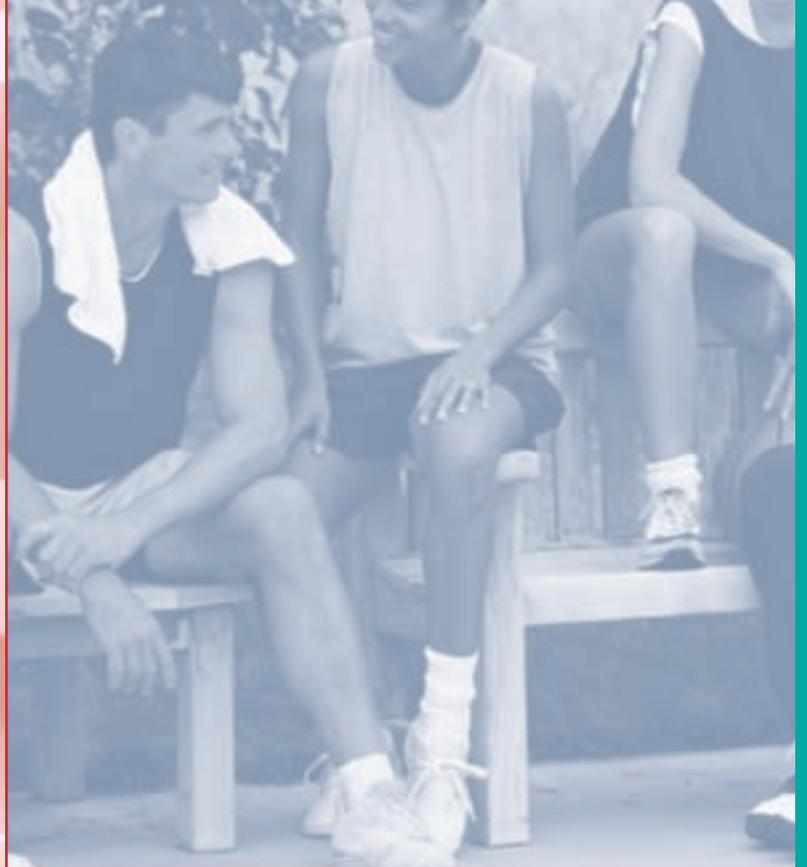


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The Next Generation: Today's Professionals, Tomorrow's Leaders



ABOUT CATALYST

Catalyst is the nonprofit research and advisory organization working to advance women in business, with offices in New York and Toronto. The leading source of information on women in business for the past four decades, Catalyst has the knowledge and tools that help companies and women maximize their potential. Our solutions-oriented approach—through research, Advisory Services, Corporate Board Placement, and the Catalyst Award—has earned the confidence of global business leaders. The American Institute of Philanthropy consistently ranks Catalyst number one among nonprofits in the US focused on women’s issues. For additional information, please visit our website at www.catalystwomen.org or call 212-514-7600.

THE NEXT GENERATION: TODAY'S PROFESSIONALS, TOMORROW'S LEADERS



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Foreword



Catalyst was founded nearly 40 years ago to support the generation of women entering the workforce at that time. These women entered companies and firms designed for men with non-working wives. They often worked in unfriendly environments and struggled without maternity leaves, flexible schedules, or quality childcare, and frequently under the burden of proving they had a role in managerial and profit positions.

Times have changed. Women now represent a large proportion of those entering the labor market, rather than an anomaly or addition. As a result, business leaders are increasingly becoming aware that women entering the workforce today have different skills and expertise, as well as different expectations and values, than those of previous generations. The most progressive business leaders want to understand this generation's views on job security, career advancement, and the desire to balance work and personal commitments.

Thus Catalyst embarked on this study of *The Next Generation: Today's Professionals, Tomorrow's Leaders* to uncover the work-related motivations and commitments of women and compare them to those of men in this generation. What did we find? A resounding commitment and loyalty to companies on the part of both women and men in this generation. In fact, 47 percent of our respondents report that they'd be happy to stay with their current employers for the rest of their careers. But despite this loyalty, today's professionals do expect more from their employers—but not in the form of creative perks like gym memberships and convenience services. They want programs and policies to help them balance their work and personal lives as well as effective performance-management strategies to help them navigate their advancement. When choosing to leave their employers, this generation claims they're leaving for traditional reasons, including greater advancement opportunities and increased compensation.

Clearly, times continue to change. In fact, Catalyst was completing this report when the United States was attacked on September 11, 2001. Our research team was able to do a quick follow-up survey with some of the original respondents to see if they're working differently since the attacks.

It is critical for organizations to continue to document the experiences, perceptions, and attitudes of the changing workforce, now more than ever. Catalyst gratefully acknowledges the support of Ernst & Young and GE Fund in making this happen.

A handwritten signature in black ink that reads "Sheila W. Wellington". The signature is written in a cursive, flowing style.

Sheila Wellington
President, Catalyst

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Table of Contents

NEW WORLD, NEW PRIORITIES? TODAY'S PROFESSIONALS TALK ABOUT SEPTEMBER 11TH	vii
INTRODUCTION	1
Purpose of the Study	
Assumptions and Realities	
Research Participants	
Catalyst Approach	
THE DEMOGRAPHICS	8
CHAPTER 1: ATTRACTING THE NEXT GENERATION OF LEADERS TO BUSINESS ORGANIZATIONS	11
Key Findings	
Today's Professionals Have Traditional Needs	
Compensation Is Preferred to Time Off	
Today's Professionals Value Personal and Family Commitment	
Today's Professionals Want Work/Life Balance	
Today's Professionals Want Flexibility	
Importance of Nontraditional Amenities	
Companies and Firms Take Note	
CHAPTER 2: RETAINING THE NEXT GENERATION OF BUSINESS LEADERS	22
Key Findings	
Today's Professionals Are Committed to Their Organizations	
Today's Professionals Intend to Stay with Their Current Organizations	
Reasons Today's Professionals Would Leave Their Current Employers	
Who Is Most Likely to Leave?	
Retention of Women	
Companies and Firms Take Note	
CHAPTER 3: DEVELOPING AND ADVANCING THE NEXT GENERATION OF BUSINESS LEADERS	29
Key Findings	
Today's Professionals Want Effective Performance-Management Strategies	
Individual Career Strategies of Today's Professionals	
Organizational and Attitudinal Barriers to the Advancement of Women	
Progress and Prospects for Today's Women Professionals	
Companies and Firms Take Note	

CHAPTER 4: RECOMMENDATIONS	38
Strategies for Attracting Today's Professionals to Your Organization	
Strategies for Retaining and Advancing Today's Professionals in Your Organization	
CHAPTER 5: BEST PRACTICES	45
Work/Life Options at Autodesk Corporation	
XYZ Network at Chevron Corporation	
Leadership Development Program at JPMorgan Chase	
Mentoring the Next Generation of Leaders at Pershing	
Horizon Affinity Group at Silicon Graphics	
APPENDIX 1: METHODOLOGY	53
APPENDIX 2: FIGURES AND TABLES	56
ACKNOWLEDGMENTS & ADVISORY BOARD	58
CATALYST BOARD OF DIRECTORS	59

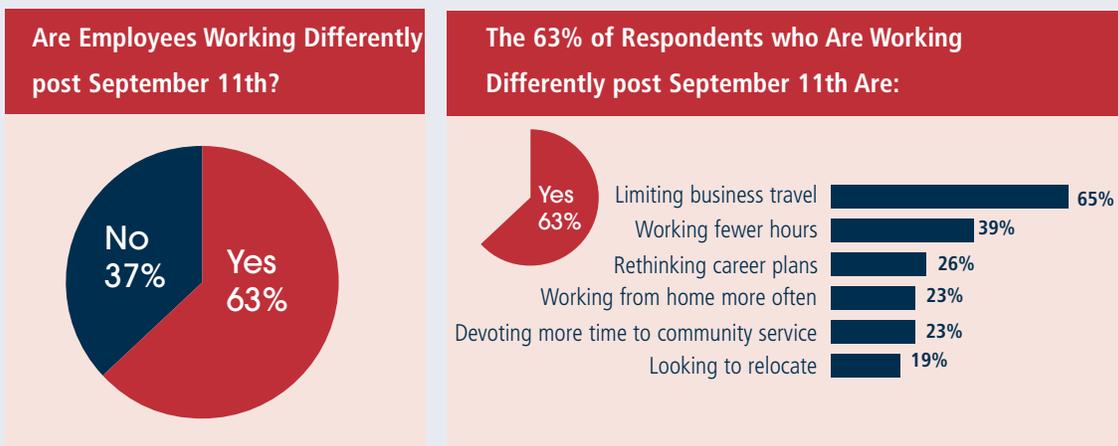
New World, New Priorities? Today's Professionals Talk about September 11th

Catalyst was completing this report when tragedy struck the United States on September 11, 2001. Some have suggested that as a result of the terrorist attacks and subsequent events, individuals are thinking differently about their work and personal lives. In an effort to understand more about this important issue, Catalyst sent a brief e-mail questionnaire to some of the women and men who were initially surveyed for this study.

Catalyst received 54 responses to the e-mail questionnaire in less than 5 days. While this sample is certainly not representative, it provides snapshot evidence of the effects that September 11th and its aftermath have had on the work and personal lives of those born between 1964 and 1975.

Are these Employees Working Differently since September 11th?

Nearly two-thirds of the respondents who answered this question (31 of 49) are working differently in some way. Thirty-seven percent (18 of 49) said that they are not working differently at all. The charts below illustrate their responses.



Interestingly, Catalyst found no differences between responses of women and men. However, single respondents and respondents without children are more likely to be rethinking career plans and planning to devote more time to community service compared to those with a spouse or partner and those with children.

How Do these Employees View their Employer's Responses to September 11th?

Most respondents told Catalyst that their employers reacted generously, appropriately, and in a timely fashion (89 percent of comments). Only 11 percent of comments noted that companies' responses were inadequate.

Types of Employer Responses		Total comments=57
Provided support for emotional impact such as allowing flexibility in schedule and demonstrating compassion		47%
Distributed information to keep employees up-to-date on September 11th events and company security		24%
Contributed financial and in-kind donations to relief efforts		18%
Failure of employer sensitivity and participation in relief efforts		11%

Below are just a few of the responses we received.

"[There was] immediate communication within hours of the event from the leader of our U.S. practice letting us know that the firm's biggest priority was locating every single person and ascertaining their safety."

"I was proud that my company quickly responded with a 1-million-dollar donation and a program to match all employee donations."

"There seemed to be encouragement to share feelings and the overall impact on our lives with each other and management sharing back with us. This was the best response because they did not ignore the impact on our business/personal lives, (but rather) they acknowledged and addressed it."

"Being flexible and concerned about how I feel during this time. My department has shown a great concern about what I am feeling and what concerns I have."

"It meant a lot that our firm thought to offer (on-site counseling) sessions during work hours in convenient locations for staff members."

What Is the Personal Impact of the September 11th Attacks?

Finally, Catalyst asked respondents to describe how the tragedy has affected them personally. Seventy-seven percent of the comments submitted describe a wide range of emotions including sadness, anger, anxiety, and fear. Some of these comments indicate that respondents have gained an appreciation for the things in life they once took for granted, while others have gained an appreciation for freedom and for the work and dedication of U.S. uniformed safety personnel.

One respondent noted, "I am more cautious in my personal life. I think twice about situations that I would not necessarily have considered dangerous before. I am more concerned about what life will be like here in the US in the future, especially where my child is concerned."

Twenty-three percent of comments indicate that individuals are re-evaluating priorities, such as reducing the number of hours worked, spending more time with family, and relocating or "moving back home." According to one respondent, "My work isn't as important as being with my family. I always said family comes first, but didn't act that way. Now I really try to leave work at the office."

Profile of E-mail Questionnaire Respondents	
Gender:	44 women 10 men
Location:	50 work across all regions of the U.S. 1 works in New York City 4 work in Canada
Marital status:	35 have a spouse or partner
Children:	20 have at least one child living with them

Catalyst realizes that the world is just beginning to understand the repercussions of events that have surely catapulted us into a new era. We will continue to work toward our mission and track the experiences and perceptions of women in business—a mission that is now more important than ever.

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INTRODUCTION



PURPOSE OF THE STUDY

A new generation of professionals is working in American and Canadian corporations and professional services firms. Currently in their mid-20s to mid-30s, this group comprises the future leadership of business.

While Catalyst recognizes that no group is monolithic in its outlook and experiences, we embarked on this study to understand this generation's motivations and to determine whether widely held assumptions about this generation of professionals are myths or realities. We chose to focus on the generation of people born between 1964 and 1975 because they are uniquely positioned to teach us about how the workplace is changing or should change to attract, retain, develop, and advance new talent. The expectations they bring to the workplace will affect succeeding generations of professionals.

Specifically, the study was designed to answer the following questions:

- ◆ Is this generation of employees less committed to their organizations than previous generations have been?
- ◆ What individual career strategies does this generation perceive as important to their development and advancement? What does this generation want from their organizational environment?
- ◆ What organizational policies, programs, and workplace amenities do employees in this generation want?
- ◆ What values and goals related to work/life balance does this generation hold?
- ◆ Are there barriers to the advancement of women and people of color in this generation that companies/firms need to address?

ASSUMPTIONS AND REALITIES

The business and popular presses have devoted considerable attention to differences in the work-related values and goals of this generation of professionals and those of previous generations. Catalyst felt the need to confirm or dispel existing stereotypes about today's professionals. In doing so, our aim is to assist companies and their employees to identify strategies to manage and leverage the talents of this group.

Assumption #1:

This generation seeks work/life balance. It is assumed that they are more likely than any before them to have been raised in dual-career, single-parent, or stepparent families. As the first generation of such children to enter the labor market, it is often assumed that they resent the amount of time their parents spent at work¹ and are wary of workaholism.²

Reality:

According to this study, today's professionals:

- ◆ Place more importance on personal goals and values than on those related to work.
- ◆ Report difficulty in managing their work/life commitments.
- ◆ Want organizational support to manage their work/life commitments. These supports include:
 - ▶ Flexibility
 - ▶ Ability to telecommute
 - ▶ Access to technology

U.S. respondents are somewhat more likely than Canadian respondents to rate personal and family values and goals as more important than work-related values and goals.

Assumption #2:

This generation makes career choices for trivial reasons. It is believed that this generation has little patience for steady, measured career progression³ and that they expect immediate gratification from their organizations in the form of high compensation, early and regular promotions, company-sponsored training and development opportunities, and workplace amenities that previous generations never imagined.

Reality:

Today's professionals were attracted to their organizations for traditional reasons, including:

- ◆ Perceived advancement opportunities
- ◆ The offer of a position considered "appropriate"
- ◆ Compensation and benefits
- ◆ The organization's reputation

These professionals want job security along with interesting and challenging tasks, open and effective communication in the workplace, and truth and integrity in work practices.

With the exception of a casual dress code, this generation of professionals does not expect or report that their job satisfaction is driven by perks such as convenience services, gym membership, or reimbursement of meals and travel.

Canadian respondents in this study rate convenience services as more important to their work satisfaction than do U.S. respondents.

This generation changes jobs for traditional reasons such as a desire for increased compensation, intellectual stimulation, and advancement opportunities. They are also more likely to leave when certain organizational expectations are not met. For example, 45 percent of those who plan to leave their organizations in less than 3 years—“leavers”—feel that their expectations around work/life balance were not met, compared to 28 percent of “stayers”—those who plan to stay at least 10 years. And only 19 percent of these “stayers” feel that their expectations around estimations of future earnings were not met, compared to 49 percent of “leavers.”

This study finds that employees of color are more likely than white employees are to report intentions to leave their organizations. This may be related to the fact that employees of color are more likely than white respondents are to perceive a number of organizational barriers. For example, people of color respondents are more likely to agree that they would like more attention given to racial/ethnic issues at their organizations (36 percent and 14 percent, respectively).

Americans are more likely than their Canadian counterparts to leave for more control over their work schedules, flexibility, ability to work fewer hours, and the ability to telecommute.

Assumption #3

Today’s professionals have low organizational commitment. By the time this generation entered the workforce, they had witnessed a decade of corporate downsizing.⁴ More recently, they have seen the dismantling or outright failure of many high tech and dot-com businesses.⁵ It is assumed that they view the idea of the social contract between employer and employee as obsolete. They have been stereotyped as job-hoppers.⁶

Reality:

Today’s professionals are highly committed to their current employers.

