



RESEARCH & IDEAS

What Women Stars Know about Succeeding at a New Job

Q&A with: Boris Groysberg

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Women who are star performers on Wall Street tend to fare better than men after changing jobs. Why? According to HBS professor Boris Groysberg, star women place greater emphasis than men on external business relationships, and conduct better research on potential employers. Plus: Businesswomen asked to share career experiences. Key concepts include:

- *Star women performers invest more in external than in in-house relationships. They also tend to do far more due diligence than men when they receive a job offer.*
- *Organizations that deliberately set out to create female-friendly environments seem to reap a competitive advantage.*
- *Women in a male-dominated industry realize that they are vulnerable, but men are also vulnerable to bad management and cultural mismatches more than they realize.*

If a successful analyst is hired by another organization, chances are both his work performance and the market value of his new company will not reap the expected benefits; they might even lose altitude. So discovered HBS professor Boris Groysberg and colleagues Ashish Nanda and Nitin Nohria, who detailed their results four years ago in the *Harvard Business Review* article, "The Risky Business of Hiring Stars."

Since launching his research into the war for talent, however, Groysberg has started to notice something quite different about the career paths of successful analysts who were female.

Star women, he found, maintained their shine even after switching companies. Unlike their male peers, they thrived in new work environments. Why the difference?

As Groysberg observed in the *Harvard Business Review* last February, "Female star analysts, it would seem, take their work environment more seriously yet rely on it less than male stars do. They look for a firm that will allow them to keep building their successful franchises their own way."

Groysberg brings us up to date on his study of the career trajectories of talented analysts, and suggests how women and men can make

the most of star power.

Q: Why did you think there might be an important gender aspect to your research into star performers and their career development? How did you study this topic in depth?

Boris Groysberg: A few years ago, my colleagues and I began this research by looking at what happens to stars when they change jobs. Equity analysts are an ideal population to study: Their performance is objectively measured every year, there is a lot of demographic and organizational data on them and their employers, and many things are held constant when they change firms. For instance, when an analyst moves, he or she continues to cover the same companies and serve the same clients. Most investment banks are within a mile radius of each other, so even the commute does not change.

"A company that is willing to double your current salary, but will not invest in your long-term success, is not a good choice."

Overall, we found that stars did poorly at their new firms.

Analyzing the data further revealed that there are gender differences in how well stars do after they jump ship. In fact, the decline in performance was pronounced only for star men. Star women who switched firms exhibit no decline in performance. Follow-up analyses also suggested some intriguing reasons for this, as outlined in my *Harvard Business Review* article, "How Star Women Build Portable Skills."

Q: What are the different obstacles that male and female professionals have encountered in order to rise in their organizations?

A: Women tend to do better after a move for two reasons.

One is that they are more invested in

external than in in-house relationships. There are four main reasons why star women maintain external focus: uneasy in-house relationships, poor mentorship, neglect by colleagues, and a vulnerable position in the labor market. External focus makes them more "portable" in terms of making a positive move, but can cause problems if they want to progress within their own organization, because you need a solid internal network and good political capital to get things done in organizations. Anyone who focuses mostly on external relationships will not have that.

The other reason is that women do far more due diligence when they receive a job offer than men do, because women need to ensure that the company is good for women and that they won't be treated as token females. In the process of due diligence, star women learn a lot of valuable information about the company that helps them make good strategic decisions. They scrutinize prospective employers on receptivity to women, managerial support, latitude and flexibility, and performance measurement. There's no downside to that strategy—it is one that men could benefit from just as well.

The major obstacles that women face are discussed in greater detail in the *HBR* article. Men can also face similar obstacles if they are in a poorly managed organization. Star men from mismanaged departments, in which it was difficult to create good in-house relationships and there were frequent changes of management, respond much as women do—by investing in external networks. Not all but some of their strategies at poorly managed firms resemble the strategies of women.

Q: Are you seeing evidence that workplaces on Wall Street, for example, are taking steps to overcome some of the barriers for women that you have noticed? Or does it appear that women need to continue designing their own strategies in order to thrive as professionals?

A: Some investment banks have tried to make a greater effort in this area. The research department of Lehman Brothers took steps to create a comfortable environment for women, and to evaluate all their analysts fairly and

mentor them intensively. This paid off: The bank developed a lot of stars and benefited from their loyalty as employees. In fact, working environments that were good for women were equally good for men.

Certainly, I've also noticed that when some organizations deliberately set out to create female-friendly environments, they seemed to reap a competitive advantage. Unfortunately, there are still only a few organizations that invest the time, effort, and resources in creating these environments. And in many that do, only some managers make an effort to be inclusive. The consequence of that is when these managers leave, the female-friendly environments disappear.

Q: Based on your research, how could male as well as female professionals improve their career choices?

A: Women's portability comes from two sources: a greater emphasis on external relationships, and conducting better research about a company before joining it.

Men would benefit from conducting more due diligence as well. Don't let yourself be

blinded by the money! A company that is willing to double your current salary, but will not invest in your long-term success, is not a good choice. Investigate a firm's management, its culture, its resources, the commitment it is willing to make to you. These are the things that will ultimately make you a star—and keep you one.

Women in a male-dominated industry realize that they are vulnerable, but men are vulnerable to bad management and cultural mismatches more than they realize.

Q: What new questions has your research raised for you? What are you working on next?

A: One question is what happens when a profession becomes more gender-balanced over time. Do men's and women's career strategies become more similar? I think there are also opportunities to study what attributes of organizations make professionals become stars faster.

Finally, understanding careers of female professionals is important. How do they make their career choices? My colleagues and I have

been working on a few case studies on these subjects. For example, the "Leading the Josie Esquivel Franchise" case shows how a female professional can build her own "star franchise" and what to consider when you change firms. Another example is the "Leadership in Law: Amy Schulman at DLA Piper" case, which focuses on different stages in this star's career and what she did to be successful at each stage. We need more cases on how gender dynamics affect individual careers.

On that note, I would very much like to hear from female readers of *HBS Working Knowledge* who would be willing to share their experiences around any of the strategies I've just mentioned or on building successful careers in general. Their insights would further this research for myself and my MBA students. Please email me at: bgroysberg@hbs.edu 

About the author

Martha Lagace is the senior editor of *HBS Working Knowledge*.