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Women in Leadership at a Crossroads: Why Current Best Practices Will Not Be Enough to Shatter the Glass Ceiling

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Using his training and experience in journalism, history, political science, and HR, Mr. Tapia has created innovative approaches to the firm's attraction, retention, and development strategies to foster an inclusive working environment. This includes shifting the diversity paradigm from one based on tolerance and sensitivity to one based on cross-cultural competence. Working with current national and global demographic trends, he also focuses on the implications of varying worldviews around health, wealth, and performance by the growing number of diverse groups in the workplace.

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It is one of the corporate world's greatest anticlimactic moments. Women throughout the world—whether it be in Latin America, Europe, the United States, Canada, Asia, or Australia—now represent half of the labor force. In some of these geographic areas, four generations of women have been active in the workforce, starting during World War II when women joined the employment ranks as men were sent off to war. Yet the number and level of women at the executive leader ranks remains stuck in the Flintstone Age.

Women have revolutionized the workplace not only by their presence, but also through their perspectives, skills, and demands. They have introduced new approaches to managing people and working in teams, as well as new benefit concepts to support work/life balance, including alternative work programs and onsite child care. Their impact, however, is even more profound than this traditional view of women's contributions.

Women also have brought increased wealth to organizations and, yes, to nations. A Catalyst research study drew a positive correlation between the number of women executives and a company's total shareholder value. Companies with the highest number of executive women had a 35% higher return on equity and a 34% higher return to shareholders compared to those with few women near the top.[i] At a nation state level, the United Nations published a report demonstrating a strong positive correlation between the education levels and income of women and the GNP of countries. Bottom line: *The more educated and more highly paid women are, the richer entire countries and companies are.*[ii]

Considering this degree of impact, women around the world are starting to say, *"Now just wait a minute!* Here we are enriching the overall working environment and making companies wealthier, yet in Japan we're just 1% of managerial positions, in Mexico there's only one woman for every 13 male officers and managers,[iv] in Europe women are only 31% of managers,[v] and in U.S. *FORTUNE 500* ® companies there are just 8% in executive leadership teams and fewer than 2% are CEOs.[vi] At the current rate of change, it will be 40 years before women enjoy parity with men at the corporate officer level.[vii] *Somebody's been eating my porridge, and not leaving any for me!"*

What makes these numbers particularly painful is that the past 10 to 15 years of heightened focus on diversity had given women hope that "the damned glass ceiling" would finally be shattered. The first five years of "patience, we've only just begun" evolved into the next five years of "patience, we're making some progress" to the past three to five years of "we're really stuck." The robust pipeline of women in various industries has not yielded the expected results at the most senior levels.

In certain countries, the dashing of rising expectations is making a growing number of women rethink the corporate deal, and this could mean a loss for corporations. In the United States and Australia, for example, there's a growing number of senior women professionals who have gained enough economic, personal, and professional power to abandon the corporate world entirely and start their own businesses. In the United States, women and African Americans are leading the way as the fastest-growing segments for start-up companies. Every 60 seconds a woman—often a self-exile from the corporate ranks—starts her own business.[viii]

In this paper I explore what's required for breakthrough change for the advancement of women leaders and examine some implications for corporations if women are to make the desired gains.

Best Practices

Yes, there are best practices to outline and live by. I will summarize here what many have already declared as necessary to see women rise as they should. But there's an important limitation to this point of view that must be named as well.

Through different words and frames, diversity practitioners, diversity think tanks, and women executive councils generally agree about what needs to be done. Many excellent papers, articles, and books have been published extolling the virtues and outlining the nuts and bolts of these best practices:

- It must be a priority for the CEO;
- It must be embedded into the leadership development and succession plans by requiring that women are placed in the "ready now" and "ready in three years" boxes;
- Inclusive environments must be fostered where all manner of differences, including gender, are welcomed and embraced;
- Women must be mentored; and
- There must be pay equity.

These practices, *well executed*, will yield results, but—and here's the catch—only incrementally.

We need to look beyond best practices to new paradigms, because today's corporate structure and assumptions around professional advancement inherently prevent women from taking their rightful seats at the leader table. Right now, the corporate rhythm and the professional women's rhythm are not in sync.

Let's look at some new thinking emerging on what needs to happen.

Beyond Best Practices

Here I propose five ways in which corporations need to rethink their current paradigms to be able to shatter the glass ceiling. It's time to:

- Rethink what strong leadership and strong management look like;
- Rethink the value of tenure;
- Rethink compensation models;
- Rethink whether competencies developed *outside* the workplace are not transferable to *inside* the workplace; and
- Rethink how unspoken rules surrounding alternative work arrangements may be detrimental to women's advancement.

