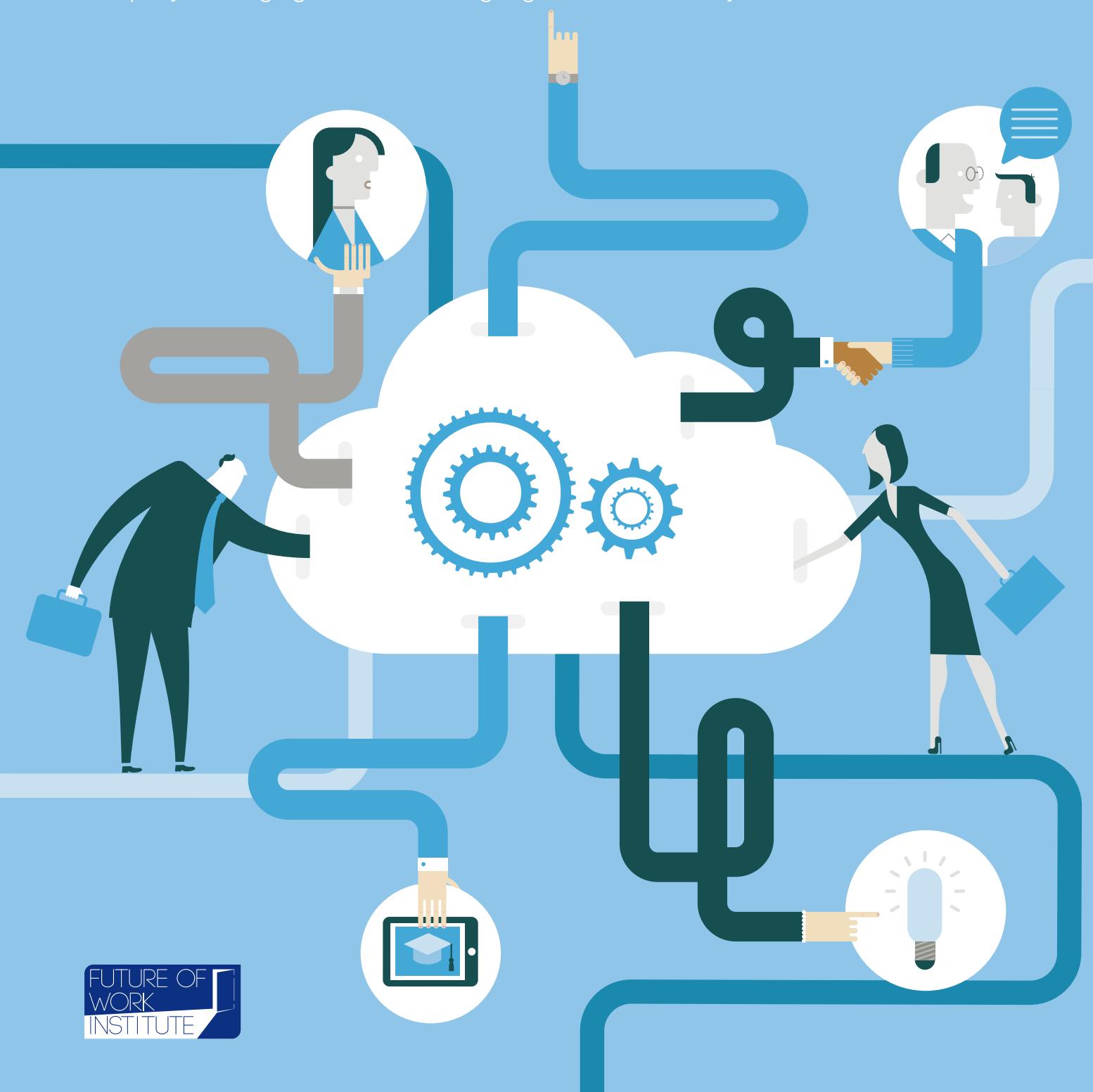


Why Women Are Your Future

Transforming your brand, maximising revenue and increasing employee engagement through gender diversity



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Executive summary

A gender diverse workplace? Yes, of course, it's a great idea. Who would openly challenge the principle of equality and fairness?

However, taking a proactive approach to gender diversity in the workplace is another matter. That's not surprising. Are there not many more urgent matters to attend to? Matters that affect the bottom line...

Suppose, though, that having a gender diverse workplace actually benefits organisations in a more profitable way?

There is clear evidence that having a strong female presence in the workplace is not only good for business, but that, because of demographic and cultural changes, it will become increasingly crucial for business success in the future.



The business case for gender balance

There are strong commercial reasons for availing of female talent and making your workplace attractive to women:

Dealing with the skills shortage

The population is shrinking in much of the developed world, so the pool of available talent is also shrinking, giving rise to skills shortages. We need to find ways to increase the rate of female participation in the workforce and make the most of 100% of our talent.

Engaging the millennials

Millennials will soon make up most of the workforce. They are the generation born between 1980 and 2000. They seek a work environment that features equality, diversity and a management style that is more relationship focused and collaborative. The corporate culture that attracts millennials will also engage and attract female talent. Many of the changes that companies will adopt to meet the needs of millennials will also assist companies in facilitating gender diversity.

Engaging employees

Recent Gallup polls have suggested that low engagement levels are still an issue for organisations, especially when it comes to female workers. Many women lack female role models in the workplace. Having a more diverse management tier will spur female ambition and ensure a more diverse, effective style of management.

Shaping the future brand

The future brand will be shaped online. Women are most likely to engage with brands online, control most spending and make great brand ambassadors. To target women more effectively, companies need diversity at board and management level, so women can contribute their insights at the decision making level.

Attracting the talent

Flexible workplaces, flexible working arrangements and remote working increase productivity and revenue, open up the talent pool, especially of women and millennials, and foster a more productive and engaged workforce.

What actions should you take?

Ensuring gender diversity is inextricably linked with preparing for the future of work. It's not just a diversity issue, it's a business imperative. But merely employing more women will not guarantee positive results. To reap the benefits, companies must implement a range of best practices.

"Top four factors that are important to retain women are: leadership and accountability; a corporate culture built for innovation; support networks such as mentoring programmes, and flexible working arrangements and work-life balance."

A study was carried out by the Anita Borg Institute to investigate why women leave technology in droves. The Institute surveyed more than 1,000 women who had left the industry. Its research is also quite relevant for businesses in general. They found that the top four factors that are important to retain women in the tech world are: leadership and accountability; a corporate culture built for innovation; support networks such as mentoring programmes, and flexible working arrangements and work-life balance.

Taking this into consideration, how can companies go about achieving greater gender diversity within their organisation?

■ New styles of management

Collegial, flexible and inclusive work environments are particularly attractive to women but benefit all employees – as well as the business bottom line.

