

TALENT MANAGEMENT BEST PRACTICE SERIES

WOMEN IN LEADERSHIP



TALENT MANAGEMENT
BEST PRACTICE SERIES
WOMEN IN LEADERSHIP

Talent management best practice series

Women in leadership

Series Editor J. Evelyn Orr

Contributors Audra Bohannon
Genevieve Coleman
Joy Hazucha
Peggy Hazard
Teri Hires
Dana Landis
James Lewis
J. Evelyn Orr
Joanne Provo
Rebecca Slan-Jerusalim
King Yii Tang

Copyright © 2013 Korn/Ferry International
All rights reserved
ISBN: 978-0-9885598-7-5

www.kornferry.com

Table of contents

Foreword v

Introduction vi

It starts at the top 1

Getting the other half in the game 3

Success profile for C-suite executives 6

Comparing men and women to the C-suite success profile . . . 8

How can women and organizations break the glass ceiling? . . . 29

What does the future hold? 41

Appendix: Case study 42

Notes 44

Foreword

The Korn/Ferry Institute Best Practice Series provides a window into the thought leadership and expertise that Korn/Ferry International offers as the premier global provider of talent management solutions. Each installation of the series covers a key area of talent management and captures Korn/Ferry's science, philosophy, and approach. These best practice books provide an introduction to who Korn/Ferry thought leaders are, what Korn/Ferry does best, and how Korn/Ferry can fuel organizations' success in meeting their strategic talent management needs.

Korn/Ferry's approach is based on science and informed by what works in practice. The Korn/Ferry Institute Best Practice Series is intended to summarize key, unique points of view held by Korn/Ferry thought leaders that inform our methods and approach to strategic talent management. Consider it a way to spark new thinking and get to know what Korn/Ferry offers.

Introduction

Organizations that have women on their boards and executive teams are more likely to be successful. Yet, women continue to be underrepresented on boards and executive teams. Even when women reach the C-suite, they receive lower compensation. The general consensus was that as education and opportunities opened up a natural momentum would correct this imbalance. But progress has stalled, despite decades of discussion.

Why? Are women held to higher standards? Do women hold themselves to higher standards? Do women lack key qualifications? Are women's qualifications underestimated? Is this a perception issue or an experience issue? Is this a confidence issue or a motivation issue?

The research outlined in this book provides concrete evidence about what is going on based on Korn/Ferry's work with thousands of leaders, both men and women. In effect, the research presented here helps to describe the glass ceiling that has been an elusive, slippery problem for both organizations and women. By diving into differences between male and female leaders, this book explores the interplay of the complex variables related to how women advance in organizations.

But it would not be enough to just describe the glass ceiling. Countless other articles, books, and research studies have presented their view of the problem. Offered here are insights based on research, wisdom, and experience working with organizations seeking to reduce barriers for women executives. These recommendations are distilled to provide practical, experience-based advice to help organizations and leaders determine: What now? What next?

It starts at the top

The evidence is compelling: a more balanced representation of women in top leadership positions is good for business. Organizations with more women leaders produce better financial results, as documented in several recent studies:

- Catalyst (2011) found a 26 percent difference in return on invested capital between companies that have 19-44 percent women board representation and those that have zero women directors.¹
- The 2012 McKinsey Women Matter study reported even greater numbers and measured return on equity at 41 percent higher and earnings before interest and taxes (EBIT) margin at 56 percent higher for companies that have the largest share of women on their executive committees.²
- A recent review of financial returns for 2,360 companies around the world over the past six years concluded, “It would on average have been better to have invested in corporations with women on their management boards than in those without.”³

What is it about having women directors that makes such a difference? When three researchers with Wellesley Centers for Women studied boardroom dynamics, they found that female directors do three things that male directors are less likely to do:

- Broaden discussions to better represent a wider set of stakeholders (including employees, customers, and the community).
- Doggedly pursue answers to difficult questions, perhaps because they’re willing to admit when they don’t know the answer.
- Bring a more collaborative approach, which opens up communication on the board and between the board and the executive team.⁴

But token representation is not enough. By achieving a critical mass of three or more women representatives on boards, the governance process is enhanced. When three or more women are present, they are treated as directors, not as “female directors.”⁴ They can be less worried about being singled out, treated as an anomaly, or having their voice drowned out. But it’s not just for the benefit of the women. Critical mass is what brings about a change in the culture and behaviors of the group — how the members operate, communicate, and work together to collectively make better decisions.

In addition to financial returns, a 2007 McKinsey & Company survey of 58,240 respondents from 101 companies in Europe, Asia, and the United States showed other positive outcomes.⁵ When at least three women were on a firm's senior management team, the company scored higher, on average, on each of the organizational criteria McKinsey devised (including such categories as accountability, leadership, capabilities, and innovation) than those that had no women on their senior management team.

These data change the nature of the issue at hand. Instead of asking how can companies do better for women, the question becomes how can companies do better with women? How do women support the goal of achieving better results? The bottom line is that until 100 percent of a talent pool is tapped, companies are artificially capping the potential for growth and innovation.

“What’s good for women is good for business, current and future employees, communities, and the world.”

Catalyst

Warren Buffett, chairman and CEO of Berkshire Hathaway and often considered to be the world's most successful investor, has at times been referred to as a feminist capitalist.⁶ Throughout his life, Buffett has weighed the variable of women in leadership in his investment decisions and often chooses to back companies that have women at the helm.

Buffett spoke at Fortune magazine's Most Powerful Women Summit in 2009, and told the audience, “Think about 200 years ago, same intellects, same energy. And now in a very short period, in terms of the human experience, the world's been transformed. Not because we're smarter, not because we're working harder, but because of potential. And that game is far, far from over. It's a whole lot better when we get the other half in the game.”⁷ Think about how much we could accomplish if we leveraged 100 percent of available talent.

Getting the other half in the game

Women are prepared to get in the game. They are earning 60 percent of all master's degrees, 50 percent of all medical and law degrees, and 44 percent of all business degrees in the United States.⁸ In fact, women in the United States have made up at least 50 percent of college graduates since the early 1980s.⁹ And according to the U.S. Bureau of Labor Statistics, women hold 51.4 percent of managerial and professional jobs.¹⁰

Although entry and mid-level positions are often gender balanced, the representation of women tapers off at higher rungs of leadership. In her book *Lean In*, Facebook COO and former Google executive Sheryl Sandberg observed, "With each passing year, fewer and fewer of my colleagues were women. More and more often, I was the only woman in the room."¹¹ Sandberg and other women at her level are not imagining things; their numbers do dwindle. In one study that looked at 130 companies with more than ten thousand employees, the representation of women steadily decreased from 22 percent of middle managers to 14 percent of vice presidents, 9 percent on the executive team, and only 2 percent in the CEO position.² In 2011 in the United States, women held only 3.6 percent of Fortune 500 CEO positions and only 16.1 percent of

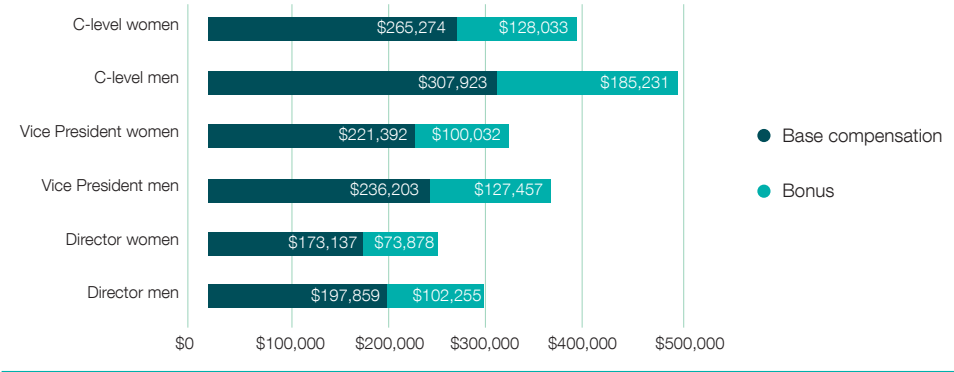
"The question becomes: how can we do better with women?"

