

# Retaining High Performing Women: Factors and Lessons Learned



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## INTRODUCTION

Following McKinsey & Company's 2001 *War for Talent*, organizations were concerned about how they would attract and retain workers to remain competitive. Many companies implemented various practices to retain talent. During that time, WLH Consulting, Inc. ("WLH") created the R<sub>x</sub> for Retention Predictor Model to identify retention factors specific to the pharmaceutical industry.

Even with the wisdom acquired on talent retention in the past 20 years, organizations are still struggling with high rates of female turnover. Given the competitive landscape, organizations must refocus their attention to leveraging their most important asset: high performing talent, with a special emphasis on women and the diverse perspectives they bring to leadership positions.

## OBJECTIVE

- This study was undertaken to:
- Advance the understanding of factors that contribute to the retention of women in organizations.
  - Validate WLH's previously developed R<sub>x</sub> for Retention Predictor Model.
  - Identify lessons learned to guide organizations in their quest to increase retention of women and representation at all levels of an organization.

## METHODOLOGY

- This effort included:
- ▶ A literature review of women in the workplace and retention related studies.
  - ▶ Administration of a survey designed to validate WLH's R<sub>x</sub> for Retention Predictor Model.
  - ▶ Qualitative and quantitative analyses on recommendations to improve the retention of women in the workforce.

## RESULTS AND DISCUSSION

### Retention Factors

#### ORGANIZATIONAL

CORPORATE CULTURE	The values and behaviors that contribute to the unique social and psychological environment of an organization.
TALENT MANAGEMENT	Practices for attracting, developing, and retaining employees (e.g., Assessment, Performance Management, Leadership Development, Career Planning, and Succession Planning).
TOTAL REWARDS	Rewards provided to employees for services, including both fixed and variable compensation, as well as other forms of recognition tied to performance.
FLEXIBLE WORK ARRANGEMENTS	Alternate work arrangements or scheduling that departs from traditional working day/week format to allow employees to meet personal or family needs.

#### MANAGER AND EMPLOYEE RELATIONSHIP

POSITIVE WORK ENVIRONMENT	A working alliance between a manager and an employee that creates a relationship characterized by effective communication and mutual trust.
PERFORMANCE MANAGEMENT	Effectively sets goals, manages performance, and equitably rewards and recognizes job performance.
COACHING & SUPERVISION	Provides regular coaching and supervision for employees to empower, guide, and improve job performance and career advancement opportunities.

#### INDIVIDUAL

WORK-LIFE BALANCE	Extent to which an individual perceives the organization is supportive of balancing demands of the job with demands of her/his family/personal life.
MEANINGFUL WORK/ENGAGEMENT	Extent to which an individual perceives her/his job or position offers autonomy, meaningfulness, challenge, and effective use of skills.
CAREER ADVANCEMENT	Extent to which an individual perceives meaningful opportunities exist to advance her/his career and has the support from their manager to prepare for and pursue those opportunities.

### Primary Reasons for Leaving an Organization

- 1 Despite CEO commitment to gender parity, organizational culture and practices are not shifting women's perceptions and beliefs regarding career advancement.



"Commitment to gender diversity is a top priority for their CEO, up from 56% in 2012."

#### WLH Survey Findings

- 60% Felt that Career Advancement criteria was NOT clearly defined in their organization.
- 62% Indicated that formal mentorship programs were NOT in place to develop talent.
- 47% Felt that gender played a significant role in missing out on an opportunity, a promotion, key assignment, or a chance to get ahead.

- 2 The Manager and Employee Relationship continues to be the primary reason that women leave an organization.

The McKinsey/LeanIn Study indicated that only 56% of companies are offering bias training as part of their performance reviews.

- #1 Women respondents who left their employer in the last 1 – 2 years, cited their immediate supervisor as the #1 reason for leaving.

- 3 A significant reason for women leaving their jobs is a lack of challenge or ineffective use of their skills.

Studies consistently report that women are more likely to believe that gender bias plays a role in their ability to get a promotion, a raise, or a chance for professional development. In one study by Catalyst, 33% of women respondents cited greater advancement opportunities as the primary reason for leaving.

- 50% More than 50% of respondents felt their career is stalling.
- 60% Women respondents reporting gender bias in their organizations felt they have fewer opportunities than men for advancement.

## BEST PRACTICE RECOMMENDATIONS

1. Define organizational cultural beliefs and cascade with a compelling business case for gender diversity.
2. Clearly define criteria and clarify process(es) for career advancement and performance management.
3. Ensure transparency and gender parity with reward and recognition programs, structures, and related decision-making.
4. Develop a formal mentorship program with an emphasis on sponsorships for women.
5. Define flexible work opportunities and ensure policy utilization does not impact career advancement.
6. Develop leadership capabilities to reduce gender bias and enhance manager and employee relationships.
7. Implement talent management practices that encourage and result in manager and employee accountability for skill development and career advancement opportunities.
8. Provide training on research-driven blind spots (e.g., vision, articulation of accomplishments, and networking).

## CONCLUSIONS

1. Perceptions of gender inequality have significantly produced negative implications for engagement and retention of women in the workplace.
2. Organizational practices, processes, and programs require clearly delineated criteria to maximize the perception of fairness within an organization (e.g., performance management, career advancement, succession planning, reward and recognition, and flexible work arrangements).
3. WLH research consistently proves that the provision of meaningful work, effective coaching and supervision, combined with the maintenance of a positive work environment continue to be strong drivers of retention, especially among women.
4. Parity and transparency when linked to the provision of total rewards are increasingly important; especially when women perceive they are undervalued and undercompensated.
5. Organizations need to actively monitor issues that have historically limited women's advancement, including unconscious gender bias.

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