

LEADERS IN A GLOBAL ECONOMY: Talent Management in European Cultures



Families and Work Institute



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Founded in 1962, Catalyst is the leading nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada, and Europe, and more than 400 preeminent corporations as members, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

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LEADERS IN A GLOBAL ECONOMY: Talent Management in European Cultures

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CHAPTER 1

Introduction



Chief executive officers of companies around the world are increasingly concerned about managing new economic realities and tackling talent issues.¹ Global shifts in the labor force participation rates of women, rapid changes in international competition, and demands for more inclusive workplaces² have redefined what companies once described as “effective” talent management.³ This is especially true in different regions of Europe where companies face a host of evolving social, political, economic, and organizational forces that directly and indirectly impact the management of employees.⁴

In the past, economic or societal changes in one part of Europe may have reverberated across the continent. That is no longer necessarily the case. Today, demographic trends and their resulting social, political, and legal outcomes can vary widely by region. In southern, central, and eastern Europe, sharply falling birthrates rouse concerns about diminishing workforces⁵ and lead to seemingly extreme measures including paying individuals to have children.⁶ In northern Europe, dramatic increases in the number of young immigrants raise alarm about loss of cultural identity, calls for heightened citizenship requirements, and religious intolerance. Compounding the resulting talent challenges are the historical lack of sufficient attention to gender diversity and differences among senior and pipeline leaders. Given the importance and unprecedented urgency of these concerns for businesses, Catalyst and Families and Work Institute partnered to produce this report on talent management in European cultural contexts.

As the third in the landmark series *Leaders in a Global Economy*, this report builds on findings from the two previous reports. In particular, it responds to a call from senior executives involved in the first study to “improve the talent management systems” to enhance the potential for the advancement of the next generation of women and men.⁷ This report also builds on the second study in the series, *Leaders in a Global Economy: Finding the Fit for Top Talent*, which established the alignment between the work values and job experiences of pipeline and senior leaders.⁸ Specifically, that report revealed that women and men hold virtually the same work values. Despite the similarities between what women and men want, however, the study found that men tended to work in jobs and workplaces that aligned with their work values and goals, whereas women were more likely to experience the realities of the workplace falling short for them. For example, women in the study had:

- Less access to challenging jobs.
- Less supportive workplace cultures.
- Poorer fit between life on and off the job.
- Fewer opportunities for high achievement and good compensation.

These findings help to debunk the myth that women’s failure to ascend in companies lies within the differences between what women and men value. Because women and men hold the same values, values differences cannot explain the gap in corporate leadership between women and men. Rather, the evidence presented in *Finding the Fit for Top Talent* indicates that it is the work context that matters.

1. The Conference Board, *CEO Challenge 2007* (New York: The Conference Board, 2007); Steve Krupp and William A. Pasmore, “Talent at the Top: The CEO’s Focus.” *Viewpoint: The MMC Journal* (2007), <http://www.marshmac.com/knowledgecenter/viewpoint/Krupp2007.php>.

2. Quinetta M. Roberson, “Disentangling the Meanings of Diversity and Inclusion in Organizations,” *Group & Organization Management*, vol. 31, no. 2 (April 2006): p. 212-236.

3. Margaret Linehan and James S. Walsh, “Key Issues in the Senior Female International Career Move: A Qualitative Study in a European Context,” *British Journal of Management*, vol. 12 (2001): p. 85-95; Christopher Mabey, “Developing Managers in Europe: Policies, Practices, and Impact,” *Developing Human Resources*, vol. 6, no. 4 (November 2004): p. 404-427.

4. Leslie T. Szamosi, Linda Duxbury, and Chris Higgins, “Toward an Understanding of People Management Issues in SMEs: A South-Eastern European Perspective,” *Education and Training*, vol. 46, no. 8/9 (2004): p. 444-453; Nina Tang and Christine Cousins, “Working Time, Gender and Family: An East-West European Comparison,” *Gender, Work and Organization*, vol. 12, no. 6 (November 2005): p. 527-550.

5. Hans-Peter Kohler, Francesco C. Billari, and José Antonio Ortega, “The Emergence of Lowest-Low Fertility in Europe During the 1990s,” *Population and Development Review*, vol. 28 (2004): p. 641-680.

6. Russell Shorto, “Childless Europe—No Babies,” *The New York Times Magazine* (June 29, 2008), <http://www.nytimes.com/2008/06/29/magazine/29Birth-t.html>.

7. Ellen Galinsky, Kimberlee Salmond, James T. Bond, Marcia Brumit Kropf, Meredith Moore, and Brad Harington, *Leaders in a Global Economy: A Study of Executive Women and Men* (Families and Work Institute, Catalyst, and Boston College Center for Work and Family, 2003).

8. Ellen Galinsky, Nancy M. Carter, and James T. Bond, *Leaders in a Global Economy: Finding the Fit for Top Talent* (Families and Work Institute and Catalyst, 2008).

To explore the work context further, in this third report—which is based on a subset of data used in the second study—we set our sights on pipeline and senior leaders⁹ in European cultures. We investigated these leaders to gain insights from today’s top leaders while at the same time learning about the wellspring of the future—pipeline talent. We chose to focus on European cultures because, while few women hold senior leadership positions in companies in Europe today,¹⁰ their numbers in the pipeline suggest a potentially different

reality in the future. Will companies seize this opportunity to benefit from increased diversity¹¹ and advance talented women in the pipeline into senior leadership at the same rate as their talented male colleagues? Or will the systemic barriers that have precluded women’s advancement in the past persist?¹² The current economic realities in Europe portend a decidedly different workforce in the future. How companies address the pressing talent management challenges today will lay the foundation for their future success.

LEADERS, TALENT MANAGEMENT, BARRIERS, AND ENGAGEMENT: A MODEL

Because our previous study in this series revealed few differences between what women and men value on aspects of work that drive engagement and productivity, such as access to challenging work, supportive workplace cultures, and good work-life fit, we decided to investigate how the vastly different workplace realities experienced by women and men could be explained. Why is there an absence of good fit or alignment between work

values and women’s jobs and workplaces? The answer is that, for women, systemic barriers to career advancement get in the way. In Figure 1 we present a model that illustrates how these barriers can impact women’s career progression and advancement opportunities, and it explains why women do not experience the same fit between work values and work experiences that men do.

9. For more information on the sample of senior and pipeline leaders, see Appendix 2.

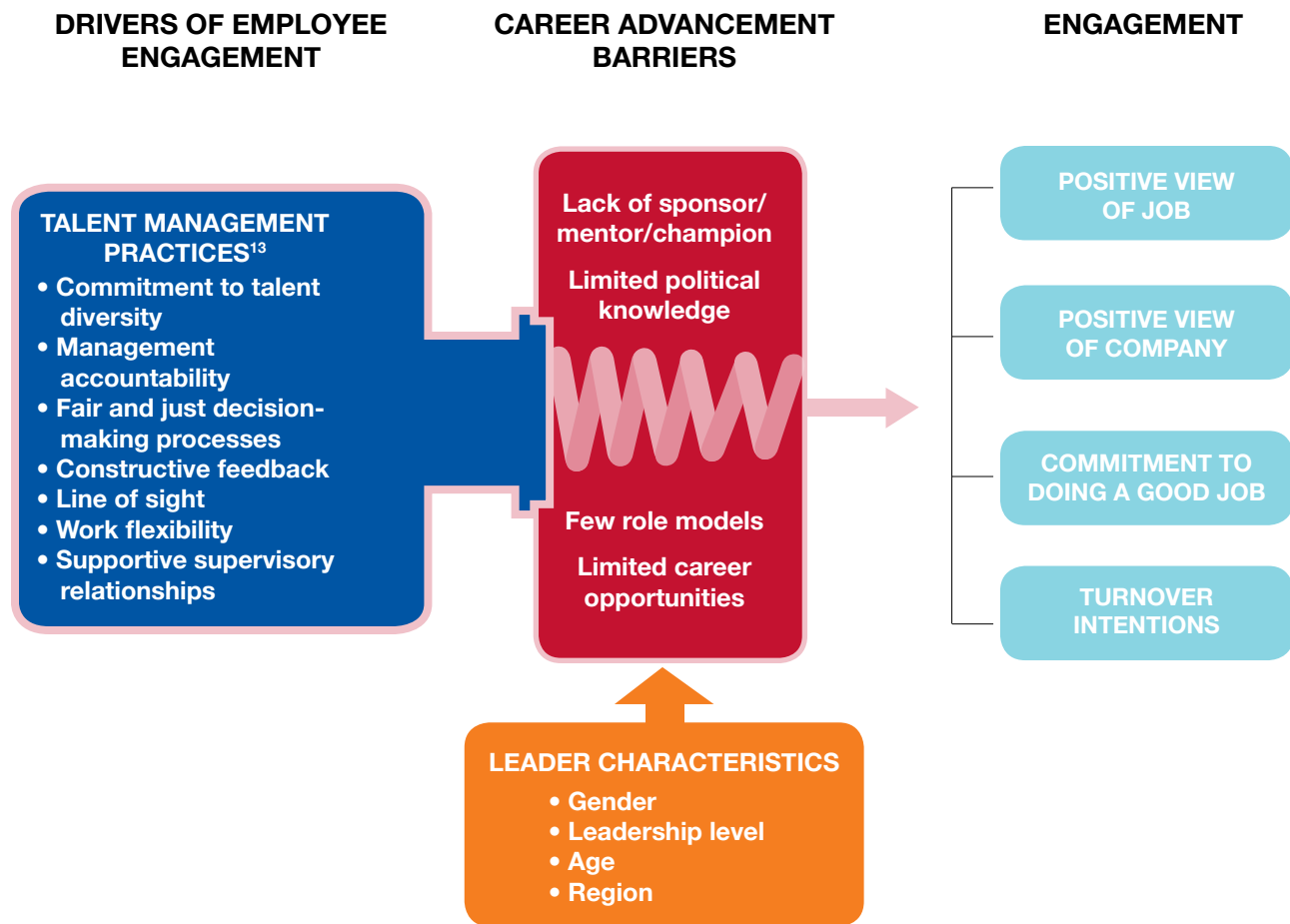
10. International Labour Office, *Breaking Through the Glass Ceiling: Women in Management, Update* (2004).

11. Catalyst, *The Bottom Line: Connecting Corporate Performance and Gender Diversity* (2004); Lois Joy, Nancy M. Carter, Harvey M. Wagner, and Sriram Narayanan, *The Bottom Line: Corporate Performance and Women’s Representation on Boards* (Catalyst, 2007).

12. Catalyst, *Women in U.S. Corporate Leadership: 2003* (2003). Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004).

FIGURE 1

Driving Employee Engagement and Advancement Through Effective Talent Management



For more than ten years, women around the world have told Catalyst about barriers that stand in their way to career advancement¹⁴ and ultimately impact their level of engagement with their jobs and companies. Furthermore, research suggests that senior and pipeline leaders likely experience the barriers to career advancement differently, depending on their gender, age, and geographic region. For example, senior women leaders in Europe and the United States report being disadvantaged by having few visibly successful role models, and senior women leaders in the United States report being disadvantaged by a lack of access to informal

social networks—that is, the “old boys’ club.”¹⁵ Pipeline and younger leaders are likely to cite having limited numbers of important job assignments that are highly valued by senior leaders as a barrier to advancement.¹⁶ Despite differences in the barriers women perceive, the outcomes are the same:

- Reduced rates of advancement.
- Decreased commitment to both job and company.
- Less commitment to working beyond expectations.
- Higher potential for turnover.
- Increased costs to the company.

13. For definitions of the talent management practices, see page 21.

14. Catalyst, *Women in U.S. Corporate Leadership: 2003* (2003); Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004); Heather Foust-Cummings, Laura Sabattini, and Nancy Carter, *Women in Technology: Maximizing Talent, Minimizing Barriers* (Catalyst, 2008).

15. Catalyst and The Conference Board, *Women in Leadership: A European Business Imperative* (2002).

16. Foust-Cummings et al.

What could reduce these barriers and their damaging effects on both individuals and companies? Findings from *Leaders in a Global Economy: Finding the Fit for Top Talent* convincingly demonstrated that when workplaces are effective, all employees—women and men, senior and pipeline leaders, and leaders of various ages—are more committed to their jobs, hold more positive views of their jobs and companies, and harbor lower turnover intentions.

REGIONAL CULTURE MATTERS

This report recognizes the importance of variation across European cultures. Europe is not a monolith, and an appreciation of cultural differences is necessary to fully understand talent management, particularly with respect to women. Catalyst's report, *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders*, revealed substantial differences in how women and men leaders are viewed across workplaces in Western Europe. The findings suggested that corporate and regional culture both affect important aspects of talent management, such as how women and men understand leadership competencies and corporate cultures and whether organizations retain and advance women to senior leadership positions.

In this report, we build on these findings by identifying how workplaces can become more effective. We will show that specific talent management practices can significantly reduce employee perceptions of barriers and the gap between women's and men's advancement.

Cultural clusters provide critical information about shared experiences across countries and illuminate why commonly held belief structures matter for the advancement of women.¹⁷ By accounting for regional variation, we are able to examine where and how cultural differences play out with respect to talent management. Specifically, this report distinguishes three cultures—Anglo Europe, Germanic Europe, and Latin Europe—that have been shown in prior research to differ on at least nine unique aspects of societal values and practices. The regional clusters in this study were derived based on geographic proximity of the countries, language similarities, and shared historical roots as defined by several scholars.¹⁸ Improving talent management in ways that are consistent with each region's unique culture has significant potential for advancing women in business.

17. While variation within countries is equally important and warrants further attention, in this report we develop a deeper understanding of talent management issues globally by examining regional similarities and differences.

18. Vipin Gupta, Paul J. Hanges, and Peter Dorfman, "Cultural Clusters: Methodology and Findings," *Journal of World Business*, vol. 37 (2002): p. 11-15.

CULTURAL CLUSTERS¹⁹

Anglo Europe—Research has shown that companies and employees in this cluster have common “value-based” behavior that predicates rewards on merit,²⁰ focuses on reducing gender inequality, and is invested in becoming more loyal and committed to families.²¹ Scholars found that three of nine dimensions—highly individualistic, performance-oriented, and male-dominated—resonated with companies and/or employees in this cluster.²²

Germanic Europe—Scholars have found that people from countries in this cluster are likely to value masculine and individualistic traits such as assertiveness and being results-oriented more than people from countries in other clusters.²³ People from these countries also report a greater concern for standardization, being focused on the future, and appreciating collectivism (i.e., they value the group or family over personal interests).

Latin Europe—People from countries in the Latin Europe cluster have been found to be less likely to engage in collective action—what researchers call societal or institutional collectivism. Organizational leaders from these countries have been less likely to exhibit and promote altruistic ideals or reward members for performance improvement and excellence—what researchers call performance orientation. Instead, the culture is characterized by affective autonomy, in which individuals are independent and pursue positive experiences for themselves. Because of these independent tendencies, organizations in this cluster may be relatively open to change and diversity.²⁴

RESEARCH QUESTIONS AND METHODOLOGY

Catalyst and Families and Work Institute used quantitative and qualitative data from 4,585 senior and pipeline leaders (37 percent women and 63 percent men) from five global companies and three culturally distinct European clusters.²⁵ The majority of the participants (88 percent) were pipeline leaders; of these, 41 percent were women and 59 percent were men. Senior leaders (12 percent) from the sample were also primarily men (86 percent). We examined:

- Which leadership talent is most at risk?
- Do leaders who intend to leave plan to go to similar companies, possibly competitors?
- Where are leaders most at risk?
- Why is leadership talent at risk?
- Do talent management practices impact barriers to women’s and men’s career advancement?
- Do talent management practices impact the engagement of women and men, and if so, how?
- What can companies in European cultures do to reduce the negative effects that may result from women leaving?

Findings are significant at $p < .05$ level unless otherwise specified.

TERMS

Gender: Women; Men.

Leadership Level: Pipeline leaders; Senior leaders.

Region: Anglo Europe; Germanic Europe; Latin Europe.

Age: Less than 30 years old; 31-40 years old; more than 40 years old. Note: Age is not the same as leadership level. Some people in pipeline positions can be more than 50 years old, whereas some people in senior positions can be in their early 30s. Generational differences may matter as much as leadership level for women.

Engagement: Positive view of job; Positive view of company; Commitment to doing a good job; Turnover intentions.

19. In this report, the terms region and cluster are used interchangeably to refer to the three groups of countries described. Appendix 1 includes a table that defines each of the nine dimensions used in GLOBE research on cultural clusters and displays how countries are categorized into three regional clusters; Gupta et al.

20. Gupta et al.

21. Catalyst’s report, *Different Cultures, Similar Perceptions: Stereotyping of Western European Business Leaders* (2006), however, shows that unless conscious efforts are taken, even merit-based systems can be subject to stereotypic bias that creeps into performance evaluations such that positive benefits of seemingly well-designed talent management systems are nullified.

