EXECUTIVE DIGEST

The executive leadership imperative: A new perspective on how companies and executives can accelerate the development of women leaders

John Beeson a,1,* and Anna Marie Valerio b,2

a Beeson Consulting, Inc., New York, NY 10023, U.S.A.
b Executive Leadership Strategies, LLC

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Abstract In light of today’s leadership shortage, companies face challenges in trying to identify and develop new leaders to fill the key roles left vacant by baby-boomer retirements. This feat can only be accomplished by tapping all sources of future leadership talent—especially women, who are currently underrepresented at the executive level. The development of future leaders in most companies is handicapped by the fact that promotional decisions to the C-Suite level are based on a set of unstated criteria for advancement. The lack of clarity regarding the factors used to determine who does and who doesn’t progress to the executive level presents special challenges for aspiring women executives. Effectively addressing these obstacles requires a new mindset toward talent development within organizations. We recommend actions on two fronts: (1) specific practices that companies can make part of their succession planning and career development processes in the interest of creating a level playing field for executive advancement, and (2) actions that women can proactively employ to take the initiative in their own development as leaders.

1. Women: Underrepresented in the C-Suite

A leadership shortage is fast approaching, and as a result, American companies need to get serious about identifying and developing new leaders—especially women leaders, who are underrepresented in the C-Suite. And, for their part, women executives need to better understand the often invisible forces holding them back if they are to fulfill their potential as executive leaders in the 21st Century.

A research report published by The Conference Board, Developing Business Leaders for 2010, could not have been clearer about the emerging leadership challenge. The age cohort that follows the Baby Boom group is approximately 18% smaller in both the United States and Europe (Barrett & Beeson, 2003). With fewer people available in the workforce, organizations must be more aggressive both in accessing...
the pools of talent ready for leadership development and in grooming future leaders, especially since the coming leadership shortage will spark intense competition for talent and heightened concerns about retention.

With underlying demographic forces constraining the overall supply of executive talent, women may actually find their opportunities expanding—if businesses and women executives pay attention to the "unwritten rules" that govern executive promotions. All concerned parties need to commit themselves to removing stumbling blocks and helping women attain the right kind of experience that will help them surmount important yet often imperceptible hurdles that lie along the path to the executive suite.

This Executive Digest explores such invisible obstacles and offers practical guidance for both businesses and women executives on how to overcome them. It will address questions such as:

- Given their performance track record, why aren’t more women in senior leadership roles?
- What steps should companies be taking to create a level playing field that promotes the advancement of women?
- What actions can women take to exert greater control over their career success?

2. Women leaders contribute to company performance but don’t make it to the executive level

Research shows that the inclusion of larger numbers of women leaders correlates with improved corporate performance (Catalyst, 2004; McKinsey Consulting, 2011). Yet many companies, even after years of avowed commitment to diversity, now realize they have not been successful in seeing talented women advance to the executive level.

As the data in Table 1 show, this lack of advancement to top management in organizations has occurred in stark contrast to the strong advancement in women’s educational attainment and workforce participation. The gap in career development may begin early, because women lag behind men in both advancement and compensation from their very first post-MBA jobs (Carter & Silva, 2010). In addition, larger numbers of women have traditionally occupied staff roles in human resources, legal, communications/public relations, and other internal-facing roles, while men are considerably better represented in line management and customer-facing roles—the kind of positions that historically have been breeding grounds for top corporate officers.

The disparity between women’s workforce leadership and their representation at the C-Suite level is a key indicator that women executives are a critical and under-utilized resource who could substantially boost corporate performance, if given the right opportunities for advancement.

3. In a highly competitive market, women leaders are a retention risk

The recent recession has slowed the rate of promotions for both men and women in most industries (Lublin, 2009). But in all likelihood, any economic rebound—combined with emerging demographic pressures and an increase in executive retirements—will open up the market for senior leadership talent, making the retention of future leaders an increasing priority for most organizations.

