



Research Insights

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Women, leadership and the priority paradox

Why so few organisations
are getting this right—but
those that do are outperforming

IBM Institute for
Business Value



Talking points

Why haven't more women been promoted into leadership positions?

Even though there is abundant evidence that gender-diverse leadership is good for business, an overwhelming majority of organisations globally say advancing women into leadership roles is not a formal business priority.

Some organisations—we call them First Movers—are making strides in gender equality.

These First Movers already count more women among their leadership ranks, acknowledge their responsibility to take action and believe gender inclusiveness will result in enhanced organisational success.

Enlightenment is not enough to propel real change.

For organisations to unlock the benefits of gender-diverse leadership, they need to elevate gender equality to a formal strategic priority, value the contributions of women as highly as men and recognise women as top performers in greater numbers.

Introduction

The past few years have seen a wave of advocacy for gender equality at work. From media coverage of the pay gap to a growing body of evidence showing that companies with more women in the executive ranks perform better, there has never been greater awareness in the corporate world of the need for—and benefits of—promoting women.

Despite this consensus, however, the percentage of women serving in senior leadership roles remains exceedingly small. Among the 2,300 organisations we surveyed worldwide, on average, only 18 percent of top leadership positions—including the C-suite, vice presidents, directors and senior managers—are held by women.

Why does this divide between the number of female and male leaders continue to loom so large? We found three primary reasons:

- Many organisations are not fully sold on the benefits of gender equality in leadership, even though ample evidence correlates gender equity with improved financial success and competitive advantage
- Organisations are over-relying on 'good intentions' and applying a laissez-faire approach to diversity, rather than applying the disciplined focus on operational execution they apply to other aspects of organisational performance. Most predict it will take generations before gender-diverse leadership is achieved in their industries. More than three-fourths of respondents told us that advancing women into leadership roles is not treated as a formal business priority
- Men, who represent the overwhelming majority of senior leaders worldwide, tend to underestimate the magnitude of gender bias in their workplaces. They need to be vocal allies of gender equality in their organisations.

‘First Movers’ have made advancing women a formal business priority, say gender-inclusive organisations are more successful and embrace their responsibility to take action.



81%

include gender parity as part of their strategic agenda



83%

say implementing gender equality initiatives is actually easier than achieving other business initiatives



89%

identify women as having high potential as often as men

Ironically, even as the gender gap remains wide, the war for top talent across industries is raging. Companies will likely struggle to remain competitive if they fail to systematically develop and promote women who are capable leadership candidates. This pressure is one reason why we are optimistic that substantive improvement in gender balance may soon become a higher priority across the corporate world.

In fact, our data analysis reveals a small subgroup of organisations we call ‘First Movers’ that are working hard to shift their corporate cultures and are already reaping the benefits. Comprising just 12 percent of our total survey sample, First Movers have designated the advancement of women as a formal business priority. A majority of First Movers report that they outperform their competition in each of these four categories: profitability, revenue growth, innovation and employee satisfaction. While First Movers haven’t achieved fully gender-balanced leadership yet, they are further along than others. This is solid evidence that the solution is in plain sight—if organisations are willing to address the issue with urgency and rigor.

Obstacles to change

When we embarked on this study, we began with the assumption that businesses were making the advancement of women a strategic priority. That hypothesis was based on the amplified positive messaging about companies’ commitment to gender equality in recent years, the proliferation of female-focused programs in the workplace and the tidal wave of media attention and social commentary. With this heightened focus, we wondered why we were still seeing so few women move up the ranks at their companies. To find out, we surveyed 2,300 executives and professionals in organisations across 10 industries and 9 geographic regions around the world and conducted a series of one-on-one in-depth interviews (see ‘Study approach and methodology’ on page 16).

The results of our research were surprising. We found that the vast majority of companies are not prioritising the advancement of women—at least not formally. For as many as 67 percent of respondents, promoting more women to leadership positions may be encouraged,

“When we act and hold ourselves accountable as leaders—putting our compensation or our performance at risk—that’s when it gets serious.”