22. N.M. Ashkanasy, E. Trevor-Roberts, and L. Earnshaw, “The Anglo Cluster: Legacy of the British Empire,” *Journal of World Business*, vol. 37, no. 1 (2002): p. 28-39.

23. Erna Szabo, Felix C. Brodbeck, Deanne Den Hartog, Gerhard Reber, Jürgen Weibler, and Rolf Wunderer, “The Germanic Europe Cluster: Where Employees Have a Voice,” *Journal of World Business*, vol. 37, no. 1 (2002): p. 55-68; Gupta et al.

24. Gupta et al.

25. See Appendix 2 for research methodology and participant demographics.



CHAPTER 2

The Business Case for Talent Management in European Cultures

FINDINGS AT A GLANCE

- Nearly one-half of leaders in the study were at risk of leaving their current employer within the next five years, saying they intended to leave or were undecided about how much longer they would stay.
- Women pipeline leaders and women 30 years of age and under were most at risk of leaving their current employers.
- Leaders in Anglo Europe were more at risk of leaving their current employers than leaders in other regions.
- For women and men who were at risk, there was virtually no difference in what they planned to do or where they planned to go.
 - Of this group, more than 80 percent planned to stay in the workforce.
 - Nearly 60 percent intended to seek a job at a similar organization.
 - There was little evidence that women were more likely than men to leave large multinational companies for smaller ones or to start their own businesses.

Despite shifts toward the globalization of business, recruiting qualified talent and retaining top performers is a prominent concern in Europe. Aging workforces, immigration patterns, gender roles, workplace barriers, and differences in social

policies have contributed to the shortage of women in senior ranks of European companies and the percentage of women intending to leave their current employers.²⁶

WHICH LEADERSHIP TALENT IS MOST AT RISK?

Nearly one-half (46 percent) of leaders responding to the survey indicated that they intended to leave their current employers in the next five years or

were undecided about how much longer they would stay.²⁷ Women (51 percent) were at higher risk of leaving than men (43 percent).²⁸

TABLE 1
Length of Time Leader Intended to Stay at Current Employer

	Total (N=4,528)	Women (N=1,684)	Men (N=2,844)
Less than 1 year	3%	4%	3%
1-2 years	5%	5%	5%
3-5 years	10%	13%	9%
6-10 years	11%	11%	10%
More than 10 years	14%	13%	14%
Until I retire	30%	25%	33%
Don't know	27%	30%	26%

26. Ning Tang and Christine Cousins, "Working Time, Gender and Family: An East-West European Comparison," *Gender, Work and Organization*, vol. 12, no. 6 (November 2005): p. 527-550; Galinsky et al.

27. The 46 percent was calculated by summing the percentages of leaders from the "Total" column who intended to leave in five years or fewer and the percentage of those who did not know when they would leave. The "Don't know" responses were included because those who are uncertain were also at risk of leaving.

28. The 51 percent and 43 percent were calculated by summing the percentages of women and men, respectively, who intended to leave in five years or fewer and those who did not know when they would leave. Chi-Square=30.96, d.f. 1, p=.000.

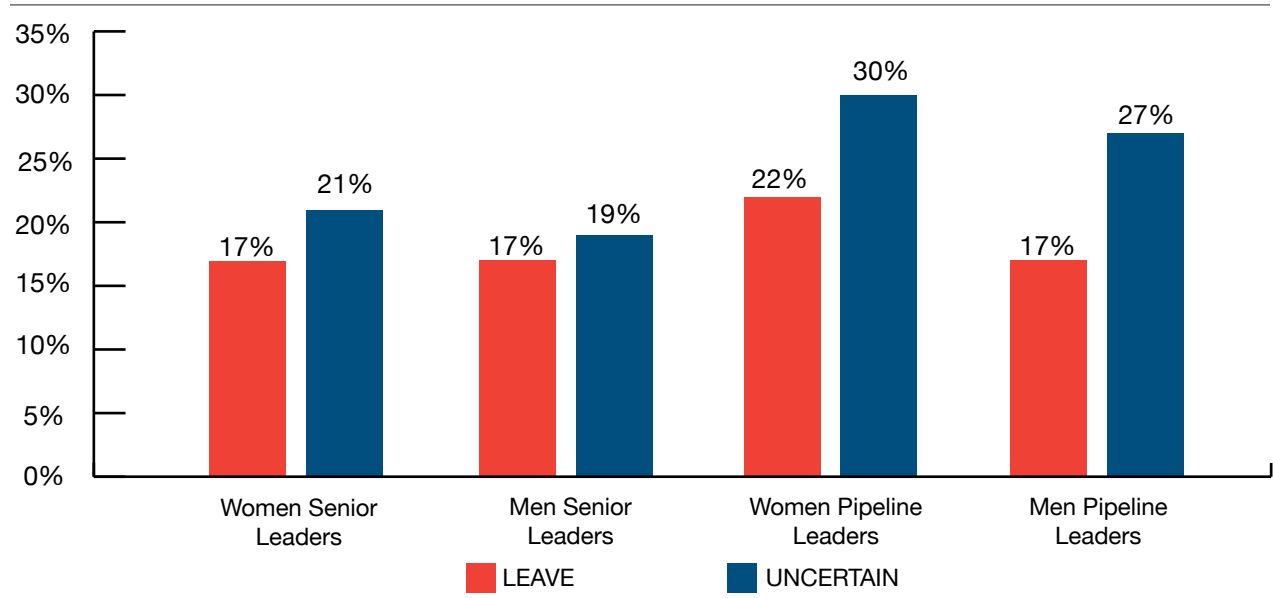
LEADERSHIP LEVEL, AGE, AND REGION MATTERED

While intentions to leave are often difficult to reverse, uncertainty can be redirected to increase feelings of commitment and engagement. This section delineates which leaders intended to leave and which were uncertain by gender, leadership level, age, and region.

Women pipeline leaders (22 percent) were more likely than all other groups (17 percent each) to report that they intended to leave their employer in the next five years. However, both women and men pipeline leaders indicated that they were uncertain about how much longer they would stay.

FIGURE 2

Intent to Leave, by Gender and Leadership Level

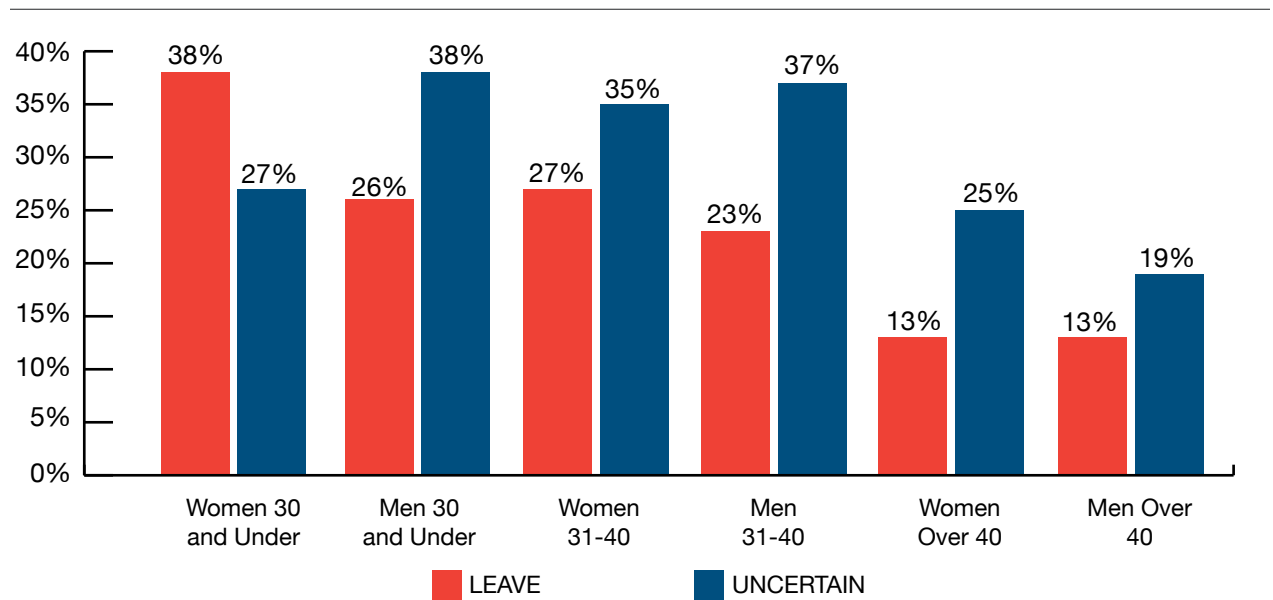


Women 30 and under (38 percent) were most likely to report plans to leave their employer in the next five years compared with other groups (13 percent to 27 percent). Men 40 and under were most uncertain

about their intentions to stay with their company (38 percent of men 30 and under, and 37 percent of men 31 to 40). Women aged 31 to 40 were also highly uncertain about staying (35 percent).

FIGURE 3

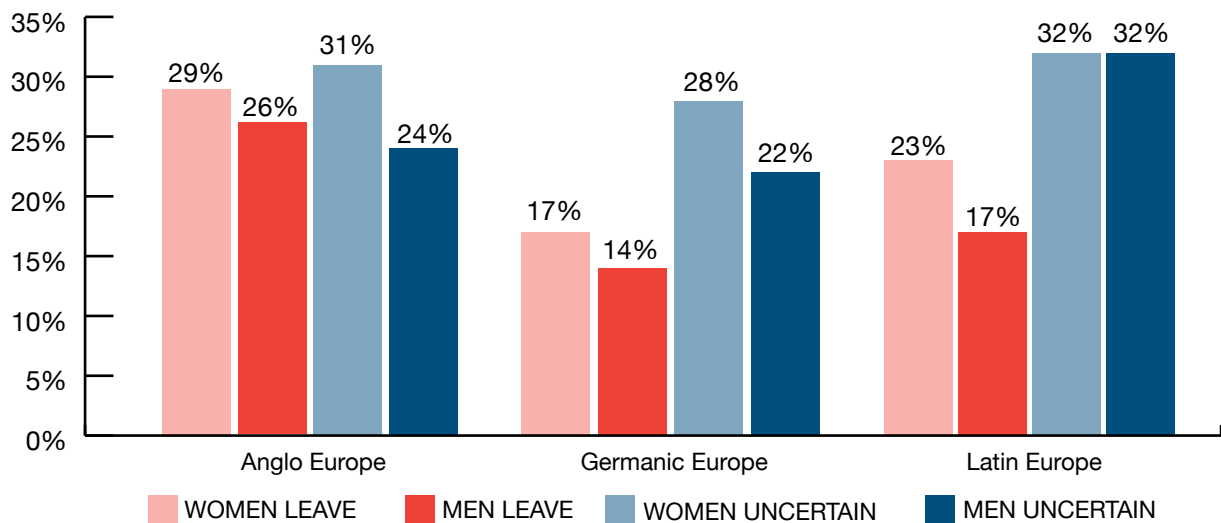
Intent to Leave, by Gender and Age



Leaders in Anglo Europe were more likely to say they would leave their company in the next five years (29 percent of women and 26 percent of men), while those in Germanic Europe were least likely to leave (17 percent of women and 14 percent of men). Perhaps because the Germanic culture places a

higher value on uncertainty avoidance²⁹ than the other cultural clusters, leaders in this region may be less willing to risk leaving a job. Lastly, women (32 percent) and men (32 percent) in Latin Europe were most uncertain about whether they would stay with their current employer.

FIGURE 4
Intent to Leave, by Gender and Region



WHERE DO LEADERS GO WHEN THEY LEAVE?

There were no major gender differences with respect to where women and men planned to go upon leaving their current employers. Most leaders who intended to leave reported plans to continue working and indicated interest in companies similar to their current employers—possibly competitors.

More than three-quarters of leaders (82 percent) who intended to leave in the next five years planned to continue working. There was virtually no difference in the intentions of women and men in this regard. Eight percent of employees said they intended to take a temporary break and then return to work.

TABLE 2
What Leaders Who Intended to Leave in Next Five Years Planned to Do, by Gender

	Total (N=830)	Women (N=356)	Men (N=474)
Stay in workforce	82%	80%	84%
Temporary break	8%	11%	5%
Volunteer work, no pay	2%	2%	2%
Stop working entirely	3%	2%	3%
Other	5%	5%	6%

29. Gupta et al.

Of those respondents who said they would continue working when they left their company:

- Fifty-eight percent reported that they expected to get a job at a company like their current employer. Again, there was virtually no difference between women and men.

- Twenty-two percent indicated they planned to get a job at a smaller company.
- Only 14 percent expected to start their own business.

TABLE 3

Where Leaders Who Intended to Leave in Next Five Years Planned to Go, by Gender

People who intended to leave and continue working	Total (N=656)	Women (N=270)	Men (N=386)
Job at company like this one	58%	59%	57%
Job at a smaller company	22%	20%	23%
Start own company	14%	14%	14%
Other	6%	7%	6%

What is notable about where leaders intended to go?

These findings are noteworthy for two reasons. First, they suggest that those who intend to leave their current employer are likely to go to work for a competitor. Second, they debunk the myth that women are more likely to opt out of large multinational companies to work for smaller companies or to start their own businesses. Although women leaders were somewhat more at risk for leaving their current employer, there were no discernible differences between where women and men intended to go when they did leave.

REGIONAL DIFFERENCES

While there were no differences in where leaders expected to go once they left their current employers with respect to gender, there were differences by region. Leaders in Latin Europe (88 percent) were more likely to plan to stay in the workforce than leaders in Anglo Europe (78 percent) or Germanic

Europe (81 percent). Leaders in Anglo Europe (10 percent) and Germanic Europe (10 percent) were more likely than leaders in Latin Europe (3 percent) to say they would take a temporary break before returning to the workplace.

TABLE 4

What Leaders Who Intended to Leave in Next Five Years Planned to Do, by Region

Leave in the next five years (N=830)	Anglo Europe (N=243)	Germanic Europe (N=318)	Latin Europe (N=269)
Stay in workforce	78%	81%	88%
Temporary break	10%	10%	3%
Volunteer work, no pay	2%	1%	3%
Stop working entirely	4%	2%	2%
Other	6%	6%	4%

Of those who planned to stay in the workforce, there were no regional differences among leaders planning to get a job at another large company like the one they would be leaving. But Latin European leaders (12 percent) were less likely than their counterparts in Anglo Europe (29 percent) or Germanic Europe (25 percent) to say they

would work for a smaller company. Instead, they were much more likely to intend to start their own business (Latin Europe, 19 percent; Anglo Europe, 11 percent; Germanic Europe, 11 percent). There were no gender differences across the regions with respect to intentions to continue working after leaving the current employer.

TABLE 5
Where Leaders Who Intended to Leave in Next Five Years Planned to Go, by Region

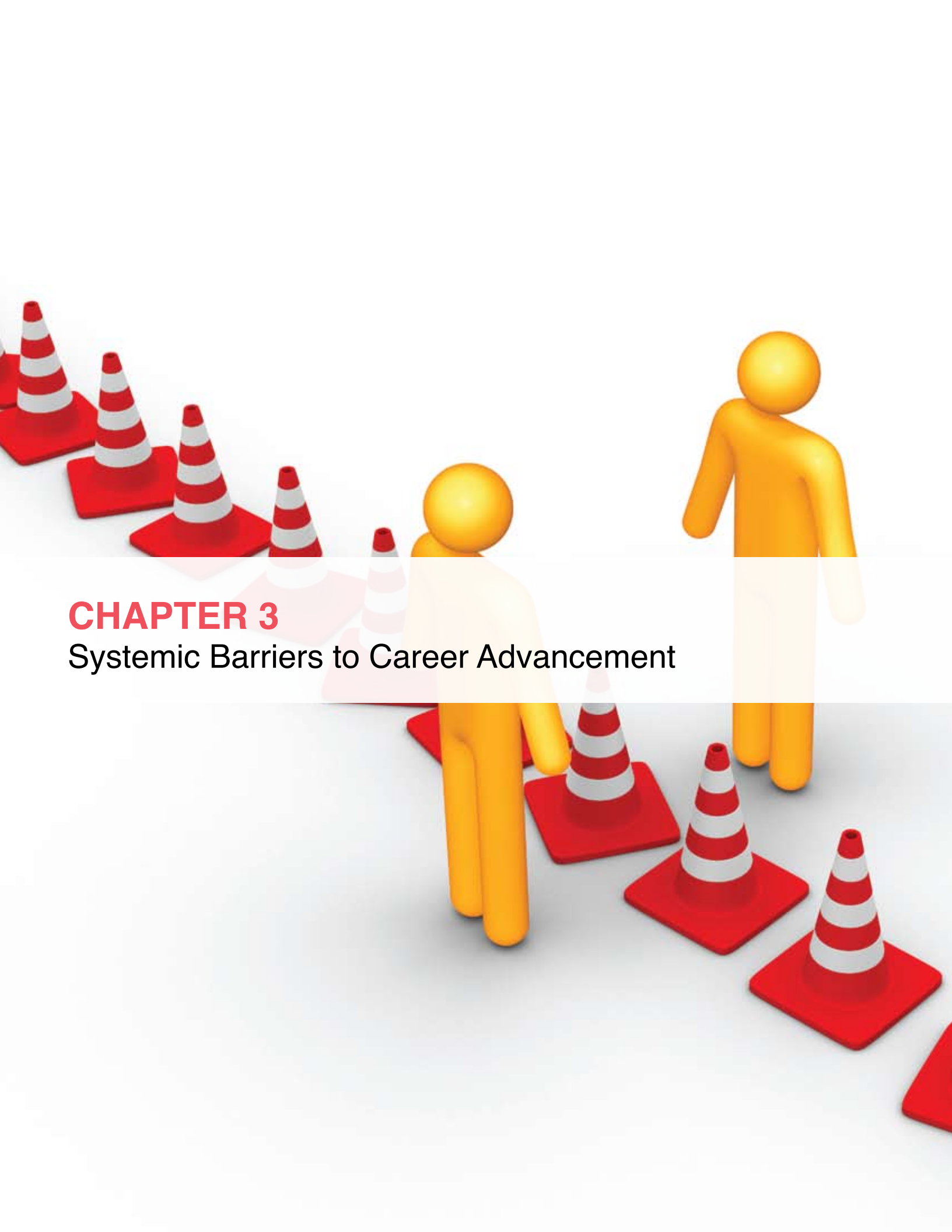
People who intended to leave and continue working (N=656)	Anglo Europe (N=185)	Germanic Europe (N=245)	Latin Europe (N=226)
Job at company like this one	54%	58%	62%
Job at a smaller company	29%	25%	12%
Start own company	11%	11%	19%
Other	6%	6%	7%

ADDING UP THE RISK AND TAKING ACTION

The numbers presented above make a convincing argument for effective talent management in European cultures. Just as macroeconomic conditions portend a talent shortage, pipeline women, in particular, were at high risk of leaving companies. At 22 percent—more than any other group—pipeline women said they would probably leave in the next five years, and 30 percent said they were uncertain about how much longer they would stay. Combined, these figures suggest that more than 50 percent of pipeline women were at risk. Pipeline men were also at risk, with 27 percent expressing uncertainty about how much longer they would stay with their employers and another 17 percent planning to leave in the next five years, for a total of 44 percent. To compound this problem more than 80 percent of leaders reported that, if they left their company, they expected to continue working—most likely for a similarly sized company, possibly a competitor. The potential for attrition

was highest in Anglo Europe, but women in all three European regions expressed uncertainty about how much longer they would stay with their current employer.

