

# The leaking pipeline: Where are our female leaders? 79 women share their stories\*

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## The leaking pipeline

Imagine you are the leader of a community with strong resources, including a critical water supply. The water supply is extremely precious to your community activities and outputs, and, because it is a limited commodity, you pay a premium to access it. It provides fertile land, great distribution channels and grows fantastic products. Your community is viewed as a leader in its ability to create a sustainable strong environment, which in itself attracts more people to live there.

Your monitoring systems alert you that your precious water pipeline has a leak, and, as you investigate, it turns out that you have had a very substantial pipeline leak for a very long time, which results in a great deal of your water disappearing to other communities through which your pipeline passes. In fact, you have lost a great deal of water. This costs your community enormous amounts of money in wasted resource, loss of productivity, and loss of nurturing of your community's physical infrastructure.

What would you do?

- Would you honestly expect the leak to fix itself?
- Would you make the effort involved in fixing the leak as a priority?
- Would you investigate the reasons for the leakage and insist on improved maintenance, monitoring and reporting?

Imagine what you would do as a leader on discovering sustained leakage of your most valuable commodity, which in fact is not really a commodity at all, since your community absolutely depends on it for a sustainable future.

## The Pipeline Problem

This water pipeline analogy reflects the situation in which many organisations find themselves with regard to a continuing loss of female talent. Research commissioned by PwC UK indicates that, in most 'first world' countries, entry-level men and women in the professional services sector are hired at an equal (1:1) rate. However, evidence exists that women are lost from the pipeline through voluntary termination at a rate two or three times faster than men once they have attained the experienced, mid-career, Manager/Senior Manager level of their careers.

The leakage is further illustrated when examining the level of female participation in leadership roles. Whilst difficult to measure due to lack of uniform definitions, current estimates of the numbers of females in senior roles indicates a very low percentage of such roles are held by women. In particular, we can readily observe a material under-representation of recognised leadership positions within industry and noteworthy business unit and functional Director and CEO positions.

Research conducted by PwC's Genesis Park leadership development programme, validated by a variety of employee focus groups and interviews with senior women, found no evidence of deliberate, conscious gender bias. The status quo does suggest a lack of pro-active consideration of females for major assignments, a lack of gender consideration in succession planning, and a reticence amongst senior men to mentor women at the leadership level – all contributing to the current condition found throughout the professional services industry. The subsequent lack of female role models at the senior levels exacerbates the perception amongst women that advancement opportunities are limited. Evidence suggests that this leads to further attrition and a shrinking pool from which to find these leaders and role models.

**'Look down the pipeline and try to fix the leakages at their most critical points.'**

‘I am convinced that improving the diversity of our workforce, particularly at partner level, is an urgent business priority. Women make up half of the UK firm and, since 2001, we’ve made enormous progress in improving the retention of female talent. Our focus now is to address those environmental and cultural factors which appear to act as ‘blockages’ on the route to partnership for a disproportionate number of talented women.’

Kieran Poynter,  
Territory Senior Partner, PwC UK



Published research around high potential talent and retention rates reveal little or inconsistent improvements in fixing the female talent pipeline leakage at any of these levels.

It is therefore possible to recognise the existence of a critical pipeline leakage of the high potential and high performing female population, which results in lost growth opportunities, high replacement costs and the potential for cultural obsolescence.

## Recommendations from the PwC Gender Advisory Council

The PwC Gender Advisory Council, an action and results-oriented advisory group of PwC Partners from ten countries, supported by a full time Programme Manager, provides advice and assistance to PwC Global CEO Sam DiPiazza on the issue of women at PwC. The Council was established in 2006 to be a group charged with helping PwC recognise and address the issue of women in leadership. As part of their action plan for 2007, the group embarked upon a programme which could be described as ‘Learning from Leaders’, in which one to one interviews with 79 of PwC’s female leaders were conducted across a two month period. The findings from the research provide rich perspective and insights and are contained within this report, together with a summary of current analysis and thinking on the topic from a variety of global academics and educational institutions.

The report contains stories and comments from the interview pool, and recommendations and guidance to existing leadership on how to challenge the status quo, as well as suggestions to women in the professional services pipeline who aspire to remain in this sector and achieve successful careers and leadership roles.

Importantly, these stories provide insight as to what has been successfully achieved at PwC in female retention and leadership development, when the right environment, planning and leadership behaviour are aligned.

Recommendations on female leadership development resulting from this work would be useful for consideration by:

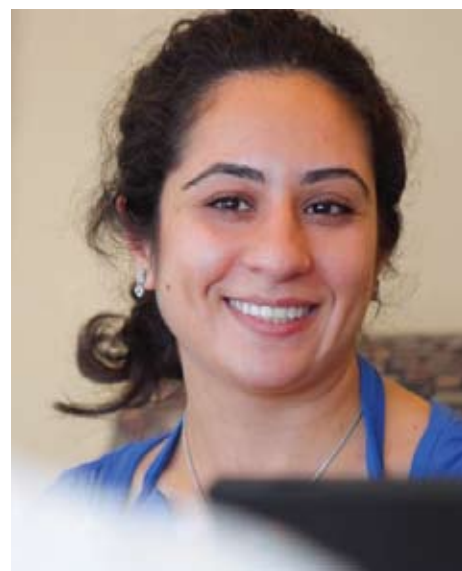
- Leadership teams.
- Human Capital/Resources colleagues and Leaders who coach and interact with high performing staff.
- Women in professional services.

Three key themes emerged from the research:

- The need to recognise the problem and establish accountability for fixing it.
- The need to create an effective planning process, and turn **commercial** best practices into **routine** business practices.
- The need to increase our personal awareness of the cultural and human elements of these issues and to remind ourselves that cultures change when people do.

