

What Women Want (Most)

Recruiting and Retaining Top Talent, Need for Greater Flexibility Key Workforce Trends

By: Barbara K. Mednick

As the 21st century unfolds, women continue to drive changes that are transforming the workplace and benefiting both men and women. Key workplace challenges include globalization; a shortage of workers; a shift in the composition of workers; increased pressure to recruit and retain top talent, particularly women; and providing employees with the opportunity and flexibility they need to balance work and life.

Overall, Minnesota workforce trends mirror those at the national level, with a few notable differences, according to local experts and current work trend surveys.

“Companies need to offer more flexibility and opportunity. More women are making choices to shape their destiny and for some it's inside an organization and for others it's starting their own business,” says Jeanne Bailey, director, International Institute for Women Executives, College of St. Catherine, St. Paul.

War for talent

An impending shortage of employees in the near future is one of the biggest challenges looming on the horizon — both locally and nationally. This massive and very real labor crisis is due primarily to the retiring of the large baby boom population. This anticipated “war for talent” is quickly moving to the forefront of U.S. employers' agendas, according to local experts, companies and current research studies.

Federal statistics suggest that in just a few years there will be 151 million jobs but only 141 million people to fill them, according to a January 2005 collaborative study by Simmons School of Management and Bright Horizons Family Solutions titled *The New Workforce Reality: Insights for Today, Implications for Tomorrow*. According to the study, an estimated 76 million baby boomers will be retiring in the next few decades; leaving only 48 million workers under age 40 will be waiting in the wings to replace them.

Pressure to retain employees

Keeping qualified workers is one of the biggest challenges employers face and pressure to retain good employees is increasing at many companies, both in Minnesota and around the nation, according to Stephanie Kendall, an executive consultant at Gantz Wiley Research in Minneapolis. Each year, the company conducts a national WorkTrends survey of 10,000 workers.

“In the 2005 survey, we identified the key drivers of intent to leave for men and women. Overall for both, the top driver is satisfaction with career development opportunities. Both are also driven by a job that offers a sense of accomplishment,” says Kendall. “After that, there are some differences by gender. For men, job security and recognition are important factors in retention. For women, pay and the overall job done by their immediate manager are important drivers. The implication for business leaders is that to retain women, they should pay attention to career development; provide a sense of accomplishment, pay and supervision,” observes Kendall.

Key Minnesota differences

The WorkTrends study revealed some important differences among women and men in Minnesota. “Satisfaction with their company's support of a healthy and balanced life emerged as a top driver of retention for Minnesota women. This was not a top driver for women nationally,” explains Kendall. “For men in Minnesota, the top driver of retention is their level of satisfaction with the opportunities available for a better job in their company. This is similar to the top driver for men nationally (satisfaction

with career development opportunities). In terms of satisfaction on the key drivers of intent to leave, Minnesota workers showed no significant differences from the national results,” according to Kendall.

Shift in composition of workforce

In addition to a shortage of workers, the U.S. will also continue to experience a fundamental shift in the composition of the workforce to include more women, people of color and immigrants. These challenges, which have created tension, are also forcing organizations to be more creative, more flexible, more inclusive and willing to change. This market pressure is also creating new opportunities for women.

According to *The New Workforce Reality* study, “Women in the workforce will continue to grow at a faster rate than men. Racial/ethnic diversity will also continue to grow at an unprecedented rate. The coming labor shortage will also likely force employers to entice more mature workers to stay working beyond the traditional retirement age. At the same time, employers will need to attract and retain younger workers, relying on them to fill leadership positions at a faster rate than their predecessors did.”

Female retention issues

Findings from the *New Workforce Reality* study support the work being done by RSM McGladrey, Inc., which has 5,000 employees at its 100 offices nationwide (including an office in Minnesota).

“In our organization we see the market pressure creating opportunities for advancement of the WorkLife cause, focus on retention of women, and greater emphasis on recruiting at the university level so we can grow our own talent. In the end, all employees benefit,” says Tammy Dehne, senior director of retention, Bloomington office of RSM McGladrey. “We’re experiencing competition to get top talent in the door.”