For companies without a track record of advancing female leaders, however, retaining their top

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<th>Table 1. Relevant data on women’s educational attainment and workforce participation</th>
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<td>Women account for approximately 58% of students in 2-and 4-year colleges in the U.S. (Silverstein &amp; Sayre, 2009).</td>
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<td>The proportion of women graduate students is 6 out of 10 (“Graduate Enrollment,” 2009).</td>
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<td>In the United States in 2008-2009, women earned 36.3% of MBAs (Catalyst, 2011).</td>
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<td>Over the last 20 years, the number of working women in the United States has grown by 50% (Silverstein &amp; Sayre, 2009).</td>
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<td>Only 2.4% of Fortune 500 CEOs are women (Catalyst, 2012).</td>
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<td>Women represent 7.6% of Fortune 500 top earners and hold 15.7% of Board seats (Catalyst, 2012).</td>
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<td>Studies show a significantly higher percentage of female senior executives in staff positions (72%) than in line management positions (27%), while the proportion of men in line versus staff roles is essentially equal (49.5% compared to 50.5%) (Catalyst, 2007).</td>
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female executive candidates is likely to be a challenge. Highly-skilled women leaders will inevitably become beneficiaries of the increased competition for talent. In this scenario, companies lacking a commitment to developing women executives are likely to compound the shortfall in leadership talent as high-potential women leave to take advantage of other opportunities, thus reducing the company’s pipeline of future talent. In this context, it is imperative that organizations change both their mindset and practices in order to ensure their ability to attract and retain sizable numbers of future leaders, especially women.

4. Poorly-articulated rules for advancement fuel cynicism and hurt the organization

Even companies that prioritize the development and retention of future leaders find that their efforts may be handicapped by poor corporate articulation of the critical factors that qualify someone for a C-Suite or other senior executive positions. In an effort to be comprehensive, many companies give employees a long list of leadership competencies required for advancement. The problem is that such laundry lists fail to separate ‘must-have’ skills from ‘nice-to-have’ skills. Without a firm understanding of the critical capabilities, as opposed to those that are rarely factors in executive placement and promotion decisions, aspiring executives are in the dark about where to focus their developmental efforts.

Such extensive leadership competency models, albeit inadvertently, generate cynicism among aspiring executives as they see peers promoted to senior levels without displaying all of the skills included in the model. So while an enumeration of executive qualifications can serve a useful purpose, helping managers break ‘leadership’ into discrete elements, the failure to distinguish between critical and merely useful skills complicates the development efforts of managers seeking to advance.

5. The path of advancement needs to be clear, and the playing field level

This challenge of clarity is especially relevant to women, who are subject to bias on a number of fronts. For example, they are less likely to be given line management responsibilities that are a critical pre-requisite to executive promotion. Women are also often screened on different personal and temperament criteria than men. Their networks and sphere of influence tend to be narrower at the executive level, which means they have less political support within the organization in attaining senior leadership positions.

Companies intent on strengthening the development and retention of their women leaders need to understand those special challenges. Further, they need to put in place a series of succession planning and talent development practices that enhance the effectiveness of their executive development efforts. Next, we outline the specific challenges of—and offer practical solutions to—developing and retaining women leaders.

6. Three types of ‘unwritten rules’ for advancement

As described in John Beeson’s (2010) book, The Unwritten Rules: The Six Skills You Need to Get Promoted to the Executive Level, most companies make promotional decisions to that level based on three sets of rules—most of which are rarely specified. In each of these areas, women face distinct challenges that need to be addressed by the employer, as well as aspiring women leaders themselves.

6.1. Non-negotiables

Sometimes described as ‘table stakes,’ non-negotiables are the basic requirements for all executive-level candidates. These elements include a consistently strong track record of performance, displaying ethics and integrity, and a drive to lead; that is, not just a desire to assume higher levels of responsibility but also a willingness to step up to deal with the difficult, unpredictable situations that occur at the executive level.

6.2. De-selection factors

De-selection factors are qualities that prevent an otherwise high-performing manager from being an executive candidate. These elements include having weak interpersonal skills; treating others with insensitivity or abrasiveness; putting one’s self-interest above the good of the company; and a narrow, parochial perspective on the business and the organization.

