

Deloitte Taps Woman, a First, for CEO Post

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The glass ceiling sprouted a few more cracks, as one of the Big Four accounting and consulting firms placed a woman in the corner office for the first time.

Cathy Engelbert was named Monday as the new chief executive of Deloitte LLP, effective March 11. The 50-year-old becomes one of the most senior women in the financial-services industry, which in some areas trails behind other sectors in promoting women to high-level positions.

Ms. Engelbert said she embraced her pioneering role. “I see a lot of conversation about moving forward. I’m excited about that,” Ms. Engelbert said in an interview.

In 2014, women made up 1.4% of CEOs at finance and insurance companies in the S&P 500, according to data provided by Catalyst, a nonprofit organization aimed at expanding opportunities for women in business. They accounted for 4.6% of CEOs at S&P 500 companies broadly.

Andrea Turner Moffitt, senior vice president at the Center for Talent Innovation, a group that promotes diversity in executive hiring, called Ms. Engelbert’s promotion “a huge milestone.”

Women have broken through to top executive roles in many industries, including some major financial-services firms.

Abigail Johnson, 53, was named chief executive of Fidelity Investments in October, making her the highest-ranking female leader of any large asset manager. She took over the Boston-based

fund company, with about \$2 trillion in assets under management, from her father, Edward “Ned” Johnson III, 84, who had presided over the firm since 1977.

The CEO title has been particularly elusive at banks. Of the top 30 federally regulated lenders in the U.S. by assets—a list that includes [Bank of America Corp.](#), [J.P. Morgan Chase & Co.](#) and [Goldman Sachs Group Inc.](#)—none has a woman as chief executive, according to a Wall Street Journal review of Federal Reserve data.

Many of those firms have never had a female top executive, though quite a few have had women running units or serving as chief financial officer. The 31st largest, [KeyCorp](#), has been run by Chairman and CEO Beth Mooney since 2011.

Women have always done better in financial-services segments like retail banks and insurers than in those known for their long hours or other intense work demands, like investment banking, private-equity firms and commercial banks, said Joanna Barsh, a retired McKinsey & Co. senior partner and lead author of the book “How Remarkable Women Lead.”

Women’s networking and sponsorship programs, which are seen as key to help address the lack of gender parity, have been “one of the key missing links” for women in financial services, Ms. Moffitt said.

Some firms have taken steps to change that.

[Morgan Stanley](#) has a program geared toward recruiting and developing women in business school who serve as summer associates in investment banking. Goldman Sachs established a program geared toward welcoming women to the company after they have had children or taken breaks in their careers.

At accounting firms, many women leave while at the manager or senior-staff level, before making partner.

The leading reasons are concerns about work-life balance and a lack of the business-development skills—networking, bringing in clients—that partners are expected to have but which women didn’t get into the profession for, said Joanne Cleaver, president of

Wilson-Taylor Associates, a consulting firm that heads the Accounting MOVE Project to promote more women in accounting. “The manager or senior-manager level is where it falls off a cliff,” Ms. Cleaver said. “They’re saying, ‘we have big ideas for you’ but you’re saying, ‘but I have big ideas for my family.’ ”

According to a 2013 study by the American Institute of Certified Public Accountants, women make up 40% of CPAs but only 19% of the partners at CPA firms and only 17% at larger firms.

Accounting firms recognize they need to address the issue. “We need to make sure we’re able to hire and retain the best and brightest,” Ms. Engelbert said.

The other Big Four accounting firms have some high-ranking women executives. PricewaterhouseCoopers LLP’s chief financial officer is Carol Sawdye. At KPMG LLP, Lynne Doughtie is vice chairman in charge of the firm’s advisory practice. Ernst & Young LLP has four women as part of its most senior management body that runs the firm.

Ms. Engelbert, a career Deloitte employee, has been at Deloitte since 1986 and heads Deloitte & Touche LLP, the firm’s auditing subsidiary. She was elected by the firm for a four-year term as CEO, which is standard among the big accounting firms.

Deloitte LLP is the U.S. member firm of the international Deloitte Touche Tohmatsu network and includes both Deloitte & Touche and Deloitte Consulting LLP.

Ms. Engelbert has worked in a variety of Deloitte’s businesses and has been the lead audit partner for several of Deloitte’s leading pharmaceutical and life-science clients, most recently Bristol-Myers Squibb Co.

Ms. Engelbert, a mother of two, cited her own mentors and sponsors at Deloitte, like J. Michael Cook, a former Deloitte CEO, and Sharon Allen, Deloitte LLP’s chairman from 2003 to 2011. About Ms. Allen, she said, “She was a role model for a lot of us that we could do this.”

Ms. Allen, who is now retired, said it was “very rewarding” for her to see Ms. Engelbert become CEO, “first of all because she’s a

fantastic leader, and, oh, by the way she's a woman." It was "something significant for me to be a role model for others," Ms. Allen said, and while it was important for her when she was named chairman, "it was more important for the next [woman] and the next and the next."

Ms. Engelbert succeeds Frank Friedman, who has been Deloitte's interim CEO since August and will now become the firm's chief operating officer. Mr. Friedman had assumed the CEO post when [Joe Echevarria](#), who had been Deloitte's CEO since 2011, decided to leave before his term was up to pursue his interest in public service.

Deloitte also named Mike Fucci as chairman on Monday. He has been a member of the board since 2012.

—Joann S. Lublin contributed to this article.

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