Changing the game

Strategies for Harnessing the Power of Female Talent

network
of executive women
CONSUMER PRODUCTS / RETAIL

Lost productivity. High turnover. **Low morale**. Missed opportunities. **Risk of litigation**.

These are the **costs** of **overlooking** the talent of **women leaders**.

In today's fiercely competitive environment, organizations cannot afford to underutilize nearly half of their workforce.

Women influence 83 percent of all dollars spent on consumer purchases. Both men and women agree that women have special insights into female consumers. Yet little progress is being made in the development, advancement and leveraging of female talent at many consumer products and retail companies.

Traditional talent management systems are not advancing women. Radical shifts in the workforce, pressures in the marketplace and women employees who are less willing to tolerate wage and opportunity gaps have made intrinsic, foundational organization change a business imperative.

By recognizing the strategic importance of women to business transformation and growth and acknowledging the profound impact unconscious bias has on women's career trajectory, progressive companies can begin to overhaul their approach to gender diversity and inclusion and realize increased profits.

The authors

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Turn it on: Companies with the best record for promoting women **outperformed** industry revenue averages by **46 percent.**

A changing talent pool

More than a decade ago, McKinsey & Company published a groundbreaking study that said talent would be the most critical corporate resource for the next 20 years. Since then, other research has supported that conclusion, directly tying a company's competitive advantage to a highly engaged talent pool that mirrors the face of the consumer.

Companies that don't leverage the potential of women hinder their chances of finding the best leaders and limit their company's outputs significantly, according to a 2008 Deloitte study. That finding is supported by a 2009 study by Pepperdine professor Roy Adler, who found companies with the best record for promoting women outperformed industry revenue averages by 46 percent.
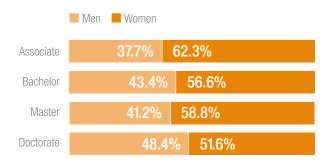
Seventy percent of all new incoming employees in 2010 were women, people of color and immigrants, according to The Economist article "Women and work: We did it!" These demographic changes will be hastened as huge numbers of Baby Boomers head for retirement in the coming few years.

Another shift: More women than men are graduating from college. In 2011, there were 2.6 million more women than men studying at U.S. colleges and universities, according to an estimate published in *Womenomics* by Katty Kay and Claire Shipman.

America is not alone. Women comprise a growing share of the workforce worldwide, particularly in rapidly expanding economies in countries like Brazil, India and China.

Today's workforce needs leaders who can achieve breakthrough results. The strengths of women leaders—to create collaborative relationships, inform strategy with empathy, respond to nontraditional needs and be effective mentors and sponsors—are key.

Leaders who can leverage both the masculine and the feminine characteristics of leadership are crucial to the cpg/retail industry's success, because today's workforce doesn't just care about results, but how results are achieved.

Women earning more degrees than men

Women will earn nearly two-thirds of the associate degrees and more than half of the doctorates in the United States this year.

■ Men   ■ Women

Degree	Men	Women
Associate	37.7%	62.3%
Bachelor	43.4%	56.6%
Master	41.2%	58.8%
Doctorate	48.4%	51.6%

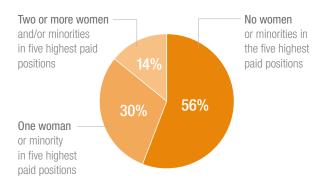*Source: National Center for Education Statistics.*

It's not women who need to change

Despite these changes in the workforce and the business case for advancing women in cpg/retail, 70 percent of U.S.-based corporations have no clearly defined strategy for developing women for leadership roles, according to a 2010 study by Mercer.

A review of companies in the Standard & Poor's 100 reveals a diversity deficit in the corporate c-suite: The number of women and minority board members and executives at S&P 100 Index companies has remained flat over the past several years, according to a 2010 Calvert Investments report, which evaluates S&P 100 companies' commitment to diversity and inclusion. Well over half of these companies (56 percent) have no women or minorities in their five highest-paid executive positions. Of the 100 CEOs represented, 92 are white males.

The scarcity of women in the c-suite is directly related to the failure of traditional talent management thinking, according to a study by Deloitte. Women's talent development has typically focused on "fixing" women without addressing the environment in which they work.

Optimizing the contributions of female leaders requires clearly identifying and addressing their barriers to success; actively identifying women as a strategic resource for growing the business; and holding senior leaders, starting with the CEO, accountable for talent management.

A number of barriers to success must be overcome. Bias, both conscious and unconscious, is still alive and well in organizations, including assumptions about what women want and don't want in the workplace. Also, leadership competencies are based on masculine style and leadership history.