The cost of this potential attrition, including the squandering of talent flows new to the marketplace, is substantial. Astute senior managers will recognize that intentions to leave are often difficult to reverse, but uncertainty about how much longer one intends to stay might be arrested. Understanding the reasons why women were most at risk is the first step; the second step is implementing effective talent management practices that give women and men reasons to stay. Are workplace practices fueling women’s uncertainty and leading to frustrations that make women question their commitment to and engagement with the company? In the next chapter, we examine barriers that may contribute to women’s dissatisfaction and intent to leave.

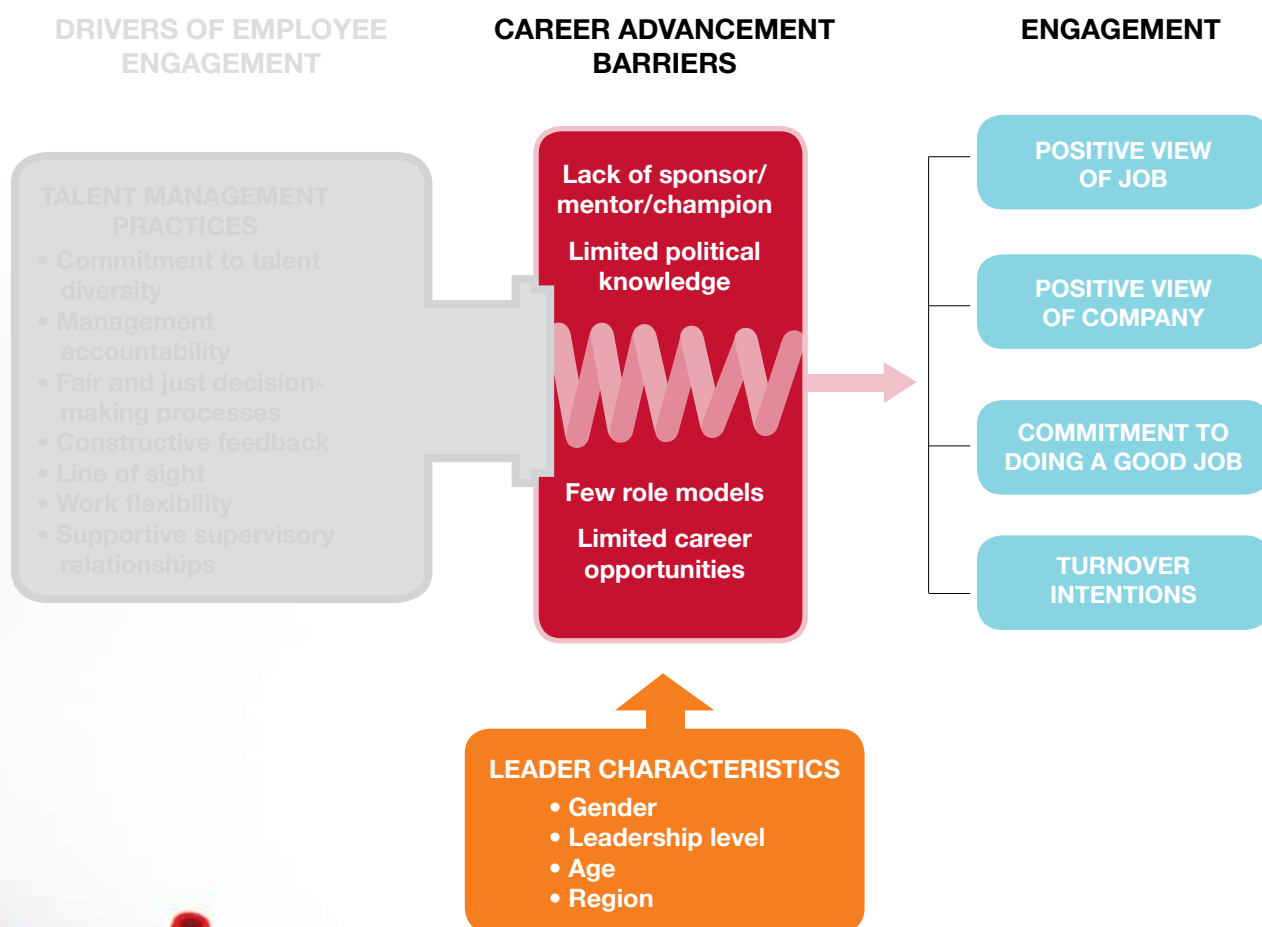


CHAPTER 3

Systemic Barriers to Career Advancement

FINDINGS AT A GLANCE

- Four major barriers thwarted career advancement of leaders:
 - Lack of access to sponsors, champions, and/or mentors.
 - Limited knowledge of company politics.
 - Few role models.
 - Limited access to job opportunities.
- Women leaders reported greater barriers to advancement than men leaders did.
- Pipeline leaders reported more obstacles to career advancement than senior leaders did.
- Women in Latin Europe were more likely to report barriers to advancement than leaders in other regions, with lack of role models being especially problematic.
- Each of the four barriers significantly increased the likelihood that leaders would leave their company, and many of the barriers negatively affected their view of their job, their company, and their commitment to doing a good job.



Systemic barriers can inhibit the advancement of women. Barriers to career advancement affect not only women individually and collectively, but also companies. Pipeline men were also affected by the barriers. To help organizations address barriers that prevent them from developing and leveraging all of their leadership talent, in this chapter we:

- Identify the systemic barriers that can limit career advancement, especially for women.

- Describe how systemic barriers differentially impact women and men leaders, as well as leaders of different levels, ages, and regions.
- Explain how barriers to advancement not only have negative consequences for individual employees, but also have a significant negative impact on organizations—through leaders’ decreased engagement and increased turnover intentions.

SYSTEMIC BARRIERS TO CAREER ADVANCEMENT

To identify obstacles to career advancement, Catalyst and Families and Work Institute asked leaders about 13 workplace challenges that may have limited their career progression at their current organization.³⁰ Analysis of responses allowed us to group these challenges into four systemic barriers:³¹

- Lack of or limited access to sponsors, champions, and/or mentors.
- Limited knowledge of company politics.
- Few role models.

- Limited access to meaningful job opportunities that provided leaders with the experience and visibility needed to advance.

Importantly, we found that barriers to career advancement negatively influenced leaders’ perceptions of their jobs, their companies, and their intention to stay with their organizations. However, the perception of these barriers was not uniform. Here, we examine the barriers in greater detail and explore how gender, leadership level, age, and region affected the perception of these barriers.

HOW PERCEPTIONS OF BARRIERS VARY AMONG LEADERS IN EUROPEAN CULTURES

Table 6 summarizes perceptions of barriers to advancement and highlights statistically significant

differences, discussed on page 15, based on gender, level, age, and region.

TABLE 6

Differences in Perceptions of Barriers to Career Advancement

Barrier to Career Advancement	Gender	Age			Leadership Level		Region		
		30 and under	31-40	Over 40	Pipeline Leader	Senior Leader	Anglo Europe	Germanic Europe	Latin Europe
Lack of sponsor/mentor/champion					◆	◇			
Limited political knowledge					◆	◇	◆	◇	◆
Few role models									
Limited career opportunities					◆	◇	◆	◇	◇

More Likely

◆ Leaders Overall

Less Likely

◇

More Likely

Women Leaders

Men Leaders

Less Likely

30. See Appendix 4 for the list of career advancement challenges.

31. Factor analysis was conducted to determine how different challenges to career advancement grouped together. This analysis helped identify larger categories of barriers in the sample. See Appendix 4 for a more detailed description of the specific items for each factor as well as specific analytical statistics.

Gender

Women leaders were more likely than men leaders to report that they had experienced barriers to advancement. Regardless of their leadership level, age, or region, women rated the following three out of the four barriers as more limiting to their career advancement than men did:³²

- Lack of or limited access to sponsors, champions and/or mentors.
- Few role models.
- Limited access to job opportunities.

Analyses³³ also showed significant differences among respondents based on their leadership level, age, and region.

Gender and Leadership Level

Regardless of gender, pipeline leaders reported more obstacles to career advancement than did senior leaders, except for lacking role models.

Gender and Age

Women respondents in each age group reported significantly greater career limitation from lacking

role models than men did. Furthermore, women 31 to 40 were more likely to report that they lacked role models than women 30 or younger. Women leaders ages 31 to 40 years and women over age 40 perceived greater limitations to career advancement than men of their respective age groups as a result of not having sponsors, champions, and/or mentors as well as lacking access to valuable job opportunities.

Gender and Region

Finally, women leaders in all regions reported experiencing higher career limitations from a lack of role models than men did. This gap between women's and men's perceptions was especially pronounced in Latin Europe. Indeed, women leaders in Latin Europe reported experiencing all four barriers to a greater degree than did men leaders in that region. Women leaders in Germanic Europe also perceived significantly higher limitations than men in that region from not having access to valuable job opportunities.

THE IMPORTANCE OF ADDRESSING BARRIERS TO CAREER ADVANCEMENT

These findings indicate that leaders in European cultures perceived barriers to career advancement, though they differed somewhat based on the leaders' gender, leadership level, age, and region. To understand the impact of these barriers and the risks they pose, we examined whether they affected employee engagement.³⁴

Our results showed that all four barriers to career advancement significantly increased the likelihood that leaders plan to leave their organizations. Specifically, respondents' perceptions of career limitations led to decreased engagement, regardless of gender.³⁵ Figure 5 illustrates the relationship between each barrier and leaders' views of their jobs, their companies, their commitment to doing a good job, and their intent to leave—all indicators of engagement.

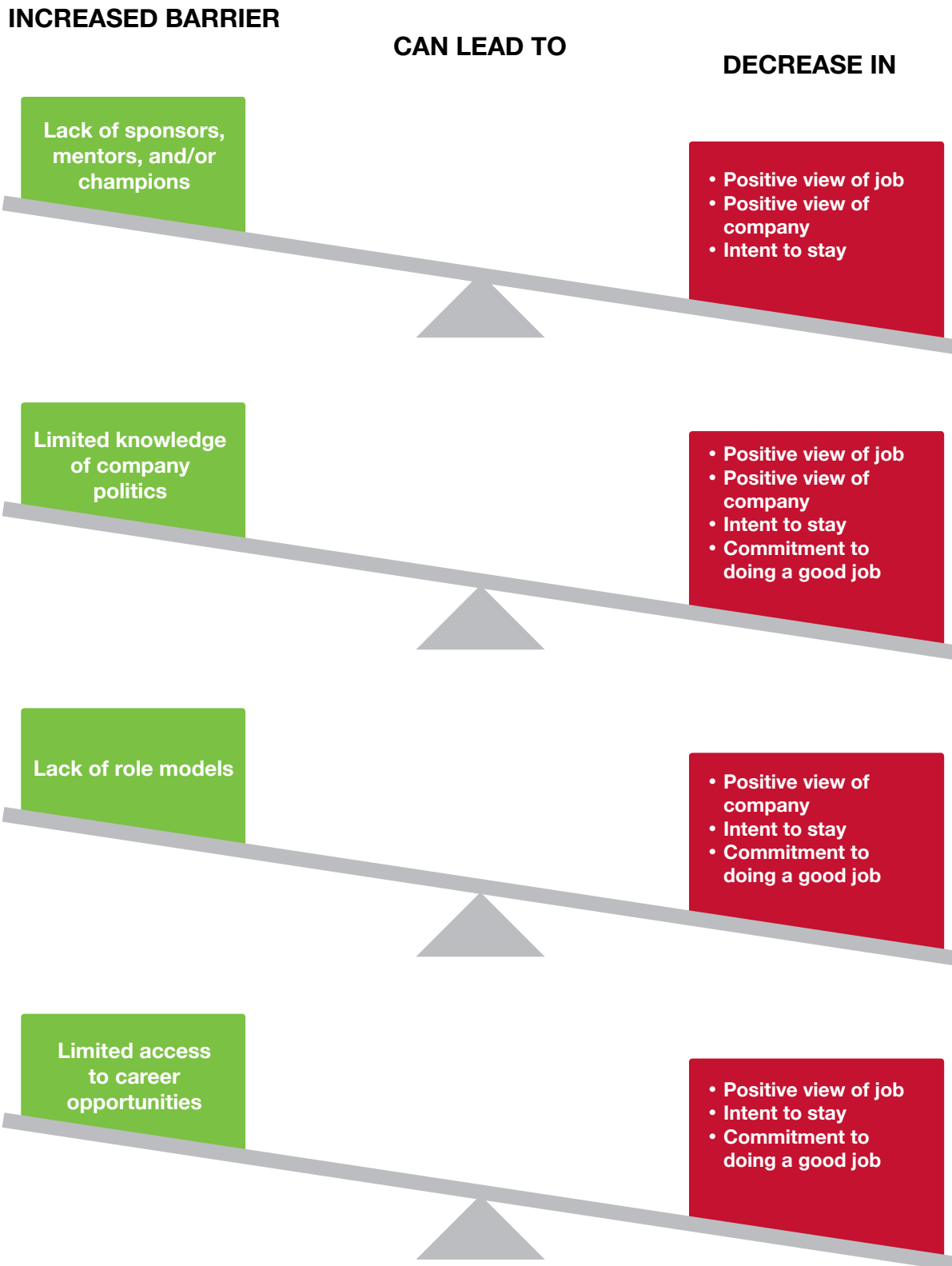
32. The findings also echo those in the first report in this series, which found the same barriers for women in senior leadership positions in ten multinational companies. See also: Catalyst, *Women in U.S. Corporate Leadership: 2003* (2003); Catalyst, *Women and Men in U.S. Corporate Leadership: Same Workplace, Different Realities?* (2004); Foust-Cummings et al.

33. Differences designate significant effects. Means and standard deviations are available from the lead authors.

34. To understand how barriers to career advancement influenced employees' engagement and turnover intentions, we ran a series of multivariate regressions, controlling for gender, leadership level, age, and region. Four dimensions of engagement were the outcome measures. Figures display only statistically significant findings at $p < .05$. See also Appendix 5.

35. A. Richman, Janet T. Civian, Laurie L. Shannon, E. Jeffrey Hill, and Robert T. Brennan, "The Relationship of Perceived Flexibility, Supportive Work-Life Policies, and Use of Formal Flexible Arrangements and Occasional Flexibility to Employee Engagement and Expected Retention," *Community, Work and Family*, vol. 11, no. 2 (May 2008): p. 183-197. In this study, the only gender difference that emerged concerned leaders' ratings about feeling responsible for doing good work. Women leaders felt greater responsibility for/commitment to doing a good job than men did, regardless of their perceptions of the limitations to career advancement.