■ New styles of working

Work is being redefined: flexible workspaces; flexible workers; a focus on creativity and productivity, not presenteeism. These changes will enable more women to work and companies that adapt will reap the benefits.

■ Employee engagement

Workplace practices that increase employee satisfaction and engagement are particularly attractive to women and millennials. They also lead to lower turnover costs, less absenteeism, as well as better productivity, revenue and customer satisfaction.

■ **Work-life balance**

Ensuring a healthy work-life balance for both male and female staff. For example, encouraging paternity leave, or allowing mothers to work remotely when necessary so they can balance all their commitments. Sensitivity to personal and family needs saves costs through less absenteeism, better retention and a reduction in work disruption.

■ **Negative perceptions**

Companies can dispel misperceptions about leadership (e.g. the 'superwoman executive') through networking events and mentoring arrangements.

■ **Promoting women's career progress**

The lack of female role models hampers women's ability to climb the ladder. Until there are more female role models in management, men can support women e.g. by acting as sponsors or mentors.

■ **Women leaders**

A company that wants to understand the communities in which it operates needs women in senior management. In any case, women show particularly strong work engagement and rank high in the competencies that leaders exemplify. The combination of both male and female views ensures a wider range of perspectives and better decision making.

"The world of work is changing rapidly. The best time to start meeting the challenges is right now."

If you are an 'employer of choice', you can better compete for talent, financial resources, investment, customers and market share.

The world of work is changing rapidly. The best time to start meeting the challenges is right now. Small, immediate changes can start the ball rolling and have a strong impact on employees, potential employees and others. However, the most crucial element in bringing about culture change in a company is the active and consistent support of its leadership.

This white paper reveals why companies that want to thrive in the future need to focus much more on the role of women in their business.

First, it looks at current and future trends, explaining the benefits of gender diversity from a revenue, brand and shareholder value perspective.

Next, it outlines the many factors that make it imperative for organisations to take women on board.

Thirdly, it reveals what companies need to do to meet the new challenges.



Can you list at least three commercial reasons why having a gender diverse workplace will benefit your business?

If you can't, then read on!

1

Women offer a solution to the skills shortage



Drastic shrinkage in working population

We are not producing enough new workers. Our birth rates are declining. We need an average birthrate of 2.1 to prevent the world's population from shrinking. The population could plateau in most of Western Europe. In countries like Germany and Italy the population will shrink. The German Federal Statistical Office expects that by 2060 the country's population will have shrunk by up to one fifth and the number of working people fallen to 36 million – from 50 million in 2009.

A shrinking population also means a shrinking pool of skilled labour. McKinsey have predicted that employers in advanced economies will face a shortfall of 16-18 million college educated workers by 2020.

"Women fill less than 7% of tech positions in Europe."

Irish Times February 2015

STEM shortage

Nowhere is this shortage more pronounced than in the STEM (science, technology, engineering and maths) sector. Even during the US recession from 2009 to 2012, there were nearly two STEM job postings for every unemployed STEM professional. This is also an area with very low female participation. Women fill less than 7% of tech positions in Europe. Only a quarter of those working in STEM in Ireland are women.

Need to use 100% of our talent pool

In these circumstances, it makes no sense not to avail of the full range of the talent pool. Women outnumber men in global university attendance and graduation rates. In developed nations as many as two thirds of graduates are women. In the US in 2012, women made up more than 70% of high school valedictorians. In Ireland women are more likely to have a third-level qualification than men. Women are making rapid educational gains, but, in most countries, this is not reflected in female employment rates or in equal pay.

According to the European Commission there is a gender pay gap of 14.4% in Ireland.

In a world of shrinking talent we cannot afford to leave anyone on the sidelines. Germany has realised that it could increase its workforce by up to two million people by 2025 by increasing the female participation rate. In an effort to encourage gender diversity at board level the German government recently passed a law requiring companies to give 30% of supervisory board positions to women. Currently only 18.6% of board seats are held by women.

In an attempt to improve gender diversity at all levels Helena Morrissey established the 30% Club in 2010. It is an organisation that seeks 30% female participation rate on board levels by 2020 and encourages companies to utilise the wealth of female talent available to them.

Connectivity

Thanks to increasing connectivity, talent in the developing world is more accessible than ever before. Technology is making it easier for people all around the world to get educated, especially females who often have more limited access to education due to factors such as economic circumstances or culture.

"We don't know where the next Albert Einstein is. Maybe she lives in a small village in Africa."

This opens up opportunities for women in such countries. Think of 12 year old Khadijah Niazi, the youngest female to complete Udacity's Physics 100 class, and with the highest distinction. Daphne Koller, one of the founders of Coursera, the online education platform, said, "We don't know where the next Albert Einstein is. Maybe she lives in a small village in Africa."

More culturally diverse

The workforce is inevitably becoming more culturally diverse. Management will need to be able to integrate five generations as well as people of several cultures who all speak and think differently. However, this diversity can be a competitive advantage. McKinsey & Co. state that diverse companies are more successful at attracting top talent and keeping them engaged, while at the same time improving their customer orientation and decision-making.¹