Senior leaders must recognize these barriers and become public champions for advancing women. "When companies fail to acknowledge and address the impact of gender stereotypic bias, they lose out on top female talent," said Ilene H. Lang, president of Catalyst, a non-profit organization that works to expand opportunities for women and businesses. "Ultimately, it's not women's leadership styles that need to change. Only when organizations take action to

Diversity lags at S&P 100 companies

Few women and minorities hold the top-paying executive positions at S&P 100 companies.

Two or more women and/or minorities in five highest paid positions — 14%

No women or minorities in the five highest paid positions — 56%

One woman or minority in five highest paid positions — 30%

Source: "Examining the Cracks in the Ceiling: A Survey of Corporate Diversity Practices of the S&P 100." Calvert, October 2010.

Why women don't advance

A lack of opportunities to gain important job experience, dearth of executive sponsors and mentors, and work/life balance issues are chief factors hindering the career advancement of women, according to a survey of HR and diversity leaders.

Source: "U.S. Women's Leadership Development Survey" of 1,800 human resource, talent management and diversity leaders at 540 organizations worldwide. Mercer with Talent Management and Diversity Management magazines, 2010.

address the impact of gender stereotyping will they be able to capitalize on the 'full deck' of talent."

It's a self-fulfilling prophecy: The lack of female role models translates into less confidence, less support and less willingness to pursue leadership roles. When women do reach for the brass ring, unrealistic work requirements often force them to choose between personal and professional aspirations.

To truly focus on meeting the shifting demands of the consumer, the development and advancement of women must become a business imperative. The CEO must set the expectation that leaders who do not actively engage in executing this strategy will face the same kind of consequences they would

face if they missed a key financial benchmark. The consequences must go beyond withholding a small slice of the year-end bonus. It must be linked to the executive's future advancement. Senior leaders must believe the viability of the company depends on the cultivation of women in leadership roles (guess what—it does).

Three keys to shifting organizational culture are clear, unequivocal leadership vision; modeling; and accountability.

Although the intention of an organization's leaders may be aligned with their talent management and inclusion goals, the unexamined aspects of an organization—its mental models—may derail the company's objectives.

What leaders can do

To affect change, leaders need a strong vision for inclusion and a strategic link between women in leadership ranks and achieving organizational goals. They must also model inclusive behavior in their organization.

High-level sponsorship of gender inclusion is critical, regardless of the leader's gender. Leaders must embody the company's diversity and inclusion values and ensure they are fully translated into policies, behaviors, culture and messaging. A leader who is authentic about his or her commitment to gender equity will be forgiven more quickly for an occasional misstep than a leader who gives all the right answers but lacks commitment to the cause.

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When a high-ranking man—working alone or in partnership with a female leader—assumes the key leadership role in support of gender inclusion, it can help shift long-held paradigms. Too often, this leadership role is held by a woman. This often leads employees to think of gender diversity and inclusion as a "woman's issue," not an organizational issue.

In their efforts to create change, many companies charge one leader with embodying diversity and inclusion values, preventing them from becoming a core competency of the entire leadership team. Often, the commitment to gender equity and inclusion withers with the departure of the designated "inclusion advocate."

To ensure leaders are strategically focused and authentic, companies should:

- Feature the champions. Canvas the organization's leadership to find the person who most authentically can speak to the strategic reasons for full gender inclusion, including multicultural women.

- Fully explore—in a small group setting—the company's inclusion strategy and its implications. Focus resources, messaging, expectations and accountability for all of the company's leaders.

- Gather key influencers in talent management and explore the effectiveness of messaging.

- Listen for key influencers' messaging and provide regular reinforcement and coaching so that they may find their own words to convey the right message for the organization.

That's the **way we've always done** it

You can't get ahead if you work part time. You must have an MBA to lead a business unit. You must have tenure to get promoted. Only an Ivy League grad can be a good leader here. You have to do an international rotation to move to the vice president level.

Challenging old ideas

To further gender equity, existing thought models and bias regarding talent management in the organization must be identified and challenged. People responsible for talent management are the linchpin for expanding the talent pool. All managers—regardless of gender, race or nationality—have individual and collective sociocultural programming that provides preferences, standards, interpretations and filters of other people. No one is bias-free. In fact, we need certain types of bias to survive and manage in this complex world. But bias that unconsciously extends to groups of people is detrimental to all concerned.

Unconscious bias intervention is needed to spot and stop these often subtle behaviors. It begins with talent managers who are aware of the potential for and the existence of unconscious bias within the system. One mistake many make as they focus on building an inclusive culture is becoming stuck in the awareness phase of unconscious bias intervention without developing behaviors that advance change.