FIGURE 5
Effects of Barriers to Career Advancement on Engagement



Conversely, our analyses indicated that leaders who perceived fewer systemic barriers to career advancement were more likely to say they would stay with their company. Moreover, those who perceived fewer systemic barriers often reported more positive views of both their job and their company.

As these findings make clear, barriers to career advancement not only have negative consequences

and create obstacles for individual employees, but they also significantly impact the bottom line through decreased satisfaction and increased turnover intentions among talented employees. Effectively addressing systemic barriers can increase engagement and retention for all talent, both women and men.³⁶ In the next chapter, we assess the impact of talent management practices on reducing perceived barriers to career advancement.

36. Jerald Greenberg, "Organizational Justice: Yesterday, Today and Tomorrow," *Journal of Management*, vol. 16, no. 2 (1990): p. 399-432; G.S. Leventhal, "What Should Be Done With Equity Theory? New Approaches to the Study of Fairness in Social Relationships," in K.J. Gergen, M.S. Greenberg, and R.H. Willis, eds., *Social Exchange: Advances in Theory and Research* (New York: Plenum Press, 1980): p. 27-53.

A person wearing a white lab coat is pointing at a laptop screen with a black pen. The laptop is open, and the person's hand is visible in the foreground. The background is blurred, showing a desk and other papers.

CHAPTER 4

Leader Perceptions of Talent Management Practices

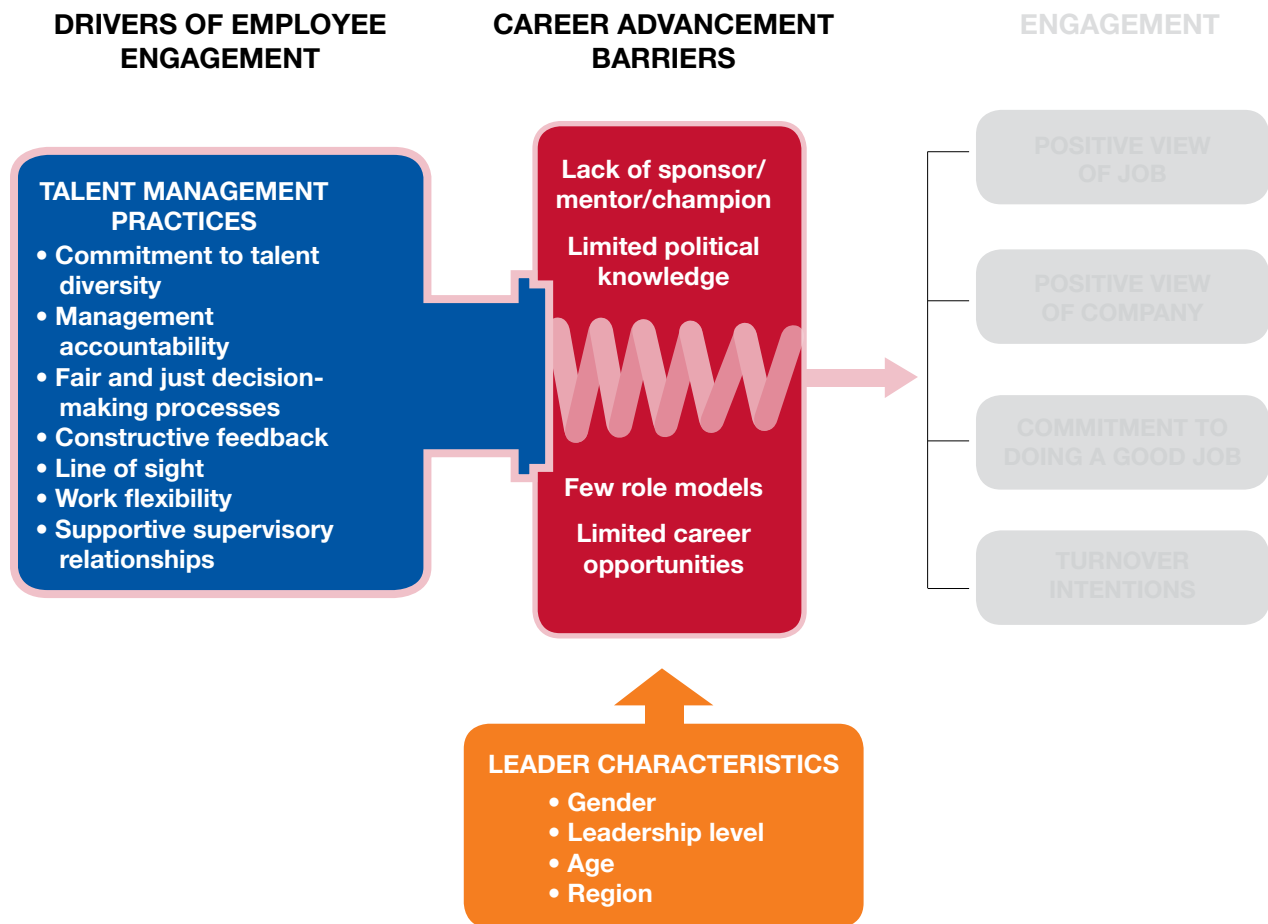
FINDINGS AT A GLANCE

Perceptions of Talent Management Among Women and Men Leaders

- More than two-thirds of leaders were satisfied with their company's support for talent diversity; Latin European leaders were the least satisfied.
- A majority of leaders reported that first-level managers or individual employees were held accountable for talent management, with women leaders slightly more likely than men to hold these perceptions.
 - Women leaders in Germanic Europe were most likely to say that employees are held accountable for their own talent management.
- Women leaders were less likely than men to see promotion decisions and the allocation of work assignments as fair.
 - Women leaders 30 and under were more likely than women leaders over 30 to perceive fairness in decision-making.
 - Women leaders in Latin Europe were least likely to perceive fair and just decision-making.
- Women leaders were less likely than men to receive constructive feedback and were also less likely to have line of sight—an understanding of how their job impacts company success.
 - Women leaders over 30 were less likely than men over 30 to have line of sight.
 - Latin European women leaders were least likely of all regional groups to have line of sight.
- There were no significant differences in women and men leaders' satisfaction with their company's commitment to work-life quality and employee ability to manage work and personal responsibilities.
 - Anglo European leaders were most satisfied with work flexibility, whereas Latin European leaders were least satisfied.
- Women leaders were more likely than men to name peers as the most helpful people for career development.
 - Women leaders 30 and under felt more supported by managers than women leaders over 30.

Impact of Talent Management on Minimizing Career Advancement Barriers

- Effective and inclusive talent management can reduce most barriers to advancement for both women and men leaders across age, leadership level, and region.
- Powerful talent management practices effective in minimizing several barriers include:
 - Constructive feedback
 - Fair and just decision-making
 - Line of sight
- Supportive supervisory relationships are critical for mitigating advancement barriers.



In the previous chapter, we saw that systemic barriers to career advancement had serious negative implications for individual women and men leaders and thus for companies. The potential costs of these barriers are substantial because the data indicated that employee satisfaction, commitment, and intent to stay with companies were all negatively impacted when employees perceived systemic barriers to career advancement.

Previous research provides persuasive evidence that effective talent management leads to greater employee engagement, which in turn affects company performance.³⁷ In *Leaders in a Global Economy: Finding the Fit for Top Talent*,³⁸ we showed that alignment between what leaders value—that is, work goals—and effective workplaces leads

to leaders’ engagement and lower intent to leave the company. In this chapter, we examine the perceptions of women and men leaders regarding talent management practices across leadership level, age, and region, as well as the impact of talent management practices on employee perceptions of barriers.³⁹

These results allow us to determine which talent management practices inhibit barriers to career advancement. They also underscore the difference between simply having a menu of talent management practices and effectively executing practices. Indeed, prior Catalyst research suggests that imperfect execution may limit the impact of well-intentioned practices.⁴⁰

37. John Gibbons, *Employee Engagement: A Review of Current Research and Its Implications* (New York, NY: The Conference Board, 2006).

38. Galinsky et al. (2008).

39. Multivariate regression analyses were conducted to examine the impact of talent management practices on career advancement barriers. Regressions allow us to observe the net effects of specific talent management practices on career advancement barriers while controlling for other factors that may account for the differences, such as gender, leadership level, age, and regional location.

40. Deepali Bagati, *Retaining People of Color: What Accounting Firms Need to Know* (Catalyst, 2007); Katherine Giscombe, *Women of Color in Accounting* (Catalyst, 2008).

TALENT MANAGEMENT PRACTICES

We examined the following talent management practices, which address the developmental and career needs of employees. The descriptions below are based on a review of the literature and Catalyst's and Families and Work Institute's research and work with companies.

Commitment to Talent Diversity

In this report, commitment to talent diversity refers to company support for diversity, including programs and policies for attracting, developing, and retaining diverse talent. Comprehensive analyses of diversity and inclusion practices and extensive work with companies and firms signal that what is good for women and other underrepresented groups is good for all employees, and, in turn, good for companies and their bottom lines.

Accountability for Talent Management

Accountability—an essential component of any talent management strategy—refers to the extent to which and the ways in which different levels of employees are held responsible for talent development and management. Organizations reinforce the importance of talent management efforts when they reward managers, executives, and/or business units for successes. Likewise, accountability requires that a lack of progress must be acknowledged, and penalties should be articulated. In this study, we asked leaders to identify which of the following people are held accountable for talent management at their company: the CEO, senior executives, second-level managers (managers of managers), first-level managers (managers of employees), and employees themselves. In general, talent is managed more effectively when managers and executives are invested in the development of their employees; development may suffer when employees are left to navigate their own talent management.

Fair and Just Decision-Making

Employee perceptions about how fairly decisions are made is known as procedural fairness. These perceptions are important because they affect:

- Employee attitudes about decisions.⁴¹
- Trust in the organization, its leaders, and its rules.⁴²
- Commitment to the organization, as well as its rules and procedures.⁴³
- Job satisfaction.⁴⁴
- Cooperative behavior.⁴⁵
- Employee performance,⁴⁶ as well as energy and motivation to perform.⁴⁷

Importantly, procedural fairness also influences employee perceptions of advancement opportunities at their organizations.⁴⁸ Employees who believe their companies make use of unfair procedures also question the ways in which advancement decisions are made. Women are especially likely to view lack of advancement opportunities as a reason to leave their organizations, and they are particularly likely to leave when:

41. Greenberg and Leventhal.

42. R. Tyler and E.A. Lind, "A Relational Model of Authority in Groups," in M. Zanna, ed., *Advances in Experimental Social Psychology*, vol. 25 (New York: Academic Press, 1992): p. 115-192.

43. D.R. Avery and M.A. Quinones, "Disentangling the Effects of Voice: The Incremental Roles of Opportunity, Behavior, and Instrumentality in Predicting Procedural Fairness," *Journal of Applied Psychology*, vol. 87, no. 1 (2002): p. 81-86; M.A. Konovsky, "Understanding Procedural Justice and Its Impact on Business Organizations," *Journal of Management*, vol. 26, no. 3 (2000): p. 489-511.

44. B.H. Sheppard, R.J. Lewicki, and J.W. Minton, *Organizational Justice: The Search for Fairness in the Workplace* (New York: Lexington Books, 1992).

45. R.H. Moorman, "Relationship Between Organizational Justice and Organizational Citizenship Behavior: Do Fairness Perceptions Influence Employee Citizenship?" *Journal of Applied Psychology*, vol. 76 (1991): p. 845-855.

46. Konovsky.

47. Rhona Rapoport, Lotte Bailyn, Joyce K. Fletcher, and Bettye H. Pruitt, *Beyond Work-Family Balance: Advancing Gender Equity and Workplace Performance* (San Francisco, CA: Jossey-Bass, 2002).

48. P. Herriot, W.E.G. Manning, and J.M. Kidd, "The Content of the Psychological Contract," *British Journal of Management*, vol. 8, no. 2 (1997): p. 151-162.

- Promotion decisions are based on stereotypic bias about women’s abilities rather than performance.⁴⁹
- Women have no say in promotional decisions and hence do not expect their opportunities to change in the future.

In this report, we evaluate fair and just decision-making by examining perceptions of promotion decisions, as well as the allocation of work assignments, projects, and clients.

Constructive Feedback

Constructive feedback refers to the process of sharing factual information and providing actionable solutions in a timely manner based on observable behaviors.⁵⁰ Constructive feedback is essential to developing and advancing employees, improving performance, and building strong working relationships. It has the potential to decrease advancement barriers for women—especially women aspiring to senior leadership positions or working in male-dominated professions. However, Catalyst interviews with human resources experts have indicated that providing constructive feedback is a skill that many leaders and managers have yet to master.⁵¹ In this report, we asked respondents how receiving candid and challenging feedback impacts their career advancement.

Line of Sight

Line of sight refers to understanding how one’s work, roles, and responsibilities impact company success. When employees understand how their jobs affect company performance and are given opportunities to apply that knowledge, both individuals and companies benefit.⁵² Simply put, if employees know what the goals of the company are, believe in them, and see how their work contributes to them, they will have a stronger emotional connection to the success of the company, increased commitment and loyalty, lower anxiety, and lower job burnout.⁵³ Senior leaders are more likely to have line of sight, and it is usually necessary to make special efforts to ensure that pipeline leaders understand how their goals are tied to organizational goals.

Work Flexibility

Work flexibility refers to a company’s commitment to work-life effectiveness and supporting employees in their efforts to manage their work and personal responsibilities.⁵⁴ Work flexibility allows employees to contribute to their fullest potential while not sacrificing their personal needs or commitments. When companies respect employees’ personal priorities, they benefit from enhanced employee satisfaction, motivation, productivity, and performance.⁵⁵ Catalyst and Families and Work Institute have found that flexibility works best when it considers and is responsive to the needs of both the company and employees.

Supportive Supervisory Relationships

A supportive supervisory relationship refers to an employee’s perception of career development and career coaching he or she receives from a supervisor. Evidence from Catalyst strategic advisory engagements suggests that employees do not leave companies—they leave supervisors. Moreover, Families and Work Institute’s research reveals that supervisory support is one of the most powerful predictors of employee engagement and well-being. Thus, building positive supervisory relationships is vital to advancing and retaining talented employees. In this report, we asked respondents how often they had career development conversations with their immediate supervisor and who provided them with the most helpful career development advice.

49. E.R. Auster, “Professional Women’s Midcareer Satisfaction: Toward an Explanatory Framework,” *Sex Roles*, vol. 44 (2001): p. 719-750; E.R. Auster and K.L. Ekstein, “Professional Women’s Mid-Career Satisfaction: An Empirical Exploration of Female Engineers,” *Women in Management Review*, vol. 20 (2005): p. 4-23.

50. Sean McLoughney, “Making the Most of Performance Review: With SMARTER Goals and BEST Feedback,” *Accountancy Ireland*, vol. 39, no. 6 (September 2007).

51. Catalyst, forthcoming research on gender bias and talent management.

52. Brian Becker, Mark Huselid, and David Ulrich, *The HR Scorecard: Linking People, Strategy, and Performance* (Cambridge, MA: Harvard Business School Press, 2001).

53. Wendy R. Boswell and John W. Boudreau, “How Leading Companies Create, Measure and Achieve Strategic Results through ‘Line of Sight,’” *Management Decision*, vol. 39, no. 10 (2001): p. 851-860.

54. Lisa D’Annolfo Levey, Meryle Mahrer Kaplan, and Aimee Horowitz, *Making Change—Beyond Flexibility: Work-Life Effectiveness as an Organizational Tool for High Performance* (Catalyst, 2008). Lisa D’Annolfo Levey, Aimee Horowitz, and Meryle Mahrer Kaplan, *Making Change—Beyond Flexibility: Creating Champions for Work-Life Effectiveness* (Catalyst, 2008).

55. J. Jacob, J.T. Bond, E. Galinsky, and E.J. Hill (In Press), “Flexibility: A Critical Ingredient in Creating an Effective Workplace,” *The Psychologist-Manager Journal*.

PERCEPTIONS OF TALENT MANAGEMENT PRACTICES AMONG WOMEN AND MEN LEADERS

Table 7 provides a summary of prominent findings about leaders' perceptions of talent management practices. It also highlights statistically significant

differences based on leadership level, age, and region. Significant findings are discussed in greater detail in sections following the table.

TABLE 7
Differences in Perceptions of Companies' Use of Talent Management Practices⁵⁶

Talent Management Practice	Gender	Age			Leadership Level		Region		
		30 and under	31-40	Over 40	Pipeline Leader	Senior Leader	Anglo Europe	Germanic Europe	Latin Europe
Commitment to Talent Diversity							◆	◆	◆
Accountability for Talent Management: Top Management	◆				◆	◆			◆
Accountability for Talent Management: First-Level Manager	◆			◆			◆	◆	◆
Accountability for Talent Management: Employee	◆			◆	◆	◆	◆	◆	◆
Fair and Just Decision-Making: Work Assignments	◆		◆	◆			◆	◆	◆
Fair and Just Decision-Making: Promotion Decisions	◆	◆	◆	◆	◆	◆	◆	◆	◆
Constructive Feedback	◆								
Line of Sight	◆		◆	◆	◆	◆	◆	◆	◆
Work Flexibility	◆				◆	◆	◆	◆	◆
Supportive Supervisory Relationships: Supervisor is Most Helpful					◆	◆	◆	◆	◆

More Likely Leaders Overall
 Less Likely

More Likely Women Leaders
 Less Likely

Women Leaders
 Men Leaders

56. Findings displayed represent tests of means or proportions significant at $p < .05$.

Commitment to Talent Diversity

Latin European leaders reported lower satisfaction than Anglo and Germanic European leaders about company commitment to talent diversity.

