

Financial Services  
Workforce Summit  
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## Attraction & Diversity of Mid-Level Management



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# Agenda

- • • • •
- ▶ **Research on Executive Development**
- ▶ **Implications for Women**
- ▶ **The Tournament Metaphor**
- ▶ **Implications for Minorities**
- ▶ **Key Questions**



# Executive Development Research

## ▶ Center for Creative Leadership . . .

- ▶ Executive Success & Derailment Research  
*(McCall & Lombardo 1983)*
- ▶ Expanded Research on Women  
*(Morrison et. al. 1987)*
- ▶ Success and Derailment Outside the U.S.  
*(Leslie & Van Velsor 1996)*

## ▶ David Thomas & John Gabarro

- ▶ Breaking Through (1999)



# Center for Creative Leadership Findings

- • • • •
- ▶ **CCL found that managers who “made it” to the top (*and were successful at staying there*) had ...**
  - ▶ The **leadership skills** needed for success -- a wider repertoire,
  - ▶ The **right developmental experiences** -- diverse and rich,
  - ▶ Active and numerous **strategies to learn.**

# The Magic Formula

2.

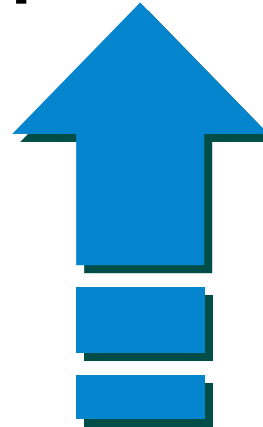
Having the right experiences:

- Variety
- Diversity
- Intensity
- Adversity

**X**

3.

***Learning***  
**from**  
**Those**  
**Experiences**



**=**

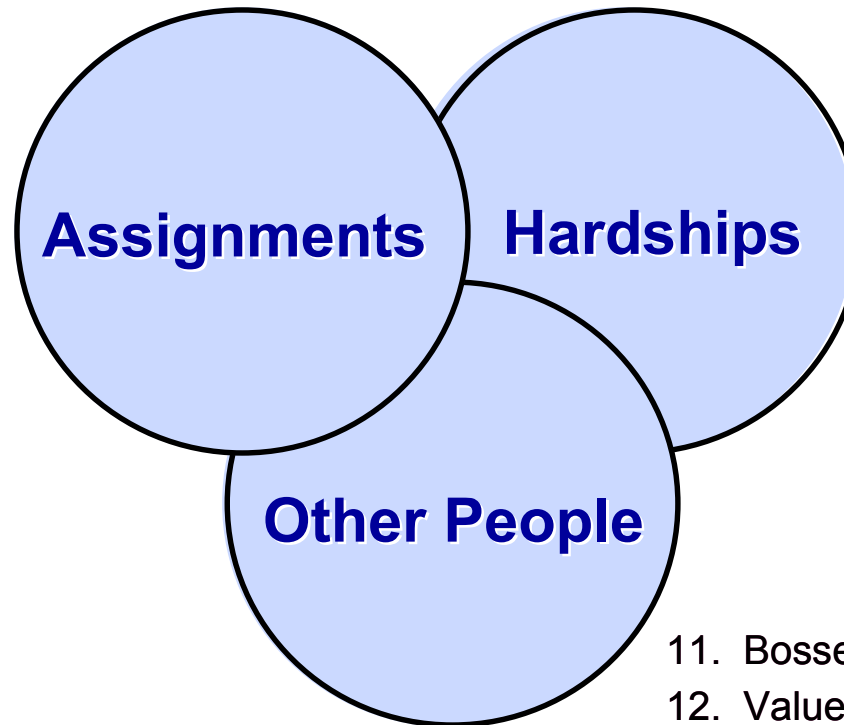
1.

The skills needed for success  
(repertoire of leadership skills)

# Center for Creative Leadership Findings

## ► Diverse and rich experiences included . . .

1. First Supervisory Job
2. Task Force / Project Assignment
3. Turnaround / Fix-it
4. Line-to-staff
5. Staff-to-line
6. Start-up



