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Changing companies' minds about women

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Leaders who are serious about getting more women into senior management need a hard-edged approach to overcome the invisible barriers holding them back.

The problem

Your company has trouble retaining promising women or promoting them into top jobs. Structural changes, such as "flextime," aren't helping enough; they do little to address the invisible but powerful beliefs, held by many managers, that subtly, and unintentionally, hamper women's careers.

Why it matters

A bevy of research highlights strong statistical correlations among large numbers of senior women, financial performance, and organizational health. The bottom line: companies gain hard business benefits from a more diverse senior team.

What to do about it

There are no sure answers yet. But the experience of companies making progress suggests that injecting greater rigor into people processes—more data, thoughtful targets that push women into the consideration set for key roles, a company-specific business case for women, better sponsorship approaches—can make a difference.

Despite significant corporate commitment to the advancement of women's careers, progress appears to have stalled. The percentage of women on boards and senior-executive teams remains stuck at around 15 percent in many countries, and just 3 percent of Fortune 500 CEOs are women.

The last generation of workplace innovations—policies to support women with young children, networks to help women navigate their careers, formal sponsorship programs to ensure professional development—broke down structural barriers holding women back. The next frontier is toppling invisible barriers: mind-sets widely held by managers, men and women alike, that are rarely acknowledged but block the way.

When senior leaders commit themselves to gender diversity, they really mean it—but in the heat of the moment, deeply entrenched beliefs cause old forms of behavior to resurface. All too often in our experience, executives perceive women as a greater risk for senior positions, fail to give women tough feedback that would help them grow, or hesitate to offer working mothers opportunities that come with more travel and stress. Not surprisingly, a survey we conducted earlier this year indicated that although a majority of women who make it to senior roles have a real desire to lead, few think they have meaningful support to do so, and even fewer think they're in line to move up.

Our ideas for breaking this cycle are directional, not definitive. They rest on our experience in the trenches with senior executives, on discussions with 30 diversity experts, and on the reflections of leaders we've interviewed at companies that have been on this journey for years. These companies include Pitney Bowes, 38 percent of whose vice presidents are women; Shell, where more than a quarter of all supervisors and professional staff worldwide are women; and Time Warner, where more than 40 percent of the senior executives in its operating divisions are women and where the share of women in senior roles has jumped 30 percent in the past six years. Great progress, but even these three companies are the first to admit how much further they have to go.

Their collective experience suggests to us that real progress requires systemwide change driven by a hard-edged approach, including targets ensuring that women are at least considered for advancement, the rigorous application of data in performance dialogues to overcome prob-

lematic mind-sets, and genuine sponsorship. Committed senior leaders are of course central to such efforts, which can take many years. We hope our suggestions, and the real-life examples that illustrate them, will stir up your thinking about how to confront the silent but potent beliefs that probably are undermining women in your organization right now.

Invisible, unconscious, and in the way

For evidence of the problem, look no further than the blocked, leaky corporate-talent pipeline: women account for roughly 53 percent of entry-level professional employees in the largest US industrial corporations, our research shows.[1] But according to Catalyst, a leading advocacy group for women, they hold only 37 percent of middle-management positions, 28 percent of vice-president and senior-managerial roles, and 14 percent of seats on executive committees. McKinsey research shows similar numbers for women on executive committees outside the United States—from a high of 17 percent in Sweden to just 2 percent in Germany and India.[2] Our analysis further reveals that at every step along the US pipeline, the odds of advancement for men are about twice those for women. And nearly four times as many men as women at large companies make the jump from the executive committee to CEO.[3]

To understand what's going on, look to the words that appeared most frequently in open-ended responses to our recent survey as explanations for poor retention and promotion of women: "politics," "management," "the company," "people," and "the organization." These forces manifest themselves in myriad ways. We've all heard endless variations on the mind-sets that set women up for failure:

"She's too aggressive" (or "too passive"). Whether a woman is perceived as aggressive or passive, that's different from the judgment a man

[1] The entry-level figure is from our April 2011 report, *Unlocking the full potential of women in the US economy*. Read an executive summary or download the full report on the McKinsey & Company Web site.

[2] The full report, *Women at the top of corporations: Making it happen*, part of McKinsey & Company's *Women Matter 2010* series, is available on the McKinsey & Company Web site. The differences among countries reflect significant variance in their starting points and cultural norms—which, for example, can make it difficult for a woman to outearn her husband.

