



The 2013 Census of  
Women Board Directors  
in *Maryland*



This year marks the 7<sup>th</sup> year that Network 2000 has presented a census of women board members in publicly-held companies headquartered in Maryland. Maryland remains below the national average of 16.6% women board members, but since the inception of this census there has been measured progress in our state. This year's census shows that 10.7% of board seats in publicly-traded companies headquartered in Maryland are held by women.

Though this percentage represents a modest increase from last year—one half of a percent—the total number of women holding such seats remains flat at 73. The number of companies with no women on the board or with no women on either the board or in their executive suite, has declined, but remains high at 39% and 29%, respectively. Sadly, the percentage of companies with no women executive officers has increased.

We continue to applaud those “best of the best” companies where 20% or more of the boardroom seats and executive suite positions are held by women. We encourage those companies with at least one woman director to set a goal to increase the number of women on their board and elevate qualified women to executive officer positions. And we challenge the Maryland companies with no gender diversity on their boards or in the executive suite to make a conscious decision to change.

Last year, we heard Dianne Mooney, board member at Sanderson Farms in Mississippi, speak of the fiscally intelligent decision to include women in the leadership positions that drive companies. Although common sense and logic tell us that gender diversity allows a company to avail itself of different perspectives, problem-solving talents, and means of communication, studies have now been conducted that offer evidence to support this conclusion. In fact, CEOs in some states believe so much in the economic value of having a diverse board that they are meeting to share information about qualified women to fill their board seats – and we encourage this effort.

Every year, Network 2000 presents the Business 2000 Award (co-founded by *The Daily Record*) to that Maryland-based company whose business practices most demonstrate a commitment to women's leadership throughout its organization. In 2012, we awarded the Business 2000 Award to Chindex International, a Bethesda-based health care company providing health care services, medical capital equipment and products in China. Founded by two women, 57% of the board seats of Chindex International are held by women.

Network 2000 is a resource that is available to you. We are periodically asked to provide names of qualified female candidates for board positions. For those of you who are CEOs, we invite you to tell us about women you know who are board ready. We will make their names known as we are asked about specific board vacancies. We are also a resource for women seeking board positions. If you are qualified to serve on the board of a publicly or privately held organization, please let us know.

Sincerely,

**Diane D'Aiutolo, Esq.**  
*President, Network 2000 Inc.*

## Executive Summary

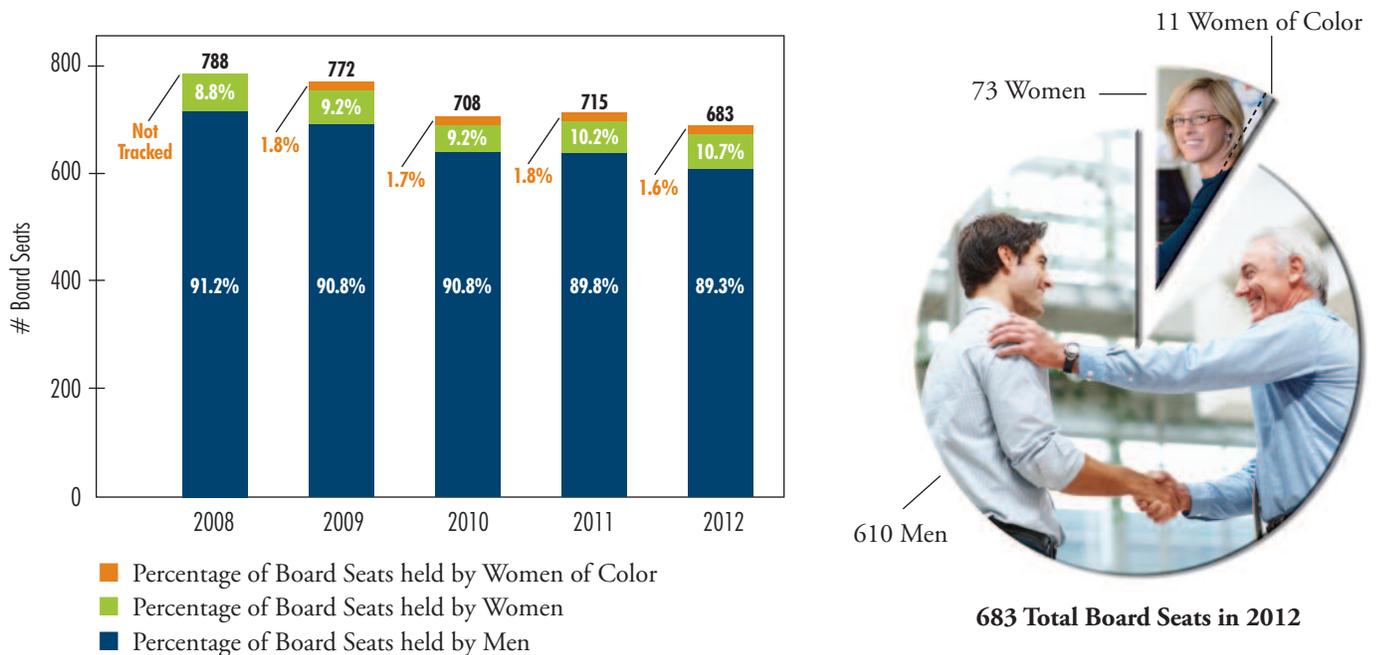
The number of women holding board seats in 2012 remained unchanged from 2011 with 73 women directors. Overall, Maryland lost 32 board seats as a result of the economy and mergers & acquisitions.

