Leaders in a Global Economy
finding the fit for top talent

an in-depth study of the values and engagement of leaders in multinational companies by Catalyst and Families and Work Institute

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INTRODUCTION

In 2003, Families and Work Institute, Catalyst and Boston College Center for Work & Family conducted an unprecedented study, **Leaders in a Global Economy: A Study of Executive Women and Men**, with a worldwide survey of the 100 most senior men and the 100 most senior women at 10 major U.S. headquartered global companies in a range of industries.[1,2] We concluded this first-of-its-kind study with two open-ended questions:

- What one change would improve the advancement of the next generation of women?
- What one change would improve the advancement of the next generation of men?

The responses were the same for both men and women, with three out of five senior executives choosing "Improve the talent management systems!"

These executives urged their companies to review and revise their current talent management systems. The extensive written responses indicated that senior executives were concerned about their companies talent management strategies—suggesting that their companies should be more intentional about recruiting the best talent, surfacing high potentials, developing talent throughout employees' careers, engaging leaders, rewarding the right things, and providing genuine and equitable access to developmental experiences.

This finding was the genesis of our current study—**Leaders in a Global Economy: Finding the Fit for Top Talent**,[3] conducted by Catalyst and Families and Work Institute.

The need for improved talent management systems expressed by the executives in our 2003 study is echoed throughout the business world. In a 2007 survey of CEOs conducted by The Conference Board, 769 of these leaders from across the globe were asked to rate 76 challenges they faced in the next eight to 12 months—the type of issues that kept them up at night. Their responses included such issues as profit growth, stimulating innovation, the company's reputation, finding qualified managerial talent, customer retention, heath care and ethical issues—all are issues that receive a great deal of attention in the business world.

Their four top choices concerned delivering excellence in execution and in profitability. But number five was "finding qualified managerial talent." In fact, that item dramatically increased in priority from number 11 in 2006. It is increasingly recognized that excellence in execution and profitability depends on talent. In fact, the ranking of all talent issues in this survey rose in importance from 2006 to 2007, including "finding the right people to replace current managers as they retire or leave" (from 16 to 11) and "finding a qualified skilled workforce" (from 25 to 14).[4]

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[1] Galinsky, E., Salmond, K., Bond, J.T., Kropf, M.B., Moore, M. and Harrington, B. (2003). *Leaders in a Global Economy*. New York: Families and Work Institute.

[2] The participating companies in this study were Baxter International, Inc.; Citigroup; Deloitte Touche Tohmatsue; The Dow Chemical Company; Eli Lilly and Company; Goldman, Sachs & Co.; IBM Corporation; JPMorgan Chase; Marriott International; and The Procter & Gamble Company.

[3] The current study is a continuation of the series conducted by Catalyst and Families and Work Institute on "Leaders in a Global Economy." The authors would like to recognize the invaluable contributions of Candice P. Lange of Lange Associates in working on the survey with us.

[4] The Conference Board (2007). *CEO Challenge 2007*. New York: The Conference Board.

The current interest in talent management is hopefully moving the business statement of "our people are our most important asset" from rhetoric to greater reality. Like the senior executives in our 2003 study of **Leaders in a Global Economy**, we find a number of problems with how companies think about and practice talent management:

- Almost everything related to "people" in companies has been put under the rubric of "talent management," which has blurred the topic.

- Talent management in practice is often related to the stated or unstated notion of climbing a career ladder in a lock-step manner without veering sideways, declining or moving at different paces. Yet research on career paths reveals that many leaders, especially women, follow more complex paths.[5] In addition, as societies around the world age, many employees plan to work beyond the traditional retirement years and even after "retirement." And as the values of both men and women employees shift to include having a meaningful life outside of the workplace, the notion of a straight and narrow career ladder is not realistic for all employees.

- Many companies focus their talent management programs on employees when they are first hired and then on their senior leaders, leaving a gap during the early and prime career years. A serious loss of key talent, however, takes place during this in-between time.

- Compensation and benefits are seen as the main drivers of talent management, but other things, such as the nature of the work, matter a great deal.

- Finally and most importantly, talent management practices are rarely predicated on a research-based theory of how best to manage and engage people in their own success and in their company's success.

In response to these challenges, **Leaders in a Global Economy: Finding the Fit for Top Talent** was specifically designed by Catalyst and Families and Work Institute to move issues of talent management forward by developing empirical knowledge about senior and pipeline leaders in Europe, the U.S. and Asia and to use these findings to provide a new basis for theory and practice. This report is the first of a two-part series that this research team will produce based on the current study.

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5 Moen, P. and Roehling, P. (2004). *The Career Mystique: Cracks in the American Dream*. Lanham, MD: Rowman & Littlefield Publishers; Eagley, A.H. and Carli, L.L. (2007). *Through the Labyrinth: The Truth About How Women Become Leaders*. Watertown, MA: Harvard Business School Publishing Corporation.