Male Chief Executive Officer, Services industry, US

but it doesn’t constitute a formal business priority for their organisations. Add another 12 percent who say advancing women just isn’t on their radar and 79 percent of companies globally haven’t fully prioritised gender-balanced leadership.

Most survey respondents do say their organisations aim to promote more women to leadership positions in the future. Many have introduced well-intentioned programs. But unless the advancement of women is elevated to a formal business priority, our findings indicate that the likelihood of companies seeing a marked improvement is negligible.

Why have so many companies been reluctant to prioritise the need for gender equality in leadership?

Lingering doubt that advancement of women will produce financial returns

In addition to our own findings, there is no shortage of information on the benefits of advancing women. A simple Google search on ‘gender-balanced leadership is good for business’ instantly surfaced nearly 18 million results. One prime example: A survey of 21,980 publicly traded companies in 91 countries conducted by the Peterson Institute for International Economics determined that ‘the presence of more female leaders in top positions of corporate management correlates with increased profitability of these companies.’¹ Our survey analysis also reveals a correlation between organisations that report outperforming on gender equality and those that report outperforming on profitability.

Yet, too many organisations remain unconvinced by the compelling data that suggests more women in leadership roles could give their companies a boost. When we asked survey respondents if gender-inclusive organisations were more successful financially, 42 percent of respondents couldn’t answer with a definitive yes or no. Why so tentative?

The positive message about potential financial benefits has been drowned out by prevailing stereotypes about women’s leadership capabilities. For example, nearly two-thirds of respondents assume the primary reason more women aren’t in leadership roles is because women are more likely than men to put family over their careers.

Additionally, 58 percent say fewer women than men want to take on leadership obligations. Even though the promise of improved financial success may be alluring to today’s leaders, as long as they maintain unexamined biases that women are responsible for their own lack of advancement, achieving gender-balanced leadership will be a nonstarter.

Kicking the can down the road

If you don’t think you have much of a problem, there is little urgency to push for change. Only 27 percent of survey respondents say achieving gender equality is a challenge for their organisation. In other words, the vast majority report that ensuring gender equality is not a particular cause for concern at their organisations either because they assume their organisation is doing a reasonable job, or any isolated instances of inequality can be readily addressed if they occur. Neither of these beliefs present a burning platform for change, even though respondents admit their organisations have not achieved anything close to gender equality. In essence, respondents are telling us there’s little appetite at their organisations to advocate aggressively for gender equality in leadership right now.

Mindset matters. We asked survey respondents how long it will take for their industries to exhibit an equal balance of women and men across all leadership levels. On average, they estimate 54 years—more than two generations into the future. This is essentially saying, ‘This issue is not ours to resolve.’ Further, if you believe that women have inherent qualities or responsibilities that make them less suitable for leadership, it is easy to view this as a societal issue that lies beyond the purview of your organisation to fix. For change to occur in business, senior leaders need to recognise how these perceptions and this noncommittal approach contribute to a corporate culture where gender inequality can persist.

“Companies tend to discuss gender parity and say they have to do something, but then someone will say, it’s not that bad. They rely on their gut and no action is taken.”

Male Board of Directors Member, Technology industry, Germany

The role men play

Our survey respondents estimate only 18 percent of their senior leaders are women, meaning 82 percent are men. Given this immense disparity, we can’t escape the fact that when we talk about what organisations are willing to do to advance women, we are talking about what men are willing to do. While men acknowledge the existence of gender inequities, many aren’t seeing how their personal behaviours contribute to maintaining the status quo.

We posed this question to our respondents: Imagine you had been born the opposite gender. Would your career have been different?² More than two-thirds of men say, no, their careers would have been the same, regardless. This is an interesting contradiction, considering men also admit a societal bias against women exists in their organisations.

