





Got Talent? It Isn't Hard to Find

Recognizing and rewarding the value women
create in the workplace

By Brad Harrington and Jamie J. Ladge

“**T**he company that finds the right formula to get the most out of the talent base? That’s the company that’s going to win. That’s the company that will be distinctive. And nowhere is that more true than with women,” argues Samuel DiPiazza, Global CEO of accounting giant PricewaterhouseCoopers. “And in PwC, where we have so many talented women in our team, how do we get more of them into leadership of the organization? To me, that’s the critical question.”¹

DiPiazza has put his insights into action: His firm is ranked one of the top five global companies to work for by DiversityInc, a leading publishing, research, and consulting firm on diversity and business. But his words and deeds aren’t simply about “doing the right thing” by promoting diversity, they are also smart business. By sheer numbers, women are now on half of U.S. payrolls and they are granted more degrees than men. Women represent the fastest-growing segment of small-business owners, are responsible for making 80 percent of consumer buying decisions, and are inevitably becoming the driving force fueling economic growth.² These numbers indicate that change for businesses large and small is inevitable, ready or not.

Indeed, there is now such a strong business case for hiring, retaining, and promoting women that increasingly companies of all sizes are beginning to rethink their structures, hiring practices, and human resources strategies to respond to the

workplace needs and expectations of women. These new efforts to bring women more fully into the American workforce at all levels benefit women and men alike. New research demonstrates that companies that consistently promote women to positions of power and leadership over time and across their operations have greater financial success across a variety of measures.

Yet most companies haven't done enough to incorporate women into their business models. Nor have they made great strides in addressing the work-life conflicts that most workers, but especially women, face. The vast majority of companies in the United States still seem to be reluctant to embrace practices that will most effectively manage, promote, and retain women.³ Yet, for all workers, conflict between what their families need and what their employers need can make it difficult to be both good workers and good family members. Since the bulk of care responsibilities continue to fall on women (although this has been slowly changing), women bear the brunt of the costs of not addressing these issues.

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Women across the income spectrum are struggling to cope with work-family conflict because of these important gains in women's participation in the workforce. For hourly workers, work-life conflict can have particularly dire consequences. Many hourly workers have very little control over their schedules and can be fired for being late or missing a day's work due to a schedule conflict. For middle- and higher-income workers these same conflicts may be the reason that women don't reach the upper echelons of their organizations as fast as men, and also the reason that some leave the workforce altogether.⁴

We contend in this chapter that those employers who have made the adjustments swiftly are reaping the benefits while those who have not are continuing to embrace management practices that are out of step with the needs and

desires of today's workforce. The problem for most companies is that deeply entrenched corporate cultures often value people's time over their efforts, which impedes the retention and promotion of women and others who demand greater flexibility over their schedules.

The reality for all U.S. businesses, though, is clear: This change is unavoidable and organizations will need to change with it in order to thrive. The movement of women into the labor force has fundamentally altered the environment in which businesses function.

The conversation is no longer about whether women will work, but rather how businesses are dealing with both women workers and most workers sharing in at least some home-and-family care responsibilities.

This chapter juxtaposes the gains women have made with the barriers and challenges they continue to face. We then identify the changes in the way businesses operate that will allow women in the labor force to be successful. We conclude with a set of recommendations for both organizations and society as a whole to address the concerns and opportunities for women in business.

Where are the women?

What are women doing today? In spite of the much-heralded progress women have made in building careers, there is still a long way to go before women reach parity, especially in senior-level management positions. While it is encouraging to note that 38 percent of working women are employed in managerial, professional, and related occupations, a great many women in the United States remain employed in what might be seen as traditionally female occupations, such as secretarial, nursing, or teaching.

In terms of specific professions, women have obviously made progress across a broad spectrum of careers. For instance, more than half of accounting graduates are women and women make up about 54 percent of all accountants in the United States. Women of color represent nearly 30 percent of all female accountants.⁵ Women also represent 45 percent of all associates in law firms and are generally equally represented in industries such as banking and insurance.



THE CORNER OFFICE. Many women lawyers have risen in the ranks of law firms but few occupy the coveted corner office. {CHESTER HIGGINS JR., *THE NEW YORK TIMES*}

The professional area where women continue to have low representation is in engineering and science. In engineering for example, women earn only about 20 percent of the degrees awarded in the United States, with the highest percentages of those being in chemical and industrial engineering (earning 30 percent or more.) The lowest percentages are in some of the largest disciplines such as mechanical and electrical engineering, in which women are represented at or below 18 percent, according to the National Science Foundation.⁶

In 2008, 68 million women were employed in the United States. Seventy-five percent worked full time. Twenty-five percent worked part time (35 hours or less). Women are more likely than men to work part time and not surprisingly, those with young children are the most likely to seek reduced work hours. The result for women is a still-pervasive wage gap, as Heather Boushey amply demonstrates in her chapter of this report.