- ◆ 47 percent would be happy to spend the rest of their careers with their current organizations.
- ◆ 85 percent care about the fate of their organizations.
- ◆ 83 percent are willing to put in a great deal of effort beyond what is normally expected in order to help their organizations be successful.
- ◆ 75 percent are extremely glad they chose their organizations over others they were considering when they were hired.

According to this study, Canadian men and women display somewhat higher levels of organizational commitment than their U.S. counterparts.

Assumption #4:

Men and women have different work-related needs, want different policies and programs from their employers, and use different strategies to advance their careers.

Reality:

By and large, women and men report the same needs and work strategies. Both men and women agree that the top organizational strategies important to job satisfaction and advancement are effective performance-management systems. Large percentages of women and men want support from their supervisors, feedback on their performance, and long-range development plans. Men and women also agree on top individual career strategies that contribute to advancement in their organizations.

Canadian and U.S. respondents disagree on one of the major strategies critical to career advancement. U.S. respondents list having an influential mentor or sponsor while Canadian respondents cite developing and adhering to their own career goals.

Assumption #5:

Men of this generation are supportive of women's career aspirations. Men in this generation were part of the first cohort of people whose mothers had "careers" as opposed to "jobs." These men graduated from business and other graduate programs side-by-side with substantial numbers of women.

Reality:

Men are more likely than women to believe that there have been increased advancement opportunities for women over the past ten years; are less likely than women to see barriers to women's advancement; and are less likely to buy into the business case for women's advancement.

This study also finds that men in dual-career relationships are not sharing work associated with family commitments that would support their spouses'/partners' career goals. For example, men with children in dual-career relationships are more likely to work 50 or more hours per week than are their female counter parts (50 percent compared to 42 percent).

The majority of Canadian men and women say that neither spouse's career is primary, while most U.S. men report that their careers are primary.

Assumption #6:

With the widespread adoption of organizational diversity programs and policies, it is assumed that **this generation of professional women and people of color is experiencing a level playing field** in their organizations.

Reality:

Women and people of color report many barriers to job satisfaction and advancement in their organizations. White men are most likely to believe advancement opportunities have increased for white women and for women of color in their organizations.

RESEARCH PARTICIPANTS

Eight U.S. and two Canadian headquartered organizations—representing a range of industries—provided a list of professional and managerial men and women born between 1964 and 1975. This resulted in a diverse and representative pool of respondents.

CATALYST APPROACH

Phase I. Literature review.

Phase II. Short questionnaire fielded to 300 women and 150 men professionals and managers born between 1964 and 1975 at each of the participating U.S. organizations to construct the survey.

Phase III. 30-minute telephone interviews with 39 of the questionnaire respondents (16 men and 23 women).

Phase IV. Survey sent to approximately 3,000 women and 1,500 men (born between 1964 and 1975) throughout 10 organizations—representing a range of industries—garnering a 30 percent response rate. (Thirty-two percent of women and 27 percent of men responded.) Two of the participating companies are based in Canada; the remaining eight are based in the U.S.

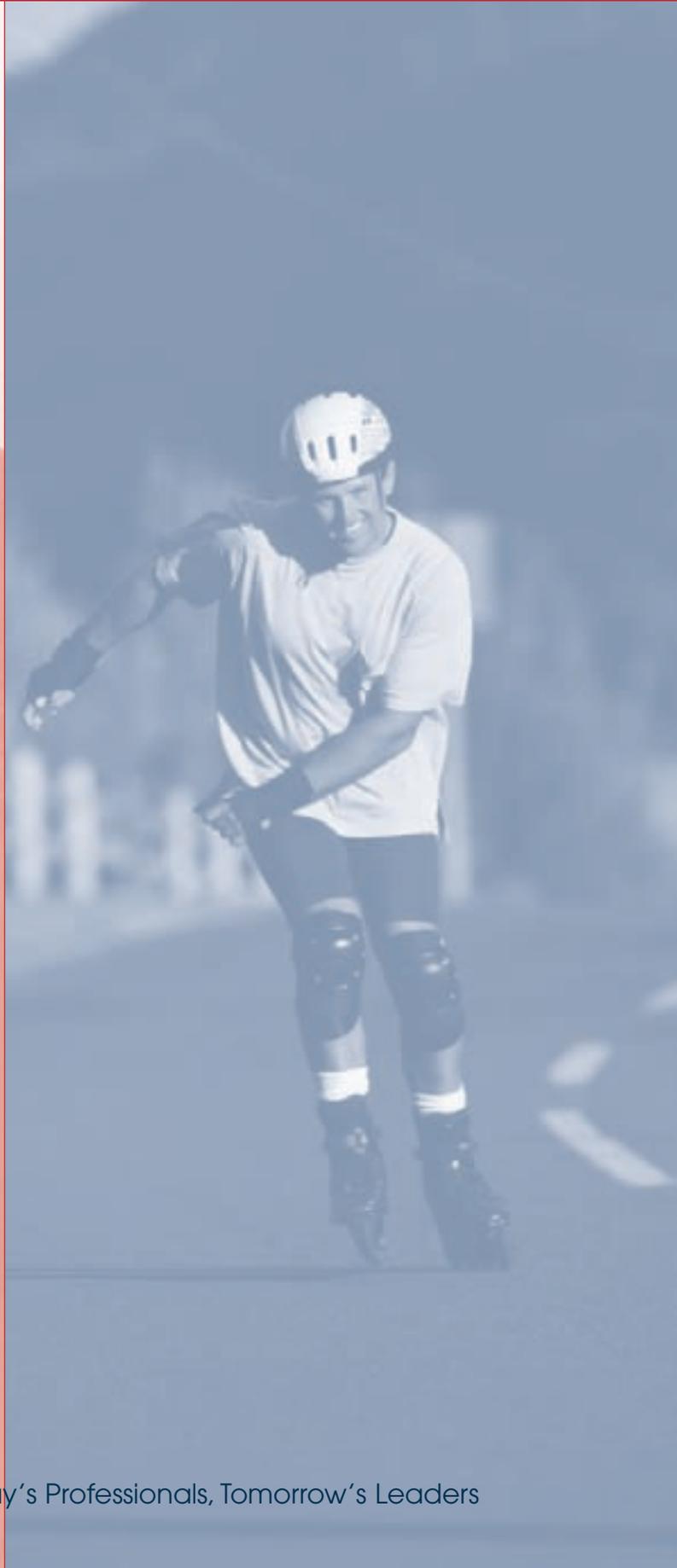
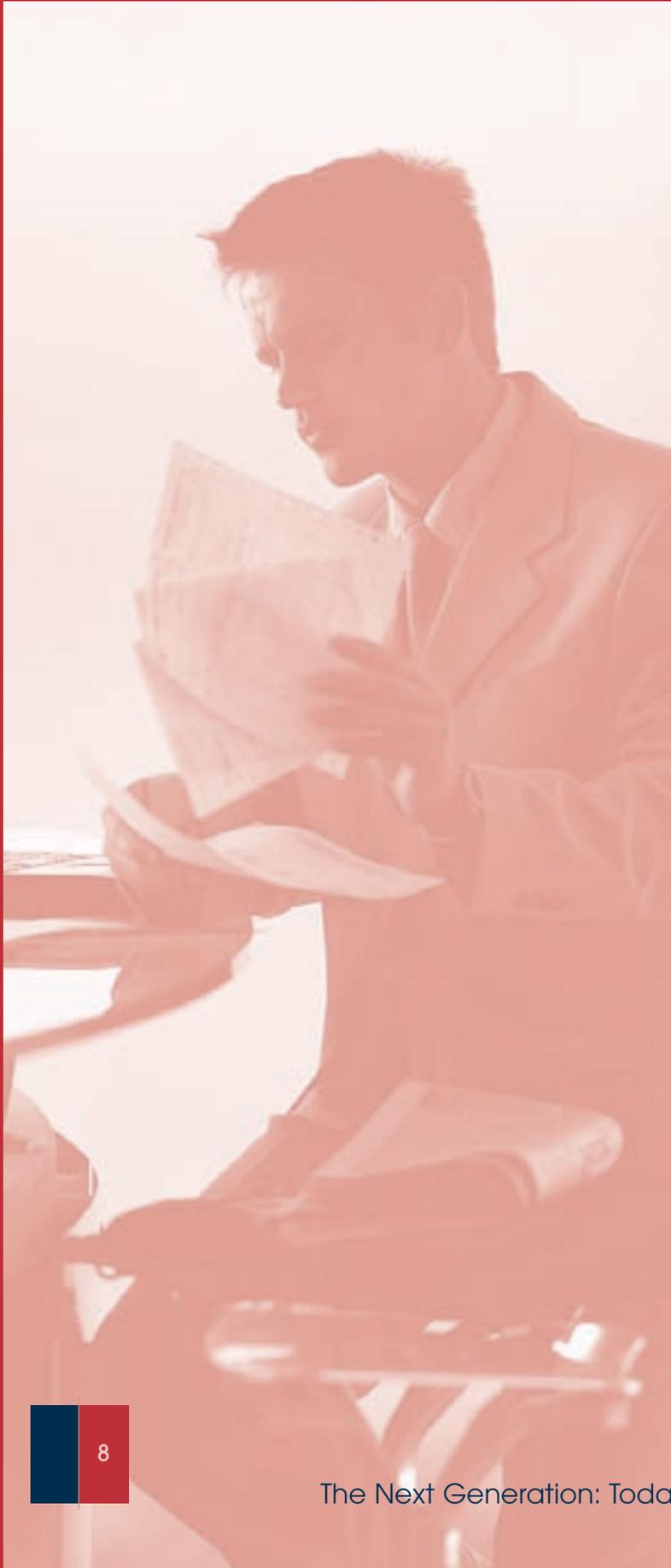
Phase V. Best practice research and interviews.

Table 1: Profile of Survey Respondents (n=1,263)	
Gender	71% women 29% men
Race/ethnicity	82% White/non-Hispanic 18% People of color* 8.6% Asian/Pacific Islander 3.7% Black/African-American 3.3% Hispanic 2.2% Other/multi-ethnic/racial 0.2% Native American
Age	37% women born between 1964-1969 34% women born between 1970-1975 16% men born between 1964-1969 13% men born between 1970-1975
Nation	78% work in the US 22% work in Canada
Highest level of education	55% B.A./B.S. 14% MBA 14% M.A./M.S.
Marital status/children	71% married/living with partner 36% have children
Average household income	US \$103,155 CDA \$82,974 (equivalent to \$51,901 U.S. Dollars)
Functional role	31% hold line positions 46% hold staff positions 23% hold line and staff positions
Average tenure in organization	5 years
<p>* Catalyst recognizes that members of each racial/ethnic group have varying and unique perceptions, experiences, and attitudes about work. For clarity of analysis and communication, we have combined the groups listed into a category called "people of color."</p>	

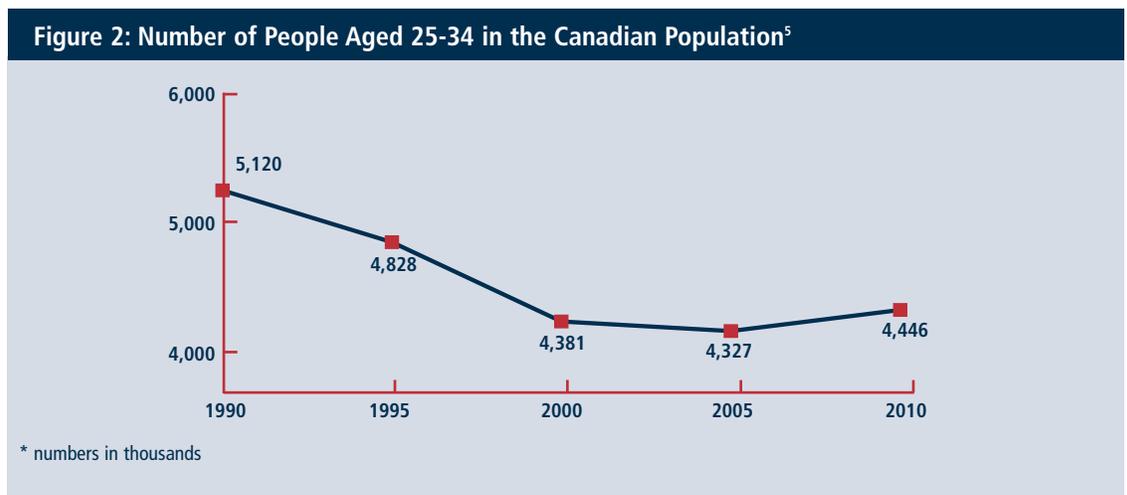
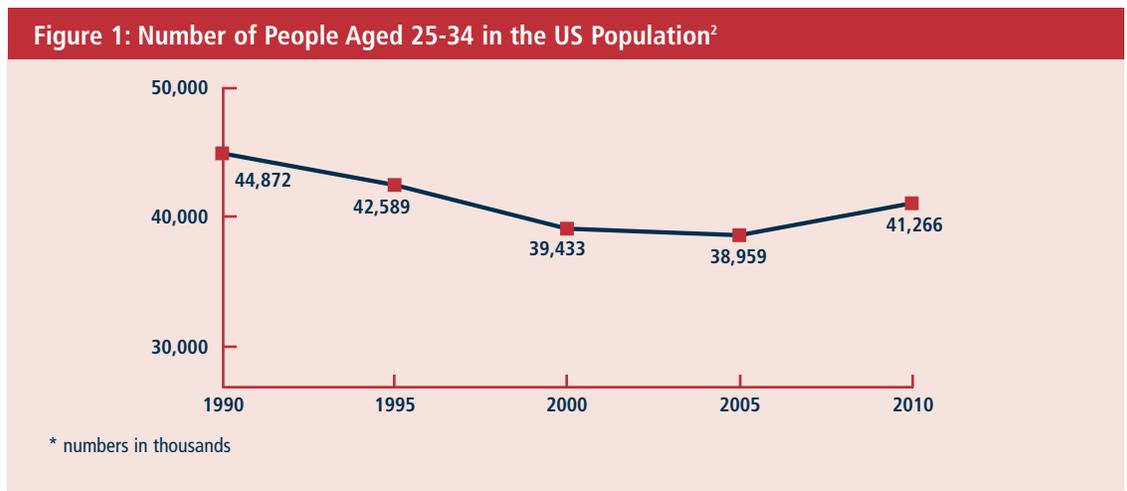
END NOTES

- ¹ Stephen Lynch, "Taking Stock of Gen X: It's Fallen Sharply," *The Washington Post* (April 25, 2001): C08.
- ² Bob Filipczak, "It's Just a Job: Generation X at Work," *Training* (April 1994): 21-27.
- ³ Bettina Lankard Brown, "New Learning Strategies for Generation X," *Eric Digest* 184 (1997).
- ⁴ B.L. Brown
- ⁵ Eryn Brown, "The Humbled Generation," *Fortune* (April 2, 2001): 93-95.
- ⁶ Judi E. Loomis, "Generation X," *Rough Notes* (September 2000): 52-54.

THE DEMOGRAPHICS



During the last ten years, there has been a steady decline in the United States and Canada in the absolute number of people aged 25 to 34, the pipeline from which organizations draw their entry- and mid-level professionals and managers. Today this group comprises just 20 percent of the U.S. adult population compared to Baby Boomers' 41 percent share.¹ Like the generation before them, they represent a "seller's market" when it comes to their attractiveness to business organizations. Even though organizations are currently downsizing, this group still represents a scarce resource. Therefore, it remains important that employers understand their work-related motivations and expectations in order to attract, retain, and develop the best and brightest for future leadership roles.



At the same time that the labor pool of this generation has shrunk, the percentage of women in the pool has increased. During the last half of the 20th century, there was a steady increase in the proportion of women aged 25 to 34 who work—from slightly over one-third (36 percent) in 1960 to over three-quarters (76 percent) in 2000.³

Unlike the US, Canada did not have a Baby Boom phenomenon. As a consequence, the percentage of individuals in the age groups 20 to 39 and 40 to 59 in Canada are almost equal (9 million and 8.5 million, respectively).⁴

However, there are other factors operating in Canada that present a compelling business case for Canadian companies to examine their recruitment strategies for today's professionals, especially with regard to women:

- ◆ Adult women's employment rates have tripled in just over 50 years, while men's have fallen by one-fifth.⁶
- ◆ Women outnumber men at universities in Canada and the percentage of women enrolled full-time in Canadian universities has continued to grow.⁷

Furthermore, the representation of people of color in the U.S. labor pool is increasing rapidly and is projected to continue to grow through succeeding generations. The 2000 U.S. Census shows that Americans under the age of 18 are 15 percent African-American, 1 percent Native American, 3 percent Asian-American, 17 percent Hispanic, 61 percent non-Hispanic white, and 3 percent multi-ethnic or other. Today, and in the future, companies seeking the best and brightest candidates need to cast their nets broadly to attract women and people of color, and to identify organizational factors that influence the recruitment of this diverse candidate pool.