- The number of Maryland companies in the census declined from 84 to 80.
- Four of the seven companies that joined this year's census had at least one woman board member while the majority of those that dropped off this year's census had no women (seven of the eleven had no women).
- The number of total board seats declined from 715 in 2011 to 683 in 2012.
- The result of the decline in total board seats was an increase in the percentage of women holding board seats (increase from 10.2% to 10.7%).
- The number of women of color holding board seats declined from 13 to 11.
- The number of companies with no women on the board (31) continues to slowly decline; however, the percentage continues to remain high at 39% (improved from 42% in 2011).
- The number of companies with NO women on their board and NO women in their executive suite declined for the second year in a row (24 in 2012 versus 26 in 2011) to 29%.
- While the State has lost over 100 board seats in the last five years, the percentage of seats held by women has increased 1.9%.
- Since 38.8% of Maryland companies still have all male boards, there is much room for improvement.

*\*Based on July 1, 2011 through June 30, 2012 proxy statements and annual reports.*

## The Number of Board Seats Held by Women Remains Unchanged

The total number of board seats held by women (73) remained unchanged. However, the percentage of board seats held by women increased to 10.7% as a result of a decline in the number of companies in the census and the corresponding decline in number of board seats. The number of women of color holding board seats declined from 13 to 11.



## ◆ *Business Case for Promoting Women in Leadership Roles:*

The business case for developing programs that will ultimately increase the number of women in executive positions and boardrooms is compelling.

- Employees and supervisors rate female managers as more effective on most leadership, interpersonal and work ethic dimensions.\*
- The 25 Fortune 500 companies with the best record of promoting women to high positions experience 18% to 69% more profitability.\*
- Organizations with a higher percentage of women in top management positions had a 17 percent higher growth in stock prices and a 1.1% higher ROE (return on equity).\*\*
- Companies with gender diverse leadership in top management experience better financial performance – ROE is 35% higher & total return to shareholders is 34% higher.\*

\*Women's Foodservice Forum, *Case for Diversity Initiatives*, Aug. 2011

\*\*Women Matter: *Gender Diversity, A Corporate Performance Driver*, 2007, McKinsey & Company

## ◆ *Programs Designed to Build the Pipeline to the C-Suite and Boardroom*

Each year, in this report, Network 2000 presents the results of our census research and analysis. We are pleased to observe that a number of companies have instituted or are in the process of launching programs to increase diversity. The hope is that more companies will adopt similar programs which will result in more diverse executive suites and boardrooms and ultimately better companies.

In 2012, McCormick & Company, Inc. initiated its Women's International Network (WIN) that provides women access/opportunities to external networks and customers within the food industry; opportunities to attend WIN supported industry conferences; opportunity to plan key events/initiatives for development; and a provision for mentorship, development and training. McCormick also has in place a robust succession planning process, which includes planning for diversity in leadership roles and the use of developmental assignments to provide new experience and skills. At the Board level, experience and skill needs are projected several years into the future, which is essential to achieving a diverse board.

T. Rowe Price Group, Inc. established a Diversity Advisory Council that oversees diversity and inclusion initiatives to ensure efforts remain a priority throughout the firm. In 2011, T. Rowe's Women's Roundtable evolved into an ongoing group of senior-level women from across T. Rowe Price. Its mission is to support the firm's ability to attract, develop, advance, and retain women. The roundtable generated several ideas that the firm adopted, including programs to support work/life balance, back-up elder/child care, and leadership training for women.

