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Keeping Talented Women on the Road to Success

by Sylvia Ann Hewlett and Carolyn Buck Luce

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Throughout the past year, a noisy debate has erupted in the media over the meaning of what Lisa Belkin of the *New York Times* has called the “opt-out revolution.” Recent articles in the *Wall Street Journal*, the *New York Times*, *Time*, and *Fast Company* all point to a disturbing trend—large numbers of highly qualified women dropping out of mainstream careers. These articles also speculate on what might be behind this new brain drain. Are the complex demands of modern child rearing the nub of the problem? Or should one blame the trend on a failure of female ambition?

The facts and figures in these articles are eye-catching: a survey of the class of 1981 at Stanford University showing that 57% of women graduates leave the work force; a survey of three graduating classes at Harvard Business School demonstrating that only 38% of women graduates end up in full-time careers; and a broader-gauged study of MBAs showing that one in three white women holding an MBA is not working full-time, compared with one in 20 for men with the same degree.

The stories that enliven these articles are also powerful: Brenda Barnes, the former CEO of PepsiCo, who gave up her megawatt career to spend more time with her three children; Karen Hughes, who resigned from her enormously influential job in the Bush White House to go home to Texas to better look after a needy teenage son; and a raft of less prominent women who also said goodbye to their careers. Lisa Beattie Frelinghuysen, for example—featured in a recent *60 Minutes* segment—was building a very successful career as a lawyer. She'd been president of the law review at Stanford and went to work for a prestigious law firm. She quit after she had her first baby three years later.

These stories certainly resonate, but scratch the surface and it quickly becomes clear that there is very little in the way of systematic, rigorous data about the seeming exodus. A sector here, a graduating class there, and a flood of anecdotes: No one seems to know the basic facts. Across professions and across sectors, what is the scope of this opt-out phenomenon?

What proportion of professional women take off-ramps rather than continue on their chosen career paths? Are they pushed off or pulled? Which sectors of the economy are most severely affected when women leave the workforce? How many years do women tend to spend out of the workforce? When women decide to reenter, what are they looking for? How easy is it to find on-ramps? What policies and practices help women return to work?

Early in 2004, the Center for Work-Life Policy formed a private sector, multiyear task force entitled “The Hidden Brain Drain: Women and Minorities as Unrealized Assets” to answer these and other questions. In the summer of 2004, three member companies of the task force (Ernst & Young, Goldman Sachs, and Lehman Brothers) sponsored a survey specifically designed to investigate the role of off-ramps and on-ramps in the lives of highly qualified women. The survey, conducted by Harris Interactive, comprised a nationally representative group of highly qualified women, defined as those with a graduate degree, a professional degree, or a high-honors undergraduate degree. The sample size was 2,443 women. The survey focused on two age groups: older women aged 41 to 55 and younger women aged 28 to 40. We also surveyed a smaller group of highly qualified men (653) to allow us to draw comparisons.

Using the data from the survey, we’ve created a more comprehensive and nuanced portrait of women’s career paths than has been available to date. Even more important, these data suggest actions that companies can take to ensure that female potential does not go unrealized. Given current demographic and labor market trends, it’s imperative that employers learn to reverse this brain drain. Indeed, companies that can develop policies and practices to tap into the female talent pool over the long haul will enjoy a substantial competitive advantage.

Women Do Leave

Many women take an off-ramp at some point on their career highway. Nearly four in ten highly qualified women (37%) report that they have left work voluntarily at some point in their careers. Among women who have children, that statistic rises to 43%.

Factors other than having children that pull women away from their jobs include the de-

mands of caring for elderly parents or other family members (reported by 24%) and personal health issues (9%). Not surprisingly, the pull of elder care responsibilities is particularly strong for women in the 41 to 55 age group—often called the “sandwich” generation, positioned as it is between growing children and aging parents. One in three women in that bracket have left work for some period to spend time caring for family members who are not children. And lurking behind all this is the pervasiveness of a highly traditional division of labor on the home front. In a 2001 survey conducted by the Center for Work-Life Policy, fully 40% of highly qualified women with spouses felt that their husbands create more work around the house than they perform.

