

## Fostering women leaders: A fitness test for your top team

Lareina Yee

Posing five questions can help start a challenging management conversation.

**The challenges** are well known: women in business continue to face a formidable gender gap for senior-leadership positions.<sup>1</sup> Moreover, there are fewer and fewer women at each step along the path to the C-suite, although they represent a majority of entry-level employees at Fortune 500 companies and outnumber men in college-graduation rates.<sup>2</sup> Increasingly, the barriers too are well known: a mix of cultural factors, ingrained mind-sets, and stubborn forms of behavior, including a tendency to tap a much narrower band of women leaders than is possible given the available talent pool.

Much has been written about the nature of the challenges.<sup>3</sup> I want to focus on what companies can do to take action. In this article, I've distilled some forward-leaning practices into five questions that can serve as a fitness test for your top team. In my experience, an

<sup>1</sup> Women hold fewer than 15 percent of executive-officer positions in Fortune 500 companies. For more, see "Statistical overview of women in the workplace," Catalyst, March 3, 2014, [catalyst.org](http://catalyst.org).

<sup>2</sup> See Joseph Chamie, "Women more educated than men but still paid less," *YaleGlobal Online*, March 6, 2014, [yaleglobal.yale.edu](http://yaleglobal.yale.edu).

<sup>3</sup> For more on this topic from *McKinsey Quarterly*, see Sandrine Devillard, Sandra Sancier-Sultan, and Charlotte Werner, "Why gender diversity at the top remains a challenge," April 2014; Joanna Barsh, Sandra Nudelman, and Lareina Yee, "Lessons from the leading edge of gender diversity," April 2013; Joanna Barsh, Sandrine Devillard, and Jin Wang, "The global gender agenda," November 2012; and Joanna Barsh and Lareina Yee, "Changing companies' minds about women," September 2011, all available on [mckinsey.com](http://mckinsey.com).

organization that is making progress on such issues tends to explore them in concert. At the very least, these questions can help generate the kinds of challenging conversations that executive teams around the world should be having. The stakes are too high not to have them. As I heard the CEO of a US healthcare company say recently, “The business case is simple: my company needs the best talent. Why would I handicap that by 50 percent?”

## **1. Where are the women in our talent pipeline?**

Most senior executives know intuitively how many women do (or don't) hold top-leadership roles at their companies. But in the United States, surprisingly few of them keep precise track of how women do (or don't) move through their talent pipelines—from entry all the way up to the top-executive ranks.

A clear picture is important. Because such pipelines tend to be unique, “default” solutions, though well-intentioned, can miss the mark; for instance, ramping up a recruitment drive for women won't help an organization struggling to retain female vice presidents. In the US healthcare industry, women make up more than 75 percent of the entry labor force but hold fewer than one-third of the most senior positions.<sup>4</sup> Other organizations struggle with recruitment. In US high-tech companies, it is not unusual for women to make up just 30 percent of the entry ranks. One likely factor: the decline in the number of female computer-science college undergraduates. From 2000 to 2011, the proportion of women earning computer-science degrees in the United States sank from 28 percent of the total to 18 percent.<sup>5</sup>

How to gather pipeline information is no secret, and what to do with it shouldn't be either. Outcome metrics ought to be reviewed annually, and leading indicators (such as employee sentiment and promotion trends) should be examined during quarterly business reviews. All of these metrics must be considered elements of an ongoing management conversation.

<sup>4</sup> See “Women in U.S. healthcare,” Catalyst, April 9, 2014, [catalyst.org](http://catalyst.org).

<sup>5</sup> See *Science and Engineering Indicators 2014*, National Science Foundation, 2014, [nsf.gov](http://nsf.gov).

Once the pipeline is visible, a related conversation should happen about the distribution of women's roles—in part to get a better sense of the career barriers they face. For example, in the United States, about two-thirds of women in Fortune 500 companies begin their careers in line (as opposed to support-staff) roles. Yet the figures at the top are reversed: roughly two-thirds of the women in the C-suite occupy human resources, marketing, or other support positions. Whether such patterns are a problem varies by organization; awareness is the first step toward understanding if they are.

A major consumer-goods company, for example, identified 500 pivotal roles across the organization. For each of them, it wants to have a succession plan five candidates deep (a “hit by a bus” plan). The company encourages the creation of diverse slates of candidates on these lists and tracks outcomes over time to ensure that it is making progress on its diversity goals, including the appointment of enough women to leadership roles. Interestingly, the effort is considered a talent initiative, not a women's initiative—a distinction that models gender-neutral behavior in promotion decisions.

