

The Haskayne Report



The Leaky Pipeline: Interventions for Women in Leadership

by Helena Cherniak-Kennedy, Danielle Leong, and Quyen Pham

The Gender Disparity

The "leaky pipeline" refers to the decrease in female representation in higher-level positions of organizations. While corporations have achieved significant progress toward gender parity for entry-level positions, there has been little advancement to amplify female voices in C-suites (McKinsey & Company, 2019). Women compose half of the entry-level workforce, but their representation shrinks to only 31% at the VP level (McKinsey & Company, 2019). More male CEOs named Michael are leading Canada's public firms than there are female CEOs in total (Grant, 2021).

Three factors contribute to the C-suite gender disparity. The first is the absence of women in senior positions (Ibarra & Hansen, 2009). Without female advocates at the executive level, women have to adapt to systems derived from patriarchal foundations. When "leadership" implies "male", leaders become governed by gendered expectations, inadvertently perpetuating the status quo at the expense of women (Fitzsimmons et al., 2014). In turn, women are more predisposed to workplace microaggressions, such as increased judgment of their professional competence (McKinsey & Company, 2020).

The second factor is the tendency for firms to assume women cannot balance familial obligations alongside work responsibilities (Heilman & Okimoto, 2008). Working mothers are more likely to face workplace discrimination, such as ineffective retention efforts and unequal advancement opportunities (Sabat et al., 2016). Filomena May, wealth advisor and owner of Filo Financial Solutions, of Raymond James Ltd., recalls facing such biases. Despite being a top performer, Ms. May was disregarded for promotions following her children's birth because her boss thought she could not "handle it" given her other responsibilities. The frustration of having to prove herself as capable prompted Ms. May to start her own business. Today, her independently-owned office is partnered with Raymond James Ltd., one of the largest independent investment dealers in Canada.

The third factor contributing to gender disparity is the lack of childcare and flexible work resources (Fapohunda, 2018). Women working in organizations that uphold male-driven norms often have difficulty conforming since they are typically primary caregivers within their families (McKinsey & Company, 2020). This was a challenge faced by Thalia Kingsford, Vice President and Senior Advisor of an investment firm. After answering a call from her children at work, her boss stated she was not designed for the business because she prioritized her family. Disillusioned, Ms. Kingsford contemplated quitting. However, she persevered after a male associate advised her to ignore what she was being told since she would be a success. Thirty-five years later, Ms. Kingsford leads an all-women investment firm and is a vocal champion for female leadership.

Importance of Female Representation

Long-term organizational success has shifted from being defined purely by profits to the "triple bottom line" approach, where corporations emphasize sustainability and corporate social responsibility. The recent rise in diversity, inclusion, and ESG principles has sparked a movement. Compelling evidence on the value organizations achieve through female leadership is challenging the corporate world's long-standing patriarchy.

When examining the positive impact of female leadership, both financial and non-financial performance measures must be considered. Firms run by female CEOs report stronger financial performance, as measured by return on assets, return on equity, and sales (Kulik & Metz, 2015). Moreover, the most gender-diverse companies financially outperformed the least gender-diverse companies by 48% (McKinsey & Company, 2020).

Beyond the research is a real-life example. Stacy Soutiere is an Investment Advisor, Portfolio Manager, and Financial Planner with over a decade of experience. Ms. Soutiere described initially feeling that she did not belong in finance – a symptom of the 'imposter syndrome' that many women can relate to. However, Ms. Kingsford helped Ms. Soutiere kick start her career by providing her with the mentorship she needed to grow. Years later, Ms. Soutiere has distinguished herself as an accomplished financial professional. She describes Ms. Kingsford as "a trailblazer... who smoothed the path and advocates for [us]".

It is no secret that organizations gain a strategic advantage when women perform leadership roles (KPMG, 2015). Research repeatedly correlates female leadership with critical organizational performance metrics (Preistley, 2021). Yet, despite the evidence, progress in increasing representation has been slow.

Recommendations

To achieve greater female representation at the executive level, companies must overcome the leaky talent pipeline by mitigating the unique barriers women face.

As women remain the primary caregivers in most families, ensuring they can pursue a career and raise a family is essential. Dr. Claudia Wendrich, an experienced Senior HR Manager and university instructor in Performance Management, discussed the importance of affordable childcare and the need for flexible work arrangements, which allow women to handle family matters alongside work. The shift to working from home caused by the COVID-19 pandemic may provide a crucial tipping point for greater adoption of flexible work practices going forward. Companies should focus on the outcome of people's work rather than require employees in the office to trust that the job gets done. Ms. Soutiere further emphasized that measuring productivity in ways other than 'face time' will help not just women, but all individuals.

Furthermore, companies need to 'walk the talk' according to Dr. Wendrich, by dropping fancy policies and taking concrete actions, thereby avoiding virtue signalling. "Small and inexpensive steps can make a real difference," she says. Examples of this include offering job shadowing and mentorship for young female leaders and ensuring women returning from maternity leave have the same opportunities for

advancement as everyone else. Lastly, since each organization will have its unique structure and challenges, Ms. Kingsford brought up the importance of organizations seeking input from women at all levels. Ms. May similarly stated, "it's not just about recruiting women and bringing them into executive roles, but also about collaboration."

Through active initiatives and frequent, transparent communication, companies can empower women at all organizational levels. These actions will allow companies to develop a generation of female leaders to mitigate the leaky pipeline while maintaining merit-based promotions.

Looking forward, Ms. Soutiere asserted that "we need to stop thinking about a world that is created by men for men and then telling women 'you're welcome to join but only if you conform to fit into our box.' We need to change the design to cater to [all genders], where no one needs to adjust who they are to fit in."

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