Advancing toward the C-Suite

Despite the progress women have made, as of July 2009, only 15 companies on the Fortune 500 list were run by female chief executives, and 14 of the next 501 to 1,000 companies, according to Catalyst, the leading women's nonprofit research organization.⁷ That's less than 3 percent. Further, only 15.7 percent of corporate officer positions in Fortune 500 companies were held by women—and this number has not increased at all since 2002.⁸ These low numbers and the lack of progress in recent years suggest that it is not simply a time lag that results in the low number of women in senior management. It is also the effects of the so-called “leaky pipeline,” as women drop out of organizations' talent management systems before they reach senior management positions.

Despite low representation of women in senior-level roles, the proposition that corporate bottom lines are improved if women are full participants at every level in companies is now bolstered by a number of studies. Several recent studies conducted both in the United States and abroad show that when women are at the helm of major corporations, those companies enjoy greater financial success. Among them:

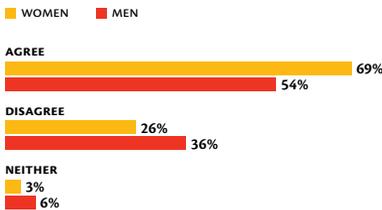
- A 2001 Pepperdine University study led by the late marketing professor Roy Adler found that the 25 best corporations for women within the Fortune 500 list of companies (those that aggressively promoted women) had 34 percent higher profits compared to industry medians.⁹
- A 2007 study conducted by Catalyst found that Fortune 500 companies with more female board members were more profitable than those with fewer or no women when using financial measures such as return on equity, return on sales, and return on invested capital. The top 25 percent of companies in terms of number of women on their boards of directors yielded a 13.9 percent return on equity compared to a 9.1 percent yield for companies in the bottom 25 percent in terms of number of women on their boards.¹⁰

These are just a few examples of a range of recent studies that focus on the relationship between female executive leadership and corporate financial performance. While we would not suggest that these studies provide indisputable evidence that women are better leaders than men, they do suggest that the ways women lead can yield positive organizational outcomes.

In their recent report “‘Girl Power’: Female Participation in Top Management and Firm Performance,” University of Maryland business professor Cristian Dezso and Columbia Business School professor David Gaddis Ross examined more than 1,500 U.S. companies from 1992 to 2006 and found strong indications that when women exert influence in positions of leadership and power, they get more beneficial results. This is due in part to their participatory and democratic style of leading, which tends to foster both creativity and teamwork.¹¹ The benefits of having women in these positions is now evident in the movement of more and more women into positions of leadership and influence outside the C-suite.

THE LATEST FROM THE AMERICAN PEOPLE

Q: Do you agree or disagree: There would be fewer problems in the world if women had a more equal position in government and business?



Source: Rockefeller/TIME poll, 2009.

Hopping off the ladder

For the vast majority of women (and men for that matter), reaching a C-suite level position is not very likely (or perhaps even desirable). The statistics on educated women entering the workforce and the early but encouraging research we have outlined suggesting that women are highly effective in senior-level positions would lead one to ask:

- Why aren't women more equally represented at senior levels of the business organizations?
- Why is the number of women at the top still so small?
- Why are there so many leaks in the pipeline of women into leadership in corporate America?

Later, we will discuss the underlying reasons that are thwarting women's advancement, but first we consider the alternative career paths of the professional women who are not pursuing the C-suite, and examine how business supports (or fails to support, as the

case may be) the vast majority of women who are working in occupations with little prospect of career advancement.

Among the many reasons women hop off the career ladder is work-life conflict. Two options that many women pursue to address these conflicts are: “opting out” (or downshifting) and pursuing entrepreneurial careers.

Off the career track

The term “opting out” was coined by Lisa Belkin in a 2003 *New York Times Magazine* article.¹² While the piece was controversial and empirical research contradicted the hypothesis that this is a widespread phenomenon, Belkin did rightly point out that many highly educated women leave their employers prematurely due to the barriers they encounter in the workplace and the challenge of integrating work and family.¹³

But opting out is not simply a response to inflexible schedules and problems rectifying work-family conflict. In their 2006 book *The Opt-Out Revolt*, Lisa Mainiero and Sherry Sullivan point out that women are more likely to leave the workforce because their jobs are not satisfying or lack meaning. Many women, especially those at midlife, opt out because they do not feel valued.¹⁴

A second option for women is to take on a reduced work schedule, working part time or job sharing. This approach, like opting out, is viable only for those families that can afford to live on less earnings. Women are far more likely than men to pursue reduced-hours arrangements in order to accommodate their caregiving demands. Unfortunately, employers appear to have an almost inexplicably high level of resistance to establishing part-time professional positions.