END NOTES

¹ U.S. Census Bureau, Census 2000.

² United Nation Population Division, *World Population Prospects: The 2000 Revision, Volume II: The Sex and Age Distribution of Populations*.

³ Bureau of Labor Statistics, Employment & Earnings, January 1961 and January 2001.

⁴ Statistics Canada, Canadian Social Trends, No. 59 (Winter 2000): 6-7.

⁵ United Nation Population Division, *World Population Prospects: The 2000 Revision, Volume II: The Sex and Age Distribution of Populations*.

⁶ Canadian Social Trends, No. 57 (Summer 2000): 8.

⁷ Canadian Social Trends, No. 59 (Winter 2000): 6-7.

CHAPTER 1: ATTRACTING THE NEXT GENERATION OF
LEADERS TO BUSINESS ORGANIZATIONS



KEY FINDINGS

Assumption:

This generation of professionals places great importance on work/life balance.

Reality:

Today's professionals:

- ◆ Place more importance on personal values and goals than on those related to work.
- ◆ Report difficulty in managing their work/life commitments.
- ◆ Want organizational support to manage their work/life commitments. These supports include:
 - ◆ Flexibility
 - ◆ Ability to telecommute
 - ◆ Access to technology

Assumption:

Today's professionals are attracted to organizations for trivial reasons.

Reality:

Today's professionals were attracted to their organizations for traditional reasons:

- ◆ Perceived advancement opportunities
- ◆ The offer of an appropriate position
- ◆ Compensation and benefits
- ◆ The organization's reputation

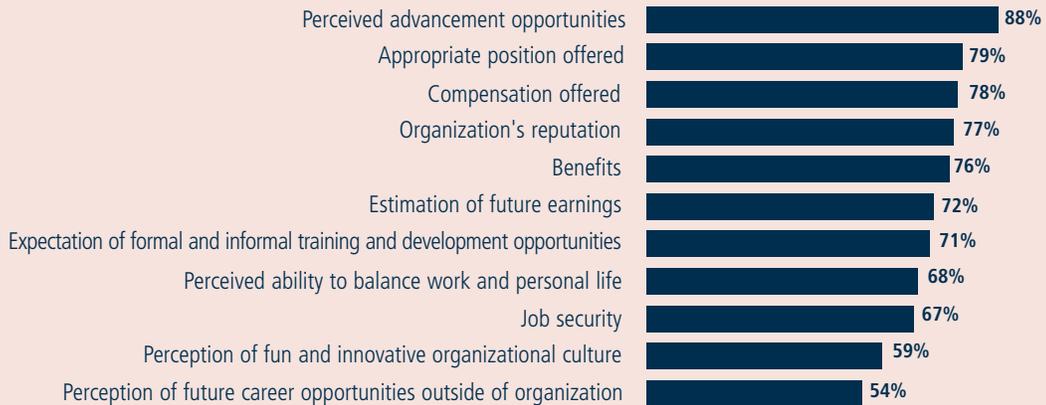
This generation of professionals wants job security along with interesting and challenging tasks, open and effective communication in the workplace, and truth and integrity in work practices.

With the exception of a casual dress code, today's professionals do not expect or report that their job satisfaction is driven by nontraditional perks such as conveniences services, gym membership, or reimbursement of meals and travel.

TODAY'S PROFESSIONALS HAVE TRADITIONAL NEEDS

The overwhelming majority of men and women in this study were attracted to their current organizations for traditional reasons.

Figure 3: Attraction to Organization (percent extremely/very important)

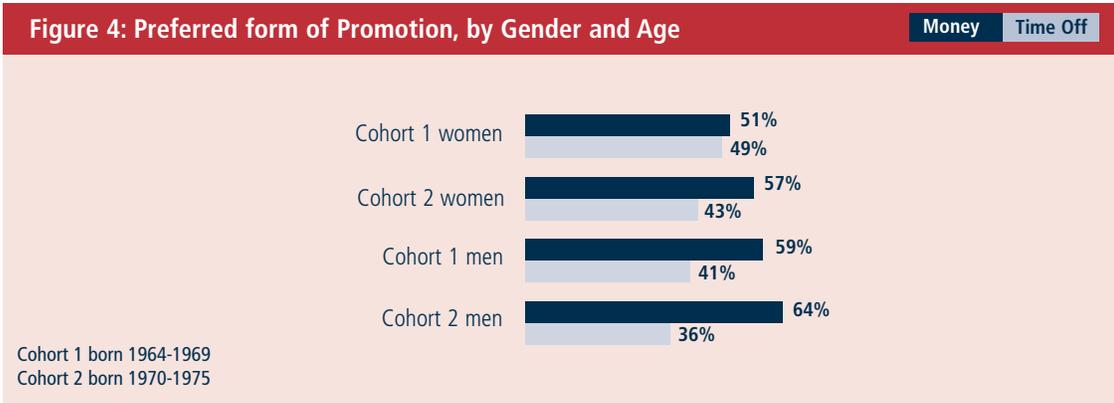


That roughly two-thirds of respondents placed high importance on job security challenges the assumption that members of this generation are job-hoppers and have low organizational commitment. This is particularly interesting given that this survey was distributed during late summer 2000—a time when job opportunities were reputedly abundant.

However, this generation is not entirely traditional. For example, over one-half (59 percent) report that the perception of a fun and innovative organizational culture was a factor in their decisions to join their current organizations.

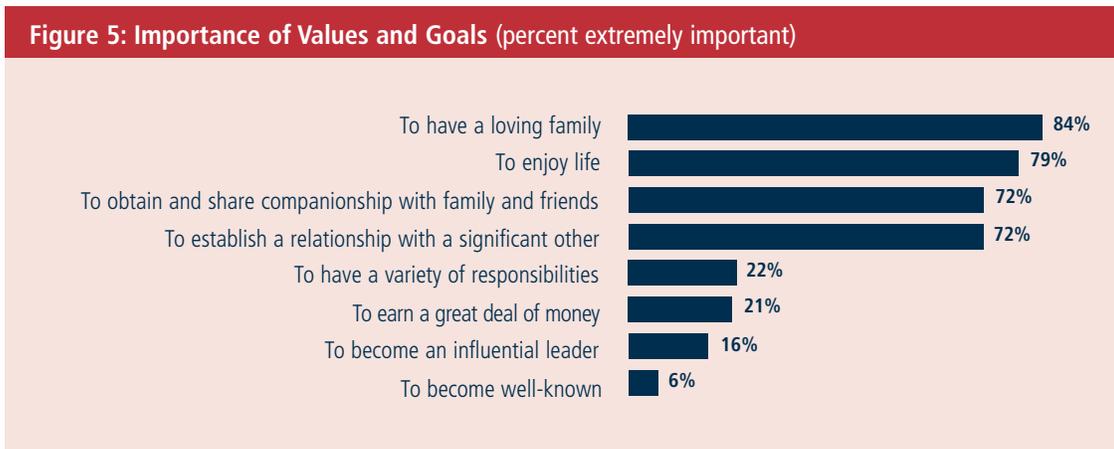
COMPENSATION IS PREFERRED TO TIME OFF

Compensation is clearly important to today's professionals—when asked whether they would prefer that a promotion take the form of time off or money, most chose money. However, there are some age differences. More respondents in Cohort 2 (born 1970-1975) than in Cohort 1 (born 1964-1969) say they would prefer money to time off. This is not surprising as the incomes of those born 1964-1969 are higher. In addition, as those born 1964-1969 are more likely to have children, time off may be more desirable, especially to women who continue to have more responsibility for homemaking and childcare.



TODAY'S PROFESSIONALS VALUE PERSONAL AND FAMILY COMMITMENT

Findings from this study show that today's professionals value personal and family commitments more highly than work commitments. Thus, the ability of companies and firms to offer programs that support such values will provide a competitive advantage in recruiting new generations of professionals.



Majorities of both men and women rate personal and family values and goals as extremely important; however, women are significantly more likely than men to give this response.



Although the overall percentages are smaller, statistically significant differences related to gender were also observed regarding work-related goals, with men placing more importance on these goals than women did.



TODAY’S PROFESSIONALS WANT WORK/LIFE BALANCE

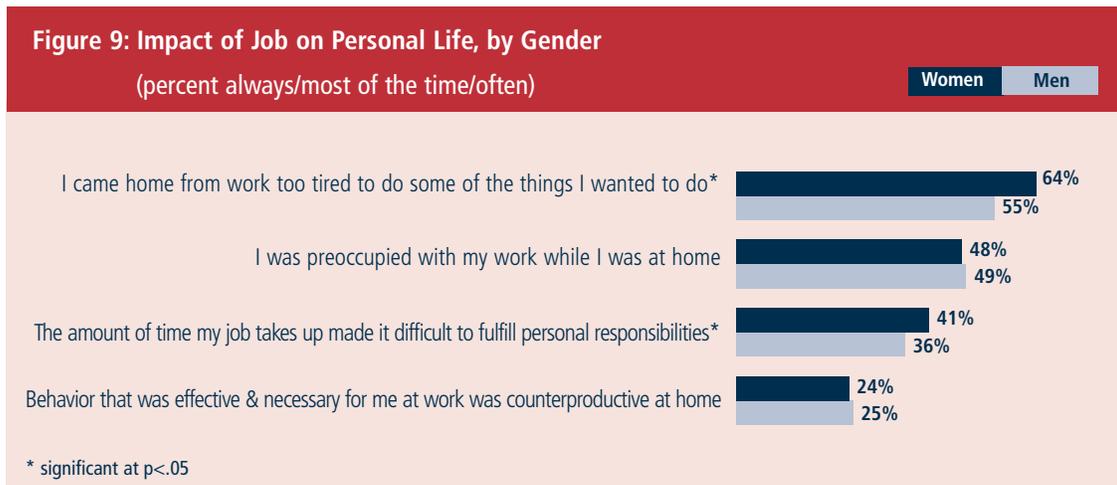
Almost one-third of respondents (29 percent) report that the interference of their jobs on their personal lives is "severe" or "very severe;" another 43 percent describe this interference as "moderate." This finding suggests that either companies and firms are not offering the range of policies/programs needed to support new professionals’ personal and family goals or that such policies and programs are not producing the desired outcome.



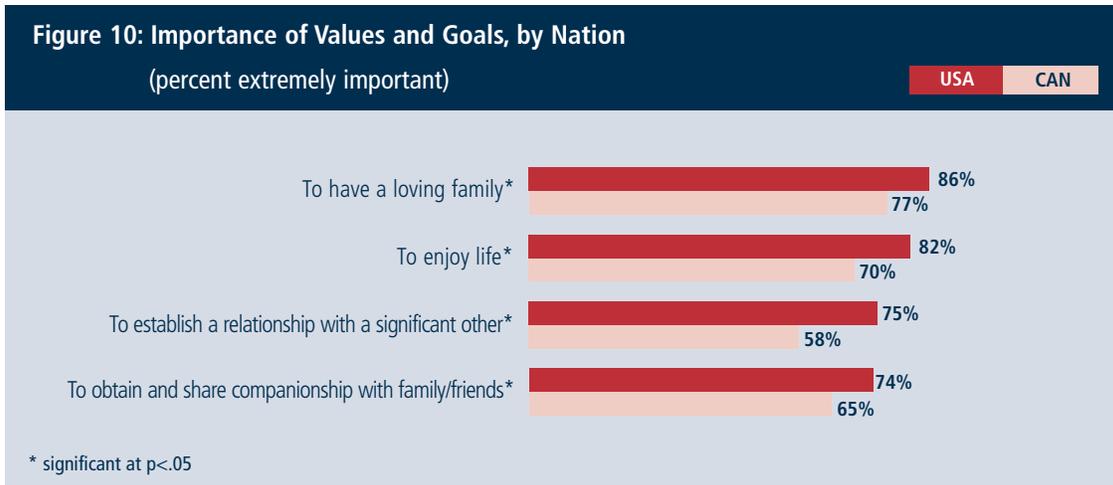
Almost three-quarters (74 percent) of men and women report that they frequently experience one or more of the following work/life balance conflicts:

- ◆ I came home from work too tired to do some of the things I wanted to do.
- ◆ I was preoccupied with my work while I was home.
- ◆ The amount of my time that my job takes up made it difficult to fulfill personal responsibilities.
- ◆ Behavior that was effective and necessary for me at work was counterproductive at home.

When looking at each item individually, women are significantly more likely than men to report tiredness and difficulty fulfilling personal responsibilities as a result of work commitments.



U.S. respondents are somewhat more likely than Canadian respondents to rate personal and family values and goals as more important than work-related values and goals. At the same time, in both Canada and the US, women were more likely than men to assign more importance to personal and family goals and values than to work-related goals and values. There is one significant difference between U.S. and Canadian women: 14 percent of American women compared to 7 percent of their Canadian counterparts believe it is extremely important to become an influential leader.



In addition, Americans are more likely than Canadians to report difficulties attending to certain aspects of their personal lives because of their jobs.

Further, U.S. women are much more likely than Canadian women to report:

- ◆ I came home from work too tired to do some of the things I wanted to do
(67 percent compared to 55 percent)
- ◆ The amount of time that my job takes makes it difficult to fulfill personal responsibilities
(44 percent compared to 31 percent)
- ◆ Behavior that was effective and necessary at work was counterproductive at home
(26 percent compared to 16 percent)

The number of hours that respondents spend working may account for some of the difficulties that they experience. Respondents from this study work an average of 48 hours per week.

In addition to their busy work schedules, a small percentage of men (10 percent) and women (9 percent) spend 40 or more hours per month on work-related travel—equivalent to the number of hours in a standard work week.

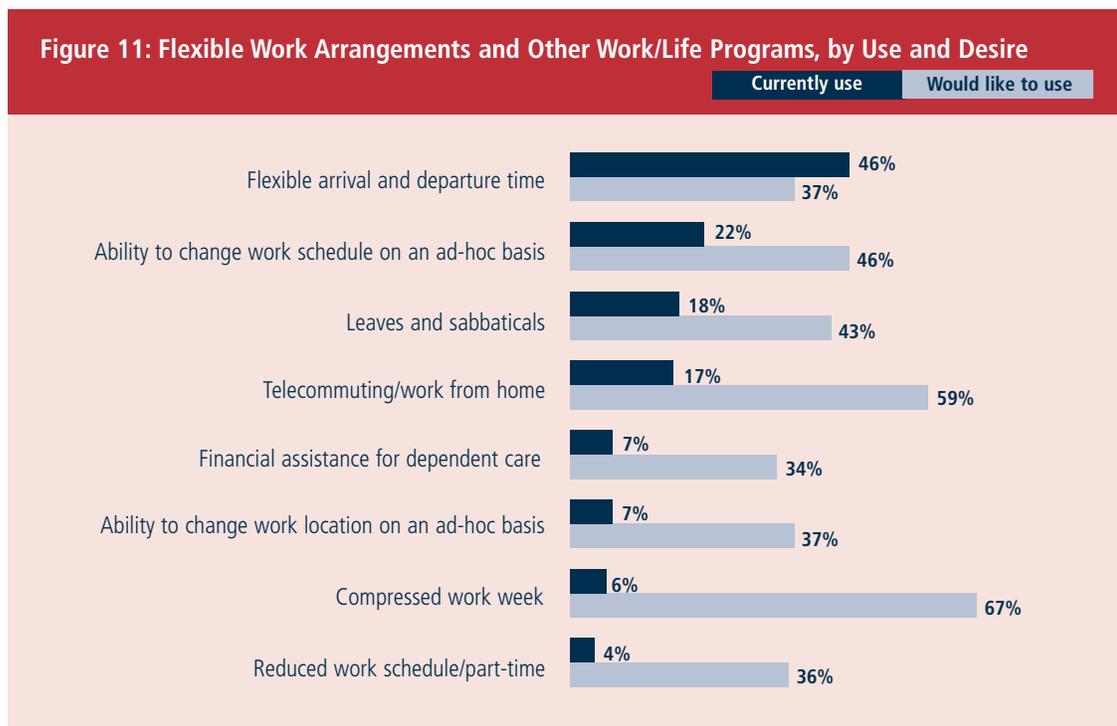
TODAY'S PROFESSIONALS WANT FLEXIBILITY

Today's professionals expect their employers to provide policies and programs that will help them manage their work and personal commitments. It is important for organizations to recognize that this is not just a women's issue—overall, substantial percentages of both men and women report that they want flexibility. Therefore, offering programs that allow for flexibility (i.e., when and where work is done) will provide a competitive advantage in recruiting the next generation of employees.

