

# How to achieve more gender balance in your workforce

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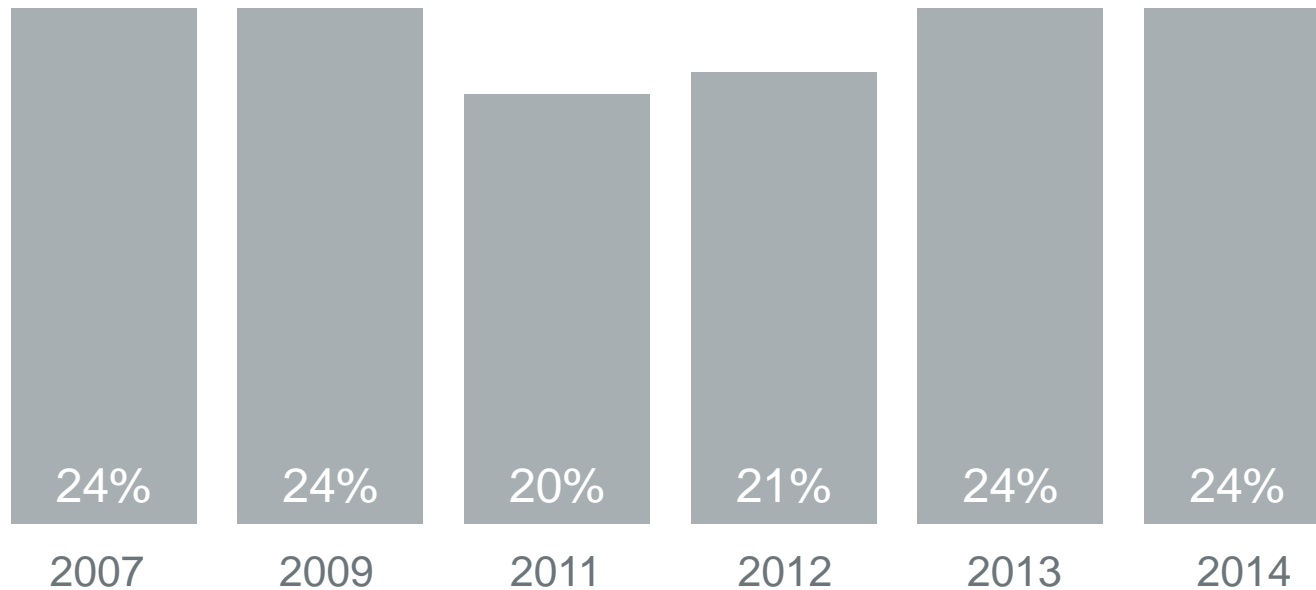
November, 2014

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## Across the world, women fail to advance to senior management positions