The accounting industry has experienced female retention issues for some time now and so in 2000, RSM McGladrey created the Women’s Initiative. “Our mission is to significantly improve the recruitment, retention, development and leadership paths of women by focusing on four critical process areas: networking, business development, mentoring and WorkLife balance,” Dehne explains.

Historically, the company has seen a decrease in the percentage of women as they move up the ladder. Entry-level female recruits account for about 50 percent of their workforce. This drops to 40 percent for managers and to 24 percent for directors. At the partner level, the percentage drops to 10 percent. “We’re making progress — the initiative has succeeded in reducing our female employee turnover rate,” she says.

High touch skills necessary for new economy

The global economy requires new skills for female and male employees and new strategies for businesses.

“In addition to the operational management skills required by the new global workplace, international alliances and workforce development place an even higher demand on human relations skills,” says Terri Whitesel, president of Interpret-Her, a Minneapolis company that focuses on marketing to women.

In a December 2004 white paper that Whitesel wrote titled “*Women Friendly = Global Friendly*”, she contends that high touch human skills, which women excel at, are a necessity in the new economy.

“Rather than a single-minded focus on profits, today’s managers must recognize the critical importance of staying connected to employees and customers,” Whitesel writes. “In addition, the need to transmit corporate culture across new countries, time zones and non U.S.-based employees will become critical to the successful implementation and maintenance of the organizational mission. The innate ability to stay connected is a key female trait. Companies wishing to build global customer communities should strongly consider how to leverage their female employee population to develop and maintain a critical global connection.”

Business case for diversity

There is also a strong business case for diversity and female representation. A groundbreaking new study makes the link between gender diversity and corporate financial performance. The 2004 study, *The Bottom Line: Connecting Corporate Performance and Gender Diversity*, released by Catalyst and sponsored by BMO Financial Group, reveals that companies with a higher representation of women in senior management positions financially outperform companies with proportionally fewer women at the top. Catalyst is the leading research and advisory organization working to advance women in business.

These findings support the business case for diversity, which asserts companies that recruit, retain, and advance women will have a competitive advantage in the global marketplace. Organizations that leverage female talent will be better able to develop products and services that could appeal to external customers.

Different models of leadership

Versatility in leadership is essential today, observes Diane Cushman, director, Minnesota Legislative Commission on the Economic Status of Women. “One model tends to emphasize top down control and order-giving; the other emphasizes a flat, circular method of consensus-building that values the knowledge and input of employees, which works only when all employees share a common vision,” says Cushman. “There are opportunities for both models of leadership and times when one or the other is more appropriate and effective.”

In addition, employers that focus on diversity will be positioned better to tap into an increasingly educated and skilled segment of the talent pool. According to Catalyst, women currently earn more than one-half of all bachelor’s and master’s degrees in the U.S. and nearly one-half of all doctorates and law degrees. According to a 2002 Catalyst study of Fortune 500 companies, women held 15.7 percent of the corporate officer positions. According to the BPW Foundation and Business and Professional Women/USA, there were 6.7 million privately held, women-owned businesses in 2004.

Flexibility most valued benefit

A 2004 Accountemps national survey underscores the importance of workplace flexibility in recruiting and retaining staff. According to 30 percent of the 1,400 CFO’s polled, flexible schedules were rated the most valued employee benefit. The poll was conducted by an independent research firm and developed by Accountemps, a temporary staffing service for accounting, finance and bookkeeping professionals.

“Lean staffing levels mean many employees are working longer hours. At the same time, a growing number of professionals must meet mounting personal obligations, including caring for children and elderly relatives,” says Max Messmer, chairman of Accountemps and author of *Motivating Employees for Dummies* (John Wiley & Sons, Inc.).

“The boomers are starting to leave and/or want to work part-time and the younger recruits — both men and women — are inquiring about workplace flexibility during the interview process,” Dehne observes. To recruit and retain top talent, RSM McGladrey is rolling out a Flexible Work Options Plan at offices across the U.S. “We know there is a link between top talent and providing excellent client service. When people leave, that’s human capital knowledge walking out the door and you can’t measure that,” she says.

Bailey echoes that sentiment. “Today, more men and women want more workplace flexibility. The challenge is for companies to offer flexibility and opportunity.”

Barbara K. Mednick is a local communications consultant and freelance writer specializing in workplace issues.