Many highly skilled women seek professional part-time roles where they can contribute in meaningful ways, only to find that such roles pay poorly, are marginalized, and often do not include benefits (not even on a pro-rated basis). The result is a serious talent drain that would be very easily remedied by employers simply letting go of an outdated belief that professionals and managers work full time.

Overall, a quarter of women workers are employed part time (fewer than 35 hours per week), and most are employed in a relatively small number of occupations, with cashiers (6.3 percent), waitresses (5.1 percent), and retail sales (5.1 percent)

being the most common. As stated earlier, much of the overall gender wage gap is due to women's propensity to work part-time schedules or take time out of the workforce to care for their children.¹⁵ Unfortunately, for many employees, part-time work often carries with it a stigma, a serious lack of "good" opportunities, and a wage-and-benefits penalty that limits career growth.

The entrepreneurial call

Another option that is an increasingly attractive alternative for many women has been to start their own companies. Data from 2008-09 indicate that women are running more than 10 million businesses with combined sales of \$1.1 trillion.¹⁶ Women are starting these new companies mostly in industries where they have traditionally been well-represented as employees and line managers but not so often as owners and leaders.

Researchers at the Small Business Administration in 2008 took a deep dive into the data behind all this female entrepreneurial activity. They discovered that between 1997 and 2006, the number of women-owned businesses grew in number by 69 percent in service industries, 82.7 percent in professional services, 116.8 percent in arts and recreation services, 130 percent in retailing, 116.8 percent in real estate and 130 percent in the health care sector.¹⁷

The challenge, however, is that many women-owned businesses make very little money: Forty-six percent of women-owned companies earn \$10,000 or less and about 80 percent have annual revenues of less than \$50,000.¹⁸ Despite the growing number of women entrepreneurs, only 3 percent of women-owned businesses have revenues of \$1 million or more compared with 6 percent of men-owned businesses.¹⁹

Pink-collar workers

The vast majority of women are not working in jobs that could take them high up the career ladder in a traditional, private-sector business. Most women are working as secretaries and administrative





STARTING A NEW COMPANY. Many women are starting their own companies in industries they have traditionally dominated, such as child care. {NAJLAH FEANNY, CORBIS SABA}

assistants in these businesses, as registered nurses in our hospitals, as teachers in our public schools, and as retail salespeople or cashiers. Table 1 shows the 10 most prevalent occupations for employed women in the United States.

The story of how businesses support these women is quite different from the stories about professional women. One of the most common characteristics of many

TABLE 1

Top 10 occupations for women

Women still work mostly in traditionally female jobs

Occupation	Millions of women	Share of women workers
Secretaries and administrative assistants	3.0	4.7
Registered nurses	2.5	3.8
Elementary and middle school teachers	2.4	3.7
Cashiers	1.9	3.0
Retail salespersons	1.6	2.5
Nursing, psychiatric, and home health aides	1.6	2.5
First-line supervisors/managers of retail	1.4	2.3
Waitresses	1.3	2.1
Bookkeeping, accounting, and auditing clerks	1.3	1.9
Receptionists and information clerks	1.2	1.9

Source: Center for American Progress analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey Outgoing Rotation Group Files. Includes workers aged 18 to 64.

Note: Number of women differs slightly from published BLS data due to rounding errors.

of the jobs listed in Table 1 is that they are in the service sector and that many are hourly, not salaried. They may be subject to regular (or unexpected) shift changes, too many or too few hours, and wages that are low relative to comparably skilled male-dominated occupations. They struggle with work-family conflicts just as professional workers do, but they earn much less, cannot afford to pay for high-quality child care or elder care, and often have far less control over their workdays. Since nonprofessional women make up the majority of women in the workplace, employers need to include them in their thinking about how to retain female talent overall.

The barriers women face in corporate America

While women have come a long way in corporate America, progress, as we point out—especially at the highest echelons—is still slow. What are the major barriers that help explain these numbers and why do women continue to trail their male counterparts?

The most common barriers women face as they navigate organizational life in corporate America are hardly new. They include the persistence of traditional

gender-based caregiving roles, exclusion from informal corporate networks, and gender differences embedded in male-dominated organizational cultures—all of which can lead to “organizational invisibility” for women and for women’s issues. We will explore each of these barriers in more detail to set the stage for what can and is being done in some leading organizations to create an environment that fosters the engagement and development of key talent—and most especially women.