The overall study was designed to test the following conceptual model: that the degree of match between work and career values and job and workplace characteristics determines the level of job engagement.

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                        MATCH
           ↙              ↓              ↘

  WORK & CAREER                        JOB & WORKPLACE
     VALUES                            CHARACTERISTICS


                     JOB ENGAGEMENT
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HOW WAS THE STUDY CONDUCTED?

BP, Citigroup, Fluor, Henkel, IBM Corporation, Infosys, Johnson & Johnson, JPMorgan Chase, Total and Wal-Mart sponsored and/or participated in the current study.

Of these companies, six participated in the online survey. Nearly 8,000 leaders are included in the sample analyzed for this report: 19% senior leaders and 81% pipeline leaders. Women constitute 36% of the total sample. Among senior leaders, 76% are men and 24% are women. Among pipeline leaders, 61% are men and 39% are women (Table 1).

Table 1: Gender by Leadership Level

	Senior Leaders	Pipeline Leaders
Total sample	**19%**	**81%**
Men	76%	61%
Women	24%	39%

Overall, 4 in 5 leaders—81%—are married or living with a partner: 90% of senior leaders and 79% of pipeline leaders (Table 2).

Table 2: Marital Status by Leadership Level and Gender

	Senior Leaders	Pipeline Leaders
Married/Partnered	**90%**	**79%**
Men	94%	84%
Women	80%	70%

More than twice as many senior women have spouses or partners who are employed full time (54%) as their male counterparts do (20%). These differences persist at the pipeline level where

35% of men and 61% of women have spouses or partners who are employed full time. Only 4% of pipeline women have partners who are not in the labor force (Table 3).

Table 3: Gender and Leadership Level by the Employment of the Spouse or Partner

	Partner Employed Full Time		Partner Employed Part Time		Partner Not Employed		No Partner	
	M	F	M	F	M	F	M	F
Leadership Level								
Senior Leaders	20%	54%	21%	7%	52%	18%	6%	21%
Pipeline Leaders	35%	61%	21%	3%	28%	4%	16%	31%

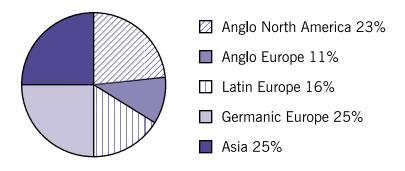On average, the leaders in this study are between 36 and 40 years old (Table 4).

Table 4: Age Distribution of Leaders

Age of Leaders	Percent
Between 21 and 30 years old	8%
Between 31 and 40 years old	40%
Between 41 and 50 years old	34%
Between 51 and 60 years old	15%
Over 60 years old	1%

The average age for senior leaders is between 41 and 45 (although 19% are 40 or younger). For pipeline leaders, the average age is between 36 and 40 (although 24% are 46 or older).

The leaders come from 27 different countries, which we categorized into regions shown in previous research to have similar cultures:[6] Anglo North America (23%), Anglo Europe (11%), Latin Europe (16%), Germanic Europe (25%) and Asia (25%). (Please see Appendix A for list of countries represented in the study.) Figure 1 depicts the percentage of leaders in each of these regions.

Figure 1: Leaders by Region and Cultural Context

- Anglo North America 23%
- Anglo Europe 11%
- Latin Europe 16%
- Germanic Europe 25%
- Asia 25%

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[6] Gupta, V., Hanges, P.V. and Dorfman, P. (2002). "Cultural Clusters: Methodology and Findings," *Journal of World Business*, vol. 37, no.1: pp.11-15.

Data were collected in an online survey of employees[7] in participating companies whom the companies had selected as their senior leaders and pipeline leaders. Differences are only reported as statistically significant when the probability that they occurred by chance is less than 1 in 1,000 ($p < .001$).

WHAT DO LEADERS VALUE IN THEIR JOBS?

To develop a measure of leaders' values, we drew on our knowledge of the research literature as well as our own experiences working with senior managers and pipeline leaders in companies to compile a list of 23 values.[8] In the online questionnaire, leaders were asked to what extent each of the 23 values is important to them in their work and their career. They responded on a five-point scale: 1) to a very great extent; 2) to a great extent; 3) to some extent; 4) to a small extent; or 5) not at all.

Six value dimensions emerged from our statistical analyses: 1) a challenging job; 2) a supportive workplace; 3) strong values; 4) a good fit between life on and off the job; 5) opportunities for high achievement; and 6) good compensation.

These six value dimensions are closely related to characteristics of jobs and workplaces that are often referred to as indicators of an *effective workplace*. Our other research has identified these effective workplace characteristics as being strongly predictive of job engagement.

TO WHAT EXTENT ARE LEADERS EMPLOYED IN EFFECTIVE JOBS AND WORKPLACES?