Alongside these “pull” factors are a series of “push” factors—that is, features of the job or workplace that make women head for the door. Seventeen percent of women say they took an off-ramp, at least in part, because their jobs were not satisfying or meaningful. Overall, understimulation and lack of opportunity seem to be larger problems than overwork. Only 6% of women stopped working because the work itself was too demanding. In business sectors, the survey results suggest that push factors are particularly powerful—indeed, in these sectors, unlike, say, in medicine or teaching, they outweigh pull factors. Of course, in the hurly-burly world of everyday life, most women are dealing with a combination of push and pull factors—and one often serves to intensify the other. When women feel hemmed in by rigid policies or a glass ceiling, for example, they are much more likely to respond to the pull of family.

It’s important to note that, however pulled or pushed, only a relatively privileged group of women have the option of not working. Most women cannot quit their careers unless their spouses earn considerable incomes. Fully 32% of the women surveyed cite the fact that their spouses’ income “was sufficient for our family to live on one income” as a reason contributing to their decision to off-ramp.

Contrast this with the experience of highly qualified men, only 24% of whom have taken off-ramps (with no statistical difference between those who are fathers and those who are not). When men leave the workforce, they do it for different reasons. Child-care and elder-care responsibilities are much less important; only

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12% of men cite these factors as compared with 44% of women. Instead, on the pull side, they cite switching careers (29%), obtaining additional training (25%), or starting a business (12%) as important reasons for taking time out. For highly qualified men, off-ramping seems to be about strategic repositioning in their careers—a far cry from the dominant concerns of their female peers.

For many women in our study, the decision to off-ramp is a tough one. These women have invested heavily in their education and training. They have spent years accumulating the skills and credentials necessary for successful careers. Most are not eager to toss that painstaking effort aside.

Lost on Reentry

Among women who take off-ramps, the overwhelming majority have every intention of returning to the workforce—and seemingly little idea of just how difficult that will prove. Women, like lawyer Lisa Beattie Frelinghuysen from the *60 Minutes* segment, who happily give up their careers to have children are the exception rather than the rule. In our research, we find that most highly qualified women who are currently off-ramped (93%)

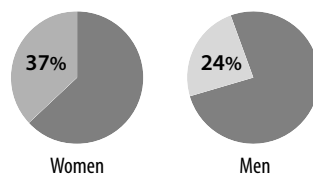
want to return to their careers.

Many of these women have financial reasons for wanting to get back to work. Nearly half (46%) cite “having their own independent source of income” as an important propelling factor. Women who participated in focus groups conducted as part of our research talked about their discomfort with “dependence.” However good their marriages, many disliked needing to ask for money. Not being able to splurge on some small extravagance or make their own philanthropic choices without clearing it with their husbands did not sit well with them. It’s also true that a significant proportion of women currently seeking on-ramps are facing troubling shortfalls in family income: 38% cite “household income no longer sufficient for family needs” and 24% cite “partner’s income no longer sufficient for family needs.” Given what has happened to the cost of homes (up 38% over the past five years), the cost of college education (up 40% over the past decade), and the cost of health insurance (up 49% since 2000), it’s easy to see why many professional families find it hard to manage on one income.

But financial pressure does not tell the whole story. Many of these women find deep pleasure in their chosen careers and want to reconnect with something they love. Forty-three percent cite the “enjoyment and satisfaction” they derive from their careers as an important reason to return—among teachers this figure rises to 54% and among doctors it rises to 70%. A further 16% want to “regain power and status in their profession.” In our focus groups, women talked eloquently about how work gives shape and structure to their lives, boosts confidence and self-esteem, and confers status and standing in their communities. For many off-rampers, their professional identities remain their primary identities, despite the fact that they have taken time out.

Perhaps most interesting, 24% of the women currently looking for on-ramps are motivated by “a desire to give something back to society” and are seeking jobs that allow them to contribute to their communities in some way. In our focus groups, off-ramped women talked about how their time at home had changed their aspirations. Whether they had gotten involved in protecting the wetlands, supporting the local library, or rebuilding a playground, they felt newly connected to the

How Many Opt Out?