Rethink what strong leadership and strong management look like.

Quick—what adjectives come to mind when you hear the words "leader" and "manager?" Based on various research studies,[ix] chances are high that you came up with words such as self-reliant, forceful, independent, analytical, assertive, willing to take risks, ambitious, makes decisions.

Now consider this: When people—both men and women—are asked to list adjectives that come to mind when they hear the noun "man" and then the noun "woman," there's a strong correlation between the adjectives that come up for the words "leader" and "manager" and the noun "man," and a very weak overlap with the adjectives for those words and the noun "woman." In fact, the adjectives that pop up when they hear "woman" are loyal, compassionate, sensitive to the needs of others, understanding, and so on—adjectives that are missing in action in the "leader" and "manager" lists that people come up with.

Women find themselves in the Catch-22 bind. If they don't act like men, they don't get recognized as leadership material. But if they act like men, other types of familiar derogatory adjectives begin to surface. *This* is the debate raging at the glass ceiling fault line.[x]

"I simply got tired of having to act like a man," declare many women who have left a corporation to start their own businesses. Others who choose to stay are pressing for the freedom to be more authentic. According to Kathy Flanagan, an executive coach on issues of women and leadership, 82% of female leaders in one study say that remaining true to themselves in their leadership role without losing credibility is a top issue. "Books with titles such as *Games Your Mother Never Taught You*, *Hardball for Women*, and *Why Good Girls Don't Get Ahead but Gutsy Girls Do* are being challenged by new titles such as *Success on Our Own Terms, Swim With the Dolphins*, and *Pitch Like a Girl*," says Flanagan.

Ironically, it turns out that what corporations need more than ever is more archetypical female traits. In several performance management studies, female managers outperform their male counterparts on a variety of criteria.[xi] In her article "Women Leaders: Strategic Yet Invisible Assets," Kira Porter makes the case for what she refers to as the "post-heroic model" of leadership that includes communication, emotional intelligence, collaboration, negotiation, entrepreneurship, coaching, and mentoring.[xii] All are traits that tend to show up more consistently among women than men.

This need for the female influence is even more urgent given the increased complexity and the surging globalization of the marketplace. Not only would rethinking leadership models multiply the opportunities for women, but—*what a concept!*—it would actually strengthen the effectiveness of multinationals. The punch-in-the-gut barrier is the immediate, intuitive, preprogrammed responses that Malcolm Gladwell talks about in his book *Blink*—those knee-jerk assumptions and decisions we make without even thinking, often sabotaging our best intentions about inclusiveness. Hence the next point.

To do this it is key that corporations develop cross-cultural competence to acknowledge and act on the gender issues. In previous papers, I've made the case for cross-cultural competence. This case can also be applied to traversing gender differences. Until males in the corporation become more aware that their ideas of strong leaders and managers are culturally determined by their experience *as males*, they won't see how inadvertently they may be stifling the upward arc of ambitious and talented women.

Until then, they'll continue to perpetuate an assessment of leadership and management that creates more and more *people like them*. Not only do they need to recognize the subjectivity of their leadership model preference—they need to develop the capacity to value leadership styles different from their own *even when they don't understand them*. The global economy creates a new opening for this type of approach, since the same untethering from familiar assumptions is required to excel globally.

Now comes the gutsy part. What might the current leaders begin to hear as they open themselves to new voices and approaches? Let's listen in.

Rethink the value of tenure.

The current strong correlation between tenure in the organization and assumptions about contribution creates a dilemma for women who choose to leave the workforce in the early years of raising children. When they return, often an employer will welcome them back but not acknowledge the perils of their being out of the workforce for a few years, causing them to fall behind compared to their male *and* female peers.

In one of the most comprehensive writings on this issue—"The Hidden Brain Drain: Off-Ramps and On-Ramps in Women's Careers," published by *Harvard Business Review*[xiii]—the authors lay out what they refer to as the "penalties" for taking time out. While off-ramping on average was for only two years, women lost an average of 18% of their earning power. (When they off-ramp for three or more years, the figure rises to 37%.) So here's the brain-drain impact: 93% of the women currently off-ramped want to get back to work. But only 74% succeed in obtaining jobs, *and only 5% of women who on-ramp want to return to the company they used to work for*.

