ACCORDION THOUGHT LEADERSHIP

Women in the C-Suite and Talent Pipeline

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The percentage of women in the C-suite is far lower than their male counterparts in the top 1,000 companies in the U.S., according to study from Korn Ferry.

The Korn Ferry analysis found that across the most prominent C-Suite titles (CEO, CFO, CIO, CMO, CHRO) and several industries (consumer, energy, financial, life sciences, industrial, technology) an average of less than one quarter (24 percent) of the top leaders are women. Overall, only 5 percent of women serve as CEO.

There is a business case for gender diversity, with studies indicating improved performance and innovation, as well as more risk mitigation when there is more gender balance at an organization, according to Peggy Hazard, managing principal at Korn Ferry.

Women are graduating colleges at higher numbers than men, and there are plenty of women in the talent pipeline, yet companies lose them before the upper management level—which is exacerbating the talent shortage, Hazard told Bloomberg BNA.

''Talent is the lifeblood of how companies succeed. Turnover is very expensive. Having people tread water instead of advancing is wasted energy,'' Hazard said. There are multiple studies that found improved business results at companies with greater gender diversity.

For example, a Credit Suisse Research Institute's report examined 2,360 global companies and found those with women directors out-performed companies without women directors in return on equity, average growth and price book value multiples.

Another example is a Gallup study of more than 800 business units in two different industries, retail and hospitality, found that greater gender diversity results in better financial outcomes.

A similar analysis from Equilar found that, of the 50 largest U.S. companies examined, only four women held CEO positions. In addition, there are no women CEOs at the 50 largest non-U.S. companies in the Global Fortune 500, according to Equilar.

A journey to diversity.
There are many drivers to retaining talented women, according to Hazard.

Early in an employee's career, success factors tend to be skills and technical abilities, but as they rise up, the factors become more subjective, and that is where companies tend to become less diverse, she said. If an employee is different in some way, it may create ''headwinds'' that make it more difficult to advance in their career, according to Hazard.

Organizations may have the unconscious bias to select, onboard and develop people that fit their traditional mold. To counter that, companies need to examine the policy process and find out where women are leaving in the pipeline and development plan, Hazard said.

Shifting company culture to encourage diversity is more of a journey than a one-time trip, according to Hazard. ''It helps when leaders recognize there are forces people have to struggle against because they are different,'' Hazard said.

Companies need to implement a talent pipeline that won't filter out women and other diverse talent, Hazard said.

Mentors are helpful, but talented employees also need a sponsor, she said. A mentor may offer advice but a sponsor has the influence needed to help employees advance, according to Hazard.

''A sponsor helps you navigate your career, talk about you favorably when you are not there and suggest you for promotions,'' she said. Companies could encourage leaders to identify high potential, high performance employees they could sponsor, Hazard said.

To do so, leaders need to develop working relationships so people can get to know each other well enough to identify who is high performance, she said.

One company's solution.
One of the most often cited obstacles for women in the workplace is taking time off to care for a family.

Consulting firm Accordion Partners created a work plan that attracted a large number of working mothers, according to Sonny Thadani, chief operating officer at Accordion.

Their consulting program allowed Accordion to fill their need for talent, while working parents could have the flexibility they desired, Thadani told Bloomberg BNA.

Accordion was struggling to find enough talent for its growing business; at the same time, the company CEO was juggling the roles of executive and new parent, and hearing from other parents about their difficult work/life balance.

Accordion developed a program where consultants could take on an assignment that would last six to eight weeks at a time, Thadani said. Consultants can opt for assignments that involve minimal travel or have hours that suit their schedules.

While the consulting program was not specifically geared towards working parents, most of the consultants involved happened to have young children and chose the program because they needed a better work/life balance, according to Thadani.

It gave women who had taken several years off a way to get back into the field, he said. The typical consultant in the program has 10 to 15 years of experience.

''It is a good way to attract high quality talent'' that wants flexibility not only in their schedule, but how they interact with the clients, he said.

Technology allows them to work with the client without having to stay on-site for weeks, which means less travel for them and lower costs for the client, he said.

Some consultants have converted to full-time positions, some have been hired full time by client companies and others have continued with the flexible program, according to Thadani.