There is compelling business research providing evidence of better results, and higher quality decision making emanating from companies that have more women in leadership. However, despite the data, there is still much work to be done. A 2011 Catalyst report focusing on financial results of Fortune 500 companies showed that companies with the majority of women board members significantly outperformed those without female directors. In addition, the Credit Suisse Gender 3000 has demonstrated a 27 percent better return on equity for companies that had women in more than 10 percent of key positions versus those with less than 5 percent in those positions. These reports demonstrate that having leaders with diverse backgrounds often translates to financial success. Given that evidence, many companies are seeking to formalize their leadership diversity efforts to ensure that women are positioned for success. This article focuses on tools, tips and advice to help companies move forward.

EVIDENCE

CNNMoney conducted an analysis of the S&P 500 and showed that 4.8 percent of CEO roles are held by women. This small representation is compounded by a review of those on the ‘bench.’ A look at the surrounding top five leadership positions, of those same S&P 500, showed only 14.2 percent of those are held by women.

More locally, The Boston Club produced their annual review of Massachusetts top public companies and found that 16.2 percent had a woman on their board of directors and 12.1 percent had women CEOs. These numbers are better than the national results, but there are still 15 companies on the report that do not have women either in their board room or on their executive suite.

Now here is the kicker, we have few female CEOs and slightly more female senior leaders, and yet women make up 47 percent of the labor force in the United States, according to the 2010 U.S. census. Further, women are projected to account for 51 percent of the workforce by 2018.

The women are coming (some would argue women are here already), but we need a stronger farm team.

DEVELOPING THE PIPELINE

Developing a pipeline of future women leaders is an important step to promote the kind of business success that diversity promotes. Eliminating the claim that “we can’t find any qualified women candidates” can be achieved through thoughtful pipeline development. Be aware that volume does not necessarily create a quality pipeline. These efforts should be tailored to fit the business needs. In other words, just having a “we need more women” mentality in recruitment may not actually drive a pipeline of leaders within the company. For example, McKinsey and Company noted that in the U.S. healthcare industry, women make up more than 75 percent of the entry workforce but hold less than one-third of the most senior leader positions. Pipelines of female middle managers and non-CEO senior team leaders have to be broadened to advance the leadership opportunities for women.

WHAT LEADERSHIP SKILLS DO YOU NEED MOST?

These competencies were voted the most important for all management positions.
OBSTACLES TO LEADERSHIP TRAINING — PREPARING THE FIELD

Providing explicit leadership training opportunities to women within the company can have both direct and indirect benefits; it demonstrates or reaffirms the company’s value and culture; when more female candidates are included, it can also demonstrate the company’s commitment to opportunity. Significant tangential management benefits are likely since better leaders are often much more effective managers.

Many companies have formal training programs that focus on tactical management skills. Harvard Business Review provided great insight into a competency model that transcends every level of leadership within a company. They surveyed over 330,000 leaders, peers and subordinates and compiled a list of desired traits leaders need to succeed at any level.

Companies dedicated to training women leaders in their ranks would be wise to consider curriculum and coursework that focused on these omnipotent leadership competencies.

GET YOUR BIAS OUT OF THE WAY

Unconscious bias affects everything we do in our lives. According to similarity-attraction hypothesis, we — as humans — tend to gravitate toward people who are similar to us in some way. Given the profound influence of that concept, providing training and crafting policies designed to help mitigate our biases can be very helpful.

Consider George Halvorson, the former CEO of Kaiser Permanente, who publicly said he would focus on diversity upon assuming the role in 2002, but he reinforced that general message with a specific succession planning process. His pipeline development process involved positions from vice president and above. His guiding principal was that there must be three people in development as a potential successor for each role, and that no more than two of the three could have the same characteristics. He notes that this method allowed leaders to identify very strong candidates who would not have been on the radar screen otherwise.

Bias awareness training can also be a concrete way to empower internal teams to work through their inherent limitations. It also provides a public display of the company’s culture and values, and its effects are powerful.

Maura Healey, Massachusetts Attorney General, stated that her team participated in inherent bias training at the beginning of her term to help ensure that they broadened their perspectives when hiring and working with Massachusetts constituents. She wanted to ensure her office was accessible at every level.

Sylvia Ferrall Jones, CEO of YWCA Boston, knows the effects of unintentional bias well. While working on the organization’s mission to empower women and end racism, the YWCA Boston embeds bias awareness elements in many of their programs. Sylvia notes, “We all harbor biases because we are all human. Due to the sheer volume of information that we encounter every day, our brains have developed processes to categorize, and thus draw conclusions, in under one second. Unfortunately, cultural stereotypes can influence this unconscious processing, leading us to draw incorrect conclusions about other people that can reinforce discrimination and inequities.”

She further describes a way to work on this problem, “The only way to prevent this is to become conscious of our biases, and take in new information that challenges them. In our YW Boston’s Dialogues series, we provide a safe, guided way for people to recognize and address biases they may have that are based on someone’s race, ethnicity, class or gender. We run this
Dialogue series with police officers and youth, with parents and teachers, in corporations and in neighborhoods, helping to create communities that are free from stereotyping and safer for all."

**SPONSORING/MENTORING/NETWORKING**

Developing the pipeline helps to set the stage, but another important idea is one of progression through mentoring, sponsoring and even networking. Many formal mentoring programs have been launched to connect senior leaders with rising stars in the organization, often to mixed reviews. While mentoring programs can be great ways to introduce people to each other, they are often designed as vehicles for advice. They can provide women participants with access to leaders but it is more passive in nature. Think of “what questions do you have for me today” type environments. More has been written and discussed lately about active sponsorship. A sponsor can help with visibility within a company, they advocate for you when you are not in the room and they demonstrate that you are worth fighting for. Sponsorship is built organically over time as people come to know each other.

This brings us to networking. Women tend to limit networking since it has always been equated with the concept of “what can you do for me.” However, today’s most effective networkers begin with “what can I do for you.” Networking is about quick, memorable/personal connections where you ferret out common ground, and build a base to help each other. These connections can be launching pads for stronger relationships, but at a minimum allow for more than just a “card swap.” Providing infrastructure within a company to encourage a broader base of connection with colleagues can foster sponsorship and make mentoring programs even more effective.

**SUMMARY**

The case is strong to significantly broaden the opportunities for women at the very top of companies. Acknowledging that some progress and much effort have been made on this front, there is still significant opportunity to push further. More women are graduating, working and achieving in the workplace, but the most senior roles remain elusive. Frequently intentions are in the right place, but specific strategic and tactical approaches must be made. For example, concrete planning, training, and communication are critical to bringing about the change that makes great business sense. HR is uniquely positioned to provide the very critical ideas and execution to propel a company forward. Providing training programs focused on leadership skill development that enhances every level, and curriculum designed to identify and minimize the effect of our unintentional biases can be true difference makers for senior teams and the leadership pipeline. Finally, encouraging sponsorship and networking environments can help accelerate those in the pipeline to higher levels of achievement.

Mim is currently president of Employee Benefits, New England for HUB International. She is responsible for operational oversight and strategic growth initiatives for the employee benefits division. As a seasoned health insurance executive she brings over 25 years of experience in developing and implementing sales/service strategies, refining processes for maximum client/firm value and creating highly effective teams. She serves as chair of the Board of YWCA of Boston.

Contact Mim in Wilmington, MA at 978.661.6603 or mim.minichiello@hubinternational.com

Read *Insights* online anytime at www.naylornetwork.com/neh-nxt.