Fortune 500 board seats.¹² Globally, women account for only 10.5 percent of executive board members.¹³ And, unfortunately, this trend continues even among the younger generation of executives. Of the forty CEOs who

are under forty years old, only one is a woman.¹⁴

There has also been little progress in addressing the pay gap that persists across all strata of leadership, including at the C-level (see Figure 1), according to a Korn/Ferry study of executive salaries. With salary and bonus, the difference in pay was 21 percent for directors, 13 percent for vice presidents, and 25 percent in the C-suite.¹⁵

Figure 1
Salary gaps (N=5,187)



Some of the discrepancy in pay may be attributed to the choice of occupation and function. For example, women may make conscious trade-offs in favor of more personal fulfillment and greater flexibility, only to find themselves in areas that command lower salaries.¹⁶ Another factor is how salary talks tend to play out. Women are more hesitant to negotiate for additional money, and when they do, their efforts are perceived more negatively compared with their male counterparts.¹⁷ So, not only is there less advancement for women, there is potentially less reward when they get there.

The steady decline in the representation of women from entry level, to mid-management, to executive and board positions, is the glass ceiling phenomenon that so many organizations are trying to shatter. This requires cracking the code on the underlying dynamics.

What happens between the entry to mid-level roles and the higher ranking ones? First, highly trained women are dropping out of the workforce in disproportionately large numbers when compared with their male counterparts.¹⁸ One obvious factor is the timing of starting families, and the responsibility women share in that stage of life. But for the women who remain in the workforce, the reality is that men have better odds of being promoted to the next level.² The systems and dynamics that result in fewer women being offered top positions is what makes up the proverbial glass ceiling — the invisible barriers that are difficult to detect, explain, and address. Even when companies and their employees are committed to making a difference, the problem is not readily solved.

“One of the best ways to build diverse management ranks is to have a diverse board. In consumer goods, women make or influence at least 80 percent of the purchasing decisions. From our business perspective at Land O’Lakes, women understand women and bring a great insight.”

Chris Policinski

President and CEO, Land O’Lakes

A brief review of the situation suggests that:

- Women representation in top leadership positions is correlated with better financial return.
- Having a critical mass of women is better than just one token woman.
- Women start out with at least half of the higher degrees and represent half of the professional workforce.

However:

- The percentage of women decreases at each subsequent level.
- Men have better odds of being promoted (up to five times as likely to advance to the CEO position).²
- Only 17.4 percent of executive officer positions are held by women.
- The percentage of women in top leadership roles has not significantly increased in the last decade.

What is getting in the way of women being more equally represented at all rungs of companies’ ranks? Is it that women are less skilled? Less qualified? Less ambitious? Less willing to sacrifice? Less experienced? Where is the talent pipeline leaking or blocked unintentionally by organizational practices?

Success profile for C-suite executives

Korn/Ferry has a robust, research-based profile of successful C-suite executives. This profile provides a template for comparison between male and female executives. C-suite executives are expected to handle a specific set of challenges associated with running a business or a company. They are motivated by different things from leaders at other levels. And they are more likely to succeed if they have a certain style and set of skills and experiences.

C-suite leaders are expected to handle many challenges that involve a broad range of stakeholders, both inside and outside the organization, and many competing demands, such as driving and engaging, and delivering short-term results and long-term strategy. These demands include:

- Provide a vision for the company
- Handle a breadth of business and industry situations
- Build credibility and demonstrate strong leadership with key stakeholders and the board
- Build a high functioning senior team
- Build organizational talent and capabilities
- Ensure the financial and operational health of the company
- Engage the workforce and create a high performance culture

Executives who choose to take on these challenges are most motivated by influencing the direction of an organization, driving hard to exceed performance expectations, and believing in the mission of the organization. By contrast, they are willing to trade off some work/life balance to achieve the other goals as they move up the leadership pipeline toward the C-suite.

In terms of style and skill, C-suite executives are expected to be able to integrate complex data, envision strategic solutions, stay socially attuned, inspire other people, thrive in ambiguity, exude confidence, and drive hard for results. Key areas of skill include:

- Strategic skills such as business and financial acumen, making wise decisions and solving complex problems, and fostering innovation
- Operating skills such as strategy execution, engaging and developing talent, and setting priorities
- Personal and interpersonal skills such as inspiring others, communicating a clear and compelling vision, and demonstrating integrity and trust

There are also key experiences that C-suite executives are expected to have amassed by the time they reach the top of the organization: 1) general management experiences including financial management, strategy development, and managing external stakeholders and partners; 2) risky and critical assignments including highly visible roles, crisis or high risk situations, and critical negotiations; 3) challenge and adversity including difficult financial situations or other inherited problems (i.e., managing a turnaround, dealing with tough people issues).

Clearly, C-suite jobs are challenging ones, requiring both the motivation to lead large, complex organizations and the skills and experiences to do so successfully. Another important factor implicit in these requirements is a broad set of trusting relationships across the organization and outside it. Promotion decisions at the highest level are made by the board and top team. The decision makers consider job performance, but also their comfort and trust level with the candidates. Of equally qualified candidates, the one with the broadest support and trust will get the nod. This highlights the importance of building a strong network across the organization and especially at the top, among potential sponsors. In addition to being a criterion for promotion, this broad visibility and network enables successful performance, as the executive can more effectively influence people he or she already knows, and individuals will more readily follow someone they are familiar with and respect.

Comparing men and women to the C-suite success profile

The Korn/Ferry research team has studied many thousands of leaders, both male and female, at multiple levels of many organizations to increase our understanding of what leads to advancement to the top, and what might be holding women back. The research presented here describes a wide range of key factors on which men and women differ and those on which they are the same, and the implications for facilitating women's advancement in the organization.

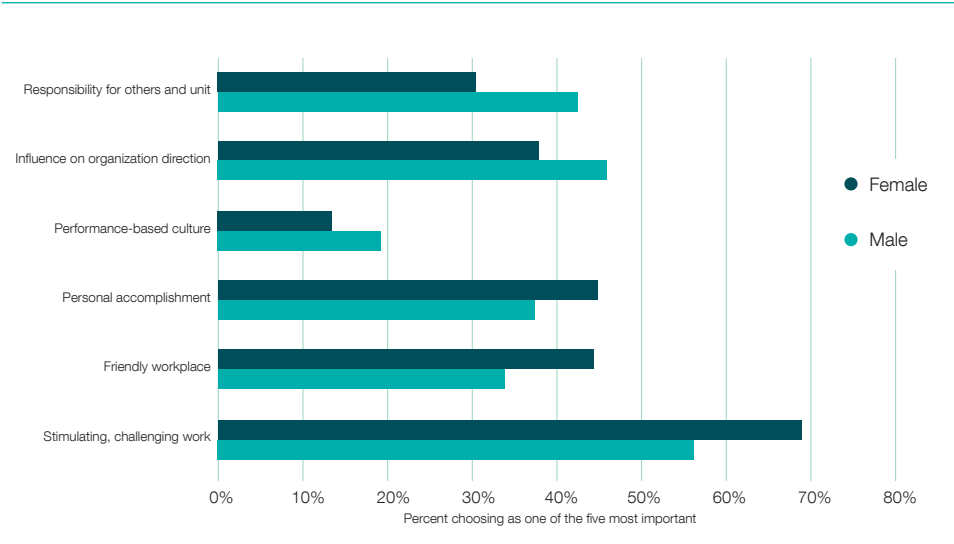
Consider a model of leadership that begins with factors that are internal, such as motivators and leadership style, and then explore external factors such as experiences and leadership skills. The internal elements represent more of who a leader is, whereas the external ones represent what he or she does. "Being" is the starting point. Who am I? What is important to me? What's my preferred style? "Doing" is how this connects with the outside world and others' expectations. What skills do I bring? What experiences have I had?



Motivation differences

One Korn/Ferry study found that men and women are driven by many of the same motivators.¹⁹ When men and women ranked their five most important motivators, the rank ordering was quite similar for both groups. More than 35 percent placed a high value on stimulating, challenging work, influence on the organization’s direction, personal accomplishment, work/life balance, and belief in the mission of the organization. It is noteworthy that work/life balance was one motivator that both women and men rated highly. Also, monetary compensation, expert status, and stable job were not ranked highly by either women or men. Figure 2 highlights those motivators that the genders rated the most differently.

Figure 2
Gender differences on motivators
Male (N = 15,022), Female (N = 4,650)



So there was a lot of similarity in the top motivators, but differences also occurred. Men emphasized a broader scope of responsibility, influence, and performance more often, whereas women favored stimulating work that gives a sense of personal accomplishment in a friendly environment.

The motivators favored by males — broader responsibility and influence on the organization — are more characteristic of higher level roles, whereas stimulating, challenging work and personal accomplishment can be found in many types and levels of roles.