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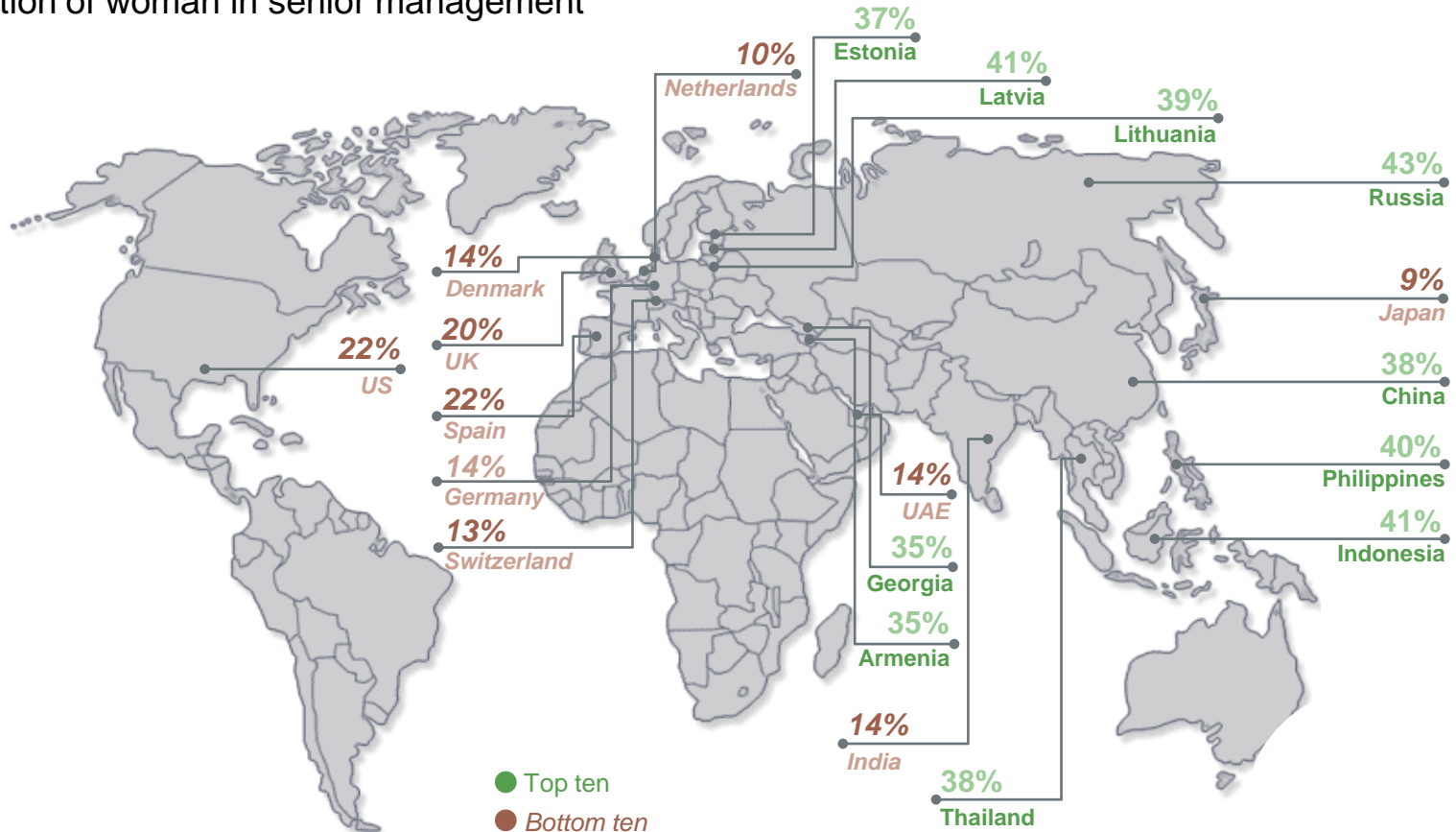
Proportion of women in senior management globally from 2007 - 2014



Source: Grant Thornton IBR 2014

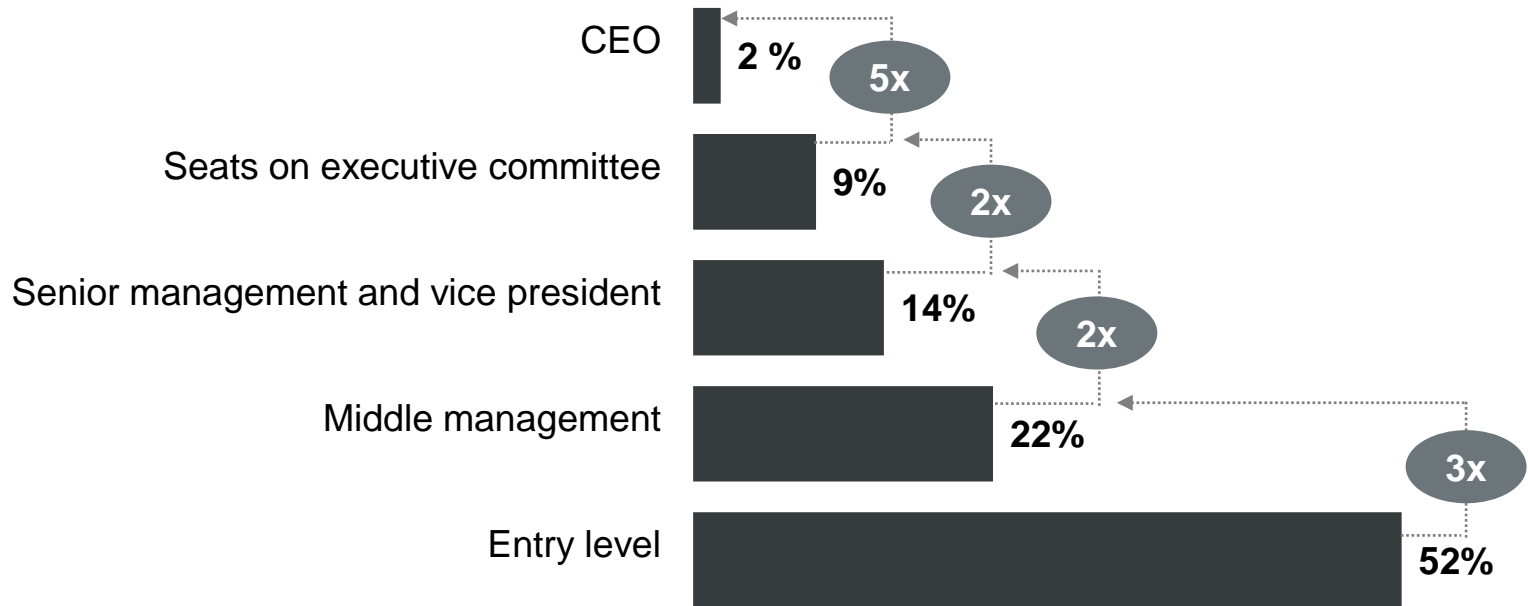
## Proportion of women in senior positions: Many Western countries lag behind

