

What Companies Need to Develop Women Leaders

Women are in the majority of those now earning college and graduate degrees. Here's what business can do to train them for leadership roles.

By Anna Marie Valerio

Retaining talented women in corporations is more critical than ever. Successful organizations know that developing individuals who can truly lead in the global economy gives them a competitive advantage. My interviews with high achievers of both genders in Fortune 500 companies and universities have revealed much about leadership today. For the first time in history, the attraction, retention, and development of talented women has become an important issue for many American corporations.

Demographic trends inform us that when the large number of baby boomers (born between 1946 and 1964) in the U.S. begin to retire, there will be a shortage of trained, experienced people who can fill key positions. The smaller Generation X (born between 1965 and 1979) will serve as the replacement group and will need to be ready to move into leadership roles. The most likely candidates to be promoted into those leadership roles in the U.S. are those who are now earning the majority of college and graduate education degrees. This majority happens to be female.

Research has shown that women leaders are good for business. Companies with the highest representations of women in leadership roles show better financial performance. What companies must do is make the organizational climate more hospitable to women to allow greater flexibility in the way women are perceived and allowed to act. Organizations may implement programs and policies that can support diversity and inclusion, women's leadership, and work-life integration.

Furthermore, some of the evidence on generational differences suggests that both men and women from Gen X and Gen Y are more likely to be family-centric or dual-centric, that is, placing a high priority on family or on work and family equally. Issues that were once considered "for women only" now apply to both men and women in the workforce, leading to greater job satisfaction for both genders. Here are the essential principles companies can implement to develop women leaders:

Communicate the commitment to diversity. The commitment to diversity starts with the CEO and the board of directors. It needs to be obvious throughout the organization, starting with the top leadership team and cascading outward.

Find placements for women on boards. Norway is meeting a goal set in a 2003 law for 40% of board seats to be held by women. CEOs can recommend women candidates to their boards of directors and recommend women candidates for other companies' boards.

Generate diverse candidate nominations. Starting with their direct report team, CEOs can demand and insist that selection teams generate gender-diverse candidate nominations, emphasizing that the quest for well-qualified candidates be made a priority.

Measure performance on gender-related issues. Surveys can be designed to measure results at all levels in an organization. They can be a useful tool to provide detailed analyses of outcomes and trends, and CEOs can use them to track the effects of diversity and inclusion initiatives, help them determine annual strategic objectives, and allocate resources for leadership development initiatives.

Sponsor women's networks and leadership forums. Encourage mentoring and provide opportunities for mentoring relationships to evolve that are based on natural affinities between people and "chemistry." Women need to learn more about how other women were successful in achieving their professional goals.

Provide external coaches and internal mentors for high-potential women. Coaching also accelerates the learning process and can be helpful for high-potential women by providing them with more feedback about their performance and how they are perceived within the organization.

Hold decisionmakers accountable for distributing advantageous assignments. In most organizations there are key jobs and experiences that are critical to future success in leadership roles. Often these are line jobs with profit and loss responsibility, and they may even be "must haves" for candidates being considered for leadership positions.

Provide external development programs. Sometimes managers learn valuable lessons about leadership from roles they assume outside the workplace. External "stretch" assignments enable leaders to gain experiences not available within the organization. Loaned executives may work with volunteers to manage employee campaigns in businesses, government, and professional companies. These experiences expand women's networks and give them valuable feedback about their performance. Stretch experiences also include roles requiring public speaking and serving on boards.

Create international development programs. At one time, you could "get your ticket punched," literally and figuratively, by doing a stint at a company's overseas office. Rather than spend the time and money associated with selecting candidates, relocation, training, and repatriation, assignments may be structured for three- to six-month periods with visits home. Both men and women find this less disruptive to their personal lives.

Allow greater work flexibility. Technology now erases the time barriers around the globe and allows speeds of human communication never before experienced by previous generations. While this has had both advantages and disadvantages for individuals, it also permits us to restructure and reevaluate how we work. The measurement of tangible results and the overall value of an employee's contributions may now trump "face time" at work as a criterion for performance. Since the 1980s many companies have had flexible work arrangement policies: flextime, telecommuting, reduced/compressed hours, and job sharing.

For CEOs and their organizations to remain resilient in the face of both technological and social change, they may consider taking a more holistic, systemic strategy by redesigning how careers are built. There are specific ways in which organizations can encourage their managers, both men and women, to play a greater role in developing talented women in their organizations. Having a better understanding of how to create organizations that flourish in these difficult times benefits management, male and female employees, and all stakeholders.

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