[3] Part of the reason is that almost twice as many executive-level women as men (60 percent versus 35 percent) occupy staff roles that are less likely to lead to the top job.

would face, and she often doesn't receive the coaching a man would to help her assimilate into the company's culture.

"I don't want to tell Bob he didn't get that job." There's a limited pool of senior positions, and leaders are not comfortable telling protégés they have groomed for years that someone else is getting the spot.

"I don't know how to talk to or mentor her." Men tend to sponsor other men, find it harder to build relationships with people when they share fewer common interests, and sometimes are nervous about forging a close relationship that could seem inappropriate.

"If I put a woman in that role and she fails, it'll set back all women." Mind-sets like this one inadvertently treat men as individuals and women as representative of their whole gender.

"A woman isn't right for that role." Long-held stereotypes about the relative strengths of men and women survive, at least in vestigial form.

In the face of these silent but potent forces, it's little wonder the careers of many promising women die on the vine. Slowly but surely—despite the best intentions of HR departments and individual executives—the experience of women starts to diverge from that of their male peers: Less opportunity for professional growth. Unintended performance bias and softer feedback. Fewer sponsors offering fewer opportunities and less advocacy. Lowered ambition. Greater satisfaction with staying put. Attrition and a fresh start at a different company.[4]

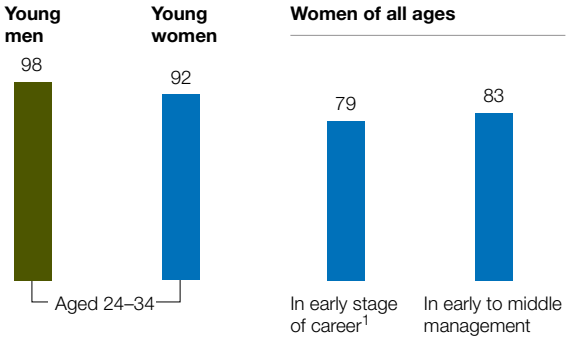
A word about the role women play in this vicious cycle: they start out ambitious. Most young women, like young men, hope to move to the next level, and women who reach more senior levels retain that ambition (exhibit). That said, women also turn down advancement opportunities for varied reasons, ranging from commitments outside work to risk aversion for positions that demand new skills to a desire to stay put in roles that provide personal meaning. In addition, mothers with more than one child are much more satisfied with staying put, our survey shows, though they remain highly confident about their performance and abilities.

Subtle changes in these attitudes toward advancement are another powerful benefit of changing how companies "think about women

[4]Our data show that like the men we surveyed, most women who leave a job move to another rather than exit the workforce.

Like their male counterparts, most young women want to move up. Many of those who advance retain that ambition.

Desire to move to the next level, % who agree or strongly agree



[1] Entry-level, nonmanagement roles; excludes administrative, maintenance, or other support services.

Source: Feb 2011 McKinsey survey of 1,000 women and 525 men currently working in large corporations or professional-services firms; McKinsey analysis

around here." By addressing the mind-sets holding women back, corporate leaders can reshape the talent pipeline and its odds, increasing the number of women role models at the top and, in turn, making it likelier that more women will retain their ambition.

Changing companies' minds

No program or initiative can be the "silver bullet" to advance women into senior roles. Rather, the whole organization must change. That's hard work; it will take years and, potentially, even a generational transition. This goal requires a serious commitment from busy leaders, whose natural tendency is to discuss the issue, create a plan, and hand it off to HR. And it requires real engagement up and down the line, including engagement from women.

To make these changes, corporate leaders need to see them as no less important than a major strategic or operational challenge, such as falling market share or changing the corporate cost structure. And like efforts to address those challenges, efforts to advance women can't just be add-on programs. They must be integrated into the organization's daily work through goals, performance monitoring, processes that force tough conversations, and serious skill building.

Undertaking such a transformation in difficult economic times, when there are fewer opportunities to go around, may seem like a recipe for failure. But the fact is that these changes never will be easy and that a few companies, including those we focus on below (Pitney Bowes, Shell, and Time Warner), have managed to stay on course through both good times and bad.

Make it personal

Make no mistake: as a senior executive, you are already influencing your company's approach. If you're not paying much attention to the issue of women's advancement, you're ensuring that things won't change. As Shell's executive vice president of global supply and distribution, Peggy Montana, says, "When you look at corporate mindsets, change starts at the top. I haven't seen change in diversity start from middle management."