But even among today's professionals, women are significantly more likely than men to report that they would like to use the following types of flexible work arrangements:

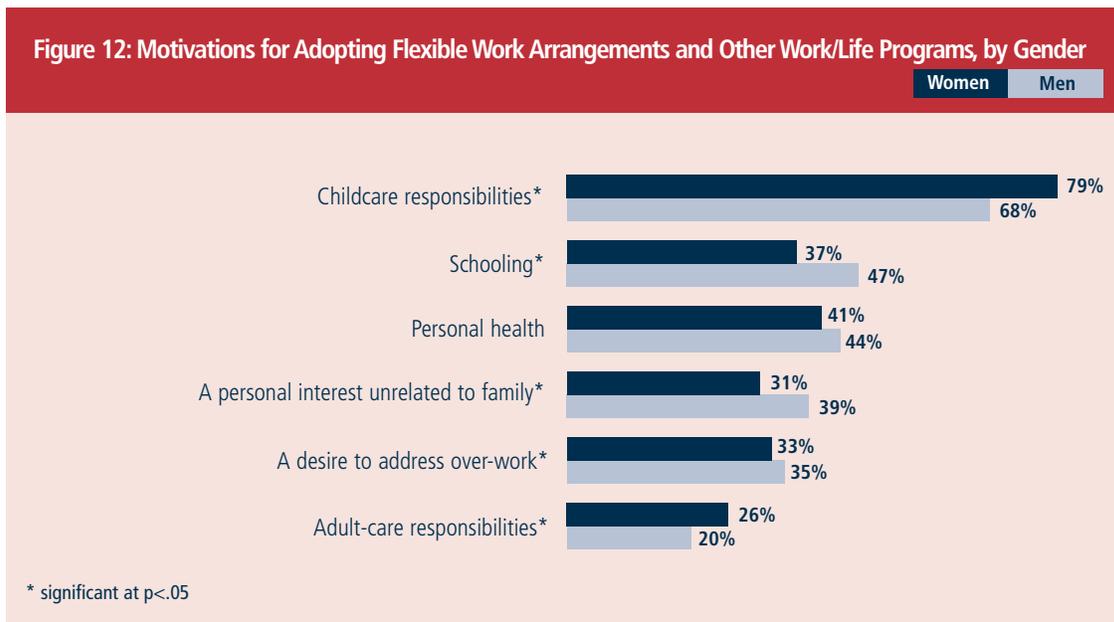
- ◆ Flexible arrival and departure time (40 percent of women compared to 32 percent of men)
- ◆ Ability to change work schedule on an ad-hoc basis (48 percent of women compared to 41 percent of men)
- ◆ Telecommuting/work from home (61 percent of women compared to 54 percent of men)
- ◆ Reduced work schedule/part-time (42 percent of women compared to 22 percent of men)

With the exception of a flexible arrival and departure time—used by about one-third of respondents—far more respondents, both men and women, would like to use one or more flexible work arrangements than currently use them (as detailed in Figure 11). This finding suggests that flexibility will be an increasingly important criterion in this generation's selection of a company or firm and with their work satisfaction.



While majorities of men and women desire flexible work arrangements to attend to childcare responsibilities, they also provide a variety of other motivations for wanting flexibility. For example, almost one-half (47 percent) of men and over one-third (37 percent) of women desire flexible arrangements to attend school. In addition, large percentages of men and women are motivated to adopt flexible arrangements for reasons related to personal health, a personal interest unrelated to family, and a desire to address over-work.

These findings suggest that, in order to recruit or attract employees, organizations must expand their understanding of the nature and type of flexible arrangements offered, as well as the reasons employees—both men and women—work flexibly.



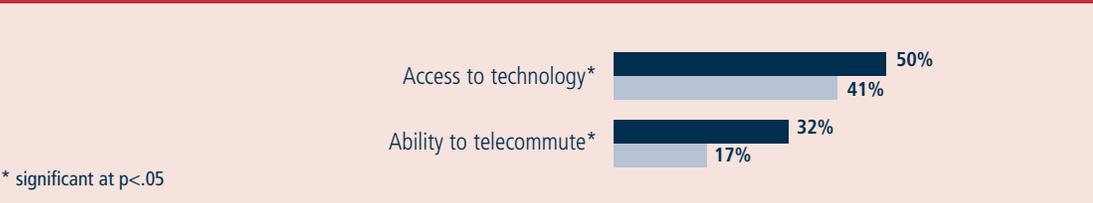
Canadian respondents (17 percent) are less likely than their U.S. counterparts (26 percent) to report that they might use a flexible work arrangement for adult-care responsibilities.

In today's workplace, access to technology (whether by telephone, fax machine, or computer) is related to the ability to telecommute. Telecommuting may be an especially popular form of flexibility for women with children because it provides more options around when and where they work, allows greater flexibility for childcare arrangements, and reduces the distance between themselves and their children during working hours. So it's not surprising that women were much more likely than men to report that access to technology and the ability to telecommute are extremely important to their job satisfaction.

Figure 13: Importance of Technology and Telecommuting, by Gender

(percent extremely important)

Women Men



IMPORTANCE OF NONTRADITIONAL AMENITIES

Compared to their interest in flexibility and effective organizational strategies for performance management, today’s professionals—regardless of gender or age—do not see nontraditional perks such as gym memberships or convenience services as overly important to their job satisfaction. The one exception is a casual dress code, which a majority of respondents (54 percent) cite as extremely or very important to their job satisfaction.

Figure 14: Importance of Workplace Amenities (percent extremely/very important)



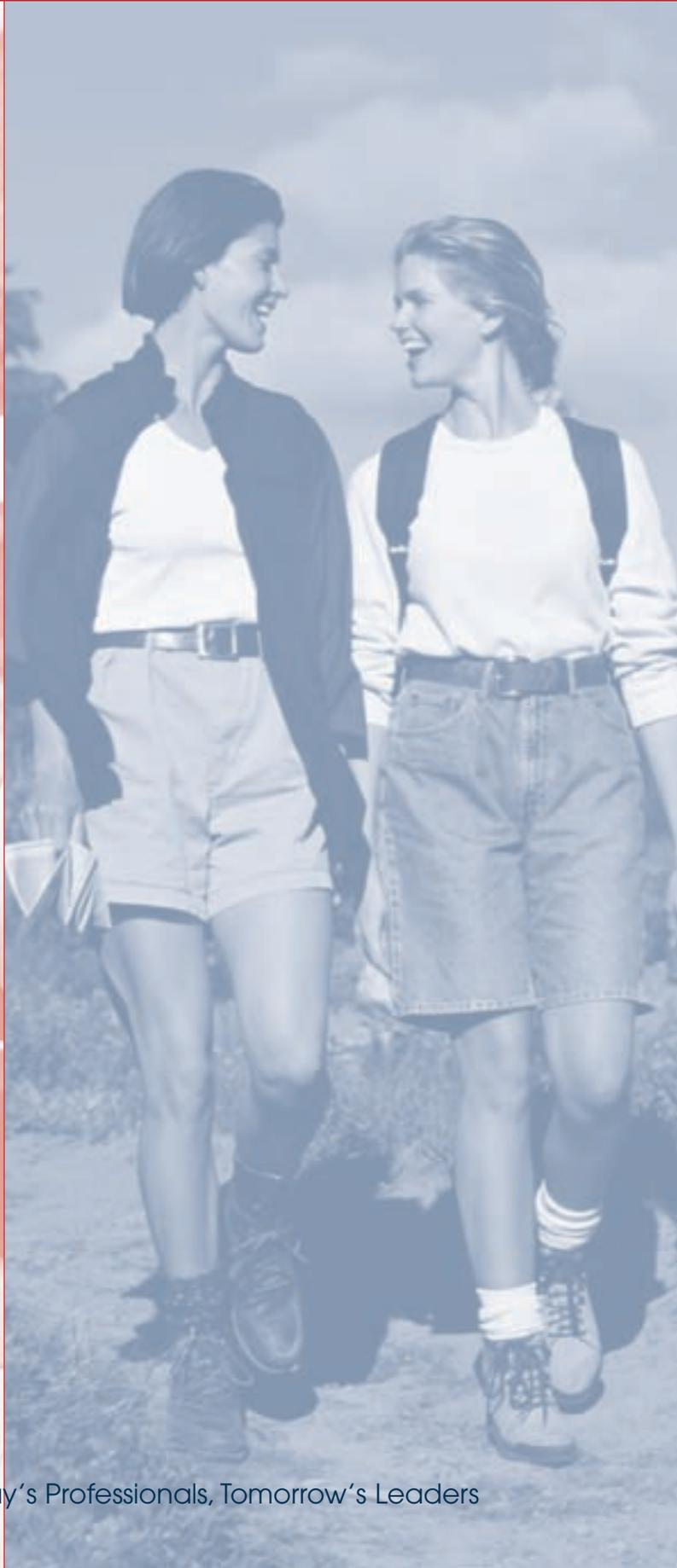
Canadian respondents rate convenience services (36 percent) as more important to their work satisfaction than do U.S. respondents (16 percent).

COMPANIES AND FIRMS TAKE NOTE

In this chapter we have seen that today's professionals have many traditional needs—job security, benefits, and advancement opportunities. However, they are also seeking more than these traditional benefits and asking companies to rethink the way that work is done. For example, they want increased flexibility, including the ability to telecommute and access to technology. In addition, there is a high desire for organizational cultures that are fun and innovative and that provide a casual dress code.

Companies and firms may assume that increasing the number and/or scope of their policies and programs may be too costly. Catalyst's research and work with companies have shown that increasing options for flexibility does not necessarily increase the cost of doing business or the number of people using any particular option. In fact, leaders of organizations that have experienced the competitive advantage from offering such programs argue that they cannot afford the opportunity costs of not offering them.

CHAPTER 2: RETAINING THE NEXT GENERATION OF BUSINESS LEADERS



KEY FINDINGS

Assumption:

Today's professionals have low levels of organizational commitment.

Reality:

Professionals in this generation are highly committed to their current organizations.

- ◆ 47 percent would be happy to spend the rest of their careers with their current organizations.
- ◆ 85 percent care about the fate of their organizations.
- ◆ 83 percent are willing to put in a great deal of effort beyond what is normally expected in order to help their organizations be successful.
- ◆ 75 percent are extremely glad they chose their organizations over others they were considering when they were hired.

Assumption:

Today's professionals change jobs for trivial reasons.

Reality:

This generation changes jobs for traditional reasons such as a desire for increased compensation, intellectual stimulation, and advancement opportunities. They are also more likely to report that they will leave when expectations around work/life balance, organizational culture, and estimation of future earnings are not met.

Employees of color are more likely than white employees to report an intention to leave their organizations. This may be related to the fact that employees of color are more likely than white respondents to perceive a number of organizational barriers.

TODAY'S PROFESSIONALS ARE COMMITTED TO THEIR ORGANIZATIONS

Catalyst's findings suggest that today's professionals are, in fact, highly committed and loyal to their current organizations. Almost one-half (47 percent) of respondents say they would be happy to spend the rest of their careers with their current organizations.

Table 2: Commitment to Current Organization

	percent strongly agree/strongly agree
I really care about the fate of this organization	85%
I am willing to put in a great deal of effort beyond what is normally expected in order to help this organization be successful	83%
I am extremely glad that I chose this organization to work in over others I was considering	75%
I talk up this organization to my friends as a great place to work	62%
I find that my values and the organization's values are similar	61%
I feel a strong sense of "belonging" at my current organization	58%
I would be very happy to spend the rest of my career with my current organization	47%

U.S. respondents (64 percent) are significantly more likely than Canadian respondents (49 percent) to agree with the statement, "I find that my values and the values of my organization are similar."

TODAY'S PROFESSIONALS INTEND TO STAY WITH THEIR CURRENT ORGANIZATIONS

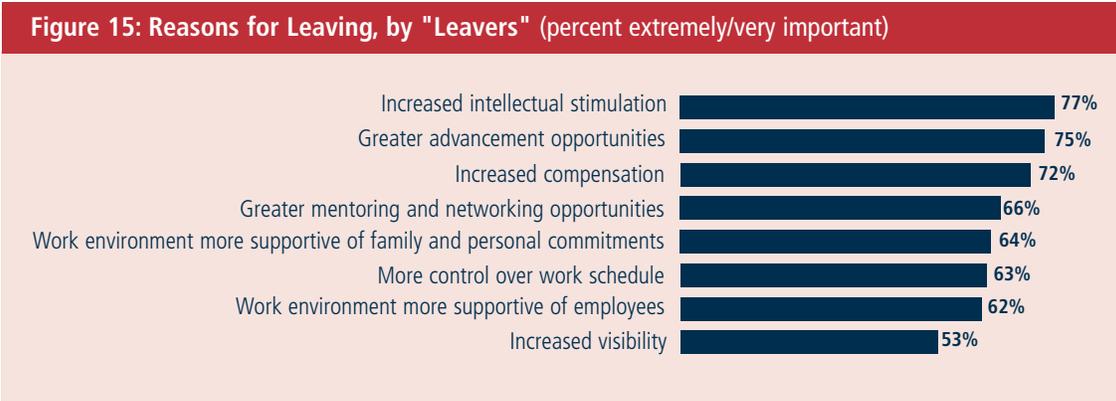
Almost one-third of respondents (29 percent of women and 32 percent of men) report that they intend to stay with their current organizations for more than 10 years; 20 percent intend to stay between three to five years; 16 percent intend to stay between five to ten years. Another one-third of the respondents (34 percent) intend to leave in less than three years. No significant differences were observed related to gender.

Catalyst assessed differences between the group of employees who intend to stay with their organizations more than 10 years ("stayers") and those who intend to leave in less than three years ("leavers"). Research demonstrates that respondents' expressed intentions to leave their organizations are highly correlated to actual turnover.¹

REASONS TODAY'S PROFESSIONALS WOULD LEAVE THEIR CURRENT EMPLOYERS

The top reasons that the "leavers" give for why they might leave their organizations are similar to the reasons they gave for joining their current organizations:

- ◆ Increased intellectual stimulation
- ◆ Greater advancement opportunities
- ◆ Increased compensation



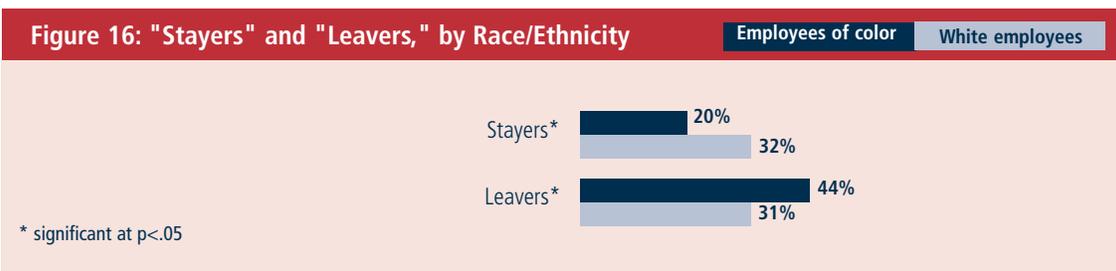
Americans are more likely than their Canadian counterparts to leave for more control over their work schedules (66 percent compared to 50 percent, respectively), flexibility (59 percent compared to 46 percent, respectively), the ability to work fewer hours (48 percent compared to 37 percent, respectively), and/or the ability to telecommute (50 percent compared to 32 percent, respectively). Americans are less likely than their Canadian counterparts to leave for increased visibility (50 percent compared to 64 percent).

Though women are no more likely than men to leave their organizations, women "leavers" are significantly more likely than men "leavers" to regard the following as extremely or very important reasons for why they might consider leaving their organizations:

- ◆ More flexibility in work arrangements (61 percent of women; 45 percent of men)
- ◆ Ability to work fewer hours (52 percent of women; 30 percent of men)
- ◆ Ability to telecommute (51 percent of women; 37 percent of men)

WHO IS MOST LIKELY TO LEAVE?

