

Retaining top women business leaders: strategies for ending the exodus

Denise T. Cormier Ed.D.



Denise Cormier coaches and consults to executives and their teams to help them become more effective and successful in their work and personal lives. Her clients include business leaders, physicians and other professionals. She is based in Massachusetts, USA. She can be reached at denise@cormierassociates.com

Women leaders who have broken through the “glass ceiling” still feel like outsiders in their organizations, a contributing factor to the exodus of high-caliber women leaving corporate life. The author discusses the results of her research study conducted with 40 women leaders, uncovering the reasons behind the dissatisfaction and isolation.

As businesses become more global, more complex, and more fluid, the need for new leaders and a different *type* of leader becomes more essential. In 2006, for the second year in a row, CEOs from around the world have identified the need for steady, sustainable growth as their number one challenge and the quality and supply of leaders in their pipeline as their number one concern (Conference Board, 2006).

Today’s business world calls for leaders who not only know the business, but who also possess a global mind-set and understand the intricacies and politics of the complex world in which they are now called to manage. This new type of leader – not only the best and the brightest but also the inspired and inspirational, the collaborator and relationship builder – is now taken for granted as a critical component of the new leadership architecture of the twenty-first century. Faced with this ever-widening need and ever-widening gap, CEOs must now rethink their strategies for assuring a pool of leaders for tomorrow.

There are two strategies for overcoming this gap in the quality and availability of leaders:

1. rethinking leadership development; and
2. building on what we have.

Regardless of how accelerated leadership development programs are, the development and incubation of new leaders takes time, further widening the gap in leadership needed for today. New leadership development programs are an essential long-term fix that needs to be addressed to assure a quality pipeline to serve tomorrow. The short-term fix that can have long-term benefits is to build on what we have – and one of the first steps in doing so is stopping the exodus of high-caliber women leaving corporate life.

Women in leadership

In today’s business world, women at the top are no longer an anomaly. In the USA, women hold over 50 percent of management and professional positions and over 85 percent of the Fortune 500 companies have at least one female officer. Worldwide, women with graduate-school degrees outnumber men in 21 of the 27 richest countries. In the USA, the number of women with graduate and professional degrees is expected to grow by 16 percent over the next decade. The same projection for men is 1.3 percent. In Britain, female doctors are expected to outnumber their male counterparts by 2012. For British solicitors under the age of 40, females already outnumber their male counterparts. Canada’s numbers are similar. Taken together, these figures suggest that many of the twenty-first century’s high-potential leaders will be women.

Beyond their numbers, women leaders offer a competitive advantage to their organizations. A recent survey of 350 of the Fortune 500 companies conducted by Catalyst (2004) found that companies with the most women in top leadership positions had a return on equity that was 35 percent higher than those with the least number of senior women. Another study, conducted at the University of Michigan Business School (cited in Clart, 2005), further supports the link between women leaders and performance. That study of 534 companies first listed on

the American Stock Exchange in 1993 found that those firms with women in senior management got higher valuations when they first listed than did their counterparts with all-male management, and higher-than-average stock increases in the three years thereafter.

The impact of women in leadership positions on the bottom line is seen as so important that Norway has imposed a 40 percent quota for women on company boards. According to Norway's Minister of Trade and Industry, Ansgar Gabrielsen, the mandate was imposed as a result of "studies [that] are showing that the more women there are at the top of a company, the better its financial performance" (Clart, 2005). Above and beyond being a source for competitive advantage, women leaders are also role models and mentors for their aspiring successors. The importance of women in leadership positions is of such concern that the focus of the Women's Forum on the Economy, held in Paris in October 2005, was on attracting and retaining senior women.

At the same time that the number of women in business is increasing, women are also exiting their corporate positions in increasing numbers. Lisa Belkin of the *New York Times* recently coined the term the "opt out revolution" to depict this exodus. The *Wall Street Journal*, *Time*, and *Fast Company* (Belkin, 2003) recently published articles discussing the departure of highly qualified women from mainstream careers. In the past, the belief was that women were leaving corporate life because of the pull of family demands. The corporate remedy was to create flexible work programs and family initiatives. These programs were created to assist women in realizing both their familial and career aspirations while ensuring the organization continued access to this talent pool over time. As successful as these programs have been, new research recently published in the *Harvard Business Review* (Hewlett and Buck Luce, 2005) and *FT Magazine* (October 2005) shows that women are currently leaving corporate life because of high levels of dissatisfaction, rather than the pull of family demands.