The (perceived) problem with moms

When it comes to challenges women continue to face, nothing compares to the issue of balancing (or integrating) their caregiving responsibilities with their work. In spite of the dramatic increase in the amount of time women spend in paid employment, the time mothers spend with children has declined very little over the past 30 years. This dual work-family role was termed the “second shift” by Arlie Hochschild in 1989 to describe women overloaded from working two full-time shifts—at work and then at home.²⁰

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The second-shift problem is still alive and well for most women today. Many studies have shown that men have increased their commitment to domestic tasks and child-rearing. In fact, according to Suzanne Bianchi, one of the country’s leading work-family scholars, men have more than doubled the time engaged in domestic tasks and child-rearing over the past 40 years (from seven hours a week in 1965 to 16.3 hours a week in 2005).²¹ But this represents only about half the time women with children dedicate to these roles—31.8 hours a week in 2005.

Single and childless women seem to enjoy steady gains in organizational advancement, but their progress very often slows when they become mothers. The so-called “maternal wall,” a term coined by Deborah Swiss and Judith Walker in their 1993 book *Women and the Work/Family Dilemma*, describes the frustration of many women in the upper echelons of corporations who found their workplaces less receptive to them when they became mothers.²² These women felt they were more



A lot of companies right now are so focused on cost cutting that they are really forgetting about benefits, whether it's flexibility benefits, good internal communications—you know, the whole notion of mentoring employees and motivating them and reaching out to people. This is all stuff that five years ago I thought was finally beginning to happen in American business.

Esther in Silicon Valley





likely to be turned down for promotions, receive negative performance appraisals, be passed up for important assignments, and be viewed as less committed to their employers as a result of becoming mothers.

Hitting the “maternal wall” often results in wage gaps and career discrimination. While childless women working in corporations earn nearly the same pay as their male counterparts, mothers earn 15 percent less on average than men and single mothers earn 40 percent less.²³ The gender gap has narrowed over the last 30 years, but it clearly remains substantial. What is particularly problematic is that most mothers across all wage levels rely on their incomes to support their families. The reason: Flat wage growth for most Americans over the past two decades, in tandem with most layoffs—especially in this Great Recession—occurring in traditionally male-dominated industries, have left women as key and sometimes the sole breadwinners.

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It is critical to point out that these dual responsibilities do not apply only to parenting. In the 2002 National Study of the Changing Workforce, 35 percent of female and male employees said they had significant elder care responsibilities—a trend that continues to persist as Americans live longer and require greater care. Elder care is an enormous looming problem that will profoundly impact the U.S. labor force and businesses in coming years.

Unlike child care, where physical care gets easier over a relatively predictable time frame, elder care has a far less predictable time frame and increases in difficulty as the health of the person being cared for worsens. Caring for a child can also be uplifting and can offer many psychological benefits; caring for elders is often psychologically debilitating. And elder care costs are significantly higher than child care, involving private care and nursing homes for families who can afford it and lengthy time off or careers deferred or upended for those who cannot.

While men's roles in elder care tend to be more equal with women's than in child care, these caregiving roles occur at significant times in women's careers.

No "old girl" networks

The second major problem faced by working women pertains to all women, not just those with significant dependent care issues. The famed "old boy" network doesn't really exist for women in most companies. Such networks are critical to forging relationships with mentors, sponsors, and other important social connections that facilitate work effectiveness and career development. Informal networking also fosters collaboration and social support and enhances relationships.²⁴ Yet many women, and African American women in particular, have difficulty networking with individuals at higher levels of the organization, particularly if those individuals are predominantly white and male (which, most of the time, they are).²⁵

In their study of black and white professional women, University of South Africa Professor Stella Nkomo and Dartmouth Professor Ella Bell found that only 59 percent of African American women in the United States reported having white men in their professional networks. The women in their study explained that informal networking is the key to visibility in the workplace and that without access there are limited opportunities for growth and advancement.

White women also struggle to navigate informal networks in organizations that are particularly male-dominated. Without formal mechanisms for women and minorities to become a part of the network, this can remain a significant impediment to progress. Exclusion from informal aspects of the organization can often leave women feeling isolated and disconnected from their peers, work, and institutions. Seemingly simple things such as joining colleagues for happy hour are often impossible for caregiving women, while single women face barriers to socializing with their married male colleagues or supervisors because of misconceptions that may arise, or due to the fact that these are often couples-only events.

The invisible woman in a male-dominated culture

Finally, women face the challenge of working in organizations whose character and culture have largely been forged by males. While discussions of culture are often more amorphous and organizational responses and solutions are frequently less clear, it would be a mistake to ignore this critical impediment to women's success.