In our survey of highly qualified professionals, we asked the question, “Since you first began working, has there ever been a period where you took a voluntary time out from work?” Nearly four in ten women reported that they had—and that statistic rises to 43% among women who have children. By contrast, only 24% of highly qualified men have taken off-ramps (with no statistical difference between those who are fathers and those who are not).

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importance of what one woman called “the work of care.”

Unfortunately, only 74% of off-ramped women who want to rejoin the ranks of the employed manage to do so, according to our survey. And among these, only 40% return to full-time, professional jobs. Many (24%) take part-time jobs, and some (9%) become self-employed. The implication is clear: Off-ramps are around every curve in the road, but once a woman has taken one, on-ramps are few and far between—and extremely costly.

The Penalties of Time Out

Women off-ramp for surprisingly short periods of time—on average, 2.2 years. In business sectors, off-rampers average even shorter periods of time out (1.2 years). However, even these relatively short career interruptions entail heavy financial penalties. Our data show that women lose an average of 18% of their

earning power when they take an off-ramp. In business sectors, penalties are particularly draconian: In these fields, women’s earning power dips an average of 28% when they take time out. The longer you spend out, the more severe the penalty becomes. Across sectors, women lose a staggering 37% of their earning power when they spend three or more years out of the workforce.

Naomi, 34, is a case in point. In an interview, this part-time working mother was open about her anxieties: “Every day, I think about what I am going to do when I want to return to work full-time. I worry about whether I will be employable—will anyone even look at my résumé?” This is despite an MBA and substantial work experience.

Three years ago, Naomi felt she had no choice but to quit her lucrative position in market research. She had just had a child, and returning to full-time work after the standard maternity leave proved to be well-nigh impossible. Her 55-hour week combined with her husband’s 80-hour week didn’t leave enough time to raise a healthy child—let alone care for a child who was prone to illness, as theirs was. When her employer denied her request to work reduced hours, Naomi quit.

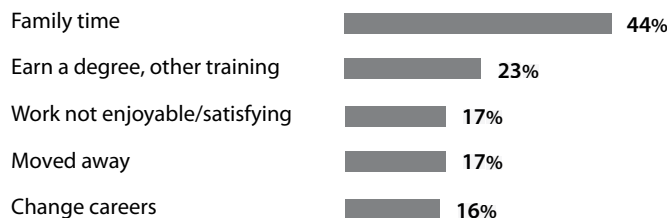
After nine months at home, Naomi did find some flexible work—but it came at a high price. Her new freelance job as a consultant to an advertising agency barely covered the cost of her son’s day care. She now earns a third of what she did three years ago. What plagues Naomi the most about her situation is her anxiety about the future. “Will my skills become obsolete? Will I be able to support myself and my son if something should happen to my husband?”

The scholarly literature shows that Naomi’s experience is not unusual. Economist Jane Waldfogel has analyzed the pattern of earnings over the life span. When women enter the workforce in their early and mid twenties they earn nearly as much as men do. For a few years, they almost keep pace. For example, at ages 25 to 29, they earn 87% of the male wage. However, when women start having children, their earnings fall way behind those of men. By the time they reach the 40-to-44 age group, women earn a mere 71% of the male wage. In the words of MIT economist Lester Thurow, “These are the prime years for establishing a successful career. These are the years when

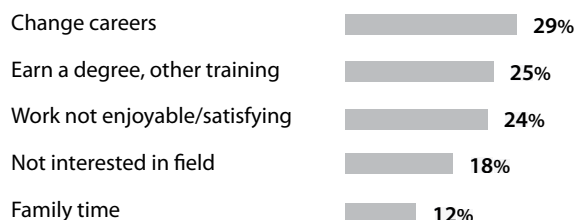
Why Do They Leave the Fast Lane?