The exodus of women from their high-powered positions is not a luxury that corporations can afford. There are financial, competitive and altruistic costs. This bright, talented pool of leaders includes some of the best and the brightest. These women have demonstrated the ability to hold a vision, and to use their skills, talents and political savvy to break the glass ceiling to get to where they are. They are bold, tenacious and talented. Having made it, they are now opting out through the revolving door. It is imperative that we explore the reasons for their dissatisfaction and departure and develop remedies to help these women sustain their passion and ambition for the corporate arena. A strategy of retention is paramount. The competitive workplace of the twenty-first century depends on it.

What women want

As an executive and team coach, I have the opportunity to work with today's leaders and the high-potential leaders of tomorrow. In my work, I hear about the dreams, ambitions, and challenges that my clients experience in their professional lives. The insights afforded by my professional experience enticed me to explore the issues that impact the women I coach and affect their organizations. My desire was to go beyond the stories of the famous, charismatic women leaders whose faces grace the covers of glossy news weeklies, and to dig beneath the existing survey data on women leaders to better understand how "ordinary" women who have "made it" in the corporate world see themselves and describe their dissatisfaction.

By identifying the wellspring of these leaders' dissatisfaction, I hoped to help stop the exodus of successful women from their organizations by helping women find greater satisfaction in the leadership roles they have achieved and by helping organizations to change in ways that will make a difference. To learn about their experiences, I recently interviewed 40 successful women – COOs, VPs, directors, and senior managers – who have broken through the "glass ceiling." These women represented a variety of industries, including pharmaceuticals, health care, manufacturing, high tech, and higher education in both the USA and Europe. These leaders ranged in age from 35 to 60. Their salaries reflected their credentials and status. They were single, married, partnered, and divorced. Some had children; others did not. During the interviews, these women candidly shared their dreams and professional aspirations and the stories of the challenges they face in their leadership roles.

As a group, these women are ambitious and hard-working. They are proud of their achievements and their status. As pioneers and leaders, they exude energy, confidence, self-awareness, and vision. These successful women are dedicated to their dreams of making a difference and helping others succeed. As one woman executive said, "My job now is not just to contribute as before, but to be the role model and mentor to others who are moving up."

In spite of their successes, these women also have their challenges. Like their male counterparts, they share a desire to create a better balance between their work and their personal lives. They expressed frustration at being caught up in day-to-day activities, leaving little time to reflect and think strategically. These women discussed the still too familiar challenge of walking the line between being assertive, yet not aggressive, and managing other aspects of gender relations as part of their responsibilities as global leaders. Frustrating as these may be, these challenges were not identified as “make it or break” issues.

So, what are the sources of dissatisfaction that are causing these high-caliber women to leave their positions as successful organization leaders? As I probed further, I found that one of the main drivers of this dissatisfaction is that these women feel like outsiders – even though they have made it to the top. These women expressed an acute sense of isolation and a longing to be fully integrated – as an equal partner with their male counterparts sitting at the table. As one of the women I interviewed remarked: “There were hurdles in getting here; that I expected. But now, there are these hurdles that I didn’t think would be here. [. . .] It’s still a boys’ game. There’s this line of demarcation that the girls still can’t cross easily.”

This feeling of isolation stems from two sources:

1. feelings of “not fitting in” with the male culture that currently dominates today’s organizations; and
2. a lack of the social networks and relationships that are critical to thriving in a leadership capacity today.

Isolation = not fitting in

Let’s take a look at what “not fitting in” looks like.

Meet Janice. She is high-caliber talent. She’s quick and sharp; she moves fast and is focused. Her door is open; she’s calm, cool, and at ease with her team. They look to her for support and guidance, which she readily gives. She’s bright, experienced, respected. She exudes confidence; she juggles her workload well. She seems to have it all under control. The scene now shifts to a meeting with her colleagues: Janice is one of two women at the executive table of six. Her demeanor has changed. She appears cautious, ill at ease. Her conversation is serious and businesslike – even the chitchat. Something is different. She no longer appears to be the confident woman whom we met earlier.

The above scene was described again and again in my study and is reflective of the discomfort of not fitting in. What does isolation feel like for these women? Gail, one of the women in the study, describes it this way: “I walk into the meeting room and the tenor changes. Sometimes, I just feel like I crashed the party.” Jill, executive, expressed it this way: “I was recently in a management team meeting. I am the sole woman in the group of five. That’s OK; it’s not unusual. We were discussing a new structure for a new and highly innovative function – positions, not people. In the presentations, every fictitious person in each block on the [organizational] chart was referred to as he, for example, he will do this, he will do that. Now, I understand that ‘he’ is the generic pronoun for ‘he or she,’ but after a while, I really started feeling alone, unrepresented. Was I being crazy? Overly sensitive? When I commented – and did it with forethought and lightness – my colleagues chuckled and agreed, but nothing in the discussion changed.”