In the end, what motivates individuals at work depends a great deal on what they value. When women can articulate what matters to them and find challenging roles in organizations that emulate those values, they may find greater motivation to stay in the workforce and advance their careers.

Nearly twenty thousand leaders participating in leadership assessment and/or development were asked to choose the five motivators that were most important to them from a list of nineteen.

Style differences

Another study relied on Korn/Ferry's Decision Styles tool, an online assessment that captures the Leadership Styles and Thinking Styles based on an individual's self-reported responses about their preferred approach.¹⁵ It ascertains an executive's Leadership and Thinking Styles when working alone, as well as with others; it provides information regarding how the person will solve complex problems, collaborate, and command; and it indicates his or her level of ability in dealing with social complexities. The tool also determines Emotional Styles, which reflect the executive's internal resources for dealing with on-the-job challenges. Results were compared with what is most associated with success for C-suite executives.

When organizations are identifying high-potential employees for development and promotion, they need to be attuned to the gender variable in order to avoid overlooking some of their best candidates. Best-in-class C-level leaders tend to be more:

Integrative — They are able to take in and process highly complex data from diverse sources and envision novel, strategic solutions.

Socially attuned — They are able to perceive subtle signals, process complex social information, and inspire others.

Comfortable with ambiguity — They're able to wing it and make "good enough for now" decisions until more data is available.

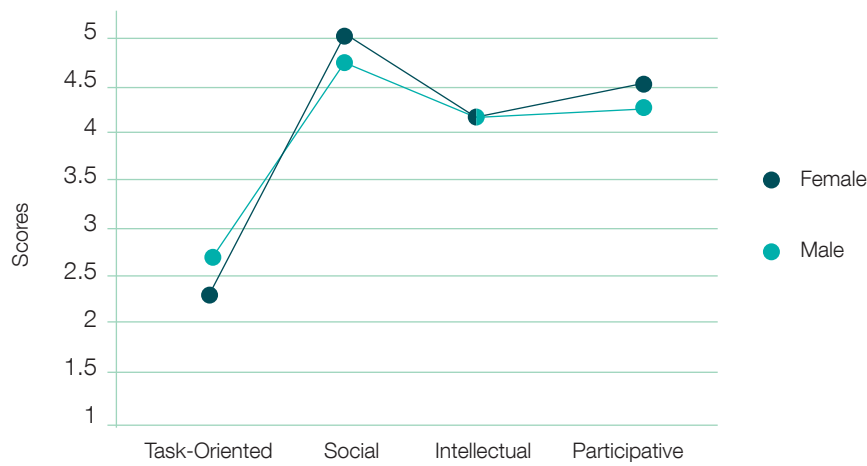
Confident — They're willing to take risks, hold their position against push-back, and handle conflict head-on.

With the exception of confidence, women generally score higher than men in all these dimensions. Overall, gender differences between executives are subtle, and manifest mostly in social situations — as opposed to when working alone. But the style differences that do exist appear to emerge early and persist over time.

Korn/Ferry has assessed more than seven hundred thousand executives worldwide using its online Decision Styles tool, and collected employment and career data about them. The Leadership, Thinking, and Emotional Styles of 4,430 North American C-level executives who took the Decision Styles assessment for Korn/Ferry between January 2009 and July 2011 were included in the study. The sample included 3,611 men and 819 women distributed across twenty-two industries. In that pool, 187 people declined to report their gender, and were therefore excluded from the analysis.

Leadership Styles

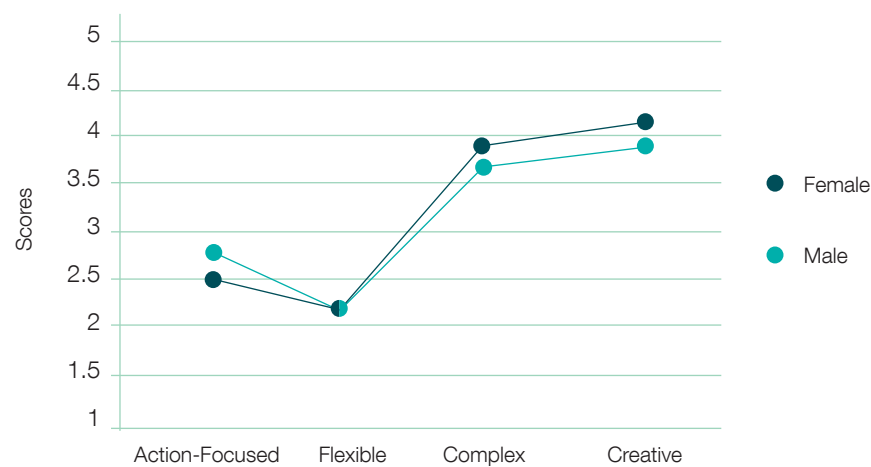
Figure 3
Average leadership style profiles across gender
Male (N = 3,611), Female (N = 819)



Men in the C-suite rely more on a Task-Oriented style, whereas their female counterparts use slightly more of the Social and Participative styles. This finding is statistically significant as well as highly consistent with those from across a multitude of disciplines that reflect men’s tendency to be more direct and focused on communicating essential information, and women’s tendency to be more indirect and focused on maintaining relationships while communicating.

Thinking Styles

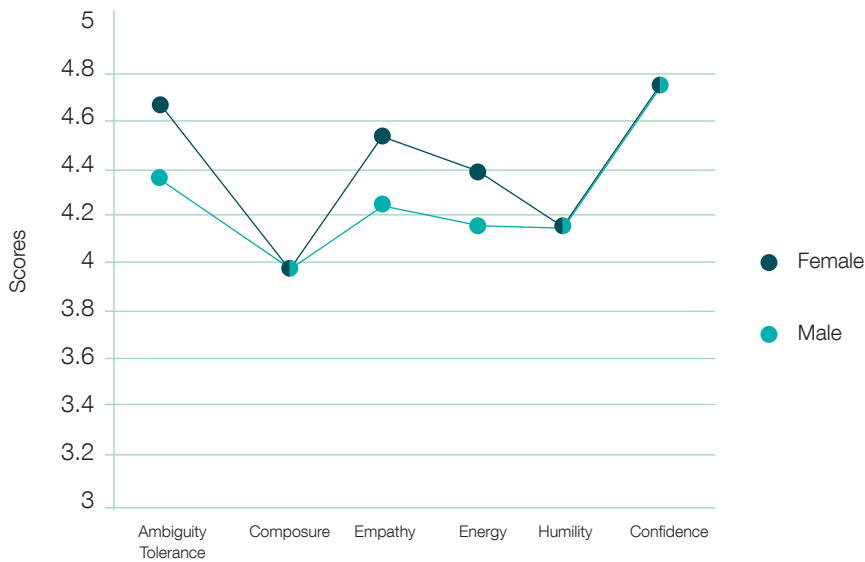
Figure 4
Average thinking style profiles across gender
Male (N = 3,611), Female (N = 819)



Only one of the four Thinking Styles showed a statistically significant difference: female executives in the C-suite had higher Creative Thinking scores than male executives. Top executives of both genders are high scoring as Creative and Complex thinkers, which means they generate a multitude of innovative solutions, consider potential effects, identify the best choice, and develop a strategy to attain it. But female executives likely will prefer to amass more diverse data and spend more time considering alternative solutions. This slight difference in approach to strategic decision making may be beneficial when addressing long-term or high-stakes decisions.

Emotional Styles

Figure 5
Average emotional competency profiles across gender
Male (N = 3,611), Female (N = 819)



Among the Emotional Styles, more statistically significant differences emerge. Female executives score higher than men in Ambiguity Tolerance, suggesting slightly greater comfort with situations that are more abstract and in flux, or when the correct or most prosperous course of action has not yet revealed itself. They appear to be more adept at navigating complex social situations, “reading the room,” and accurately perceiving the needs and motivations of those around them.

Women have higher Empathy scores as well. As defined by the tool, Empathy is the ability to be attuned to others' true needs, feelings, and motivations — including those that are not articulated or are even actively hidden. Our finding of elevated Empathy scores for women aligns with previous research on leadership and gender differences in emotional intelligence more generally.

The findings also show that female executives exhibit greater Energy scores than their male counterparts. Energy, according to the Decision Styles definition, is mental tenacity — the capability to sustain analytic thinking and stick with a persistent or highly complex problem until a solution is found.

