Women in retail and consumer goods: An industry growth imperative

For reasons we know well, retail and consumer goods has the potential to be a haven for women leaders—a place where their leadership abilities are valued and executive support is available and effective for those who aspire to top positions. To maximize this opportunity, consumer goods and retail companies must address not only how they advance women, but also why progress remains slow to stagnant—even as they identify gender parity as a top priority.

The retail and consumer goods industries have the second- and third-highest percentage of women in entry-level jobs among the largest industries in the nation. But less than 30 percent of senior leaders are women; and of those, only 13 percent rise to the c-suite level, fewer than any other industry. This industry, inarguably buoyed by women, lags behind other key sectors globally when it comes to women in senior leadership.

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Achieving gender parity requires systemic change

Competing in today’s talent market means more than innovating new ideas via policies, programs and practices. While more than 90 percent of companies have some sort of gender-diversity program in place, a recent study by Boston Consulting Group indicated that only one in four women feel they have personally benefited from such programs.

“When companies generate a lot of activity but little progress toward gender diversity, leaders begin to feel that interventions don’t work.” The depth and pace of change is forcing companies to reimagine and, in some cases, abandon their traditional talent paradigms in favor of more dynamic ones.

As an analog, consider the monumental shifts the industry has made to accommodate the rise of digital. For decades, companies invested heavily in retail and manufacturing systems that could not possibly predict how consumer expectations would evolve. Today, these same companies are not only adding capabilities; they are completely rethinking how their core operations are built.

Systemic change—the work beneath the programs—lies in organizational structure, job design and talent guidelines; business strategies, systems and processes (including measurements and rewards); work policies and practices; and values and culture. All elements must be thoughtfully considered and modified in concert with one another to drive substantive change.

Thinking systemically is important because the temptation to focus on what to do to advance executive women often ignores the factors that merit deeper investigation, like the beliefs and values many organizations unconsciously accept as right and relevant. They are, of course, the same principles that can prevent anyone outside the leadership norm from rising to his or her full potential. With millennials heightening expectations for growth and development, the tension created by outdated beliefs will intensify. Now is the opportunity to successfully reframe important issues for women, so we can open doors for all.

Belief A: The model executive

Many c-suite leaders have a fixed idea of what’s required to succeed at the top. The challenge for women, however, is the belief that what made an organization successful in the past will also make it successful in the future. This creates an expectation that newcomers at all levels conform to an existing profile—one that has been shaped by male-centric leadership styles and approaches.

According to our research, women leaders in retail and consumer goods reported that their qualifications are routinely called into question, and perceived an unspoken need to continually prove their readiness. It is likely that using a “model” historical profile as a litmus test for whether women are qualified enough creates discriminatory barriers. At the very least, it fails to embrace diversity as the value we so fervently claim.

It’s important to acknowledge how corporate culture can undo policies and programs. Unless there is a concerted effort to change long-held beliefs, cultural norms will always rule.

Belief B: Women leaders and line roles

A common question that plagues executive women in retail and consumer goods is whether they have the right experience, specifically P&L responsibility and operations. Women may begin on track to gain these critical blocks, but at senior levels, they tend to shift from line to staff roles. At the same time, the percentage of men in line roles remains the same.

According to a 2016 McKinsey/Lean In study, by the time women reach the SVP level, they hold a mere 20 percent of line roles. In 2015, 90 percent of new CEOs were promoted or hired from line roles, and 100 percent of them were men.

A woman’s career path to the top is a journey. Companies that remain conscious of the stops she makes along the way can deliberately engage her to stay on course.
One industry retailer who requires multiple stops for top executive positions has struggled to make meaningful progress on gender balance. When their women leaders rise into the executive ranks, they often have to go backwards to fulfill one of the hard and fast requirements—a move that can compromise both the company and the individual. Instead of relying on checklists, companies can prioritize competencies required for success and identify a variety of paths to building those competencies.

In short, companies must consciously do for talented women what it does all the time—design teams comprised of complementary skill sets to maximize performance and minimize risk.

**Executive pivot points**

The goal of advancing executive women becomes more complex during pivot points—life stages marked by significant changes in available time and energy, or family priorities. While these experiences are faced by many women across their careers, the challenges and solutions for companies to retain these experienced and talent-rich leaders become more complex as women approach executive level roles. Expanded responsibilities at home and at work can force women aspiring to top roles to make difficult choices about their careers—often at the same time they are bringing the greatest value and potential to a company.