Another study participant described another symptom of not feeling fully integrated: “My male colleagues never express doubts or shortcomings. I have to be careful how I express myself. Even though I know I’m good, I feel like an imposter, so I prepare and prepare again. That takes time – time that could be spent on better things.”

Differences in male and female communication styles also contribute to the isolation, as expressed in this comment: “My male colleagues – their style is very dominating. They speak in a loud and confrontational way. I have to work diligently to make sure that I don’t come across as ‘over dominating’ – the bitch. I speak up with my own style and try to be heard, and push back and challenge in a way so that they [the men] don’t feel threatened. Sometimes, when I am lucky, I succeed. Other times I have been told that I’m too pushy.”

As organizational leaders, we know all too well how important fitting in can be. When a leader spends time and energy trying to fit in, creativity, spirit, and the ability to engage fully are hampered.

Isolation = low social capital

Top women also seem to lack networks and friendships with colleagues. In my study, these executives expressed both the desire and the intention to schedule networking and social time with colleagues, yet their aspiration did not equate with successful follow-through. Lack of time and the pressures of work demands were often cited as reasons for not creating social networks. As one woman commented: “My ‘just say no’ policy kicks in. I’ve got to get things done.”

“By identifying the wellspring of these leaders’ dissatisfaction, I hoped to help stop the exodus of successful women from their organizations.”

On probing further, I also discovered that many of these women viewed their networks as a luxury, not a necessity, and isolation as something that just comes with the territory of leading. “I wish I had more [time with colleagues], both men and women,” said one study participant. “Networking is not routine. I know it needs to be routine, like going to the gym, but it’s not.” Another summed it up this way: “We even have a women’s network here on site. I put it on my calendar, but most times other priorities take precedence.”

As these examples demonstrate, although women leaders are aware that networks and influencing are important, especially in this age of the ever-growing matrix organization, these women struggle with putting a priority on relationships that are vital to their success. Leadership is dependent on skills and competencies, but it is equally or perhaps even more dependent upon relationships. To be successful, a leader must be visionary and strategic, but she must also know who and how to influence across the organization. As she moves up in the ranks, a lack of social networks can derail her career.

Integration = the critical success factor

The leadership mandate of the twentieth century was inclusion. Organizations became more diverse and women entered the workforce and leadership ranks as never before. The numbers of women at the top grew and was celebrated. Today is different. Success demands a shift in our leadership mandate. Integration, rather than inclusion, is key. What’s the distinction and why does it matter?

Inclusion is defined as the relationship between two classes when the second is a subset of the first. In contrast, Webster’s Dictionary defines integration as the incorporation, as equals, of individuals from different groups into an organization. In the twentieth century, male leaders invited their female counterparts to the table and the leadership structure was already defined. Retaining women leaders in the twenty-first century will require an intention to engage them as equals and to co-create a new amalgam of leadership.

What does integration mean and how important is integration to these women leaders? As these women told me, their professional dream is to be fully integrated at the top, which they defined as feeling influential and being accepted as equals with their colleagues. To them, integration means being recognized for their ideas and accomplishments, as well as sharing a sense of belonging, no longer feeling isolated and alone. And, finally, as these women so eloquently said, being integrated means being able to lead with integrity – to have the freedom to be themselves at work and in the executive suites. In essence, being integrated is the critical factor for women’s success as leaders.

What we can do

As my research shows, the challenges that women leaders face today have the real potential for either derailing this top-notch talent or, at the very least, diminishing their passion and spirit as leaders. Neither option bodes well for organizations that understand the importance of women leaders to their competitive edge, financial performance, and succession planning. The strategic imperative is to assure and sustain the quality and supply of current leaders and those in the pipeline. To be successful, both strands of the leadership DNA must be attended to – the leadership practices themselves and the organization’s culture (Glaser, 2006). Helping women leaders individually can develop leadership practices. Changes in the corporate culture take place in leadership teams and on the organizational level. Below, I discuss why coaching and focusing at the executive team level are key to this transformation.