Overall, the style differences between men and women are subtle but statistically significant. And scores on the Decision Styles assessment show that female executives are more aligned than male executives with the best-in-class profile for C-level leaders.

Experience differences

Whereas motivators and leadership style are internal factors, experiences provide key lessons that help leaders prepare for future roles. The types of experiences leaders amass are affected by the choices made by the individual and by the organization. One of the central tenets of Sandberg's Lean In is that in order for women to prepare themselves for challenging, fulfilling, rewarding careers and career advancement, they need to be willing to raise their hand and volunteer for new opportunities.¹¹ Sandberg writes, "Often without even realizing it, the woman stops reaching for new opportunities. If any are presented to her, she is likely to decline or offer the kind of hesitant 'yes' that gets the project assigned to someone else." This is observed most frequently when women are beginning to consider how they will balance family and work.

"There is no real balance of work and family in America. You integrate work and family and do the best you can."

Marie Wilson, founder and President of the White House Project and co-creator of Take Our Daughters to Work Day

But Sandberg argues that the small succession of decisions that involves hesitating, opting out, or taking the safe, familiar, or comfortable choice is adding up to women having less to look forward to when they rejoin the workforce after taking time out for family responsibilities.

Women who want to advance to higher organizational levels need to understand which experiences will help them do so. How can

women become more conscious about the choices they make regarding these opportunities? Most importantly, how can they recognize a challenging, career-expanding opportunity when one presents itself? Through Korn/Ferry's research and that conducted by the Center for Creative Leadership, the characteristics of the most developmental experiences have been identified – the types that are most likely to prepare leaders for more responsibility, additional challenge, greater scope, and ultimately career advancement and fulfillment.

Jobs that provide key developmental experiences typically involve...

- Creativity, fresh ideas, and new ways of thinking
- Operating in a quick-changing field or area of the business where the future is undefined or emerging
- A high level of strategic thinking
- Ongoing collaboration with other organizational functions
- Taking charge and implementing new initiatives and change efforts
- Making high-stakes decisions
- Making tough personnel decisions
- Confronting others when tasks or projects don't go well
- High visibility and personal pressure
- Influencing or negotiating with others to win their support^{20,21}

To what extent are women seeking out these types of experiences? And how often are women being tapped for these types of experiences? In an effort to answer these questions, male and female leaders at several organizational levels were compared in five key areas of experience:

- Business growth
- Operational
- High visibility
- Self-development
- Challenging/difficult

Although men and women were equally likely to have self-development and challenging/difficult experiences, women had fewer business growth, operational, and high-visibility experiences.

Of the five types of experiences, the most helpful in getting ahead were challenging/difficult, business growth, and high visibility. Of these three, women were on par with men in challenging/difficult experiences, but lag them in business growth and high visibility. As shown in Figure 6, men and women’s high-visibility experience is a few percentage points apart at the first level of leadership.¹⁹ The size of the gap grows with each level, until senior executive women report only as much experience in this area as men one level down in the organization. Unfortunately, women are gaining fewer high-visibility experiences throughout their career, missing an important bar for achieving the C-suite.

Figure 6
High-visibility experiences by level and gender
Male (N = 5,601), Female (N = 1,472)



1,472 women and 5,061 men took the Leadership Experience Inventory (LEI), an assessment to measure leadership experiences by looking at how often an individual had completed a representative set of key leadership events or behavior.

When women become aware of the types of experiences leaders in top positions need to have, they can make career choices based on that knowledge. When women take on stretch and developmental assignments that will provide experience in business growth, financials, strategy, and operations, and access to high-visibility roles, their résumés will be laced with the same stretching assignments as their male counterparts. Ultimately, this will make women more competitive when they are being considered for top jobs, as these experiences are valuable in themselves, and also as ways to develop strategic and financial skills.

Knowing the value of saying “yes” to challenging experiences is not a new concept. One of the women executives interviewed for *Breaking the Glass Ceiling*, a landmark research study published in 1992, said she urges young women not to chart too narrow of a career. “You need to be willing to diversify. Take challenges that will round you. Take anything that will help you understand how the business works.”²²

Identifying the experiences most critical for advancement and success provides organizations with some guidance regarding high potential development. Through succession planning, development planning, and deployment processes, organizations will want to ensure that high potential leaders are provided with opportunities to have and learn from these developmental experiences.

“I got into trouble for saying that people shouldn’t do what they want to do. Many times in life, I have heard people say, you need to do what makes you happy. I personally don’t think, based on 50 years of experience and looking at the research, that that is a very good career strategy. What I would hope for people is if they make deposits in the first third of their careers, they can do what makes them happy in the next thirds of their careers.”

Bob Eichinger

Co-author of *The Leadership Machine*

Skill and expectation differences

Perfectionism is probably one of the most significant self-inflicted barriers for women seeking challenging assignments and advancement. Not only do women hold themselves to high standards, others hold women to higher standards than they do with men. An analysis of one of Korn/Ferry's leadership assessments shows that when other raters are asked to rate the importance of sixty-seven leadership skills for executives, they rank one-third of them as being more important when the executive is female. In contrast, they rate only three leadership skills as being more important when the executive is male. Although the actual difference in importance ratings may be less than .2 on a 5 point scale, the differences in perceived importance are real and statistically significant.

Data was obtained from the VOICES® online surveys administered between April 2008 and May 2009. Raters who took VOICES® evaluated an individual on two different scales: skill and importance. The data set consisted of approximately 1,900 women and 4,460 men across all levels. For the executive level, the importance data set consisted of approximately 264 women and 774 men and the skill data set consisted of 329 women and 1,016 men. Participants worked in a variety of organizational settings across the globe, including North America, Europe, New Zealand/Australia, Asia, South America, and Africa.

Figure 7
Importance ratings of leadership skills for female and male executives
Male (N = 774), Female (N = 264)

Rated higher for female executives	Rated higher for male executives
Strategic Skills Functional/Technical Skills Problem Solving Dealing with Ambiguity	Understanding the Business Business Acumen
Operating Skills Timely Decision Making Organizing* Time Management Informing*	Inspiring Others Building Effective Teams Managing Vision and Purpose
Energy and Drive Action Oriented* Perseverance*	
Organizational Positioning Skills Written Communications* Career Ambition*	
Personal and Interpersonal Skills Approachability Interpersonal Savvy Compassion* Peer Relationships Understanding Others* Ethics and Values* Listening Patience Personal Disclosure Self-Development* Self-Knowledge*	

*For these leadership skills, women’s skill level was rated higher than men’s (see Table 2).

What does this mean for women who are working to advance their careers? Simply put, there is a higher bar set for women executives' skills and performance. So, if anything, this may be a reassurance to many professional women that they are not paranoid; what they perceive is a real phenomenon. But why would raters think that it is more crucial for women than men to possess strategic, operating, and organizational positioning skills as well as energy and drive? Perhaps, like the individual women themselves, these raters know that women have an uphill battle when it comes to proving their value to an organization. An extra dose of one-third of all leadership skills couldn't hurt.

The same data from one of Korn/Ferry's leadership assessments shows that female executives outperform male executives in 17 out of the 67 leadership skills rated. In contrast, male executives outperform female executives in four.

Figure 8
Skill ratings of leadership skills for female and male executives
Male (N = 1,016), Female (N = 329)

Female executives were rated higher	Male executives were rated higher
Operating Skills Organizing Planning Informing Managing and Measuring Work	Strategic Skills Business Acumen Technical Learning Strategic Agility
Courage Managerial Courage Standing Alone	Organizational Positioning Skills Political Savvy
Energy and Drive Action Oriented Perseverance Drive for Results	
Organizational Positioning Skills Written Communications Career Ambition	
Personal and Interpersonal Skills Caring About Direct Reports Compassion Understanding Others Ethics and Values Self-Development Self-Knowledge	

Interestingly, many of the differences in skill ratings between men and women are evident for professionals at lower levels of the organization and persist at the manager and executive levels. The following table notes the competencies that show up in the data across all levels.