Studies show that men and women communicate, lead, and negotiate differently, with serious implications for women.²⁶ Georgetown Professor Deborah Tannen’s work from the mid-1990s showed stark differences in how men and women communicate and the implications for women in the workplace.²⁷ Tannen found that men communicate to preserve status in group settings while women use communication as a means to gain intimacy and closeness with others.

Several other studies show differences in how men and women negotiate for resources in the workplace. While managers try to give employees equal access to resources, women often get shortchanged because they don’t ask for resources as frequently as men.²⁸ Women, it seems, ask for less due to gendered behavioral expectations—they don’t want to appear too aggressive.²⁹ As a result, women give the appearance that they lack the skills to negotiate and claim authority in the workplace.

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Scholars have also looked at potential differences in leadership styles between men and women. In *Ways Women Lead*, University of California at Irvine Professor Judy Rosener found that men tend to use more delegating, transactional leadership whereas women use a more transformational style by sharing their power and information in a participative approach.³⁰ This is in line with other research that supports the notion that transformational leaders inspire others to be more engaged, committed, and creative, which can lead to improved overall organizational effectiveness.³¹

But other studies find those differences are more of a myth based on gendered expectation of differences rather than actual behavioral differences.³² In their recent book *Through the Labyrinth: The Truth About How Women Become Leaders*, Northwestern University and Wellesley College faculty members Alice Eagly and Linda

Carli posit, “There is no defensible argument that men are naturally, inherently, or actually better suited to leadership than women are.”³³

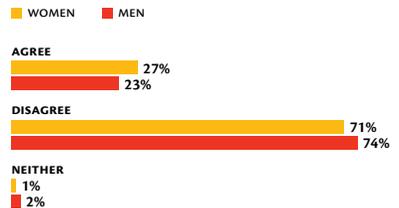
These invisible assumptions are the foundation of most organizational cultures. They are forged in male-dominated senior management meetings and in informal networks that often exclude women. Consequently, the ways women instinctively respond to business situations may not conform to the widely accepted, and yet untested, cultural norms of organizations.³⁴ This can create significant problems for working women.³⁵

Regardless of whether these differences are real or perceived, they often leave women at a disadvantage in traditionally male-dominated environments where masculine styles are expected and rewarded. Business organizations often cling to one interpretation of what effective leadership is rather than capitalizing on the strength of diverse styles of leadership. That may explain why we have yet to see a woman at the helm of a major company in male-dominated industries such as automotives, construction, and manufacturing.

The result is that women are faced with a double bind in many organizations—either staying true to their core values or adopting the masculine values and traits that are dominant in their organizations. When they enact the former approach they may be seen as too feminine, and when they enact the latter they can be viewed as trying to be something they are not.³⁶ Likewise, when women take advantage of programs such as flexible work arrangements they are viewed as less committed or ambitious because doing so runs counter to “ideal worker” norms, which assume workers have no lives outside of their organizations.³⁷

THE LATEST FROM THE AMERICAN PEOPLE

Q: Do you agree or disagree: Women need to behave more like men to be taken seriously in the workplace?



Source: Rockefeller/TIME poll, 2009.





NEW TYPES OF BUSINESS LEADERS. Chairman and CEO of Avon Products Inc. Andrea Jung at the celebration of International Women's Day with the Virtue Foundation at the Global Summit for a Better Tomorrow at The United Nations.

At far left, actress and Avon Global Ambassador Reese Witherspoon speaks as Jung listens at a press conference before announcing the United Nations Development Fund for Women partnership with Avon to promote an end to violence against women through economic empowerment at the United Nations.

{PHOTO CREDITS CLOCKWISE FROM FAR LEFT: KOESTER AXEL, CORBIS; BEN BAKER; GETTY IMAGES FOR BRAGMAN NYMAN CAFARELLI; MICHAEL NAGLE, GETTY IMAGES}



Indeed, women fare better in newer industries such as high technology that recognize and reward differences rather than old-line companies that value masculine ways of knowing and doing.³⁸ And it is these innovation-led companies that will be the driving force of the U.S. economy in the 21st century—not just big high-tech companies but the many small- and medium-sized businesses. Women will do well in these companies and the companies will do well in turn as more and more women take more and more positions of responsibility throughout their ranks of these businesses amid changing workplace structures in the coming years.

How companies are responding

Some leading companies have rethought some of their core principles and have been willing to alter longstanding management practices—embracing a more flexible approach to doing business that recognizes the new realities facing workers and their families. But most U.S. companies have not. There is ample evidence that those who have embraced change are reaping significant benefits and that there are three primary needs of women in business that employers need to address:

- Work-life and flexibility programs that enable women to adjust their everyday work schedules, especially women in low- and middle-salary ranges where these types of programs are noticeably absent

Women are faced with a double bind in organizations—staying true to their core values or adopting the masculine values and traits that are dominant in their organizations.

