



THE CONFERENCE BOARD



Executive *action* series

No. 277 July 2008

Women's Leadership

Revitalizing Women's Initiatives

by Toddi Gutner

Key indicators of gender in the workplace suggest that women's advancement in corporate America has plateaued or even slipped over the past few years. Still, many companies remain committed to initiatives designed to support women in the workplace and foster their careers.

In 2007 women held only 14.8 percent of Fortune 500 board seats, 15.4 percent of corporate officer, and 6.7 percent of top earner positions, according to a 2007 survey by Catalyst, a nonprofit organization that tracks opportunities for women in the workplace.¹ What's more, 10 additional companies (74 up from 64) had no women corporate officers, a 15.6 percent increase from 2006. The percentage of women officers in line positions, the gateway for promotion to top leadership positions, fell by 6 percent.

While these statistics may be discouraging, they have not prevented companies from maintaining their commitment to creating equal opportunities in corporate America.

"How inclusive you are as a company has become a benchmark, just like how green you are," observes Marilyn Nagel, director of Inclusion and Diversity at Cisco Systems.

By establishing such networks and programs, companies aim to promote a female-friendly environment to improve morale and job satisfaction and enhance their socially responsible corporate image—all in the hopes of attracting and retaining talent.

Integrated programs that are able to make a business case for women's leadership and tie women's advancement to the company's bottom line are most likely to get buy-in from the executive team and succeed at the mission to advance women through the corporation.

¹ 2007 Census of Women Corporate Officers and Top Earners. For the full report, see www.catalystwomen.org

Editor's Note: This Executive Action is based on presentations at The Conference Board's April 2008 Women's Leadership Conference: Winning Strategies for Success.

“We began to realize that there were very successful women with phenomenal results who brought profit to Goldman Sachs,” says Jeffrey Maslow, managing director, Investment Banking Services at Goldman Sachs. “That encouraged us to foster the development of most senior women at the firm.” The results are showing: In 2001, women accounted for 7 percent of Goldman’s partner class. That percentage jumped to 14 percent worldwide in 2007. In 2001, only 14 percent of all managing directors in the United States were women, numbers are now at 19 percent.² “What gets measured, gets done,” observes Elizabeth Cottom, head of Global Leadership and Diversity, Goldman, Sachs & Company

The company’s efforts have been recognized in the public arena. In 2007, Goldman won The Catalyst Award, which honors innovative approaches proven results taken by organizations to address the recruitment, development, and advancement of all managerial women, including women of color. In celebrating an approach’s success, Catalyst provides corporations and professional firms with replicable models to help them create initiatives that are good for women and good for business. “Catalyst Award-winning initiatives are assessed against seven rigorous criteria: business rationale, senior leadership support, accountability communication, replicability, originality, and measurable results,” says Julie Nugent, research director and chair of the Catalyst Award Evaluation Committee.

But despite ongoing corporate commitment, women’s professional success ultimately continues to lie in their own hands. “You need to have a specific career plan that requires you to acquire important skills such as leading, managing, coaching, and building the right relationships so that when opportunities arise, you are chosen,” asserts Denise Morrison, president of North America Soups, Sauces and Beverages Campbell Soup Company. Coupled with a specific game plan, every professional must find someone to give them direct, honest, constructive, and caring feedback.

² While issues related to diversity have been part of performance reviews at Goldman for some time, discussions are currently underway to connect manager compensation to the creation of a diverse workforce.

Best Practices for the Individual

- Work hard and focus.
- Believe that leadership is service.
- Understand that change is constant.
- Adopt work-life integration.
- Give back and get involved in your community.
- Believe that good ethics are imperative.
- Look at the potential in people: inspire and motivate them.
- Be clear about goals: plan your career and take smart risks.
- Merchandise accomplishments.
- Networking is working.

Source: Denise Morrison, president of North America Soups, Sauces, and Beverages, Campbell Soup Company.

“[Many] women were getting derailed because they weren’t getting honest feedback,” says Helen Lerner, founder of Womenworking.com.

Best Corporate Practices

Merrill Lynch

Integrating Women’s Initiatives into the Business Plan

“Making a business case by illustrating the competitive advantage of promoting women into leadership positions is what resonates with top management,” says Theresa Torres, diversity program manager, Global Markets and Investments Banking (GMI) at Merrill Lynch.

While Merrill has not yet tied compensation to diversity initiatives across every business, it has introduced scorecards as a first step toward holding business units accountable for diversity. These scorecards measure turnover,

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hiring, diversity program participation, and other metrics, which are then tracked, monitored, and reported back to senior management through the various diversity functions.

As part of Merrill Lynch's firm-wide promotion readiness initiative within their banking division, the company has taken a proactive approach to improve the retention and promotion of diverse professionals. At the beginning of the year, corporate diversity managers and business heads convene to take a forward look at the businesses' diversity pipeline. If, for example, a woman is in line to be promoted to managing director, the committee tries to assess what she might need to succeed (e.g., more exposure to top management).

Metrics are also being applied when it comes to recruiting. Merrill Lynch aims to capture a share of the graduating class each year that is equal to or greater than that of its competitors. "If we're only able to hire 30 percent of that pool and our competitors are at 50 percent, then we did not get our fair share of top talent," explains Torres. These statistics are gathered to make a case to senior management that diversity matters and to increase support for additional proactive programs and policies for advancing diverse candidates.