To determine the extent to which leaders are employed in effective jobs and workplaces that reflect their values, we developed measures of an effective workplace, building upon our own years of conducting research on this subject, on the research literature and on our firsthand experiences working directly with business leaders.[9] In all, 22 characteristics of jobs and workplaces were included in the online questionnaire. Statistical analysis revealed six dimensions of an effective

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7 When a company had substantially more than 500 senior or pipeline leaders in a particular country, 500 were randomly selected for inclusion in the survey sample.

8 Brown, D. and Brooks, L. (1996), "Introduction to theories of career development and choice: origins, evaluation and current efforts," in D. Brown, L. Brooks and Associates (eds), *Career Choice and Development*, 3rd edn, San Francisco, CA: Jossey-Bass, pp.1-32; Carter, N.M., Gartner, W.B., Shaver, K.G. and Gatewood, E.J. (2003), "The career reasons of nascent entrepreneurs," *Journal of Business Venturing*, 18(1): pp.13-39; Holland, J.L. (1992), *Making Vocational Choices: A Theory of Vocational Personalities and Work Environments*, 2nd edn, Odessa, FL: Psychological Assessment Resources; Super, et al. (1995), *Life Roles, Values and Careers: International Findings of the Work Importance Study*, San Francisco, CA: Jossey-Bass.

9 Jacob, J., Bond, J.T., Galinsky, E. and Hill, E.J. (In Press). "Flexibility: A Critical Ingredient in Creating an Effective Workplace. *The Psychologist-Manager Journal*; Bond, J.T., Thompson, C., Galinsky, E. and Prottas, D. (2003). *Highlights of the National Study of the Changing Workforce*. New York: Families and Work Institute.

workplace that closely parallel the six dimensions of leaders' values described above: 1) a challenging job; 2) a supportive workplace environment; 3) high company values; 4) a good fit between life on and off the job; 5) opportunities for high achievement; and 6) good compensation.

TO WHAT EXTENT ARE LEADERS ENGAGED IN THEIR JOBS?

We reviewed the literature on job and company engagement and discussed this issue with a number of experts on the subject.[10] To determine the extent to which leaders are engaged in their jobs, we asked 23 questions. Statistical analyses of their responses identified four dimensions of engagement: 1) desire to stay with one's current employer (retention); 2) having a positive view of one's job; 3) having a positive view of one's company; and 4) having a commitment to doing good work in one's job. The items that constitute these measures—values, job and workplace characteristics indicative of an effective workplace, and job and company engagement—are listed in Appendix B.

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WHY FOCUS ON LEADERS' VALUES?

While studies of talent management have not necessarily included leaders' values, it is a mantra of the business literature that leaders thrive when they care passionately about what they do. Today, when, as one leader recently put it, "Continual change is the only constant I can count on," we think it is absolutely necessary to focus on values as a driver of engagement. In fact, including values is one of the important contributions of this study. Global research has shown that how individuals view work directly links to their work motivation, a driver of engagement.[11]

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We now describe nine important findings that have emerged from this study, which we compare with "common wisdom" on these subjects. When we use the term "common wisdom," we are referring to what numerous high-level corporate executives have stated; that is, it's important to present the findings in light of discussions currently taking place in the business world.

Common Wisdom: Compensation is most important to leaders.

Finding 1: Although compensation is important to leaders, other values are more important: specifically, having a supportive work environment, having a challenging job and having a good fit between life on and off the job.

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[10] Corporate Leadership Council (2004). *Driving Performance and Retention Through Employee Engagement*. Washington, DC: The Concours Group (2005).

Questions to Gauge Engagement. Prepared for Families and Work Institute from The New Employee/Employer Equation.

Gibbons, J. (2006). *Employee Engagement: A Review of Current Research and Its Implications*. New York, NY: The Conference Board.

Presentations from a number of major consulting groups on Defining Engagement to the Work Life Leadership Council of The Conference Board (Fall, 2005).

SHRM Foundation (2006). *Employee Engagement and Commitment*. Alexandria, VA.

[11] Super, D.E., Sverko, B. and Super, C.M. (1995), *Life Roles, Values and Careers: International Findings of the Work Importance Study*, San Francisco, CA: Jossey-Bass.

Table 5 provides a rank order[12] of values from most to least important for <u>all</u> leaders—men and women, senior and pipeline, across the 27 countries in the study.

Table 5: Overall Rank Order of Values from Most to Least Important

1) Having a Supportive Work Environment
2) Having a Challenging Job
3) Having a Good Fit between Life On and Off the Job
4) Being Well Compensated
5) Working at a Company that Has High Values
6) Having the Opportunity for High Achievement

Although all of the values we measured were rated high on the five-point scale in this study, some were rated higher than others. Perhaps one explanation of the finding that compensation is not at the very top of leaders' values rankings is that leaders are generally better compensated than most employees. Other studies have revealed, however, that compensation is not the main driver of decisions about keeping or leaving a job, even among the general employee population.[13]

The values rated as most important reveal what appeals most to leaders in this diverse global economy. (For a complete listing of the items that constitute these values, see Appendix B.) For example, "having a supportive work environment" included: "working in a company where I feel comfortable and a sense of belonging" (that is, diversity and inclusion), "working for a supervisor who supports me to do my best" and "working with co-workers who support me to do my best." It is not surprising that a supportive workplace is valued most highly because it includes the notion of feeling a sense of belonging within the company and an overall match or fit with it.