While the Talent War is raging, talented and experienced women professionals are on the sidelines ready to get back in the game, but for a different team. Corporations have a gaping opportunity to strengthen their talent pipeline by staying in touch with their women alumnae and enticing them back. Let's look at some of the things that could do just that.

Rethink compensation models.

"Several studies have shown that women are not motivated by the same competitive compensation structures as those that have traditionally appealed to men," says Flanagan. "They prefer to measure themselves against their own Personal Best standard." She explains how the securities industry bemoaned for years that they could not recruit or retain women as brokers because women did not like the competitive transaction-based reward system (although clearly some women did well in this system). Yet the industry did not adapt to this difference until external customer pressures drove the business toward fee-based (relationship-centered) compensation. Then the industry began to see significant advances in the recruitment, retention, and advancement of women financial advisors.

Across industries similar questioning must take place of deep-seated assumptions about what types of rewards will resonate deeply with women professionals. Women are being clear in study after study, focus group after focus group: Pay is not the greatest motivator, competitive compensation models don't attract, work that's meaningful pulls, a sense of belonging is prized, flexibility calls, and long hours disengage. Somewhere in these declarations lies the path to new ways of rewarding women (and once again, there would be a good number of men who would ride these coattails).

My one worry is this: Because women are not as driven by high pay as men, will that then become the subconscious rationalization for the wage gap?

Rethink whether competencies developed *outside* the workplace are not transferable to *inside* the workplace.

Behind the whopping drop in earnings for women who off-ramped and want to get back on is an assumption that none of their experience during the time they stepped off the corporate track to tend to family needs is of value to the corporation. The corporate world is quick to make correlations between sports leadership accomplishments and business leadership. What about doing the same for family-raising accomplishments?

Think of the competencies required to raise a family, and the management of multiple responsibilities by someone in that role—especially in this, the sandwich generation, which cares not only for small children but for aging parents. In our current complex modern life, with high tech homes and multilayered responsibilities for carefully planning for one's own retirement or managing one's own health, today's increasingly multiracial/international families require sophisticated problem solving, project planning, and cross-cultural skills. Each home is an economic profit and loss center.

Rather than assuming a woman's skills may get rusty during her off-ramp time, can we imagine a development planning session taking place right before a woman off-ramps for maternity leave, in which worker and manager itemize how some of the work during her corporate time-off will develop new skills the corporation will need? Can corporations assign an economic value to these acquired skills and factor that value into the woman's compensation once she ramps back on?

Maybe we need to raise the ante by saying we need to measure not only women's advancement, but also "mothers' advancement." In looking at women in top roles, how many of them are mothers? The answer to this question could go a long way toward supporting the notion—and convincing corporate leaders—that being a mother is no more of a disadvantage than being a father.

Rethink how unspoken rules surrounding alternative work arrangements may be detrimental to women's advancement.

Much has been written on alternative work patterns such as reduced-hour jobs, flex hours, job shares, and so on. Companies that provide these benefits rightly pride themselves in their progressiveness. But we must ask, is there a hidden "penalty" career- and income-wise for those who take this route? Sure, there's a logic that "time = money." But there are plenty of studies that demonstrate that the *quality* of the time and *commitment* of the employee can actually mean more money than merely looking at *total* time. Study after study reveals that flexibility is one of the most valued benefits for workers dealing with greater complexity and greater opportunities in the various facets of their lives. In the "Off-ramps, On-ramps" report, 64% of women cite flexible work arrangements as being extremely or very important to them versus 43% who cite earning a lot of money as an important motivating force.

Then there's the cultural stigma that many experience when taking advantage of corporate-approved job flexibility programs. Often managers are not supportive and coworkers are judgmental. While the economic equation of the value of time away from the corporation may be more difficult to recalculate, it's clear that addressing the stigma can go a long way toward retaining female talent. Addressing this is immediately actionable.

Unprecedented Opportunity

But the situation is far from bleak, particularly if corporations choose to play to their strengths.

Multinationals are one of the most significant change agents for the advancement of women around the world.

After so much pummeling of corporations for their mediocre advancement of women leaders, let's take a moment to praise multinationals for their transformative impact on women's roles around the world both inside and outside the corporation.

As much as we acknowledge that corporations have a long way to go in furthering the advancement of women, from another perspective, multinationals have been an accelerating force for the overall advancement of women. Multinationals, particularly those rooted in American and European contexts, come from a world view of meritocracy—those who are the best performers are the ones who reap the greatest rewards.

Of course, when we look at the dearth of minorities and women in top leadership, it's clear that the meritocracy value is not lived out fully. Nevertheless, that value is there and it is the epicenter on which we base our diversity case. However imperfectly this value is lived, it still is at work.