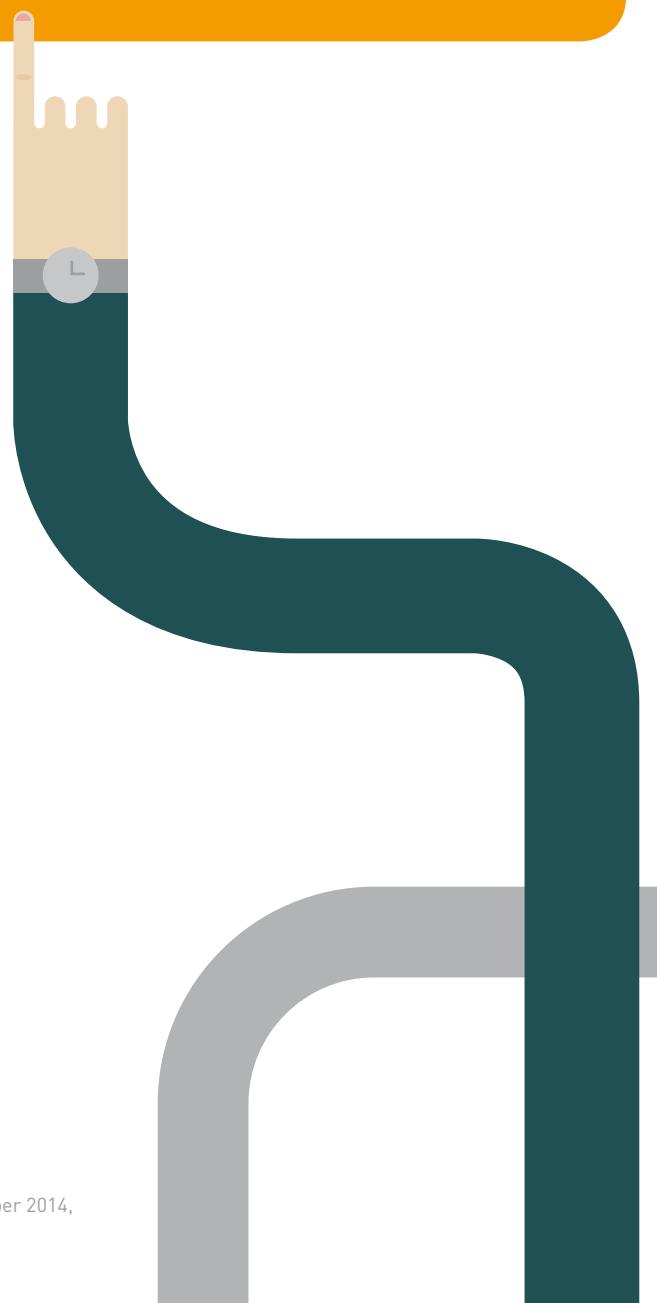
Engaging talent is the key to success

What is becoming essential for business success is not land, capital or money – it's talent. We cannot afford not to use 100% of what's out there.

Hundreds of millions of women are predicted to join the global workforce in the coming years. There is increasing use of temporary and part-time workers and workforces are becoming more and more multi-generational and culturally diverse. People management was deemed to be the most substantial challenge facing companies over the next five to ten years, according to a 2013 survey of 636 C-level and senior executives by The Economist Intelligence Unit.

KEY MESSAGE

Shrinking populations mean less talent. Gender diversity is essential so as to benefit from the best range of talent available. A successful company not only focuses on this available talent, but makes sure that the full range of talented people find it an attractive organisation to work for.



¹ *Diversity Matters*, Vivan Hunt, Dennis Layton and Sara Prince, November 2014, McKinsey & Company, p.9.

2 Diverse organisations will attract and engage millennials



Millennials, the generation born between 1980 and 2000, are shaping the future workplace. They will account for 75% of the global workforce by 2025. Organisations must adapt to their preferences and needs.

Affinity with technology is one of their defining traits. But the 2014 Qualtrics Millennials in Tech Survey found that what this generation cares most about is having a collaborative work environment: 74% ranked it as the first or second most important characteristic they look for in a workplace. Collaboration is being driven not just by technology but also by the millennial desire to do things differently.

"Gender diversity can prevent companies from becoming too insular and out of touch with their varied customer base."

Millennials want diversity

Why is this generation so relevant to the discussion on gender diversity? Organisations looking to attract the top talent will have to cater to millennial values and concerns. For example, they often seek employers with a strong record on equality and diversity.

One way companies will be able to entice and engage millennial talent is having a more diverse management board. Already, many companies are actively moving away from 'groupthink'. This is because people from diverse backgrounds challenge each other. With diversity comes dissent and some of the most valuable innovation. Millennials recognise this and are drawn to such collaborative and inspiring workplaces. Gender diversity can prevent companies from becoming too insular and out of touch with their varied customer base.

Why companies need a diverse range of talent

In an article for *The New Yorker*, Malcolm Gladwell argued that the major reason behind Enron's failure was not that they hired the wrong people, but that they had hired the same people, over and over. They had a template for what they thought was the ideal employee – MBA graduates, often from Ivy League universities and candidates who fit their criteria of a highly intelligent individual. They were wooed by the myth of the perfect employee and filled their organisation with homogeneous talent.

Research indicates that Lehman Brothers might not have failed if it had been a more diverse organisation. This has given rise to the 'Lehman Sisters' theory. There is too much testosterone active on trading floors, according to Dr John Coates, a neuroscientist at Cambridge University. He found that when traders have an above-average gain, their testosterone and cortisol levels rise – which clouds their judgement and fuels their appetite for risk. Women have only 10% of the testosterone level of men and older men have less than younger men. The trading world consists of 95% young males.

Career development, please...

Another reason why Millennials matter when it comes to gender diversity is their expectations regarding management styles and corporate culture. They expect professional development from their organisation. They want mentors who both nurture and challenge them and help to carve out a career path tailored to their strengths. Gallup research has shown that female managers score very highly in each of these areas. Therefore companies with a more diverse management structure will meet such expectations and receive a highly engaged and productive workforce in return.

"According to a study of women in engineering careers, women are less likely to leave their work if supported in their career development."

In the technology sector career development will be even more important. STEM is suffering from a significant skills shortage, a problem that could be improved by attracting and maintaining female talent. However, women in technology companies leave at double the rate of men. According to a study of women in engineering careers, women are less likely to leave their work if supported in their career development.

This perceived support even negates the effects of a poor manager, a difficult microclimate or the disruption associated with organisational change.

Career development helps to keep female ambition and confidence alive as they progress through their career. In a report by Bain and Co. called *Everyday Moments of Truth*, it was found that 43% of women surveyed aspire to a top management position in the first two years at a company, compared to 34% of men at that stage. However, over time the proportion of women with leadership aspirations drops to 16%, while men's ambition remains the same.

The report found that the erosion of women's ambition was due to lack of support for female career advancement from supervisors in the early years.

Lack of gender balance reinforces stereotypes and myths about what it takes to earn promotions, such as working 24/7, compromising one's personal life or sacrificing holidays.

Intel has a Women's PE (Principal Engineers) and Fellows Forum – a community for women engineers that offers peer mentoring and coaching.

IBM's Women Inventors Community is a support network of female inventors and mentors who share information about the patenting process, career opportunities and models for success. More than 1,000 women have been involved in this.

KEY MESSAGE

The millennials will make up the majority of the workforce in the next ten years. They have particular preferences and requirements. If you want to attract, retain them and engage them, your organisation needs to welcome diversity and, in particular, provide a supportive and female-friendly working environment.



3 Gender Diversity will make your brand successful



The future brand is more social

Branding is changing. Increasingly, a successful brand lives and dies by the perception created online. Social media is a powerful vehicle for any brand to become viral in minutes.

Companies cannot hide away. Rating sites such as Glassdoor.com mean that nothing goes unflagged with regards to your company. Either you're branding yourself or you're being branded by others.

More and more organisations are focusing on fostering a positive corporate culture as they realise it quickly translates into good reviews online, positive word of mouth and, ultimately, more loyal and engaged employees.

In an increasingly online world, personal brand is becoming more vital. CEOs, male or female, are a powerful representation of your brand. Brand starts at the top; how a CEO behaves or what they believe can affect a company's brand.