## Checklist for Change

Leaders	'Build the culture to secure our future'
Accountability	<ul style="list-style-type: none"> <li>• Set performance targets – (not quotas) for female retention, promotion and leadership development improvements, with clear personal and team accountabilities.</li> <li>• Commit to including a target number of female candidates for each leadership appointment.</li> <li>• Monitor performance on female leadership advancements – are set guidelines being followed and producing results?</li> <li>• Reconsider the composition of leadership role selection teams and whether subconscious bias affects decision making.</li> <li>• Communicate leadership appointment opportunities and decision processes transparently.</li> <li>• Encourage females to communicate interest in, and apply for, leadership positions.</li> </ul>
Career planning	<ul style="list-style-type: none"> <li>• Provide mentoring and development infrastructure for all high potential female managers.</li> <li>• Invest in leadership development and training opportunities, particularly for high potential females.</li> <li>• Formalise succession planning objectives and processes for leadership roles.</li> <li>• Provide transparency to potential leaders on criteria, selection process, relevant experience and attributes, for succession planning and leadership appointments.</li> <li>• Identify and communicate relevant career paths and stepping stones for leadership roles.</li> <li>• Complete career potential analysis for all female leaders and communicate transparently.</li> </ul>
Cultural awareness	<ul style="list-style-type: none"> <li>• Invest in developing your personal awareness and organisational awareness of gender differences and biases:               <ul style="list-style-type: none"> <li>– Understand the competitive advantage that strength in diversity brings to business success.</li> <li>– Learn to more effectively adapt to and interpret differences in gender styles and behaviour.</li> <li>– Recognise the existence of bias and consider bias awareness training.</li> </ul> </li> </ul>





Human capital and partner coaches	'Build and support our future success'
Accountability	<ul style="list-style-type: none"> <li>Engage in authentic career conversations.</li> <li>Perform as effective coaches and mentors to women.</li> <li>Actively monitor and analyse satisfaction levels of the women managed/coached/mentored.</li> </ul>
Career planning	<ul style="list-style-type: none"> <li>Consciously provide stepping stone opportunities for women through team responsibilities, or through influencing others.</li> <li>Increase access to leadership development and training for women.</li> <li>Celebrate success stories of female achievers.</li> </ul>
Cultural awareness	<ul style="list-style-type: none"> <li>A lack of creativity and a desire to do business 'as usual' has established this situation. Try to challenge the mindset in order to make this step change. Shift the thinking from 'putting up' with flexible work practices to 'supportively backing a future leader'.</li> <li>Increase a sense of belonging for the women in the organisation.</li> <li>Develop an understanding of gender biases and differences.</li> </ul>

Women	'Build yourself'
Accountability	<ul style="list-style-type: none"> <li>Establish your personal goals and needs.</li> <li>Build your confidence and positive attitude.</li> <li>Set your personal priorities and values.</li> </ul>
Career planning	<ul style="list-style-type: none"> <li>Seek and make effective use of coaches and mentors.</li> <li>Practice flexibility.</li> <li>Distinguish between short and long term goals and what is required from yourself and the organisation in order to succeed.</li> <li>Actively build your profile and make networking a routine and priority activity.</li> </ul>
Cultural awareness	<ul style="list-style-type: none"> <li>Develop your understanding of gender biases and differences for self awareness and for more effectively influencing others.</li> <li>Be supportive of other women, at all levels.</li> </ul>

### A Leader's platform for action

There are clear advantages to an organisation's success and sustainability if they choose to challenge traditional perceptions, stereotypes and leadership structures. Research (outlined in Appendix 1) highlights the following benefits to be gained from making such a challenge:

- Increasing competitive advantage by visibly solving a complex business problem faced by organisations globally.
- Achieving effective talent management by successfully sourcing and retaining the best talent in the market to fuel growth ambitions.

- Achieving higher levels of creativity, innovation and knowledge sharing with higher representation of females in senior roles.
- Improving an organisation’s ability to match their demographics to those of their client base.
- Providing diversity to service delivery, leading to more impactful solutions.
- Achieving improved financial and non-financial performance, by any measure.

Global organisations, which hold continued market leading growth objectives in times of talent shortages, are unlikely to achieve such ambitious business goals if the leakage at middle management level is allowed to continue and if development of female leadership potential evolves in an unstructured manner. Such a leak cannot be expected to fix itself.

## Some fundamental questions for leaders and global organisations

Will the leak fix itself?	There is no evidence in external research or interviews that the leakage will evolve and disappear; there is, however, much evidence that positive action can help.
Will monitoring improve performance?	Accountable leadership is key. What gets emphasised and measured will get done.
Why should this effort be a priority?	<p>Solving this complex business issue is critical to the business case for success and growth ambitions. Organisations need a culture, worldwide, that attracts, retains and develops top talent. To succeed in creating that culture is to succeed in creating a strong business.</p> <p>Recognising and acting on these changes works at two levels:</p> <ul style="list-style-type: none"> <li>• Direct action to halt the pipeline leakage – more women stay, more women get leadership opportunities.</li> <li>• The culture evolves in the right direction, which provides an attractive workplace to join.</li> </ul>
Should the reasons for leakage be investigated?	Investigation provides the insights needed to move forward. This report looks at reasons for leakage, and also critical factors for success.

‘We, as leaders, must recognise that the retention, advancement and empowerment of our considerable female talent is fundamental to the future growth and sustainability of our firm.’

Suresh Kana, PwC South Africa deputy CEO

‘Offer opportunities in leadership not as a ‘reward’ or on the basis of ‘who you know’ but based on skills.’

## The voices of our female leaders: the PwC Gender Advisory Council interviews

The Gender Advisory Council would like to express their gratitude and appreciation to these women for taking the time to share their stories and viewpoints with us. Their words provide authenticity and colour to the academic research cited elsewhere in this report.

The women interviewed are all PwC Partners within a key geographical territory and work across a variety of business sectors: Assurance, Tax and Advisory. They were each interviewed, for between one and three hours, by a member of the PwC Gender Advisory Council during the summer of 2007. They all currently hold a leadership role within their country and, in some instances, work across borders and business sectors.