People of color. Employees of color are much more likely to be found among the group of respondents who were defined as "leavers" than among respondents defined as "stayers."

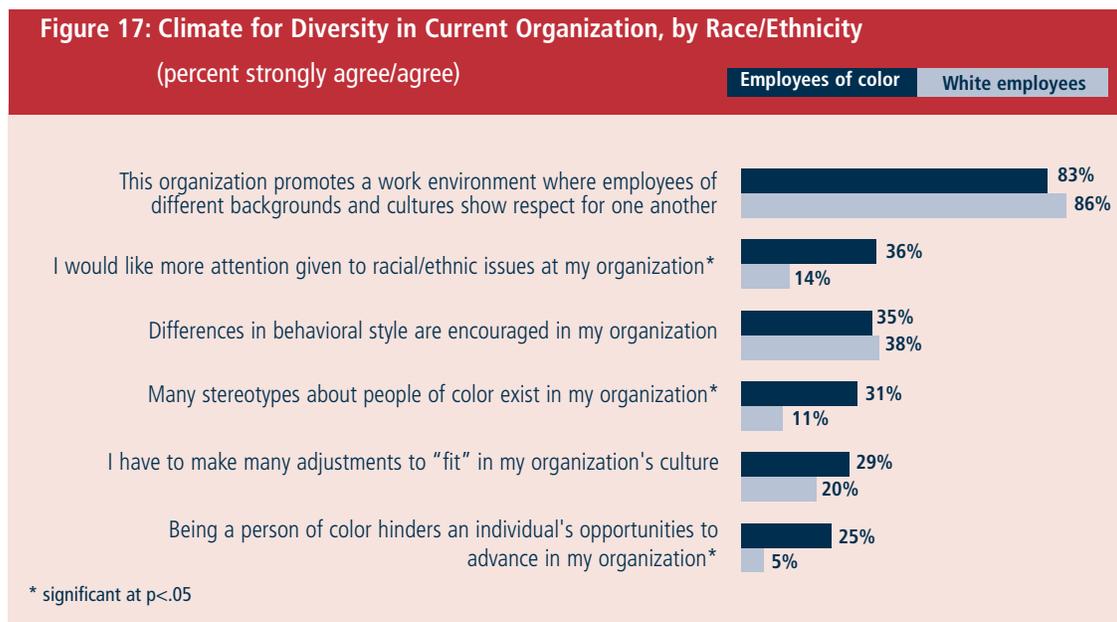


While employees of color generally report the same reasons as white employees for leaving, they are much more likely than white employees to cite increased visibility (68 percent compared to 49 percent).

In order to provide further insight into why employees might leave their organizations, Catalyst examined respondents' perceptions of the climate for diversity in their current organizations.

Both employees of color and white employees believe that their organizations promote a work environment where employees of different backgrounds and cultures show respect for one another. However, employees of color are more likely than white employees are to agree with the following statements:

- ◆ Many stereotypes about people of color exist in my organization.
- ◆ Being a person of color hinders an individual's opportunities to advance in my organization.
- ◆ I would like more attention given to racial/ethnic issues in my organization.



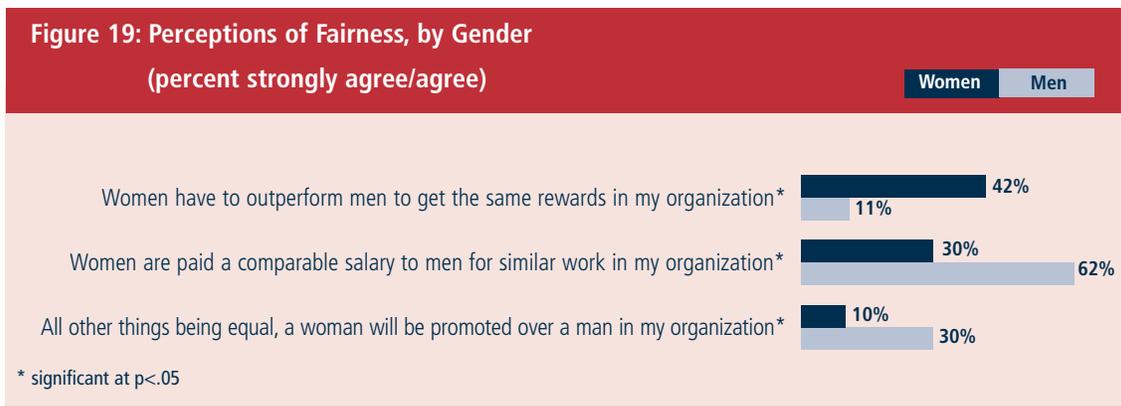
Employees with expectations that are not met are more likely to report they will leave. For example, 45 percent of "leavers" do not feel that their work/life balance expectations were met, compared to only 28 percent of "stayers."

Companies need to take this finding seriously given the findings reported in Chapter 1 that men and women in this group assign greater importance to personal and family goals and values than to work-related goals and values. Also, perceived organizational support for balancing work/life commitments was a key reason they joined their organizations.



RETENTION OF WOMEN

As the following chart indicates, women and men have very different perceptions of what the other gender experiences. For example, women are more likely than men are to report that women must work harder than men yet are not paid similarly.



There are many organizational factors that, if addressed, could reduce the chances that companies and firms would lose valuable professionals. These include: failure to meet expectations that attracted professionals to the organization in the first place, especially the expectation of support for work/life balance; perceived lack of fairness of performance measurement and salary allocation; and lack of flexibility and related programs that enable employees, especially women, to use flexible work arrangements.

COMPANIES AND FIRMS TAKE NOTE

While recruiting new talent is a competitive process, organizations report that the retention of high-potential professionals and managers is even more difficult. Furthermore, Catalyst's studies have found that many companies and professional services firms have experienced turnover of high-potential women and people of color disproportionate to that of white men.

We know that the replacement costs related to turnover of high-potential younger professionals and more seasoned managers is substantial. Other less visible costs of turnover include: the impact on productivity and on the morale of project teams and work units, discontinuity of customer/client service with and resulting negative impact on customer/client satisfaction, and loss of intellectual capital with the associated possibility that a former employee may become a future competitor.

END NOTES

¹ Robert P. Steel and Nestor K. Ovalle, "A review and meta-analysis of research on the relationship between behavioral intentions and employee turnover," *Journal of Applied Psychology* 69(4), 673-686 (1984). Allen I Kraut, "Predicting turnover of employees from measured job attitudes," *Organizational Behavior and Human Performance* 13(2), 233-243 (1975).

CHAPTER 3: DEVELOPING AND ADVANCING THE NEXT GENERATION OF BUSINESS LEADERS



KEY FINDINGS

Assumption:

Men and women want different policies and programs from their employers and use different strategies to advance their careers.

Reality:

Both men and women agree that performance-management strategies from employers are important to their job satisfaction and advancement. Men and women also agree on top individual career strategies that contribute to advancement in their organizations.

Assumption:

This generation of male professionals is supportive of women's career aspirations.

Reality:

Men are more likely than women to believe that there have been increases in advancement opportunities for women over the past ten years; are less likely than women to see the barriers to women's advancement; and are less likely to buy into the business case for women's advancement.

Assumption:

This generation of women and people of color professionals is experiencing a level playing field in their organizations.

Reality:

Women and people of color continue to report many barriers to job satisfaction and advancement in organizations. White men are most likely to believe advancement opportunities have increased for white women and for women of color in their organizations.

Because career development and advancement are responsibilities shared by employer and employee, this chapter examines organizational career development and advancement strategies, such as in-house and external training opportunities, rotational assignments, and mentoring programs. In addition, it reveals individual career strategies, such as networking, requesting high-visibility assignments, and willingness to relocate, that today's professionals believe are important to their career development and advancement.

TODAY'S PROFESSIONALS WANT EFFECTIVE PERFORMANCE-MANAGEMENT STRATEGIES

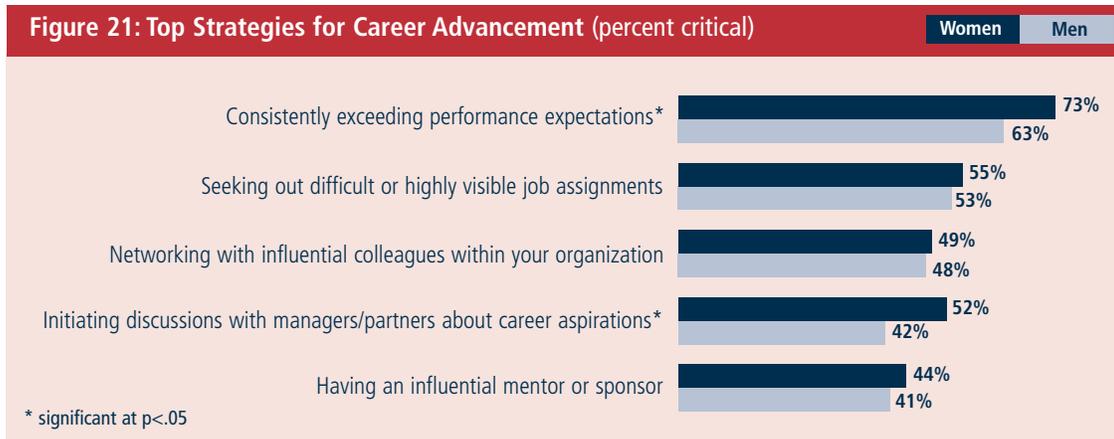
When looking at organizational initiatives relating to career development and advancement, overwhelming majorities of respondents agree that factors such as supervisor support, performance feedback, high-potential identification and development, and developmental planning are important. In addition to effective performance-management policies and strategies, over three-quarters (78 percent) of men and women rate flexible work policies and programs as extremely or very important to their advancement and job satisfaction.



Among U.S. respondents, women (83 percent) are much more likely than men (69 percent) to report that flexible work arrangements are important to career advancement and satisfaction. No significant differences were observed between the responses of Canadian men and women (74 percent) on this item.

INDIVIDUAL CAREER STRATEGIES OF TODAY'S PROFESSIONALS

Overall, men and women agree on the top individual strategies that are important to career advancement in their organizations.



While women and men agree on the top strategies for advancement, women are more likely to cite the following as critical:

- ◆ Consistently exceeding performance expectations (73% of women; 63% of men)
- ◆ Initiating discussions with managers/partners about career aspirations (52% of women; 40% of men)

It is also important to note that almost one-half (41 percent) of women cite the importance of developing a style with which male managers/partners are comfortable. This finding suggests that women invest time on image management that could best be spent on career development. In interviews and focus groups that Catalyst conducted for other studies, both white women and women of color frequently reported that their supervisors are overly focused on style issues. In addition, a large Catalyst study of women of color revealed that developing an acceptable communication style was one of respondents’ top four career advancement strategies.¹

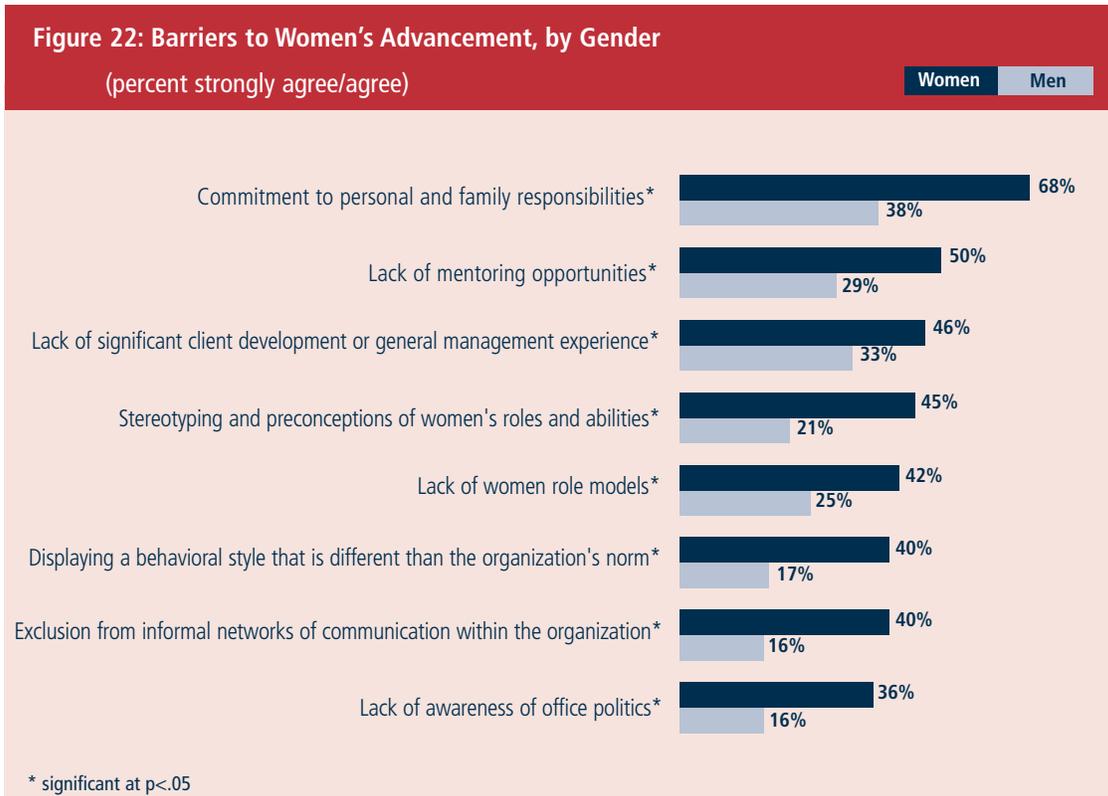
As displayed in Table 3, Canadian and U.S. respondents agree on four out of five top strategies that are critical to career advancement. However, fewer Canadian respondents feel as strongly about these strategies as do U.S. respondents.

TABLE 3: Top Strategies for Advancement, by Nation

US	Canada
Consistently exceeding performance expectations (73%)	Consistently exceeding performance expectations (58%)
Seeking out difficult or highly visible job assignments (59%)	Initiating discussions with managers/partners about career aspirations (43%)
Networking with influential colleagues within your organization (53%)	Developing and adhering to own career goals (42%)
Initiating discussions with managers/partners about career aspirations (50%)	Seeking out difficult or highly visible job assignments (38%)
Having an influential mentor or sponsor (46%)	Networking with influential colleagues within your organization (34%)

ORGANIZATIONAL AND ATTITUDINAL BARRIERS TO THE ADVANCEMENT OF WOMEN

Women and men agree that many organizational and attitudinal barriers continue to impede women’s career advancement. However, men are much less likely than women to perceive these as barriers. This is of particular concern since men comprise the majority of managers and executives in most organizations.

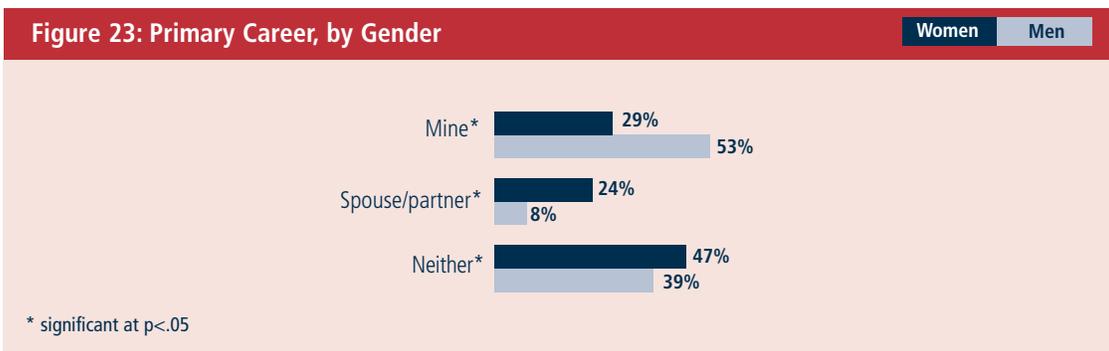


U.S. and Canadian respondents generally agree about the presence of barriers to women’s advancement in their organization. However, Canadian respondents were more likely than U.S. respondents to report a lack of women role models (47 percent compared to 34 percent).