Finally, companies should consider the benefits of transparency: the act of publicly sharing data on gender diversity sends staff and external parties alike a clear message that the status quo is insufficient. In recent months, several companies (including eBay, Facebook, Google, LinkedIn, and Yahoo!) have taken this step. By doing so, they have initiated a pragmatic conversation about what organizations can do to change.

## **2. What skills are we helping women build?**

Many women's programs focus on convening, creating, and broadening networks. While these are important investments, they are insufficient. Companies should also instill the capabilities women need to thrive. Some of the most important are resilience, grit, and confidence.

Resilience is the capacity to recover quickly from difficulties—a form of toughness. Grit is resolve, courage, and strength of character. Confidence is a level of self-assurance arising from an appreciation of your own abilities or qualities. In business settings, resilience

allows us to get up after making a mistake or encountering a challenge, grit allows us to push through walls and rise above challenges, and confidence helps transform challenging experiences into greater self-assurance, not self-doubt.

In our 2012 interviews with 250 high-ranking women executives, we found that they thought the top attributes of their own success were resilience and grit, which ranked higher than more obvious factors, such as a “results orientation.” We also heard moving stories about how perseverance through challenging circumstances can shape a woman’s ability to lead. A former plant manager, for example, described the aftermath of an accident and her effort (in the middle of the night) to understand the circumstances in which it occurred, to ensure the workers’ safety, and to communicate with the press. Years later, this woman—now a senior executive at the company—cites the experience as a turning point in her career because it gave her confidence at a moment of failure and crisis.

Academic work highlights the importance of determination, as well. The University of Pennsylvania’s Angela Lee Duckworth found that among public-school students in Chicago, those with more grit were significantly more likely to graduate.<sup>6</sup> Similarly, research by Stanford’s Carol Dweck finds that students are more successful when they are praised and recognized for their contributions, hard work, practice, and effort—in short, for a mind-set of growth. Such a mind-set is valuable in corporate environments too, for it suggests that women can shape (and reshape) their own advancement and success. The good news is that these capabilities are coachable and that educational innovation (online, video, and experiential learning, for example) ought to help. Leaders should encourage experimentation to accelerate progress.

### **3. Do we provide sponsors along with role models?**

Intuitively, we know that seeing female role models makes a huge difference to younger women. Research confirms this intuition. For example, a 2012 study found that young Indian girls living in villages with a stronger representation of women in public leadership

<sup>6</sup> See Angela Lee Duckworth, “The key to success? Grit,” TED, April 2013, ted.com.

roles were significantly more likely to see themselves as future leaders.<sup>7</sup> The Geena Davis Institute on Gender in Media also highlights the influence that visible female role models (or the lack of them) can have on the way girls perceive their future possibilities. (For more, see Geena Davis’s essay, “Addressing unconscious bias,” forthcoming on mckinsey.com.)

To go further, companies should focus on sponsorship, including the creation of opportunities. In leading companies, formal sponsorship programs help fill the opportunity gap by encouraging women to set higher aspirations and by finding ways to open doors for them.<sup>8</sup> In our survey of female leaders, nearly 60 percent of them said that if they could relive their careers, they would have more sponsors.

Sponsorship is an area where men can play a huge role. In fact, it is one of the most basic commitments male leaders can make to help increase the number of talented women in their organizations. A simple question to ask men in senior roles is this: How many of you sponsor at least one woman? At the same time, of course, ask the women in leadership positions what they are doing to share their stories and to make themselves more visible role models for women throughout the ranks. Sponsorship programs with tangible goals can be highly effective. At eBay, for example, senior vice presidents and vice presidents set a goal of developing top-talent women by sponsoring five of them. Such efforts have helped the company more than double the number of women in leadership roles since 2010.<sup>9</sup>

#### **4. Are we rooting out unconscious biases?**

One of the biggest challenges exists squarely in the heads of employees: the unconscious biases that shadow women throughout their careers and can set them up for failure.<sup>10</sup> Held by men and women alike, these biases take many forms.

<sup>7</sup> Lori Beaman, Esther Duflo, Rohini Pande, and Petia Topalova, “Female leadership raises aspirations and educational attainment for girls: A policy experiment in India,” *Science*, 2012, Volume 335, Number 6068, pp. 582–86.