And if you're personally committed, you can catalyze change that will improve not only your company's treatment of women but also, in all likelihood, its business results.[5] In the early 1980s, Pitney Bowes CEO George Harvey learned that the most productive newly hired salespeople were women, many of whom had previously been schoolteachers. Curious to know the explanation, he visited sales offices late in the day and discovered women "writing personal notes to their customers with a lot of conviction"—a practice that, further inquiry revealed, seemed to be driving sales.

According to Pitney Bowes executive vice president Johnna Torsone, Harvey's recognition of the value of these committed women touched off a wave of change. Torsone says Harvey became "determined to open up an environment that allowed people to come in who hadn't had a true opportunity on a level playing field." They would be motivated, he reasoned, and their success would "increase the competitive environment for the men and for everybody else in the organization." The end result, Torsone explains, "was an HR strategy based on business."

[5]For evidence of the strong correlation between women at the top and stronger financial performance, see Georges Desvaux, Sandrine Devillard-Hoellinger, and Mary C. Meaney, "A business case for women," mckinseyquarterly.com, September 2008.

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This is a powerful idea that resonates with our experience: strong as the general business case for women is, companies are more likely to transform mind-sets if they build their own case. That case should be grounded in the impact women are having at your own organization—whether hard business results or indirect benefits, such as building better teams. Harvey's commitment also highlights the importance of having leaders start this journey by changing their own mind-sets: all transformations start with the self; leaders influence everyone else in the organization through their attitudes and actions.[6]

Change the conversation

It's one thing for executives to commit themselves to change. It's another to actually make progress. A starting point is making sure *enough* women are being considered for advancement, to boost the odds that some will get through. Broadening the conversation ensures that high-talent women aren't "underexposed," compared with men, as senior executives talk through promotion possibilities. While putting one woman on the promotion slate will not change the discussion, focusing on metrics will. And though most companies are loath to consider quotas, they're far from the only way to introduce a hard edge to the ongoing talent dialogue.

[6]For more on the role of senior leaders in catalyzing change, see Joanna Barsh, Josephine Mogelof, and Caroline Webb, "How centered leaders achieve extraordinary results," mckinseyquarterly.com, October 2008; and Carolyn B. Aiken and Scott P. Keller, "The CEO's role in leading transformation," mckinseyquarterly.com, February 2007.

Pitney Bowes, for example, focused on the front end. For a number of years, every list of candidates for promotion there had to include 35 percent women and 15 percent minorities, equal to their representation in the workforce at the time. Harvey chose this approach because "he felt that white men had been disproportionately advantaged and had gotten complacent," Torsone explains.

Shell focused on outcomes, setting a long-term target for women at the top: currently, 20 percent of the company's senior executives worldwide. So far, women hold just over 15 percent of those positions, up from 10 percent in 2005. The company includes an assessment of progress against this target in all senior executives' reviews and presents the overall results in its annual report.

At Time Warner, chief diversity officer Lisa Quiroz explains that each division is required to have a succession plan and a robust promotion slate for its top layers of management. The CEO and the HR chief review the plans and slates every year for diversity, among other criteria. This review also includes specific discussions about how individual women are being prepared for their next role, including rotation among the company's divisions and between staff and line roles. For more than a decade, a noticeable part of each divisional CEO's bonus has depended on meeting the company's expectations for diversity.

Will men raise concerns? Maybe. They did early on at Pitney Bowes, despite support for diversity from the top. "George [Harvey]," Torsone explains, "brought challenge and passion to the focus, but it felt alienating to the men. That was not the intention, and so it had to evolve. When I came in, we broadened our efforts to upgrade talent development, making it better for everyone. We still see resistance from men occasionally, but the overall culture changed, and those attitudes are really disappearing."

Any top-down talent review process conducted primarily by senior men can unintentionally reinforce the status quo. Bottom-up survey data can help shake things up.

And what about women? Shell's Montana says her response to fears from women that they're getting jobs just because of their gender is, "Get over it. I've never seen a selection panel pick somebody on the basis of, 'She's not really qualified, but we need a female in this job.' It just doesn't happen. We're running a business, and we're not taking undue risks. It's never going to be a risk-free exercise. But neither is it for the rest of the population."

