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SCRATCHING THE SURFACE: WOMEN IN THE BOARDROOM

Why Companies Must Help Women Leaders Shatter The Glass Ceiling

Perspectives from TRANSEARCH International

where will tomorrow's leaders come from?

For companies on every continent, the answer to that simple question remains elusive and starkly sobering.

Yet the question itself speaks volumes about the biggest single challenge to the sustainability of corporate performance, productivity and profitability for many years to come – and to the lingering uncertainty about how to meet it head-on.

“the balance of men and women in top management is nearing parity”

Managing talent and growing the next generation of business leaders are becoming recognised as the keys to achieving human capital advantage over the competition in a global knowledge economy. Yet, today's inflexible and exclusionary approaches to management succession will cease to yield the

supply of leaders to drive innovation and higher performance unless employers create more meaningful leadership and development opportunities for the single largest segment of university graduates around the world – women.

The ascension of an alarmingly small number of exceptionally qualified women to the role of Chief Executive Officer or Board Director for some of the world's largest companies may suggest, to some, that the balance of men and women in top management is nearing parity. Yet true parity for the sole sake of equity isn't a widely accepted objective. Rather, the future diversification of management speaks to the potential to optimise organisational performance as consumer segments diversify.

The truth, however, is that women business leaders have only scratched the glass ceiling. While the indelible imprint of women's contributions to business performance in recent years represents progress, it also moves one to consider what must be done to shatter the glass ceiling once and for all.

At its current pace, the advancement of more women executives to the most high-profile, most critical, and most handsomely paid corporate leadership and board roles will require decades to achieve gender balance in the management suite.

Given the projected talent deficit that will follow the retirement of millions of so-called 'Baby Boomer' managers and executives over the next 20 years, women leaders may invariably be seen by an increasing number of employers as an untapped source of talent, experience and senior-management leadership.

While many companies cast the issue of corporate sustainability and business continuity in environmental terms, most would be well advised to consider and begin to change the traditional rules of career engagement and advancement for their women employees.





Women bring the same academic credentials, energy, interest, and intelligence to their work as their male colleagues. Yet startlingly fewer of them factor into corporate management succession plans much later in their careers.

The practice experiences and personal insights of TRANSEARCH International consultants from around the world point to the need for significant organisational change to identify and reverse the institutional dynamics that derail, de-motivate and/or devalue the career advancement of women.



They also suggest that women leaders – much like the companies that employ them – will need to change the way they do business, and that men, too, must play a role in helping them do just that.

by the numbers: women in corporate leadership roles

As many organisations grapple with a mandate to recruit, develop and retain tomorrow's leaders, there is much to learn about today's corporate leadership profile. The following data puts the reality and the challenge into perspective:

- Women held only 17 percent of seats on the boards of Fortune 100 companies and just 11 percent of FTSE 100 directorships, according to The Alliance for Board Diversity and The Equality and Human Rights Commission, respectively
- One of the Alliance's member institutions, Catalyst, has reportedly found no increase in women on Fortune 500 boards in three years, yet it has also documented a strikingly positive correlation between the number of women on the boards of companies and the number of women who ultimately become corporate officers of the same company
- Companies with a higher proportion of women in top management may perform better, according to a McKinsey study
- Although women earn less than their male counterparts, they make more than 80% of the purchasing decisions in American homes, BusinessWeek reports
- A new law that took effect earlier this year mandates that 40% of board seats for 487 public companies must be held by women, according to Bloomberg
- Only 43% of women professionals feel well-equipped to compete in the business economy of the future, according to a report issued by Accenture
- In 2007, women comprised just 6% of the best-compensated executives, according to research by The Forum of Executive Women (Philadelphia)

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global perspectives: challenges women leaders face, how to overcome them

While some women business executives have reached the corner office or the corporate board, the equity of their representation in key leadership roles remains more a story of what's possible in the future rather than what has been achieved to date.

A poll of consulting leaders from the global offices of TRANSEARCH International reveals mixed results about the advancement of women yet also a very clear consensus that companies will soon be forced to confront the institutional obstacles facing women.

“individual women in leadership roles with drive, capability, commitment, and resolve have been very successful”

“Women have made extraordinary strides in all facets of government, business and society in general,” says Alexandra Hamlet, a partner in the Washington, D.C., office of TRANSEARCH. “Although there still remain hurdles for a significant number of women, particularly

in labour intensive and non-traditional jobs, individual women in leadership roles with drive, capability, commitment, and resolve have been very successful and have competed, from my consulting experience, as equals in the aerospace and defense executive spaces.”

In the most progressive of corporate environments, women may have some advantage over their male colleagues, as some companies have resorted to offering a recruitment fee premium for candidate short-lists that include women and/or cultural minorities.