<sup>8</sup> For more on sponsorship, see Sylvia Ann Hewlett, *Forget a Mentor, Find a Sponsor: The New Way to Fast-Track Your Career*, Boston, MA: Harvard Business School Press, 2013.

<sup>9</sup> For more about eBay’s experiences, see Michelle Angier and Beth Axelrod, “Realizing the power of talented women,” *McKinsey Quarterly*, September 2014, on mckinsey.com.

<sup>10</sup> For example, see Shelley Correll, *Minimizing the Motherhood Penalty: What Works, What Doesn’t and Why?*, Harvard Business School “Gender and work: Challenging conventional wisdom” symposium, Boston, MA, March 1, 2013, hbs.edu.

Smart companies work hard to make unconscious biases more conscious and then to root them out so that they don't affect the culture in wide-ranging and unhelpful ways. Actions include training, surveys (to gain insights), and policy remedies that create a more level playing field. For example:

- Denise Russell Fleming, a vice president at BAE Systems, recently told the *Wall Street Journal* about work the company is doing to train managers and executives to overcome bias. The effort is designed to weed out even seemingly innocuous behavior, such as overlooking introverts during meetings, that can put women at a disadvantage.<sup>11</sup>
- To measure the progress of the eBay Women's Initiative Network, the company uses a survey that highlights areas of concern for all employees—such as promotions, hiring, challenging assignments, and the visibility of job opportunities. In addition to focusing on women in leadership, the company is working to improve its culture more broadly.
- When George Halvorson was chairman and CEO of Kaiser Permanente, he instituted a “rule of two” to encourage diversity and help avoid the “just like me” bias that's prevalent in many promotion decisions. For appointments at the VP level and above, Halvorson encouraged leaders to bring three candidates, and no more than two of them could have a similar demographic profile—for example, sex or race. (For more, see “Lessons from a veteran diversity advocate,” an interview with George Halvorson, forthcoming on mckinsey.com.)
- Last year, Google—where men make up 83 percent of all engineering employees and 70 percent of the total population—initiated diversity-training workshops based on academic research into unconscious bias. While reversing biases is difficult, there have been early success indicators in discussions about promotion and in improved awareness.<sup>12</sup>

<sup>11</sup> Joann S. Lublin, “Bringing hidden biases into the light: Big businesses teach staffers how ‘unconscious bias’ impacts decisions,” *Wall Street Journal*, January 9, 2014, wsj.com.

<sup>12</sup> Farhad Manjoo, “Exposing hidden bias at Google,” *New York Times*, September 24, 2014, nytimes.com.

## 5. How much are our policies helping?

Although the most stubborn barriers are inside the heads of employees, this isn't to say that companies have exhausted the potential of corporate policy to effect change. Child-leave policies are one area ripe for improvement: some US companies are raising the number of weeks for maternity leave, thus resembling international norms more closely.<sup>13</sup> Both Google and Yahoo! increased the number of days they allow for child leave. Other companies are more publicly encouraging men to take paternity leave—a move that helps chip away at prevalent gender norms about caregiving. Indeed, in one women's leadership workshop I attended, the highest-rated recommendation was to make paternity leave mandatory for men so that they could more fully take part in raising kids and reduce the perception that child care is a “women's issue.” Such ideas are intriguing, as they suggest tangible ways a company's policies can affect the mind-sets of employees.

Part-time or other flexible work policies are a sore spot; they look great on paper, but few employees take advantage of them: McKinsey research has found that less than 1 percent of men or women did so at companies offering such options at the executive level. Clearly, policies that aren't much used are great opportunities for management discussions, and while these conversations can be uncomfortable, they can also lead to new ways of working. (For example, see “Championing gender equality in Australia,” forthcoming on [mckinsey.com](http://mckinsey.com).)



Uncomfortable conversations are often necessary to identify the pragmatic actions that can improve a company's odds of developing women leaders. The good news is that the rewards—a stronger workforce that fully taps the available talent across the economy—are well worth it. The power to change and to keep moving forward lies in our hands. ○

<sup>13</sup> Denmark and Venezuela, for example, call for 18 weeks of paid maternity leave. The United States mandates up to 12 weeks of *unpaid* leave. For more, see Naj Ghosheh, *Working Conditions Laws Report 2012: A global review*, International Labour Office, 2013, [ilo.org](http://ilo.org).

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