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Talent Management Systems Unwittingly Biased Against Women, according to Latest Catalyst Research

Reinforcing male leadership traits can limit opportunities for women in business leadership

NEW YORK (February 25, 2009) — Gender biases and stereotypes can be unconsciously embedded into talent management systems when leadership characteristics reflect traits exhibited by a company's top, predominately male executives, according to Catalyst's latest report, <u>Cascading Gender Biases</u>, <u>Compounding Effects: An Assessment of Talent Management Systems</u>. Even organizations with the most sophisticated talent management systems are vulnerable to gender bias which can ultimately impact long-term corporate success, the report says.

This latest study offers a rare assessment of talent management systems and highlights the influence of roadblocks to advancement at 110 leading companies across 19 industries. The report shows that executives set the tone and employees mirror those traits that have made senior leaders successful. When perceptions of leadership are described by masculine stereotypes, employees are viewed as less competent if they demonstrate qualities, characteristics, and skills that are considered atypical. According to the research, this results in a perpetual cycle that can overlook and under-utilize women high performers.

Since consistent evidence shows that teams with diverse leadership outperform those with less diversity, this potential talent loss may have a profound impact on an organization's performance and sustainability. "Businesses restrict their own growth potential when women are unintentionally excluded from key training and advancement opportunities," said Illene H. Lang, President & Chief Executive Officer of Catalyst. "Whether the economy is up or down, who gets promoted—and who gets left behind—has substantial consequences for business success. Everyone is a stakeholder in developing and retaining top talent. Smart companies will seize the opportunity to ensure that their own talent management systems deliver on the promise of tapping into all talent."

The report builds on two of Catalyst's research series, Leaders in a Global Economy and Gender Stereotyping. This new study provides unique insights on how organizations can mitigate gender biases rooted in their systems. These insights include:

 Develop programs that target the needs of each business unit while examining the various forms of gender stereotyping.

- Educate leaders about how stereotypes can negatively influence job assignments and performance appraisals.
- Train employees at all levels to recognize effective gender-neutral leadership characteristics.
- Review practices from other companies and create strategies that increase development and advancement opportunities for women.
- Create opportunities for senior leaders and employees to engage in talent management dialogues.
- Evaluate the presence of gender-stereotypic language in talent management systems.

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Recognizing the ways in which leadership traits might influence company culture can assist executives in developing talent management systems that address gender biases and stereotypes. This knowledge will help break down barriers that inhibit organizations from achieving gender diversity in leadership and in business itself.

<u>Dickstein Shapiro LLP</u> and <u>Ernst & Young LLP</u> are co-sponsors of <u>Cascading Gender</u> <u>Biases, Compounding Effects: An Assessment of Talent Management Systems</u>. To learn more about this report, as well as other research on gender stereotyping, visit <u>www.catalyst.org</u>. For media inquiries, please contact Serena Fong at 646-388-7757, <u>sfong@catalyst.org</u>, or Jeff Barth at 646-388-7725, <u>jbarth@catalyst.org</u>.

ABOUT THIS STUDY

This report reveals that core components of talent management are linked in ways that disadvantage women, creating a vicious cycle in which men continually dominate executive positions. Based on an assessment of 110 talent management systems representing 19 industries, the data demonstrate that the flow of information from senior leaders to individual contributors perpetuates gender gaps in senior leadership. To combat this issue, organizational approaches for identifying, developing, and leveraging top talent are provided.

Impetus: As companies strive to tackle the shortage of executive talent, maximize human capital with fewer resources, and maintain business success, it is essential that they understand the vulnerability of talent management systems to gender biases and stereotypes. Building on previous Catalyst research, this report explores trends across companies and industries and provides high-level examples of how to mitigate the negative effects of gender biases in talent management.

Methodology: The data were collected in three phases:

- We conducted in-depth semi-structured interviews with 30 talent management experts and architects from 24 companies.
- We examined several hundred pages of talent management forms, tools, models, and other materials from companies that participated in our in-depth interviews.
- We fielded an online survey that was completed by 86 corporations and firms.

We analyzed the content and themes of the interviews and documents and then examined those findings in combination with survey results.

Findings: Data revealed that senior leaders' influence on the talent management process can yield new senior leaders who mirror the traits and biases of the senior leadership team that promoted them—a vicious cycle. We also found that gender bias in tools and procedures can inhibit the establishment of inclusive and effective talent management programs. When organizations fail to integrate checks and balances that guard against the introduction of gender bias into talent management systems, they make the process vulnerable to gender stereotyping and hinder opportunities for women's advancement.

Research questions were developed based on a comprehensive literature review focused on gender stereotyping, performance management, career advancement, and talent development. To determine potential vulnerabilities in talent management systems, Catalyst collected data from 110 corporations and firms representing 19 different industries. We interviewed 30 talent management experts and architects from 24 organizations, we examined documents from many organizations that completed the interviews, and we then fielded an online survey that was completed by 86 corporations and firms.

The study can be downloaded at http://www.catalyst.org/publication/292/cascading-gender-biases-compounding-effects-an-assessment-of-talent-management-systems