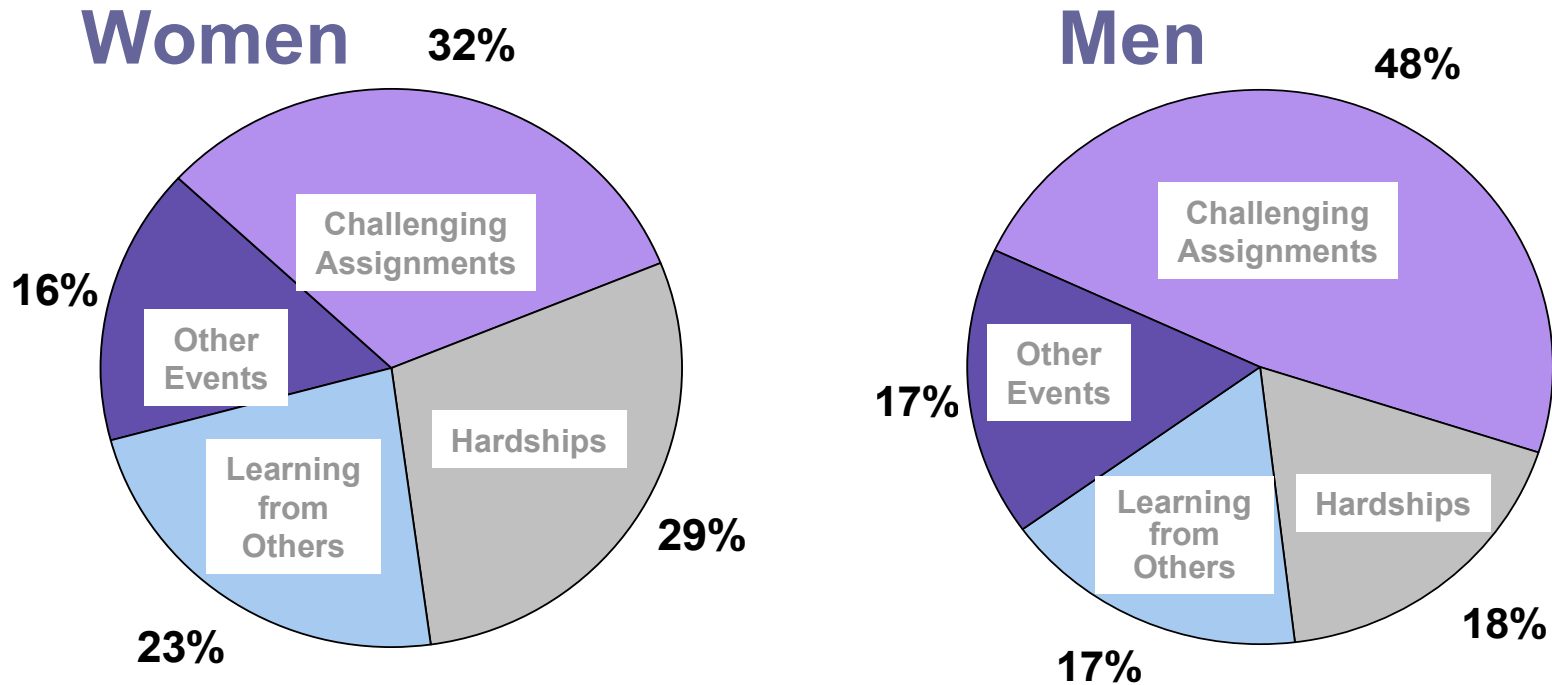
7. Personal Trauma
8. Employee Performance Problems
9. Business Mistakes
10. Transfers/Changing Jobs

11. Bosses (both good & bad)
12. Values playing out



# Center for Creative Leadership Findings

Women and men reported a different mix of developmental experiences . . .



Women and men also reported different learnings from these experiences . . .

# Center for Creative Leadership Findings

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▶ **Seven of twelve core leadership lessons were *common to both women and men* . . .**

1. Directing / motivating employees
2. Developing professional self-confidence
3. Learning basic management values
4. Knowing how to work with executives
5. Understanding other people
6. Influencing people over whom you have no authority
7. Handling political situations

**Theme:** Understanding/dealing with other people;  
knowing how organizations work.

# Center for Creative Leadership Findings

## ▶ Lessons reported by *men only* . . .

8. Learning technical / professional skills
9. Learning all about the business
10. Coping with first-time learning situations
11. Shouldering full responsibility
12. Persevering through adversity

***Theme:*** Mastery of business-specific skills

# Center for Creative Leadership Findings

## ▶ Lessons reported by *women only* . . .

8. Testing personal limits and blind spots
9. Taking charge of one's own career
10. Recognizing and seizing opportunities
11. Coping with situations beyond your control
12. Knowing what excites you

**Theme:** Discovering oneself; using insight to integrate self into the environment.

# Implications for Women

- • • • •
- ▶ **Reasons why women and men may have differed in the studies:**
  - ▶ Women entered the workforce later, causing them to have a different set of experiences and perspectives;
  - ▶ Women used personal development to compensate for less overall experience;
  - ▶ Women may place more value on personal development than men;
  - ▶ Women may employ a different set of learning strategies in ways that are qualitatively different than men.