"Having a good fit between life on and off the job" includes items that also have special appeal in our demanding 24/7 economy, such as "having the workplace flexibility to manage my work and personal or family life," "having a manageable workload" and "having the time to focus on what's most important to do at work."

"Having a challenging job" speaks strongly to well-educated leaders who have sought leadership positions in major corporations with the following items: "continuing to grow and learn in my work," "fully using my skills and abilities" and "having a say about how my job gets done."

Common Wisdom: Men and women leaders have very different work values.

Finding 2: Men and women are almost identical in the way that their values are rank ordered (Table 6).

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[12] Multivariate General Linear Models (GLM) indicated that value ranks were significantly different from each other. Mean scores of values were used to determine the rank order of values in tables.

[13] Proprietary in-house studies of the drivers of recruitment, job satisfaction and retention conducted by some of the sponsors of Leaders in a Global Economy.

We often hear that the reason women don't advance as far in business or are more apt to leave workplaces is because they have different work values and goals. Perhaps surprisingly, however, both men and women most want a supportive work environment and challenging work. There are only slight differences in how other values are ranked.

Table 6: Rank Order of Values from Most to Least Important Overall and by Gender

Values in Rank Order Overall	Men	Women
Having a Supportive Work Environment	1 / 2 (tie)	1
Having a Challenging Job	1 / 2 (tie)	2
Having a Good Fit between Life On and Off the Job	4	3
Being Well Compensated	3	4
Working at a Company that Has High Values	6	5
Having the Opportunity for High Achievement	5	6

Although the priority ranking among values hardly differs at all for men and women, it is important to note that the intensity with which they hold these values does differ. Remember that the importance of each item in the values measure was rated by the leaders on a five-point scale: 1) to a very great extent; 2) to a great extent; 3) to some extent; 4) to a small extent; or 5) not at all. Additional analyses revealed that:

• Women place significantly greater emphasis than men on each of the top three ranked values: 1) having a supportive workplace; 2) having a challenging job; and 3) having a good fit between life on and off the job.

This suggests that even though the rank ordering of work values for men and women are similar, women place greater importance on these top three values. They are more likely to want work environments that exemplify these top three values.

Common Wisdom: Overall, corporate leaders have jobs and workplaces that reflect their values.

Finding 3: There is a gap between what leaders value and the characteristics of their jobs and workplaces. The rank order of leaders' values and the rank order of job and workplace characteristics corresponding to those values are quite different in most respects (Table 7).

Table 7: Rank order of Leaders' Values from Most to Least Important Overall and Rank Order of their Corresponding Job and Workplace Characteristics

Leaders' Values in Rank Order Overall	Rank Order of Leaders' Corresponding Job and Workplace Characteristics
1) Having a Supportive Work Environment	1) Work at a Company that Has High Values (#5 in Values)
2) Having a Challenging Job	2) Have Good Compensation (#4 in Values)
3) Having a Good Fit between Life On and Off the Job	3) Have a Challenging Job (#2 in Values)
4) Being Well Compensated	4) Have a Good Fit between Life On and Off the Job (# 3 in Values)
5) Working at a Company that Has High Values	5) Have a Supportive Work Environment (#1 in Values)
6) Having the Opportunity for High Achievement	6) Have the Opportunity for High Achievement

This reveals a mismatch between what leaders value and the realities of their jobs. For example, the most highly ranked value is having a supportive work environment, but that is ranked fifth in terms of their actual experiences on the job. Although working at a company with high values is ranked fifth in what leaders value, it is ranked first in their perceptions of their current workplace (which, of course, is not a bad thing). It is important to note that although these leaders work for only six companies, their jobs and workplace experiences can and do vary within a single company.

Common Wisdom: Men are employed in jobs and workplaces that are more closely aligned with their values.

Finding 4: This is true. Male leaders are more likely to experience congruence between their values and the realities of their jobs and workplaces in four respects:

- values of their company;
- degree of support they have in their work environments;
- extent of challenge in their jobs; and
- fit between their life on and off the job.

The biggest gap between what male and female leaders value and what they have is, not surprisingly, the fit between their lives on and off the job. Women are much less likely than men to have the work-life fit they desire. In fact, this is the largest gap of all.

Recall that men and women have very different challenges when it comes to managing their work and family/personal lives: 52% of men who are senior leaders and 28% of men who are pipeline leaders have spouses or partners who are not employed, compared with 18% and 4% respectively

for women. Thus, women—as well as pipeline leaders—are much less likely to have family support to help them cope with their demanding lives at work and at home.