Our survey data show that women and men take off-ramps for dramatically different reasons. While men leave the workforce mainly to reposition themselves for a career change, the majority of women off-ramp to attend to responsibilities at home.

Top five reasons women leave the fast lane



Top five reasons men leave the fast lane



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hard work has the maximum payoff. They are also the prime years for launching a family. Women who leave the job market during those years may find that they never catch up.”

Taking the Scenic Route

A majority (58%) of highly qualified women describe their careers as “nonlinear”—which is to say, they do not follow the conventional trajectory long established by successful men. That ladder of success features a steep gradient in one’s 30s and steady progress thereafter. In contrast, these women report that their “career paths have not followed a progression through the hierarchy of an industry.”

Some of this nonlinearity is the result of taking off-ramps. But there are many other ways in which women ease out of the professional fast lane. Our survey reveals that 16% of highly qualified women work part-time. Such arrangements are more prevalent in the legal and medical professions, where 23% and 20% of female professionals work less than full-time, than in the business sector, where only 8% of women work part-time. Another common work-life strategy is telecommuting; 8% of highly qualified women work exclusively from

home, and another 25% work partly from home.

Looking back over their careers, 36% of highly qualified women say they have worked part-time for some period of time as part of a strategy to balance work and personal life. Twenty-five percent say they have reduced the number of work hours within a full-time job, and 16% say they have declined a promotion. A significant proportion (38%) say they have deliberately chosen a position with fewer responsibilities and lower compensation than they were qualified for, in order to fulfill responsibilities at home.

Downsizing Ambition

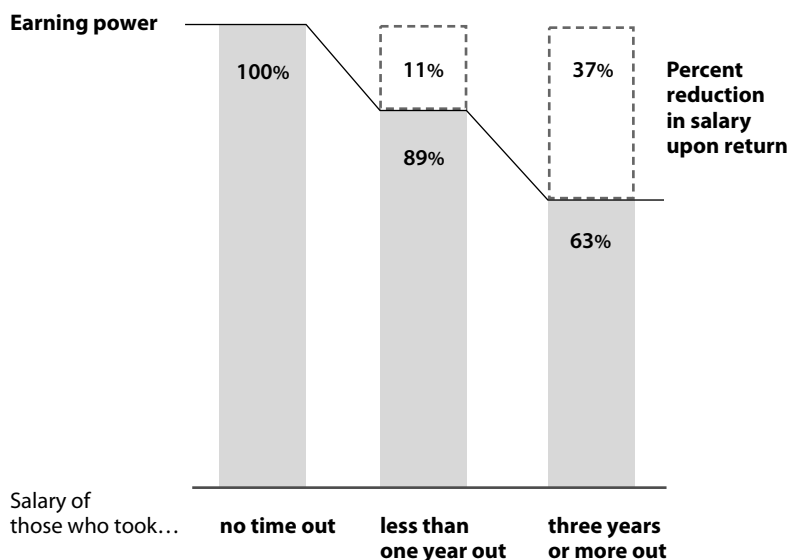
Given the tour of women’s careers we’ve just taken, is it any surprise that women find it difficult to claim or sustain ambition? The survey shows that while almost half of the men consider themselves extremely or very ambitious, only about a third of the women do. (The proportion rises among women in business and the professions of law and medicine; there, 43% and 51%, respectively, consider themselves very ambitious.) In a similar vein, only 15% of highly qualified women (and 27% in the business sector) single out “a powerful position” as an important career goal; in fact, this goal ranked lowest in women’s priorities in every sector we surveyed.

Far more important to these women are other items on the workplace wish list: the ability to associate with people they respect (82%); the freedom to “be themselves” at work (79%); and the opportunity to be flexible with their schedules (64%). Fully 61% of women consider it extremely or very important to have the opportunity to collaborate with others and work as part of a team. A majority (56%) believe it is very important for them to be able to give back to the community through their work. And 51% find “recognition from my company” either extremely or very important.