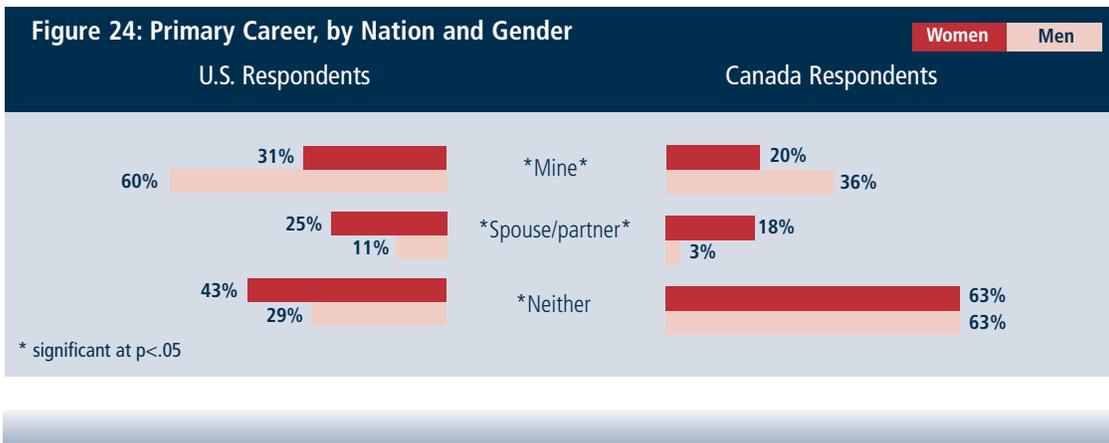
Challenges for women in dual-career couples. Many assume that this generation of male professionals, especially those in dual-career couples, would take increasing responsibility for sharing the work associated with family commitments and for supporting their spouses’/partners’ career goals. Numerous findings from this study suggest otherwise. The differences between men and women in dual-career couples on these issues are the same for those with and without children.

- ◆ Men who have children and are in dual-career relationships are more likely to work 50 or more hours per week than are their female counterparts (50 percent compared to 42 percent).

- ◆ Women are more likely than men are to leave their jobs to relocate with a spouse/partner (13 percent of women compared to 7 percent of men).
- ◆ Women are much more likely than men are to report that they either employed outside services for domestic help (41 percent compared to 26 percent), relied on supportive relatives other than their spouses/partners (36 percent compared to 27 percent), or postponed having children to achieve work/life balance (32 percent compared to 21 percent).
- ◆ Women with children use reduced work schedule/part-time arrangements more than men with children (15 percent compared to 1 percent).
- ◆ Women are much more likely than men are to believe they will work part time in their current organizations during the next five years (19 percent compared to 2 percent).
- ◆ Of those respondents with a spouse or partner who works full time, far more men than women say that their own careers are the primary careers (53 percent of men compared to 29 percent of women). In contrast, women are significantly more likely than men to report that neither their own nor their spouses' or partners' careers are primary.



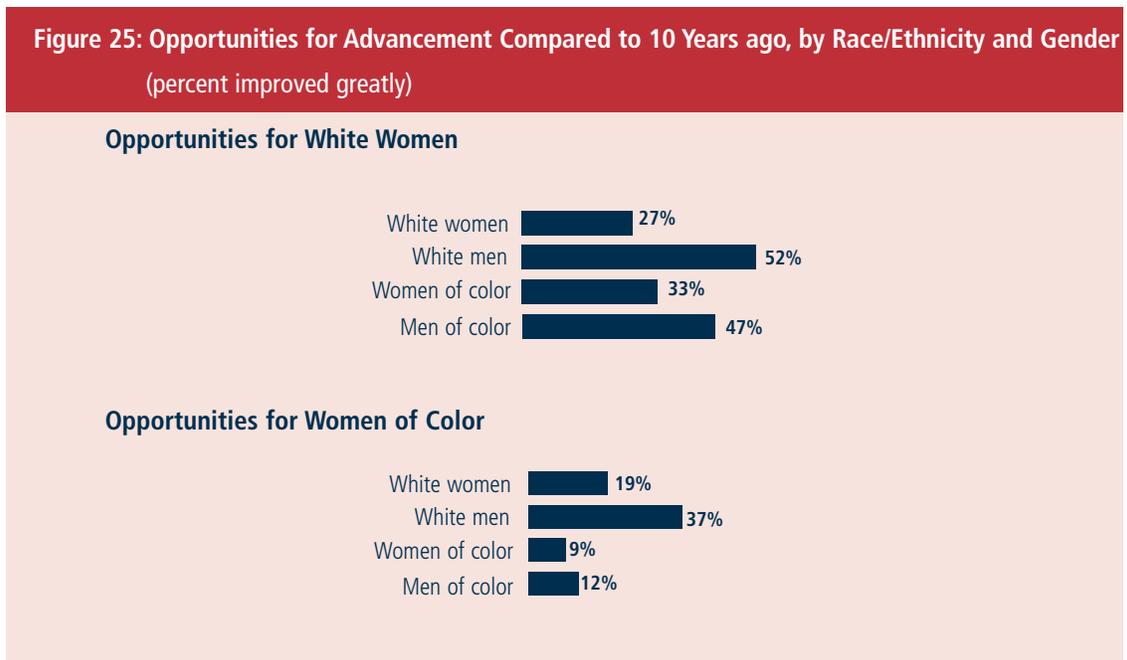
The majority of both Canadian men and women (63 percent of both genders) believe that neither spouse's/partner's career is primary.



Lack of mentors. Catalyst research demonstrates that having an influential mentor is among the top career advancement strategies for senior women and that mentoring relationships are critical during career changes and transitions. Women and men in this study clearly see mentoring as an important advancement strategy, and recognize a lack of mentoring as a barrier to women’s advancement. At the same time, one-half of respondents lack mentoring relationships, regardless of their age cohort, race/ethnicity, or gender.

PROGRESS AND PROSPECTS FOR TODAY’S WOMEN PROFESSIONALS

Given the substantial differences in responses of men and women regarding barriers to women’s advancement, it is not surprising that perceptions about changes in opportunities for white women and women of color to advance in their organizations also vary by gender. Overall, white men are the most likely to believe that opportunities for both groups of women have greatly improved within the past 10 years.



Perhaps this is why men are less likely than women are to buy into the business case for advancing women and are much less likely than women are to agree or strongly agree that:

- ◆ Women have unique perspectives to contribute to decision making and problem solving (79 percent of women compared to 60 percent of men)
- ◆ Women possess unique leadership skills (73 percent of women compared to 47 percent of men)
- ◆ Women are a significant consumer base whose buying power is increasing (66 percent of women compared to 54 percent of men)

Recommendations for accelerating women’s advancement. "If you could change one thing in your organization in order to accelerate the advancement of women to senior positions, what would it be?" Analyses of write-in responses to this open-ended question underscore the disparity between men and women regarding the diversity imperative. Over 750 recommendations were submitted (nearly 75 percent came from women). Results are shown in Table 4.

Table 4: Respondents’ Recommendations for the Advancement of Women		
	Percent of women’s comments	Percent of men’s comments
Provide mentors, role models, and networks	22%	13%
Provide work/life programs and support for them	19%	6%
Improve corporate culture and leadership commitment	14%	7%
Provide other organizational strategic programs	11%	15%
Provide skill development and enhanced opportunities	10%	7%
Support for a meritocratic workplace	10%	17%
Increase diversity awareness; debunk stereotypes	6%	3%
Already doing a good job	4%	8%
Do nothing specifically for women	4%	23%

²See end notes for full description of these categories.

A small minority of these women recommend doing nothing due to possible negative ramifications of perceived special treatment.

I don't believe a person should be advanced because of race or gender. Advancement should be based on ability to do the job. I want my job advancement based on my ability and not because I'm a woman!
 —32-year-old female

Men recommend that organizations encourage and develop meritocratic systems in which advancement is based on performance (17 percent); and establish strategic organizational programs such as recruitment, succession planning, career pathing, and high-potential programs (15 percent).

Almost one-fourth of recommendations from the male respondents (23 percent) suggest doing nothing specifically for women to accelerate the advancement of women to senior positions. These comments suggest that there is resistance among men.

I don't agree with targeting one special group for advancement. It is clearly discrimination against anyone or any group who is not targeted for advancement.
 —30-year-old white male

COMPANIES AND FIRMS TAKE NOTE

Companies and firms are competing for talent. Attracting and recruiting new generations of professionals are only the first steps in competing for the best and brightest. Organizations must also develop their current employees into tomorrow's leaders. Respondents in this study tell us that when their expectations of certain organizational programs and policies go unmet, they are more likely to leave. Providing such programs will increase commitment and decrease turnover.

Catalyst's research shows that recruitment, retention, development, and advancement strategies are interdependent—companies and firms need to do well on all four fronts to achieve positive people management outcomes.³ We have seen that retaining today's professionals involves providing a comprehensive mix of concrete policies and programs supporting work/life balance, access to technology and flexibility, and an attractive organizational culture.

END NOTES

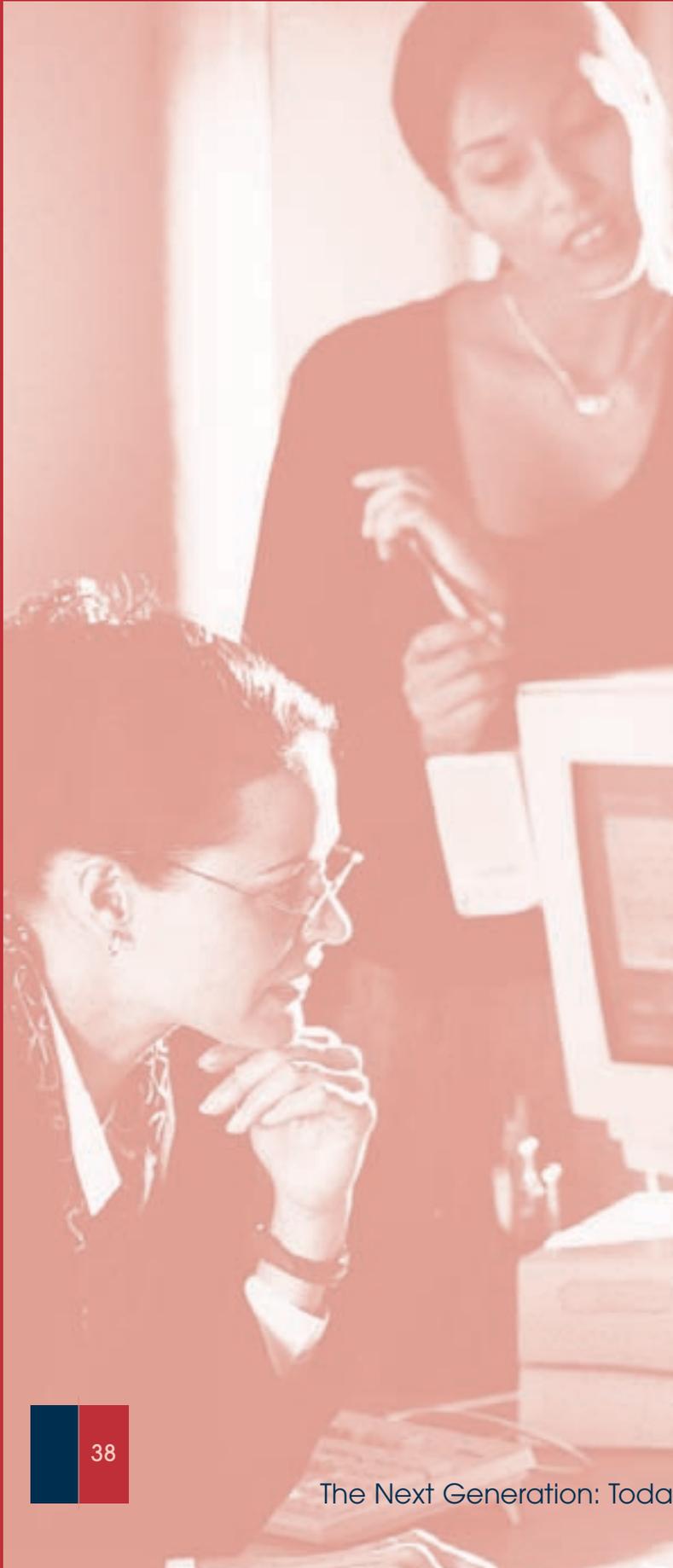
¹ Catalyst, *Women of Color in Corporate Management: Opportunities and Barriers*, New York, NY: 1999.

² These categories of themes follow:

- ◆ Provide work/life programs and support for them: includes flexible work arrangements and work/life programs to improve balance, as well as addressing negative stereotypes related to having a family and being a mother.
- ◆ Provide other organizational strategic programs: includes recruitment, succession planning, career pathing, and high potential programs.
- ◆ Provide skill development and enhanced opportunities: includes opportunities for high visibility and high-risk assignments, development and rotational assignments, and training.
- ◆ Increase diversity awareness; debunk stereotypes: includes diversity-specific training and tearing down general stereotypes about women and work.

³ Catalyst, 2000. *Cracking the Glass Ceiling: Catalyst's Research on Women in Corporate Management, 1995-2000*, New York, NY.

CHAPTER 4: RECOMMENDATIONS



Catalyst's research on today's professionals in companies and firms shows that they are committed and loyal to their current employers. Contrary to common assumptions, business organizations have the opportunity to retain this talented group of young professionals who will be the next generation of business leaders; however, they should not take this group's organizational commitment and loyalty for granted. Catalyst's research shows that this group of professionals is interested in advancement, but not at any cost. They expect support from their organizations to balance their work/life commitments.

Findings from this study point to a number of strategies that organizations can implement to effectively recruit, retain, develop, and advance this generation of professionals, including strategies for addressing unique issues relating to women and people of color. These strategies are contained in the recommendations outlined below.

For four decades, Catalyst has been benchmarking organizational initiatives for recruiting, retaining, and advancing women in business organizations. Our research shows that many of the strategies outlined below are not financially costly. Rather, we know that the opportunity costs of high turnover or failure to fully develop talent are higher. In addition, we know that strategies that have enhanced an organization's success in retaining and advancing women professionals will work for other employee populations as well.

STRATEGIES FOR ATTRACTING TODAY'S PROFESSIONALS TO YOUR ORGANIZATION

Today, most organizations find recruitment of professionals less of a challenge than retention of these individuals. However, organizations do compete for the top talent from schools and from other companies and firms. Findings from this research show that certain organizational attributes and amenities that help retain valued employees can also be viewed as inducements that provide companies and firms with a competitive recruitment advantage.

Communicate to candidates what they can expect from your organization.

- ◆ Talk about your organization's successes in providing work/life policies and programs, flexibility, and valuing diversity on campuses, at job fairs, and at meetings of professional and affinity groups/networks.
- ◆ Provide written descriptions of work/life and flexible work arrangement policies and programs in recruitment brochures.
- ◆ Include women and people of color on every recruiting team to facilitate questions about work/life policies and programs, as well as questions about the work environment and culture.

Mean what you say about your organization.

Catalyst's research shows that among this generation of professionals, individuals whose expectations of their organization are unmet are much more likely to leave. Do not make promises to candidates that your organization cannot meet. Describe your policies, programs, work environment, and culture accurately.

Target women, people of color, and individuals from a range of age groups in your recruitment efforts.

- ◆ Broaden your candidate search. Ensure that women and people of color are represented at the schools and other venues where your organization traditionally recruits (e.g. women's colleges and historically black colleges and universities).
- ◆ Target membership organizations and publications to which women and people of color belong and subscribe.
- ◆ Consider recruitment of advanced hires to serve as role models and mentors for younger women and people of color.
- ◆ Include employees from a range of age groups in campus recruiting visits and interview teams.

In recruitment efforts, provide visibility for successful senior women and people of color in your organization.

- ◆ Ensure that women and people of color are included among speakers that represent your company at high-profile business and civic events.
- ◆ Nominate and sponsor women and people of color for business- and community-based organizations.
- ◆ Feature women and people of color prominently in your organization's communication vehicles such as annual reports, recruitment brochures, and on your web site. Work with local and national media outlets to publish announcements of promotions and other accomplishments of senior women and people of color and to include them in appropriate feature stories about key organizational developments and events.
- ◆ Encourage women and people of color to represent your organization in external mentoring programs whether through appearances in local schools, one-on-one mentoring, or internet-based programs.
- ◆ Offer internships and scholarships as a recruitment tool.

STRATEGIES FOR RETAINING AND ADVANCING TODAY'S PROFESSIONALS IN YOUR ORGANIZATION

Findings from this study show that effective work/life programs and performance-management strategies are critical to the retention of this group. Respondents also noted a number of other expectations they have of their organizations that if unmet, would cause them to seek opportunities elsewhere.