“If a leading executive is required for a management position and women and men with the same skills are available, then surely a woman could have an advantage, because many companies want a management in which both genders are active with the objective of “learning from diversity” or “thinking in a different way,” says Lea Sauer, a Managing Partner in the Zurich office of TRANSEARCH.

Yet in other parts of the world, and in Europe in particular, the advancement of women business leaders is contradictory, and the subject of ongoing debate.

“As far as I can see in France, I am afraid the glass ceiling is still very far from shattering,” says Claire Floreani, a consultant in the TRANSEARCH Paris office. “I would rather say there are more and more young and talented women ‘trapped’ below the glass ceiling.”

Likewise, Elinor Hartung, a consultant in the Gothenburg office of TRANSEARCH adds: “I cannot see that women are any closer to shattering the glass ceiling compared to the past, at least in Sweden.”



Sangeeta Pal, a consultant with TRANSEARCH India, says that her own experiences suggest that while business and functional competencies on the job and leadership styles remain the non-negotiable mantras for success for any man or woman, women leaders – in most cases – may just have to work that much harder to reach the echelons of power.



“Working harder doesn’t necessarily apply to long hours,” Pal suggests, “but to a ‘magic’ of managing people and processes in the most effective manner to get the desired results. Those include, respect, commitment from teams, and gaining the loyalty of peers and subordinates.”

Despite the disparity of these views, making corporate executive and board leadership more inclusive of women is widely viewed as a way to connect more meaningfully with consumer segments, to provide equity in terms of employee career advancement and to optimize opportunities for innovation.

“Diverse management is much more productive, open to new ideas, creative and with more energy and better communication than solely male management,” concludes Beata Zytka, a consultant in the Warsaw office of TRANSEARCH.

a clear and convincing opportunity: career pathing for women leaders

“They still have to conform to men’s way of experiencing their professional careers.”

Those words, voiced by TRANSEARCH consultant Claire Floreani in Paris, speak to one of the central deficits in organizational approaches to attracting, recruiting, developing retaining top women business leaders.

Women’s careers are far more likely to include periods of full engagement, potential disengagement, and, with increasing frequency, re-engagement with full-time employment than men’s. Yet the vast majority of companies have failed to recognize the potentially non-sequential nature of women’s career focus.

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One study by the French GEF – Le Groupe Grandes Ecoles au Feminin, a consortium including HEC Paris and INSEAD – suggests that men aren’t even aware that their women colleagues don’t in any comparable numbers have as many career advancement options as their male colleagues. That may result from the reality that men in far greater numbers build a career step-by-step, year-on-year without any break in their service tenure to their employers.



“employers must measure the advancement and career development of high-performing women”

During that time, men build their networks, relationships and trust platforms that enable them to advance their careers, while women who step back from their careers for any reason find the challenge of reconnecting, rebuilding and re-engaging far more challenging.

Olga Chebotkova, a consultant in the St. Petersburg office of TRANSEARCH, confirms that many of the career advancement obstacles women leaders face are informal, unspoken and often unrecognized by men in top leadership roles.

“Here, in Belgium, we have seen companies trying to put up specific career path for women in order to break the glass ceiling,” reports Karine Becker, a consultant in the Brussels office of TRANSEARCH. Yet, she wonders, “Isn’t there a paradox that society has not resolved yet? Our husbands want us to have kids but our bosses don’t.”

The primary reason women opt out of their careers, Becker asserts, is to raise children. But many find it exceptionally hard to resume their careers at the same level once they decide to re-enter the workforce, in part because they were unable to stay connected with their professional networks and in part because many employers allow only for linear career development, whether they realize it or not.

- ✓ **Best Practice #1:** In order to gauge the availability of talent for key management roles in the future, employers must measure the advancement and career development of high-performing women and recognise the unique obstacles women face as they build careers and families and potentially search for opportunities and options to re-engage at the management level

“Companies are not yet organized to entrust women with top management-level responsibilities and to afford them the flexibility to take care of their children,” Becker says. This has boxed many women leaders into choosing, at some point in their career, either one role or the other.

“Women executives can put their career at the center point of their lives,” Becker contends. “The only condition is that either they don’t have kids or that the husband takes over the [traditional] mom’s role.”

The inflexible nature of many senior executive roles will, however, be pressured as the anticipated scarcity of proven performers in many functions and industries worldwide will force more employers to differentiate their leadership opportunities to attract, retain and reward top management talent.





In fact, a growing number of advocacy organizations have created opportunities for women business leaders – many of whom ‘broke the ice’ by becoming the first women in their organizations hold a particular leadership role – to mentor and interact with a new generation of women managers.