Company commitment to talent diversity received relatively high marks from both women and men leaders, with two-thirds (67 percent) of leaders either somewhat or very satisfied with their company's support of this practice. The only difference to emerge among leaders was regional, as leaders in Latin Europe reported lower satisfaction than leaders in Anglo Europe and Germanic Europe.

Accountability for Talent Management

More than 70 percent of leaders saw employees and first-level managers as accountable for talent management. More than one-third saw CEOs as responsible.

Almost three-quarters (74 percent) of leaders perceived first-level managers as accountable for talent management, compared to more than one-third (37 percent) of leaders who said the CEO was responsible. Leaders considered employees themselves nearly as accountable for talent management as first-line managers, with 72 percent stating that employees were accountable for their own talent management. Women leaders were slightly more likely than men leaders to perceive that first-level managers and employees were held accountable for talent management. Men leaders were more likely to perceive top management as accountable.

With respect to age, women leaders over 40 were significantly more likely than men leaders in that age group to perceive first-level managers and employees as accountable for talent management.

Senior leaders were more likely than pipeline leaders to perceive top management—that is, senior executives and second-level managers—as accountable for talent management. Alternatively, senior leaders were less likely than pipeline leaders to perceive that employees were accountable for their own talent management.

In terms of regional variation, leaders in Latin Europe and Germanic Europe were significantly more likely than leaders in Anglo Europe to perceive first-level managers as accountable for talent management. However, Latin European leaders were significantly less likely than their counterparts in Germanic Europe and Anglo Europe to perceive employees as accountable for their own talent management. Instead, Latin European leaders were more likely to perceive top management as accountable for talent development.

Fair and Just Decision-Making

Overall, leaders did not give their companies high marks for fair and just decision-making, particularly with respect to fairness in promotion decisions. Only 7 percent of leaders strongly agreed that decisions to promote employees were made in a fair way. Furthermore, in contrast to other talent management practices where few differences emerged between women and men leaders, women leaders were less likely than men leaders to perceive both work assignments and promotion decisions with their company as fair.⁵⁷ These findings are noteworthy because they contrast with the finding that 67 percent of leaders were somewhat or very satisfied with their company's commitment to talent diversity (see above). Apparently, commitment and practice are not synonymous.

Women leaders were less likely to see work assignments and promotion decisions as fair.

Two significant differences emerged across age groups with respect to perceptions of fairness. On average, younger women leaders (30 and under) were more likely than women over 30 to perceive decision-making as fair. Additionally—and in contrast to the fairness findings for women and men overall—younger women leaders were more likely than younger men leaders to perceive promotion decisions as fair.

Senior leaders were more likely than pipeline leaders to perceive promotion decisions as fair, but there were no differences between senior and pipeline leaders with respect to the fairness of work assignments.

Latin European leaders perceived promotion decisions and the allocation of work assignments as less fair than leaders in other regions did. Women leaders in Latin Europe were least likely to perceive promotion decisions and work assignments as fair.

57. This finding is consistent with other Catalyst research that indicates that certain women lag men in perceptions of workplace fairness. See Foust-Cummings et al., p. 11-13.

Constructive Feedback

Like perceptions of fairness, leaders' perceptions of constructive feedback were not positive. Close to one-third of leaders (32 percent) believed that not receiving honest, tough feedback on their performance—the kind they may not want to hear, but need because it helps improve performance—had limited their career development. Additionally, and consistent with several other Catalyst studies,⁵⁸ women leaders were more likely than men leaders to say that they did not receive honest and tough feedback about their performance.

Women leaders were less likely to say they get constructive feedback—the kind they need for career development.

Line of Sight

Leaders generally had the ability to see how their work affects company success. However, women leaders were less likely than men leaders to experience the connections. Age also affected women leaders' perceptions of line of sight, with women leaders over 30 less likely than men leaders of the same age to report having line of sight.

Women leaders—especially those in Latin Europe—were less likely to report having line of sight.

Differences in line of sight also emerged based on leader level and region. Senior leaders were more likely than pipeline leaders to have line of sight. Also, line of sight was more common among Anglo and Germanic leaders than it was among Latin leaders. Latin European women leaders were least likely of all regional groups to have line of sight.

Work Flexibility

Leaders reported general satisfaction with companies' commitment to work-life quality and their own ability to manage work and personal responsibilities. Overall, women leaders and men leaders had similar perceptions. A small gender difference did emerge among senior leaders: women senior leaders were marginally less satisfied than men senior leaders with their access to flexibility. There were no gender differences in satisfaction for pipeline leaders, however.

Perceptions of work flexibility were similar for women and men.

In terms of region, Anglo European leaders were the most satisfied with respect to work flexibility, and Latin European leaders were the least satisfied.

Supportive Supervisory Relationship

Ninety percent of leaders reported having at least one career development discussion with their immediate supervisor in the last year. Of those leaders who received career coaching from their supervisor, 11 percent said career development discussions occurred less than once a year, while nearly one-half—44 percent—reported that these conversations took place once a year. Twenty-nine percent said the conversations took place at least every six months, and 13 percent said they occurred at least every three months. Four percent of leaders said they had monthly career conversations with their supervisor.

Women were more likely than men to name a peer as the most helpful person in their career development.

Although most leaders had career conversations with their supervisors, there were gender and level differences in where leaders found the most helpful career development advice. Specifically, women leaders were more likely than men leaders to name a peer as the most helpful person for career development. Sixty-nine percent of men leaders named another man as the most helpful person, while 64 percent of women leaders named another woman as the most helpful person for career development. Senior leaders were more likely than pipeline leaders to name their supervisor or another company manager as most helpful in providing career coaching and support. Alternatively, pipeline leaders were more likely than senior leaders to rely on peers for coaching and support.

Surprisingly, 36 percent of men reported relying on women as the most helpful person in advancing their career at the company, whereas 31 percent of women leaders named a male.

Leaders in Anglo Europe felt significantly less supported by their supervisors than leaders in other regions.

58. Catalyst, *Women of Color in Corporate Management* series (1998-2004).

IMPLICATIONS OF LEADERS' PERCEIVED DIFFERENCES IN TALENT MANAGEMENT PRACTICES

The data presented above indicate that leaders' perceptions of talent management practices varied by gender, leadership level, age, and region. Some of this variation existed among women themselves. Findings that younger women were more likely than older women to view decision-making as fair suggest that older women may have encountered barriers

that younger women have not yet experienced. Other findings illustrate the variation in the workplace experiences of women and men as well as cultural differences among leaders. Understanding these differences in perception allows us to determine how talent management practices may inhibit barriers to career advancement.

IMPACT OF TALENT MANAGEMENT IN MINIMIZING CAREER ADVANCEMENT BARRIERS

We now consider the relationship between talent management practices and leaders' perceptions of barriers to career advancement. As noted in Chapter 3, women leaders were more likely than men leaders to report career limitations based on three systemic barriers, including—in order of importance—limited access to job opportunities; lack of sponsors, champions, and/or mentors; and few role models.

To understand the extent to which talent management practices could mitigate these barriers, we analyzed the impact of each practice on leaders' perceptions of each barrier.⁵⁹ As Figure 6 illustrates, the analyses suggest that effective and inclusive talent management can reduce barriers to advancement for both women and men leaders across leadership level, age, and region. Some practices were particularly powerful.

59. Multivariate regression analyses were conducted to examine the impact of talent management practices on career advancement barriers. Regressions allowed us to observe the net effects of specific talent management practices on career advancement barriers while controlling for other factors that may account for the differences such as gender, leadership level, age, and regional location. See Appendix 6 for a more detailed summary of the relationships among the variables.

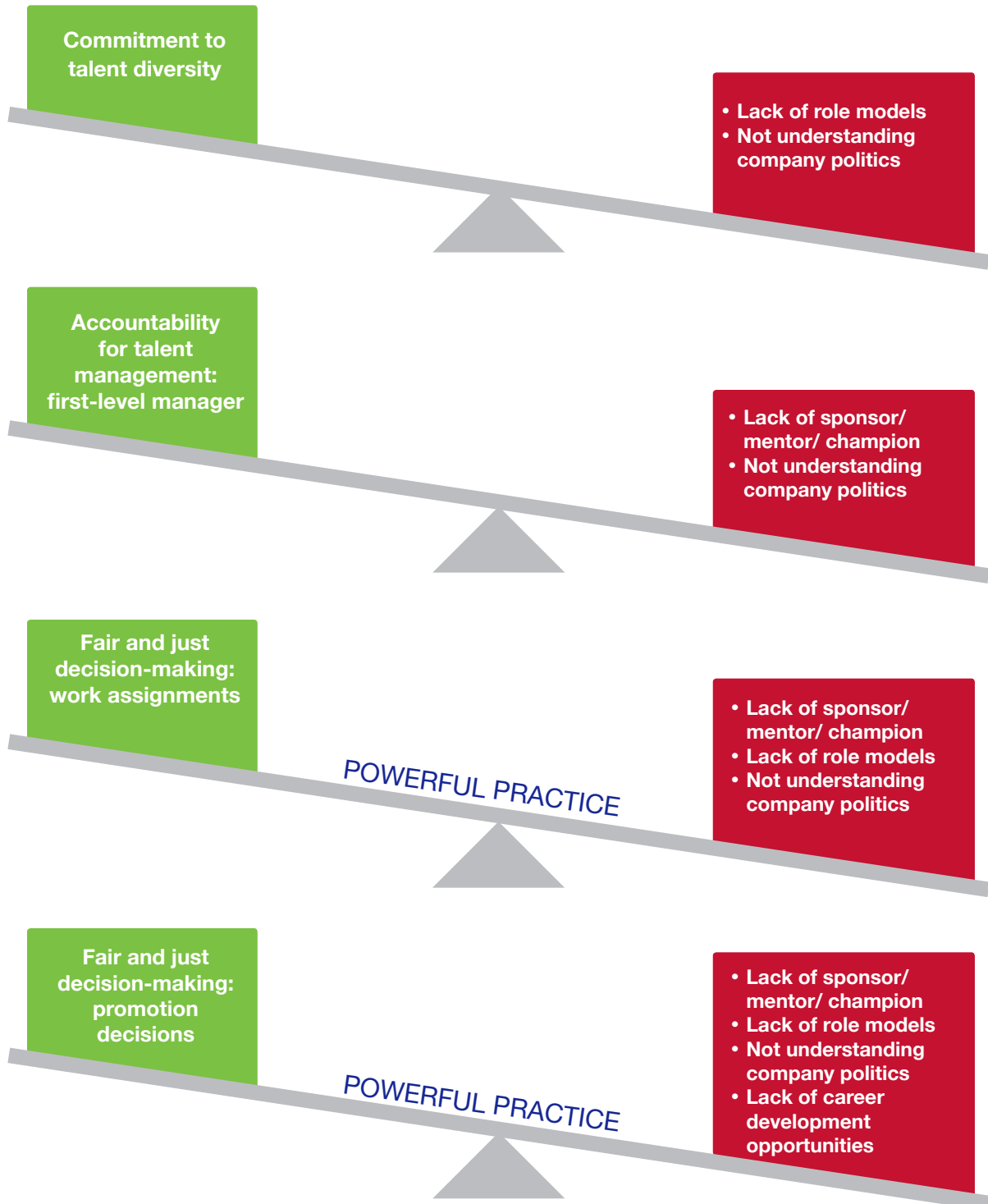
FIGURE 6

Effects of Increased Talent Management on Barriers to Career Advancement

**INCREASED TALENT
MANAGEMENT PRACTICE**

CAN LEAD TO

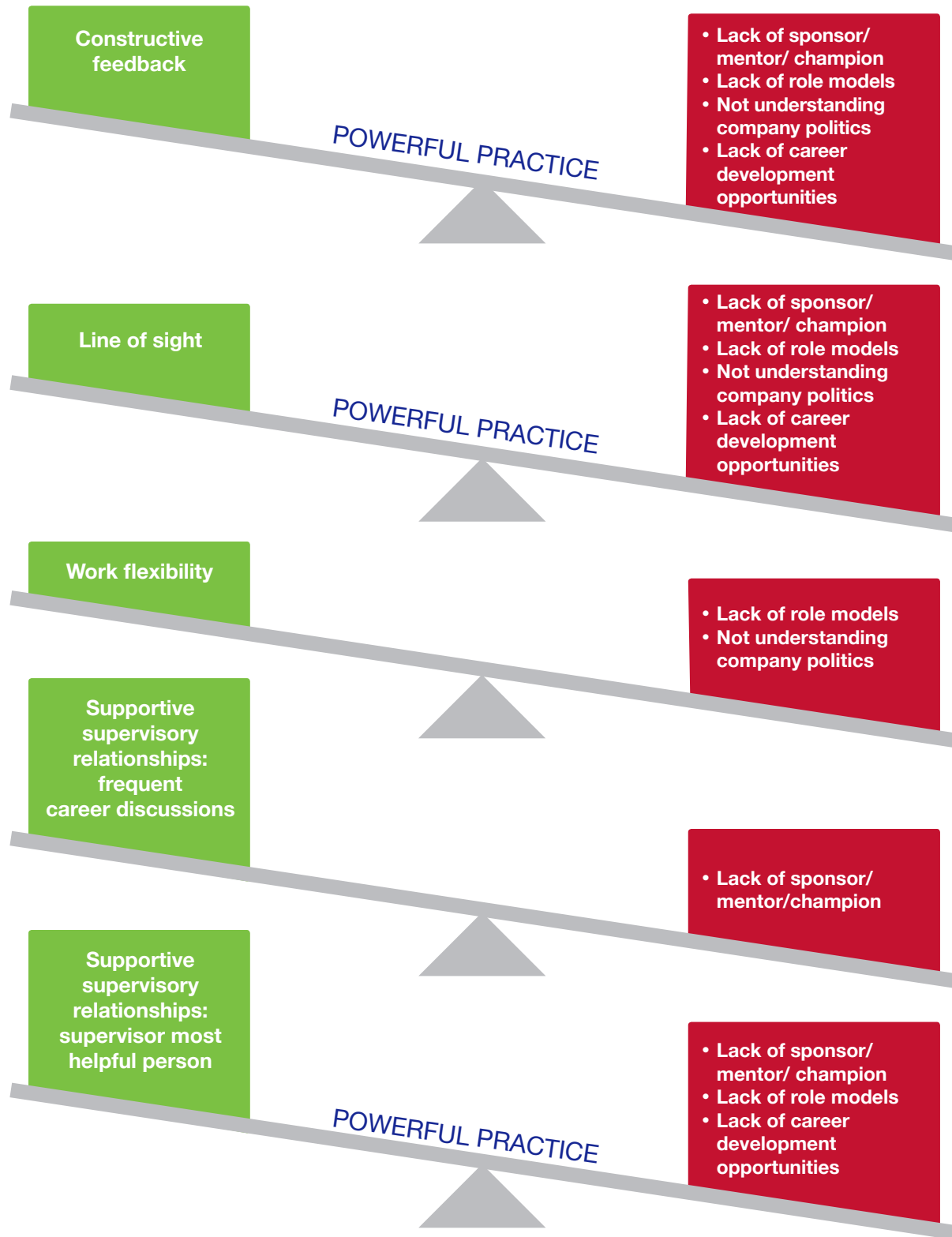
DECREASE IN



**INCREASED TALENT
MANAGEMENT PRACTICE**

CAN LEAD TO

DECREASE IN



SOME DIFFERENCES STILL REMAIN

Even after accounting for the beneficial effects of effective talent management practices, some differences remained among various groups. For example, women were still more likely than men to perceive career limitations due to lack of role models. Additionally, Germanic European leaders remained more likely to experience career limitations due to lack of role models than leaders in Latin

Europe. Furthermore, Anglo and Latin European leaders remained more likely to experience career limitations from not understanding company politics than Germanic European leaders. Anglo European leaders were still more likely than leaders in Germanic Europe to experience lack of career-enhancing opportunities.

POWERFUL PRACTICES

As Figure 6 depicts, five of the talent management practices are particularly effective because they reduce three or four of the career-limiting barriers. These powerful practices were:

- Fair and just decision-making in the allocation of work assignments.
- Fair and just decision-making in promotion decisions.
- Constructive feedback.
- Line of sight.
- Support from supervisor.

Companies interested in building effective workplaces in which all employees feel respected and included should pay particular attention to these especially valuable practices as they enhance their work environments.