Personal Productivity

Create a flexible work environment.

- ◆ Develop and communicate your organization's support for employees' efforts to balance their work and personal lives.
- ◆ Confront managers' anxieties about flexible work arrangements. Train and reward all levels of management for developing their staff, leveraging corporate policies, and addressing the work/life needs of employees—both men and women.
- ◆ Reward managers who are role models for your organization's flexibility policies and programs.

- ◆ Provide a range of alternatives to traditional work arrangements that are both formal (part-time schedules, telecommuting, compressed workweek) and informal (e.g., flexible arrival and departure times).
- ◆ Focus on results, not line-of-sight management. Catalyst's research has consistently shown that "face time" is an ineffective measurement of performance, especially for those with alternative work arrangements.
- ◆ Provide training and support for professionals with flexible arrangements and their supervisors. Highlight information about:
 - ◆ who is eligible to use policies/programs;
 - ◆ the process for negotiating an arrangement;
 - ◆ guidelines regarding benefits, compensation, performance review, and promotions when using flexible options;
 - ◆ technology to support the arrangement; and,
 - ◆ best practices and success stories within your organization.
- ◆ Provide systems and structures that support flexibility and reasonable job demands, rethinking headcount and billable-hour systems, unclear performance ranking and rating systems that emphasize face-time, and rigid career path criteria and timeframes that fail to address the changing needs and expectations of this generation of professionals.

Provide support for employees' dependent care needs.

- ◆ Develop and communicate your organization's business rationale for supporting employees' dependent care needs.
- ◆ Monitor the dependent care needs of your work force which change as employees grow older and move into different phases of their life cycle. Find ways to provide information and support through resource and referral programs, back-up childcare, and on- or near-site care.

Performance Management

Create and communicate development strategies.

- ◆ Identify high-potential employees and communicate your organization's interest in developing them for senior leadership roles in your organization. It is especially critical to identify high-potential women and people of color early in their careers and to monitor the developmental experiences they receive.
- ◆ Provide company-sponsored formal and informal training and development opportunities and ensure that women and people of color are represented among individuals who are sponsored for in-house training, external training, executive MBA programs, and other leadership development programs.
- ◆ Offer rotational programs that provide high-potential professionals with a breadth of functional and/or divisional knowledge of the organization including line and staff assignments, headquarters and field rotations, and international opportunities.
- ◆ Implement a formal mentoring program. Some mentoring programs integrate retention and development goals for high-potential employees by pairing these individuals with influential senior managers who can provide them with visibility within the organization, enhance their access to networks, and advise them on

career development strategies. Numerous other mentoring approaches are being used by organizations including:

- ◆ "mentor-up" programs in which newer professionals serve as mentors to more seasoned employees (especially useful for organizations that are trying to develop a more inclusive and innovative culture);
- ◆ mentoring "circles," where one seasoned and influential employee mentors several younger professionals; and,
- ◆ mentoring programs outside the organization, in which high-potential employees are paired up with capable leaders from other organizations.
- ◆ Encourage and fund participation in professional organizations and developmental and educational opportunities outside of your company or firm.
- ◆ Provide succession planning that reaches down into and across functional units to identify women and people of color early in their careers and track their development and advancement.

Develop effective performance-management strategies and train managers to use them.

Supervisor effectiveness is a key to successfully implementing performance-management systems. Organizations frequently assume that successful individual contributors will automatically make good managers. The fact is that managers need training to understand and implement retention policies and to effectively manage a diverse workforce.

Provide customized career planning and management.

Catalyst's research shows that, increasingly, professionals want customized career paths that include opportunities to turn down a relocation, to step off the partner track in professional firms for a period of time to manage work/life commitments, or to exercise entrepreneurial interests "intrapreneurially." The organization's ability to accommodate such nontraditional approaches to career planning is a critical retention tool.

- ◆ Provide training for managers to engage employees in a safe, open dialogue about their career goals.
- ◆ Create systems with "checkpoints" for employee input and dialogue about changes in their work/life priorities, e.g., annual discussion of employee ability to relocate as part of the performance review process.
- ◆ Provide opportunities for entrepreneurial employees to exercise their interests and abilities in this area, e.g., sales, new business/client development.
- ◆ Use assessment tools to identify areas of strength and areas for improvement of managerial candidates.
- ◆ Provide supervisory training to increase self-awareness and leadership competencies of managers.
- ◆ Provide uniform performance management tools such as individual and organizational career paths planning schemes; monitor their use and usefulness.
- ◆ Implement quarterly feedback sessions for managers and direct reports to assess progress toward goals, employee need for direction or training, organizational needs, and other issues related to effective performance management.
- ◆ Identify and track the development and advancement of high-potential employees.
- ◆ Reward successful managers.

Retain high-potential employees by offering tuition reimbursement and time off to return to school.

One-fourth of 25- to 30-year-old respondents report that they intend to return to school within the next five years. Providing high-performing professionals in this age group with tuition reimbursement and time off for school is an effective retention strategy. Some companies also provide rewards such as bonuses upon completion of a degree to further communicate their interest in retaining high-potential employees for future leadership roles.

Organizational Culture

Assess your organization's work environment/culture to ensure that professionals in every age group feel valued and have meaningful opportunities to contribute.

- ◆ Analyze data from employee surveys by age group to identify disparate attitudes, expectations, and experiences that may need to be addressed in order to create a more inclusive work environment. Include items that assess the perceived "fairness" of the organization's opportunity and reward structure. Analyze fairness and other perception questions by age, gender, and race/ethnicity to identify disparate experiences of employee groups that might lead to turnover or failure to leverage valuable talent.
- ◆ Include representatives from all age groups on task forces and committees that advise senior management decisions.
- ◆ Ensure that company social events are inclusive of all age groups.

Implement a casual dress code.

Recognize that today's professionals place relatively high importance on working in an innovative and fun workplace. Among other things, an organization's approach to office dress requirements shows something about its capacity for innovation. Today's professionals want a casual dress code. Some companies designate one day a week, often Fridays, as "dress down day." Others allow employees discretion to determine what is appropriate dress based on whether they have meetings with clients or vendors or will be spending the day in the office with co-workers.

Address reverse discrimination.

Catalyst's research shows that organizations can effectively address the perception of reverse discrimination by taking the following steps prior to implementing strategic diversity initiatives:

- ◆ Document and articulate the issues, e.g., failure to retain or develop women and people of color.
- ◆ Communicate the specific business rationale for your organization of addressing the problem; e.g., how it will impact your organization's outcomes with products/services and customers/clients.
- ◆ Position your entire effort in terms of "inclusion" rather than "diversity." The object is to get all talent, including men, a seat at the table.
- ◆ Articulate top-level commitment and support for addressing the problem.
- ◆ Hold managers accountable for results and reward them for being part of the solution.

If you do find that resistance starts to form or that there is concern about white men losing opportunities, it is crucial to communicate information about performance. The Bank of Montreal was successful in doing just that when the leadership sponsored the Task Force on the Advancement of Women in 1991. The task force's groundbreaking report, culled from information in the bank's human resources database, proved that in terms of education, length of service, dedication, and job performance, women in the bank equaled or surpassed their male colleagues. As a result, the bank was able to gain the support of all employees for the creation of a new department, Workplace Equality, responsible for implementing recommendations and ensuring a fully integrated approach to cultural change within the bank.

Level the playing field for women and people of color.

- ◆ Communicate the business rationale for diversity initiatives.
- ◆ Use surveys, focus groups, and post-departure interviews conducted by independent firms to assess the climate for diversity in your organization.
- ◆ Communicate and demonstrate your company's commitment to women and people of color.
 - ◆ Invest financially in women and people of color through their inclusion in management training, executive development programs, high-visibility events, membership in professional associations, and support for corporate networks and networking events.
 - ◆ Ensure that women and people of color have mentoring relationships that foster inclusion in all aspects of the corporate culture.
 - ◆ Use existing communication tools to articulate your commitment and publicize and monitor progress.
 - ◆ Recognize and reward contributions of high-performing women and people of color.
 - ◆ Recognize and reward supportive managers.
- ◆ Provide effective, mandatory diversity training throughout the organization.
- ◆ Hold managers accountable for retention and advancement of women and people of color.
 - ◆ Perform case-by-case reviews of reasons for "regretted losses."
 - ◆ Create clearly articulated plans for the long-term development of women and people of color that include both line and staff experience.
 - ◆ Review managers' performance evaluations by race, ethnicity, and gender.
 - ◆ Ensure representation of women of color on slates for promotions and in high-visibility assignments.
 - ◆ Measure time in grade to ensure that advancement for women and people of color is occurring at the same pace as for white men.
 - ◆ Provide financial incentives for diversity goal achievement.
- ◆ Integrate diversity goals and values into routine organizational practices such as recruitment, new hire orientation, management training, and career development.

CHAPTER 5: BEST PRACTICES



WORK/LIFE OPTIONS AT AUTODESK CORPORATION

Generating Work/Life Options

Autodesk, a Northern California-based design software and digital content company, currently employs approximately 3,500 employees worldwide. The organization started as a small, startup company in 1982 and has maintained its flexible work culture despite rapid growth.

Autodesk understands the challenges employees face in integrating their work and personal lives. By providing a wide array of work/life programs, Autodesk makes a commitment that acknowledges and supports a priority that all employees share—the desire to navigate successfully between personal and professional needs. Lynn Fazio, Director of Human Resources, Worldwide Operations, Work/Life Initiatives, explains, "We hope our programs are flexible and meet the needs of everyone, of every age and background. Our work/life choices are designed to enrich employees' quality of life in and outside of work, no matter what your situation—whether you're a parent, spouse, partner, caregiver, or you just want to spend more time with friends, family, pets, hobbies, or as a volunteer in the community."

Options Based on Autonomy, Balance, and Choice

While Autodesk offers a range of work/life options such as paid volunteer time, child care subsidy, and sabbaticals, the most striking aspect of the program is somewhat intangible: work/life options are based on the tenet of treating employees like adults. Ms. Fazio explains, "Life is a juggling act. That's why we've created a flexible work environment and are providing a variety of tools that will allow you to pay attention to the needs of your professional and personal life. After all, when you're assured that your personal needs are satisfied, you can be a more effective and motivated contributor at work. Providing work/life options isn't just "a nice thing to do"—it makes good business sense as well."

Autodesk relies heavily on flexible scheduling such as telecommuting and flextime. According to Ms. Fazio, "There is no such thing as being late at Autodesk. While of course there are some functions that make this difficult—with rare exception, employees design their work around their home lives."

Similarly, Autodesk does not track the number of sick days used by employees. The company expects employees to use their sick leave responsibly. That means that if employees are sick—or if they're home with a family member who is ill—they can stay home without making up excuses. Autodesk does expect employees to work with their managers, since some departments may need to track attendance more closely.

The Payoff

On a practical level, Autodesk regularly assesses the work/life experiences, preferences, and needs of employees through surveys, interviews, and focus groups. This information helps their Human Resources department develop new initiatives and improve programs already in place. The net result is that Autodesk is able to maintain a flexible work environment that supports and values the whole person.

XYZ NETWORK AT CHEVRON CORPORATION

Generating the XYZ Network

Ryan Miller, Founder and President of XYZ Network, began working at Chevron Products Company in 1997 as a process engineer in Technology Marketing in Richmond, California. According to Mr. Miller, "I was 22 years old and by far the youngest person in the research group. It was hard for me to reach out to people outside of my function, and I was feeling a gap between age and experience, both personally and professionally."

In September 1999, Mr. Miller started to network with the next year of young recruits, and met some people who shared his vision for starting an employee network for younger employees. At the same time, Chevron Corporation, an integrated petroleum company officially launched an employee network initiative. With the help of Janet Winters Smith, Corporate Diversity Manager, Mr. Miller and his team followed the Employee Network Guidelines, a tool that describes what networks are and how they are formed and supported at Chevron. Exactly one year later, in the fall of 2000, the XYZ Network was officially launched.

Components of the Network

XYZ consists of a virtual network of all employees that comprise the X, Y, or Z generations. (Generation X employees were born between 1965 and 1976 and Generation Y employees were born between 1977 and 2000. "Z" refers to future Chevron employees born after 2000.)

The mission of the network is to provide a forum for Chevron employees of these generations to network, identify mentoring opportunities, and encourage corporate and community involvement across organizational boundaries. XYZ serves to help bridge the XYZ generation gaps and was formed to achieve the following goals:

- ◆ Developing leadership skills of members through corporate participation and community service
- ◆ Educating XYZ employees about professional growth and personal development potential within Chevron
- ◆ Fostering relationships across the corporation by linking generations through mentoring
- ◆ Providing management and employees with a better understanding of the challenges facing XYZ employees

XYZ currently has over 250 members and is growing steadily. Members represent 13 operating companies at 20 sites. Roughly 80 percent of membership represents generations X, Y, and Z. Because all employee networks at Chevron have open and inclusive membership, the majority of the remaining 20 percent are Baby Boomers who have attained higher levels of management and want to pass on their knowledge and expertise to the next generation. "This more senior group of members also participates, in part, because they want to know what it takes to recruit and retain the next generations of Chevron leaders," Mr. Miller explains. "They want a better understanding of how to create rewarding careers for young employees and XYZ gives them an opportunity to do that."

The Payoff

In just over one year, XYZ has demonstrated the value it brings to members and to Chevron. The network provides opportunities for members to gain leadership skills and develop careers through mentoring relationships and networking opportunities. "Because we want to be inclusive, we do a lot of activities virtually through webcasts, email, and our web page," explains Mr. Miller.

The enthusiasm of members is an important barometer of success for XYZ. Members give feedback at events and share stories about making connections outside of their functional area—opportunities they might not have otherwise had. Mr. Miller points out, "We know from the informal and formal feedback from our members that we are making a difference."

Perhaps the most direct impact the XYZ network has had on the organization was when it was tapped as a resource by the strategic planning committee, comprised of Chairman and CEO, David O'Reilly, and the major company operating heads. In April 2001, the network was enlisted as a strategic focus group to provide their ideas and perspective on the future long-term business vision and mission of the company.

LEADERSHIP DEVELOPMENT PROGRAM (LDP) AT JPMORGAN CHASE

Generating LDP

JPMorgan Chase, a global financial services company headquartered in New York City, has a long history of developing top talent by supporting formal programs for training, developing, and advancing employees. One of their most extensive entry-level training programs is the Leadership Development Program (LDP) for Retail and Middle Market Financial Services (RMMFS).

Components of LDP

The vision of LDP is to accelerate and cultivate RMMFS leaders who have broad-based business perspectives and capabilities to add value throughout the organization.

The program objectives are to provide:

- ◆ A highly dynamic program that attracts an outstanding associate population, who can develop to be future leaders in the organization;
- ◆ A challenging curriculum designed to develop industry- and company-specific knowledge, along with leadership abilities and technical skills;
- ◆ Cross-functional rotational experiences with the purpose of understanding three key areas: customers/products/services, e-commerce, and leadership/management practices; and
- ◆ State-of-the-art practices to retain graduates by providing continuing education, mentoring, and career management assistance for five years after the initial year of learning.

The program provides roughly 50 participants (the majority of whom are recent undergraduates with little work experience) nationwide with one year of formal training and development that includes five job rotations, action learning through coursework and training, and team projects. Years two through five include continued learning career support through the GRAD (Graduate Retention and Development) program.

What makes LDP a best practice is the architecture of the program, the career counseling and performance feedback during and after the initial year of learning, the alignment of the experience for associates with the needs of the business, and the opportunities that result for participants. According to Julie Ginsburg, Vice President and Program Relations Manager, "LDP is both a challenging and nurturing program that is geared toward the associate. The first year is all about their learning so they will have a broad base of business knowledge and enhanced skill development. In addition, the team projects and job rotations are based on current and future business needs and trends, internally and externally." Ms. Ginsburg points out that, "The crown jewel of LDP is the GRAD program. We engage and continue to accelerate our associates by offering continued career development, education, and formal mentoring."

An example of the comprehensive design of LDP is the extensive performance feedback offered to associates. In addition to receiving feedback after each of the five rotations, a development plan is drafted by each rotational manager. Development plans are shared with the managers of subsequent rotations to enable a continual course of growth and challenge.

The Payoff

In September 2000, Ms. Ginsburg's team started to track LDP graduates in terms of grade level, function, and salary. Program staff maintains support and connections with these graduates for approximately five years following the program. These regular, annual contacts ensure that graduates are satisfied with their current placement and, if necessary, to help facilitate career changes across the RMMFS organization.