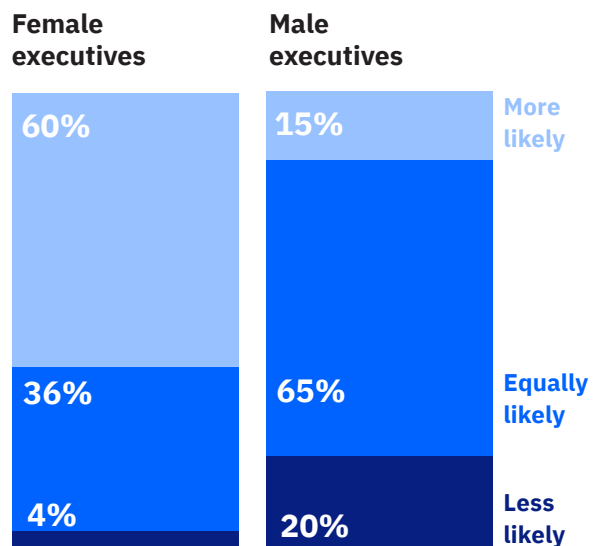
The men in our survey consistently discount the difficulties they would have faced had they been born female. Sixty-five percent of male executives report it is just as likely they would have been promoted to a top leadership role even if they had been women. In fact, a small contingent (15 percent) even say it would have been better had they been female. On the other hand, most female executives say their gender is highly relevant. Despite the fact that these women have made it to senior levels of their organisations, 60 percent claim their career progression would have been better had they been male (see Figure 1).

But the most surprising evidence of men under-appreciating the depth of gender bias is illustrated in the easily measurable area of monetary compensation. Globally, 68 percent of men surveyed say their compensation would be the same, even if they were the opposite gender. Well-publicised data on this topic indicates this assumption is unrealistic. In the US, for

Figure 1

The majority of male executives say being male has little to do with their success, while most female executives confess they would have had a better shot at being promoted had they been male

How likely is it that you would have been promoted to a top leadership role had you been born the opposite gender?



example, women make approximately 78 to 80 cents for every dollar men earn.³ Yet, only 19 percent of US men believe their pay would have been worse had they been born women and 21 percent even think they’d have been paid more if they were women.

“The single most important thing organisations get wrong about achieving gender parity is that it will happen naturally. It won’t.”

Female Director, Technology industry, US

Because men make up the lion’s share of today’s leadership positions, getting their buy-in to make gender equality in leadership a priority is essential. This is not about men empowering women, but rather men working in partnership with women to create the policies and inclusive corporate culture where all qualified employees have equal opportunities for advancement.

Making this shift will require that men explore how their own attitudes and actions influence their current workplace practices and teams. We see signs that the tide may be turning—75 percent of male executives say they are willing to commit to achieving metrics that lead to greater gender diversity over five years. While this is certainly encouraging, to bring about real change, they also need to be held accountable for results. This will be more challenging, as only 36 percent of men in our survey say they are willing to be penalised if they miss their goals.

First Movers light the way

Even with these hurdles, some organisations in our survey are far more dedicated to advancing women within their leadership ranks. Comprising only 12 percent of our total sample, these First Mover organisations share three principal characteristics:

- *They are serious about gender inclusion.* All (100 percent) have made advancing women into leadership roles a formal business priority. By comparison, only a fraction of other organisations have the same focus—a mere 9 percent
- *They are motivated by the promise of financial improvement.* All (100 percent) are sold on the evidence that gender-inclusive organisations are more successful financially, whereas only 38 percent of other organisations agree

- *They acknowledge and embrace their responsibility to take action.* All (100 percent) agree that businesses need to continue making changes to achieve gender equality in the workplace. While the majority of other organisations in our survey also agree, 29 percent more First Movers are passionate about taking action than other organisations.

Of the 265 organisations that make up our First Mover subgroup, each region and industry in our survey is represented. This suggests that even in countries or sectors where the gender gap is sizable, individual organisations can choose to take positive, concrete steps towards gender equality across their leadership. Notably, most First Mover organisations are not startups with a clean slate. Eighty percent are well-established legacy companies in business for more than 20 years and are committed to transforming their corporate culture.

