



Ethics, Integrity, and Leadership

**An Interview with Phillip R. Cox,
President and Chief Executive Officer, Cox Financial Corporation**

EDITORS' NOTE For more than forty years, Phillip Cox has been President and CEO of Cox Financial Corporation. Additionally, he is a member of the board of directors of Timken Company, Diebold, Touchstone Mutual Funds, Bethesda Hospital, and Cincinnati Bell, where he is the chairman. Cox also serves the state of Ohio both as Chairman of the Business Alliance for Higher Education and the Economy, and as Co-Chairman of the Ohio Business Roundtable. His past board service have included PNC Bank and the Federal Reserve Bank of Cleveland. Cox has also served as Chairman of the Board for the University of Cincinnati and Chairman of the Board for the United Way of Cincinnati. He holds a Doctorate of Letters Degree from the College of Mount St. Joseph and Cincinnati Technical College.



Phillip R. Cox

COMPANY BRIEF Since 1973, Cox Financial Corporation (coxfinco.com) provides solutions for employers to attract, retain, and protect employees. As an independent consulting firm, they identify the most suitable solutions and carriers throughout the industry in an objective and conflict-free environment.

What is the strength of Cincinnati Bell?

It's the people, and under that umbrella is ethics and integrity, and then leadership – a continuous trail of leadership that started with Jack Cassidy 12 years ago to our current CEO, Ted Torbeck.

The company has been through some challenging times. Ten years ago, the stock price was \$42; it dropped to a little over a dollar, which is one of the reasons I have remained on the board and continue to be Chairman; I wanted to do the right thing for our people and I wanted to exonerate myself as a member of the board for the loss in stock price and share value before I became Chairman. We are now near \$4.

How ingrained in the company culture is community engagement and what is the responsibility of business today in supporting the community?

We took on an inner-city school where only 10 to 15 percent of kids were graduating, and now it's over 90 percent. We have 30 to 40 mentors going to that school daily to work with kids. They have access to incredible technology and

that school has become a showplace as to what you can do with education within the inner-city. It's like the police and the fire department – we have generation upon generation of people working there. Their grandparents worked there, their parents worked there, their kids are working there – that kind of family attitude. So when I became Chairman, one of the messages I delivered as we tried to climb out of this hole was the idea that if you want this to continue and your children to have an opportunity to work here,

all of us have to take on some pain – everything we did with healthcare and retirement, we can't do anymore.

How critical is it that we reform the K through 12 education system and why has it been so challenging to have an impact?

We can talk all we want about teachers, parents, and curriculum, which is the least important, but what we need is more willing learners – people like my mother and father, who were sharecroppers and had a sixth- and eighth-grade education, and who educated seven college-trained kids because they knew the value of education.

We have failed the test on withstanding prosperity in America. There is little motivation because too many parents make it too easy for people to do nothing and still do well in America. It's not just with children but with everyone, whether you get disability or unemployment.

You can't artificially create adversity; people eventually have to come face-to-face with the inevitable collision with reality that if you don't do it, it doesn't get done. This is the issue.

We keep failing to understand that. You must have a degree of accountability as a harsh reality of life. We give too much to too many people, we make it too easy and don't hold them accountable, and that is where it starts.

If I had my way, I would do three or four things: I would segregate students from those who are willing to learn versus those who are disruptive. Those who are destructive would be with people who are disciplinarians first and teachers second. Those who are willing to learn would be with people who are teachers first and disciplinarians second.

Then I would put them in uniforms and they would start in school at 7 AM and stay until 5 or 6 PM so their day would be much longer. They would not have all summer off so that they don't lose the skills they gained while in school. The rest of the world goes to school about 250-260 days per year; we go about 150 days per year. When you look at those additional days over a three-year period, every three years the rest of the world gains a year on our children. I would also have harsher penalties for absenteeism; 20 percent of our kids don't show up for school.

We have to make the assumption that everybody can learn. I'm African-American and some people feel African-Americans can't learn at the same level. We are a small country compared to our competition. We must use all of the talent at our disposal, whenever we find it. All children can learn and all are important

Is it hard to be optimistic when you see where we are today?

I'm not optimistic. Still, I visit schools and give away scholarships, and I mentor people. I live in a very rural Appalachian area and when you see parents whose kids have to repeat, you learn that half of these kids have to repeat because their parents won't get up and get them on the bus. People being lazy and disinterested in anything beyond themselves makes it difficult. Motivation comes from discomfort. Too many are too comfortable to be motivated.

We don't know what real poverty is in this country. The reason people who can't speak English come here and jettison past us is they are hungry and motivated, and they have a desire to improve their lives. They see opportunity everywhere. Too many of us don't see or take advantage of the opportunities before us.

What advantages does Ohio offer from a business perspective?

Our governor has done a great job in making us business friendly, and that has come about through the Ohio Business Roundtable and John Barrett, and the reduction of the tax burden on businesses in the state.

We're the most taxed country in the world, and with the regulations we impose on business, I am astounded that business in America does as well as it does. That is a result of the great leaders running these businesses. I don't know where America would be without the help where business provides in education, philanthropy, and leadership. ●