6.3. Core selection factors

Core selection factors relate to five fundamental tasks of executive leadership and one personal quality (executive presence) that serve as a ‘preview of
coming attractions’ regarding the individual’s ability to succeed at the executive level. These are:

- **Factor #1 - Strategic skills:** Creating priorities and a sense of direction for the organization; spotting important trends and creating winning strategies (as opposed to skillfully implementing a strategy devised by someone else).

- **Factor #2 - Building a strong team:** Attracting talented staff members who, collectively, form a high-caliber team.

- **Factor #3 - Managing implementation:** Establishing roles, processes, and metrics to ensure predictable execution—without becoming unduly involved at too low a level of detail.

- **Factor #4 - Initiating innovation and change:** Knowing when new ways of doing business are required and having the courage, tolerance for risk, and skills to introduce change successfully.

- **Factor #5 - Lateral management:** The ability to accomplish goals across organizational boundaries through influence, persuasion, and knowledge of how the organization operates.

- **Factor #6 - Executive presence:** Exhibiting self-confidence in difficult situations, making tough decisions, and holding one’s own with other talented and strong-willed members of the executive team.

7. Feedback based on the unwritten rules is typically poor...especially for women

Candid, constructive feedback—about where one stands in terms of the core selection factors required for executive advancement—is essential to developing future leaders. But two issues tend to get in the way of productive feedback, and are especially problematic for women.

7.1. Subjective traits can be vulnerable to bias

Senior executives in most companies struggle with the subjective nature of the underlying skills needed for promotion. For example, ‘strategy’ or ‘strategic thinking’ can be defined differently by different executives; while one leader may interpret it as contributing to corporate strategy, another may perceive it as creating a winning strategy for an operating group or functional unit. By contrast, executive presence is highly intuitive and visceral. Even executives who rate it as a critical factor often struggle to define it precisely, or articulate why one manager has it and another doesn’t. Thus, senior executives who are responsible for C-Suite placement decisions often base their determination on a ‘gut feel’ developed over a period of time.

Such subjective traits, however, can be highly vulnerable to bias based on stereotyping. For example, two gender stereotypes that are used to describe men and women are agentic (for males) and communal (for females) (Ruderman & Ohlott, 2002). Agentic behaviors include assertiveness, toughness, dominance, self-sufficiency, and self-promotion; communal behaviors assigned to women include agreeableness, connecting with others, cooperativeness, empathy, nurturing, and taking care of others. While the former are viewed favorably within the culture of the C-Suite, the latter are less valued. The key danger of stereotyping is that executives may assign specific traits to aspiring leaders based on gender and underestimate a candidate’s executive potential based on preconceptions rather than actual performance and leadership capability.

7.2. Reluctance to share feedback more pronounced with women candidates

Given the subjective nature of most of the advancement factors, many executives are hesitant about providing feedback. To some extent, that’s the result of a human tendency to avoid sharing bad news. It also stems from executives’ lack of comfort in providing qualitative feedback that can’t be quantified or substantiated objectively. Rather than get to the core of the manager’s development issue, many executives revert to ‘safe’ areas of feedback; for example, the manager’s need to continue producing results or get more experience in her current job, or code phrases such as ‘communication’ or ‘leadership skills’ that mask underlying concerns in areas like innovation and resolving conflict with peers.

Studies indicate that this reluctance in career management discussions is amplified with female candidates (Mattis, 2001; Ohlott, Ruderman, & McCauley, 1994). Likewise, many executives will admit confidentially that they are especially hesitant to provide women with candid performance feedback. This is rooted in a number of reasons, including a lack of prior experience giving feedback to women and fear of demotivating a strong performer, as well as concerns about triggering an emotional response. For a more complete understanding of the research studies underlying these
8. De-selection factors applied more stringently to emerging women leaders

Gaining an understanding of the influence of gender stereotypes and gender biases can help talented women leaders avoid falling prey to the de-selection factors, and ensure that companies’ decisions about women’s development and advancement are made fairly and objectively. Examples of stereotypical perceptions about women that may lead to biases with regard to the de-selection factors include the following.