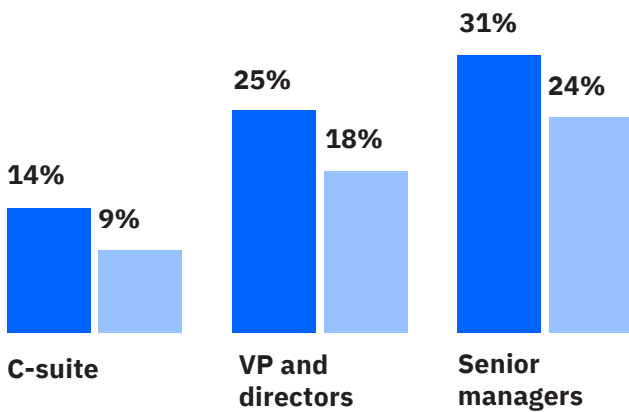
The proof is tangible: First Movers’ dedication to the advancement of women is already having a positive impact. While women are still under-represented, they consistently report a higher percentage of women serving in leadership positions at all levels compared to other organisations in our survey.

For example, First Movers estimate women comprise, on average, 14 percent of their C-suite versus 9 percent reported by others. First Movers estimate more vice presidents and directors are women than other organisations. They also have more female senior managers who can fill the pipeline for future top leadership roles (see Figure 2).

Figure 2

On average, First Movers say they already have more women in leadership roles than other organisations estimate

Average percentage of women leaders



First Movers

Other organisations

The majority of First Movers report that for the last three years, they have been more successful than their competition in gender equality, employee satisfaction and innovation. But, one of the most compelling proof points for First Movers is that a number of them are outperforming on the financial front as well. Importantly, 25 percent of First Movers report they have 'significantly outperformed' in profitability and 23 percent in revenue growth for the last three years. Fewer other organisations claim the same (see Figure 3).

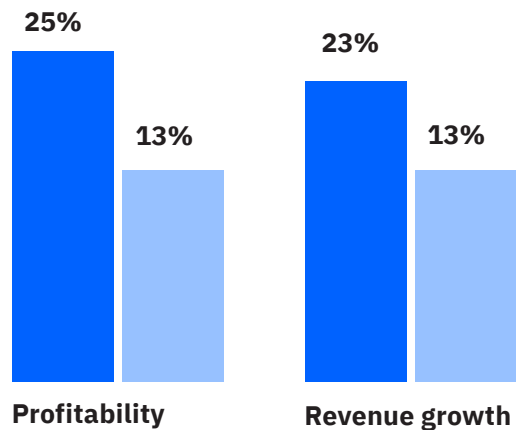
Our results mirror conclusions from other studies that found an increase in the number of female leaders is having a positive impact on organisations' financial success. For example, Credit Suisse's analysis discovered that having 'more female top managers was associated with higher returns on equity, valuations and payout of dividends, as well as better stock performance.'⁴

First Movers simply refuse to accept that gender inequality is an inescapable problem so deeply rooted in society that they can't do anything about it. In fact, the vast majority of First Movers (83 percent) say implementing initiatives to improve gender diversity is actually easier to do than other business initiatives on their plates.

Figure 3

First Movers outperform their competition in two key financial metrics

Percentage of respondents reporting their organisations significantly outperformed their competition for the last three years



First Movers

Other organisations

“Men have to be engaged.
We can’t do this without
their advocacy.”

Female Chief Marketing Officer, Media industry, US

The four habits of first movers

What separates First Movers from other organisations is their capacity to recognise the unique challenges that disproportionately hinder women’s advancement and address these head-on to create equal opportunity for all. Our analysis uncovered the four actions that far more First Movers embrace than other organisations in our survey (see Figure 4).

1. First Movers provide career development planning specific to women’s needs.

First Movers acknowledge that women traditionally have been overlooked for leadership roles in part because of family commitments. But rather than using that as an excuse to deny them opportunities, they instead provide career development plans that support each woman’s unique requirements and professional aspirations.