Proportion of woman in senior management



Source: Grant Thornton IBR 2014

## Organizations tend to lose women on all management levels



**Xx**

Odds of advancement for men over those for women

**X%**

Percent women

Data: 130 companies from EMEA industries with more than 10,000 employees and/or revenues greater than €1 billion  
Source: Women Matter 2012, Making the breakthrough

## The biggest barriers for women on their way to the top

	<b>Women respondents (n=233)</b>	<b>Men respondents (n=212)</b>
“Double-burden” syndrome (women balancing work and domestic responsibilities)	47%	57%
“Anytime, anywhere” performance model (work model requiring unflinching availability and geographical mobility at all times)	35%	42%
Tendency of many women not to promote themselves	22%	38%
Absence of women role models	18%	28%
Tendency of many women to network less effectively than men	9%	27%
Lack of pro-family public policies or support services (e.g., childcare)	27%	24%
Decision by women to opt-out and leave workforce voluntarily	22%	16%
Tendency of many women to have lower ambitions than men	15%	10%
No barriers	11%	5%

Source: Women Matter 2010, Women at the top of corporations

## Organizations can make a difference <sup>1</sup>

<b>Successful Companies (N=20)</b> > 20% of women at senior positions > 10 measures implemented		<b>Struggling Companies (N=16)</b> < 20% of women at senior positions < 10 measures implemented	
Percentage of measures judged to be well implemented	40,5%	17,0%	Percentage of measures judged to be well implemented
Gender diversity on CEO's agenda <sup>2</sup>	2,9	1,8	Gender diversity on CEO's agenda <sup>2</sup>
Top management commitment <sup>2</sup>	3,1	1,7	Top management commitment <sup>2</sup>
Company culture aligned with gender diversity objectives <sup>2</sup>	3,0	1,6	Company culture aligned with gender diversity objectives <sup>2</sup>
Number of indicators used to track female representation	6	3	Number of indicators used to track female representation

<sup>1</sup> Comparison of 123 European major enterprises by McKinsey, Source: Women Matter, 2012

<sup>2</sup> On a scale of 1 – 4 where 4 is well implemented

## Key elements for successful gender balancing

### Top Management Commitment

- Gender balancing as top priority on strategic agenda
- Compelling business case for gender balancing
- Role modeling
- Visible monitoring of progress in gender initiatives
- Targets for women's representation in senior executive positions

### Women Development Measures

- Leadership skill building trainings
- (External) Coaching
- Mentoring and sponsoring by senior executives
- Visible and challenging task assignments for women

### HR Processes and Policies

- Gender-neutral and performance-focused appraisal system
- Transparent and well-structured recruitment and promotion processes
- Flexible working hours
- Personalized & flexible career path

### Monitoring Female Representation

- Targets for women's representation by function and level
- Equal salary standards in equal positions
- Promotion rates by gender at different levels

### Organizational Culture and Mindsets

- Comprehensive awareness of gender diversity issues among men
- Excellent performance understood as achievements and results rather than presence
- Openness to and flexibility with work-life integration models endorsed by employees

## IBM's diversity strategy: Bridging the workplace and the marketplace \*

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- In 1995, IBM launched its diversity initiative focusing on women, four ethnic minority groups, gays, disabled and white men.
- From 1995 to 2004 the total number of female executives increased from 185 to 855 – an increase of 370%.
- In 2013
  - Ginni Rometty is IBM's first female CEO,
  - 23% of corporate executives are women,
  - 27% of senior managers are women,
  - 66% of IBM's female executives worldwide have children.



