

A Catalyst for Change

An Interview with Ilene H. Lang,
President and Chief Executive Officer, Catalyst

EDITORS' NOTE In August 2003, Ilene Lang assumed her current post. She was the founding CEO of AltaVista Internet Software Inc., and before that, she was Senior Vice President of the Desktop Business Group at Lotus Development Corporation. Lang currently serves on the Board of Directors of Art Technology Group, Inc., was named to the Global Agenda Council on the Gender Gap at the World Economic Forum, and is a member of the National Board Development Committee of the Girl Scouts of the USA. She earned an A.B. degree in history and literature from Radcliffe College and an M.B.A. from the Harvard Business School.



Ilene H. Lang

ORGANIZATION BRIEF With more than 400 companies, firms, business schools, and associations as members, Catalyst (www.catalyst.org) is the leading nonprofit membership organization working globally with businesses to build inclusive workplaces and expand opportunities for women and business. Founded in 1962, the company has offices in the United States, Canada, and Europe, as well as partnership relationships in Japan and India.

Are you happy with the impact that Catalyst has had on women's advancement to business leadership?

It's a mixed picture. When I ask people to close their eyes and picture a business leader, very few see a woman. So it's not yet the norm or totally acceptable in most of our workplace cultures. Yet we've come very far, especially if you take the long-term view. There are women throughout the workforce at increasingly senior levels, even globally. So whether it's in established or developing economies, we're seeing many more women who have the education, motivation, and career development opportunities to lead, but they still face significant barriers. A key barrier is the assumption that there is nothing wrong with the system because a handful of women have made it. Then they assume that if more women aren't up there, it's because they don't want to be or they're not good enough.

Overall, in most countries, we're now past explicit barriers or biases such as laws that curtail what women are allowed to do and, instead, it's more subtle in the culture, in the norms, and in the expectations.

What kind of advancements have been made on a global scale?

Most parts of the world are experiencing a surge of involvement by women in economic life. But there are very few places where you see women significantly represented in the big decision-making roles. In India, on the other hand, the investment banking industry is basically led by women, so that is eye-opening.

In Europe, you see a different picture in each country – you can't generalize. But in some countries, quotas have been legislated to boost the number of women on boards of directors. Several years ago, Norway legislated a quota requiring 40 percent women on all boards by January 1, 2008, and within a few months of that date, there was full compliance. Even women who had been opposed to the idea of quotas are now saying it should have been done a long time ago. Spain has also legislated quotas for women-held board seats. France has taken a first step, and Italy and Sweden are considering such action.

We don't expect to see any kind of quota legislation in the U.S., but the idea is out there that more representation of women on corporate boards is smart. Our Bottom Line Catalyst research shows that companies with more women in their corporate leadership and on their boards, on average, financially outperform those with the fewest. We believe that representation commensurate with workplace and marketplace demographics is an appropriate target for corporate boards in the U.S.

Have you seen impact as well in terms of opportunities for women of color?

Catalyst conducted our groundbreaking study of Women of Color in Corporate Leadership more than 10 years ago and has led ever since in our studies on women of color in the U.S. and visible minorities in Canada. We focused attention on the fact that most opportunities and benefits of programs to develop women into leadership in corporations have accrued to white women, and there have been relatively few non-white women who have achieved leadership.

Clearly, there is stereotypic bias that is built into the system and it's gender-linked, but there is even more when you start adding in race, ethnicity, disability, and other kinds of visible differences that you see in a population.

What are some of the more recent projects Catalyst has been focused on?

We're known for looking at senior leadership, doing research into the barriers that hold women back, and for documenting best practices. Now we've turned our focus as well to the talent pipeline that feeds senior leadership.

About 10 years ago, we surveyed alums from 12 prestigious M.B.A. programs in the U.S. We looked at women's and men's career experiences and how and where they differed.

Three years ago, we re-contacted those same alums, plus we went global by adding another 14 prestigious M.B.A. programs around the world. From over 9,000 individuals, we pieced together career paths, looking very closely at people who were in full-time positions in corporations as of December 2007 – about one third women and two-thirds men, which reflects the population of M.B.A.s.

The study's findings are stunning. We found that even when women have the same degree and level of experience, they start at lower job levels than men – right from their first positions out of school; they were assigned fewer responsibilities; they received lower compensation – on average, \$4,600 lower to start; and they never catch up, either in level or in salary.

So the pipeline today is broken. "Give it time and women will advance," is just an excuse. This study has reconfirmed that all the barriers that we've talked about are, unfortunately, alive and well, and thriving in the pipeline.

Interestingly, another study we conducted confirmed that performance management systems unintentionally reflect a bias towards stereotypically masculine leadership behaviors, particularly those that describe the successful leader. We also know from our research that women who demonstrate behaviors that are considered stereotypically male are penalized. We call this the double bind – damned if you do, doomed if you don't – and it's not necessarily overt.

The CEOs and senior executives who commented on the findings in *Pipeline's Broken Promise* recognize the need to fix the pipeline and root out covert bias. They consider this a wake-up call – a core sustainability issue, where the future of the enterprise is at risk. We believe it's an opportunity to get it right – not next year or in time, but now. ●