Use data to create transparency and challenge entrenched mind-sets

Most companies collect some data on diversity. Yet few track the results in enough detail to help executives gain a real understanding of what's going on in their own departments or business units and how their mind-sets may be contributing. Furthermore, many companies track data only at the executive level, not down to the front line. They therefore have no idea what their pipeline really looks like, let alone how to improve it. PepsiCo, by contrast, tracks the progress of women at all levels and shares the results throughout its talent review processes. As a result, the full pipeline of female talent—not just the senior ranks, which are much harder to influence rapidly—is highly visible.

When the findings are impossible to overlook, leaders can use them to make the invisible mind-sets visible and then manage these mind-sets to remove their influence. Pitney Bowes carefully rates and scores each division's diversity plan and, like Time Warner, includes in its bonus decisions an executive's success in promoting diversity. Furthermore, Torsone says, from the time this process was started, during the 1980s, the CEO "would talk about it at every operating and management review."

Of course, any top-down talent review process conducted primarily by senior men can unintentionally reinforce the status quo. Bottom-up survey data can help shake things up, however. Each year, Shell asks all employees to answer a survey with 61 questions, ranging from how they like working at the company to whether they feel able to speak up freely. The company uses the results from five of these questions to measure the inclusiveness of the work culture and how it changes year to year. Shell also analyzes the responses of groups such as men and women, different nationalities, and different tenures to see whether their experiences diverge.

One way the company uses the results is to measure the effectiveness of supervisors in creating an environment where everyone feels engaged

and able to excel. The results flag outliers: parts of the organization where everyone can thrive and those areas where some or all employees feel stymied (those are addressed by specific follow-up plans). Over the years, Shell has seen the gap between men's and women's experiences shrink—a positive trend. There's still the question of whether gender-based attitudes influence responses to surveys like these. In our experience and in Shell's, though, they are much better than nothing.

Rethink genuine sponsorship for women

For men and women alike, effective sponsors can make careers through ongoing, in-the-moment support. Sometimes that means supporting women in stretch roles. In the words of a female executive at a financial-services firm, "The head of the business offered me a big promotion that entailed a move, but then he said, 'We're going to make 100 percent sure that you don't fail. We have your back, so take this promotion.' He called the executive who would become my new boss to extract that commitment, and that made it a lot easier for me to take on this scary, big step."

At other times, the best thing a sponsor can do is offer tough love. Shell's Montana says she has "held some people back from the next level until they had more of an operational P&L role. I felt that if they didn't have it, at least in a reasonably early time in their career, it would hold them back once they had the opportunity for more senior levels."

Clear as the benefits are, so are the challenges of sponsorship for women: many male executives feel more comfortable sponsoring men or simply don't know how to be effective sponsors for women. Take one common kind of sponsor we've met in dozens of workshops—the "relentless coach" who pushes the sponsoree to the breaking point. While many men recall this grueling experience with gratitude and even affection for the sponsor, it doesn't work well for many women, especially those who carry the burden of responsibility at home in addition to their work. Another valuable, but often controversial, kind of sponsor is what we call the "devil's advocate." We all value being challenged to make our work better, but many women find that constant questioning drains their confidence and energy. With self-awareness and training, sponsors can learn to adapt their styles to the individual and situation at hand.

Effective sponsors are deeply, personally engaged, down to the level of small details, whose importance adds up. Time Warner's Quiroz describes true sponsorship as "someone being planful about what you

do, who you're exposed to, what development programs you go to, who you have lunch with, whether you're getting feedback or being assigned a coach." At her company, leaders work hard to make women's careers "intentional." One key: making sure that sponsorees attend Time Warner women's leadership programs, where participants interact with top management and learn to overcome their own limiting mind-sets and behavior. So far, among the more than 300 leaders who have attended Time Warner's program for senior women, 22 percent have been promoted, compared with only 11.8 percent of all women at a similar level in the company.

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We hope you draw inspiration from these examples. If you're ready to start challenging the broadly held mind-sets holding women back in your organization, first become conscious of your own beliefs and how they affect your behavior and decisions. Then, as you help your company move forward, remain vigilant: every time a senior executive leaves or enters an organization, its culture can—and does—shift. It is up to the senior team to help new executives become active participants in this journey and to make regular efforts to inject the energy that the organization as a whole will need to change its mind about women.

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