How to get more females into senior corporate jobs

WOMEN account for almost half the workforce in western countries, and the lower ranks of many big companies reflect that ratio. But at the top of the corporate ladder it is a different story. For every ten men in the executive suite there is one woman, a ratio that has changed little since the term “the glass ceiling” was coined two decades ago to describe the barrier that allows women to see the top of the corporate ladder, but seems to stop them from reaching it. Despite much discussion, and efforts by both women’s and business groups to break that barrier down, the world’s biggest companies are still almost exclusively run by men (see pages 63-69).

Yet, at the same time, a growing number of those companies have become convinced that it makes good business sense to have more women in their executive suite. Hard-nosed male bastions such as ABB, BP and General Electric have renewed their efforts to help women reach the higher levels, not out of any sense of corporate social responsibility but because they genuinely believe that it is good for their profits. Research from America, Britain and Scandinavia supports their view, showing a strong correlation between shareholder returns and the proportion of women in the higher executive echelons. While this does not establish a causal relationship, it does suggest that a corporate culture which fosters women’s careers can also foster profitability.

Many firms are worried about the coming demographic squeeze that threatens to reduce the supply of qualified men. A few think that women have a unique contribution to make in running modern firms. They are often better at team-building and communications, for example, an advantage in a corporate world that is today increasingly characterised more by informal networks than by ordered cohorts.

IBM is convinced that it ran into trouble in the early 1990s partly because its blue-suited, like-minded top male executives failed to see the implications of changes in the computer industry. It has sought to diversify its workforce at all levels ever since, and promoting women has been a big part of this effort. Diverse groups are acknowledged to be better at spotting threats coming from unlikely directions. Some of the most enthusiastic promoters of women—Hewlett-Packard and Alcan, as well as IBM—have had considerable success in achieving this in a relatively short period of time. But the vast majority of firms have not. What can they do?

The myth of dropping out

One popular belief is that women are choosing to hop off the big corporate career ladders as they approach the higher rungs, a region where operational excellence becomes less important than political skill and sharp elbows. Away from work for a while—to have children or (increasingly) to act as carers for other family members—they realise that they can live happily on one salary, their partner’s. This may be true of some, but it is implausible to believe that all, or even most, career-minded women feel this way. Given the chance, many would be just as ambitious to do top jobs as men.

However, too many are not getting that chance. The lure of dropping out may have less to do with the shortage of women at the top than the policies of the firms they work for. Because women bear children, many seek to take more time off work in mid-career than men, but many firms remain intolerant of absence. Time-serving still counts in career advancement. A study of American graduate managers found that women returning after a break of three years or more lost on average 37% of their earning power.

The true challenge of re-entry

So the first place that companies should look if they want to bring more women to the top is the point of re-entry. They should keep in contact with women who leave for a while, perhaps assigning them part-time projects while they are off the payroll. They should also offer retraining to help bring women at least back to the level they were at when they left, much as many already do for returning expatriates. At the same time, women who want to stay on the career ladder are themselves under some obligation to keep in touch with their previous employer and to keep up-to-date with the skills they need to make a smooth re-entry. They need to be realistic in their expectations too. An absence of several years is bound to make some difference to their career trajectory.

Then, once women have re-entered the workforce, there are a number of things that companies can do to help keep them there. Women with dependants at home need to pay others to take over while they are at work. Just as expatriates receive allowances (eg, for their children’s education) because of their special circumstances, so executive women who are employees in the workplace and carers at home might be granted such allowances for their special circumstances.

More flexible working hours are also helpful. Many women are happy to work at home after they have put their children to bed. But they like to leave the office to collect their children from school in the late afternoon. This should no longer be an insurmountable obstacle. Many management tasks have been freed of time and geography by electronic technology. Firms keen to keep women on their payroll need to send out the message that employees will not be penalised if their car is not in the executive car park after 6pm, nor will they be rewarded for sporting air-miles like battle scars.

As a matter of fairness, flexible arrangements or special allowances should also be offered to men who should bear the burdens of being the primary carer at home. But, for now, such men are still few and far between, at least in most big companies. Women are the ones who need to be accommodated by new types of career paths. The men who currently occupy positions at the top have to learn that female executives are not just men in skirts and trouser suits. It is now clear that women will not rise to the top of the corporate ladder by a simple process of osmosis once there are enough of them at the bottom. They have different needs in the workplace. Only when men understand this will women join them at the top.