T. Rowe's Ethnic Diversity Roundtable is exploring workplace practices that positively affect the company's ability to attract, develop, advance, and retain associates of all ethnicities. In addition, skill-development opportunities that enhance the diversity and inclusion competence of leaders and associates at all levels have been expanded. Externally, T. Rowe continues to build and strengthen partnerships with diversity networks, professional associations, and university relations' alliances such as TOIGO, Consortium, LEAD, Inroads, and Year-Up – to name a few. They target historically black colleges and universities with diverse student populations to strengthen their pipeline. To attract female investment and professional level talent, the company targets women's colleges and attends Society of Women Engineers (SWE) and various career fairs and business schools. T. Rowe monitors progress through workforce data and statistics reporting for each business unit to ensure progress is being made.

Other companies have strong programs targeted to diversity. Medifast, Inc. conducts an annual one-week Leadership Development Institute which this past year was held at Georgetown University. Nine of the top 30 leaders selected are Medifast women. Wells Fargo & Company emphasizes the importance of conscious, mindful inclusion beginning with new employees. The company provides opportunities for leadership development via exposure to in-house and external leaders, responsibility for key projects with

candid feedback and the expectation that the leadership will mentor rising leaders. Wells Fargo has also instituted Diversity and Inclusion Councils, which serve as a foundation for individuals to grow their careers, and Leadership Conferences specifically designed for women, for African Americans, and for other groups.

Privately held companies, too, are taking action. KatzAbosch conducts leadership programs to prepare the next generation to run the firm. Fifty percent of the participants are women.

**Self Evaluation**

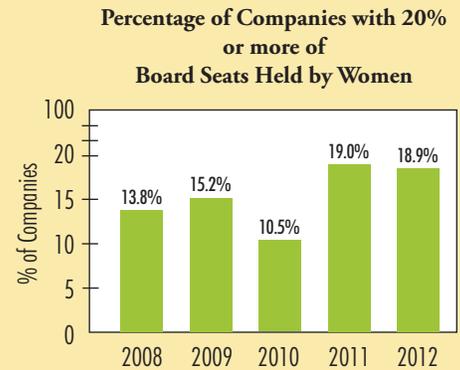
As companies develop initiatives for the advancement of women and minorities, it is critical that the effectiveness and results of these programs be evaluated to ensure goals are met. It is through such efforts, that companies that strive for excellence in leadership diversity will achieve the best possible outcome for their employees, customers and shareholders.

This year we've refocused our "Roadmap to the Boardroom" event and renamed it "Building the Pipeline: to the C-Suite and the Boardroom" to begin to explore what programs companies are putting in place to create a more diverse workplace.

◆ *The number of companies where women held 20% or more of their board seats remained relatively flat.*

- The Adams Express Company
- Arbitron
- Chindex International\*
- CIENA Corp.\*
- Entremed, Inc.
- Federal Realty Investment Trust\*
- Lockheed Martin Corporation\*
- Marriott International, Inc.
- Medifast, Inc.
- OBA Financial Services, Inc.
- Pebblebrook Hotel Trust\*
- Petroleum & Resources Corporation
- Sandy Spring Bancorp
- Synutra International, Inc.\*
- W. R. Grace & Co.

*\*25% or more women directors (six companies versus seven last year)*



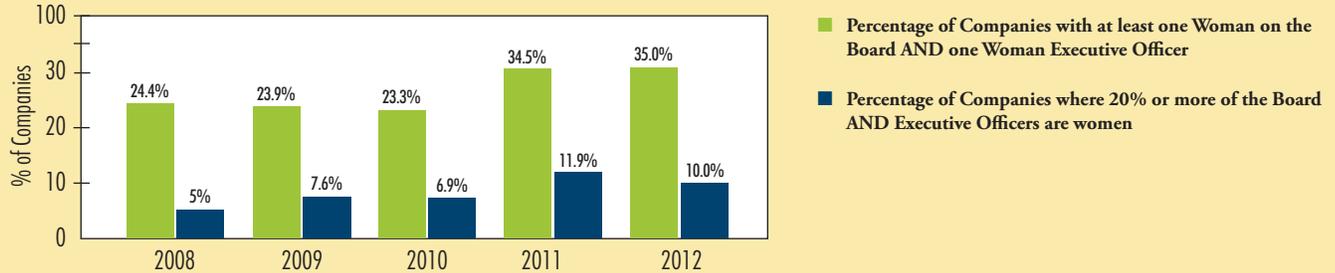
◆ *Bad News for Women in the Executive Suite in Maryland*

The number of companies where 20% or more of the executive officers are women declined from 33.3% to 32.5% as did the percentage of women executive officers, which declined from 12.4% to 11.3%. The percentage of companies with NO women executive officers increased from 54.8% to 56.3%.