The CEO of Mozilla Firefox, Brendan Eich, was forced to resign after social pressure followed his open support for Proposition 8, a law that would make gay marriage illegal in California. Employees now have a much stronger voice and will make it heard when they believe the CEO's values are not in line with theirs.

Women drive social media

It's clear that social media is increasingly crucial for promoting brand, product and services. Thus, it is important to remember that, as Facebook COO Sheryl Sandberg said, "The social world is led by women":

- On Facebook, women participate in 62% of the sharing.
- Eight out of 10 Twitter users who have hit the '10 million followers' milestone are women.
- Women make up 83% of the users on Pinterest.
- Women are a goldmine for companies seeking brand ambassadors as they are much more likely than men to be keen brand followers.

Women are big spenders

In Ireland women account for 58% of all purchases and influence 85% of purchasing decisions. When it comes to household spend, seven out of ten women choose which car is bought and make other key decisions – according to a study of over 3,300 Irish mothers by Amárach Consulting.

According to Ginger Consulting, women make up over 85% of all consumer purchasing decisions in the US. Globally, they control more than \$20 trillion in annual consumer spending. Female purchasing power continues to grow year on year. It has been estimated that by 2030, women will control as much as two-thirds of the USA's wealth. In aggregate, women represent a growth market more than twice as big as China and India combined². Goldman Sachs declared that women are "*the economic engine of the future*".

Appealing to women

The message is clear: companies need to better understand women. In a study by FinancesOnline.com it was found that women ignore paid digital adverts more than men and are more likely to recommend than men. They react more positively to ads that resonate with them. They prefer sentimental themes, family oriented themes and real life situations.

"In Ireland women account for 58% of all purchases and influence 85% of purchasing decisions."

That's why the world's most successful brands are incorporating such themes in their ad campaigns. Pantene's 'Shine Strong' and Dove's 'Real Beauty' campaigns are prime examples. Sentimental ad campaigns are beginning to take over and companies are reaping the rewards.

The LA fashion brand Wren released a video ad documenting the first kiss of 10 couples. It was the most viewed video ad of 2014, and even overtook Dove's 'Real Beauty Sketches' of 2013. It increased website traffic by 14,000% and increased sales by 13,000%. The vision was championed by two women, the director (Tatia Pilieva) and Founder/Creative Director (Melissa Coker).

When Dove interviewed 3,000 women in 10 countries, they found that only 2% described themselves as beautiful. They launched the 'Real Beauty' campaign. Tackling the narrow definitions of female beauty, it established an emotional connection with women. Sales increased by 20%.

The message is clear: the newest sales channel for companies is social, and women are much more in tune and active in this space.

However, brands are not making the most of women's purchasing power. Women feel they are misunderstood by most brands and are more likely to say that companies are more inclined to market more effectively to men e.g cars, technology or household electronics.

One reason for this is the lack of gender diversity at the decision making level. If a brand wants to forge connections with an essential target audience, it needs to incorporate more women into marketing decisions.

Nokia started marketing to women after realising that more women than men were buying smartphones. The brand's senior consumer insights manager, Elizabeth Southwood, said they were aware that technology brands alienated women, yet they outspent men on smartphones (as well as other tech). 58% of smartphone sales were made by women.

John Gerzema and Michael D'Antonio argued in *The Athena Doctrine* that feminine values will become more predominant and relevant. Gerzema and D'Antonio carried out a survey of 64,000 people in 13 countries. Respondents were asked to classify the traits they associated with good leadership. The traits they chose were ones often associated as female ones.

They believe that those who embrace values traditionally viewed as feminine, such as being more flexible, collaborative and nurturing, will be able to better tackle challenges and increase their profitability.

There is strong evidence that successful companies consider both male and female values: the most valuable brands in the world have a greater than average proportion of female board members. The top seven brands in 2013 had an average 22.7% female board membership.

The role of conscious and unconscious bias

Diversity at all levels will facilitate fresh insight and lead to innovation. However, it's no use having lots of women at the top level if they are not listened to.

Yale psychologist Victoria L. Brescoll suspected that powerful women often remained quiet because they feared a backlash. She decided to evaluate this. She found that when male executives spoke more than their peers they were rated 10% more competent; when female executives did so, they were rated as 14% less competent.

"The most valuable brands in the world have a greater than average proportion of female board members."

Quite apart from conscious bias, unconscious prejudices can deprive an organisation of valuable ideas and innovation.

Orchestras try to combat bias by holding blind auditions. Companies can incorporate similar processes by focusing on the idea rather than the person voicing it. For example, they can get employees to submit ideas anonymously. Men can help by making sure that women's contributions are given a proper hearing.

In a TEDxTalk in Zurich Eleanor Tabi Haller-Jorden, President and CEO of the Paradigm Forum (a global consultancy and think tank) spoke about a study her organisation carried out in 2006 of 953 managers across Europe. They found that men were perceived as more competent at 'taking-charge behaviours', while women were seen as more competent at 'taking care behaviours'. These perceptions are important she argues. We are often inclined to make precipitous assessments of our talent based on differences such as gender. When it comes to talent management it is vital that companies are not predisposed to see talent in a certain way and not to be swayed by these perceptions and myths.

As organisations become more gender diverse, people will become more accustomed to women contributing and leading. Of course, increasing the number of women in leadership roles will also help to ensure that women's ideas and insights will benefit organisations more and more.

KEY MESSAGE

Women are more social than men in an age when social media is increasingly crucial for business. They also control most spending. To be successful companies need to understand and connect with women. To do this, they need more women making or influencing management and, specifically, marketing decisions.

4 Low employee engagement is still an issue for many companies



According to *The Economist*, there has been a 'collapse of loyalty' in the workplace. Companies are losing their best people because they are not keeping them engaged. Workplace engagement is under 15% worldwide according to a Gallup poll.

According to research by Human Capital Institute, employees with the highest levels of commitment perform 20% better and are 87% less likely to leave a company. They also found that the employees who are most likely to be engaged are male and in senior level positions. As so few women migrate to such positions this proves problematic for not only your retention rates but also your bottom line.

A 2013 Gallup poll revealed that companies with high employee engagement have 3.9 times the earnings per share of competitors.

A new style of management

So what can companies do? Gallup found that managers are responsible for 70% of their employees' engagement. Support from senior leaders and management make the difference between a poorly engaged and a highly engaged workforce. Therefore, we need to look to more effective means of talent management as a solution. It is vital that management work collaboratively with staff to understand their skills and properly arm them with the right tools for success and recognise their achievements. Indeed, Bain and Co. found that employees that interacted regularly with supervisors in the early stages were more confident and not having role models in upper management hampers effective talent management. Workers without role models generally feel more dissatisfied, less engaged and not as loyal. Effective talent management will require a focus on providing more role models and support for female employees.