Figure 4

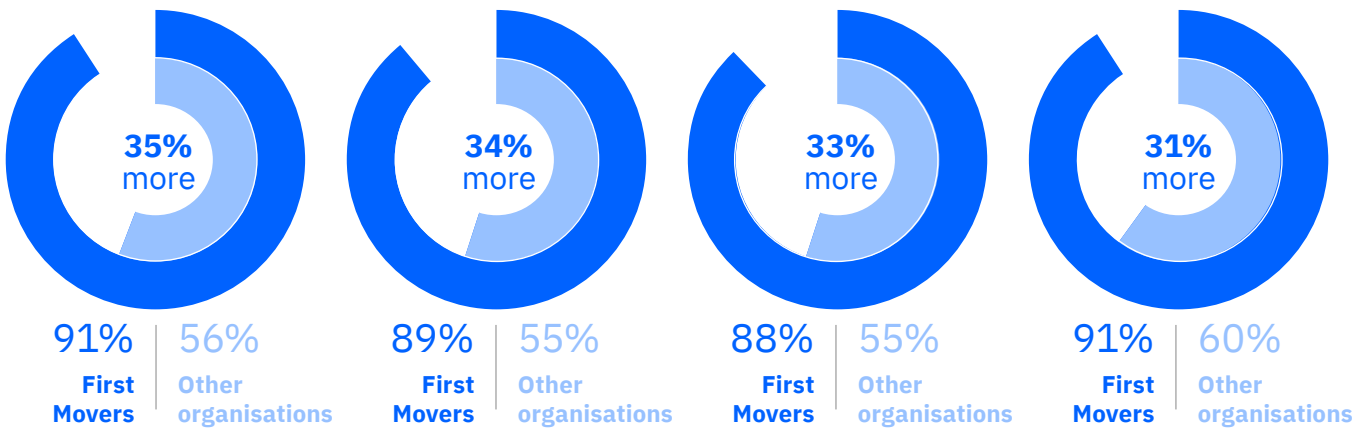
More First Movers take these actions to help advance women so all employees have an equal chance to further their careers

1. Provides career development planning specific to women’s needs

2. Uses the same metrics for men’s and women’s job performance evaluations and applies them equitably

3. Provides men and women with equal career opportunities

4. Works hard to create a culture that embraces women’s leadership styles



First Movers don't play the blame game. They reject negative stereotypes about women's fitness for leadership, or the idea that it's a woman's own lack of ambition that holds her back.

For example, we asked respondents to consider the potential roadblocks that could impede women's ability to rise to senior leadership positions. We then asked them to what extent they thought most people in their organisation agreed these roadblocks existed at their company. When faced with clichéd notions about women's capabilities, First Movers overwhelmingly assert that these negative perceptions are not prevalent in their organisations. Far fewer respondents from other organisations say the same (see Figure 5).

2. First Movers use the same metrics for men's and women's job performance evaluations and apply them equitably.

It will be very difficult to ensure women have the same shot at advancement as men if they aren't measured against the same performance criteria in their current roles. Companies need to be clear about what constitutes job performance with results that can be measured, rather than relying on subjective assertions about an employee's contribution that can be influenced by an evaluator's conscious or unconscious bias.

Figure 5

First Movers report less gender bias exists within their organisations

Women have the relevant skills required for a senior leadership role



Women take risks or ask for growth assignments to the same extent as men



Women challenge the status quo to the same extent as men



Women seek promotions or raises to the same extent as men



First Movers
Other organisations

“Over the course of my career, I have seen women leadership getting more attention, thanks to changes in mindset in both my industry and society.”

Female Vice President, Retail industry, China

First Movers reject unsubstantiated assumptions about women’s dedication and business impact. When we asked respondents if most people in their organisations believe that women typically spend fewer hours at work than men, the majority of First Movers disagree (55 percent), compared to only a third of other organisations. When asked if women’s ideas were less likely to be taken seriously at work, 76 percent of First Movers—but only 38 percent of others—say no.

Not surprisingly, 72 percent of First Movers overwhelmingly dismiss the idea that subjective performance assessments are a barrier to gender equality at their organisations. But only 30 percent of other organisations take the same stance.

We also tested the idea that women are promoted based on their performance and men are promoted based on their potential. More than 70 percent of First Movers say this is not the case at their companies, but other organisations are far less definitive, with only 35 percent disagreeing.

