
Locked out of the boardroom



By [Herminia Ibarra](#)

When new rules mandating seats for women on corporate boards go into effect in Europe next year, on which side will you be sitting?

There are two camps. Proponents of quotas or other vigorous methods of moving the needle quicker cite the now-numerous studies showing that companies with high numbers of female directors are substantially higher than companies with very few or no female directors on metrics such as return on equity, return on sales, and return on invested capital (e.g. the Catalyst 2007 study). These same companies also tend to have more women in top management and also a longer history of experience with spotting and grooming female talent.

The other camp argues that imposing quotas destroys value. Observing short-term downward movement in share prices after women directors are appointed, the core argument is that financial markets reward operational experience and discount the lack thereof. Studies show that, on average, women appointed to boards after quota laws are passed tend to have less experience as a CEO or owner than men board members; they are more likely to come from professional (e.g. law, accounting) or political backgrounds.

Whatever side you are on, one thing is clear: focusing exclusively on raising

the number of women on boards (despite its short-term importance) deflects attention from a harder long-term task: getting more women into the C-suite, often a prerequisite for being seen as ‘board ready.’ Why such a penury of women with the most sought-after line-experience credentials? Three reasons stand out from the research:

First, even today women are less likely than men to have the line experience required to get the top job. A 2011 McKinsey report on women in the U.S. economy showed that 62 percent of the senior women in the largest U.S. corporations are in staff jobs that rarely lead to a CEO role (in contrast, 65 percent of the men on executive committees hold line jobs). For our World Economic Forum Corporate Gender Gap Report (with Saadia Zahidi), we asked the top HR person in the largest companies of 20 OECD countries: “Among the assignments that you consider to be business critical/important, what percentage, in your opinion, are currently held by women (e.g. key start-ups, turnarounds and line roles in key business units of markets)?” The most common answers were “0-10 percent” or “not measured.”

Second, women aren’t getting sponsored into top roles. Our “Why men still get more promotions than women” 2010 Harvard Business Review article explains how this occurs despite the plethora of formal mentoring programmes. Using a sample of 4000+ MBA alumni from 25 top business schools worldwide, we found that having a mentor in 2008 predicted getting promoted in 2010, but only for men. Men’s mentors are more likely than women’s to be CEOs or senior executives and used their power to open doors for their mentees; women’s mentors helped them to become more self aware.

Third, women with stellar performance records can still be held back from top roles because they are not seen as ‘leaderly.’ When we analysed the 360-degree leadership assessments of INSEAD executive education participants (over 2000 executives and the 20,000 associates who rated them), we found many surprises. Our executive women, for instance, were not stereotypically modest: in fact, they rated themselves higher on most leadership competencies than their male peers. And, contrary to what everyone expected, the women’s observers – both male and female—also rated them higher than the men on these competencies. But, there was one big exception to this rosy picture: the women were rated less ‘visionary’ than the men and suffer for it when appointments to high stakes positions get made.

The upshot is that women still don't have an equal shot at the assignments that increase the likelihood that they will be sought out as both executive and non-executive directors. Until companies make a top priority of ensuring that women get stretch assignments in areas of direct impact on the bottom line, and then re-engineer their performance management and succession planning processes for evidence of subtle gender bias that keep them from these roles, no quotas or no mentoring scheme will get the results we seek.

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