8.1. The double bind

Women who are seen as too tough are labeled ‘aggressive’ or ‘abrasive,’ while their mirror counterparts are viewed as ‘too soft.’ In this damned-if-she-does and damned-if-she-doesn’t double bind, leadership becomes more complex for women. Although they need to demonstrate a drive to lead, especially to step up to unpredictable situations and make difficult decisions, they must do so without being seen as overly aggressive or insensitive. Thus, women are required to walk a narrower path and are given less leeway in the range of leadership behaviors they are allowed to display (Catalyst, 2007).

8.2. The double standard

Departing from established stereotypes is more acceptable for men than for women. That is, women are rated lower as leaders when they adopt a more masculine style, but men are lauded when they temper their dominance and toughness with more sensitive and empathic behaviors. Again, women are presented with higher hurdles and less leeway in demonstrating the required leadership behaviors (Eagly & Carli, 2007).

8.3. Women’s competence questioned

Research studies have shown that women must continually prove their qualifications (Heilman, Block, & Martell, 1995; Lyness & Heilman, 2006). Female executive candidates are frequently required to take on ‘one more assignment’ to demonstrate their worthiness for promotion. And even with this additional experience, women are subjected to stricter scrutiny of their capabilities. Decision-makers often pose questions like: Will she be able to maintain her composure under stress? Has she been either too soft/emotional or too tough/abrasive? Can she make difficult decisions? Will she erroneously cave in to others’ demands and just go along with conventional wisdom? In contrast, male candidates are often promoted with less experience, and their competence in such areas is more often assumed.

8.4. Resistance to women’s leadership

Numerous studies report the assumption of what one author describes as “think manager-think male” (Schein, 2001, p. 675). Managerial skill is viewed as more characteristic of men than of women, and research has shown that people are more resistant to managers’ exerting influence when managers are female than when they are male (Eagly & Carli, 2007). To be seen as credible and influential, and gain the cooperation of others, women must be viewed as likeable. What increases the chances that women will be perceived as more likeable? Blending dominance with empathy enables women to overcome the resistance to their leadership, particularly in jobs that require making tough and unpopular decisions such as those with P&L responsibility. Hence, leadership is often more challenging for women, as they must learn how to blend toughness with warmth in order to be seen as credible leaders.

9. Obstacles abound for women executives in demonstrating the core success factors

Even after surmounting the hurdles of the non-negotiables and the de-selection factors, women leaders face yet more challenges in meeting the basic requirements of the core selection factors. They can get tripped up in a number of areas. Several examples of how the core factors are applied differently to women are offered next.

9.1. Factor - Strategic skills

Women are often found in staff roles; for example, human resources, legal, and marketing. As a result, they may not have the breadth of experience required for big-picture thinking and formulating strategy. For most executives, the seeds of strategic thinking are found in customer-facing positions that bring one close to the marketplace in order to see emerging trends. Managers who have primarily served in internal staff roles are often cut off from direct knowledge of industry forces, and as a result, their ability to develop strategic skills is inhibited.
9.2. Factor - Working across organizational boundaries/lateral management

Possessing a narrow set of job experiences can inhibit women’s understanding of how the organization operates, including how decisions in one part of the organization impact other organizational units. Because of their narrower set of career opportunities, women can also lack access to powerful individuals both at the top and across the organization. As a result, many women report feeling ‘left out of the loop.’ The limited breadth of their networks may hinder their ability to demonstrate cross-organizational influence and lateral management, which are key executive advancement criteria.

9.3. Factor - Projecting executive presence

Research shows that women’s competence is questioned more than men’s and that there is deep-seated resistance to women’s leadership based on gender stereotyping. This may help explain why projecting executive presence is a significant challenge for women. In meetings, female managers are more likely to be interrupted, and their ideas disregarded and/or ignored. Additionally, when a woman’s presentation style emphasizes communal behaviors, it may be misinterpreted as a lack of self-confidence and can create questions about her ability to take control of difficult and fluid situations when circumstances necessitate. Bringing these kinds of underlying biases into our awareness can help senior executives understand that there are multiple ways for a manager to project executive presence, not simply the traditional male approach.