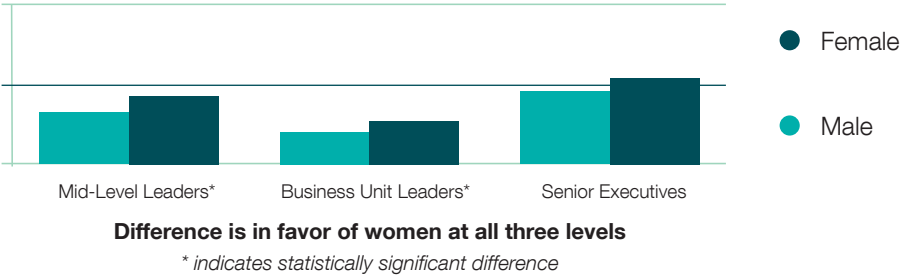
Figure 9
Skill ratings of leadership skills for female and male executives
Male (N = 1,016), Female (N = 329)

Women were rated higher in skill across all levels	Men were rated higher in skill across all levels
Operating Skills Organizing Informing Managing and Measuring Work	Strategic Skills Business Acumen Technical Learning Strategic Agility
Energy and Drive Perseverance	Organizational Positioning Skills Political Savvy
Organizational Positioning Skills Written Communications	
Personal and Interpersonal Skills Compassion Ethics and Values	

A frequent observation is that men tend to be better at strategic skills whereas women tend to be better at interpersonal ones. This turns out to be a gross oversimplification when illuminated by this data. It is important to note, these skill ratings are based on perceptions by different raters of leaders in different roles. And, of course, it’s impossible to separate bias from human perception. It’s likely that raters are reflecting what they see, but they might be viewing reality through smudgy or slightly distorted lenses. Even so, for practical purposes, perception is reality.

Another study conducted by PDI Ninth House, a Korn/Ferry company, uncovered similar findings. The study looked at the leadership assessment center outcomes for 1,472 women and 5,061 men.¹⁹ Evaluations were based on the leaders’ behavior in several business simulations in which they had to address interconnected business and people issues, and short- and longer-term issues. Within each level, all leaders were assessed in the same situations, and their performance was evaluated by professional assessors using calibrated performance standards. Unlike the study based on multi-rater data above, this data removes any variation by holding the context constant, and using calibrated raters. As shown in the graphic below, women scored slightly higher overall at each level than men.

Figure 10
Overall competency ratings by gender
Male (N = 4,129, 3,565, 537), Female (N = 1,630, 906, 109)



Skill levels for specific competencies were also considered. Women excelled more in competencies that are central to leading people, employee engagement, and customer satisfaction. Men were stronger at financials and strategy, two areas recognized as important in senior-level roles. Interestingly, there was a trend toward fewer and smaller differences between men and women at higher levels. The table below shows gender differences in competencies at each leadership level.

Figure 11
Skill ratings of leadership skills for female and male executives
Male (N = 1,016), Female (N = 329)

	Women higher	Men higher
Mid-level leader	<p>Results Leadership</p> <p>Meet Customer Needs Build Realistic Plans</p> <p>People Leadership</p> <p>Build Support Develop Others Promote Teamwork Foster Open Communication Establish Relationships</p> <p>Self-Leadership</p> <p>Establish Trust</p>	<p>Thought Leadership</p> <p>Act Strategically Use Financial Data</p>
Business unit leader	<p>People Leadership</p> <p>Engage and Inspire Promote Collaboration Build Talent Build Relationships</p> <p>People Leadership</p> <p>Engage and Inspire Promote Collaboration Build Talent Build Relationships</p> <p>Results Leadership</p> <p>Ensure Execution Focus on Customers</p> <p>Self-Leadership</p> <p>Ensure Execution</p>	<p>Thought Leadership</p> <p>Apply Financial Acumen Lead Courageously</p>

	Women higher	Men higher
Senior executive	People Leadership Develop Organizational Talent Ensure Collaboration Results Leadership Ensure Customer Focus	Thought Leadership Shape Strategy Apply Financial Insights

Men were rated higher in the areas of strategic skills and financial acumen, both of which are viewed as critically important in setting future direction for business units or an entire enterprise. Women, on the other hand, scored higher in the areas of building talent, engaging employees, collaboration, and customer focus, all of which are crucial for building a positive, productive company culture. Strategy and culture: clearly, one without the other is going to severely limit the potential of an organization. A well-regarded management guru, Peter Drucker, once mused, “Culture eats strategy for lunch.” He asserted that the importance of culture to the success of an organization should not be underestimated. Culture enables an organization to make good on its strategic objectives. This complementary relationship sheds some light on why organizations with more women at the top produce better results. Because of their strengths, women are poised to deftly shape and reinforce a strong culture that will have an impact on the bottom line, enabling effective execution of the strategy.

Summing it up

Based on the research presented here, women are as qualified as men to lead organizations in top executive roles. Their skills tend to be even stronger, and their leadership and decision styles well aligned to the best-in-class profile for C-level executive roles.

But there are more subtle differences between male and female leaders in three areas: motivators, experiences, and skills profile.

- Women are motivated by different things from men (e.g., women place more value on a friendly workplace and stimulating work, and less value on broad influence).
- Women lag men in the accumulation of high-visibility experiences that prepare them for executive positions.
- Women are held to higher standards and they are meeting or exceeding those higher standards in many areas.
- Women are rated higher than their male counterparts in seventeen critical leadership skills including operating and interpersonal ones, courage, and drive – competencies that enable women to connect with customers, engage employees, and build talent.
- Women are rated lower in financial and strategic skills, both of which are mission critical at the executive level.

By understanding what is most important at top executive levels, women can focus their development efforts in areas that will help their careers. And by understanding women's natural strengths and areas that need development, organizations can work to ensure that they are providing the right development opportunities to them.

These findings have implications for what individual women can do to advance their own career and for what organizations can do to minimize barriers for talented women. And they indicate that motivators and experience are the places to start.

How can women and organizations break the glass ceiling?

It is clear from the evidence presented that there is a lot of untapped potential when it comes to women in leadership. Women want to excel, and organizations want them to excel, yet there are still fissures in the advancement pipeline. And although the challenge may be daunting, both women and organizations should share the responsibility for making progress. Women must take responsibility for driving their careers. Organizations must take responsibility for creating cultures where both men and women can develop themselves, contribute to the organization, and advance their careers.

Women who want to advance to higher organizational levels need to understand the factors that help or inhibit advancement. Women need to actively manage their careers — discern their career goals, determine skill and experience requirements, seek (and accept) challenging assignments, and foster key relationships. Likewise, when organizations are clear on the factors that aid or hinder advancement, they can use that knowledge to help break the glass ceiling (see the Appendix for a case study of one such organization).

What can women do to pursue the goals that are important to them? What can organizations do to ensure that they are tapping everyone's potential to contribute and lead? In an effort to provide some concrete action steps for both women and organizations, Korn/Ferry recommends three key areas of focus:

- Motivations — Tap into the individual motivators for high potential women.
- Experiences — Offer women the right skill-building and high-visibility experiences.
- Relationships — Get women access to executives through mentoring and networking programs.

Motivations — Tap into the individual motivators for women

What motivates people is different for each individual. Research suggests that in general, there are some differences between what motivates women and men at work. This difference is sometimes overlooked and it is often the starting point for Korn/Ferry's coaching conversations with leaders.

How can organizations get tuned in to what motivates women?

Organizations should emphasize the importance of managers discussing career goals with talented, high potential women. Provide the guidance to direct managers that they should not assume that everyone wants to advance, nor should they assume that certain groups (e.g., dual career families, people with children at home) are not interested in more responsibility or relocation. These career conversations should take place at least annually, as aspirations and potential mobility can change. In cases where women are interested in career advancement, managers should be prepared to discuss very specific steps to move women in that direction. In cases where women express hesitance regarding career advancement, managers should be prepared to dive deeper into why that is. When managers ask questions, gently challenge women's assumptions, and explore the reasons they may not want to advance, it is possible for previously unconsidered career options to emerge.

It's also important for organizations to recognize that not everyone wants to build his or her career by moving straight up the ladder. Career management offerings should also consider the concept of a career lattice — key challenging experiences and assignments are still sought and gathered, but the route to the top may not be straight up. This type of portfolio career is more and more common in today's organizations. And women who have a collection of experiences and skills that they can adeptly combine for different situations and challenges represent a valuable talent segment for any organization.

Organizations can also build a sense of shared ownership for talent. When leaders spend time getting to know promising prospects, and share talent across business units and departments, they are maximizing the organization's ability to motivate talented individuals. Executives can begin to take responsibility for enterprise-wide talent — identifying, sponsoring, and providing opportunities for people across the organization. But it's not just executives who can make a difference in matching key talent to key opportunities. Front-line leaders and middle level managers often play a big role when it comes to developing women leaders. They often know best what motivates each person and which assignments make a good next step for women on their teams.