3. First Movers provide men and women with equal career opportunities.

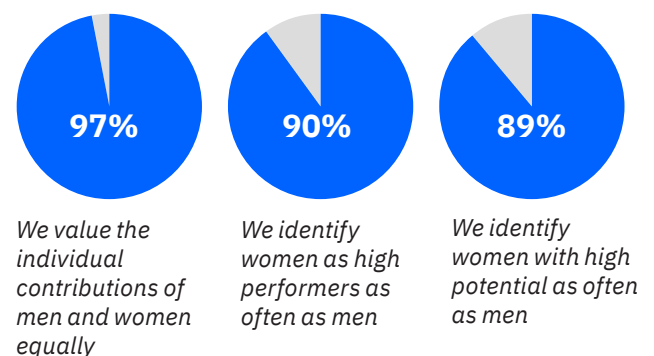
Equal metrics for job performance evaluations will only get you so far. Companies also need to make a concerted effort to identify women with high potential as often as they do men. Nearly all First Movers in our survey say they do this as a matter of course and 90 percent say they also ensure women are identified as high performers as often as men. While roughly two-thirds of other organisations say they do this too, given that so many First Movers are rigorous about this requirement, it can be considered a hallmark of their commitment to advancing women, but *not* necessarily at the expense of the most qualified men.

In other words, First Movers are interested in creating a level playing field for all. First Mover organisations are practically unanimous in their claim that they value the individual contributions of men and women equally (see Figure 6). It’s not about promoting women simply to fill a quota, but rather to help ensure that all qualified employees are recognised for their potential and accomplishments—and are given an equal chance to advance their careers.

4. First Movers work hard to create a corporate culture that embraces women’s leadership styles. Fostering a corporate culture of gender equality in leadership at all levels is a multifaceted journey. It requires not only vision and messaging but real action and accountability. It starts at the top, with senior leaders willing to include gender diversity as part of their strategic agenda, as 81 percent of First Movers do. It means executives across the organisation regularly and openly challenge gender-biased behaviours and language, as 86 percent of First Movers do. And many more First Movers are willing to hold senior management accountable for gender equality using clear metrics (78 percent) versus other organisations (56 percent).

Figure 6

First Movers make it a point to ensure women are recognised for their value to the business to the same extent as men



“It’s stupid to think you can win the war on talent and exclude half the population.”

Female Chief Innovation Officer, Services industry, Norway

The qualities its leaders display say a lot about an organisation’s corporate culture. When asked to list the most important attributes that employees need to be promoted to a leadership position, First Movers select ‘collaboration’ in a three-way tie for the second most desirable trait (see Figure 7). For First Movers, the traditional leadership style of ‘command and control’ has given way to the power of collective creativity to solve problems. As a result, First Movers look for leaders who are team players invested in helping less experienced employees perform well and grow.

Figure 7

The leadership qualities that First Movers value include a mix of analytical and interpersonal skills and enablement



Note: The same ranking numbers indicate a tie.

Gaining momentum for change

So far, the shift to include more women in leadership has been excruciatingly slow, but we expect this movement will continue to gain momentum as more companies reap the benefits of having more women represented in leadership. We are cautiously optimistic for several key reasons—and they come down to the impact on a company’s bottom line:

Talent is your competitive advantage

Companies will find it difficult to remain competitive if they can’t attract and retain the best talent and in a number of countries, women earning advanced degrees outnumber men. In the US, for example, more women than men graduated with doctoral and master’s degrees in 2017 for the ninth straight year.⁵ As more highly educated, skilled women enter the workforce, they will seek out the companies that demonstrate an inclusive corporate culture where they can grow their careers. Those with the most potential, who have been lured by a lot of talk but see little action, are apt to jump ship for organisations offering better opportunities for advancement.