Companies that want to strengthen their D&I initiatives can use exercises and other tools to shed light on the biases that may be imbedded throughout the organization. One way to do this: Gather employees responsible for talent management and collectively identify and challenge all of the assumptions the organization makes about talent. Most often, these thought models are never examined. They simply become part of the talent requirements because "that's the way we've always done it." Some of these mental models could be: "You must have an MBA to lead a business unit." "You can't get ahead if you work part time." "Only an Ivy League grad can be a good leader here." "You have to do an international rotation before you can move to the vice president level." "You must have a certain amount of tenure before you can get promoted."

After the review, create a more objective list of talent criteria and identify the appropriate channels for communication. A credible outside voice may bring a broader perspective.

A shared responsibility

To seize the opportunities associated with advancing women, gender talent management must become a shared responsibility for all line managers. Accountability for inclusive talent management must be built into existing performance management systems.

Depending on the industry and organization's culture, the performance management system can be the most highly leveraged opportunity for ensuring a gender-equal pipeline of talent. Unfortunately, most performance management tends to positively reinforce employees who model the leadership style and characteristics of the organization's existing leaders, often filtering out people who are different and disregarding the results these individuals have produced.

Women do not receive corrective feedback, performance coaching or career sponsoring as frequently as men. This impacts how women are perceived and their ability to advance. Corrective feedback is critical for growth. If an employee doesn't grow, she stagnates and is not seen as a leader.

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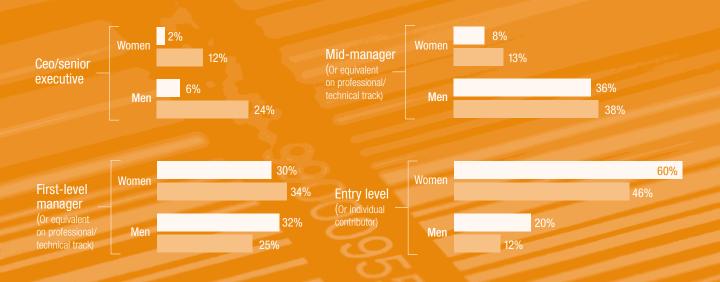Despite all the research, best practices and structures built into performance management systems, performance reviews are conducted by human beings, and that makes them vulnerable to bias. Training on unconscious bias and its effect on performance reviews is an important start to mitigating its negative impact.

Performance management systems should include:

- Tools to help managers think about each review before delivering it and challenge assumptions about the employees. Such tools can help us break down why one person is always the "go-to person" for any task and another is never considered.

- An ombudsman who can talk to employees about their rating, objectively evaluate the rating through independent documentation and observation, and facilitate a new rating if warranted.

- Monitors who are present at all performance review sessions to question language and ungrounded assertions about individuals. At Ernst & Young, monitors listen for stereotypical language in describing one gender over another, for instance references to a woman's "style" and a man's "potential."

- A post-review audit process. Each performance review should be scrutinized to ensure the outcomes are as bias-free as possible. If the performance review resulted in an employee being chosen for a higher position or bonus that process also should be audited to ensure that a diverse slate was considered.

Career trajectories of men vs. women

Men rise higher and faster than women. Men are more likely to start their first post-MBA job in higher positions than women and are twice as likely as women to currently hold CEO or senior-executive level positions.

■ First job (post MBA) ■ Current job

Ceo/senior executive

Women
- 2%
- 12%

Men
- 6%
- 24%

Mid-manager (Or equivalent on professional/technical track)

Women
- 8%
- 13%

Men
- 36%
- 38%

First-level manager (Or equivalent on professional/technical track)

Women
- 30%
- 34%

Men
- 32%
- 25%

Entry level (Or individual contributor)

Women
- 60%
- 46%

Men
- 20%
- 12%

Source: "The Promise of Future Leadership: A Research Program on Highly Talented Employees in the Pipeline," based on a survey of 4,143 women and men who graduated from full-time elite MBA programs between 1996 and 2007 and worked full-time at the time of the survey in 2007-2008. Catalyst, 2010.

Targets are not quotas

The history of quotas in U.S. corporations has given leaders pause about setting representation targets. In the past, quotas often meant putting people into positions they weren't ready for. Targets, however, identify where organizations think they should be demographically, by level, and measure the process points to achieve those levels of diversity. Diversity targets can help expand representation at key leadership levels and in developmental activities, such job mobility, rotations, leadership development programs and high-visibility assignments. They require organizations to look at metrics, which causes leaders to consider whether existing metrics support the company's business strategies. Targets that measure women in general, and women of color as a subset, can be tracked and presented in a diversity scorecard.