How can women get in tune with what motivates them?

Women need to take the time to think about their goals, values, and aspirations. It's surprising how many people have not stopped to think about what's important to them and where they are going. Certainly, in these changing times, it may not make sense to have specific career goals, but in general, women should know whether they are interested in advancing by increasing their scope, span of control, and responsibility. Many people just trudge along and find themselves twenty years later wondering what happened. Just surviving is not a career management strategy. It's important for women to take the time to pause and really figure out what is important, how much hard work and sacrifice can be tolerated, and how work fits in with the rest of life. Understand the trade-offs and risks. When there is some reluctance or lack of ambition, it's a good idea to examine and challenge underlying reasons and assumptions. Are there no role models to emulate? Are the opportunities and possibilities unclear? Who can they connect with to find out more about potential career paths?

On the other hand, some women do have a distinct idea of their destination job or level. But they may not have a full understanding of what success in that role looks like, what collection of experiences would prepare them for the position, and what the downsides might be. Unless women gain insight and build a realistic picture of the destination role, whether that's VP of marketing or CEO, they will be ill prepared for what awaits them. Women should talk to leaders in those roles and those knowledgeable about the industry or the function. They should also find people who can help identify the next series of experiences to get under their belts so that they will be more qualified, better prepared, and have expectations based in reality.

Experiences — Offer women the right high-visibility experiences

The research shows that women trail men in the number of high profile experiences they accumulate as they progress through their careers. They also demonstrate less developed strategic and financial skills. Finding the right skill-building, challenging assignments early on and throughout their careers will be critical to closing the experience gap.

How can organizations provide women with access to key skill-building assignments and experiences?

As Korn/Ferry's research suggests, although women are rated higher in many leadership skills, they are rated lower in a couple of key skills that are deemed important at the highest levels of an organization, namely strategic agility and financial acumen. Professional development courses or executive MBA programs may be helpful to develop these areas.

Korn/Ferry's research demonstrates the outsized importance of learning skills on the job. When senior executives are asked to recall the experiences that most

“This is not about special treatment. This is addressing invisible barriers that make it hard for people with the same skills to go the same speed.”

Peggy Hazard, Korn/Ferry International

shaped who they are as leaders and made them successful, 70 percent of their responses center on ones they had on the job, 20 percent on courses they took, and 10 percent on people who influenced or mentored them.²³ Organizations must place women in roles that will allow them to develop mission critical skills on the job. Real world experiences have the benefit of boosting confidence while building skill.

The tricky part here is organizations may need to make some adjustments so that women and men can take equal advantage of challenging opportunities. Even when opportunities are available and challenging assignments are posted, women may not raise their hands as readily as men do. Organizations need to be more proactive by nominating women for key assignments that will prepare them to take on broader roles at higher levels of the organization and letting them know about the key milestones along various career paths.

In one organization, promotion into leadership roles went to only those who had international experience. These overseas assignments were typically offered to people in their 30s. The organization realized that women are often starting families in their 30s and are therefore less likely to raise their hand for those assignments. It decided to remedy the issue by using a more robust assessment to identify high potential professionals in their 20s and offer international posts earlier in people's careers. This deliberate, strategic approach has helped this organization tap into talented professionals without unintentionally reinforcing a gender bias.

Learning on the job can also be slightly more structured. Incorporating action learning projects into leadership development curriculum is a great way for organizations to simultaneously target key skills and bolster them in a relevant, real world context. Additionally, learning from experience can take place outside of work. Think about the opportunities to serve on boards of nonprofits, take the lead on a volunteer effort, or chair an action committee. Challenging experiences outside of work are a wonderful opportunity for women to build skills and confidence in a low-risk environment in which they may feel more comfortable experimenting and making mistakes.

As highlighted earlier, financial acumen and strategic skills are two competencies deemed mission critical for top roles, and they are two skills where women are rated lower than men. To develop these skills, women should look for experiences managing a P&L directly or find ways to get a detailed understanding of how the organization makes money and competes. They can request to be involved in the development of a strategic plan. They can ask the finance executive to have his or her business unit walk them through the financials, pointing out key indicators. Whether it's a marketing or development plan, women need to shore up their strategy and financial skills and change perceptions in order to get a fair shake at career-expanding opportunities.

It's not only the women who benefit from the skill building offered by high profile, skill-building, and challenging experiences. Clients notice when there is an absence of women on a team. It's beneficial for the organization to get women involved in making deals early in their career. Bring women into M&A discussions, place them on integration teams, and make room for them at the negotiation table. This enhances skills, confidence, and credibility so that when the big account arrives, a team of men and women represent the organization and close the deal.

How can women ensure that they are getting the experiences that will prepare them for top leadership positions?

Women need a clear understanding of which experiences are critical in order to achieve their career goals. But experience does not come without risk. Women need to take on assignments and responsibilities that are difficult and uncomfortable. It's especially important for women to do this early in their careers when they are making deposits for opportunities later on. Not everyone wants to climb the career ladder, but focusing only in a narrow niche is not a viable long-term career strategy. Even without a particular destination job in mind, the world is changing so fast that women will want to make sure they keep collecting challenging experiences so that their skill set does not become obsolete.

Women should explore areas they hadn't considered before. Volunteer for assignments that offer something new and different even when it's not immediately evident how the assignment will help. Take on responsibility outside of work; get exposure to people and areas beyond a current job description. Find ways to get early experiences in strategy, finance, and operations. For women who are satisfied with their career trajectory, there is a common theme: they didn't know they were going to end up where they did. They kept following interesting work and challenging opportunities, and voilà they arrived somewhere they couldn't have anticipated ahead of time.

Another reason to collect challenging experiences is that tough experiences build confidence. When women are given tough assignments and prevail, there is no substitute for that type of confidence boost. As Korn/Ferry's research shows, confidence is one of the gaps that exist between women and men. Even when skills and capabilities are the same, women tend to underestimate themselves and men tend to overestimate themselves. And women attribute their success to circumstances and variables outside of themselves whereas men attribute their success to their abilities. Women need to start getting used to the idea that they are capable of much more than they give themselves credit for, and then take off the training wheels.

One way of gaining confidence is to take a job that allows for some experimentation and practice without the glaring spotlight. Women need to find places to test skills and grow. Maybe that's in the context of an action learning assignment in a leadership development program. Maybe that's outside of work at a nonprofit or volunteering on a community action committee. Whatever it is, women need to be doing something that scares them a little bit.

It can be helpful to think in terms of three types of career confidence — technical, political, and social. Political and social confidence are the two areas in which women need to focus. Political confidence is about navigating the organization, knowing how to wield power and to tap into other people's position or influence. Social confidence entails managing up, building trust, and feeling a sense of belonging. Getting access to stakeholders, working directly with customers, vendors, and strategic partners helps women build a broad experience base. When women draw from these experiences in conversations with senior leaders, they cultivate credibility.

Women typically excel in the area of technical skills and it's a great place for them to show off their talent, expertise, and value to the company. Women should take the opportunity to demonstrate their industry knowledge, line up speaking engagements, get quoted in the press. But women need to take care not to over-rely on technical competence and confidence. People in leadership are usually not the most technically savvy. The higher up in the organization, the less technically competent leaders need to be. Instead, it's leadership skills that matter: when to bring people in, how to tie things together, when to incorporate the data, as well as how to use the data, timing, and finesse. These are competencies that can be developed only through experience or exposure.

Men tend to be more comfortable than women going into roles that they are not qualified for; women are less willing than men to go into a position when they don't meet 100 percent of the qualifications. Opting out can be self-limiting. Often, there exists a mystique about what is required to be successful in a role. But women may find that once they are in place, once the mystery is unveiled, it's not magic. To dispel any intimidation about what goes on in the executive conference room, women need to get in the room and watch how the decisions are being made. That way, it's easier to understand that these leaders are humans with real concerns, insecurities, and (by the way) teams of people backing them up and providing them with a constant stream of information, knowledge, support, and skills.

Women have incredibly high standards for themselves. Often they don't believe anything less than an "A+" is acceptable work. Women need to ask themselves, what's good enough? What needs to get done rather than done precisely? Perfection keeps women tied to their comfort zone. It reduces the range of experiences women seek. Striving to be perfect stunts career growth and slows down women's advancement.