These top priorities constitute a departure from the traditional male take on ambition. Moreover, further analysis points to a disturbing age gap. In the business sector, 53% of younger women (ages 28 to 40) own up to being very ambitious, as contrasted with only 37% of older women. This makes sense in light of Anna Fels’s groundbreaking work on women and ambition. In a 2004 HBR article, Fels argues convincingly that ambition stands on two

The High Cost of Time Out

Though the average amount of time that women take off from their careers is surprisingly short (less than three years), the salary penalty for doing so is severe. Women who return to the workforce after time out earn significantly less than their peers who remained in their jobs.



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How Ernst & Young Keeps Women on the Path to Partnership

In the mid-1990s, turnover among female employees at Ernst & Young was much higher than it was among male peers. Company leaders knew something was seriously wrong; for many years, its entering classes of young auditors had been made up of nearly equal numbers of men and women—yet it was still the case that only a tiny percentage of its partnership was female. This was a major problem. Turnover in client-serving roles meant lost continuity on work assignments. And on top of losing talent that the firm had invested in training, E&Y was incurring costs averaging 150% of a departing employee's annual salary just to fill the vacant position.

E&Y set a new course, marked by several important features outlined here. Since E&Y began this work, the percentage of women partners has more than tripled to 12% and the downward trend in retention of women at every level has been reversed. E&Y now has four women on the management board, and many more women are in key operating and client serving roles. Among its women partners, 10% work on a flexible schedule and more than 20 have been promoted to partner while working a reduced schedule. In 2004, 22% of new partners were women.

Focus

Regional pilot projects targeted five areas for improvement: Palo Alto and San Jose focused on life balance, Minneapolis on mentoring, New Jersey on flexible work arrangements, Boston on women networking in the business community, and Washington, DC, on women networking inside E&Y. Successful solutions were rolled out across the firm.

Committed Leadership

Philip Laskawy, E&Y's chairman from 1994 to 2001, made it a priority to retain and promote women. He convened a diversity task force of partners to focus on the problem and created an Office of Retention. Laskawy's successor, Jim Turley, deepened the focus on diversity by rolling out a People First strategy.

Policies

Ernst & Young equipped all its people for telework and made it policy that flexible work schedules would not affect anyone's opportunity for advancement. The new premise was that all jobs could be done flexibly.

New Roles

E&Y's Center for the New Workforce dedicates its staff of seven to developing and advancing women into leadership roles. A strategy team of three professionals addresses the firm's flexibility goals for both men and women. Also, certain partners are designated as "career watchers" and track individual women's progress, in particular, monitoring the caliber of the projects and clients to which they are assigned.

Learning Resources

All employees can use E&Y's Achieving Flexibility Web site to learn about flexible work arrangements. They can track how certain FWAs were negotiated and structured and can use the contact information provided in the database to ask those employees questions about how it is (or isn't) working.

Peer Networking

Professional Women's Networks are active in 41 offices, and they focus on building the skills, confidence, leadership opportunities, and networks necessary for women to be successful. A three-day Women's Leadership Conference is held every 18 months. The most recent was attended by more than 425 women partners, principals, and directors.

Accountability

The annual People Point survey allows employees to rate managers on how well they foster an inclusive, flexible work environment. Managers are also evaluated on metrics like number of women serving key accounts, in key leadership jobs, and in the partner pipeline.

legs—mastery and recognition. To hold onto their dreams, not only must women attain the necessary skills and experience, they must also have their achievements appropriately recognized. To the extent the latter is missing in female careers, ambition is undermined. A vicious cycle emerges: As women's ambitions stall, they are perceived as less committed, they no longer get the best assignments, and this lowers their ambitions further.

In our focus groups, we heard the disappointment—and discouragement—of women who had reached senior levels in corporations only to find the glass ceiling still in place, despite years of diversity initiatives. These women feel that they are languishing and have not been given either the opportunities or the recognition that would allow them to realize their full potential. Many feel handicapped in the attainment of their goals. The result is the vicious cycle that Fels describes: a “downsizing” of women's ambition that becomes a self-fulfilling prophecy. And the discrepancy in ambition levels between men and women has an insidious side effect in that it results in insufficient role models for younger women.