# Thomas & Gabarro

... The likelihood of a “person of color” holding an executive position in a Fortune 500 corporation are about 33 to 1 compared to those for whites. Take away those minorities who are executives in pure staff roles (such as Human Resources, Public Relations, and General Counsel’s office, and the odds fall even more dramatically. How do some executives beat these odds? ...

from the Introduction to  
Breaking Through -- *The Making of Minority Executives in Corporate America*  
by David A. Thomas and John J. Gabarro



# Thomas & Gabarro

- • • • •
- ▶ **Harvard Business School faculty**
- ▶ **Conducted a 6-year study focusing on the “development and advancement” of minority executives**
  - ▶ African-American, Asian American and Hispanic-American
- ▶ **Focused on “people of color” who made it to the executive suite**
  - ▶ Minority executive development and advancement

# Thomas & Gabarro Findings

- • • • •
- ▶ **Scant presence of “women of color”**
- ▶ **“People of color” disproportionately end-up plateaued at middle management**
- ▶ **Minorities tend to hold high-level staff positions outside the core business (HR, Legal, Public Relations, External Affairs)**
  - ▶ However, the route to CEO office requires line management positions of increasing responsibility . . .
    - ▶ Controlling major corporate resources
    - ▶ Profit and loss (P&L) responsibility
    - ▶ Influencing business strategy



# Thomas & Gabarro Findings

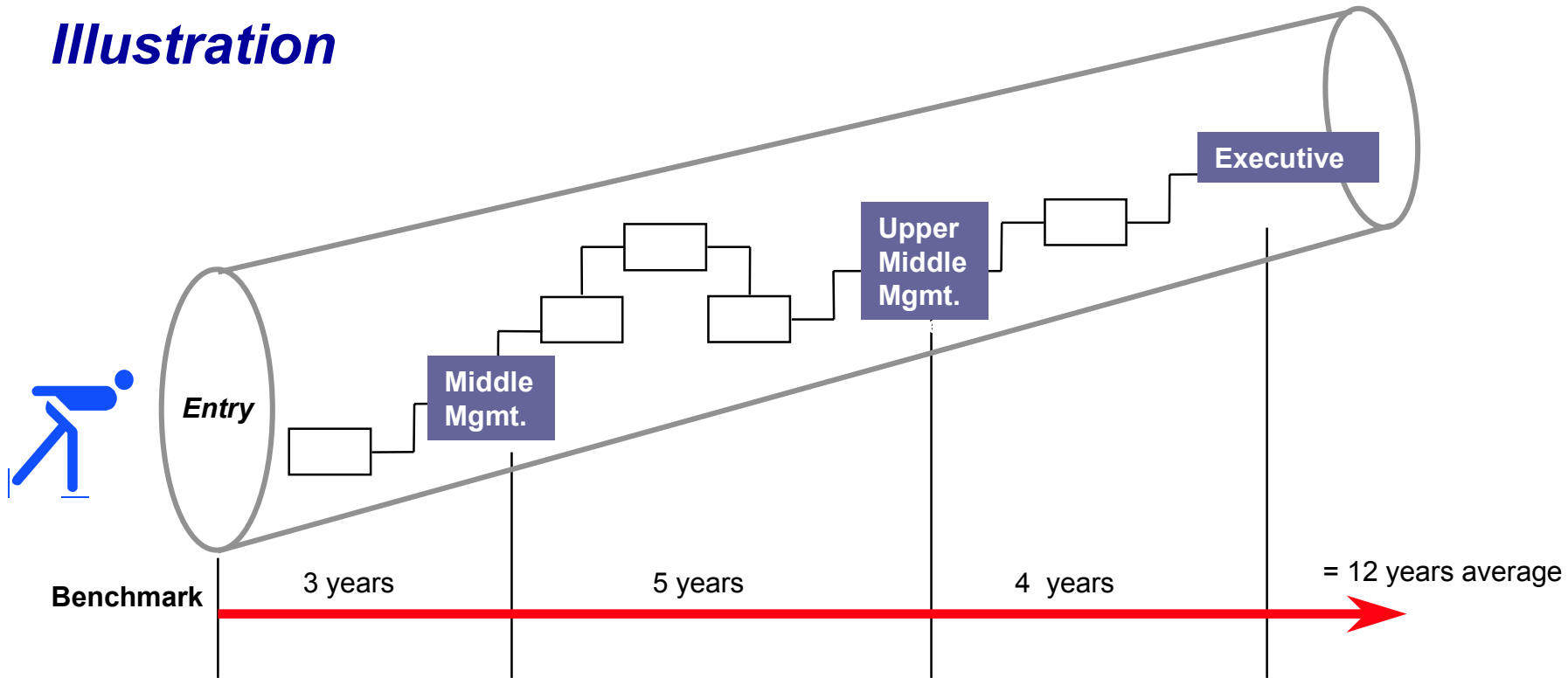
- • • • •
- ▶ **Career trajectories differ for “people of color” versus “whites”**
- ▶ **Despite barriers, many minorities do make it; what can we learn from them?**