Ultimately, the combination of demystifying top leadership roles, seeking out skill-building experiences, boosting confidence, and letting go of being a perfectionist holds the key to increasing the percentage of women at the highest echelons.

Relationships — Get women access to executives

The bottom line is that relationships affect who gets promoted. When executive leaders assign people to broad, high impact roles, they select people whom they know and trust. Additionally, relationships magnify people's influence and ability to get things done. For women seeking success and advancement, a network of relationships is important.

How can organizations foster networks and relationships for women?

Establishing a formal mentoring program can help facilitate relationships that may not be sought out without a little structure in place. Mentors lend tremendous support in career planning, navigating organizational dynamics, making introductions, and opening doors. There is a lot of debate about whether a formal or informal approach to mentoring is best.²⁴ If an organization can find a way to support and legitimize informal mentoring relationships, that is ideal. But sometimes a formal mentoring program has to be in place to encourage the informal mentoring.

The organization should ask itself: Are we planning enough events that bring people together from across the organization? Are there opportunities for people to mix with others who are different (titles, roles, functions, gender)? Are we giving everyone equal access to people at different levels of the organization? These vertical access points are crucial because they can make people feel more comfortable about reaching out later. Otherwise, some people never get entrée to the executive oak paneled rooms.

Organizations should also consider providing access to mentoring networks outside the company, such as the National Association of Professional Women. If a company does not have many women executives, if a woman's professional aspirations are targeted in a given area, or if there is a need for added industry or functional perspective, it can be a tremendous resource to have professional networks outside the company's walls. These networks provide a place for women who are at an earlier stage of their career to connect with more seasoned leaders and get the viewpoints of women who have been through similar experiences and challenges. Women have plenty to focus on without unnecessarily reinventing the wheel, so give those with high potential an external lifeline.

But women should not rely solely on other women to be their mentors. Men have been disproportionately reaching the top positions compared with women, in some part because of the relationships they have built with other men. So it's easy to see why it's not helpful to keep women separate in the case of mentoring relationships. And, if you ask successful female executives, you will hear many of them attribute their accomplishments to having had strong male mentors who opened doors for them and spoke on their behalf.

Beyond mentorship programs, sponsors can be another way to give high potential women a route to the right people, higher profile opportunities, and challenging assignments. Unlike a mentor who may do more coaching behind the scenes, a sponsor's role is to actively advocate on behalf of the individual. Consider the rooms where decisions get made about deploying talent. Executive teams made up primarily of men are discussing people they see promise in, people they would bet on. Now, imagine if some of those men were familiar with high potential women candidates who have been identified as having as much promise for key challenging roles and promotions as their male colleagues. Sponsors speak up for and about individuals who are not in the room. Having a sponsor advocate strongly on an individual's behalf can mean the difference between advancing a career and fading into the background. For men, this kind of sponsorship may be happening naturally. For women, the effort to establish it may need to be more deliberate.

Despite the advantages of sponsorship, companies are not typically thinking this way. It may require some advocacy on the part of HR or Talent Management to get senior leaders to understand what talent is there and how they can get visibility for those who might be overlooked. Whether it's through the succession planning process, or through more informal means, once executives identify the people they've got their eye on, they need to consider whether that person needs help opening doors. This can be risky. Sponsors put their own reputation on the line when they advocate for someone they believe in. But when the organization's talent management process corroborates a sponsor's assessment and vote of confidence, a sense of joint ownership of the talent develops and it becomes easier for that sponsor to take a chance on someone.

Mentors and sponsors provide two means by which women can stay connected,

become informed, and get on the executive leadership team's radar. But it's also important for organizations to create spaces where everyone can get access to information. Informal, social activities are one way this happens naturally in organizations. Managers, executives, or mentors may be willing to engage with other employees socially, but for women this can sometimes push against societal norms. Women who are single or live in a small town may feel concerned that it sends the wrong message when they have dinner or a drink after work with a male boss or mentor.

One way organizations can get around this is to establish network groups. Whether they are centered on identity (gay and lesbian, women), interests (community service) or professional specialties (young engineers), these groups can provide introductions to individuals in the organization who have the power and influence to make decisions. With executive sponsorship and a budget, these groups can host events, invite speakers, and attract people to participate, facilitating the informal flow of information in an organization. People who participate get a lot of exposure and expand their formal and informal networks — connections that are crucial for personal and career development.

How can women find the mentors, sponsors, and networks that will help them advance their careers?

Women often have a hard time promoting themselves and highlighting their skills and accomplishments. Given the negative correlation between success and likability for women, it makes intuitive sense that they like to remain subdued about their achievements. This is where advocates come in handy. An advocate can be anyone — a boss, a mentor, a sponsor, a colleague. What's important is having someone who will praise an individual's accomplishments when he or she is not in the room, represent the value the individual brings to the organization in front of the people who make decisions, and look out for the individual when there are challenging assignments and promotions being handed out.

This doesn't absolve women from taking charge of their own careers. On the contrary, they need to be clear about what they want, recognize their strengths, know what excites them about work, and be ready to make things happen for themselves. Mentors, advocates, and sponsors want to be assured that the person they are speaking up for is proactive, focused, motivated, and ambitious.

It's helpful to think about having many mentors rather than one super-mentor. First, it puts less pressure on one person who may be busy and have other people he or she is mentoring. Second, it gives women more sources of wisdom and experience to draw from. Third, by finding many mentors there is the possibility of more introductions and doors being opened. Women should be mindful about how they select and approach potential mentors. The most productive mentoring relationships happen somewhat naturally, so it's helpful not to force it. And when women do meet with someone they consider to be a mentor, they should try to be specific about the type of guidance and support they are seeking. They should know what they would like to get out of the conversation and relationship. Keep in mind that some of the best discussions involve asking the person to share his or her stories, experiences, and lessons learned.

In the end, it comes down to women getting to know other people and making themselves prominent in a deliberate, proactive way. Women need to build the formal and informal relationship networks that keep their talents on the radar. It's impossible to predict whom the next lead will come from. It's a good practice for women to introduce themselves to people even when it's not apparent how they might intersect with specific interests and ambitions. And women need to let colleagues know that they will be ready for the tough opportunities that are sent their way.

One key benefit of having trusted mentors, sponsors, and advocates is the chance to get honest feedback. It may not be easy to hear, but women need to ask for candid feedback. Women personalize and internalize feedback more than men. But remember, it's not easy for the feedback-giver either. People have a hard time giving courageous, specific and concrete feedback. Women need to show others they can take it because if they don't, people will be more hesitant to offer it. Women do themselves a favor when they surround themselves with people who will tell them the truth.

What does the future hold?

Organizations with women on their boards and executive teams see a better return on invested capital and have higher stock prices than organizations without women in leadership. And yet, women continue to be underrepresented in executive positions. Women are held to higher standards and are meeting or exceeding them. But women remain the dwindling minority at each progressive level on the way to top leadership roles.

The fact is that women and organizations have not completely broken the glass ceiling. One way to make progress in achieving gender diversity at all levels of an organization is for its executive leadership team to sponsor the effort and hold itself accountable for results. Executive teams can establish a dashboard of metrics related to gender diversity — the recruitment, retention, promotion, and development of women. The hard reality is that even when the organization and women professionals are committed to gender equity, a panacea does not exist. The natural evolution whereby this gender imbalance would correct itself has yet to materialize. So what does the future hold?

Or, rather, who holds the future?

It would be impossible to predict what the future will bring. One hopes that the gender imbalance in leadership would inevitably right itself in time. That way, women who want to advance their careers could do so without added barriers. The question of who holds the future is an easier one to answer. Clearly, this problem requires everyone's commitment and everyone's best ideas. It is not a simple situation we find ourselves in today, and there is no single reason that explains its existence. Instead, it is important for everyone to get involved and take responsibility. Governments need to continue to enforce equal employment laws; women need to take risks and step up for skill-expanding challenges; companies need to review and establish gender-balance-friendly policies and practices; and executive teams and boards need to hold themselves and their organizations accountable for achieving what's possible — drawing on 100 percent of available talent. As Warren Buffett alluded, there is no telling how far we can go when we tap into the collective potential of the entire population.

Appendix: Case study

PepsiCo recognized that to fully capitalize on all top talent, it needed to implement a strategic initiative focused on women of color. Women of color experienced significantly lower job satisfaction with higher “intention to leave,” slower time to promotion, and lower trust scores.