- Career development programs that take into account the fundamental changes in the relationship between workers and their employers and that recognize that career development should not assume a “one-size-fits-all” human resource development strategy

- Inclusive work environments in which women's diversity of inputs into company decision making reap the best benefits for businesses

These three sets of workplace initiatives are clearly interrelated, but each needs to be examined separately to underscore their importance and the overall benefits to companies, women, and their families alike.

Work-life and flexibility programs

Since the mid-1980s, leading-edge organizations have been exploring ways to help their workforces minimize the conflict inherent in successfully integrating the work and family domains. Offerings can run a very broad spectrum, from on-site child care to flexible work schedules to telecommuting. The need for these organizational policies became more prominent due to the rise in professional working women and dual-career couples, but it would be a mistake to assume that such initiatives are only valued by women. A 2005 *Fortune* magazine article, "Get a Life!", for example, reported the results of a study of Fortune 500 male executives. These men made the case in no uncertain terms that flexibility is critically important for them, too. For instance, 84 percent of the participants in the *Fortune* study said they would like job options that allow them to realize their professional aspirations while having more time for things outside of work. And 87 percent said companies that do so will have a competitive advantage attracting talent.³⁹

The good news is that there are proven benefits for both employers and employees when companies institute flexible work schedules. A 2002 study by the Families and Work Institute, for example, found that when employees have greater access to flexible work arrangements, they are more committed and loyal to their employers and are willing to work harder than required to help their employers be successful.⁴⁰ Other studies have found significant cost savings and other benefits as a result of offering flexible work arrangements. Case in point: The professional services consultancy Deloitte Touche Tohmatsu estimates a savings of \$41.5 million in 2003 in reduced turnover costs by retaining employees who would have left if they did not have a flexible work arrangement.⁴¹

Workplace flexibility also improves the productivity of workers and can reduce the level of employee stress, which is a leading cause of unscheduled absences.⁴² Furthermore, worker flexibility facilitates commitment to the job.⁴³ Examples of

these programs abound. Hewlett-Packard Co., one of the world's leading technology companies, has offered flexible hours to virtually all employees since the early 1970s. Or consider International Business Machines Corp., which designates 40 percent of its 330,000-person workforce as virtual workers—meaning they work from client sites or from home, not IBM offices.

Other companies boast compressed workweeks for all of their employees in specific business units, among them Raytheon Co.'s missile systems business. Under this arrangement, every employee can work nine days over two weeks, not

THE TRADEOFFS WORKING MOTHERS MAKE. This businesswoman works at her home office while her elder son does his homework. Millions of working mothers—and fathers—have to make often difficult trade-offs when it comes to work and family. {ROLF OESER, *THE NEW YORK TIMES*}



including weekends, allowing them every other Friday off to take care of personal or family issues. And some highly successful companies, among them Intel Corp., follow traditional maternity leaves with a “new parent reintegration process,” which allows up to one year of integration time following leave for new parents. During this time, an employee might work part time for 6 to 12 months and get access to a variety of forms of scheduling flexibility.⁴⁴

Phased retirement programs also are growing in popularity and seem particularly appropriate in light of the aging workforce population. Phased retirement programs allow employees to “ease” into retirement in stages by gradually decreasing hours worked over a period of months or years. This allows a smoother transition to retirement or into a new role during traditional retirement years and minimizes the adverse impacts of going from full-time work to an unstructured retirement. Businesses that utilize these kinds of flexible work arrangements have experienced dramatic improvements in productivity, loyalty, employee retention, and cost reduction.⁴⁵

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But offering these programs alone often is not enough to address the needs of working women. Indeed, many women (and men) are highly reluctant to utilize flexible work arrangements for fear they will be perceived by their employers as less committed. Women and men need to feel supported and respected for their flexible work choices and the benefits of offering these programs, for the employer and the employee, need to be highlighted.⁴⁶

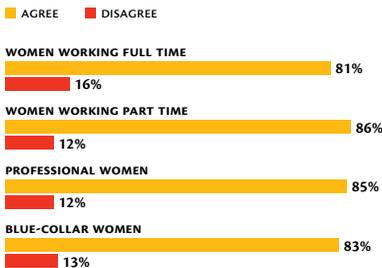
Moreover, such flexibility should not be limited to white-collar workers. Hourly workers benefit greatly from flexible work options. Studies conducted by the Boston College Center for Work & Family⁴⁷ and Corporate Voices for Working Families⁴⁸ found that flexibility programs for hourly employees are just as successful as those created for professional employees. Companies in a wide range of industries, including hotel giant Marriott and the national drugstore chain CVS, have invested heavily in addressing the work-life challenges of their hourly employees. The benefits

of such programs for companies are similar to those experienced by companies offering these programs to their white-collar workforces—savings in recruitment and retention costs, improved productivity, and much greater employee engagement.