Customers want to buy from businesses that share their values

According to the 2018 Edelman Earned Brand Study, “. . . nearly two-thirds (64 percent) of consumers around the world now buy on belief. . . . These Belief-Driven Buyers will choose, switch, avoid or boycott a brand based on where it stands on the political or social issues they care about.”⁶ This trend shows no sign of abating and is particularly strong for hundreds of millions of millennial buyers in growth markets such as India and China.⁷

Through a combination of their buying power and influence, women drive 70 to 80 percent of all consumer purchasing.⁸ It stands to reason that as more consumers tune into societal and social campaigns focused on empowering women and closing the gender gap, they will be drawn to brands that espouse these goals.

“With more women on our leadership team, communication has gotten better, richer. This mix has made it easier and more comfortable for us men to feel we can be open and come together as a team.”

Male Executive Vice President, Technology industry, Norway

Lest you think this doesn't matter for business-to-business (B2B) markets, emotions play a huge role in B2B purchasing decisions. In fact, according to data gathered by B2B International over 15 years, 80 percent of B2B buyers do not prioritise price.⁹ And today, women account for more than 40 percent of the employees with authority to make purchasing decisions.¹⁰

Gender diversity leads to innovation

‘Pink is not a strategy.’¹¹ If women constitute a valuable portion of a business's customer base, that organisation needs to authentically demonstrate—strategically and tactically throughout its end-to-end customer experience—that it relates to, respects and is relevant to women.

Having a higher proportion of women in leadership at all levels introduces a diversity of creative thought, innovation and insight that influences business strategy decisions and execution. Diverse teams are an antidote to the dangers of group think. In contrast, companies without a mix of perspectives risk shortsightedness. Even worse, their lack of understanding could result in pandering to stereotypes that not only miss the mark but offend the very customers they were hoping to attract.

An action plan to advance women

Obviously, enlightenment and cheerleading about advancing women is not enough to get the job done. If you want to unlock the rewards of gender equity, you need to implement concrete initiatives with required performance goals and complementary incentives. To bolster your business success with gender equality in leadership, we created a roadmap with steps you can take, based on leading practices First Movers follow.

Like most organisations in our survey, you may find your company is willing to take some actions, but for other steps, it could easily slip back into familiar, traditional ways of thinking that ultimately won't move the needle. We designed the roadmap like a decision tree to help you identify where your business might have challenges, detailing the path taken by First Movers that have overcome these hurdles (see Figure 8).

Make advancing women a formal business priority

Perhaps the single most important distinction between First Movers and other organisations is their willingness to make gains in gender parity in leadership a strategic priority. They want change now, recognising that unless it becomes a formal imperative for their business, progress will continue to be slow, meager and isolated. Without a corporate manifesto for change, a well-meaning program to support women's advancement may become just that—a support group.

Actions to take:

- *Start at the top.* While employees can launch a grassroots movement to apply pressure for change (or vote with their feet), only the senior executives have the power to elevate gender equality in leadership to a key strategic business priority. This is where the board of directors can play a role as part of their fiduciary responsibilities to grow the business
- *Document it.* Include gender equality in your organisation's strategic mission statement, as the vast majority of First Movers do
- *Make it real.* Just as you would for any other formal business priority, legitimise your commitment by including the advancement of women in your organisation's formal business plan with key performance indicators (KPIs), budget and assigned resources. Select one or more senior executives to lead the charge.