"Only 52% of women feel supported by their employer to develop their career".

Regardless of gender, career support is a must in terms of keeping employees motivated. In this context, the lack of both male and female role models for women is an acute issue. It is imperative that more men fulfil the role of sponsor until there are more female sponsors available.

Sustaining employee engagement is an important argument for encouraging gender diversity. Females are most engaged when working for female managers. Gallup found that they were 35% more engaged than when working for male counterparts. This undermines the common perception that women may sometimes prefer to work for a male manager. Women under female managers are 1.26 times more likely to agree that there is someone at work who encourages their engagement. This is because they feel that female managers are also more likely to check in frequently on their employees' progress and provide recognition or praise. This demonstrates that a style of management that focuses more on fostering relationships is most effective in motivating staff.

Only 52% of women feel supported by their employer to develop their career, according to a PwC report. A *Harvard Business Review* study found that almost two thirds of male executives are hesitant to engage in one-on-one meetings with women in junior positions.

When conversations do occur, gender differences can often hamper the dialogue. For example, research shows that men are more transactional (or incentive-based) in social interaction, whereas women are more relationship focused.

Incorporating this new style will ensure that women's ambition remains strong throughout their careers, thus leading to more diversity at the top levels.

Companies will become more open to this form of talent management because, as previously discussed, millennials react more positively to it. As a result, companies are already beginning to re-evaluate how they manage their staff. It is important that companies provide more support to their managers through training so that they are better equipped for the challenges that lay ahead.

Work as a thing you do, not a place you go

Where, when and how we work is going to change radically in the coming years. This is going to make it easier for companies to achieve a gender diverse workplace as well as a more engaged workforce.

Everything we know about the traditional workspace is already transforming. Companies are looking to novel office layouts to encourage collaboration and concentration.

Part of Airbnb's Dublin office is designed to look like a pub to inspire collaboration and conversation. People can work from whichever part of the building they find most comfortable and meetings can take place over coffee.

But more than the office layout is changing. The flexible workspace is being joined by a more flexible worker. Corporate culture is also undergoing transformation. Companies are focusing on productivity, not presenteeism, as they see the benefits in an engaged and creative workforce.

Aetna, the American insurance company, made around \$80 million in savings annually by rolling out a remote-workforce strategy. They no longer needed a 2.7m sq ft office and reduced voluntary employee turnover to just 3%.

Suntell, a Kansas based software company, implemented a similar plan. Its revenue rose by 185% in the first two years after employees were given the freedom to work wherever they want.

Remote working leads to a more engaged workforce. It also opens up the talent pool and thus leads to workplace diversity, from older people to mothers to talented individuals across the world.

A major obstacle for women in the workforce is the many demands on their time. According to Bain and Co., many women feel they are unable to meet the criteria for the 'ideal worker', such as willingness to put in extra hours, being 'always on' and being adept at networking.

Being able to use time more efficiently through remote working will help more women enter the workplace. Technology will enable talented women to work in ways that suit their lifestyles. Sites such as oDesk and Freelancer provide a marketplace that connects companies to freelance workers.

The Opportunity Now Project 28-40 surveyed 25,000 people (23,000 women and 2,000 men). It found that flexible working is essential to women in balancing their commitments. However, they found two major obstacles: first, those who work flexible hours tend to be stigmatised; second, the strong culture of presenteeism in many companies exacerbates this stigma. Furthermore, many mothers feel their employer is not doing enough to support them in balancing their responsibilities at home and at work.

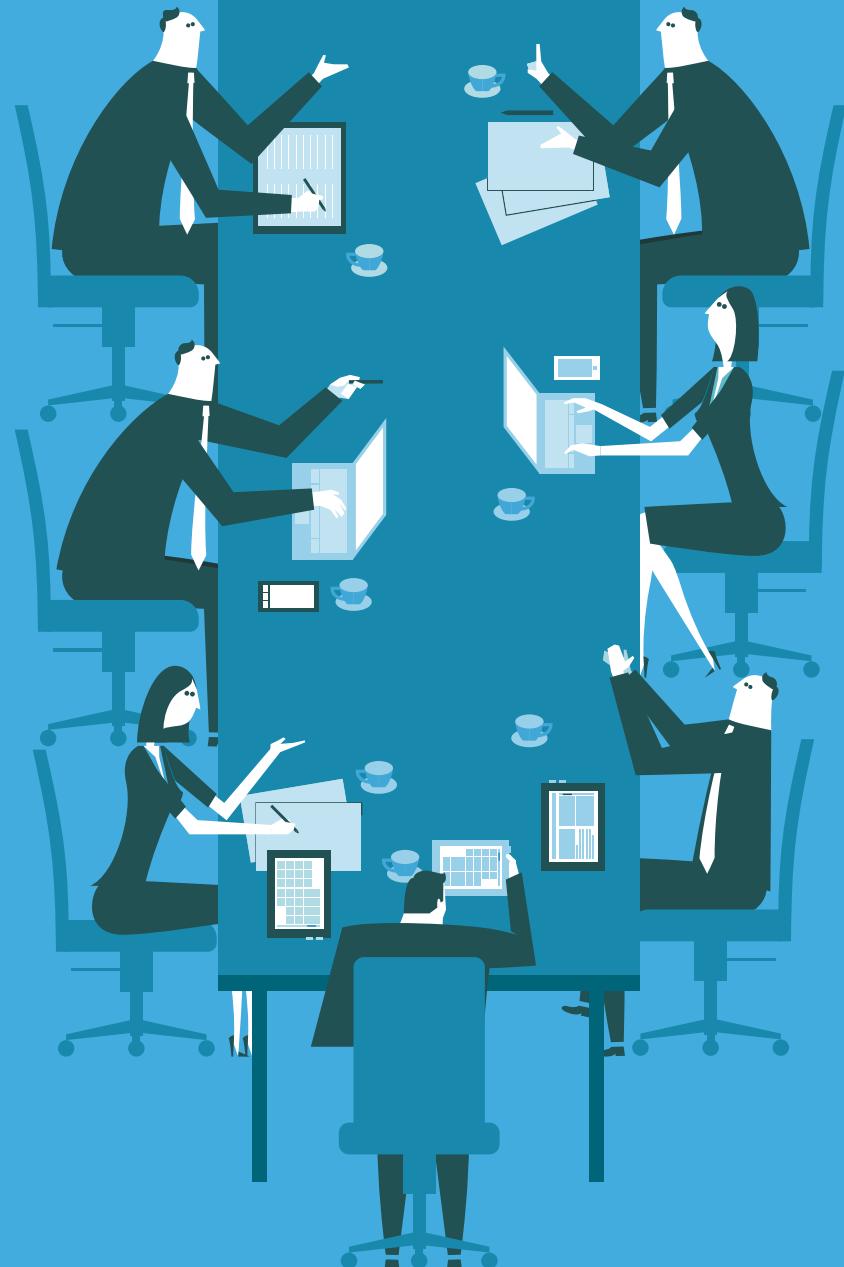
"Many women feel they are unable to meet the criteria for the 'ideal worker'".