Metrics of success include associate feedback, retention rates, and feedback from participating managers in comments and team project results. Ms. Ginsburg asserts, "Associates give us feedback on all the facets of the program. This feedback helps program administration to improve the program each year. If the majority of associates do not feel that something is valuable, it's not repeated."

MENTORING THE NEXT GENERATION OF LEADERS AT PERSHING

Developing AVPs

Pershing, a division of Donaldson, Lufkin & Jenrette Securities Corporation, a Credit Suisse First Boston company, provides investment products and services to financial organizations worldwide. In 1997, Pershing recognized the need to foster the advancement of women and people of color into vice president (VP) positions and keep pace with the developing workplace of the future. Members of Pershing's Diversity Taskforce began by assessing the professional needs and interests of women and people of color at the assistant vice president

(AVP) level. This resulted in the development of a powerful and inclusive mentoring program that focuses on AVP career development. Following the success of its pilot program, Pershing's AVP mentoring program is now in its second year.

Components of the Program

The AVP mentoring program is a firm-wide, self-nominating, one-year program that was piloted in the Office of Diversity, and after a successful first year, is now administered by the Office of Career Development. Mentees, who are predominantly 36 years old or younger, are matched with accomplished, volunteer mentors who meet the following requirements:

- ◆ Are directors of the firm
- ◆ Are vice presidents and have completed a Pershing-specific, leadership-training course that focuses on coaching
- ◆ Have three years of service with Pershing

The objective of the program is to pair AVPs with high-performing mentors who will help develop their leadership skills, expose them to a range of functions, and serve as a compass to help navigate their careers through the organization. To meet this objective, the program relies on a thorough matching process, training for mentors and mentees, structured discussion groups, continuous evaluations, and recognition of outstanding mentors.

The matching process begins by mentees selecting potential mentors from a database of biographical sketches on the company's intranet. Mentees then complete an application that gathers information on their immediate and long-term career goals as well as their top three selections for a mentor.

For the past two years, a committee of eight executives has paired mentors and mentees. Thanks to strong backing and efforts to expand the mentoring program beyond its current target group, software development is being considered that will more expediently match mentors and mentees.

After the selection of mentoring pairs, the mentor program commences with a kick-off meeting attended by all mentors, mentees, and Pershing senior managers. In addition, a series of training and networking lunchtime events bring program participants together. Topics include:

- ◆ Pershing's systems, products, and services
- ◆ Project management
- ◆ Time management
- ◆ Networking, negotiation, and presentation skills
- ◆ Quarterly discussion groups

Continual support is provided. For example, mentors and mentees are provided materials to help structure their twice-monthly meetings. They receive guidance on how to discuss and establish expectations of the relation-

ship, including parameters of confidentiality. Mentoring pairs are also encouraged to use a progress log that tracks meeting dates and activities.

Survey evaluations are distributed to mentors and mentees after one month, at the six-month mark, and at the end of the year to assess the progress of the program and identify areas for improvement.

The Payoff

The success of Pershing's AVP mentoring program is due, in part, to a comprehensive communication strategy, targeted resources and guidance, and constant leadership support given to the participants, as well as the commitment of the mentors and mentees themselves. The program survey findings show that 88 percent of mentors and 90 percent of AVP mentees are highly satisfied with their matches.

In addition, anecdotal feedback is collected as an important metric of success. One mentee commented that she felt particularly comfortable with her mentor from the onset of their coaching relationship. Together, she and her mentor targeted public speaking and networking skills as areas for development. Her mentor helped facilitate her participation in a group that supports the development of public speaking skills, and helped her to meet other people in the firm.

Pershing has developed several, overarching objectives for its mentoring program, including increased productivity and organizational knowledge among AVP participants, as well as improved recruitment and retention. Initial survey assessments of this recently implemented program are promising. AVP mentees agree that having a senior confidante and coach is instrumental in achieving personal and professional success at Pershing.

HORIZON AFFINITY AT SILICON GRAPHICS

Generating Horizon

In December 1997, after receiving her undergraduate degree from Stanford University and one day after her 22nd birthday, Maya McMillin joined the Finance department at Silicon Graphics (SGI), a California-based computing technology company. Looking for ways to network and make personal connections, Ms. McMillin got involved in established affinity groups and intramural sports on her corporate campus. She recognized that "the social aspect and personal networking were missing." A colleague suggested that she start an affinity group to address the needs of younger employees at SGI so she set out to learn what steps other affinity group leaders took. She recalls thinking, "I am fresh out of college. I have no idea what to do. I kept asking, 'Am I allowed to do this?'"

In May 1998, with help from Human Resources, Ms. McMillin sent an email to a group of new hires asking them to participate in a lunch meeting to network, brainstorm the elements of the organization, and develop plans for an off-site meeting. In June 1998, Ms. McMillin and the core team hosted an all-day Saturday event at SGI, which began with organizational planning and concluded with volleyball and a barbeque. Two months later,

one of the company founders, former Chief Technology Officer Kurt Akeley, presented the keynote address at the group's kick-off and announcement party. This event marked the official launch of Horizon.

The Components of Horizon

Horizon is a group of mostly recent college hires and young professionals at SGI, committed to providing a supportive and social environment to help ease the transition from college to professional life. The goals of the approximately 100-member group are to provide opportunities for networking, mentoring, career development, and having fun.

Activities sponsored by Horizon include:

- ◆ Holding regular social and community service events
- ◆ Assisting University Relations in recruiting efforts
- ◆ Arranging guest speakers and executive roundtables
- ◆ Sponsoring team-building and leadership workshops

According to Ms. McMillin, Founder and President of Horizon, the success of the group is a tribute to the following four factors:

- ◆ Sense of ownership that results from a grassroots initiative
- ◆ Solid organizational foundation upon which to build
- ◆ Commitment of a core team
- ◆ Executive support that gives legitimacy, recognition, and guidance

The Payoff

Ms. McMillin describes the impact of Horizon in terms of connection and perspective: "Horizon gives me a deeper personal connection to SGI as a company, and to the people of SGI. I know this is also true for a lot of the other members."

Conversely, Horizon helps SGI gain a broader perspective of the experiences of its workforce. In October 2000, 10 members of Horizon participated in an Inclusion Dialogue, which was a facilitated session aimed to help the Diversity department better understand what diversity and inclusion means to the younger generation of SGI employees.

Finally, Ms. McMillin personally exemplifies the power that employee affinity groups can have on employee retention. After working within the company for several years, she returned to business school. However, due to her personal connection with SGI, Ms. McMillin has voluntarily returned to SGI for a summer internship in the Marketing department and she hopes to return again upon graduation.

APPENDIX I: METHODOLOGY

PROFILE OF SURVEY RESPONDENTS

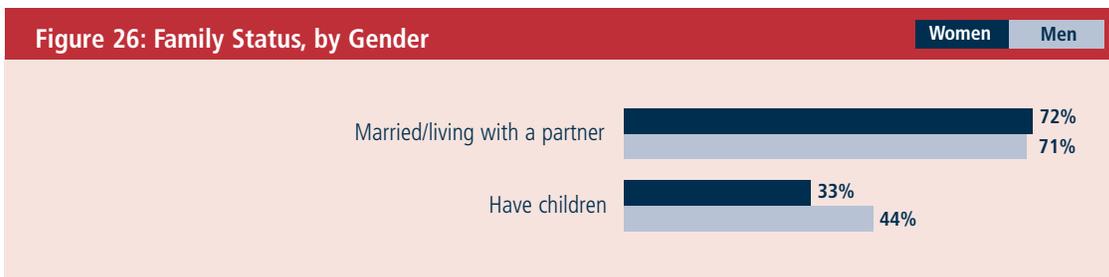
Table 5: Ten Participating Businesses, by Industry

Industry	Number/Location of companies	Percent of Respondents
Technology and communications	2 (1 CDA; 1US)	17%
Financial services	1 (US)	13%
Retail	1 (US)	12%
Professional services	2 (US)	14%
Consumer goods	1 (US)	8%
Heavy manufacturing	2 (1 CDA; 1US)	26%
Wholesale electronics	1 (US)	10%

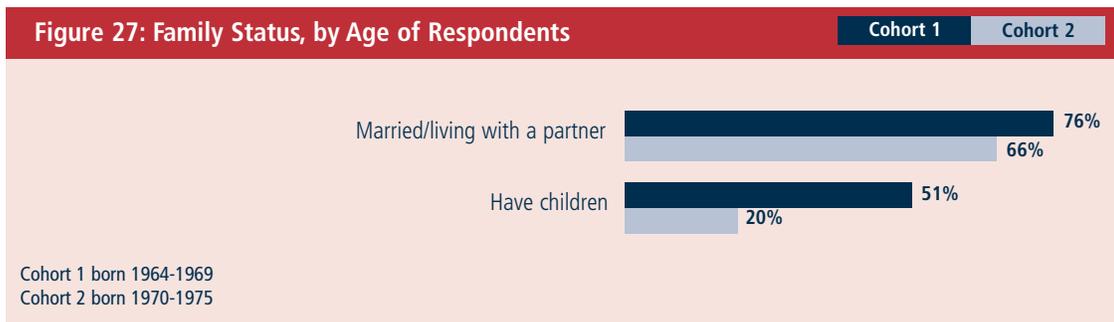
Individual demographics. Of the 1,263 respondents, 71 percent are women and 29 percent are men. To assess differences by age, the respondent base was further divided into two cohorts: respondents born between 1964 and 1969 ("Cohort 1") and those born between 1970 and 1975 ("Cohort 2").

Seventy-eight percent of respondents are from the US and 22 percent are from Canada. Eighteen percent of respondents (227 individuals) are people of color; women of color represent 71 percent of people of color respondents and men of color represent 29 percent. Nearly one-third of all respondents have graduate degrees. Two percent of respondents describe their sexual orientation as gay/lesbian or bisexual.

Household and family demographics. A majority (71 percent) of respondents are married or living with a partner. Thirty-six percent have children.



Not surprisingly, those in Cohort 1 are more likely to be married or living with a partner than those in Cohort 2 (76 percent compared to 66 percent), and to have children (51 percent compared to 20 percent).



U.S. and Canadian household and family demographics. Americans and Canadians differ somewhat in their household and family status. For example, U.S. women and men are equally likely to have a spouse or partner (72 percent and 73 percent, respectively). Canadian women, however, are more likely than Canadian men to be married or living with a partner (74 percent compared to 64 percent). Another notable difference is that American men are much more likely than Canadian men to have children (47 percent compared to 34 percent).

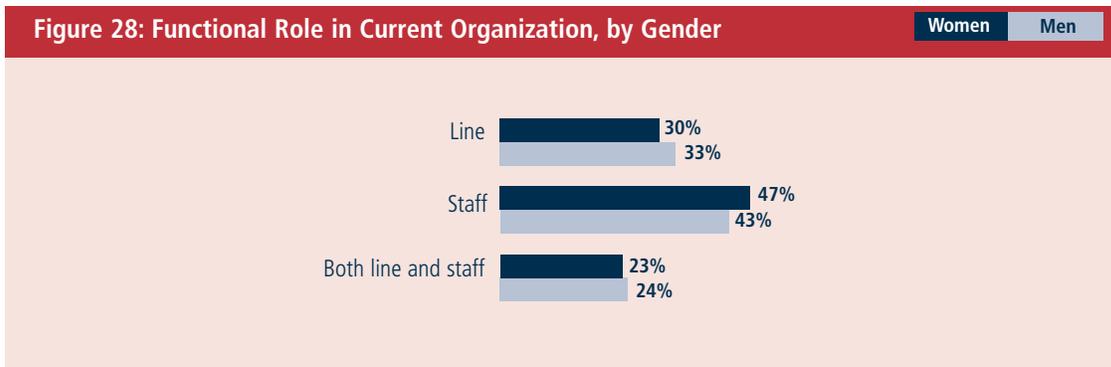
Household income. As would be expected, the average household income of respondents varies considerably by age. Those born between 1964 and 1969 have a greater household income than those born between 1970 and 1975.

TABLE 6: Average Household Income, by Age and Nation

	U.S. Respondents	Canadian Respondents
Cohort 1 (born 1964-1969)	\$114,246 USD	\$90,675*** CDA
Cohort 2 (born 1970-1975)	\$89,654 USD	\$76,658** CDA

** Equivalent to approximately \$48,533 U.S. dollars
*** Equivalent to approximately \$57,455 U.S. dollars

Professional profiles. Nearly one-third of respondents hold line positions in their organizations; 46 percent hold staff positions; the remainder (23 percent) have jobs that involve both line and staff responsibilities. (Those in line positions have profit-and-loss or direct client responsibility, while those in staff positions provide functional support to the line operation.) This is the first survey conducted by Catalyst in which women participants are not disproportionately represented in staff positions.



A small percentage of women respondents—5 percent—work part time. No men work part time.

The women and men in this study have been with their organizations for an average of five years. As would be expected, those born between 1970 and 1975 have a shorter tenure (4 years) than those born between 1964 and 1969 (6 years).

The mean age at which respondents expect to retire is 55—a decade before, they would now be eligible to collect social security benefits.

Family status. About one-fourth of the men and one-fifth of the women grew up in families that included at least one stepparent. Respondents' fathers were more highly educated than their mothers: 57 percent of fathers earned bachelor's degrees or higher compared to 40 percent of mothers. For seventy percent of the respondents, their fathers were employed in business in a professional or managerial capacity, compared to 37 percent, whose mothers were employed in such capacity.

When asked about who was influential in their decision to pursue their current career paths, men and women gave similar responses, most frequently naming self (71 percent of both genders), a parent or close relative (43 percent and 47 percent, respectively), and a peer or friend (26 percent and 25 percent, respectively).

APPENDIX II: FIGURES AND TABLES

FIGURES

Figure 1: Number of People Aged 25-34 in the US Population	9
Figure 2: Number of People Aged 25-34 in the Canadian Population	9
Figure 3: Attraction to Organization (percent extremely/very important)	13
Figure 4: Preferred form of Promotion, by Gender and Age	14
Figure 5: Importance of Values and Goals (percent extremely important)	14
Figure 6: Importance of Personal and Family Values and Goals, by Gender (percent extremely important)	15
Figure 7: Importance of Work-Related Values and Goals, by Gender (percent extremely important)	15
Figure 8: Interference of Job on Personal Life	15
Figure 9: Impact of Job on Personal Life, by Gender (percent always/most of the time/often)	16
Figure 10: Importance of Values and Goals, by Nation (percent extremely important)	17
Figure 11: Flexible Work Arrangements and Other Work/Life Programs, by Use and Desire	18
Figure 12: Motivations for Adopting Flexible Work Arrangements and Other Work/Life Programs, by Gender	19
Figure 13: Importance of Technology and Telecommuting, by Gender	20
Figure 14: Importance of Workplace Amenities (percent extremely/very important)	21
Figure 15: Reasons for Leaving, by "Leavers" (percent extremely/ very important)	25
Figure 16: "Stayers" and "Leavers," by Race/Ethnicity	25
Figure 17: Climate for Diversity in Current Organization, by Race/Ethnicity (percent strongly agree/agree)	26
Figure 18: Organizational Expectations, by "Stayers" and "Leavers" (percent met somewhat/not at all met)	27
Figure 19: Perceptions of Fairness, by Gender	27
Figure 20: Importance of Organizational Programs to Advancement and Job Satisfaction (percent extremely/very important)	31
Figure 21: Top Strategies for Career Advancement (percent critical)	32
Figure 22: Barriers to Women's Advancement, by Gender (percent strongly agree/agree)	33
Figure 23: Primary Career, by Gender	34
Figure 24: Primary Career, by Nation and Gender (percent strongly agree/agree)	34
Figure 25: Opportunities for Advancement of White Women and Women of Color Compared to 10 Years ago, by Race/Ethnicity and Gender (percent improved greatly)	35
Figure 26: Family Status, by Gender	53
Figure 27: Family Status, by Age of Respondents	54
Figure 28: Functional Role in Current Organization, by Gender	55

TABLES

Table 1: Profile of Survey Respondents	7
Table 2: Commitment to Current Organization	24
Table 3: Top Strategies for Advancement, by Nation	32
Table 4: Respondents' Recommendations for the Advancement of Women	36
Table 5: Ten Participating Businesses, by Industry	53
Table 6: Average Household Income, by Age and Nation	54

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