Common Wisdom: The personal values of leaders should not be front and center in talent management strategies because they are unrelated to the bottom line.

Finding 5: When the values of leaders are not realized in their jobs and workplaces, engagement suffers; and when engagement suffers, the bottom line can suffer.

The hypothesis underlying this study, as delineated in the above conceptual model, was that the better the match (i.e., the smaller the gap) between leaders' values and the job and workplace characteristics aligned with those values, the higher the level of employee engagement. As described above and itemized in Appendix B, employee engagement was measured by 23 questions that grouped into four scales: 1) desire to stay with current employer (retention); 2) positive view of job; 3) positive view of company; and 4) commitment to doing a good job.

Statistical analyses strongly confirm our hypothesis that a better match between values and jobs/workplaces that reflect these values is associated with higher levels of engagement.[14] "Commitment to doing a good job at work" is <u>significantly</u> related to three of the match/gap measures: 1) having as challenging a job as one wants; 2) having as supportive a workplace as one wants; and 3) working at a company with values as high as one wants. "Commitment to doing a good job" is positively—but not significantly—related to the other three match/gap measures: 1) a good fit between life on and off the job; 2) opportunities for high achievement; and 3) good compensation. The reasons these three factors are not <u>significant</u> predictors is unclear. One possibility is that our measure of this factor needs more items to discriminate between those who are truly committed to providing discretionary effort and those who are not. In Table 8 below, the plus signs (+) indicate statistically significant positive relationships.

Table 8: Relationships between Measures of Engagement and Measures of the Match between What Leaders Value and What They Have:

Match between What Leaders Want and What They Have	Measures of Engagement			
	Likely Retention	Positive View of Job	Positive View of Company	Commitment to Doing Good Job
Job Challenge	+	+	+	+
Workplace Support	+	+	+	+
Company with High Values	+	+	+	+
Good Fit between Life On and Off Job	+	+	+	ns
Opportunities for High Achievement	+	+	+	ns
Good Compensation	+	+	+	ns

"+" = Significant Positive Relationships; "ns" = Non-significant (but Positive) Relationships

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[14] The strength of relationships was assessed using Pearson product-moment correlations with a two-tailed test for statistical significance.

Common Wisdom: Women leaders are more likely than men to plan to leave their employers.

Finding 6: Indeed, women leaders are significantly more likely than their male counterparts to say that they plan to leave their current employers. But this occurs only when the characteristics of their jobs and workplaces do not match their values.

As we noted in Finding 4 (above), women leaders are significantly <u>less</u> likely than men to have jobs and workplaces that are aligned with their values—in four respects:

- working for companies with values as high as they want;
- having work environments as supportive as they want;
- having jobs as challenging as they want; and
- having a good fit between life on and off the job as they want.

In fact, in comparison with men, women have 1) significantly less challenging jobs; 2) significantly less supportive workplaces; 3) jobs in companies with significantly lower values; 4) a significantly poorer fit between life on and off the job; 5) significantly fewer opportunities for high achievement; and 6) significantly poorer compensation.

It is also important to remember that there is almost no difference in the way that these values are rank ordered by women and men, although women are more likely to hold these values more strongly than men.

When we conducted statistical analyses that controlled for the extent to which leaders' values match the realities of their jobs and workplaces, we found there were absolutely no differences between male and female leaders with respect to likely retention.[15] This finding is not surprising because when values are more strongly held, studies have shown that a match or mismatch has more impact.[16] **The bottom line is that if women's values were as well realized in their jobs and workplaces as men's, they would be just as likely as men to stay with their employers.**

Common Wisdom: Age or generational differences are most important in understanding value differences among leaders.

Finding 7: Leadership level is more important than age in understanding differences in values among leaders as well as in having job and workplace characteristics that reflect those values.

We looked at differences by the ages of leaders in a number of ways, since the way the U.S. defines generations does not necessarily define relevant age differences in other parts of the world. No matter which way we looked at this, the value differences among those in senior and pipeline positions are much more significant than differences by age.

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[15] The analyses conducted were univariate ANCOVAs (Analysis of Covariance) including "likely retention" as the dependent variable, gender as the main effect and "degree of match" variables as covariates.

[16] Edwards, J.R., Cable, D.M., Williamson, I.O., Lambert, L.S. and Shipp, A.J. (2006). The Phenomenology of Person-Environment Fit: Linking the Person and Environment to the Subjective Experience of Person-Environment Fit. *Journal of Applied Psychology*. 91: pp.802-827.

It is important to note that age is not the same as leadership level among these leaders. Recall that 24% of those in pipeline positions are 46 years or older and perhaps are still waiting to be tapped for senior positions. Also recall that 19% of those in the senior leader group are 40 years old or younger, having been promoted early in their careers to senior leadership jobs. It is also probable that generational differences would be more pronounced in these companies' employee populations as a whole than they are among leaders.