The data on a diversity scorecard should be considered key business data, subject to the same rigors and attention as a profit and loss statement, a company's EBITA or other financial and business data.

Key targets should include:
- Promotion rates by gender at all senior levels.
- The ratio of males to females in succession planning systems and in line for senior positions.
- Gender representation at senior levels.
- Gender turnover at all levels.
- Gender distribution of protégés in mentoring programs.
- Gender distribution of mobility, participation in leadership development and key assignments.
- Employee engagement measures by gender.
- Manager cultural competency by gender, including measures of a manager's ability to create an inclusive environment.
- Use of flexible work arrangements/programs by gender.

For every metric on gender there should be a sub-metric for women of color, or women of color will continue to be overlooked in organizational gender strategies.

Engaging men in gender D&I

To succeed, gender diversity and inclusion initiatives must have the full participation of men. Culture-change messages about gender are more powerful to men when they come from other men, according to a 2010 New York Times editorial by contributor Katrin Bennhold. The next wave of equality support, she said, will come from men who exhibit work/life balance, take advantage of flex work programs and discuss with their peers the importance of women to the company's business strategy.

For too long, a focus on retaining and developing women for leadership positions has been the purview of women. But men's ownership, sponsorship, accountability and involvement can catapult the dialogue to a new level—the only way both women and men will benefit from a change in corporate culture.

"High-potential women are over-mentored and under-sponsored relative to their male peers—and those women are not advancing in their organizations."

For now, "high-potential women are over-mentored and under-sponsored relative to their male peers—and those women are not advancing in their organizations," according to "Why Men Still Get More Promotions than Women," a 2010 article in the Harvard Business Review. To create change, companies such as Sodexo, Deutsche Bank and IBM Europe have created sponsoring programs aimed at inviting senior-level men to be sponsors and advocates of high-potential women in their organizations. As a result, sponsored high-potential women from Sodexo, for example, have been promoted at higher rates than non-sponsored high-potential women, "in part because the senior male sponsors serve as career sponsors and learn to manage their unconscious biases," the authors noted.

To engage men in culture change, companies need:

- Committed male champions (including the CEO, CFO and CIO) who support and contribute to the strategy of women in leadership.

- Men who are willing to engage with other men and women about gender stereotypes and the personal and organizational cost of not being full partners with women at work.

- Men who take leadership roles in women's employee resource groups by sponsoring programs or women's networks.

These champions are typically influential men who are motivated by their own sense of inclusiveness, the good of their organizations and devotion to their employees. For every active champion there are many more who are willing but not yet engaged.

Best practices for talent management

When evaluating work/life benefits, employees favor offerings that enable better workload management: a flexible work schedule, appropriate workload and predictable working hours.

Share of employees who ranked practice in top 5

Worktime practices

Flexible work schedule	63%
Appropriate workload	62%
Predictable work hours	33%
Forced vacation time	16%
Personal time interruptions	12%
Job sharing	9%
Switching part and full time	7%

Work location practices

Telecommuting technology	24%
Remote work sites	14%
Business travel nights away	11%
Time spent telecommuting	9%

Family practices

Emergency leave of absence	15%
Paid parental leave	9%
Childcare subsidies	7%
On-site childcare	6%

Development practices

Education reimbursement	24%
Employee counseling	12%
Sabbatical/educational leave	11%
Employee support groups	8%

Services

Personal insurance	31%
On-site parking	17%
Fitness services	13%
Cafeteria	11%
Commuting subsidies	10%

Health practices

Paid sick leave	25%
Preventive health care program	20%
On-site nurse or doctor	6%

Source: "Improve Returns on Work-Life Balance Investments," based on a survey of more than 50,000 respondents from 35 organizations in more than 25 countries. Corporate Executive Board, 2008.

Work/life solutions for all

To encourage and support gender diversity at all levels, a company should have a highly visible and accessible work/life program that is targeted and marketed to the entire workforce, not just women. Many of today's work/life programs are comprehensive, targeted to women—and underutilized. An inclusive organizational culture builds work/life practices that appeal to all employees, not just women, and ensures their use is not "career suicide" or "just for young mothers."

Too often a company's human resources, talent management or diversity practitioners create work/life programs with leadership support, but neglect to establish managerial accountability and practices that will ensure their use.

A 2008 report from the Corporate Executive Board's Corporate Leadership Council that identified the work/life preferences of 50,000 respondents revealed employees most prefer flexible work schedules, appropriate workloads, predictable working hours, remote work sites and the ability to switch between part-time and full-time employment. While many organizations are recognized and awarded for offering these programs, few are judged on the percentage of employees who actually use them. Those who take advantage of work/life programs are often the subject of unconscious and conscious biases and perceived as lacking commitment to their organization, career and team.