PepsiCo’s award-winning initiative, the Women of Color Multicultural Alliance, is a strategic support and resource group closely aligned with the business. The Alliance is a business imperative that focuses on the attraction, retention, and development of women of color within PepsiCo and specifically targets women of color in middle and senior management ranks.

Major Alliance activities and components have included: Power Pairs®, a program developed in partnership with Korn/Ferry company Global Novations that builds authentic relationships and advancement opportunities for women of color through facilitated dialogues with immediate and skip-level managers; a national leadership development conference; regional networking events; and robust career development tools and resources.

PepsiCo implemented four organizational priorities around women of color. In order to help the company attract, develop, and retain women of color, the priorities included:

- Creating support and awareness
- Educating and developing
- Building a sense of community
- Increasing representation

Early on, the Alliance wanted to address the feedback it had received about the challenges women of color faced in developing authentic relationships with their managers, and it recognized the importance of providing women of color with meaningful development experiences.

One of the first elements put into place was Power Pairs®. This customized coaching program for women of color, their immediate managers, and their “skip-level” managers uses facilitated dialogue to build personal and professional networks; help participants better understand others’ work styles, professional interests, and career goals; and foster more authentic and honest relationships.

Conversations conveyed mutual expectations, identified gaps, and helped participants collaboratively develop action plans for working together more effectively. Power Pairs® at PepsiCo helped bridge many gulfs between managers and women of color, including those between gender and race. This rare quality time spent with managers has given participants the chance to voice their career plans and goals while receiving direct feedback.

PepsiCo’s Alliance had tangible success in significantly improving morale, engagement, and retention of women of color:

- 100 percent reduction in attrition among participants; decline in turnover from 42 percent to less than 2 percent in three years; average on-boarding time for new reporting relationships decreased 25 to 40 percent
- 75 percent increase in advancement for women of color; representation of women of color rose from 4 to 6.8 percent at the senior manager/director/VP level in two years; accelerated time to promotion by six to ten months
- Significantly higher ratings on organizational health survey among women of color
- 100 percent of participants recommended SuccessPath™ Pairs to other associates
- External recognition: won Catalyst Award

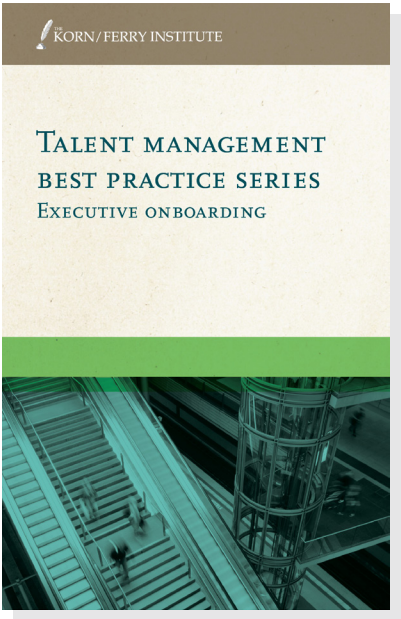
Representation of women of color at the senior manager/director/VP level climbed from 4.0 percent baseline to 6.7 percent four years later. In addition, turnover for women of color who participated in Power Pairs® is one-half the rate of those who have not.

Notes

1. Carter, N. M., and Wagner, H. M., *The Bottom Line: Corporate Performance and Women's Representation on Boards (2004-2008)*, (New York: Catalyst, 2011).
2. Devillard, S., Graven, W., and Lawson, E., *Women Matter: Making the Breakthrough* (New York: McKinsey & Company, 2012).
3. Credit Suisse Research Institute, *Gender Diversity and Corporate Performance* (August 2012), retrieved from https://infocus.credit-suisse.com/data/_product_documents/_articles/360157/cs_women_in_leading_positions_FINAL.PDF.
4. Konrad, A., and Kramer, V., "How Many Women Do Boards Need?" *Harvard Business Review* 84, no. 12 (2006): 22.
5. Desvaux, G., Devillard-Hoellinger, S., and Baumgarten, P., *Women Matter: Gender Diversity, a Corporate Performance Driver* (New York: McKinsey & Company, 2007).
6. Miles, R. P., *8 Strategies for Women From Warren Buffett, the Feminist Capitalist* (March 19, 2013), retrieved from <http://seekingalpha.com/instablog/8725751-user-8725751/1661671-8-strategies-for-women-from-warren-buffett-the-feminist-capitalist>.
7. Buffett, W., "Warren Buffett Is Back" (speech presented at Fortune magazine's Most Powerful Women Summit, San Diego, September 15, 2009).
8. Rosin, H., *The End of Men and the Rise of Women* (New York: Penguin Group, 2012).
9. Goldin, C., Katz, L. F., and Kuziemko, I., "The Homecoming of American College Women: The Reversal of the College Gender Gap," *Journal of Economic Perspectives* 20, no. 4 (2006): 133-56.
10. U.S. Bureau of Labor Statistics, *Women in the Labor Force: A Databook*, Report No. 1034 (Washington, DC, December 2011).
11. Sandberg, S., *Lean In: Women, Work, and the Will to Lead* (New York: Alfred A. Knopf, 2013).
12. Soares, R., Bonaparte, S., Campbell, S., Margolin, V., and Spencer, J., *2011 Catalyst Census: Fortune 500 Women Board Directors* (New York: Catalyst).
13. GovernanceMetrics International, *2011 Women on Boards Report* (New York, March 8, 2011).

14. Hawthorne, R., Transformation vs. Changing the Status Quo: How Women Can Transform Our Organizations and Communities (speech presented at Heartland Transformational Leader Circle, Minneapolis, April 5, 2013).
15. Landis, D., Predolin, J., Lewis, J., Brousseau, K., and Slan-Jerusalem, R., In Case of Emergency, Break Glass Ceiling: Women C-Suite Executives Show All the Right Skill Sets. So Why Are They So Rare? (Los Angeles: Korn/Ferry Institute, 2011).
16. Lukas, C., "There Is No Male-Female Wage Gap," The Wall Street Journal (April 12, 2011), retrieved from <http://online.wsj.com/article/SB10001424052748704415104576250672504707048.html>.
17. Vedantam, S., "Salary, Gender, and the Social Cost of Hagglng," The Washington Post (July 30, 2007), retrieved from <http://www.washingtonpost.com/wp-dyn/content/article/2007/07/29/AR2007072900827.html>.
18. International Labour Organization, Global Estimate of Forced Labour: Results and Methodology (Geneva, Switzerland, 2012).
19. PDI Ninth House, Can Women Executives Break the Glass Ceiling? (Leadership Research Report, Minneapolis, 2012).
20. Orr, J. E., Becoming an Agile Leader: A Guide to Learning From Your Experience (Minneapolis: Lominger International, a Korn/Ferry company, 2012).
21. Lombardo, M. M. and Eichinger, R. W., The Leadership Machine: Architecture to Develop Leaders for Any Future, 10th anniversary ed. (Minneapolis: Lominger International, a Korn/Ferry company, 2011).
22. Morrison, A. M., White, R. P., Van Velsor, E., and the Center for Creative Leadership, Breaking the Glass Ceiling: Can Women Reach the Top of America's Largest Corporations? updated ed. (New York: Basic Books, 1992).
23. McCall, M. W., Jr., Lombardo, M. M., and Morrison, A. M., The Lessons of Experience: How Successful Executives Develop on the Job (New York: Free Press, 1988).
24. Hezlett, S. A., and Gibson, S. K., "Mentoring and Human Resource Development: Where We Are and Where We Need to Go," Advances in Developing Human Resources 7, no. 4 (2005): 446-69.

Other books in the Talent management best practice series



Executive onboarding



Leadership development

Available at these booksellers

Lominger.com	Amazon	iTunes
eFormat \$9.99	\$9.99	\$9.99
Print \$19.99		

Learn more at kornferryinstitute.com/bestpracticeseries

About the Korn/Ferry Institute

The Korn/Ferry Institute generates forward-thinking research and viewpoints that illuminate how talent advances business strategy. Since its founding in 2008, the institute has published scores of articles, studies, and books that explore global best practices in organizational leadership and human capital development.

About Korn/Ferry International

Korn/Ferry International is a premier global provider of talent management solutions, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa. The firm delivers solutions and resources that help clients cultivate greatness through the design, building and attraction of their talent.

Visit www.kornferry.com for more information on Korn/Ferry International, and www.kornferryinstitute.com for thought leadership, intellectual property, and research.



THE
KORN/FERRY INSTITUTE