10. How to deal with the problem

Subjective and poorly articulated rules of advancement create an obstacle for both men and women who aspire to the executive level. However, this phenomenon is especially dangerous for women because in many cases the rules are more stringently applied. Women’s behavior and accomplishments are prone to being misinterpreted based on gender stereotypes, and they may be cut off from important sources of performance feedback.

Effectively addressing the obstacles to the development of women leaders will require action on two fronts: (1) practices that companies can make part of their succession planning and career development processes, and (2) steps that women can employ to take the initiative in their own development as leaders. Considered together, these two sets of practices can foster the development of an important new mindset toward talent development within organizations.

10.1. Employers: Refine leadership development practices to support the career advancement of women leaders

- Institute succession planning practices that directly address gender stereotyping and promote equality in defining career potential and development planning. Five points include:

  1. In-depth group discussion of candidates for executive-level positions contributes to a more balanced and gender-blind identification of future leaders. Trained facilitators can help identify gender bias during discussions about a candidate’s strengths, development needs, career goals, and potential for career growth; that is, overall potential for career advancement, as well as ‘best-fit’ future positions—for example, line leadership roles as opposed to functional group leadership positions.

  2. Succession planning discussions should identify both women and men as candidates for the kind of plum assignments that lead to senior executive positions; for example, general/line management positions, international assignments, and customer-facing positions.

  3. Development plans for women should include ‘stretch’ assignments designed to promote long-term career advancement, as well as coaching, mentoring, and skill building to maximize their success.

  4. Career dialogue should promote candid and constructive feedback regarding development needs.

  5. Customized development plans should be designed to help future leaders both cultivate and display necessary skills to senior management.

- Identify the positions that have historically produced senior leadership and monitor the proportion of women considered in filling those positions.

- Create and track trends in the promotion and retention of women vs. men identified as members of the future leadership pipeline.

- Develop innovative approaches to giving women global experience since global perspective is vital.
in many companies, and some women are prevented from taking full-time international assignments due to family commitments.

10.2. Mentorship and experience sharing are key to building the talent base of women leaders

 Accordingly, high-achieving women should be encouraged to relate their career challenges and success stories—as well as the career development strategies they employed—to others women in the pipeline of future leaders. To that end, companies should:

- Encourage women’s networks so that women can share their experiences with each other.
- Ensure that individual development plans promote external involvement for women—for example, leadership positions in trade/industry associations and high-profile civic and community groups—since such positions create opportunities for exposure to external stakeholders, as well as provide leadership experience.
- Identify and reward powerful male ‘champions’ who are skilled at developing women leaders. These champions should be recognized for their best practice efforts in fostering diversity in leadership development, and encouraged to enlist other executives to adopt those practices.
- Offer workshops to managers that help them understand the potential sources of gender bias, and learn how to manage a diverse workforce.

11. What aspiring women leaders can do

Just as organizations need to adopt forward-looking processes, women who aspire to the executive level must be proactive in their own career development by implementing some key strategies. They should work toward the following goals.

11.1. Get the feedback they need from the people who really count

- Become skilled at teasing out feedback on the ‘unwritten rules.’ A starting point for career development lies in obtaining an accurate sense of how one is viewed in terms of the organization’s executive placement criteria. This typically entails a series of career discussions with one’s manager and as many executives as possible who are familiar with the person’s work. Aspiring executives should attempt to probe the feedback in a non-defensive manner and sum up each conversation with a pivotal question: “What one or two skills, above all others, do I need to develop in order to build confidence in my ability to succeed at the executive level?” Then, look for common themes embedded in the feedback to clarify one’s development priorities.

- Receive feedback gracefully. Even if difficult to hear, an aspiring woman leader should remember that feedback is a type of gift that allows her to understand how she is perceived by those who control promotional decisions, and can thus benefit her in the long run. Keep in mind that most managers, male and female alike, are uncomfortable providing feedback and will tend to shut down if they see someone become angry or defensive. So, receive the feedback graciously. By keeping emotions in check the aspiring leader will allow the avenue of communication to remain open.

- Seek feedback on executive presence. Executive presence may be defined differently by different people and in different organizations. Nonetheless, it is an important factor in career advancement. Candid feedback will show an aspiring leader how she can project the sense of self-confidence and control that senior executives look for in a candidate for the C-Suite level.