Step 1: helping individuals

Leadership is not a half-hearted endeavor. It takes commitment, competency, and curiosity, the ability to take risks and envision the future. The leader’s job is to harness the collective imagination of others to create that future. The manager’s job is to turn talents into performance (Buckingham, 2005).

As the above description makes clear, the skills required of the leader are different than those required of the manager moving up the ranks, and the methods people use to get to the top are not the ones necessary to sustain their passion and assure their success as leaders. This information is not new. The volume of books and workshops on leadership versus management attests to that. What is new is the leadership profile that speaks to the needs of the organization of the future, a profile that includes many more women leaders than today. That profile includes the ability to prioritize, inspire and delegate across functional and cultural boundaries, to coach and grow talents, collaborate and develop social capital, be learning agile and able to cut through layers of complexity and lead with a global mindset. The new leader profile also requires the ability to do all of that at an unprecedented pace and with reflection.

These are big shoes to fill. There are a number of ways to tackle this issue. Identifying and promoting women and training them in the new leader skill sets can set the foundation for learning to lead in a new way, as well as for finding satisfaction in leading. Deliberate on-boarding can jump-start a new leader's ability to get onto the playing field and can help to assure her ability to win in the new environment.

Professional coaching and mentoring programs for current and emerging women leaders are essential for complementing training and developmental opportunities provided by the organization. Coaching can zero in on the unique needs and developmental gaps of each individual and assure the successful incubation and execution of the new leadership profile on the day-to-day level. Coaching can be used to strengthen and hone critical skills and competencies, provide real-time feedback, and contradict the "imposter syndrome" described earlier. Coaching can also serve as one-on-one instruction for identifying and analyzing the gaps in one's social network and professional dreams, as well as promoting the development of specific strategic areas necessary for success. Coaching is also highly effective for helping people move up in the organization. In my own practice, over 75 per cent of the individuals that I coached in 2005 were promoted within their organizations.

As more formal studies show, executive coaching is not only one of the most effective methods for creating behavior change at the speed that's necessary in today's corporate environment, it is also one of the most cost-effective tools available as demonstrated by the 2001 Manchester Study (see www.ManchesterUS.com) that showed a 600 percent ROI on executive coaching. Internal mentoring programs provide the specifics for understanding key players in the organization and the politics necessary to succeed. Together, these two development strategies complement one another and create synergies not found when executed alone.

Step 2: shifting the corporate culture

Today, many companies have a diversity overlay to their succession process and business plans. In most cases these programs have been very successful in helping women and minorities move up in the organization, in designing and assuring equal access to opportunities, and in helping organization members understand differences and be more aware of diversity issues based on gender, race, and ethnicity. In addition to promoting women to the top, we must now develop corporate cultures that embrace women leaders and create new ways of managing and leading together. That shift begins with and is modeled by the top management.

As we discussed earlier, a shift to a corporate culture of integration must be coupled with individual development to assure the success and retention of women at the top. Customarily, a shift in corporate culture is done at the organizational level. However, I have found that shifting to a culture of integration must begin at the executive and leadership team level in order to be successful and have impact. The executive team holds the potential for the organization and it is the place where the new culture must be developed and modeled. It is here that the old boys' network must change if the shift is to occur. What happens at the executive table – the relationship building, the dialogue and conversations – is critical for creating an environment where women leaders, along with their male counterparts, can thrive. The leadership team is the organization's culture in microcosm. The shift to a culture of integration begins here.

Just as executive coaching is widely recognized as the most effective vehicle for implementing behavior change at the senior level (Conference Board, 2006), so too is coaching a core process for driving culture change. Executive team coaching can be used to assess the team's culture and establish new patterns of working together. A team coach can serve as the initiator and facilitator of the crucial conversations needed to identify issues and create a culture shift. The executive team coach can provide real-time feedback, challenge, and support both to individuals and the team in making the change(s) necessary to model the culture they deem successful for the future. Finally, in my experience, the team coach can create the synergies between simultaneous individual and team development that can catapult change at the pace that's needed today.

Step 3: creating networks and networking opportunities

Step 3 in the quest to retain women leaders involves creating social networks and business networking opportunities. In today's highly networked and matrixed organizations, relationships are the name of the game. Success is a social phenomenon. Relationships play a key role in getting a job or a promotion, selling a new idea, or obtaining financing and venture capital. Relationships are also critical to women's development and feelings of satisfaction (Gilligan, 1982), and they are the foundation for accomplishment in true leadership. According to Peter Block (cited in Glaser, 2006), leaders create the conditions that foster accountability and commitment through their power to initiate and foster conversations, redesign the social space and support the human spirit. The Center for Women's Business Research (cited in Clart, 2005) also shows that women business owners depend on relationship-building to get business done.