### Headline numbers: 79 leadership participants from seven countries

This section summarises the headline analysis of our pool of interviewed female leaders.

Geographical breakdown of interviewees:	
Australia	9
Canada	11
France	15
Ireland	5
South Africa	8
USA	16
UK	15
<b>Total</b>	<b>79</b>

- **Growing your career in-house, or joining the world’s largest professional services firm later in your career:** 61% joined PwC from school/college.
- **Multi-generational:** Our ground breaking women have a wide variety of years of business experience, having joined us between 1974 and 2007.
- **Perspectives both old and new:** Partner admissions dates ranged from 1985 to 2007.
- **Partnership as a career goal:** this was stated as occurring at the following stages.

From Day 1:	24%
Manager:	20%
Senior Manager:	29%
Director:	13%
Other:	14%
<b>Total</b>	<b>100%</b>

- **No differences** – the average number of years taken by PwC’s graduate entry Partners to achieve Partnership is 11 – the same as for male staff.
- **Moving on:** 51% have had a geographical move or a tour of duty/secondment.
- **Learning from leaders:** 75% had impactful coaching/mentoring prior to admission to the Partnership; 71% have had impactful coaching/mentoring post admission.
- **Development:** 66% have participated in some form of leadership development training.
- **Perception after the fact:** 52% would ‘do something differently’, with the benefit of hindsight – read on for examples and lessons learned.
- **Combining work in professional services with being a parent:** 80% have children.
- **Flexibility is possible:** 88% of the interviewees currently work full time. For those who have at various points worked a flexible/part time schedule, an 80% work-load was the most sustained level.

### Insights from statistics and overall impressions of the key ‘stepping stone’ opportunities which led to leadership appointments

The PwC Gender Advisory Council interview scripts indicate that PwC’s female leaders have participated in a wide range of career experiences, and that there is no single path to success. The key roles and experiences which contributed to their careers typically began in the early years.

Nearly all the participants were offered opportunities, which proved to be major career milestones, by key leaders and mentors. A common thread which links these opportunities together is the way in which they provided the women with an opportunity to be ‘seen’ by male leadership.

**Moving to different offices** (in USA and Canada, to follow specific client opportunities) or secondment to other PwC countries, was mentioned often – as a source of personal challenges, an opportunity to prove oneself again with new leaders, a chance to take something special back to their home office. There was a sense of a philosophy that some global exposure at sometime in your career was what you needed to do.

**Human Capital/Resource roles**, at either manager or Partner levels, featured frequently – these were seen as playing to a people passion/strength; they developed skills in the people dimension, ultimately needed for long term roles; gave a broader view on running the business; allowed them to build effective teams/practices and also allowed them to show that they could fix business problems.

**Working on key clients** in Manager years was mentioned often. Typically, these women had a long term focus in that industry. Working with icon/prestigious clients appears to give great opportunities for leadership development.

**Leading a proposal team on a large client win**, together with responsibility for business development initiatives was mentioned a number of times: market leadership roles; responsibility for creating key events/thought leadership in the market; developing their group’s business plan or marketing strategy.





**Post admission to the Partnership**, an appointment as lead Partner to a client was mentioned often, as were national leadership roles. There were often a series of such roles, starting small, and growing to larger responsibilities.

Global team roles were referenced – sometimes for relationships, usually for personal growth through working with a diverse group, and needing to think from a different perspective.

**Appointment to the Firm's governance boards and committees** was mentioned frequently – as a confidence builder, an opportunity to raise one's profile, to work with different Partners, develop strategic thinking and to contribute to the Firm.

A number of interviewees noted that **changes/new roles** also had the benefit of keeping them fresh, and continuing to reassess/grow their interest in becoming Partners and committing to PwC for the long term. Each opportunity was like a new vote of confidence, as long as it didn't feel like a lateral move or one without career development purpose.

Being given opportunities **to be a pioneer** (build something from scratch), or work with a pioneering Partner (great role models, and new experiences under guidance) was referenced.

A few **female mentoring/opportunity-giving/role-modelling Partners** were mentioned, but the large majority of influencers were male Partners. This is an important job of all Leaders.

In all cases, women expressed themselves in grateful, positive ways for these opportunities and the faith displayed by the Partners who had the intuition/confidence to give them the chance to grow and shine.

## The future shape of leadership: Is loyalty more important than skills and talent?

This section of the PwC report considers relevant external market and academic research. Research indicates that it is vital for organisations to provide an environment which allows women to progress and to be successful in positions of leadership.

For an organisation to survive and remain competitive with the prospect of an ever changing (and shrinking) workforce, its leaders must adapt their personal people management styles, and the company's people development strategies, to meet the varying needs and mindsets of its people.

Any negative shift in retention rates will cost a professional services organisation a significant amount in time and money. Research undertaken by PwC US has suggested that the loss of a Senior Manager can cost up to three times the annual salary and benefits package in terms of training time and knowledge investment.

As referenced earlier, a bigger challenge is the fact that the proportion of women leaving the workforce is greater than men, particularly at middle management grades. This has negative ramifications internally, as valuable role models are lost to other women in the organisation as well as externally, as women leave in search of an environment that better supports their needs.

This is obviously a vicious circle, as retention is reliant on female leadership, and the pipeline for leadership is dependent upon retaining enough female talent.

Diversity is often cited as the key to long term organisational success. Diversity in teams results in different perspectives and the generation of alternative and innovative solutions. At PwC, innovation is a key component of the firm's global strategic agenda.

Research also suggests that women are more likely to encourage knowledge sharing and networking than their male counterparts. Without an increase of women in leadership positions, there is a risk that the capacity to maintain and build knowledge, share and combine that knowledge and most importantly innovate in products and services will be jeopardised. (**Women as Leaders and Team Members, The Lehman Brothers Centre for Women in Business, London Business School, 2006.**)

'Is loyalty more important than skills and talent?' asked one of the PwC interviewees. Looking ahead, the answer is today's successful organisations need both: highly talented staff and leaders who want to stay and develop their careers.