Reversing the Brain Drain

These, then, are the hard facts. With them in hand, we move from anecdotes to data—and, more important, to a different, richer analytical understanding of the problem. In the structural issue of off-ramps and on-ramps, we see the mechanism derailing the careers of highly qualified women and also the focal point for making positive change. What are the implications for corporate America? One thing at least seems clear: Employers can no longer pretend that treating women as “men in skirts” will fix their retention problems. Like it or not, large numbers of highly qualified, committed women need to take time out. The trick is to help them maintain connections that will allow them to come back from that time without being marginalized for the rest of their careers.

Create reduced-hour jobs. The most obvious way to stay connected is to offer women with demanding lives a way to keep a hand in their chosen field, short of full-time involvement. Our survey found that, in business sectors, fully 89% of women believe that access to reduced-hour jobs is important. Across all sectors, the figure is 82%.

The Johnson & Johnson family of companies has seen the increased loyalty and productivity that can result from such arrangements. We recently held a focus group with 12 part-time managers at these companies and found a level of commitment that was palpable. The women had logged histories with J&J that ranged from eight to 19 years and spoke of the corporation with great affection. All had a focus on productivity and pushed themselves to deliver at the same level they had achieved before switching to part-time. One woman, a 15-year J&J veteran, was particularly eloquent in her gratitude to the corporation. She had had her first child at age 40 and, like so many new mothers, felt torn apart by the conflicting demands of home and work. In her words, “I thought I only had two choices—work full-time or leave—and I didn't want either. J&J's reduced-hour option has been a savior.” All the women in the room were clear on one point: They would have quit had part-time jobs not been available.

At Pfizer, the deal is sweetened further for part-time workers; field sales professionals in the company's Vista Rx division are given access to the same benefits and training as full-time employees but work 60% of the hours (with a corresponding difference in base pay). Many opt for a three-day workweek; others structure their working day around children's school hours. These 230 employees—93% of whom are working mothers—remain eligible for promotion and may return to full-time status at their discretion.

Provide flexibility in the day. Some women don't require reduced work hours; they merely need flexibility in when, where, and how they do their work. Even parents who employ nannies or have children in day care, for example, must make time for teacher conferences, medical appointments, volunteering, child-related errands—not to mention the days the nanny calls in sick or the day care center is closed. Someone caring for an invalid or a fragile elderly person may likewise have many hours of potentially productive time in a day yet not be able to stray far from home.

For these and other reasons, almost two-thirds (64%) of the women we surveyed cite flexible work arrangements as being either extremely or very important to them. In fact, by a considerable margin, highly qualified women find flexibility more important than compensa-

tion; only 42% say that “earning a lot of money” is an important motivator. In our focus groups, we heard women use terms like “nirvana” and “the golden ring” to describe employment arrangements that allow them to flex their workdays, their workweeks, and their careers. A senior employee who recently joined Lehman Brothers’ equity division is an example. She had been working at another financial services company when a Lehman recruiter called. “The person who had been in the job previously was working one day a week from home, so they offered that opportunity to me. Though I was content in my current job,” she told us, “that intriguing possibility made me reevaluate. In the end, I took the job at Lehman. Working from home one day a week was a huge lure.”

Provide flexibility in the arc of a career. Booz Allen Hamilton, the management and technology consulting firm, recognized that it isn’t simply a workday, or a workweek, that needs to be made more flexible. It’s the entire arc of a career.

Management consulting as a profession loses twice as many women as men in the middle reaches of career ladders. A big part of the problem is that, perhaps more than in any other business sector, it is driven by an up-or-out ethos; client-serving professionals must progress steadily or fall by the wayside. The strongest contenders make partner through a relentless winnowing process. While many firms take care to make the separations as painless as possible (the chaff, after all, tends to land in organizations that might employ their services), there are clear limits to their patience. Typically, if a valued professional is unable to keep pace with the road warrior lifestyle, the best she can hope for is reassignment to a staff job.