The data presented above show how important effective talent management is to the creation of a more effective workplace. Moreover, they signal that certain talent management practices can be especially helpful in breaking down barriers that European leaders face. In the next chapter, we examine the effects of talent management on leader engagement.

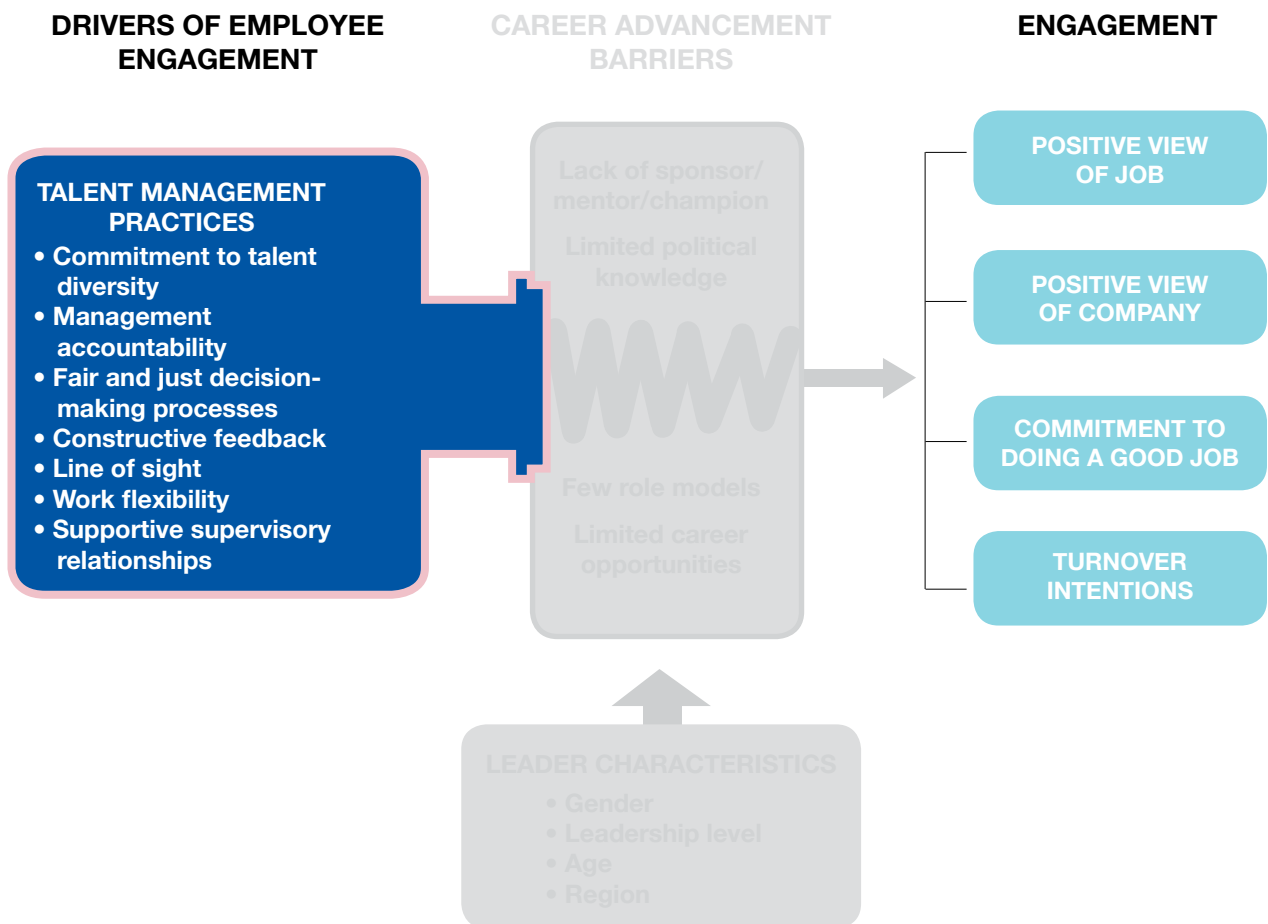


CHAPTER 5

Increasing Engagement With Talent Management Practices

FINDINGS AT A GLANCE

- Talent management practices were associated with higher engagement of both women and men leaders.
- Women and men leaders reported more positive views of their job, company, and a greater sense of responsibility for doing a good job when they were satisfied with the talent management practices provided at their company.
- When leaders perceived that employees were responsible for managing their own development, leaders' job and company satisfaction—as well as intent to stay—decreased.



THE INFLUENCE OF TALENT MANAGEMENT PRACTICES ON ENGAGEMENT

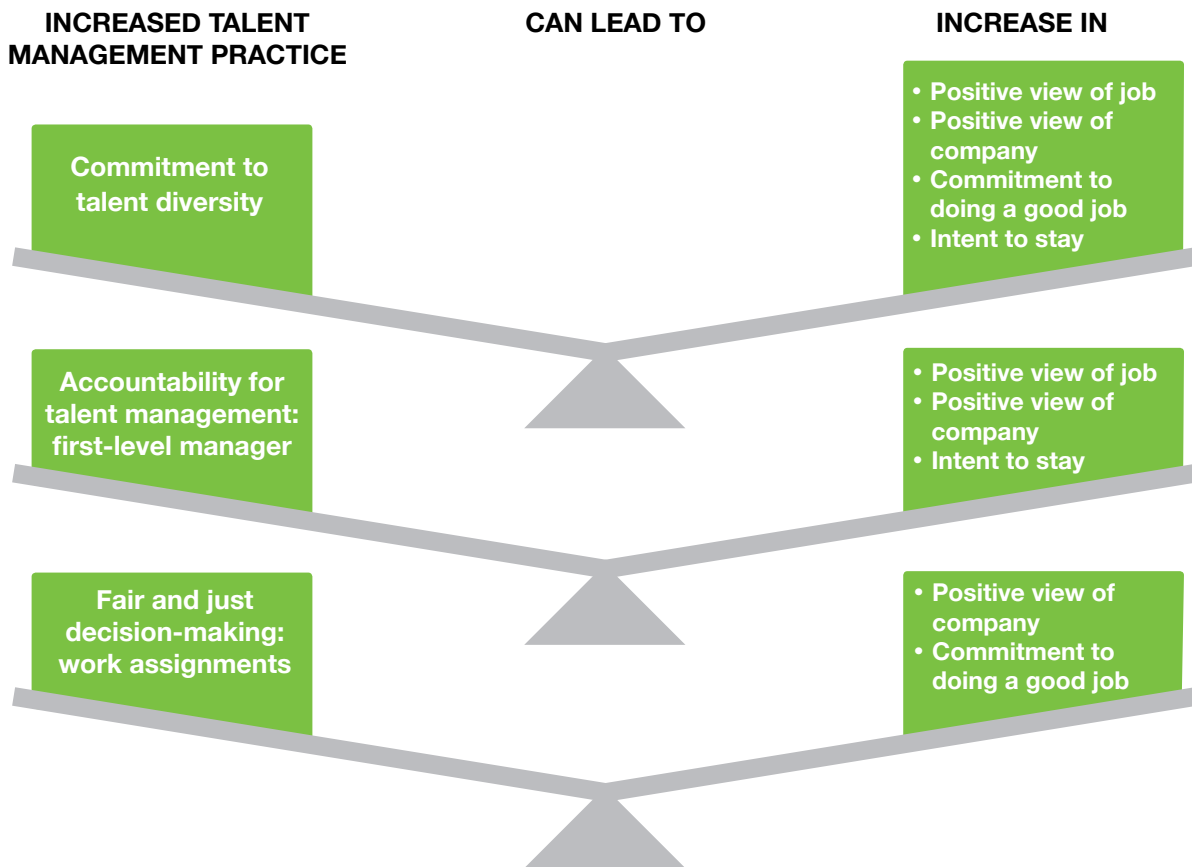
Talent management practices are successful in mitigating certain barriers to career advancement for leaders in companies in Europe. In this chapter, we assess the influence of these practices on employee engagement,⁶⁰ which can significantly impact a company's bottom line. To address this question, we analyzed⁶¹ the relationship between the different talent management practices and the extent to which leaders exhibited:

- Positive view of job.
- Positive view of company.
- Commitment to doing a good job.
- Intent to stay at their company.

Notably, we found positive relationships between talent management practices and engagement for both women and men leaders.⁶² When women and men leaders were satisfied with talent management practices at their jobs, they were more likely to have positive views of their jobs and companies and a sense of responsibility for doing a good job. They were also less likely to intend to leave. Conversely, when leaders were not satisfied with talent management practices and were left to figure out their own talent management, their job and company satisfaction—as well as intent to stay—decreased. Figure 7 illustrates the relationship between each of the talent management practices and leaders' satisfaction, sense of responsibility for doing a good job, and intent to stay.

FIGURE 7

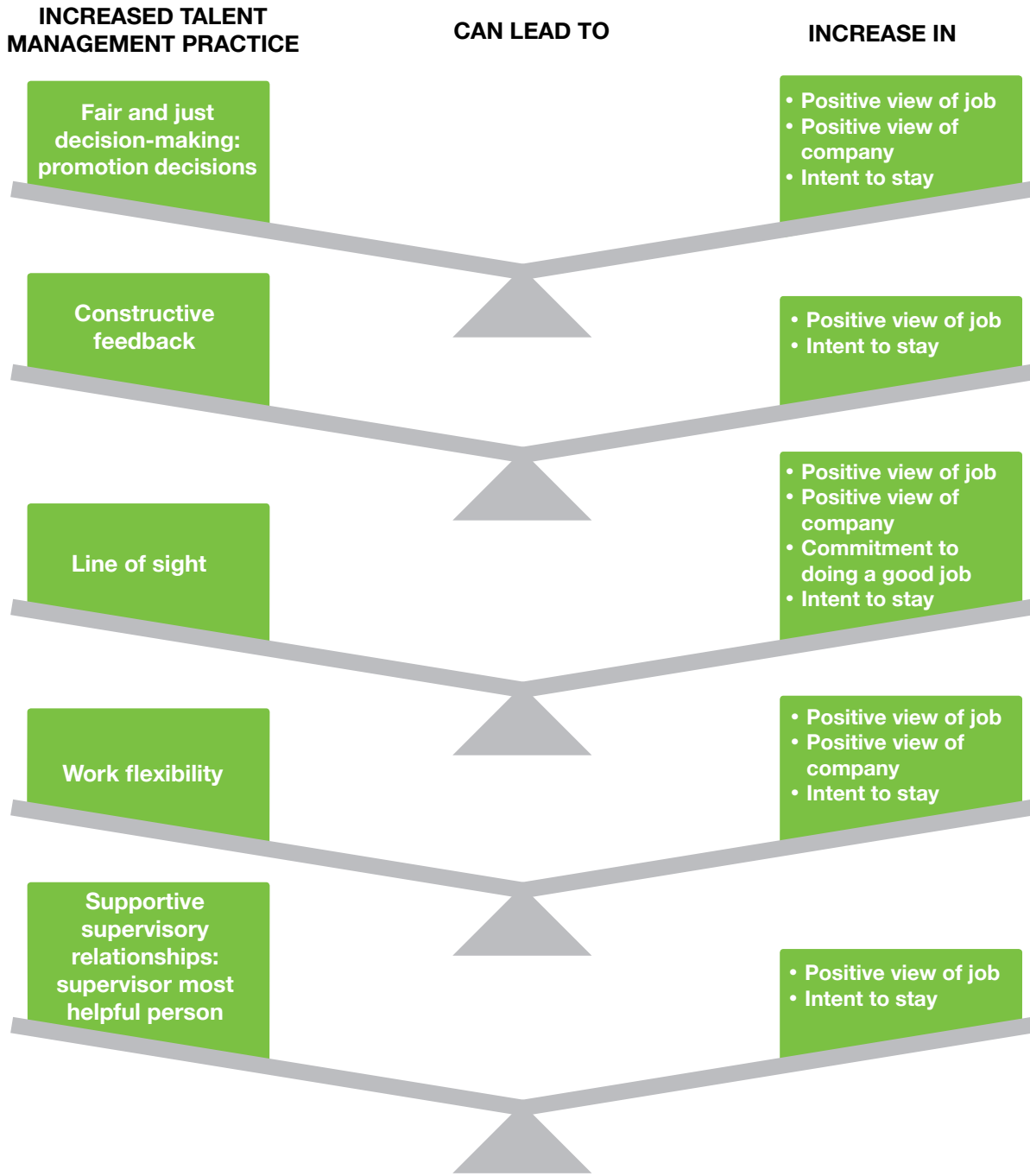
Effects of Talent Management Practices on Leaders' View of Job and Company, Responsibility for Doing a Good Job, and Intent to Stay



60. For a description of how job and company engagement were measured, see Appendix 3.

61. We conducted a series of multivariate regression analyses, controlling for gender, leadership level, age, and region. Talent management practices were included as covariates, with engagement and intent to leave as outcome measures. See Appendix 7 for a more detailed summary of the relationships among the variables.

62. The positive effect of talent management practices on employees' job satisfaction trumps gender differences in job satisfaction that were described earlier in this report. Gender still had an effect on employees' commitment to doing a good job; even with talent management practices in place, women leaders were more likely than men leaders to feel responsible for doing a good job.



The figures displayed in Figure 7 clearly indicate the positive effects on engagement that come from effectively implementing talent management practices. Two additional points from these analyses are worth noting. First, the importance of frequent career development discussions with supervisors became less important to employee engagement when leaders could avail themselves of other talent management practices. That is, when we took into account all talent management practices at once, career development discussions with supervisors no longer showed the influence on leaders that they did when we looked at the relationship in isolation.

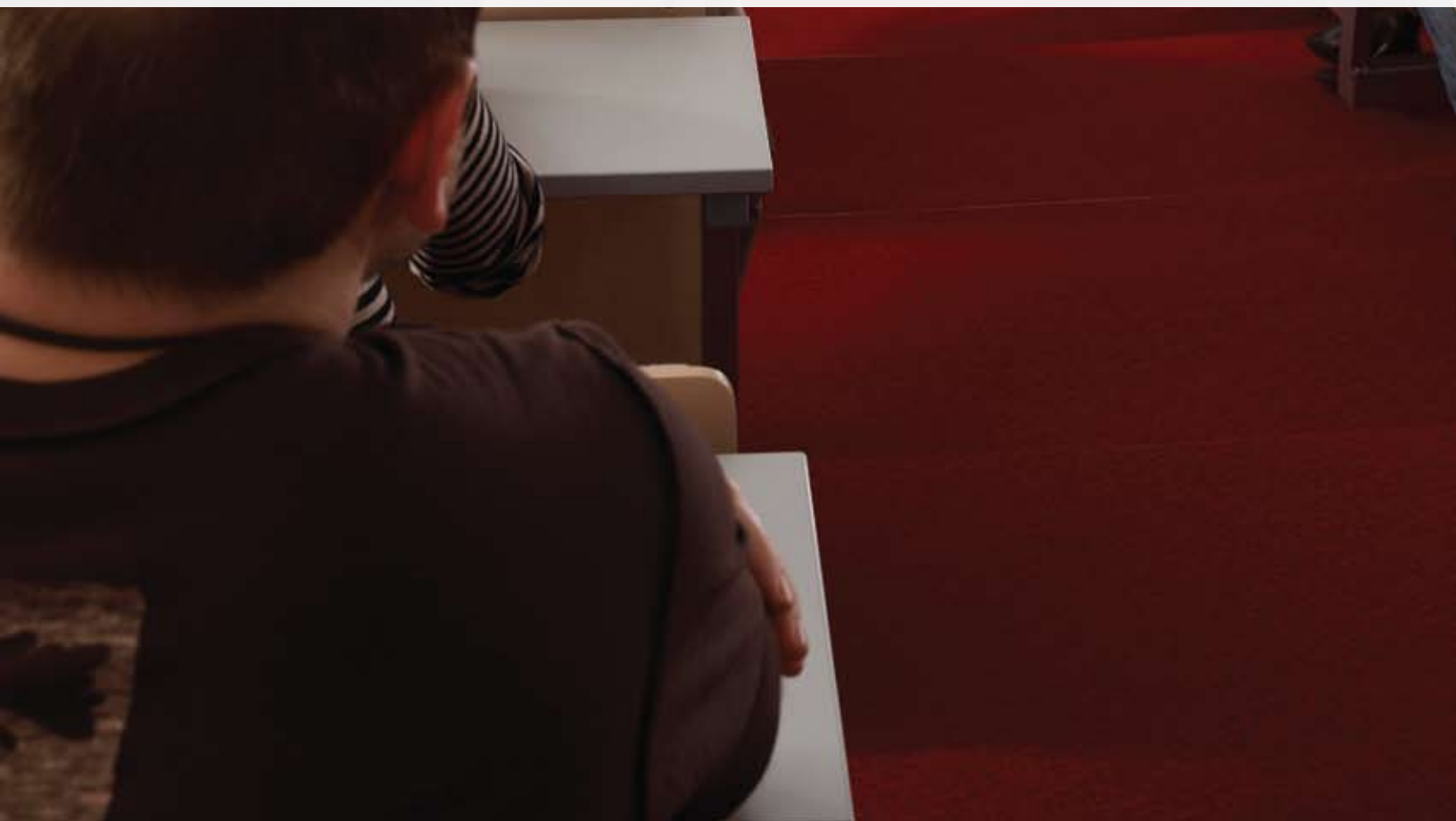
Second, Latin European leaders displayed lower levels of engagement than leaders in Germanic Europe, regardless of the talent management practices in place.

