

# Opting out or opting in?

**Sylvia Ann Hewlett and Carolyn Buck Luce** discuss ways to claim and sustain womens' ambitions for the long term

**O**ver the past two years there has been a noisy debate on both sides of the Atlantic over what Lisa Belkin of *The New York Times* has called the "opt-out" revolution. Articles and television talk shows have latched on to a disturbing trend: large numbers of accomplished, talented women dropping out of mainstream careers.

There has been a great deal of speculation about what might be behind this phenomenon. Liberal commentators have tended to blame a failure of policy (shortfalls in childcare or flexible work options), while conservative commentators have tended to blame individual shortcomings (a failure of female ambition or, in the case of Larry Summers, president of Harvard, basic genetic differences).

Despite the noise of this debate, it has yielded little in the way of new insight because of the absence of hard data. No-one seems to know the facts. How many highly-qualified women are opting out? How many years do they stay out? How many want back in? What policies

and practices might help them get back onto that career highway?

We can now answer these questions. In a research project we completed last year ("Off-Ramps and On-Ramps: Keeping Talented Women on the Road to Success" *Harvard Business Review*, March 2005) we were able to create a detailed picture of female careers trajectories.

## Off-ramping commonplace

Among our key findings were the following. Across sectors, off-ramping is commonplace. Fully 37% of highly-qualified women voluntarily leave their careers for some period of time, and a further 58% take what we call a "scenic route" (a flexible or reduced-hour option). Indeed, fully 58% of highly qualified women describe their careers as non-linear.

Off-ramping decisions are often triggered by family responsibilities. Childcare issues loom large, but so does elder care. A total of 24% of women off-ramp because of an elder care crisis.

Among women who take off-ramps, the overwhelming majority (93%) want to return to their careers. However, only 74% of those who want to rejoin the ranks of the employed manage to do so.

## FLEX CAREERS IN ACTION BT

Any employee of BT, one of Europe's leading providers of telecommunications services, can request flexible work arrangements.

The range of offerings includes part-time, flexitime or staggered hours, home-working, compressed working week, job-share, annualized hours and term-time working. Requests are evaluated on business needs.

BT achieved this by creating "e-BT". All employees are

equipped to access electronically the information they need to do their jobs online, real-time from anywhere. To support the programme, BT created an intranet site that provides information to employees and managers about what is available and how to go about accessing (or approving – for managers) benefits.

Out of its 100,000-plus employees, 60,000 work flexibly: 11,000 employees work

from home, 5,100 work part-time and 500 employees share jobs.

As a result of these programmes, BT has reduced attrition to 3%, cut recruitment and training costs due to the fact that 99% of women return to BT after maternity leave, and reduced absenteeism to 3.1% (versus the British average of 8.5%). BT can respond to customer demands 24/7 and feedback suggests that customer satisfaction has improved by 7%.



Women off-ramp for a surprisingly short period of time – on average 2.2 years. Even these relatively short career interruptions, however, entail heavy financial penalties. On average, women lose 18% of their earning power when they take an off-ramp, and this figure rises to a staggering 37% when they spend three years or more out.

Non-linear female careers often lead to a downsizing of ambition. While 53% of younger women describe themselves as very ambitious, only 37% of older women are comfortable with this label.

What are the implications of these data? The first implication is that women are not dropping out. Sure, a large percentage of highly-qualified women either off-ramp or take a

scenic route, but the majority can't wait to get back in. They need the money, but they also want to get back to their careers because they love what they do. In our interviews, women talked passionately about how work gives shape and meaning to their lives, confers standing in their community and comprises the cornerstone of identity.

#### **Paying the penalty**

Second, the size and scope of the hurdles faced by women when they attempt to re-enter, are impressive. The fact is, on-ramping is enormously difficult. There is a sizable gap between the number of women who want to get back in and those who succeed.

Those who make it back onto the career

highway also pay a huge penalty – in terms of lost earnings and lost ambition.

Forty years after the women's revolution transformed female opportunities, women's work lives remain very different from those of men. The data show that if you add together the women who off-ramp with those who take a scenic route (reduced hour/flexible jobs), almost 60% of women have non-linear, non-standard careers. In other words, a majority of highly-qualified women find it difficult to conjure up smooth, cumulative, uninterrupted career trajectories. They find it impossible to clone the male competitive model.

This study underscores the frustration of talented women sidelined by the continued rigidity of career models. The underlying survey

data are American (the sample: 2,443 highly-qualified women from various sectors of the American economy) but correspond with what we know of the British scene. In a recent study, Catherine Hakim, a sociologist from the London School of Economics, found that 60% of female British workers were “adaptive” workers, juggling work and family and experiencing career interruptions. In a similar vein, the Equal Opportunities Commission (EOC) in its *Who Runs Britain?* 2005 update reveals that women’s representation in top jobs inched up only marginally in 2004, largely – in the eyes of the EOC – because of the failure of employers to adjust to women’s “juggling act”.