Over the past year, Booz Allen has initiated a “ramp up, ramp down” flexible program to allow professionals to balance work and life and still do the client work they find most interesting. The key to the program is Booz Allen’s effort to “unbundle” standard consulting projects and identify chunks that can be done by telecommuting or shorts stints in the office. Participating professionals are either regular employees or alumni that sign standard employment contracts and are activated as needed. For the professional, it’s a way to take on a manageable amount of the kind of work they do best. For Booz Allen, it’s a way to

maintain ties to consultants who have already proved their merit in a challenging profession. Since many of these talented women will eventually return to full-time consulting employment, Booz Allen wants to be their employer of choice—and to keep their skills sharp in the meantime.

When asked how the program is being received, DeAnne Aguirre, a vice president at Booz Allen who was involved in its design (and who is also a member of our task force), had an instant reaction: “I think it’s 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.” Aguirre explains that trade-offs are inevitable, but at Booz Allen an off-ramping decision doesn’t have to be a devastating one anymore. “Flex careers are bound to be slower than conventional ones, but in ten years’ time you probably won’t remember the precise year you made partner. The point here is to remain on track and vitally connected.”

Remove the stigma. Making flexible arrangements succeed over the long term is hard work. It means crafting an imaginative set of policies, but even more important, it means eliminating the stigma that is often attached to such nonstandard work arrangements. As many as 35% of the women we surveyed report various aspects of their organizations’ cultures that effectively penalize people who take advantage of work-life policies. Telecommuting appears to be most stigmatized, with 39% of women reporting some form of tacit resistance to it, followed by job sharing and part-time work. Of flexible work arrangements in general, 21% report that “there is an unspoken rule at my workplace that people who use these options will not be promoted.” Parental leave policies get more respect—though even here, 19% of women report cultural or attitudinal barriers to taking the time off that they are entitled to. In environments where flexible work arrangements are tacitly deemed illegitimate, many women would rather resign than request them.

Interestingly, when it comes to taking advantage of work-life policies, men encounter even more stigma. For example, 48% of the men we surveyed perceived job sharing as illegitimate in their workplace culture—even when it’s part of official policy.

Transformation of the corporate culture

seems to be a prerequisite for success on the work-life front. Those people at or near the top of an organization need to have that “eureka” moment, when they not only understand the business imperative for imaginative work-life policies but are prepared to embrace them, and in so doing remove the stigma. In the words of Dessa Bokides, treasurer at Pitney Bowes, “Only a leader’s devotion to these issues will give others permission to transform conventional career paths.”

Stop burning bridges. One particularly dramatic finding of our survey deserves special mention: Only 5% of highly qualified women looking for on-ramps are interested in rejoining the companies they left. In business sectors, that percentage is zero. If ever there was a danger signal for corporations, this is it.

The finding implies that the vast majority of off-ramped women, at the moment they left their careers, felt ill-used—or at least underutilized and unappreciated—by their employers. We can only speculate as to why this was. In some cases, perhaps, the situation ended badly; a woman, attempting impossible juggling feats, started dropping balls. Or an employer, embittered by the loss of too many “star” women, lets this one go much too easily.

It’s understandable for managers to assume that women leave mainly for “pull” reasons and that there’s no point in trying to keep them. Indeed, when family overload and the traditional division of labor place unmanageable demands on a working woman, it does appear that quitting has much more to do with what’s going on at home than what’s going on at work. However, it is important to realize that even when pull factors seem to be dominant, push factors are also in play. Most off-ramping decisions are conditioned by policies, practices, and attitudes at work. Recognition, flexibility, and the opportunity to telecommute—especially when endorsed by the corporate culture—can make a huge difference.

The point is, managers will not stay in a departing employee’s good graces unless they take the time to explore the reasons for off-ramping and are able and willing to offer options short of total severance. If a company wants future access to this talent, it will need to go beyond the perfunctory exit interview and, at the very least, impart the message that the door is open. Better still, it will

maintain a connection with off-ramped employees through a formal alumni program.