Senior and pipeline leaders rank order values somewhat differently. Although both rank having a challenging job and a supportive workplace environment in the top two positions, senior leaders rank having a good fit between life on and off the job as sixth, while pipeline leaders rank it third. (See Table 9.) This finding helps explain why senior leaders may not be able to understand the perspectives of leaders in the pipeline on work life issues.

Table 9: Rank Order of Values from Most to Least Important Overall and by Leadership Level

Values in Rank Order Overall	Senior Leaders	Pipeline Leaders
Having a Supportive Work Environment	2	1
Having a Challenging Job	1	2
Having a Good Fit between Life On and Off the Job	6	3
Being Well Compensated	4	4
Working at a Company that Has High Values	3	5
Having the Opportunity for High Achievement	5	6

When we compare how strongly senior and pipeline leaders hold each of these values, we find that:

- Senior leaders place significantly greater emphasis than pipeline leaders on having a challenging job, working at a company that has high values and having the opportunity for high achievement. In contrast, pipeline leaders place greater emphasis on having a good fit between life on and off the job.

Not surprisingly, we find that:

- Senior leaders are significantly more likely than pipeline leaders to be employed in jobs and workplaces that would be considered more *effective*.

In addition, and not surprisingly, senior leaders are significantly more likely than pipeline leaders to have jobs and workplaces that are aligned with their values.

Common Wisdom: Pipeline leaders are more likely than senior leaders to plan to leave their employers.

Finding 8: This is true. When we control for the poorer match between pipeline leaders' values and the characteristics of their jobs and workplaces, however, the difference in likely retention between pipeline and senior leaders disappears.[17] This finding is true for both men and women pipeline

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17 We controlled for the degree of match between values and the characteristics of jobs and workplaces in predicting retention using Analysis of Covariance (ANCOVA).

leaders. As was the case with women leaders (above), retention only becomes a problem when conditions on the job are not well aligned with pipeline leaders' values. Pipeline leaders report that they work in less effective jobs and workplaces than senior leaders do. As with gender, this is an extremely important finding. **If pipeline leaders worked in more effective jobs and workplaces, their retention would likely increase.**

Common Wisdom: There are regional differences in what leaders value in the effectiveness of their jobs and workplaces and in the alignment between their values and realities.

Finding 9: This common wisdom holds true. Regional differences are quite pronounced.

The rank ordering of leaders' values by regions (Table 10) varies more than for other demographic groups. Notable differences include:

- Anglo European respondents place less value than those in other regions on having a supportive work environment.

- Germanic European respondents place less value on having a good fit between life on and off the job than respondents in other regions and greater value on having the opportunity for high achievement.

Table 10: Rank Order of Values from Most to Least Important Overall and by Region

Values in Rank Order (Overall)	Anglo North America	Anglo Europe	Latin Europe	Germanic Europe	Asia
Having a Supportive Work Environment	2	4	1	1	1
Having a Challenging Job	1	1	2	2	3
Having a Good Fit between Life On and Off the Job	4	2	3	5	2
Being Well Compensated	3	3	4	4	5
Working at a Company that Has High Values	5	6	6	6	4
Having the Opportunity for High Achievement	6	5	5	3	6

When we look at differences in job and workplace characteristics by region, we find that there are many. It is important to recall that the companies surveyed are global and not all have U.S. headquarters. Nevertheless, we found the following:

Leaders in Anglo North America report having:

- more challenging jobs than leaders in Anglo Europe, Latin Europe and Asia;

- workplaces with higher values and better compensation than leaders in all other regions;

- a better fit between life on and off the job than leaders in Germanic Europe and Latin Europe; and

- more opportunities for high achievement than leaders in Anglo Europe.

Leaders in Germanic Europe report having:

- more challenging jobs and more supportive workplaces than leaders in Anglo Europe and Asia; and

- better compensation than those in Anglo Europe, Latin Europe and Asia.

Leaders in Anglo Europe report having:

- companies with higher values than leaders in Latin Europe; and

- a better fit between life on and off the job than leaders in Latin Europe.

Leaders in Latin Europe report having greater opportunities for high achievement than those in Anglo Europe.

Leaders in Asia report having greater:

- opportunities for high achievement than those in Anglo Europe; and

- a better fit between life on and off the job than leaders in Latin Europe.

The degree of alignment between values and job and workplace realities also differs significantly by region. These findings are presented in Appendix C.

In all five regions, a better alignment between values and job and workplace realities is associated with higher levels of retention.