Cisco Systems

Running the Initiative like a Business Function

Cisco's Women's Action Network (WAN) is one of the company's 54 Employee Resource Groups (ERGs) that are actively supported by the executive team. Launched in 2001 at Cisco Headquarters in California, it has now 37 chapters in 35 countries. To create a Women's Action Network, at least 10 employees at one office location have to establish and identify a need. Together they create a vision, mission, a membership recruitment plan, budget, and group charter. They then find and/or choose an executive sponsor or sponsors to support their WAN. That executive not only provides advice and counsel but also dips into his or her own budget to support the WAN. Once the WAN has secured an executive sponsor, it needs to get approval from the Global Inclusion and Diversity Council to obtain further guidance and funding.

Best Practices for Women's Networking

- Engage in mentoring circles: put together five people at different levels.
- Maintain relationships you don't use as part of your normal day.
- Get buy-in of the executive team.
- Include men in the network.
- Use speed mentoring (i.e., meet with top executives for one minute at work).
- Use reverse mentoring.

Source: Building and Maintaining a Women's Network Workshop; Marilyn Nagel, director, Inclusion and Diversity, Cisco Systems.

WANs convene monthly and meet with the Global Inclusion and Diversity Council. Each ERG has a link to its own intranet page which is updated regularly. An annual company-wide ERG symposium brings together leaders from all the ERGs to meet with Cisco executives to network, team build, and discuss company issues and challenges. Once every quarter, three of the 54 ERGs get together to organize an event.

Under the WAN banner, several new Women's Workspace initiatives have been launched to leverage technology. Women at any level can choose to participate in three confidential 45-minute coaching sessions through Cisco's telepresence lifesize videoconference program.

Cisco's Connected Women in Second Life program features employee, customer, and partner events as well as a diversity learning space where avatars can engage in a global gender quiz, dance pavilion, and work/life balance discussion among other areas. "Using an avatar makes it easier for people to say things about diversity and inclusion that they wouldn't say otherwise," explains Nagel.

Cisco tracks the success of its WANs through:

- performance reviews
- retention at performance development events (number of people who attend, evaluations from participants)
- pulse surveys (an annual diversity index that measures 14 indices)
- business development opportunities
- progress against business plan submitted

Since June 2008, Cisco has been taking things a step further. Performance reviews now include two goals relating to inclusion and diversity in performance reviews. “We are a pay for performance culture, so this approach will help to keep people motivated to manage each individual to work at their full potential,” says Nagel.

Ernst & Young

Teaming Up with Men for Success

While Ernst & Young has always engaged senior men, the strategy is now being expanded to involve a larger population of line leaders. The company has always had men on their Gender Equity Task Force, but it hasn’t always provided “a forum where service line leaders and more junior-level men can make their voices heard and share their perspective,” says Wendy Hirschberg, director, Americas Gender Equity Strategy. To facilitate this, the company invited a male executive to lead a focus group of 300 male partners and principals to discuss women’s issues. “We asked them what their viewpoints were, what we could be doing differently from a male perspective.”

In addition, Ernst & Young’s Gender Equity Task Force is targeting male individuals to become change agents within the firm. That is how Thomas D. Madden, a principal in the Risk Advisory Services group, became what he calls “an accidental diversity supporter.” Madden was shown statistics documenting that while

Engaging Men as Diversity Champions

In an ongoing interview project with Goldman Sachs, Ernst & Young, and IBM, Catalyst has identified the following key barriers to men’s commitment to gender equity initiatives. Preliminary research results have also yielded useful strategies geared toward engaging more men in reducing gender inequities.^a

Barriers

- fear of being blamed or making mistakes
- fear of other men’s disapproval
- lack of awareness of the costs of inequity

Strategies

- inviting men in
- exposing men to male role models who champion gender equity
- providing opportunities for men to examine gender issues with other men as well as with women
- appealing to self-interest

^a Catalyst 2008 Research Sponsorship Opportunities, Accelerating the Change Process: Engaging Men as Diversity Champions, p. 6. For details see www.catalystwomen.org

one-half of all hires were women, the company was not leveraging existing opportunities to achieve a higher percentage of women partners.³ He was then asked to get involved with the firm’s efforts to increase women’s representation among its partnership. One way he contributes is by bringing together other men and challenging them to be more inclusive of women. Madden leads discussions to identify and implement action steps that will encourage and advance women within the firm. It is such efforts that won Ernst & Young The Catalyst Award in 2003.

³ Currently, women make up 16 percent of all partners at Ernst & Young, a rate that is comparable to that at other accounting firms.

Conclusion

Women's initiatives have different goals depending on the company. In some cases they are designed to advance women to senior leadership positions; in others, they are created to drive business, promote community, and provide support to women. Much of the success of women's initiatives will depend on their successful integration into a company's business plan, on running the networks like a business unit, and on engaging men in the gender equity issue. Finally, it is a combination of personal career strategies and corporate initiatives that will continue to keep promotion of women into senior leadership positions on the agenda.

Acknowledgments

This report draws on the insights provided by Mary Wright of the Conference Board.

About the Author

Toddi Gutner is an award-winning business journalist who has covered the financial markets, retirement, career, and small business issues for *Businessweek* and *Forbes* magazine since 1990. She continues to write, both in print and online for several business publications including the *Wall Street Journal* and *Businessweek*. Prior to becoming a journalist, Gutner was an economic analyst at a private consulting firm in Washington, D.C.

The Conference Board, Inc., 845 Third Avenue, New York, NY 10022-6600
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