Look at India or China. In just four years' time—the time it takes a woman to go to college and get a professional degree that enables her to interview with a multinational—a woman in India or China is in a completely different place in terms of personal and economic power than her mother was. As multinationals hire women in large numbers, a profound social change around gender roles is taking place paycheck by paycheck. Income earned in her name, deposited in her bank account, means greater individual power and greater choices. This, in turn, allows her to be more independent about the choices she makes, where she lives, and even whom she chooses to marry or when she chooses to marry, if at all.

Of course, now we're seeing glass-ceiling issues sprouting up in these emerging powerhouse economies as women are still in that first phase of entering professional workplaces. Nevertheless, women's standing in these traditional societies is changing, fueled by a multinational appetite for talent.

A Woman's Place...

...Is in leadership and in valuable jobs contributing valuable work. From the onset of women's migration into the workforce, they've been transforming it. The first wave of this transformation can be called *accommodation*: Sexual harassment policies, child care, family leave, and flex time were put in place. This next phase, women are declaring, is about *empowerment*. The voices from focus groups, surveys, statistics, speeches, and writings are clear: "Either we're more empowered within the corporation's structures or we'll channel our empowerment into running our own businesses."

It's not only women who stand to gain if corporations heed this call—so will corporations, men, and our children. If corporations can unleash women's power, they'll unleash greater corporate profits. We men need to acknowledge how we've benefited from women taking their stand on work/life balance. Thanks to women taking the heat on this, it's become more acceptable for men to take time out to see their daughter's soccer game or visit their son's classroom. Thanks to women campaigning for family-friendly benefits, working men are spending a great deal more time with their children than our fathers did. So our children are benefiting as well. Seeing Mom work, or seeing her home life more valued, and seeing more of Dad—period—are contributing to raising a generation of children with stronger role models of holistic success.

Corporations don't like to think of themselves as social change agents. But their impact is undeniably evident in the new capitalist economies of India and China. By looking out for their best interests in finding new ways to attract and retain female talent, corporations contribute not only to the enterprise's bottom line, but to the greater health of society at large.

i "The Bottom Line: Connecting Corporate Performance and Gender Diversity," Catalyst, January 26, 2004. Study looked at 353 of the *FORTUNE* 500® companies from 1996 to 2000.

ii Comparison of Gross National Product per capita measured by purchasing power (from the Atlas of Global Inequality, 2000) and UN Gender Development Index (from the UN Development Programme 2003; also corroborated by report by the World Bank, "Engendering Development," which documented that societies that discriminate by gender tend to experience slower economic growth and greater poverty).

iii Japan Ministry of Health, Labor and Welfare as quoted by Sonja Sherwood in "The Cost of Excluding Women," Diversity Inc., March 2005.

iv Instituto Nacional de Geografia y Estadistica, Encuesta Nacional de Empleo (National Employment Survey), Mexico, D.F., 1991-1997.

v European Commission's second annual report on equality between men and women, February 14, 2005, March 2005.

vi "2006 Catalyst Census of Women Corporate Officers and Top Earners of the *FORTUNE 500*®," July 26, 2006.

vii "2006 Catalyst Census of Women Corporate Officers and Top Earners of the *FORTUNE 500*®," July 26, 2006.

viii "Women Entrepreneurs: Why Companies Lose Female Talent and What They Can Do About It," Catalyst, 1998.

ix One of the research studies is based on data from the revised Bem Sex Role Inventory (BSRI).

x There are many articles surfacing on this topic. One of the more thought provoking ones is "Do Women Lack Ambition" by Anna Fels, *Harvard Business Review*, April 2004. Among various topics it discusses the implications of the BSRI results. Also Catalyst studies this topic thoroughly. See its report, "Women 'Take Care,' Men 'Take Charge': Stereotyping of U.S. Business Leaders Exposed," October 19, 2005. Available at www.catalyst.org/files/pres/Stereotype%20presentation.pdf.

xi "As Leaders, Women Rule" by Rochelle Sharpe, *Business Week Online*, November 20, 2000.

xii "Women Leaders: Strategic Yet Invisible Assets" by Kira Porter, *Link & Learn*, May 2003.

xiii "The Hidden Brain Drain: Off-Ramps and On-Ramps in Women's Careers" by Sylvia Ann Hewlett, Carolyn Buck Luce, Peggy Shiller, and Sandra Southwell, *Harvard Business Review Research Report*.

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