11.2. Actively manage their own careers by pursuing necessary executive experience

- Women should test whether they are in a position to demonstrate necessary skills. Some positions may not provide the opportunity to demonstrate the key skills required to advance to the executive level. Women should work with their bosses to find initiatives they can lead in their current jobs to display the required skills, for example, leading innovation and change. If that’s not possible, they may need to engineer a move to a new assignment that puts them in a position to do so.

- Seek out high-profile projects and task forces that help develop the core factors. Getting involved in cross-functional/organizational initiatives allows aspiring women to broaden their relationships within the company and deepen their understanding of how the organization works. Such projects can also help women increase their visibility to a wider range of executives, especially if
the task force presents its conclusions to senior management.

- **Seek out line management positions in order to build market knowledge and strategic skills.** As noted, demonstrating strategic skills is one of the core executive selection factors in most organizations. Such positions build knowledge of the business and provide important insight regarding industry forces, the needs of customers, and trends in competitive activity. Women, in particular, should use their internal networks to help them identify the assignments that have historically produced senior leaders and build one's reputation for being knowledgeable about the business.

- **Hone presentation skills.** One element of executive presence involves being a good communicator to groups both small and large. Presentations to executive groups are an important way of conveying executive presence. Some women may require special training in communication skills to develop the poise and polish required to articulate a message and motivate others to follow them.

11.3. Seek allies and think strategically about career development

- **Develop networks, both internally and externally.** This may involve joining a women's network—if one exists within the organization—and growing an internal network of peers, managers, and others who can provide career guidance and support. Such a network helps keep one informed of career advancement opportunities within the company. Having a parallel network outside the organization can be useful, too. Such relationships allow managers to feed their strategic skills and knowledge of innovative approaches to introduce to the company. An outside network can serve as one's eyes and ears when it comes time to identify and evaluate external job opportunities. Members of an external network can also help with 'environmental scanning' to learn what job skills and experiences are valued in the marketplace.

- **Seek mentors and ask for professional coaching.** Coaching and mentoring are increasingly recognized as effective leadership development methodologies, and accepted as best practices. Women shouldn’t view a desire for coaching or mentoring as a signal of needing to address a glaring weakness. Top performers continually look for ways to strengthen their game, and the right mentor or coach can help one develop the skills needed to succeed at the next level.

- **Make time for reflection.** Career advancement arises from new experiences, from success and failure, and from coming to grips with the leadership capabilities required to take on greater levels of responsibility. An aspiring executive should think about her experiences, the feedback she has received, what her career options might be, and her short-term and long-term goals. It is important to be strategic and adopt a long-term perspective on career development.

12. Conclusion

As Baby Boom-era executives retire, the current shortfall of leadership talent will increase dramatically, and companies will be under intense pressure to develop and retain senior executive talent. Women's level of educational attainment and workforce participation suggest that companies enjoy a sizeable pool of talent to draw from—if they have the necessary mindset and supporting practices to do so. In the absence of a visible commitment and demonstrated success in developing women leaders, however, organizations will be at a competitive disadvantage as talented women seek to pursue their careers at those companies that create a level playing field for advancement.

The first step in this process entails clearly articulating the 'unwritten rules' the company uses in making C-Suite level promotional decisions, and ensuring that promising women receive candid and constructive feedback about how they are viewed in terms of those core selection factors. Companies also need to institute the practices that 'gender bias-proof' succession planning and career development to ensure that gender stereotypes do not impede the growth of their promising women leaders.

As they strive to make career development plans for future leaders more customized and impactful, companies should pay special attention to ensuring that talented women are considered for the plum assignments—for example, customer/market-facing assignments or positions with P&L responsibility—that historically have been training grounds for senior executives.

Companies that implement the practices outlined here will experience another, perhaps unexpected, benefit. The lessons gained from successful development and retention initiatives targeted toward women can be applied to all managers who aspire to the executive level. Thus, the company's overall
pipeline of future leaders will come to reflect the diversity of the global environment, a strategy for growth in the 21st century.

References