Ginni Rometty, Chairman, President and CEO of IBM since 2012; photo: IBM

\* Source: Thomas, D.A. & Kanji, A. 2004. IBM's Diversity Strategy. Harvard Business School Publishing



## Successful increase in diversity in 5 steps

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**Step 1**

The initiative was strongly linked to the company's business strategy

**Step 2**

The initiative got full commitment of the board and senior management

**Step 3**

The strategic task forces were strongly linked to the executive level

**Step 4**

Some development fields were recommended by all diversity groups

**Step 5**

The initiative tackled organizational culture

## Step 1: The initiative was strongly linked to the company's business strategy

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The initiative's and company's aim was to create conditions that allowed the already existing diversity within the company to become a resource for learning about competing for clients.

“The company needs to win in the marketplace and out-compete our competition by looking like the people we are trying to sell to, and we must look like them from the mailroom to the boardroom.”

*J.T. Ted Childs*  
*Vice President of Workforce Diversity at IBM, 1991 – 2006*

## Step 2: The initiative got full commitment of the board and senior management

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- The **CEO** Louis Gerstner was concerned that IBM misses out on talent with a homogeneous group of white men in the management team. He was **eager to strengthen IBM's ability to attract the world's top talents.**
- The **presence of the CEO as well as numerous senior executives** at the **launch of the strategic task forces** demonstrated the board's commitment.
- The **HR vice president encouraged** all US IBM employees to **report their own diversity challenges** and recommend specific suggestions for change via mail.

## Step 3: The strategic task forces were strongly linked to the executive level

- To give the initiative sufficient power within the company, it was designed to originate at the line.
- Each diversity task force was staffed with senior employees.
- Each task force was asked to address
  - what their group needed from IBM to feel valued and to be productive,
  - what IBM could do to win their group as customers,
  - and to report top 3 to 5 recommendations within 6 months.

### Strategic task force set up

#### **Executive Sponsor**

- either a direct report of the CEO and/or
- a member of the top executive circle

#### **2 Co-Chairs (Executives)**

- belonged to the task force's diversity group (e.g. women) and
- were high-performing and well-respected executives from core business units

#### **15-20 Members**

- Senior leaders representing the task force's diversity group

Step 4: Some development fields were recommended by all diversity groups – 1/2

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**1. Increased diversity with development and succession planning initiatives**

**2. Corporate communication of and commitment to diversity at senior levels**

**Example Measure: The five-minute drill**

- At the beginning of each meeting with their direct reports, managers check their current high potentials' performance as well as support options for their development.
- During the five-minute drills, managers also had to defend their choice for promotions. It became their responsibility to groom minority and female talents.
- This initiative started with the CEO and the HR Vice President and was cascaded down to middle management.

Step 4: Some development fields were recommended by all diversity groups – 2/2

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**3. Increased company's recruitment efforts for minority groups**

**4. Establishing diversity councils in separate business units**

### **Example Measures**

- 1. *MentorNet*:** eMentoring program that pair IBM female technical talents with high potential female university students
- 2. *EXITE*:** Summer camps that introduce middle school girls to science and technology
- 3. *INROAD*:** Sponsoring of this non-profit organization which develops and places talented minority students in engineering and computing science fields
- 4. *Diversity councils*:** They enable employees of similar diversity groups to exchange and discuss issues of mutual interest

## Step 5: The initiative tackled the organizational culture

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### **IBM culture up to 1995**

- Image as a company of “men in white shirts“
- Discouragement of recognizing differences among employees and promotion of a uniform IBM identity of talent
- An individual’s accomplishments and not his or her background lead to a successful career
- Reluctance among managers to let go of and share valuable employees and talents

### **IBM culture in 2004**

- Numerous role models for minorities exist that make minority members feel less pressured to be a certain way
- Open and thorough discussion of diversity and readily dealing with discrimination
- Many of today’s customer initiatives are targeted at IBM’s diversity groups and stem from task force recommendations
- Greater development opportunities for talents across departments and divisions

## Key elements in the IBM diversity initiative

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### **Top Management Commitment**

- Top priority: Get best available talents
- Business case: Diversity as 'bridge to the market'
- Visible monitoring of progress by CEO
- Senior management engagement as sponsors and co-chairs of task forces
- Role modeling: e.g. five-minute drill

### **Women Development Measures**

- Career advancement and succession planning for high potential female talents
- Network groups for women

### **HR Processes and Policies**

- Increased resources into recruitment of female employees (e.g. MentorNet)
- Support structures for female executives with families, e.g. regular part-time employment policies

### **Monitoring Female Representation**

- Management system to monitor advancement between departments, divisions etc.
- Need to defend choices for promotion in front of superior

### **Organizational Culture and Mindsets**

- Comprehensive awareness of diversity issues among men, also by including a white male task force
- Launch of the Global Work Life strategy with 3 components: organizational culture, dependent care and flexibility
- Openness to and flexibility with work-life integration models lived by employees



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