Forty-seven percent of the Corporate Executive Board's Corporate Leadership Council survey respondents said seeing peers use programs, regardless of gender, drives more use. Other drivers include allowing employees to control the program and practices, providing clear implementation guidelines and encouraging managers to promote work/life integration among their staff.

Training to change

Concepts of gender inclusion should be fully integrated into existing leadership and management development programs so that D&I is a part of the "business of the business."

Organizational values, norms and behaviors may be taught through a range of training initiatives. Surprisingly, most organizations do not include diversity and inclusion scenarios, information or messaging in on-boarding, supervisory training and leadership training programs.

A few steps will help ensure all of a company's values are reflected in the company's portfolio of training programs:

- Invite a diverse group of employees to audit the organization's soft skills training portfolio. Each person is likely to perceive the programs differently.

- Ask auditors to note all references to diversity and inclusion. Are there case studies that challenge participants to work out equitable solutions? Is there diverse representation in all of the case studies and scenarios? Are inclusive leadership behaviors presented as important to your organization?

- Share audit results and recommendations, including new or revised case studies, with leaders responsible for managing the training portfolio.

- Ensure senior leaders direct and support the broadening of training curriculums.

- Audit technical training as well. Ensure that cases, examples, scenarios, videos and materials reflect the diversity that the company values. Modeling D&I unequivocally is more important and powerful than discussing it.

Resources

- Harvard University's Implicit Association Test website explores the existence of bias. Go to **www.implicit.harvard.edu**.

- The Intercultural Development Inventory (IDI) is an online assessment that helps people expand the awareness of their biases and cultural competencies based on a worldview. It supports the adoption of new behaviors and provides insight on ways to hold one's self and others accountable. Visit **www.workforceexcellence.com**.

- Catalyst has done extensive research on the impact of unconscious bias on talent management. "Cascading Gender Biases, Compounding Effects: An Assessment of Talent Management Systems" identifies the way in which required leadership traits and characteristics stem from the masculine approach and model of leadership and rarely include leadership traits most commonly associated with women's leadership. This free report is available at **www.catalyst.org**.

    Catalyst also offers the Talent Management Evaluation Toolkit: Assessing Systems for Gender Biases. Go to **www.catalyst.org/publication/293/talent-management-evaluation-toolkit-assessing-systems-for-gender-biases**.

- "Proven Strategies for Addressing Unconscious Bias in the Workplace" is offered by Cook Ross Inc. at **www.cookross.com/docs/UnconsciousBias.pdf**. The firm also offers other tools for managing unconscious bias in talent management.

About the authors

- **Trudy Bourgeois, president and CEO of The Center for Workforce Excellence,** is a workforce performance strategist specializing in developing 21st century leaders who will elicit the greatest contribution from all employees. Bourgeois provides unique insights on building authentic relationships to support collaboration, innovation and best practices that result in breakthrough business results and increased bottom lines. She is the author of *Her Corner Office: A Guide to Help Women Find a Place and Voice in Corporate America* and *The Hybrid Leader: Blending the Best of the Male and Female Leadership Styles*. She is a former senior sales/marketing executive with 27 years of cross-functional business experience. Bourgeois broke the glass ceiling in the tobacco industry to become one of the consumer goods industry's first African American female vice presidents.

- **Leslie Traub, chief consulting officer for Cook Ross Inc.,** has more than 25 years of experience leading gender equity, diversity, inclusion, cultural competence and change management initiatives. She creates sustainable systems of change that yield greater performance, profit and possibility. Traub is a fellow in change management from Johns Hopkins University and holds a master's degree in biostatistics and epidemiology from Tulane University, a bachelor's degree in economics and history from Wheaton College and a certificate in training and development from the University of Maryland. She is a contributor to human resources and diversity publications and frequent speaker at conferences and symposia around the world. Traub serves as guest faculty for graduate programs at Georgetown University, George Washington University and Johns Hopkins University.

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A final word

A good CEO who learned of a major missed opportunity would immediately assemble a team of the organization's brightest individuals to build a strategy to get back in the game. Every member of the team would commit to the strategy and help mobilize the organization behind the plan.

Leveraging female talent is one such opportunity. To succeed, it must receive focus, financial support, measurement and follow up. But developing and advancing female leaders is bigger than any one organization's success. It is about sustainability and innovation for the entire consumer products and retail industry.

For more information on the Network of Executive Women and our diversity and inclusion events, programs and research, visit www.newonline.org.

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