In order for corporations to maintain a productive and motivated workforce, with high attraction and retention rates, and clear competitive advantage, a focus on the many challenges for women in progressing their careers is required.

### The 'mini-me' syndrome

One of the challenges for women is played out through succession planning. Women are placed at a real disadvantage through the stereotypes leaders subconsciously hold when it comes to picking a successor.

Martha Frase-Blunt (**Moving Past Mini-Me: Building a Diverse Succession Plan Means Looking Beyond Issues of Race and Gender, Martha Frase-Blunt, HR Magazine, 2003**) defines this social phenomena as the 'mini-me' syndrome. This is where executives choose successors who are similar to themselves – often in age, style, industry experience and importantly, gender. Habitually, these leaders adopt an attitude of 'it's worked well up until now, so why change course?' Often, they are not even aware of their subconscious filtering of candidates. This is of concern for any organisation where the majority of leadership positions are held by males. In order to sustain competitive advantage, it is essential to offer the right balance of strategic thinking, problem solving and visioning both internally and externally. This not only impacts on the knowledge and services offered to clients, but as Frase-Blunt points out - what has worked in the past, and for current market conditions, won't help when the business environment changes.

'The glass ceiling has consequences not only for the women themselves but also for the organisation they work for i.e. reputation, diversity of their skill sets and their growth potential. Creating a business culture that supports innovation, growth and prosperity requires many different people with diverse talents.'

The Anatomy of the Glass Ceiling: A Survey on Women in Corporate Management in Six Countries, Accenture, 2006.

## ‘Cultures change 1% at a time’

PwC Gender Advisory Council interviewee

In a study done by Catalyst (*The Next Generation: Today’s Professionals, Tomorrow’s Leaders, Catalyst, 2001*), it was reported that *‘men are more likely than women to believe that there have been increased advancement opportunities for women over the past ten years, are less likely than women to see barriers to women’s advancement and less likely to buy into the business case for women’s advancement.’* If this is an attitude held by existing male leaders, there is a danger that succession planning does not include a regular check of who is ‘ready now’ versus who is ‘available from the bench’ and waiting for the right development to inspire and progress their careers. Women are more often perceived to be ‘on the bench’ rather than ‘ready now’.

The Gender Advisory Council interviews report that female leaders around the globe have observed the ‘mini-me’ syndrome. So, how are key decision makers encouraged to get out of their comfort zone? By, in the words of one woman, ‘One leadership appointment at a time...’

Current leadership teams within organisations who are serious about tackling this problem need to examine existing succession plans with a focus on improving three aspects. Firstly, the unconscious biases of leadership teams in relation to the ‘mini-me’ syndrome need to be evaluated and considered in order to constructively address the gender imbalance at leadership level. The only way may be through ‘conscious’ inclusion. Secondly, companies need to ensure that the right development is in place for women in the pipeline to reach positions of leadership. Thirdly, PwC recommends checking and validating the state of the gender pipeline – and reacting appropriately.

### Why so few women in leadership?

Global research demonstrates the challenges women face in progressing their careers and assists in answering the ‘if not, why not’? There are many reasons for the ‘leaking pipeline’ and lack of women in leadership positions, including:

Cultural reasons:
• Lack of female role models.
• Lack of mentoring opportunities.
• Work/life challenges and perceived lack of flexibility.
• Gender stereotyping – for example: <ul style="list-style-type: none"><li>– When women leaders act in ways that are consistent with gender stereotypes (focus on building relationships, express concern for other people’s perspectives) they can be viewed as less competent leaders.</li><li>– When women act in ways that are inconsistent with such stereotypes (act assertively, focus on the task at hand, display ambition), their behaviour can be judged as too tough and unfeminine.</li></ul>
• Lack of opportunities (known/communicated).
• Lack of clear career path.
• Perceived lack of skills/experience.

#### Personal reasons:

- Less likely to self promote and to take risks.
- Career interruptions due to family responsibilities.
- Lack of understanding the politics.
- Feeling isolated/not supported.
- Lack of confidence/self-belief.

#### Current research provides some insight into these often quoted reasons:

- Women believe they are subjected to higher standards than men and have to work harder to have others accept the same level of competence as their male peers (**The Double-Bind Dilemma for Woman in Leadership: Damned if You Do, Doomed if You Don't**, Catalyst, 2007).
- The 'glass cliff' – as a result of the challenges of getting to the top (including greater stress, tougher jobs) when women get there they report high levels of burnout (**The Glass Cliff: The Stress of Working on the Edge**, 2006).
- Female executives tend to focus more on positioning themselves in external networks, whereas male leaders put the major thrust of their efforts into building and nurturing networks within the company. (**Inspiring Women: Corporate Best Practice in Europe**, The Lehman Brothers Centre for Women in Business, 2007).
- External exposure is less important than internal visibility within the organisation (**The Anatomy of the Glass Ceiling: A Survey on Women in Corporate Management in Six Countries**, Accenture, 2006).
- Some women have reported they feel they have to outperform men to get the same rewards (**The Glass Cliff: The Stress of Working on the Edge**, 2006).

These challenges must be addressed in order to retain and progress women. Some examples of initiatives which can make a difference, as identified and suggested by the PwC interviewees, include:

- Providing forums for women to connect with like-minded people, reducing feelings of isolation and leading to retention.
- Culturally creating a supportive environment in which women share experience and practise skills, through group or individual mentoring, coaching or networking. This provides the opportunity for females to validate the experience of being a woman in a large organisation and to identify relevant role models.
- Building cultural awareness of the subconscious gender stereotypes that exist in succession planning (eliminating the 'mini-me' syndrome).
- Building leadership capability that enables leaders to engage in more effective dialogue to match needs of the individual with the needs of the firm.
- Taking 'risks' in appointing females to leadership roles.
- Addressing the stereotype that females 'lack the necessary skills'.





