



OPPORTUNITY OR SETBACK?

High Potential Women and Men During Economic Crisis

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THE PROMISE OF FUTURE LEADERSHIP: A RESEARCH PROGRAM ON HIGHLY TALENTED EMPLOYEES IN THE PIPELINE



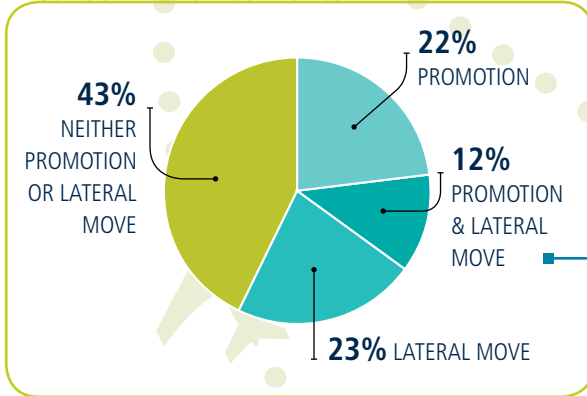
The financial tsunami rocking the world economy has provoked widespread speculation about who stays, who leaves, and who will lead global companies and firms in the future.

The need for sound talent management programs to recruit, develop, and retain top-performing talent has never been more important. But as companies downsize to weather severe economic pressures, they find themselves in a bind. Cost cutting means reducing headcount. Yet investments in recruitment and retention of high-potential employees remain essential to ensuring future viability and success.

Are companies and firms that pay a premium to recruit up-and-coming talent effectively leveraging their investment in the leadership pipeline? And what impact has the economic downturn had on the careers of these cream-of-the-crop future leaders?

Catalyst analyzed data on 873 MBA alumni who graduated between 1996 and 2007 from 26 leading business schools in Asia, Canada, Europe, and the United States and found that from November 2007 to June 2009:

Career Advancements



More than 50% of high potentials defied odds and had career advancement or development opportunities at the same or a different company during the economic slowdown.

- 34% received a promotion, and 35% made a lateral move:

- Women at 31% were as likely as men at 36% to be promoted except in Europe where 44% of men received promotions versus 26% of women.¹

- 23% of women and men working in Canada received promotions, less likely than their international counterparts:

- 40% in Asia
- 41% in Europe
- 33% in the United States

- Women at 38% were as likely as men at 34% to have made lateral job moves.

1 in 5 high-potentials continued job-hopping during the downturn.

- 20% changed employers, women no more likely than men:

- 16% of women
- 21% of men

And poor economic conditions didn't completely stall geographic mobility.

- 14% changed geography, tapping opportunities internationally and/or within their own countries:

- 4% of both women and men relocated within the existing country of employment.

- 7% relocated to a different country:

- 6% of women
- 8% of men

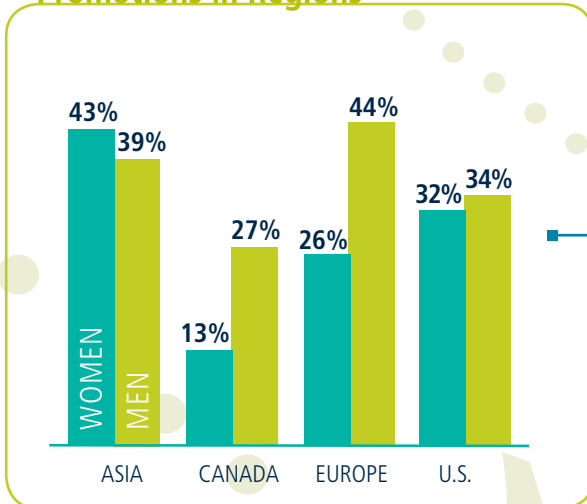
- 4% took temporary international assignments:

- 3% of women
- 4% of men

Long days continued to prevail with few experiencing a reduction in work hours due to the economic slowdown.

- Only 6% of both women and men were furloughed or had a reduction in their hours.

Promotions in Regions



¹ Proportion test, Chi-Square marginally significant at p=.07

**Some took voluntary leaves
—women more than men—
but departures kept pace with
the rate of returning talent.**

- 4% of high potentials voluntarily took a temporary leave of absence to care for others, take sabbaticals, continue their education, or for other reasons:
 - 9% of women
 - 3% of men
- 4% of talent returned to the workforce following a temporary leave of absence:
 - 10% of women
 - 2% of men

**Some even struck out on their own
to start new businesses.**

- 4% started their own business:
 - 5% of women
 - 4% of men

**But not everyone escaped
unscathed or experienced a
career upside bounce.**

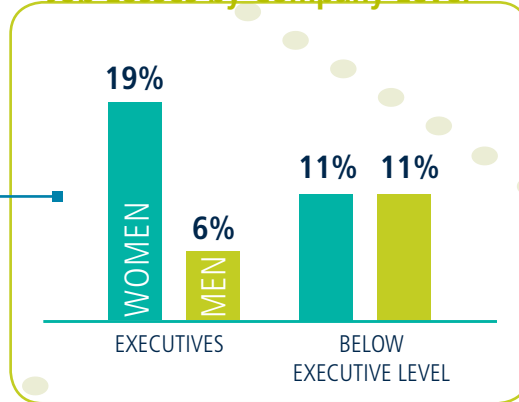
- **10%** of overall talent reported losing their job due to company downsizing or closure:
 - **9%** due to downsizing or restructuring
 - **1%** due to company or firm closure
 - Similar rates across regions
- Overall rates among women and men were similar:
 - 12% for women
 - 10% for men

Women at the top were hardest hit.

- Women senior leaders were more than **three times** as likely to have lost their jobs because of company downsizing or closure than their male peers:

- **19%** for women
- **6%** for men

Job Losses by Company Level



This research is part of *The Promise of Future Leadership: Highly Talented Employees in the Pipeline*, a longitudinal study on high potential talent. In 2007 and 2008, Catalyst conducted an online survey of 8,247 alumni who graduated 1996-2007 from full-time MBA programs at 26 leading business schools in Asia, Canada, Europe, and the United States. Career path profiles were created from the data. In the spring of 2009, Catalyst invited alumni who, at the time of the initial survey were working full-time in a company or firm and who had expressed interest in participating in future studies, to participate in this survey on effects of the economy. The response rate was 48%. Comparative statements such as “more likely” or “less likely” in the findings above indicate means or proportions tests significant at <.05. Statements of similarity designate no statistically significant difference unless otherwise noted.

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