

The X Factor



ANYONE INTERESTED IN HOW WOMEN are faring in business these days should take a hard look at the statistics. They show a gradual increase in the number of women in C-suites, plus a growing number of women-owned businesses.

But that's just the beginning. Kathy Hopinkah Hannan, who oversees diversity and corporate responsibility at KPMG LLP, the large audit, tax, and advisory firm, is more impressed by the conversations she is hearing in boardrooms and executive teams. "Senior leaders are investing more of their personal time and capital in the issue," says Hannan. "We are on the precipice of significant change."

If the male perspective on the issue has a new look these days, adds Hannan, it's due in part to the fact that many men now have working spouses and daughters who are graduating from college and law school. At the same time, changes in the global workplace are reinforcing the need for diversity at the highest corporate levels. "If we have homogenous thinking," says Hannan, a national managing partner at KPMG, "we are not going to be successful."

Much of the energy women are bring-

ing to the business world is entrepreneurial. Able to connect with smartphones and computers, women no longer need brick-and-mortar buildings as a base for their own businesses. They are also attracted by the flexibility that comes with being their own boss, setting their own hours, and determining their own career path.

The economic impact of women-owned firms can't be ignored. According to the Center for Women's Business Research, the universe now consists of 10.1 million firms that employ 13 million people and generate \$1.9 trillion in annual sales. "These women see entrepreneurship as freedom," says Dr. Terry Neese, founder and CEO of the Institute for Economic Empowerment of Women, a nonprofit that empowers women to grow their businesses and pursue greater entrepreneurial ventures. Its *Peace Through Business* program provides mentoring and education for women in Rwanda and Afghanistan.

Women-owned firms currently account for 40% of all privately held businesses. Dr. Neese believes the next five years will be a period of exceptional growth. "We will see a continued



Women are making inroads in business. It is a trend that is changing the landscape of corporate America and Main Street.



explosion of women-owned firms,” she says, adding that the increase in women entrepreneurship is having an impact in developing countries as well as in the U.S.

FLEXIBLE AND PROACTIVE

Recognizing the potential loss of talent to the startup world, corporations are taking steps to boost their appeal to women. At Corn Products International, a leading worldwide provider of ingredients used by the food, beverage, brewing, and pharmaceutical industries, among others, emphasis is placed on work-life balance and opportunities for development. “Companies need to be more flexible and proactive in how we approach employees,” says Ilene S. Gordon, Corn Products’ chairman, president, and CEO.

Rather than structuring overseas assignments as standard two-year stints, Gordon believes six-month programs could be more advantageous and attractive. In the summer, Corn Products shifts to a 4½-day schedule so employees can spend more time with their families. Corn Products also recently instituted a comprehensive human resources program designed to provide every



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*Women-owned firms currently account for **40%** of all privately held businesses.*

employee with a clear career-development plan.

Although women now make up 46.7% of the workforce, only 14.4% of *Fortune* 500 executive officers are women. That's a small increase from the 13.5% in 2009, says Catalyst, a nonprofit known for its research on women in the workplace. The pace, however, is likely to pick up steam.

Some organizations are taking a more aggressive stance—drilling down into the ranks, reviewing the women in their talent pipeline, and identifying ways to improve recruitment and retention. At KPMG, a study showed that the retention rate of women senior associates was several

points lower than that of their male counterparts. To turn the tide, the firm launched "Managing Career Life Choices," a program designed to help employees prioritize career goals and address difficult challenges. "In less than three years, we were able to equalize the turnover rate of men and women," says KPMG's Hannan.

Although the corporate conversations about women and diversity have taken on new dimensions, most experts feel women need to be proactive and take responsibility for their own careers. "I'm a big believer in MBAs for women," says Corn Products' Gordon. She encourages women to take operational assignments rather than move into more traditional areas like human resources, finance, or legal. She is also convinced that international assignments are a great way to develop talent.

What about the choice between a corporate career and entrepreneurship? One provides greater flexibility, the other offers access to more resources. Ultimately, says Hannan, progress in both areas is important. "After all," she says, "today's entrepreneurs will be tomorrow's CEOs." ●

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