SUMMARY FINDINGS AND RECOMMENDATIONS FOR ACTION

The most important findings of this study are:

- **work values of pipeline and senior leaders differ more than those of men and women leaders and more than leaders of different ages;**

- **regional differences are stronger than all other differences;**

- **men leaders and senior leaders are advantaged by a better match between their values and the characteristics of their jobs and workplaces (the characteristics of effective workplaces);**

- **the degree to which values are aligned with workplace realities for all leaders (men, women, senior, pipeline and leaders across regions) is strongly related to their engagement; and**

- **when we statistically control for differences between values and the realities of jobs and workplaces, the differences in likely retention between men and women and between senior and pipeline leaders disappear.**

There are three main implications from these findings.

1) **To increase leaders' retention and engagement in their companies' success, talent management strategies need to pay attention to leaders' values by reducing the inequities in effective workplaces between men and women, among pipeline and senior leaders, and among leaders in various regions in the world.**

Companies can strive to reduce inequities by creating more effectives workplaces for all employees—workplaces that are supportive, jobs that are challenging, initiatives to create a better fit between life on and off the job, strong values, fair and equitable compensation, and opportunities for achievement.

2) While there is a need for an overall company strategy for talent management, the strategy must be customized and localized.

Some might read these findings as saying that talent management strategies must move from "one size fits all" to "one size only fits some." In some ways, this is true. Talent management takes place in the relationship employees have with their immediate supervisors and peers, and we believe that this process needs to be much more intentional. After companies ask their senior and pipeline leaders—and all of their employees—about their values, dream jobs, and desires for variation in responsibilities and pace of advancement, they should then localize and customize talent strategies accordingly. Company experience reveals that turnover lessens and engagement increases as a result of such changes.

There is, however, a one-size-fits-all conclusion that can be drawn from this study. While the degree of match between values and realities matters, more effective workplaces are related to higher levels of engagement even if the match between values and realities on the job is not perfect.

3) Companies should create more effective workplaces that support and challenge leaders; that provide the right fit between their lives on and off the jobs; and that offer good compensation, high values and opportunities for high achievement.

This would be very likely to produce higher levels of engagement that improve productivity and reduce turnover for all employees.

COUNTRY CLASSIFICATIONS
BY REGION AND CULTURAL CONTEXT

CULTURE CLUSTER	COUNTRY
ANGLO EUROPE	Ireland
	United Kingdom
ANGLO NORTH AMERICA	Canada
	United States
ASIA	Brunei Darussalam
	China
	Hong Kong
	India
	Indonesia
	Japan
	Korea
	Malaysia
	Philippines
	Singapore
	Taiwan
	Thailand
GERMANIC EUROPE	Austria
	Belgium
	Germany
	Netherlands
LATIN EUROPE	France
	French Polynesia
	Haiti
	Italy
	Reunion
	Spain
	Switzerland (French language)

MEASURES OF VALUES/GOALS, PERCEIVED JOB AND WORKPLACE CHARACTERISTICS (EFFECTIVE WORKPLACE), AND JOB AND COMPANY ENGAGEMENT

MEASURES OF VALUES/GOALS

"To what extent are the following values important to you in your work and career?"

Having a Challenging Job:

- Continuing to grow and learn in my work
- Doing work that is challenging and stretches me
- Having a variety of interesting work responsibilities
- Fully using my skills and abilities
- Having a say about how my job gets done

Having a Supportive Work Environment:

- Working for supervisors I trust
- Working in a company where I feel comfortable and a sense of belonging
- Working for a supervisor who supports me to do my best
- Working for co-workers who support me to do my best
- Having fun in my daily work

Working at a Company that Has High Values:

- Working at a company where I am proud of its values
- Working at a company that has a great reputation
- Doing work that makes a positive difference in the lives of others
- Knowing that my work affects my company's success

Having a Good Fit between Life On and Off the Job:

- Having the right fit or balance between my work and personal or family life
- Having the workplace flexibility to manage my work and personal or family life
- Having a manageable workload
- Having the time to focus on what's most important to do at work

Having the Opportunity for High Achievement:

- Achieving a higher position for myself within my company
- Being able to influence important business decisions in my company
- Getting recognition for my achievements within my company

Being Well Compensated:

- Achieving a high level of compensation
- Feeling financially secure

MEASURES OF PERCEIVED CHARACTERISTICS OF JOBS AND WORKPLACES (EFFECTIVE WORKPLACE)

Previous research has demonstrated that the following characteristics of jobs and workplaces are characteristics of more *effective workplaces*—that is, workplaces that motivate and support employee engagement and performance vital to business success. The following questions parallel those that ask employees what they most value at work.

Having a Challenging Job:

- How strongly do you agree that … my job offers me opportunities to keep learning new things?
- How strongly do you agree that … my job offers me opportunities to challenge myself?
- How strongly do you agree that … my job provides a number of interesting work responsibilities?
- How strongly do you agree that … my job lets me use my skills and abilities?
- How strongly do you agree that … I have the freedom to decide what I do on my job?