## Characteristics of Future Leaders and Leadership for the future

Like many firms, PwC invests a large amount of money in attracting the ‘best and the brightest’. However it is not enough to merely attract them – the need also exists to engage and retain people in order to successfully progress them into positions of leadership. Diversity of thought, ideas and leadership styles are essential for sustaining competitive advantage and driving innovation in the marketplace.

When examining leadership for the future it is important to consider the characteristics of the generations who will be our future leaders. The reality in the external market ‘is one where teams of diverse ages work on a project where older leaders manage across several generations, or increasingly where younger graduates manage older workers’ (Generation Y, Drake International, White Paper, Vol 3, No. 1, 2006). Understanding the values and perspectives of these generations will assist current leaders in defining what motivates and ultimately retains and progresses future leaders.

There is a danger of not changing with the times and providing the environment where future leaders can deploy a leadership style that they personally connect with and value. This style is often a result of generational and/or gender characteristics. Try to force people into the current leaders’ definitions of leadership and work styles and many will seek an alternative environment in which they believe they can influence, and achieve greater ‘personal fit’.

On the whole, Generation X (born between 1965 and 1979) and Generation Y (born between 1980 and 1994) will be highly committed to their employer as long as their preferred working environment is made available to them. It is also important to note that many of the leadership values Generation X and Y advocate as important appear to be currently more important to women than to men (for example, flexibility in the workplace). The PwC Gender Advisory Council suggests that working on these cultural changes now, in pursuit of gender improvements, will deliver long term benefits on generational adaptation as well.

The following characteristics of Generation X, Y and the women in these generations will drive the leadership of the future. They also provide a snapshot of the type of environment current leaders need to offer in order to engage and retain these groups. Looking forward:

- Leadership styles need to be inclusive and collaborative without a high degree of hierarchy.
- Business strategy and practices will need to be consistent with the leader’s personal values and purpose (authentic leadership driven by vision).
- A greater emphasis will be placed on personal and family goals, and a flexible work environment (significantly more important for women at this stage).
- Performance will need to be measured through outputs – with less emphasis on ‘face-time’.
- A greater focus will be placed on feedback, communication and development.
- Challenge the status quo and seek alternatives to traditional processes (although some traditional aspects of jobs will remain important – i.e. compensation, benefits, advancement).
- Knowledge sharing and networking will need to increase (studies have shown women leaders tend to do this more than men – see *Fostering Women’s Leadership, the Corporate Leadership Council, 2004* for more details).
- Leaders will need to be both relationship and task oriented (the above referenced CLC study from 2004 also indicates that women leaders tend to do this more than men).
- Leaders will need to provide interesting and challenging work to retain top performers.

It is fair to conclude Generation X, Generation Y and the women in these generations can remain highly committed so long as their employer can provide the environment they are seeking – the correct culture will drive loyalty and engagement ultimately impacting on competitive advantage, sustainability and growth.

Differences in leadership styles and strengths of men and women have been studied for many years and for various purposes. In search of advantages that can provide the sustainable distinction to which many organisations aspire, it is helpful to better understand and embrace the impact gender diversity can have on leadership performance. By way of example, a 2001 SHRM study analysing 360-degree performance review data shows that women outrank men in leadership competencies as rated by their superiors, peers, and direct reports. (Source: Corporate Leadership Council: *Fostering Women’s Leadership*, February 2004). The analysis demonstrates that male executives only outrank female executives on four competencies, while women outrank men on 42 of 52 executive competencies, including the following:

• Adaptability.	• High-impact delivery.
• Attracting and developing talent.	• Influencing and negotiating.
• Building organisation relationships.	• Inspiring trust.
• Career and self-direction.	• Leadership versatility.
• Drive for stakeholder success.	• Leading improvement.
• Driving execution.	• Mature confidence.
• Empowering others.	• Seasoned judgment.
• Entrepreneurial risk taking.	• Shaping strategy.
• Fostering open dialogue.	• Visionary thinking.

What action do aware corporations need to take? PwC suggests communicating with, and ensuring that current leaders are aware of the changing needs and characteristics of future leaders, particularly women, in order to provide an environment where they can connect and build their career. Assist leaders to understand and to learn how to recognise and support the unique capabilities women bring to leadership, breaking the cultural and gender myths. This will have a positive impact on attraction, retention and the ability to engage people.

‘Truly effective leaders in the years ahead will have personas determined by the strong values and belief in the capacity of individuals to grow. They will have an image of the society in which they would like their organisations and themselves to live. They will be visionary, they will believe strongly that they can and should be shaping the future, and they will act on those beliefs through their personal behaviour’

WoT’s Hot and WoT’s Not: Leadership in the next Millennium, Richard Aldersea quotes Richard Beckhard, Teams Management Systems World of Teams Conferences.



## Cultural change means acknowledging realities and perceptions

Making substantial improvements in the development and appointment of female leaders will require a commitment by existing leaders to cultural change in the organisation; and this change will not occur merely by adoption of Human Capital/ Resource programmes and communication plans. Cultural change works most effectively when there are burning platforms for change. One of the burning platforms is the pressing business need to retain and develop as much top talent as possible.

Another burning platform is the voice of female leaders regarding the state of leadership culture – the words below are direct quotations from the PwC Gender Advisory Council's interviews.

'Perhaps leaders see potential impediments and barriers to putting women in leadership positions, rather than possibilities. Talented, ambitious people will find ways to balance their lives and be good leaders and ambassadors. Some men view maternity leave and flexible work as barriers to female success.'

'I still experience men (mostly older) having a tough time communicating with women (do they feel intimidated?). Men probably feel they would prefer to work with someone they did not have to make an 'effort' with.'

'There appears to be a fear by men in leadership of 'taking a risk' on women. Women are held to a higher standard – any little thing seems to knock them out of contender status.'

