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[Firms Must Employ Transparency to Eliminate Hidden Bias against Female Leaders](#)

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A new study by [McKinsey](#) has shattered the notion that women aren't rising to the top in significant numbers because they don't want to be leaders.

In fact, the report showed, women in middle management very much want to reach senior executive levels – even moreso than women in entry level corporate jobs. The study, “[Unlocking the full potential of Women in the US Economy](#)” showed that while 79% of women in entry level roles agreed or strongly agreed that they “desire[d] to move to the next level,” 83% of women in the middle management said the same.

While the report does discuss the fact that some women make lifestyle choices that keep them from attaining the highest ranks in their companies, it points out that this number of women is not sufficient to account for the significant lack of women in senior executive roles.

What the study does reveal, however, is that unconscious bias is hard at work – that managers (both male and female) have hidden beliefs about what a leader should look like. Thoughts about who should occupy a leadership position are keeping women down and pushing women out.

On the other hand, numbers don't lie. Employing an earnest and transparent metrics-based method of culture change can reveal bias where it was hidden before. As Saadia Zahidi, Director, Head of Constituents, World Economic Forum, said at the [Wall Street Journal's recent Women in the Economy Conference](#), “You can look at it as naming and shaming, but it works.”

The Problem with Bias

Decades ago, it was easy to spot bias – it was overt. Women were “let go” once they had children. Firms only employed a certain number of women, and only placed women in certain roles. There were [barricades to be stormed](#) and [barriers to be broken](#).

But today, it’s much harder to pinpoint the location of resistance to women leaders. In McKinsey’s study, Joanna Barsh, Director in McKinsey & Company’s New York office, wrote, “Managers—male and female—continue to take viable female candidates out of the running, often on the assumption that the woman can’t handle certain jobs and also discharge family obligations.”

Later, she pointed out:

“Managers (men and women) still tell diversity officers that ‘Everybody knows you can’t put a woman in that particular slot.’ Or ‘That job could never be done part-time.’ Even at major corporations, not-so-subtle differences linger. Several diversity officers and experts told us that despite their best efforts, women are often evaluated for promotions primarily on performance, while men are often promoted on potential. Management may be acting with best intentions—to prevent women from failing—yet another mindset that forms a barrier to advancing women.”

But, the report says, companies *can* encourage leaders to change their views on who should be promoted, when, and why. Leaders must take a sustained, transparent, numbers-based approach to effecting change.

Transparency for Culture Change

In a recent survey of senior executives in the financial services, the *Financial News* revealed that [90% of the women surveyed](#) supported government mandated transparency on compensation data. This is troubling. The nagging feeling that you’re not making as much as the man in the office next door pervades even among the industry’s most senior women.

But compensation isn’t the only shadowy area that needs illumination in order to reveal the bias that exists against women in leadership. Specific data around promotion requirements can make a big difference as well – in showing women what needs to be accomplished in order to get to the next level, as well as showing managers that they may be offering promotions to less qualified individuals (referring back to the “potential versus proof” problem that Barsh mentioned).

But any concerted effort toward change must begin with a target. What specific numbers of women would the firm like to attract, retain, and promote? How will they measure them?

Barsh wrote, “Our research on organizational change indicates that 70% of transformation efforts fail. However, the same research tells us that the transformations that succeed have strong leadership from the top and a comprehensive plan to shift mindsets and behaviors.”

If a company is committed to transparency and accountability for leadership diversity, culture change is possible.

Zahidi offered this advice:

“And the first area is setting targets across the entire company structure. The second is you have to be creating and developing that female pool at all levels. Third would be training and incentivizing managers. Making this a part of your bonus and other incentive structures. The fourth is promoting that work-life balance and ensuring that that’s not seen as just a women’s space. The fifth is sending the right signals through communication and leadership.”