But too few companies are offering these kinds of programs to hourly or low-wage workers. While some hourly workers face rigid work schedules, with very little ability to alter their work hours, others must deal with constantly fluctuating work schedules, including the precise work hours and amount of work hours, both of which may vary dramatically from week to week. The most effective dimension for improvement depends on the type of work schedule the worker faces. For workers on rigid work schedules, meaningful input into work schedules is key. For workers on unpredictable work schedules, predictability is key. For workers whose hours fluctuate, stable work schedules are key. And for those workers subject to challenging work schedules that are resistant to change, such as those who work overnight, strategies to mitigate the negative effects of those challenges will be key.

THE LATEST FROM THE AMERICAN PEOPLE

Q: Do you agree or disagree: Employers should be required to give workers more flexibility in their work schedules?



Source: Rockefeller/TIME poll, 2009.

Career development

In addition to flexibility, women also need investment in their development. Companies need to help women thrive in the workplace to reap long-term benefits. Increasingly, the need to navigate careers while maintaining work-life integration has become an enormous challenge for all working people and their employers. Organizational careers within one company are increasingly a thing of the past and families' structures are very different today than they were 20 to 30 years ago. Today, employers and employees alike are fast moving toward a

self-directed career model that noted career scholar Douglas T. Hall of Boston University has termed the “protean career.”⁴⁹

A protean career puts individuals squarely in charge of steering their own career development, but supporting greater flexibility, creating customized careers, and ensuring that individuals have the competence to navigate the myriad of career options cannot be left to chance. It requires a coordinated effort that modifies organizational human resource policies and stresses shared responsibility between organizational leaders and individual contributors to create win-win solutions for the organization and its members.⁵⁰

Women and men need to feel supported and respected for their flexible work choices and the benefits of offering these programs, for the employer and the employee, need to be highlighted.

Deloitte Touche Tohmatsu provides an excellent example of an employer that has taken an aggressive leadership position in protean career approaches. Its program, “Mass Career Customization,” enables employees to create individualized career goals that take into consideration obligations outside of work. Deloitte’s MCC program grew out of a women’s initiative within the company, but it is now being used across the board for individuals regardless of level in the organization, age, or gender.

For career development programs to work effectively, companies also need organizational mentors.⁵¹ Women and minority group members often struggle to find effective mentors within their organizations because these one-on-one relationships typically evolve informally. But the lack of mentors for minorities or female employees in the higher echelons of a company make this difficult.⁵² There are two things that organizations can do to help foster effective mentoring for women in light of the small number of senior female executives.

First, companies can develop formal mentoring programs. Many large companies, including the accounting and consulting firm KPMG, assign all new interns

and employees a formal mentor. The formality of the arrangement is sometimes challenging, as most mentoring relationships evolve in an informal manner. The existence of a mentoring culture within the organization can help to overcome some of the artificiality of the relationships inherent in formal mentor-mentee matching services. It also ensures access to mentors for diverse employees who may not otherwise have an easy time developing mentoring relationships through informal channels.

Second, companies need to recognize the importance and usefulness of employee networks. A woman's network, for example, which may be made up of peers,



THE IMPORTANCE OF MENTORING. Women in senior positions in some companies are taking their younger coworkers under their wings. (MARC ASNIN, REDUX)

subordinates, and managers, can provide others in the network with the psychosocial and career support they need. IBM and the pharmaceutical company Merck are examples of large, global organizations that have invested heavily in developing and supporting these employee groups.⁵³

Inclusive work environments

Finally, women (and minorities) in the workforce need to be recognized and rewarded for their differences rather than being encouraged to fit outdated norms. Many organizations have developed diversity initiatives, but such programs can segment diverse groups by demographics rather than creating heterogeneous groups that would allow the members to explore and learn from their differences. Research shows that when diversity is viewed as strength and there is a high level of acceptance of distinct viewpoints, organizations benefit because it allows for a broader range of perspectives and unique contributions.⁵⁴

What's more, when women and minorities feel respected for their differences, they will be more "retainable." Companies that offer diversity and inclusion programs can benefit handsomely for the effort. These efforts typically include:

- Management and employee diversity training programs
- Succession planning systems aimed at increasing the representation of under-represented groups in higher-level roles
- Employee networks and affinity groups for women and minorities
- A wide menu of programs and policies crafted to respond to a variety of employee needs and family situations in different cultural contexts
- Access, recognition, and awards programs for nonwork obligations, such as leadership efforts in the community and volunteer work⁵⁵

When differences are recognized and rewarded, women and other minority groups feel more comfortable raising issues that promote their well-being. Jane Dutton and her colleagues from the University of Michigan found in their 2002 study that women take cues from their environment that influence whether they are willing to raise gender-equity issues in their workplaces. Their study found that demographic patterns, qualities of top management, and qualities of the organizational culture each served as indicators as to whether women would feel comfortable voicing their concerns.⁵⁶

PepsiCo has been one of the pioneer U.S. corporations in promoting and rewarding women and minorities. As we mentioned, while only 16 percent of Fortune 500 corporate officers are women, as of 2009, 33 percent of PepsiCo's executives and 30 percent of its board of directors are women. The organization has a long history of both developing and promoting women, which is a major part of the firm's overall business strategy and success.⁵⁷ Since 2006, when Indra Nooyi took the helm, revenues have increased by nearly 10 percent, despite slow economic growth. In addition, over the past decade, the company's share price has increased more than 50 percent while the Dow has gone down by nearly 18 percent during that same period.

More and more companies today recognize the advantages of promoting women throughout their organizational structures, yet there remain clear glass ceilings—organizational barriers to the advancement of women throughout their careers.

Where do we go from here?

The Great Recession may mark a turning point for women in the workplace. As some of the old icons of American industry struggle to survive, management practices that were seen as innovative in the early- to mid-20th century will be challenged because of new technologies, changing consumer needs, and contemporary workforce education, demographics, and values. Now is the ideal time to let go of outdated management frameworks that no longer foster employee engagement or facilitate desired organizational outcomes, given the increasing diversity of the American workforce.

For cultural shifts to occur across businesses and industries large and small, there needs to be a shift in U.S. policy around work-family issues, flexibility, and diversity. Despite its position as a global economic leader and a leader in the advancement of equality for women, our nation continues to show little appetite to address the needs of working women and families through government policy. In a study of the maternity policies of 168 countries, for example, the United States ranked at the bottom in terms of time and financial support provided for maternity leave.⁵⁸ And the lack of provision of medical insurance and caregiving all strongly suggest that the United States falls far below many less prosperous countries in the provision of the basic policies that would support families, specifically the U.S. working women who are primarily responsible for the care of these families.



AT THE HELM. PepsiCo CEO Indra Nooyi at a lunch meeting with other top executives at the company's headquarters in Purchase, New York. {MARK PETERSON, REDUX}

To summarize, there are five key points that need to be clearly understood:

1. Women make up more than half the talent that is available for corporate America, and their outstanding performance in educational institutions—especially higher education and professional schools—demands that employers create workplaces that attract, retain, develop, and exploit (in the best sense of the word) this tremendous resource.
2. While we have grown and changed as a society over the past 30 years and women have reached greater equality in the workplace, life outside the workplace still places enormous and highly unequal challenges and demands on women. This must be understood and addressed by corporations and society as a whole. Otherwise, the unparalleled talent that women bring to business will always be underutilized as disillusioned women play roles that are well beneath their abilities and become part of the so-called leaky talent pipeline as they leave their employers.

Despite its position as a global economic leader and a leader in the advancement of equality for women, our nation continues to show little appetite to address the needs of working women and families through government policy.

3. The highest impact actions employers can take to increase women's contributions and enhance their progress cost very little. Such actions involve letting go of outdated mental models such as the idea that there is only one place that work gets done, one way to structure a workday, one model for the ideal career, and one leadership style that works in today's workplace. Flexible work arrangements, flexible career paths, and new leadership styles better meet the needs of today's diverse workforce but also today's flexible and fast-changing economic environment.
4. Many companies are putting forward progressive workplace policies for women, but too few of these companies include policies that apply to workers who are at the low and middle end of the company pyramid. All workers need policies that meet the changed realities of work and family, not just high-end workers.

5. Too few businesses have taken the initiative to change workplaces on their own. Government has a real role to play in incentivizing businesses to update their employment policies.

In closing, the support that women need to be successful is not different from the support all working people need. Women's responsibilities for childbearing and caregiving, and their lack of access to positions of authority in business, simply make women's needs far more acute. If the United States is truly to be a successful economic engine and role model for the 21st-century global economy, it will be because we found a way to fully utilize the human potential that exists in this country. Now is the time to replace outmoded ways of operating with progressive and proven new models of leadership in organizations that will help us achieve that objective.

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