'Mindset change is required.'

Are these reasons enough to stimulate an appetite for change?

## Lessons on accountability: Tone from the top

The following comments and suggestions were made by the PwC female leader interviewees, in response to the question ‘What steps and changes would you like to see PwC take to address and improve the representation of women leaders?’.

### Acceptance of gender as a business issue

The female leaders unequivocally identify the female pipeline problems as a mission-critical business issue, and they encourage male leaders to do the same.

‘We need to keep the issue of female leadership development on our agenda from a business perspective.’

‘We should make sure we sufficiently monitor statistics around gender participation and performance in key leadership and assessment programmes.’

‘Men are explicit as to what they want, women are hopeful that they will be noticed and then rewarded – and it doesn’t work like that!’

‘Keep gender on the agenda.’

‘Look down the pipeline and try to fix the leakages at their most critical points.’

### Building a flexible workplace

The PwC interviewees were also unequivocal in recognising that great strides have been made in programmatic terms, but that attitudes still need to adapt:

‘We have a growing number of part time female senior managers and directors; we and they need to understand how to progress their high potential careers.’

‘We need to be serious about flexibility – not seeing it as the woman is ‘not motivated’ or causing a delay in career path. There needs to be a ‘price’ for keeping talented women and for them balancing their life with work.’

‘If the firm does not support women through the family years, adjusting roles to fit, finding roles they can manage – a lot of women will fall into a ‘it’s just too difficult so I’ll leave’ mindset.’

And so one begins to see how the pipeline fractures.

‘We need a process, we have to build a pipeline. And then we need to groom women for leadership.’

Sam DiPiazza, Global CEO



## ‘Identify and support our young talent.’

### Coaching, mentoring, role modelling and networks

This was emphasised repeatedly, both by women who had benefited from both networks and role models, and those who had not. Time and again, the interviewees reiterated the need to be able to speak to like minded colleagues and find support in the workplace from role models at all levels.

‘Support women’s networks.’

‘Identify and support our young talent.’

The female leaders’ stories makes one point resoundingly clear: they have remained at PwC and have developed into successful leaders because of the interventions, encouragement, inspirations and confidence gained from individual (and usually male) leaders. In most cases, this didn’t appear to happen by accident, but rather, individual Partners with strong leadership and people skills, kept an eye on these women who had exhibited robust performance and potential traits. These leaders made it a personal responsibility to secure the women’s long term aspirations by having the right personal and career discussions at the right time, and by accessing the right developmental opportunities for these women. This appears to be an enduring, winning, formula at PwC.

Here’s a story from one Partner which shows what can be achieved under these key circumstances:

‘(I then) had a very different relationship with a mentor (over a period of 5-7 years): in which the Partner forced me to look at things from a broader perspective and to think of my career in a far wider way. [He] forced me to build external relationships, and move from my comfort zone. Very business focussed. A much harder relationship – not based on close friendship but on the need for development. With hindsight – these were hard lessons to learn but they helped me to develop into the leader ... that I am today. Taking someone to that next career level is hard. Not many Partners can say that they have had that kind of mentoring relationship. My third mentor was an inspirational and aspirational relationship; he saw me as a future leader and a woman who could break through and be a role model. He was the first person to see me in that way.’

## The role of structured leadership training and executive coaching

Training and education is integral to any aspect of developing people and in shifting cultural norms.

Most of the female leaders interviewed attended some kind of leadership development training – often short courses, from a wide mix of PwC internal and external sources. Executive coaches also feature widely in some countries, with insights into self awareness and their behavioural impact on others being the frequently cited benefits attained.

Our interviewees identified that training is needed in:

- Networking effectively.
- Responding to stereotypes.
- Understanding politics.

Does this mean that typical leadership skills are already dealt with in mainstream programmes? The answer is potentially ‘yes’ but this needs to be balanced with understanding whether women necessarily have easy access to these programmes, or the opportunity to attend.

And is mixed gender training always the right solution or is there an argument for single gender training? Research from the **Corporate Leadership Council (CLC)** reveals that, while criticism exists regarding the use of single identity programmes, the benefits of such training outweigh the negatives. According to the CLC, if such programmes are well-designed and well-executed, they may play a key role in building women’s (and minorities) leadership skills.

In an article by Patricia J. Ohlott, ‘Myths versus Realities of Single-Identity Development,’ *Training @ Development* (1 November 2002), she lists the benefits of single-identity training:

- Opportunities to be with other managers like oneself, thereby reducing feelings of isolation.
- Opportunities to solve problems regarding how to manage in an organisational context.
- Relevant and valid feedback that is less subject to bias and prejudice.
- Safe and supportive environment in which participants may share experiences and practice skills.
- Specialised content to leverage strengths.
- Validation of the experience of being a minority manager in an organisation.

In developing strategies and programmes for leadership development and coaching, it is key to remember they are only one element of what’s needed in an integrated approach for effective progress.



‘We should continue to target high performing women for leadership roles.’

### Transparency and processes

Having successfully achieved leadership appointments, the female leaders referenced their fears for a potential lack of transparency and lack of best practice succession planning processes which directly leads to insufficient and unachievable female leadership appointments and supports the concept of the fractured pipeline: where are the senior female role models who give the message to the junior women that a long term, successful career in leadership is an option?

The PwC Gender Advisory Council therefore recommends the following steps as key parts of the process towards leadership appointments, illustrated by quotations from the interview pool:

Defined leadership role criteria and nomination processes:

‘More transparency as to what roles exist and how you get considered.’

‘We should continue to target high performing women for leadership roles.’

Accountability for targeting increased female participation in leadership roles:

‘We have to be more pro-active and actively choose women.’

‘Whenever a position opens up, all appropriate candidates should be considered; challenge people to think more widely and to consider women. When we’re doing proposals, determine whether we are building diversity when building our client teams.’

‘We need to challenge our leaders about who they consider when they make their choices: Who was considered for these roles and how were those conclusions reached?’