“employers must create networking opportunities and specific career pathing for women leaders”

Also, a variety of forward-looking employers in industries ranging from telecommunications and media to management consulting in countries such as France, the United States and Sweden (to name just a few) have created women’s leadership initiatives aimed at leveling the playing field for career and organizational advancement.

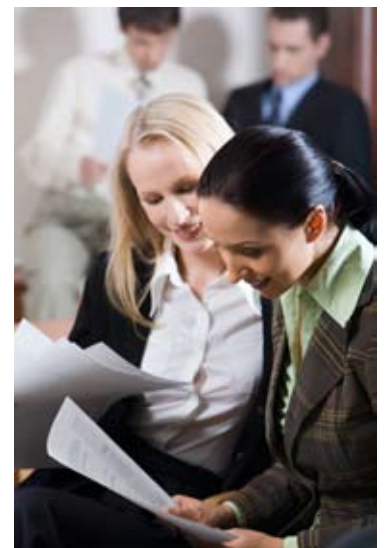
Employers will need to adopt more flexible career options, Becker contends, as they compete for leaders whose lifestyles are subject to change but who may seek new and creative options for sustaining their careers during any break from the full-time workforce.

“Very few really have it all when it comes to senior executive roles – but the successful ones have established great manageability in attaining success and happiness both personally and professionally and can determine what must be committed to the corporate and personal family,” says Alexandra Hamlet from the Washington, D.C., TRANSEARCH office. “Executive roles held by both men and women require a mantle of commitment. The corporate ‘family’ demands attention, time, and physical presence – just as the personal family requires.”

Best practices in successful leadership roles, Hamlet says, have centered on individual leaders’ abilities to creatively develop both a distinctive private and personal life and a committed corporate life. “Maintaining balance for a woman in a leadership role is the most demanding aspect of success,” she observes. “It requires creativity to establish a lifestyle that is most likely different from her peers and her parents’ roles.”

- ✓ **Best Practice #2** – Companies want options for management succession. To keep as many high performing women business leaders engaged with their organization and “on radar” for future promotion, employers must create networking opportunities and specific career pathing for women leaders. These should provide them their own options for engaging flexible work assignments that don’t force them into a decidedly unfavorable choice (for the employer and the individual alike) between work and family, which has had the effective of significantly reducing the pool of talented candidates to satisfy succession plan requirements

Companies across a broad range of industries have established outreach and diversity programs to promote the kind of education and skills training that women and cultural minorities need to compete in today’s world of work.





Yet, to meet the needs of an increasingly demographic challenge, companies must open up even more opportunities to fill their talent pipelines with more qualified candidates, among them a larger number of women business leaders.

“If women are to increase their presence and to provide significant positive contributions,” says TRANSEARCH consultant Alexandra Hamlet in Washington, D.C., “emphasis on early training and education in the sciences are crucial.”

“ask today’s women business executives about the obstacles they faced and apply these lessons (with their help) as they relate to recruitment, retention, development and promotion of a new generation of women leaders”

The elevation of organizational capabilities in the aerospace and defense industries that Hamlet serves is already being boosted by the availability of a broader talent pool, one into which many women leaders have been infused in recent years.

“I believe women are becoming significant drivers in a broader sense in this industry as the qualified demographics of female engineers, scientists, and military experience expands,” Hamlet says.

- ✓ Best Practice #3 - Learn from the example set by today’s women business leaders. Understand the career track they followed to gain the requisite skills and experience to do the job. Ask today’s women business executives about the obstacles they faced and apply these lessons (with their help) as they relate to recruitment, retention, development and promotion of a new generation of women leaders.

outlook: how progressive companies will win the war for women leaders

Looking ahead, it’s hard to imagine that the companies on the leading edge of the knowledge economy will get there or stay there without leveraging the experience and talents of women business leaders as their consumer segments continue to globalize and diversify.



The consultants of TRANSEARCH International share a consensus view that women executives will play an increasingly critical role in building and shaping market-leading institutions in the years to come. The challenge for these organizations, therefore, is to understand the challenges unique to women leaders and how to address

them in a way that expands the talent pool for a wide range of critical business functions.



“There will continue to be a greater expansion of women into top corporate jobs as the emphasis on related education, experience, and non-traditional roles change,” says TRANSEARCH consultant Alexandra Hamlet.

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“Corporations are in business to make money and grow. It is increasingly obvious that qualified women are becoming available and are making a difference in the bottom line, and corporations that have a drive to succeed are responding accordingly.”

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About TRANSEARCH International

TRANSEARCH International has representation in most of the major economic centres of the world with over 50 offices in more than 30 countries and is currently rated as the 10th largest global executive search firm by Executive Recruiter News (ERN). TRANSEARCH International was founded in 1982 and celebrated its 25th Anniversary in 2007. For more information contact the TRANSEARCH Central Office (contact@transearch.com).

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