

## Flexible Culture is the Key to retaining potential CEO's

Why is it that only three to five per cent of our current female CEO's hold leadership roles in the 25 largest publicly listed companies globally? Our research suggests that by 2040 it is predicted 33% of women will be the future CEO's in our large global companies. Despite women and men having the same professional and academic background, and women graduating from elite colleges, why do women represent less than 10% of our global leadership roles in 2015? Our observation, which is supported by Gail Kelly CEO Westpac, 2014, suggests that ..."the biggest single factor that will support women to become CEO's of top companies is driving more flexibility at work, that requires companies redesigning their workplaces for everyone..."



According to our research, women possess the aspiration and capability to become top CEO's of large publicly listed companies. However somewhere between aspiration and action, women are not being chosen as the next CEO. Alternatively, women are making conscious decisions to pursue other career options. We must ask ourselves, why aren't companies' retaining future female leaders, when offering kudos, reward and recognition programs that hold meaning for outstanding leaders? Why aren't profits being utilised to redesign workplaces to become more flexible?

Much has been written about the glass ceiling in the corporate arena. Women focus single-mindedly on achieving agreed performance hurdles, by smashing key performance indicators, repeatedly. In many instances, women are not chosen by the board to become the next CEO. Whether it's due to an "unconscious" bias, the "old boys" club, or women requiring greater political clout or confidence to influence the desired outcome, there are less than 15% of female CEO's in top publicly listed companies. Our observation is that a flexible culture is the key factor that will increase the retention of future female CEO's.

Culture incorporates so many critical aspects of a business' ethos, strategy, values, and fundamental behaviour. It is the modus operandi, and ultimately the value placed on human capital. There is a growing consensus that boards who do not understand or measure their organisational culture may endure significant risk in 2015. Restructuring and redundancies in specific industries such as financial services, government, engineering and the healthcare sector, combined with lower executive bonuses, may threaten organisational culture. Companies will need to investigate their culture and determine if they are fit to withstand the global economy, regulatory compliance and be adaptive and flexible enough to succeed in 2015 and beyond. Offering meaningful reward and recognition programs outside of salary will be imperative in 2015. That is, wages have been low in both the private sector and thousands of public servants are facing a cut in real wages. How will this play out?

Consequences and costs to a business are evident, if the culture prevents the next cohort of Executive leaders from rising through the ranks of an organisation, these individuals will leave the business. A key attribute to retaining outstanding leaders is driving more flexibility at work, particularly if potential female CEO's combine a family and a career. Research suggests that 76% of women change or cut their working hours when they become mothers. Priorities change and the sheer fact of juggling motherhood and a career takes organisational ability, determination and will power. Professional women working full time have wife envy. Being able to get to your job without all the interruptions of child pick up and drop off, doctor's appointments and housework is an economic advantage. Nannies become an option for high income earners, however, women at all levels of seniority feel guilt.

Feeling guilty is a key emotion that affects women's psychology and underlying motivation. Women state they feel they don't spend enough quality time with their children given the demands of the corporate arena. Mood contagion is perceived as being very real and the inference is that if you are not physically present at work, you are not effectively performing your role.

An organisation that offers flexible and adaptable work practices combined with a supportive environment will retain intellectual capital and reduce key person risk. This encapsulates, offering the right technology, such as a workstation at home that enables senior executives to perform at an optimum level and being accountable whilst feeling that they are available to their children. This may include offering tools such as a laptop, video conferencing facilities or simply working smarter by using Skype for 1-1 meetings. The alternative is that future female CEO's who do not feel valued and are working in an inflexible culture will make deliberate choices to leave the corporate arena.

The percentage of women running/owning their own business has increased four-fold in 2014. Women are becoming the master of their own destiny. Less bureaucracy, greater flexibility and more quality time with children enables women with an entrepreneurial spirit to earn a decent living, whilst also attending to their family commitments without any explanation or feelings of guilt and inadequacy.

In summary, recognising that to retain and attract potential female CEO's requires greater emphasis on a flexible and adaptive culture, will not only reduce key person risk in 2015, but also address succession planning for global volatility, to respond towards capitalising on market opportunities.

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