Engage with potential future leaders about their aspirations:

‘Get rid of pre conceived notions that women would not be interested in leadership roles for reasons x,y,z (the need to relocate, the need to work full-time etc). Start a dialogue with women and keep it going. The timing can be difficult one year but better a few years later. Women seem to be overlooked.’

Guard against subconscious bias in leadership appointments:

‘Put women in real, substantive leadership roles: give women a chance, our female partners are good.’

‘Offer opportunities in leadership not as a ‘reward’ or on the basis of ‘who you know’ but based on skills.’

‘Provide our high potential women exposure to lots of roles: the chance to do and learn something different.’

## Lessons on succession planning: ‘These decisions shouldn’t happen by accident’

Sound succession management planning demonstrates an awareness of what it takes to effectively leverage an organisation’s talent pool and protects the business from the risk of unplanned vacancies. Effective succession management involves more than just the identification of qualified candidates and matching to future opportunities; it must also include coaching, mentoring, on-the-job training, skills development and organisational planning built around high potential and high performing people resources and their career/leadership paths. In short: everything identified by the PwC interviewees as necessary to their success.

Sound succession management ensures that the organisation will continue to provide consistent, uninterrupted services whenever significant promotions or changes occur. The importance of succession management is increasing as the war for talent grows and represents a real visible commitment to people development and retention.

Succession management is critical to any organisational talent management and staff retention strategy and is emerging as a global imperative amongst Human Capital/Resource leaders. These efforts warrant the visible and full endorsement/commitment of an organisation’s existing leadership.



Critical succession planning issues identified in the PwC Gender Advisory Council’s research includes:

- Lack of visibility of roles - the workforce don’t know what jobs are available and the criteria for eligibility and selection.
- Lack of visibility of talent – the leadership are not readily able to see the full range of talent, skills and interest.
- Lack of succession based coaching, mentoring and development.
- Lack of succession focussed planning in assigning people to key client and leadership opportunities.

All of these points are amply illustrated by the voices of our female leaders:

‘The gender lens should be applied to all types of succession planning activities.’

‘Look more widely – don’t recruit/replace in your own image.’

‘Construct the role so that the woman gets the exposure and experience and proves that she can handle it – to challenge the default belief that women can’t do this.’



## Lessons on cultural awareness: Know what you don't know

The PwC Gender Advisory Council observes, through its female leadership interviews, assessment of external research, and daily interactions with fellow PwC leaders and Partners, that a practical education on awareness of gender based cultural differences is crucial for an organisation which is serious about challenging the status quo around gender diversity, and becoming more culturally aware. PwC therefore suggests that this type of cultural awareness training is critical for leaders and staff of both genders, in understanding gender-based dynamics and biases. Investment by a company in this type of training will directly support the initiatives discussed in this report, as well as provide a skills upgrade in dealing with the workforce.

Interviews with female leaders informed the PwC Gender Advisory Council that many individuals understand the existence of gender-based style differences and their impacts:

'There is a difference in the way men and women typically develop. Styles differ and needs differ in developing that raw material into a leadership style.'

'We need to be able to identify and understand what the gender differences are so that we can make informed assessments and provide appropriate coaching.'

There was also a sense expressed that women should push themselves as well as be pulled by existing leaders and that they should be prepared to get more direct in their career planning; they have to speak up for the opportunities that they want. They need to define a career path for themselves.

## Lessons from the leadership ladder: tips for women from the PwC female leaders – ‘Hindsight gives you perfect vision’

In addition to sharing leadership viewpoints for shaping the focus of this report, the female leaders also had words of wisdom for women who aspire to succeed within professional services and climb the leadership ladder. The PwC Gender Advisory Council believes that these messages are also informative to existing leaders – especially if any of this advice is new or unexpected, and especially if it helps with current interactions with high potential women and the advice for which they may ask.

Rather than edit to a few key points, their spoken advice is reproduced, in order to illustrate the depth, breadth and consistency in messages, no matter where in the world or what year, in which these leaders found their PwC aspirations.

**Get help and give it, too: ‘Ask help from someone who sees the bigger picture.’**

‘Take advice and guidance; seek help if you feel you need it. Some women find it harder to own up to needing help – don’t be. It’s not a sign of weakness.’
‘Reach out and find the people who can help you.’
‘Get a mentor that is going to stretch you. Pick the right person for you. I look at all of my mentors and know that I sought them out because they were good at what they did. I saw them as the type of person that I want to be – successful and making things happen.’
‘Seek a balance of career and professional input. Don’t rely on one source. There are so many sources here – exploit this.’
‘There really are a lot of men who ‘get it’ and women must be more proactive at leveraging their help, relationships, and experience.’
‘Your mentoring needs will change. Redefine your relationships and don’t stay with an existing relationship. The advice you get from a variety of directions is so valuable.’
‘Obtain a coach/mentor early in your career: manager level and up.’
‘Don’t lose your integrity. Establish relationships with people you can trust.’

‘Get a mentor that is going to stretch you. Pick the right person for you. I look at all of my mentors and know that I sought them out because they were good at what they did. I saw them as the type of person that I want to be – successful and making things happen.’

**‘Good things come to those who go out and help themselves, rather than those who wait.’**

**Be proactive: ‘Ask for what you want; don’t be afraid to toot your own horn’**

‘Get out there and get a profile for yourself. Don’t sit hoping you’ll be recognised.’
‘When you are asked to demonstrate core competencies – try to keep an ongoing log of key examples of successes.’
‘Learn how to master the political/relationships side. Become more politically aware.’
‘Let it be known that you’re interested in leadership roles. Don’t be afraid to ask.’
‘Feedback: ask for it and give it. The more feedback we get, the better we’ll perform.’
‘Network more widely – get yourself known.’
‘Get a broader understanding of the roles you can play as a Partner and plan for it.’
‘Fight to be promoted more quickly.’
‘You have to think ‘let me tell somebody that I would like to do that.’
‘Make more of a noise when it’s time for a fresh challenge.’
‘Speak up about career and expectations.’
‘Good things come to those who go out and help themselves, rather than those who wait.’