Shortly after joining Yahoo! as CEO Marissa Mayer banned remote working for all employees, even banning occasional flexible working. She defended her decision to end flexible working by stating that people are indeed more productive when they are alone but that it's through collaboration that innovation happens. 'Some of the best ideas come from pulling two different ideas together'. Her viewpoint, while viewed as a step backwards by critics, has substantial research behind it. The future of work will be more collaborative and the most innovative companies go to great lengths to provide a workspace that fosters collaboration.

So how do we tackle the issue of collaboration while balancing it with the desire for facilitating remote female talent? Co-working has emerged as an answer to the isolation of remote working. In the tech space, innovation can sprout from more specialised spaces. This would allow for the knowledge sharing and innovative interactions that Mayer strives for within Yahoo!

KEY MESSAGE

Work is being redefined in ways that will enable more women to work than ever before. Companies that adapt and engage a more diverse workforce will reap the benefits.



What are the major challenges and how can you tackle them?

A more diverse workplace is not only inevitable, given the rapid changes in the world of work; it also benefits organisations in many ways, including revenue, brand and shareholder value.

However, building a more gender-balanced workforce, particularly at the senior level, presents many challenges.

Women need more role models and sponsors

Sponsors advocate for the future of the individual they assist. They can open doors, introduce new opportunities, mentor people for possible succession in the future, offer talent to companies that may not find them using traditional routes. Kerrie Peraino, Chief Diversity Officer at American Express, sees sponsorship as a talent management solution.

Women need more 'tips up their sleeves' as they lack the same opportunities for networking as men, according to Denise Wilson, chief executive of the Davies 'Women on Boards' review. Wilson herself benefited from having a sponsor vouch for her abilities after she returned to work following maternity leave.

In a study by Bizas Coaching and Consulting called *Shooting for the C-Suite* it was found that women focus more on using their resources and time effectively to perform their tasks, as opposed to increasing their profile. This raises an important point regarding women and the opportunities that are available to them. Research often focuses on female exclusion from the 'old boys' network'. This is still a major obstacle but companies also need to consider that women often don't prioritise raising their professional profile. This highlights the importance of role models and sponsors for gender diversity.

After the Lehman Brothers collapse in 2008, Chief Diversity Officer Anne Erni was left without a job. With the help of a female sponsor at Bloomberg she quickly took up a position as head of leadership and diversity with the company.

At the conference on *Promoting Gender Balanced Leadership* in Dublin in 2014, Irish Minister for Justice Frances Fitzgerald pointed out how it is easier for men to find mentors. The lack of female role models hampers women's ability to climb the career ladder. They have to work harder to advance. Having more women in visible positions of power will empower and inspire them, but due to the shortage of female sponsors, men will continue to play a critical role for the time being. Women will need to look to male sponsors. This will not come naturally as people often look to mentors in their own image – and mentors often choose employees that mirror them. Sheryl Sandberg says that male leaders need to be made aware of the role model shortage and encourage them to widen their circle and mentor more women.

The AT&T programme, the Executive Women's Leadership Experience, ensures that outstanding women have the right sponsors and advocates at the most senior executive levels. It provides female talent with the opportunities to network. AT&T's Champions programme develops sponsor relationships between talented females and executives.

Looking Outside The Box

The ratio of women to men in leadership positions means that women need to look outside the box when it comes to finding sponsors.

Levo, a growing community of professional women seeking advice, inspiration and tools to help them achieve their career goals, provides a tech solution to this challenge. It helps Gen Y women build connections that can help bolster careers, and provides job opportunities, skill building tools and professional networks. They even host live Q&As with extraordinary leaders such as Sheryl Sandberg and Warren Buffet.

Levo co-founder Caroline Ghosn promotes male sponsors for young females. It is recommended that women keep an open mind about their mentor or sponsor and make an effort to reach out to senior men for advice and advocacy.

Companies risk losing high potential talent if they do not provide inclusive environments where women and men can interact in mentor or sponsor relationships.

Getting women on board

It is important that sponsors, be they male or female, push for more women on boards. Cross-company mentoring helps. Newton Investment Management CEO and founder of the 30% Club, Helena Morrissey, found that those participating in such programmes found it liberating as they were mentoring those outside of their company and could be more honest in their advice without fearing repercussions. Men also found it an illuminating experience.

Chairmen play a vital role in getting more women on boards.

Michael Buckley, non-executive director of KKR Alternative Investment Management, pushed for diversity on boards while chairman of DCC plc. He pressed headhunters to find more female non-executive directors and pushed the nominations committee to put them on the list. He believes that more diversity leads to smarter decisions overall.

The Global Leadership Forecast found that having women (and millennials) in leadership positions is a sign of successful companies. The top 20% of financially successful companies had almost twice as many women in leadership roles, as well as more high potential women holding those roles.

How companies are supporting gender diversity

Melanie Lane, GM of Shell's UK Retail business acted as a role model for flexible working and talked about it openly. Such openness empowered many women in junior positions who had been struggling to find practical examples of senior women juggling the demands of their personal lives with their work lives. Vocal role models are crucial in keeping young women's ambitions alive.

General Motors has a positive record with regards to diversity. Its Board of Directors is nearly 40% female. By appointing Mary Barra as CEO in 2013 it made a significant step towards diversity in the male dominated automotive industry. GM is the first automotive company to have a female CEO. Barra describes the company as one that never failed to challenge her or offer opportunities for growth. Consequently, she values career development highly as a solution to keeping millennial talent at GM. The company had a strong financial year in 2014 – 2.8 billion in profit and saw an increase in dividends by 20%.

Unilever has made being a gender balanced organisation a central part of its business strategy. 42% of managers were female at the end of 2013. They understand the purchasing power of females and how important it is to have substantial female representation in management. They believe that a gender diverse organisation powers innovation, expands the talent pool and helps them better understand their customer. A diverse organisation prevents a company from becoming too insular and allows it to stay in touch with its heterogeneous consumer base. They established a global mentoring programme in 2009 to develop their high potential talent and prepare them for leadership roles. The mentoring relationships provide ongoing feedback and advice on career progression and plans are personalised to individual needs so that each employee can reach their full potential.

The strategy has been successful with the company winning the Catalyst Award for its initiatives in 2013. CEO Paul Polman stated that the benefits of a gender balanced organization are clear: "it helps power creativity and innovation, deepens the talent pool and allows us to better serve our diverse consumer base."



What's holding women down?