The data presented in this chapter illustrate that effective and inclusive talent management practices are essential to the engagement of women and men leaders. These practices contribute to employee success—increased employee satisfaction, engagement, and retention—and, in turn, company success. In the next chapter, we consider recommendations from leaders themselves about how companies can refine the talent management practices they offer.



CHAPTER 6

Recommendations From Leaders



To round out the quantitative findings on how talent management practices are related to barriers to advancement, we asked leaders a series of open-ended questions⁶³ so they could tell us in their own words what they thought their companies should do to:

- Improve how leaders' talent is developed and managed.
- Increase leaders' job engagement.
- Improve the way leaders are able to manage their work and personal lives.

Their responses suggest that companies in European cultures need to not only implement and employ certain talent management practices, but also better execute those practices to ensure maximum effectiveness. Their recommendations fell into six categories, which were ranked according to the number of times they were mentioned.

1. Increase job opportunities and capitalize on employee skills and abilities.
2. Provide career planning, coaches, and mentors, and improve opportunities for employee achievement.
3. Hold managers accountable for employee development.
4. Provide honest feedback.
5. Listen to employees and build equity, transparency, and consistency.
6. Adjust work practices, work environment, and culture.

The next sections discuss each recommendation and detail specific practices that can be instituted to mitigate the barriers so that companies can fully utilize their talent.

RECOMMENDATION #1: INCREASE JOB OPPORTUNITIES AND CAPITALIZE ON EMPLOYEE SKILLS AND ABILITIES

With respect to improving talent development and management, leaders' top recommendation was that companies should provide valuable job opportunities to increase breadth and depth of knowledge, skills, and abilities.

Increase Job Opportunities

Respondents would like their companies to provide opportunities for them to improve their skills while adding to the organization by rotating jobs, functions, or business units. These leaders wanted their companies to:

Acknowledge that great leaders need broad experience across our company. This means helping and encouraging talent to secure opportunities outside of their immediate business unit.

—Woman, Anglo Europe

Foster cross-entity mobility for professionals and talents...[A] real and efficient job rotation program to be implemented and enforced with business metrics to force business unit leaders to let their talented professionals move to other jobs outside their own business.

—Woman, Latin Europe

Having access to other job roles or business units builds leader capabilities and personal skills. It can also directly impact the business itself. Pointing out the possible innovation that can arise from these opportunities, one respondent noted:

New experiences and skills from other departments can lead to new approaches/solutions.

—Man, Germanic Europe

Build Senior Leaders' Awareness of Employees' Skill Sets and Abilities

Leaders pointed out that their companies do not fully utilize their skills and abilities, and, in some cases, do not even know precisely what their senior and pipeline leaders can contribute to the organization. One respondent indicated that his company could better match his skills and experience with a more appropriate position to improve his talent management and engagement.

Assignment to higher, challenging jobs, with appropriate delegation, commensurate with my job experience.

—Man, Latin Europe

63. Specifically, we asked leaders in three open-ended questions to name what one change their companies could make to: 1) improve the way their own talent was developed and managed; 2) increase their engagement with their job; and 3) improve the way they were able to manage their work and personal life while maintaining or improving productivity.

Other leaders wanted the company to recognize and utilize their skills appropriately and suggested specific ways to do so.

Develop a matrix designed to match skills with a suitable role to get the best out of employees.

—Man, Anglo Europe

A worker's task should be determined by his or her own skills instead of being determined by the clients' request.

—Man, Germanic Europe

One woman noted that providing opportunities to uncover latent abilities could lead to “found money” by revealing leaders’ potentially undiscovered skill sets.

An opportunity to identify all competencies outside of job...[You] may have competence, but may not have the opportunity to use/recognize it. Individuals may also have undiscovered competencies they may not be aware of themselves.

—Woman, Anglo Europe

RECOMMENDATION #2: PROVIDE CAREER PLANNING, COACHES, AND MENTORS, AND IMPROVE OPPORTUNITIES FOR EMPLOYEE ACHIEVEMENT

Not surprisingly, opportunities to advance and achieve professional goals were of great importance to leaders. With respect to these objectives, leaders expressed the desire for mentorship and guidance from those who could help them acquire the valuable skills they need to succeed in their roles and advance to the next level. As noted in the quantitative results, having a supportive manager was crucial for mitigating the barrier of lack of role models, mentors, and sponsors. The recommendations in this area also helped to mitigate another barrier—limited knowledge of company politics—by passing down skills that employees need to navigate the unwritten rules of the workplace.

Increase Commitment to Career Planning and Subsequent Follow-Through

Leaders suggested career planning to help employees prepare for their upward movement. As one leader put it:

Open and transparent career-mapping, so a commitment by me is coupled with a commitment from the company.

—Man, Anglo Europe

Other leaders expressed the desire for career planning that leads to more responsibilities or opportunities for promotion.

I would like to be given the chance to become a line manager and/or supervisor. I would like to be able to show that I can be an efficient line manager.

—Woman, Anglo Europe

Promote talent at the right moment without only looking at “usual [promotion] schedules” and “vacancies.” Faster promotion of talented staff and replacement of weak managers to create vacancies.

—Woman, Germanic Europe

Implement or Improve Mentor Programs and Coaching

Having a mentor or sponsor to help navigate the organization was clearly important to respondents. The following quotations highlight the need for guidance from a sponsor or mentor, either when beginning a new job or for the longer term.

Make sure each new manager has a sponsor for at least the first six months.

—Woman, Latin Europe

I recognize that I need a mentor. I have never had a good mentor...I have never been challenged to find a mentor by my company.

—Man, Germanic Europe

RECOMMENDATION #3: HOLD MANAGERS ACCOUNTABLE FOR EMPLOYEE DEVELOPMENT

For employees to succeed, they must have supervisory support as well as manager accountability. Talent management is most effective when there is accountability.

Augment Leadership Accountability

Even the best talent management practices are successful only if they are well-executed and consistent. Therefore, it is not surprising that leaders called for manager accountability and follow-through on employee career planning and development.

Given that management has a crucial role in career development, managers should listen more and implement development instruments. Unfortunately, in this respect they are content with the [status quo]. Moreover, young managers are too busy with their own careers and do not seriously devote themselves to the development of their staff.

—Woman, Germanic Europe

Clear career-mapping into the next role with mentorship—i.e., if you get a [high performance

review] rating, then it needs to be delivered against as opposed to falling stagnant until the next talent management discussion when a year has passed!

—Man, Anglo Europe

Involve Senior Management in People Development

Leaders also commented on the roles high-level executives and second-level managers should play in people management and development. Two respondents suggested:

Involvement of the top management levels in “talent management” in coordination with the lower levels.

—Man, Germanic Europe

Making the manager’s manager responsible for the people development and the promotion of high performers. Making people development part of the yearly assessment of senior managers.

—Man, Germanic Europe

RECOMMENDATION #4: PROVIDE HONEST FEEDBACK

Providing constructive feedback is important, and this practice is one of only two that were found to reduce all four barriers to career advancement. The qualitative findings confirm the value of honest, direct feedback. Specifically, leaders such as this Germanic woman wanted more constructive feedback on an ongoing basis.

Regular feedback after every important meeting, not only on the content but also on one’s performance.

—Woman, Germanic Europe

Such feedback on performance helps talent make the course corrections necessary for continuous improvement. As another respondent pointed out, candid feedback multiple times a year—from multiple sources—would improve how talent is developed and managed.

Having honest multi-development feedback with direct supervisors and HR together once or twice a year.

—Man, Latin Europe

RECOMMENDATION #5: LISTEN TO EMPLOYEES AND BUILD TRANSPARENCY, EQUITY, AND CONSISTENCY

Research indicates that procedural fairness and having a voice in the decision-making process are closely linked to employee commitment,⁶⁴ satisfaction,⁶⁵ and performance.⁶⁶ Employees want to be heard and have their suggestions considered by those in decision-making roles.

Increase Employee Empowerment and Autonomy

Leaders desired more decision-making clout, calling for more authority. They wanted more control over their work and decisions related to their work, and they talked about increasing their empowerment as managers.

[Provide] more empowerment and trust that we will make right decisions on behalf of the company.

—Man, Anglo Europe

Empower me to make decisions. For example, if you give me a budget to manage, let me manage it.

—Woman, Anglo Europe

Stronger involvement in the decision-making process.

—Woman, Germanic Europe

Respect my responsibility to my work and do not overrule without asking.

—Woman, Germanic Europe

Many other leaders expressed the same desire for more engagement and empowerment. A woman from Anglo Europe highlighted the relationship between empowerment and performance.

Greater trust and empowerment—top performance is more likely if an individual is given the confidence to perform in a way that is workable for him or her and the business jointly.

—Woman, Anglo Europe

Improve Transparency, Equity, and Consistency

The lack of transparency in companies in Europe struck a chord with leaders. As this quotation makes evident, leaders want transparency in multiple aspects of decision-making—not only promotions, but also performance-related rewards, such as salary increases.

[The company needs to] explain “why” or “why not” related to decisions concerning the occupation of vacancies, salary rises, and so on.

—Man, Germanic Europe

Leaders also expressed a desire for companies to provide consistency in talent management processes across geographies by setting job skill requirements, responsibilities, and titles, as well as individual development planning.

Visibility, transparency, and consistency in the way jobs are leveled, described, and advertised.

—Woman, Anglo Europe

Realistic and structured training and advancement programs that are consistent across offices, departments, and franchises. We need specific job roles and skill definitions for each level, so individuals know what they need to achieve to progress, and how long it may take.

—Woman, Anglo Europe

Equity of job evaluation, including titles, across geographies.

—Woman, Anglo Europe

64. Avery and Quinones; Konovsky; Jacob et al.

65. Sheppard et al.

66. Konovsky.

RECOMMENDATION #6: ADJUST WORK PRACTICES, WORK ENVIRONMENT, AND CULTURE

Leaders placed high importance on the creation of a more flexible culture that would give them options for getting work done without neglecting their personal lives. Many responses contained requests for elements of the “agile workplace.”⁶⁷ Leaders also desired to use their skills and abilities in a more appropriate and efficient manner, by requesting better planning with regard to resources such as time and staff.

Remove Low-Value Work, Ease the Work Load, and Improve Resource and Work Planning

Numerous comments were concerned with workload. Leaders advised their companies to “minimize useless work” and “reduce the share of useless work/tasks!” For example, two women from Anglo Europe talked about improving processes to cut down on “crises” and create greater respect for employees’ time, both on and off the job.

Reduce the workload; improve the process so that there is less crisis management; improve the flexibility.

—Woman, Anglo Europe

Define processes, responsibilities, and deadlines which are realistic. Weekends and holidays should be respected as free [for] family time.

—Woman, Germanic Europe

In addition, leaders said better resource planning was needed to improve efficiency and increase respect for employees’ time.

As part of cost reductions, nearly all administrative support has been cut. I waste a lot of time on administrative tasks such as booking travel, particularly on complex trips.

—Woman, Anglo Europe

Increase Work Flexibility

Leaders strongly recommended increased flexibility and suggested many programs and policies to be initiated or improved. For example, a man from Latin Europe suggested his company allow him to telecommute one day a week. Others requested boundaries between work and personal time and company programs to help them address personal demands.

Being able to work from home...Being able to filter e-mails when on holidays so that the sender gets a pop-up to confirm his message is a must for the one on holiday. At the moment, too many red e-mails are to be read when returning and sometimes not justified.

—Man, Latin Europe

Daycare for children is definitely something we miss in Europe.

—Man, Germanic Europe

A male leader pointed out the mutually beneficial aspects of work flexibility programs and highlighted that these processes are not applicable only to women.

Serious activities aiming at the conciliation of family and professional life [are] not only for women, and [they are] complementary to the job.

—Man, Germanic Europe

67. The “agile workplace” implies effectiveness and mastery. By definition, it also implies a lack of rigidity that enables employees to “work smart” and perform better, focusing on goals and results. Catalyst, *After-School Worries: Tough on Parents, Bad for Business* (2006): p. 21.

LEADERS RECOMMENDED SEVERAL FLEXIBLE WORK OPTIONS

- Flexible working time (e.g., start/stop times, compressed workweeks).
- Part-time work.
- Telecommuting.
- Mobile offices.
- Using technology to reduce travel and face-to face meetings.
- Flexible work roles or work redesign (e.g., assigning employees to a team instead of a particular role).

As leaders have made clear, they desire from their companies a commitment to talent management, specific follow-through, and effective execution. Organizations do not maximize their assets when leaders do not use their full range of skills, do not feel empowered to make decisions, spend time

working on administrative tasks, and do not receive enough feedback about their performance. By putting these recommendations into practice, both companies and employees can reach individual and shared goals while staying on the cutting edge of today's global business world.



CHAPTER 7
Conclusion

Companies in Europe face unprecedented challenges that require them to take steps to address the talent management of their leaders. As this report reveals, nearly one-half of leaders were considering leaving their employer within the next five years, and pipeline talent—the primary source for future senior leaders—was the most uncertain about staying. In addition to the potential loss of talent—particularly to competitors—we found that leaders encountered significant barriers to career advancement.

Both women and men leaders experienced these barriers, and although good talent management practices affected women and men alike, the barriers posed a more significant challenge for women—particularly pipeline women and women in Latin Europe. These barriers—lack of sponsors, champions, and/or mentors; limited knowledge of company politics; few role models; and limited access to job opportunities—serve to limit women’s advancement and preclude their full inclusion. Indeed, we found that these barriers led to a greater likelihood that leaders would leave their company, and some led to negative views among leaders about their position, their company, and their commitment to doing a good job.

However, with these challenges also comes tremendous opportunity. First, the presence of sufficient numbers of women within the pipeline in companies in Europe indicates that there is a critical mass of untapped—or underutilized—talent looking for advancement. Second, this report shows that substantial barriers to advancement can be reduced significantly through the use of powerful talent management practices. Specifically, we learned that several barriers to workplace advancement were reduced when leaders:

- Received constructive, candid, challenging feedback.
- Perceived fair and just decision-making in promotion decisions and allocation of work assignments.
- Were provided with line of sight—that is, knew the company goals and understood how their jobs added to company successes.
- Received support from their supervisors.

When companies effectively address career advancement barriers, leaders have more positive views of their jobs and companies, as well as greater commitment to doing a good job and lower intent to leave. Thus, there are tremendous benefits to responding well to leaders’ talent needs.

Accountability for talent must come from a multi-faceted, well-organized, integrated, and tracked approach. Savvy talent leaders recognize the importance of talent management practices that are well-constructed and well-implemented. In many cases, practices already in place may suffer from imperfect execution. The solution lies not in offering more and more practices, but rather in making the most out of each practice—companies must ensure that practices are established and administered in ways that maximize their usefulness.

Talent management practices that are both well-designed and executed properly will maximize the talents and abilities of pipeline and senior leaders and help leaders become more positive about their jobs and companies, more committed to doing their jobs well, and less likely to leave. To illustrate ways in which companies can act to better support, develop, and advance leaders, we include on the following pages two Diversity & Inclusion Practices, which serve as models of how other companies have addressed many of these issues. The first features Procter & Gamble’s online career development advancement system, which the company uses to identify and place employees based on their development needs and potential. The second practice details DuPont’s approach to building flexibility and work-life effectiveness for employees.

Diversity & Inclusion Practice

The Procter & Gamble Company: *Global Talent Management*

At The Procter & Gamble Company (P&G), there is no way of talking about business development without talking about people development. Ninety-five percent of employees are hired directly from universities, and P&G offers them a life-long career in different industries and markets, all within the same company. Potential is identified early and at various levels, so that the company can strengthen itself from within. People development is a critical part of all managers' performance assessment, up to and including most senior management. Because of P&G's global talent management approach, the company has highly qualified diverse leaders in all regions of the world.

People and positions are tracked in an online talent development system—sufficiently robust to accommodate all of the company's 138,000 employees. The system enables employees to play an active role in their career development and to help develop their direct reports. Employees at all levels—from clerical and entry-level associates to senior executives—have the opportunity to complete their “talent profiles,” which include their career history, specific experiences, long-term career interests, functional skills, language ability, and mobility preferences and constraints. Managers use the system to approve skills assessments, identify development opportunities, and set development goals. Human Resources (HR) managers use the system to capture employees' promotion readiness, potential, destination jobs, and next assignment.

This system in conjunction with the company's “Open Job Posting” system makes in-house talent visible to managers with an opening, allowing them to quickly identify qualified candidates based on concrete criteria and data versus having to rely on whom they know personally.