**Why should we care?**

Our new research points to disappointment and heartache for women, but why should employers pay attention?

Companies need to devote new energy to retaining (and re-attaching) highly-qualified women because a talent constraint, or “war for talent”, is looming on the horizon. Consider the following facts. After a two-year “jobless recovery”, labour markets are beginning to tighten on both sides of the Atlantic. The baby-bust generation is about to hit “prime time”, with the number of workers in the 35 to 45-year-old age group plummeting. Productivity improvements are also flattening out, eliminating this potential safety value. These negative trend lines are further exacerbated by the fact that women are in retreat. Due to the failure of employers to adapt to women’s non-linear work lives, labour force participation rates for mothers are actually going down in both America and Britain.

In other words, cyclical and structural factors are newly aligned so as to put a premium on better use of female talent.

One thing is clear. The talent is out there. Women comprise a large part of the current and potential talent pool. In America, more than half (58%) of college graduates are women and 45% of all graduate degrees are now awarded to women. Even more dramatic, the number of women with graduate and professional degrees is projected to grow by 16% over the next decade, while the number of men with these degrees is projected to grow by a mere 1.3%.

How do companies do a better job nurturing female talent over the long haul?

One of the most valuable aspects of our recent work is the models of best practice developed by

**FLEX CAREERS**  
BOOZ ALLEN HAMILTON

Booz Allen Hamilton, a management and technology consultancy, recognizes that it isn’t simply a day, or a workweek, that needs to be made more flexible. It is the entire arc of a successful career.

Booz Allen has taken on the challenge of retaining and reattaching its female employees, drawing inspiration from three sources: the experience of its women – on average, women deal with eight career interruptions en route to partnership, men deal with just two; ideas gleaned from The Hidden Brain Drain, Hewlett and Buck Luce’s private-sector taskforce; and an urgent sense of the waste resulting from the high attrition rates among women at Booz Allen. (As a profession, consulting loses twice as many women as men in the middle reaches of career ladders.)

Booz Allen has launched a reserve programme for alumni. If you can flex a job, the thinking went, why not offer a truly alternative path that supports highly-qualified women (and sometimes men) in a variety of phases of ramping up and ramping down, so that no committed

professional need go cold turkey and surrender her or his career? If this idea could help alleviate the complex problem posed by multiple ramps, it could make a big impact on the retention problem at the firm.

Booz Allen designed a pilot programme that targeted alumni (women and men who had left voluntarily) and current employees to identify individuals who would like to become part of this reserve programme. A standard employment contract was put in place that could be activated when chunks of part-time work – either project-based or research-based – became available. Booz Allen took on the challenge of unbundling standard management consulting work so as to identify bite-sized chunks that could be done by telecommuting or short stints in the office or both.

The goal was to create a pipeline of work for the new flex career alumni. In addition, current team members about to experience a ramp-up or ramp-down were offered full- or part-time positions to deliver on these new chunks of work.

A final step was to bring the leadership group at Booz Allen on board for this initiative.

The flex career programme was introduced as another innovative way to improve the diversity index at Booz Allen – thus linking the programme to a diversity initiative that was already embedded in the corporate culture. (Every business unit at Booz Allen is expected to move the dial on the diversity front; for managers, improving representation of women and minorities feeds directly into performance evaluations.) Within months, about 150 contracts had been written, with about a third active at any time.

DeAnne Aguirre, a senior partner, says of the programme: “I think it has instilled new hope. A lot of young women I work with no longer feel that they will have to sacrifice some precious part of themselves. There is a way forward that enables them to continue to do work they love and do a good job by their families.

“Obviously, there will be compromises along the way. Flex careers are bound to be slower than conventional ones, but in 10 years’ time you probably won’t remember the precise year you made partner. The point here is to remain on track and vitally connected.”

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organizations that have participated in our research – over the past two years we have assembled a group of 30 global corporations (called the Hidden Brain Drain Task Force) to examine how to realize better female talent over the life span.

It is fascinating to see how these companies are grappling with questions such as: how do you flex a career so that a woman has a second shot at ambition? How do you combat “stigma” so that women feel able to take advantage of work-life policies already on the books. Many of these models – see boxes – are works in progress, and strive to go beyond creating opportunities for women, to the much more difficult second-generation challenge of claiming and sustaining female ambition over the long haul. **EA**



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