Myths and misperceptions

Women in particular are held back by a number of myths when it comes to career progression. The most pronounced is the perception that the burden of leadership is not worth the benefits that come with it. Women in junior positions often believe that executive positions do not provide opportunities to flourish. They feel that senior roles lack meaning and purpose. This has far reaching consequences as it squashes ambition and limits diversity at the top.

"The top 20% of financially successful companies had almost twice as many women in leadership roles."

Women also doubt their ability to maintain a healthy work-life balance at senior levels. In the Project 28-40 research, 75% of female respondents who had no children were concerned about the impact of having children on their career progression; 92% felt that it is highly stressful at the top and 51% did not want the perceived lifestyle that comes with senior appointments.

There is a wide perception gap between men and women regarding opportunities for advancement. Women point to a lack of commitment to company policies on gender diversity and pay inequality.

The *Cracking the Code* report from KPMG debunks the notion that childrearing hinders female promotion. Women believe that being on the 'mommy track' hinders career progression and that they are discouraged from voicing their ambitions and desire for senior positions.

However, research shows that while career progression for mothers may slow down, it is not a significant factor in preventing them from getting to the top. *Cracking the Code* found that being a parent is not a predictor for a gap in the number of promotions.

Another common myth is that mothers at work are perceived as less competent and committed and as inferior candidates to hire, promote or train. Fathers are not penalised for having children; fatherhood is a much valued characteristic seen as demonstrating stability and a strong work ethic.

Research by the Federal Reserve Bank of St Louis, however, found that women with children are the most engaged of all. Over the course of a thirty-year career, women with children outperformed those without, at every stage of their career. Also, benefits such as maternity leave, sick pay and affordable healthcare meant that the women in the study could work longer hours.

Despite this, according to the OECD report *Closing the Gender Gap* there is a gender gap with regard to wages; women tend to suffer a wage decrease once they have children. The average pay gap between men and women widens to 22% in families with one or more children. For couples without children the gap is 7%.

For many women these myths do not reflect reality. This is why it is vital for women to speak up and become role models in order to dispel the above misconceptions.

The fatherhood question

The role of fatherhood has changed over the last few decades. However, there is much room for improvement. Until then it will remain a major obstacle to achieving gender diversity at senior level. Most studies show that women are still carrying the heavy end of the domestic load and childcare. For example, women spent twice as much time as men everyday engaged in primary child care. This has made it more difficult to work the long hours needed to secure senior positions. Lynda Gratton, of the Future of Work Research Consortium, has done considerable research in this area and has found that until we address childcare and fatherhood we will not see significant change on gender diversity.

Work-life balance is more achievable when the domestic tasks are shared. Doing so also helps to lift the burden off women and sends positive life messages to children. Men are rarely asked how they balance CEO duties with fatherly responsibilities, whereas women in executive positions often face such questions.

Companies need to encourage a positive culture where men can take paternity leave without stigma or ridicule. Parental leave is not just a women's issue, it is a working parent's issue. It is not the norm for fathers to take off more than a week or two, even though more than 75% of men in a 2012 survey stated they would like to spend more time with their new babies. The more men express such desires, the more perceptions will change, and the less stigma will be attached to paternity leave. Male managers also need to be role models and get the conversation on this issue started.

Ireland is currently one of nine European countries that does not provide a statutory entitlement to paid paternity leave. Irish Minister for Children James Reilly argued that having the option open would encourage more men to avail of it. Clare O'Hagan, author of *Complex Inequality and Working Mothers*, found in her research that things have not improved much for women 40 years since the marriage bar. The availability of good, affordable childcare is the issue all research and experts name as the biggest challenge for working parents. Paid childcare for infants is very expensive in Ireland. For a typical dual earner family seeking full-day care for two pre-school children, the cost is 29% of the family net income.

"46% of fathers report that they don't spend enough time with their children, versus 23% of mothers."

In contrast, Sweden is seen as one of the most progressive nations when it comes to parental rights and aims to support dual-income parents. The country grants up to 480 days of paid parental leave per child. This can be shared by both parents but fathers are required to take a minimum of 60 days.

There are some positive trends emerging however. Male millennials feel that fatherhood is not about being a hands-off economic provider but about being more nurturing, listening and mentoring. This will only encourage a new culture regarding paternity leave and fathers spending more time with their families.

According to the Pew Research Center, 46% of fathers report that they don't spend enough time with their children, versus 23% of mothers. In Britain this has led to an increase in the number of fathers opting to work part-time.

There are already some high profile role models emerging that will encourage such change.

In 2014, Mohamed El-Erian, the CEO of trillion-dollar investment fund PIMCO, resigned when he realised he had missed too many milestones in his daughter's life. Since then he has been managing a portfolio of part-time jobs, which gives him more flexibility.

Starbucks COO Troy Alstead took an indefinite leave of absence a year after he was promoted to second in command. He said, "The next year is for my wife and children, to give them dedicated time and attention."

Many companies are addressing the concerns of working Dads, as they understand that a more balanced employee is a more engaged one. Companies need to encourage more male employees to take parental leave, offer more flexible working arrangements for new fathers and urge senior management to be more vocal role models regarding their work life balance. Such initiative will help pave the way for gender diversity in organisations.

Conclusions

Achieving gender diversity presents some challenges, but the strong business case for diversity is too persuasive to ignore.

Gender diversity will be an answer to many of the problems currently facing companies. The organisations with the most innovative brands, the most engaged employees and the strongest balance sheets boast a diverse workforce. In future, the companies that thrive will be gender diverse.

It makes sense, therefore, to talk about women in work not so much as a diversity issue but as a business imperative.

Credit Suisse found that companies where women made up more than 10% of top operational jobs had a 27% higher return on equity and a 42% higher ratio of dividend payouts, this compared to companies with less than 5% in such positions.

A recent study by McKinsey & Co. found that highly diverse companies appear to excel financially due to their talent recruitment efforts, strong customer orientation, increased employee satisfaction and improved decision making.

"Companies where women made up more than 10% of top operational jobs had a 27% higher return on equity and a 42% higher ratio of dividend payouts."