Unfortunately, companies are starting with a deficit. Women who aspire to become top executives are less likely to think they’ll get there than men with the same aspiration—and more likely to worry they won’t be able to manage work and family commitments.8

How a company responds to these pivot points can either propel an executive woman forward and deepen her commitment, or cause her to bow out of the game.

**Example A: Checking boxes**

One executive at a large consumer goods manufacturer was asked to move seven times to build competence for a higher-level position. Of course, executives expect disruption on the way up. And while similar demands are placed on men, such demands can have disastrous personal results for women who are primary caretakers. Is there another way to build the critical competencies needed for next-level readiness? How can we use available technology to broaden exposure without the extreme personal wear and tear?

**Example B: Badge of honor**

Many jobs in retail are designed for 24/7 access and engagement. In many corporate cultures, working long hours continues to be seen as a badge of honor. But at what cost?

Do managers really need to be available 24/7 to do a job? Using outcome-based measures of success, as opposed to existing behavioral norms, is critical in this time of technology-enabled work. Artificial intelligence (AI) and data science are steadily introducing new and more efficient pathways to business performance, and while we’re beginning to leverage them to enhance profits and improve productivity, we fail to challenge the culture that prevents us from leaning into them. It would serve the industry well to focus on results, and remain flexible about how leaders achieve those results—leaving room for women to manage their work in harmony with their lives.

Work demands are on the rise, but personal demands are, too. For some women who find themselves caring for children and parents, the cost of advancement is starting to outweigh the benefit. “We are better employees when we are better parents, wives, daughters and sisters. This empathy to ask your employees about where they are and what they are going through, and how we can help, is what drives loyalty, productivity and performance,” said one NEW member, an executive woman at a Fortune 100 manufacturer.

Meeting women in difficult life stages with sensible solutions at points of personal conflict is about working together to remove barriers, and clearing the way for continued growth and contribution.

**A mandate for change**

Retail and consumer goods is one of the most effective sectors at attracting women into entry-level positions yet one of the worst for retaining and advancing women into c-suite positions.9

Only one-fourth of NEW members surveyed “agree” or “strongly agree” that their organizations are committed to gender diversity and inclusion, and nearly three in 10 “disagree” or “strongly disagree.” In the minds of our industry’s women leaders, organizations lack commitment to diversity and inclusion and frequently pay lip service to their own diversity practices.10
Where do we go from here?

The path forward involves more than declarations, beliefs and claims. It will take courageous action—the willingness to listen and learn what we don’t yet know, and the dogged determination to turn understanding into impact. In future papers and studies, NEW will further explore these barriers to advancement and identify actions and solutions for the retail and consumer goods industries to inculcate systemic change and transform the industry. Together, we must consider how to:

Disrupt the system: Retail and consumer goods industries have had to dramatically rethink manufacturing, delivery, information technology and countless other capabilities that directly impact growth and profits. Winning with talent calls for the same level of transformation, and at the systems level. It’s time to get underneath our policies and programs, and challenge our assumptions about what drives real change.

Put women in big jobs: There is no way around it—some roles are pre-requisites for others, but can companies create multiple paths to the c-suite? Women want to be responsible for the P&L, to run big business and lead large teams. Companies should create opportunities for women to step in to critical roles that lead to the c-suite, and support them by providing important cover and connecting them to the right networks.

Examine executive pivot points: These pivot points, marked by major personal or professional shifts in time or energy, become points of departure if companies don’t consciously address them—particularly as women approach executive levels and bring tremendous knowledge, experience and leadership value to companies. Which shifts are most compelling? And what should the industry do to be better partners on women’s work-life journeys?

Tap into collective wisdom: No one company is getting it all right, but there are glimpses of progress across the industry—ways in which leaders have questioned their own paradigms and embraced new ideas about what leadership at the top looks like—and what it requires. We have more to learn about what’s working, and must share and solve together.

In an era of innovation and rapid change, we know that developing and advancing women is one pathway to growing our industry. Collectively, we strive to be the industry of choice for the best and brightest talent—regardless of gender, generation or race. But our understanding of the correlation between women’s advancement and industry advancement, specifically, is compelling. Advancing women into our industries’ highest positions will require systemic change and the willingness to challenge the status quo. The future of our industry will be defined by our resolve and actions.

About the Network of Executive Women

Founded in 2001, the Network of Executive Women is the retail and consumer goods industry’s largest learning and leadership community, representing 10,500 members, 965 companies, more than 100 corporate partners and 20 regions in the U.S. and Canada. Our leadership development programs, advocacy, research, best practices and events advance women, grow business and help create a better industry workplace for all.

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