Having a Supportive Work Environment:

- How strongly do you agree that … I have the support I need from my supervisor/manager to do a good job?
- How strongly do you agree that … I have the support I need from coworkers to do a good job?
- How strongly do you agree that … I respect and trust my supervisor?
- How strongly do you agree that … I have fun on the job?
- How strongly do you agree that … I feel I can be myself at my company?

Working at a Company that Has High Values:

- (*responses reversed*)[18] How strongly do you agree that … in my job, I have to do some things that really go against my conscience?
- Overall, how satisfied are you with the company's reputation?
- How strongly do you agree that … the work I do makes a positive difference in the lives of others?
- How strongly do you agree that … I have a clear understanding of how my responsibilities contribute to the company's success?

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[18] When an item is worded to tap negative characteristics of jobs and workplaces, scores are reversed so that the overall measure indicates positive characteristics.

Having a Good Fit Between Life On and Off the Job:

- (*responses reversed*) How strongly do you agree that … if I asked for time off or tried to arrange a different schedule/hours to meet my personal or family needs, I would be less likely to get ahead in my company?

- How strongly do you agree that … I have the flexibility I need to manage my personal and family responsibilities?

- During a typical week at work, how often do you have to work on too many tasks at the same time?

Having the Opportunity for High Achievement:

- How strongly do you agree that … I am satisfied with my opportunities for advancement?

- How strongly do you agree that … I get recognition for my achievements within my company?

- How strongly do you agree that … my ideas affect decision making of individuals at levels above mine in the company?

Being Well Compensated:

- Overall, how satisfied are you with the pay you receive for your job?

- Overall, how satisfied are you with the pay you receive compared to others at your job level?

MEASURES OF JOB AND COMPANY ENGAGEMENT

Based on extensive research, it is clear that more engaged employees—whatever their job status—are more effective employees adding value to the bottom line. Having reviewed the research on engagement, we selected the following questions as indicators of engagement for inclusion in this survey. In some cases, responses are reversed to produce outcome scores for which higher values represent higher levels of engagement.

Retention—Intention to Stay with Current Employer:

- (*responses reversed*)[19] How strongly do you agree … I frequently think about quitting my job and leaving the company?

- (*responses reversed*) How strongly do you agree … I would be very receptive to an offer from another company for a lateral move?

- (*responses reversed*) How strongly do you agree … I would be very responsive to an offer from another company that is a promotion for me?

- (*responses reversed*) How strongly do you agree … I am actively looking for a job with another company?

- (*responses reversed*) How strongly do you agree … I would like to find a job with another company that is less demanding, even if I earned less?

- How strongly do you agree … I would be very happy to spend the rest of my career with this company?

- How strongly do you agree … I want to and intend to remain with my current company?

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[19] When an item is worded to tap negative aspects of engagement, a low numbered response—not at all or rarely—expresses positive aspects of engagement.

Job Satisfaction—Multidimensional:

- (*responses reversed*) How often do you think about positive things related to your job?
- How strongly do you agree … I really look forward to going to work most days?
- How strongly do you agree … when I'm at work, time passes very quickly?
- How satisfied are you with your current job, in general?
- (*responses reversed*) Knowing what you know now, if you had to decide all over again whether to take the job you now have, what would you decide?
- (*responses reversed*) If a good friend of yours told you that he or she was interested in working in a job like yours for your employer, what would you tell your friend?
- How satisfied are you with the pay you receive for your job?
- How satisfied are you with the pay you receive compared to others at your job level?
- How satisfied are you with the company's benefits program?

Satisfaction with Company—Multidimensional:

- How satisfied are you with the company as a great place to work?
- How satisfied are you with the company's reputation?
- How satisfied are you with the company's focus/commitment to diversity?
- How satisfied are you with the company's focus/commitment to work-life?
- How strongly do you agree … this is a very good company to work for?

Commitment to Doing a Good Job at Work:

- How strongly do you agree … I always try to get my job done well?
- How strongly do you agree … I feel personally responsible for the work I do on my job?

ALIGNMENT OF VALUES WITH JOB AND WORKPLACE CHARACTERISTICS (EFFECTIVE WORKPLACE) BY REGION

Leaders in Asia are more likely:

- than leaders in Germanic Europe and Latin Europe to have jobs that are as challenging as they want; and

- than leaders in all other regions to have as good a fit between life on and off the job as they want.

Leaders in Germanic Europe are more likely:

- than leaders in Latin Europe and Asia to work in companies that have values as high as they want; and

- than leaders in Latin Europe to have as good a fit as they want between life on and off the job.

Leaders in Anglo Europe are more likely:

- than leaders in Germanic Europe to have work environments as supportive as they want; and

- than leaders in Asia to work at companies with values as high as they want.

Leaders in Anglo North America are more likely:

- than leaders in Latin Europe and Asia to have work environments as supportive as they want;

- than leaders in Latin Europe to work in companies with values as high as they want; and

- than leaders in Anglo Europe, Latin Europe and Asia to have compensation as good as they want.