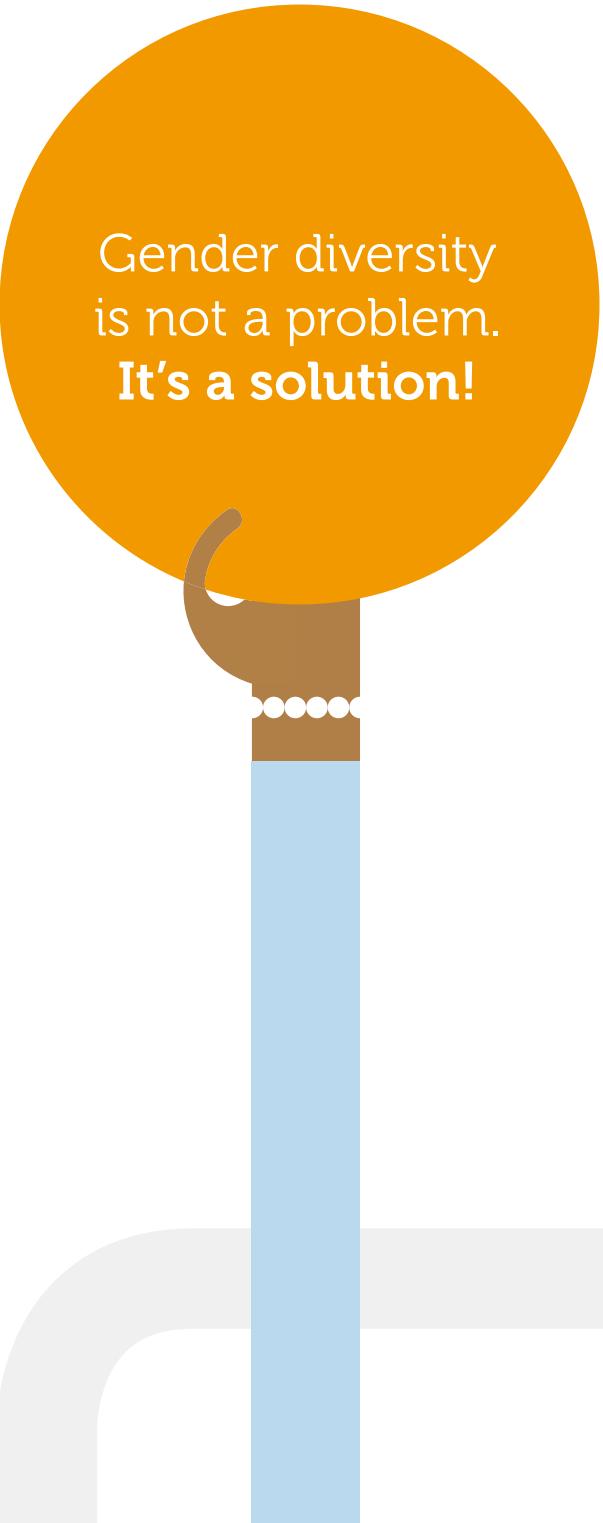
When it comes to diversity, start talking in terms of shareholder value and company performance, and things may start to change!

If you are an 'employer of choice', you can better compete for talent, financial resources, investment, customers and market share.

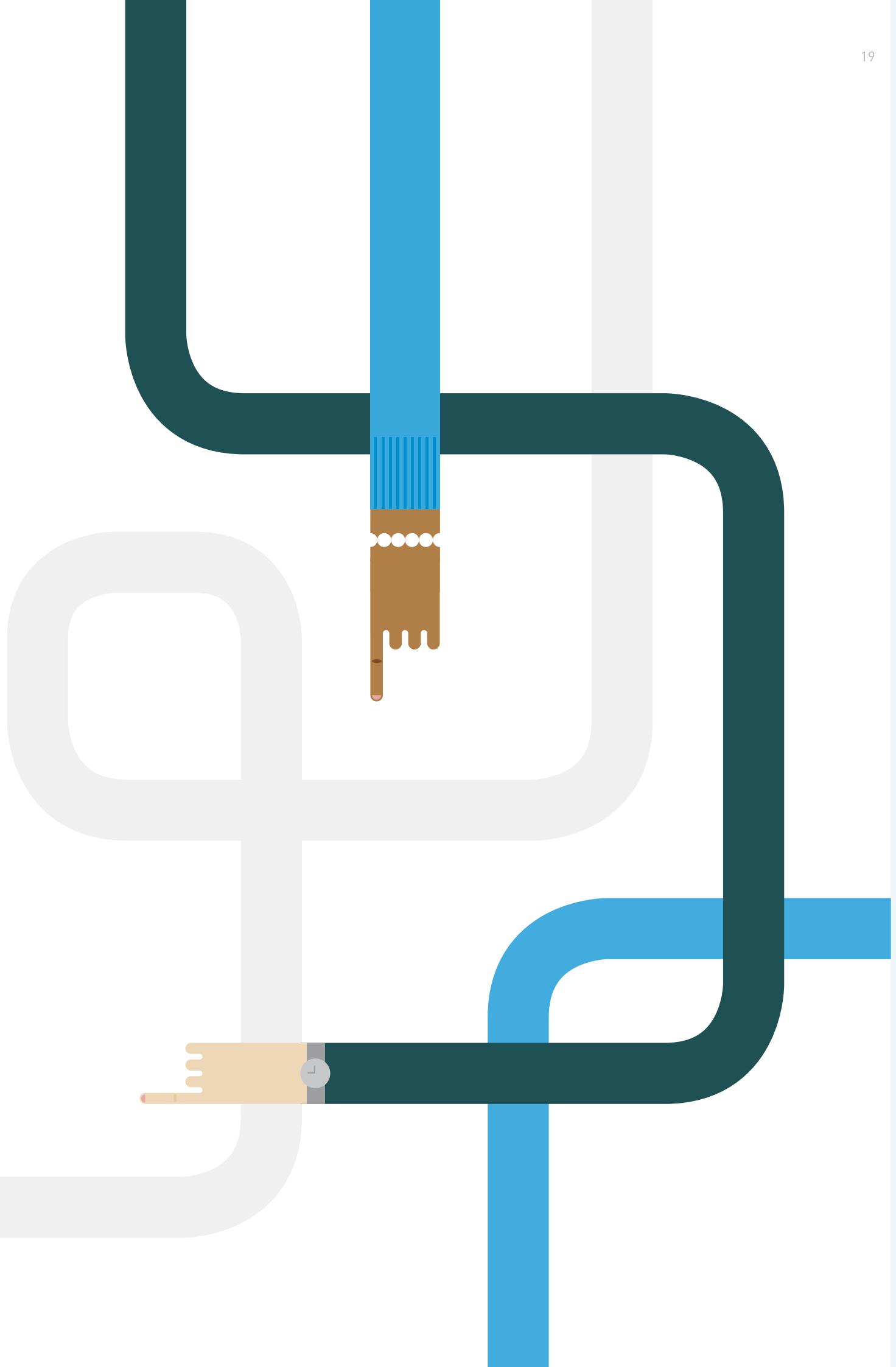
However, the most crucial element in bringing about culture change in an organisation is the active and consistent support of its leadership.

Having a higher percentage of females in the workplace is becoming increasingly crucial for business success. It is now clear that it brings multiple benefits.

Gender diversity is not a problem. It's a solution!



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Notes