## ◆ Best of the Best

The number of companies with at least one woman on the board and in the executive suite remained flat while companies with 20% or more of the board and executive officers who are women declined from 11.9% to 10%.



**Honor Roll:** These companies have 20% or more women on the Board AND in the executive suite (8 companies in 2012 versus 10 in 2011).

- The Adams Express Company
- Arbitron
- Chindex International Inc.
- Entremed, Inc.
- Federal Realty Investment Trust
- Lockheed Martin Corporation
- Medifast, Inc.
- Petroleum & Resources Corporation

## ◆ Companies with NO Gender Diversity

This is the second year the number of companies with no women in EITHER the boardroom or the executive suite declined from 26 in 2011 to 24 in 2012. Below are the companies with NO gender diversity in their boardroom or executive suite.

American Capital Agency Corp.	Neuralstem, Inc.
American Capital Mortgage Investment Corp.	Novavax, Inc.
BCSB Bancorp, Inc.	Omega Healthcare Investors, Inc.
BroadSoft Inc.	OPNET Technologies, Inc.
Catalyst Health Solutions, Inc.	Rexhan Pharmaceuticals, Inc.
Chesapeake Lodging Trust	Saul Centers, Inc.
Conmed Healthcare Management, Inc.	Supernus Pharmaceuticals, Inc.
Discovery Communications, Inc.	Tessco Technologies, Inc.
First Potomac Realty Trust	TeleCommunication Systems, Inc.
India Globalization Capital, Inc.	Under Armour, Inc.*
Jos. A. Bank Clothiers, Inc.	Universal Security Instruments, Inc.
LaSalle Hotel Properties	Vocus, Inc.

\*Female director was added in July 2012.

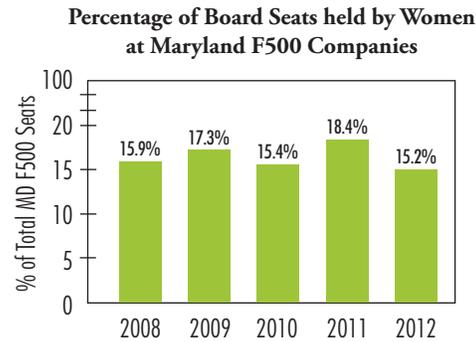


## ◆ Fortune 500 Companies in Maryland

For the first time in many years, ALL of Maryland's Fortune 500 companies did NOT have at least one woman on their board. Women hold 15.2% of the board seats in Maryland's Fortune 500 companies which is below the national average of 16.6%.\* Maryland lags behind the national average as the result of the addition of Catalyst Health Solutions, Inc. being added to the Fortune 500 and the company having no women on its board.

- Catalyst HealthSolutions, Inc. (0)
- Coventry Health Care (1)
- Host Hotels & Resorts, Inc. (1)
- Lockheed Martin Corporation (3)
- Marriott International, Inc. (2)

\*2012 Catalyst Census: Fortune 500



## ◆ Methodology

The Census includes 80 companies on the major exchanges (AMEX, NYSE and NASDAQ) that are headquartered in Maryland. Data was obtained from the most recent proxy statement (DEF 14A) and annual report (Form 10-K) files with the Securities and Exchange Commission (SEC) from July 1, 2011 through June 30, 2012. Data regarding Executive

Officers and Most Highly Compensated Officers are those listed in SEC filings. Information regarding women of color was obtained by contacting the company's corporate secretary or other company official. The total number of companies and board seats fluctuates each year.

## ◆ Network 2000, Inc. 2012 – 2013 Officers

Diane D'Aiutolo, *President*  
Kathy Armstrong, *President Elect*

Margaret Hayes, *Vice President*  
Dana Weckesser, *Secretary*

Carol Coughlin, *Treasurer*  
Ellen Fish, *Immediate Past President*

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is researched, compiled and published by the Women on Corporate Boards Committee of Network 2000, Inc.

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**CFG Community Bank**

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**Laureate Education, Inc.**



**Kramon & Graham, P.A.**

**McCormick & Company, Inc.**

**Remedi SeniorCare**

**Saul Ewing LLP**

**T. Rowe Price Group, Inc.**



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