Provide outlets for altruism. Imaginative attachment policies notwithstanding, some women have no interest in returning to their old organizations because their desire to work in their former field has waned. Recall the focus group participants who spoke of a deepened desire to give back to the community after taking a hiatus from work. Remember, too, that women in business sectors are pushed off track more by dissatisfaction with work than pulled by external demands. Our data suggest that fully 52% of women with MBAs in the business sector cite the fact that they do not find their careers “either satisfying or enjoyable” as an important reason for why they left work. Perhaps not surprisingly, then, a majority (54%) of the women looking for on-ramps want to change their profession or field. And in most of those cases, it’s a woman who formerly worked in the corporate sphere hoping to move into the not-for-profit sector.

Employers would be well advised to recognize and harness the altruism of these women. Supporting female professionals in their advocacy and public service efforts serves to win their energy and loyalty. Companies may also be able to redirect women’s desire to give back to the community by asking them to become involved in mentoring and formal women’s networks within the company.

Nurture ambition. Finally, if women are to sustain their passion for work and their competitive edge—whether or not they take formal time out—they must keep ambition alive. Our findings point to an urgent need to implement mentoring and networking programs that help women expand and sustain their professional aspirations. Companies like American Express, GE, Goldman Sachs, Johnson & Johnson, Lehman Brothers, and Time Warner are developing “old girls networks” that build skills, contacts, and confidence. They link women to inside power brokers and to outside business players and effectively inculcate those precious rainmaking skills.

Networks (with fund-raising and friend-raising functions) can enhance client connections. But they also play another, critical role. They provide the infrastructure within which women can earn recognition, as well as a safe platform from which to blow one’s own horn without being perceived as too

Only 5% of highly qualified women looking for on-ramps are interested in rejoining the companies they left. In business sectors, that percentage is zero.

pushy. In the words of Patricia Fili-Krushel, executive vice president of Time Warner, “Company-sponsored women’s networks encourage women to cultivate both sides of the power equation. Women hone their own leadership abilities but also learn to use power on behalf of others. Both skill sets help us increase our pipeline of talented women.”

Adopt an On-Ramp

As we write this, market and economic factors, both cyclical and structural, are aligned in ways guaranteed to make talent constraints and skill shortages huge issues again. Unemployment is down and labor markets are beginning to tighten, just as the baby-bust generation is about to hit “prime time” and the number of workers between the ages of 35 to 45 is shrinking. Immigration levels are stable, so there’s little chance of relief there. Likewise, productivity improvements are flattening. The phenomenon that bailed us out of our last big labor crunch—the entry for the first time of millions of women into the labor force—is not available to us again. Add it all up, and CEOs are back to wondering how they will find enough high-caliber talent to drive growth.

There is a winning strategy. It revolves around the retention and reattachment of highly qualified women. America these days has a large and impressive pool of female talent. Fifty-eight percent of college graduates are now women, and nearly half of all professional and graduate degrees are earned by women. Even more important, the incremental additions to the talent pool will be disproportion-

ately female, according to figures released by the U.S. Department of Education. 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%. Companies are beginning to pay attention to these figures. As Melinda Wolfe, head of global leadership and diversity at Goldman Sachs, recently pointed out, “A large part of the potential talent pool consists of females and historically underrepresented groups. With the professional labor market tightening, it is in our direct interest to give serious attention to these matters of retention and reattachment.”

In short, the talent is there; the challenge is to create the circumstances that allow businesses to take advantage of it over the long run. To tap this all-important resource, companies must understand the complexities of women’s nonlinear careers and be prepared to support rather than punish those who take alternate routes.

The complete statistical findings from this research project, and additional commentary and company examples, are available in an HBR research report entitled “The Hidden Brain Drain: Off-Ramps and On-Ramps in Women’s Careers” (see www.womenscareersreport.hbr.org).

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Further Reading

[Off-Ramps and On-Ramps](#) is also part of the *Harvard Business Review* OnPoint collection [Required Reading for Executive Women—and the Companies Who Need Them](#), Product no. 9394, which includes these additional articles:

[Executive Women and the Myth of Having It All](#)

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