Our social network is the key to feeling – and being – integrated as a leader. One way to support the retention of women leaders is to establish opportunities for business networking and to stress the importance of networking in leadership development. Organizations must prioritize developing company-sponsored networking opportunities for their leaders both internally and externally, and initiate networks of women leaders to support and nurture this talent pool. Relationships built at the executive and team level also contribute to feelings of belonging. Time for relationship-building as well as business issues should be incorporated and expected as an integral part of leading, not eliminated as a cost-cutting measure.

Another successful tool for developing leaders and strengthening networks and relationships is group coaching. Group coaching creates virtual networks of leaders who support one another in their professional development. In addition to having outcomes similar to those experienced through individual coaching, group coaching also provides the opportunity to create networks and develop coaching expertise. Formalizing networking opportunities through group coaching, business networking and team-building can build confidence, stop isolation, tap resources, and provide a systematic vehicle for developing a leader's social network and social capital.

The individual's mandate: to thine own self be true

As organizations change, so too must the women who find themselves leading them. My research has identified not only some of the barriers women face in leading organizations, but also their dreams and aspirations. Women must acknowledge the value and necessity of networks to their own professional success, and must prioritize coming together to interrupt their current isolation. Women must also utilize coaching and mentoring for the support they need as pioneers, and in turn mentor women leaders who are following in their footsteps. Finally, women must identify and develop the social networks critical to their success, and shift their current leadership practices to incorporate more delegation as a means of growing their people and freeing their time. Ascribing to this new form of professionalism – where relationship-building is key – will enable women leaders to be the true insiders that they aspire to be and that their companies need.

Conclusion

As this research demonstrates, women leaders are not “men in skirts.” Rather, they have their own sets of needs, dreams, ambitions, and talents that they bring to their role as organizational leaders. It is critical that organizations and their leaders take the next step to fully realize the value that women can and do bring to their organizations by developing corporate cultures where women can be who they really are and lead alongside and as equals to their male colleagues. In so doing, organizations will stop the current “brain drain” and be assured of a constantly replenished talent pool for tomorrow that benefits more than the bottom line.

References

- Belkin, L. (2003), “Opt out revolution”, *New York Times*, October 26.
- Buckingham, M. (2005), *The One Thing You Need to Know: About Great Manging, Great Leading, and Sustained Individual Success*, The Free Press, New York, NY.
- Catalyst (2004), “New Catalyst study reveals financial performance is higher for companies with more women at the top”, press release, available at: www.catalystwomen.org/files/pr/Financial%20Performance.pdf
- Clart, P. (2005), “The accidental feminist”, *Financial Times Magazine*, October 15-16, p. 40.
- Conference Board (2006), *2006 Leadership Development Conference: Developing a New Cadre of Global Leaders for Top-Line Growth*, February, The Conference Board, New York, NY.
- Cormier Associates (2005), unpublished research, Cormier Associates, Chesterfield, MA.
- Gilligan, C. (1982), *In a Different Voice*, Harvard University Press, Cambridge, MA.
- Glaser, J.E. (2006), *The DNA of Leadership: Leverage Your Instincts To Communicate, Differentiate, Innovate*, Platinum Press, Avon, MA.
- Hewlett, S.A. and Buck Luce, C. (2005), “Off ramps and on ramps: keeping talented women on the road to success”, *Harvard Business Review*, pp. 43-54.

Appendix

Steps to building a culture of integration

- Customize your new leadership profile.
- Develop leaders.
- Create a culture of integration.
- Establish networks.

How women define full integration

- Be influential.
- Accepted as equals.
- Recognized for ideas.
- Rewarded for accomplishments.
- Sense of belonging.
- Social capital.
- Be oneself.

What women leaders want (professional dreams)

- Make a difference.
- Lead with integrity.
- Live with balance.
- Connect with colleagues.
- Plan for what's next.

How women leaders define success

- Making a contribution.
- Modeling great leadership.
- Having a sense of accomplishment.
- Being financially rewarded.
- Being recognized for contributions.
- Modeling, mentoring and helping others grow.
- Feeling happy, content.
- Living a balanced life.

(Source for material in Appendix: Cormier Associates, 2005.)

For more information, visit www.cormierassociates.com.

For more information about the survey results cited in this article or to learn more about Cormier Associates, visit www.cormierassociates.com or call 413 296-0001