learn as a person” (34.1%)
 - “To challenge myself” (33.3%), and
 - “To have greater flexibility for my personal and family life” (29.0%)

TOP 10 MOTIVATIONS FOR PURSUING CAREER



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. The overwhelming majority of respondents (90.2%) received a score between 5 and 6.

- 55.6% of respondents strongly agree that “they feel confident in analyzing a long term problem to find a solution.”
- 78.8% of respondent strongly agree that” they feel confident in representing their work area in meetings with management.”
- 81.8% strongly agree that “they feel confident contributing to discussions about the companies strategies.”
- 76.7% strongly agree that “they feel confident helping set target/goals in their work area.”
- 72.2% strongly agree that “they feel confident contacting people outside the company to discuss problems.”
- 72.2% 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, with 72.9% of respondents scoring between 5 and 6.

- 88.8% 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.”
- 83.5% strongly agree or agree that” at the present time they are energetically pursuing their work goals.”
- 87.8% strongly agree or agree that “there are lots of ways around a problem.”
- 86.4% strongly agree or agree that “they see themselves being successful at work.”
- 85.6% strongly agree or agree that “they can think of many ways to reach their current work goals.”
- 79.7% 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. 75.9% of leaders surveyed received scores between 5 and 6, with an average overall score in this category for all respondents of 5.3.

- 70.5% strongly disagree or disagree that “when they have a set back at work, they have trouble recovering from it and move on.”
- 84.2% strongly agree or agree that “they usually manage difficulties one way or another at work.”
- 93.2% strongly agree or agree that “they can be “on their own” so to speak, at work if they need to.”
- 65.9% strongly agree or agree that “they usually take stressful things at work in stride.”
- 90.9% strongly agree or agree that “they can get through difficult times at work because they have experienced difficulty before.”
- 97.0% 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 68.2% scoring 5 or more. Overall average score for all respondents is 5.2.

- 69.7% strongly agree or agree that when “things are uncertain for them at work, they usually expect the best.”
- 84.9% % strongly disagree or disagree that “if something can go wrong for them work wise, it will.”
- 72.5% % strongly agree or agree that they “always look at the bright side of things regarding their job.”
- 84.9% strongly agree or agree that they are optimistic about what will happen to them in the future as it pertains to work.
- 83.2% strongly disagree or disagree that “things in their current job never work out the way they want them too.”
- 67.2% strongly agree or agree that they “approach this job as if every cloud has a silver lining.”

APPENDIX

To be included with final report

Data in SPSS and Excel format

Frequencies and crosstabulations in PDF format

Florida Top 50 Women-Led Organizations List