**Opportunity knocks: ‘Take opportunities if they’re offered to you. Be open.’**

‘Look for broader opportunities, not necessarily in a particular area.’
‘Don’t limit yourself through rationalisation, or making assumptions about what jobs and roles actually entail.’
‘Say yes more often than you say no – new roles will give you exposure as well knowledge.’
‘Be flexible – take opportunities as they arrive.’
‘Be open minded as to potential moves: they are career makers.’

**Make the right career investments: ‘Make sure your skills stay relevant’**

‘When you first work with new groups of people, look to earn their respect first, and friendship second.’
‘Raise your profile; look for opportunities and ways to do this and to interact more. Don’t be afraid to express your opinions.’
‘Accomplishment doesn’t always equal recognition; recognise that and act accordingly.’
‘Try to maintain your dialogues - don’t just stay in your office.’
‘Continually develop new skills and competencies, sometimes you have to reinvent yourself.’
‘Be more directive – what’s the best use of your time and skills?’
‘Do an overseas work experience or a secondment.’

**Build self confidence: ‘Be brave – step out of your comfort zone.’**

‘Have the confidence to try something new.’
‘Deal with your fear factor.’
‘Lose the apprehension about failing.’
‘Improve your negotiation skills.’

### Balancing work and family: 'Don't try and be Super Woman.'

'If you have children – be aware that when you return to work, you aren't going to be 100% perfect in any of your many roles, so accept that. Realistically, if you take 6 months out, you will fall behind slightly on your career path. It will take time to get back into the swing of things plus you'll have lost 6 months' worth of experience and client exposure. Accept that children will impact your career and find ways to handle that.'

'You can have it all – just not all at one time.'

'Accept that you have to make choices and trade offs; not all the chips will fall the way you want them to.'

'Don't let anyone else define your own work/life balance. Own your choices.'

'Think longer term, the dynamics of work, family, activities etc... change all the time. Be flexible and make the appropriate decisions at the time. Work should not always win but at the same time it should not always lose, sometimes it might be appropriate to stay and work on the deadline assignment and not do a planned personal activity, sometimes it's not... make the choice; don't feel that someone is making it for you.'

'Be realistic – part time is a privilege, make it work for you and others – be flexible about priorities, learn to delegate.'



### Know your personal values and aspirations: 'Do it your way – be true to yourself.'

'Be forthright and upfront about what you want – what are your career ambitions?'

'You can achieve what you want – but you need to define what it is. Leadership positions are not for everyone.'

'Be successful on your own terms: don't lose yourself. Be true to yourself.'

'Map your route – think through your career options and make a plan.'

'Find your passion.'

'Lay out a path for your career.'

### Take the journey: 'Look for variable experience.'

'Take a longer term view.'

'Accept that, while we work for parity, we have an ever changing culture and that culture is very male, but acknowledge that it is constantly changing and improving.'

'Take a secondment.'

'Be willing to take a risk to support your career aspirations.'

'Take a few risks!'



## Conclusion

These are the reflections of some of PwC's female leaders in seven countries. PwC considers their individual experiences and collective viewpoint to be highly relevant and critically informative to any organisation's need to push forward with initiatives to address their leaking pipeline of female leadership talent.

Leaders are encouraged to reflect on the viewpoints contained in this report, together with their own personal experiences, and to consider the PwC Gender Advisory Council recommendations for increasing female leadership as an important element of sustained success as a market leading business.

Local PwC contacts are available for consultation and support in formulating strategies to practically implement this report's recommendations.

## Contacts

For more information on PwC's Gender Advisory Council and to connect with a local PwC Partner, please contact:

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For details of PwC's role models programme, thought leadership blog and gender based territory initiatives, please visit our website at: [www.pwc.com/women](http://www.pwc.com/women)

'Find your passion.'

‘Be willing to take a risk to support your career aspirations.’

## Appendix 1: The leaking pipeline – the academic perspective

The ‘leaking pipeline’ is a phrase coined some years ago to describe the effect on an organisation when recruitment supports a particular business driver but yet the headcount position is not sustained in later years. A compelling argument for corporations to address the ‘leaking pipeline’ and retention of women is to take note of the external evidence that suggests that not only are organisations with women in senior positions better financial performers but that building long-term meaningful relationships with clients is essential to business success - and that relationship skills play to women’s strengths (**With Prejudice, Penny Wark, TimesOnline, 2007**). For firms to stay ahead of the pack, a shift in behaviour and mindset is needed – success in the past does not guarantee success in the future.

The ‘leaking pipeline’ theory gained further credence in May 2007, when research published by Professor Lynda Gratton of the London Business School (**Inspiring Women: Corporate Best Practice in Europe, The Lehman Brothers Centre for Women in Business, 2007**) used the phrase to describe her findings into 61 organisations operating in 12 European countries (including PwC UK). This study confirmed the pipeline problem that has been evident in much of the research on women in business in recent decades – namely, that the number of women decreases the more senior the roles become. The study also outlines a range of recommended initiatives and interventions to drive change either by addressing a specific gender challenge or by changing business strategy.

The most appropriate of the best practices suggested by the LBS research are included in the relevant sections of this PwC report and include:

- The identification of key leadership experience roles (for example: overseas assignments, leading projects) in the business, and the monitoring of their uptake by women.
- The suggestion that all senior executive posts should have 50 per cent women candidates on the long list and that half of selection committee members are women.
- 27 per cent of the companies studied by the LBS team set targets for the number of women in senior executive roles; 22 per cent have targets for the executive board. Companies may need to consider and arrive at a decision regarding the use and benefits of similar targets in order to stem the leaking pipeline.

## Appendix 2: Sources and references

The following sources were used as references in a number of sections of this report.

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