P&G develops employees through disciplined and rigorous training and assignment planning towards the employee's “destination job.” Managers help determine what experiences employees need to gain in order to attain career goals and freely send valued employees to other P&G organizations and regions for that experience. This type of development

allows P&G to see its employees in many different environments and makes it easy for managers to gauge how employees have developed through their various responsibilities and experiences.

The process for filling vacant positions is relatively transparent. Based on the requirements of the opening, HR identifies and proposes a slate of candidates meeting those criteria to the hiring manager who makes the final choice. The candidates' performance, potential, experiences, mobility, and development needs are all taken into account.

With the talent database, P&G can also track the development of particular groups, such as women or people of color, as well as the career trajectories of individual employees. Newly promoted employees who are evaluated after a full year at the new level as performing “well or exceptionally” are considered successful; P&G estimates that the vast majority of promotions are successful.

When employees are asked to relocate to another country, they are fully supported during the transition. Lessons on language and culture, pre-relocation visits, and help transitioning families are all standard. Once employees and their families are in a new location, they are quickly integrated into the expatriate community so that they feel supported. A series of employee-led informal programs and company-sponsored formal support programs, such as continued language lessons and further cultural orientation, enhance the integration process. In addition, the employee finds continuity at the new office through the same principles, values, and purpose that drive every P&G business.

The percentage of women leaders at P&G has increased steadily. In 2008, 25 percent of vice presidents are women, and more than 40 percent of new hires are women. In addition, the company's retention rate of approximately 95 percent as of fiscal year-end 2007 is especially high for the industry and plays an important part in developing from within.

Diversity & Inclusion Practice

DuPont: *Embedding a Flexible Mindset*

DuPont follows a “powerhouse model” talent strategy that works to attract the best and brightest by providing ongoing education and motivation to employees so they can contribute to success at DuPont. Efforts to address the work-life issues of DuPont employees is a fundamental element of the powerhouse that serves to attract, retain, and motivate a highly talented workforce.

In establishing flexible work schedules, for example, DuPont employees and managers focus on how the work can be accomplished. Employees can seek counsel from work-life experts who will help them develop a compelling proposal for flexibility. Employees and managers are also asked to include anyone affected by the flexibility proposal—such as coworkers and customers—in discussions. New flexible work arrangements are typically piloted for six weeks to three months, during which time both the employee and manager assess and fine tune the arrangement.

Work-life management has become a part of leadership training for new managers, whether hired from outside the company or promoted internally. The training helps managers see flexibility as a tool for driving performance and reinforces the idea of striving for mutual solutions that benefit both employees and the company. Work-life support is also embedded in the company’s diversity training, which emphasizes that respect is a core principle and that recognizing employees’ personal situations and need for flexibility is an extension of the organization’s core value.

DuPont’s approach to expanding work-life support to employees around the globe has been a success. Over time, more employees have become aware of DuPont’s programs and use them to enable their work. As evidence of increasing organizational competency, a growing percentage of DuPont employees report that they see their managers as work-life role models and that their managers are supportive of the work-life issues of employees.

DuPont survey results have shown a correlation between awareness of and/or use of work-life supports and greater reported commitment to the company. Employees who had used or were aware of work-life interventions were more than 40 percent more likely to report they are willing to go the extra mile for DuPont.

DuPont has received extensive external recognition for its efforts on behalf of employees, including supporting the management of work-life issues. In addition to having the honor of being on *Working Mother* magazine’s Top 100 list for 20 years, DuPont has been recognized in several countries across the world. It was named one of India’s Best 25 Employers in a Hewitt survey; DuPont Argentina was named a “Best Place to Work” in the 2004 “Great Place to Work” survey; and *Fortune* ranked DuPont 36 on its “Global Most Admired Companies All-Star” list.



APPENDICES



APPENDIX 1

CULTURAL CLUSTER DIMENSIONS AND CLASSIFICATION OF COUNTRIES

The following table includes definitions of the nine GLOBE cultural dimensions.⁶⁸ The findings described in the Cultural Cluster box on page 5 of Chapter 1 were based on these dimensions.

TABLE 8

Definitions of Cultural Dimensions

Assertiveness	The degree to which individuals in organizations or societies exhibit assertive, confrontational, and aggressive behavior in social relationships.
Collectivism I (Societal or Institutional)	The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.
Collectivism II (Familial or In-Group)	The degree to which individuals express loyalty, pride, and cohesiveness in their organizations, families, and other groups.
Future Orientation	The degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying individual or collective gratification.
Gender Egalitarianism	The extent to which an organization or a society minimizes gender role differences while promoting gender equality.
Humane Orientation	The degree to which individuals in organizations and societies encourage and reward individuals for acts of fairness, altruism, friendliness, generosity, caring, and kindness to others, and exhibiting and promoting altruistic ideals.
Performance Orientation	The extent to which high-level members of organizations or societies encourage and reward members for performance improvement and excellence.
Power Distance	The degree to which members of an organization or society encourage or reward unequal distribution of power with greater power at higher levels.
Uncertainty Avoidance	The extent to which members of an organization or society strive to avoid uncertainty by reliance on social norms, rituals, and bureaucratic practices to decrease the probability of unpredictable future events that can adversely affect goals of their organization or society.

68. Jagdeep S. Chhokar, Felix C. Brodbeck, Robert J. House, Global Leadership and Organizational Behavior Effectiveness Research Program *Culture and Leadership Across the World: The Globe Book of In-Depth Studies of 25 Societies* (Routledge, 2007): p. 3-4; Robert J. House, Paul J. Hanges, Mansour Javidan, Peter W. Dorfman, and Vipin Gupta, eds., *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (Thousand Oaks, CA: Sage Publications, 2004).

The following cultural clusters were developed based on methodological findings from the GLOBE research project.⁶⁹ The GLOBE clusters were empirically tested and the process was thoroughly

described in GLOBE articles. Specifically, cluster comparisons and characteristics were examined in aggregate by social values and societal practices of each society.

TABLE 9
Cultural Clusters

	Country
Anglo	United Kingdom
	Ireland
Germanic	Germany
	Netherlands
	Belgium
	Austria
Latin	Spain
	France
	Switzerland (French language)
	Italy
	French Polynesia
	Haiti
	Reunion

69. Gupta et al.

APPENDIX 2

METHODOLOGY AND PARTICIPANT DEMOGRAPHICS

BP p.l.c., Citigroup Inc., Fluor Corporation, Henkel, Hewlett-Packard Company, IBM Corporation, Infosys, Johnson & Johnson, JPMorgan Chase & Co., Total S.A., and Wal-Mart Stores, Inc. sponsored and/or participated in the overall *Leaders in a Global*

Economy series study. Companies determined who qualified as senior and pipeline leaders, with leaders then completing an online survey. The sample analyzed for this report includes 4,585 senior and pipeline leaders from five global companies.

TABLE 10
Sample Demographics

Demographic Group	Total	Women	Men
Gender	100%	37%	63%
Leadership Level			
Senior leaders	12%	14%	86%
Pipeline leaders	88%	41%	59%
Age Group			
Less than 30 years old	5%	8%	3%
31-40 years old	40%	48%	36%
Over 40 years old	55%	44%	62%
Region			
Anglo Europe	20%		
Senior leaders		14%	86%
Pipeline leaders		45%	55%
Latin Europe	32%		
Senior leaders		16%	84%
Pipeline leaders		40%	60%
Germanic Europe	48%		
Senior leaders		13%	87%
Pipeline leaders		39%	61%

APPENDIX 3

MEASURES OF JOB AND COMPANY ENGAGEMENT

Based on extensive research, it is clear that more engaged employees—whatever their job status—are more effective employees, adding value to the bottom line. Having reviewed the research on engagement, we selected the following questions

as indicators of engagement for inclusion in this survey. In some cases, responses were reversed to produce outcome scores for which higher values represent higher levels of engagement.

Intention to Stay With Current Employer

Respondents rated each item on a scale of 1 to 5, 1 being “strongly disagree” and 5 being “strongly agree.”

- I frequently think about quitting my job and leaving the company. (reverse coded)⁷⁰
- I would be very receptive to an offer from another company for a lateral move. (reverse coded)
- I would be very responsive to an offer from another company that is a promotion for me. (reverse coded)
- I am actively looking for a job with another company. (reverse coded)
- I would like to find a job with another company that is less demanding, even if I earned less. (reverse coded)
- I would be very happy to spend the rest of my career with this company.
- I want to and intend to remain with my current company.

Satisfaction With Company

- How satisfied are you with the company as a great place to work?
- How satisfied are you with the company’s reputation?
- How satisfied are you with the company’s focus/commitment to diversity?
- How satisfied are you with the company’s focus/commitment to work-life?
- How strongly do you agree ... this is a very good company to work for?

Job Satisfaction

- How often do you think about positive things related to your job? (reverse coded)
- How strongly do you agree ... I really look forward to going to work most days?
- How strongly do you agree ... when I’m at work, time passes very quickly?
- How satisfied are you with your current job, in general?
- Knowing what you know now, if you had to decide all over again whether to take the job you now have, what would you decide? (reverse coded)
- If a good friend of yours told you that he or she was interested in working in a job like yours for your employer, what would you tell your friend? (reverse coded)
- How satisfied are you with the pay you receive for your job?
- How satisfied are you with the pay you receive compared to others at your job level?
- How satisfied are you with the company’s benefits program?

Commitment to Doing a Good Job at Work

Respondents rated each item on a scale of 1 to 5, 1 being “strongly disagree” and 5 being “strongly agree.”

- I always try to get my job done well.
- I feel personally responsible for the work I do on my job.

70. When an item is worded to tap negative aspects of engagement, a low-numbered response—“Not at all” or “Rarely”—expresses positive aspects of engagement.

APPENDIX 4

CAREER ADVANCEMENT CHALLENGES

FACTOR ANALYSIS

A factor analysis⁷¹ was used to uncover relationships among different questionnaire items. Factor analysis allows numerous items measuring challenges to career advancement to be summarized or combined into fewer dimensions called factors. The factors incorporate these different dimensions. In

the context of this research, different survey items were summarized into four systemic barriers, as the table below indicates. Alpha scores represent the reliability coefficient of the items that comprised each factor/barrier.

Lack of or limited access to sponsors, champions, and/or mentors (alpha=.84)

- Not having a mentor, sponsor, or champion.
- Being excluded from important networks of key decision-makers.
- Not having someone who speaks up for me if I make a mistake or take a risk that doesn't work out.
- Having a supervisor with limited recognition of my strengths and abilities.
- Not having supervisors accountable for my career advancement.
- Not getting honest, tough feedback on my performance.

Limited knowledge of company politics (alpha=.65)

- Not speaking the language of company headquarters well enough.
- Not understanding the unspoken company politics well enough.

Few role models (alpha=.71)

- Lacking female role models in the company.
- Lacking male role models in the company.
- Facing stereotypes about my commitment or abilities based on my gender.

Limited access to job opportunities (alpha=.81)

- Having a limited number of opportunities to obtain experiences that would help me advance in the company, especially experiences in general or line management.
- Having a limited number of important or special job assignments that are highly valued by higher-level managers.

71. Percentage of variance explained for each factor indicates the importance of the factors in explaining the underlying dimensions. In this analysis: Factor 1: 34.59 percent; Factor 2: 7.91 percent; Factor 3: 6.59 percent; Factor 4: 5.71 percent.

APPENDIX 5

CAREER ADVANCEMENT BARRIERS' EFFECTS ON ENGAGEMENT

This table summarizes results of a multivariate regression analysis testing the relationship between perceived barriers, and engagement. The analyses controlled for demographic variables including gender, leadership level, age, and region. With everything else being held constant:

- Negative sign: When barrier increases, engagement decreases.

- Positive sign: When barrier increases, engagement increases.
- Empty cells: No significant findings. Only statistically significant results with $p < .05$ are reported.

TABLE 11

Career Advancement Barriers' Effects on Engagement

Variables		JOB SATISFACTION	COMPANY SATISFACTION	FEEL RESPONSIBLE	TURNOVER INTENTIONS
Gender	Women			*	
	Men (comparison category)				
Leadership Level	Senior leader	*	*	*	
	Pipeline leader (comparison category)				
Age Group	30 and under	*			*
	31-40		*	*	*
	Over 40 (comparison category)				
Region	Anglo Europe	*	*		*
	Latin Europe	*	*	*	*
	Germanic Europe (comparison category)				
Barriers to Career Advancement					
	Lack of sponsors/mentors/champions	-	-		-
	Limited knowledge of company politics	-	-	-	-
	Few role models		-	-	-
	Limited access to career opportunities	-			-

APPENDIX 6

TALENT MANAGEMENT PRACTICES' EFFECTS ON BARRIERS TO ADVANCEMENT

This table summarizes the results of a multivariate regression analysis assessing the impact of talent management practices on mitigating career advancement barriers. The analyses controlled for demographic variables including gender, leadership level, age, and region.

- Negative sign: When talent management practice increases, barrier decreases).
- Positive sign: When talent management practice increases, barrier increases.
- Empty cells: No significant findings. Only statistically significant results with $p < .05$ are reported.

TABLE 12

Talent Management Practices' Effects on Barriers to Advancement

Variables		SPONSOR	ROLE MODELS	POLITICS	OPPORTUNITIES
Gender	Women		*		
	Men (comparison category)				
Leadership Level	Senior leader	*		*	*
	Pipeline leader (comparison category)				
Age Group	30 and under	*		*	
	31-40	*		*	
	Over 40 (comparison category)				
Region	Anglo Europe	*		*	*
	Latin Europe		*	*	
	Germanic Europe (comparison category)				
Talent Management Practices					
Commitment to talent diversity			-	-	
Accountability for talent management: supervisor		-		-	
Accountability for talent management: employee				+	
Fair and just decision-making: work assignments		-	-	-	
Fair and just decision-making: promotion decisions		-	-	-	-
Constructive feedback		-	-	-	-
Line of sight		-	-	-	-
Work flexibility			-	-	
Supportive supervisory relationship: frequent career discussion		-			
Supportive supervisory relationships: supervisor most helpful person		-	-		-
Supportive supervisory relationships: peer most helpful person				+	+

APPENDIX 7

TALENT MANAGEMENT PRACTICES' EFFECTS ON ENGAGEMENT

The following table summarizes the results of a multivariate regression analysis testing the relationship between talent management practices and engagement. The analyses controlled for leadership level, age, and region.

- Negative sign: When talent management strategy increases, engagement decreases.

- Positive sign: When talent management strategy increases, engagement increases.
- Empty cells: No significant findings. Only statistically significant results with $p < .01$ are reported.

TABLE 13

Talent Management Practices' Effects on Engagement

Variables		JOB SATISFACTION	COMPANY SATISFACTION	FEEL RESPONSIBLE	TURNOVER INTENTIONS
Gender	Women			*	
	Men (comparison category)				
Leadership Level	Senior leader	*	*		
	Pipeline leader (comparison category)				
Age Group	30 and under		*		*
	31-40		*		*
	Over 40 (comparison category)				
Region	Anglo Europe	*	*		*
	Latin Europe	*	*	*	*
	Germanic Europe (comparison category)				
Talent Management Practices					
	Commitment to talent diversity	+	+	+	+
	Accountability for talent management: supervisor	+	+		+
	Accountability for talent management: employee	-	-	+	-
	Fair and just decision-making: work assignments		+	+	
	Fair and just decision-making: promotion decisions	+	+		+
	Constructive feedback	+			+
	Line of sight	+	+	+	+
	Work flexibility	+	+		+
	Supportive supervisory relationship: frequent career discussion				
	Supportive supervisory relationships: supervisor most helpful person	+			+
	Supportive supervisory relationships: peer most helpful person	-			

APPENDIX 8

QUALITATIVE METHODOLOGY

For this report, a sample of approximately 10 percent of the total open-ended responses was randomly selected for analysis using three open-ended questions.

1. If your company could make one change to improve the way your own talent is developed and managed, what should that change be?
2. If your company could make one change that would increase your engagement with your job, what should that change be?
3. If your company could make one change to improve the way you are able to manage

your work and personal/family life while maintaining or improving your productivity, what should that change be?

The questionnaire was offered in five languages (English, French, German, Spanish, and Dutch). After translations, a coding scheme was developed to achieve appropriate fit. The same scheme was used for all three questions. Sample characteristics are listed in the table below. Because only approximately 10 percent of responses were sampled, comparisons cannot be made between women and men or senior and pipeline talent.

TABLE 14
European Leader Sample (N=370)

Gender ⁷²		Level ⁷³		Gender and Level ⁷⁴			
Women	Men	Senior	Pipeline	Senior Women	Senior Men	Pipeline Women	Pipeline Men
N=126 (34%)	N=243 (66%)	N=55 (15%)	N=315 (85%)	N=11 (3%)	N=43 (12%)	N=115 (31%)	N=201 (54%)

72. Not all respondents identified their gender.

73. Does not add to 370 because not all respondents identified level.

74. Does not add to 370 because not all respondents identified both gender and level.

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