# Tournament Metaphor

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- ▶ **The Harvard research used a “tournament metaphor” to explain the findings**
- ▶ **A tournament was defined as ...**
  - “a series of competitive rounds where cohorts with similar credentials compete for promotions, winners advance to the next round ... winners move faster than losers”
- ▶ **This metaphor mirrors the assumptions that underlie most “high-potential” and “fast-track” development programs across U.S. industry**

# Tournament Metaphor

## Illustration



**Assumption: Thoughtful Movement Through “High Leverage Jobs” Accelerates Development**

# Different Paths, Same Destination

- • • • •
- ▶ **Minority career patterns are “punctuated” versus “fast and steady”**
  - ▶ Different patterns govern minority mobility . . .
    - ▶ Early in their career, high-potential whites enter a fast-track, arriving in middle management well before their peers.
    - ▶ Promising professionals of color ascend into middle management at a slower pace
    - ▶ Their paces accelerates when moving into upper middle management
    - ▶ Their pace is the same as they move into the executive suite

# Two Tournaments: Separate & Different



# Differences in Ascending to Middle Management

## Career Stage 1

### Rate Of Hierarchical Progression

	Minority Executives	White Executives
	<ul style="list-style-type: none"> <li>• <i>Moderate rate to reach middle management</i></li> <li>• Few, but large promotions</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Fast, steady rate to reach middle management</i></li> <li>• Few, but large promotions</li> </ul>
	<ul style="list-style-type: none"> <li>• Focused, continuous pattern of assignments largely within one function</li> <li>• Few line-to-staff changes</li> <li>• Few lateral moves</li> </ul>	<ul style="list-style-type: none"> <li>• Focused, continuous pattern of assignments largely within one function</li> <li>• Few line-to-staff changes</li> <li>• Few lateral moves</li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Frequent instances of added responsibility without promotion that are stretch assignments</i></li> <li>• <i>Several eye-opening-experiences</i></li> <li>• <i>Almost no failure experience</i></li> </ul>	<ul style="list-style-type: none"> <li>• Same pattern as minority executives, but <i>far more task-force and turnaround assignments; fewer instances of added responsibility without promotion</i></li> <li>• Few eye-opening experiences</li> <li>• Few failure experiences</li> </ul>

### Assignment Patterns

### Developmental Experiences

# Possible Explanations

- • • • •
- ▶ **Minorities confront unique challenges that consume time, slowing the rate of advancement early-on . . .**
  - ▶ ? *More scrutiny* ... plus the belief that failure is unacceptable
  - ▶ ? *More rigorous criteria applied* ... needing to prove oneself in multiple assignments to gain credibility
  - ▶ ? *Fewer early career mentoring relationships* ... because of perceived risk on both sides
    - ▶ For the boss, “My sponsorship means this is someone to watch and invest in,”
    - ▶ For the person of color, “I must be overly cautious”



# Differences in Ascending to Executive-Level

## Career Stage 2

### Middle Management To Upper-Middle Management

MINORITY VERSUS WHITE MANAGERS CAREER EXPERIENCES	
Similarities	Differences
<ul style="list-style-type: none"> <li>• Pattern of stretch assignments</li> <li>• Pace of advancement</li> <li>• Number of developmental relationships with mentors, sponsors</li> </ul>	<ul style="list-style-type: none"> <li>• Minority executives more likely to have:               <ul style="list-style-type: none"> <li>— Change in function</li> <li>— Task force or special project</li> <li>— Turnaround assignment</li> <li>— Location change</li> <li>— Major success</li> <li>— More senior executives as mentors or sponsors</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Pattern of assignments</li> <li>• Exposure to broadening and strategic assignments</li> <li>• Number of mentors and sponsors</li> </ul>	<ul style="list-style-type: none"> <li>• Minority executives more likely to have:               <ul style="list-style-type: none"> <li>— More senior executives as mentors or sponsors</li> </ul> </li> </ul>

## Career Stage 3

### Upper-Middle Management To Executive

# The Good News

- • • • •
- ▶ **Executive development research shows that “rate of movement” is less important than the “sum of experiences”**
  - ▶ Moving too fast is a derailer for many people
  - ▶ Moderate career pacing enables skills development plus the creation of broad networks
- ▶ **Slower movement teaches lessons ...**
  - ▶ Minority executives reported developing “personal perspective” / “managing disappointments,” which led to greater executive maturity, which served them well later on

# Key Questions

- • • • •
- ▶ **Is there similarities between the CCL research and the Harvard study**
- ▶ **Should we accept the two tournament system and make it part of how we develop our own organization's career systems?**
- ▶ **Are there *alternatives* to the two tournament system -- i.e., career paths uncorrelated with race and gender -- that can lead to the executive suite?**

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# Thank you!

*Any questions?*

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