Get leaders on board and accountable for results

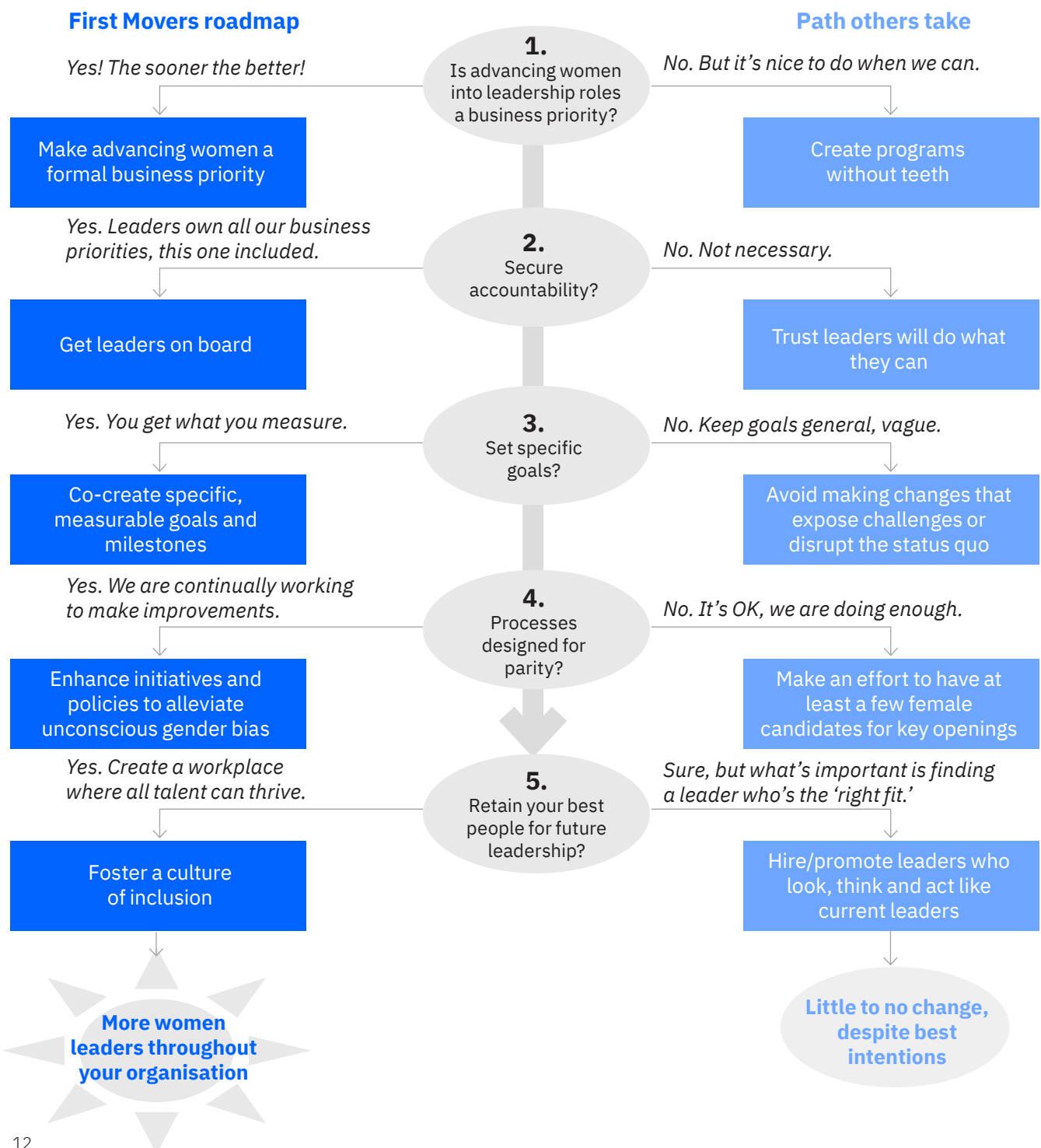
It's simply human nature—we prioritise what we are measured against. Metrics are needed to assess the effectiveness of your initiatives. But without personal accountability, missed milestones won't matter much. Hold all leaders who are in a position to hire or mentor accountable for increasing the number of women in leadership roles. Accountability needs to extend from top executives to first-line managers because, as our data indicates, the first big drop in women leaders occurs way before the executive level, in middle management.

“What matters is that gender balance is an explicit business priority for our organisation, not just a check-the-box training session.”

Female Global Manager, Consumer Products industry, US

Figure 8

A comparison of the roadmap taken by First Movers to the path often taken by other organisations



Actions to take:

- *Attract with honey, not vinegar.* Instead of casting accountability as punitive, treat advancement of women the same way you recognise leaders for achieving financial or operational goals. Consider a system aligned to incentives with rewards for meeting or exceeding goals and penalties for eroding the baseline. If leaders fail to meet their gender-equity goals, it shouldn't be glossed over, but addressed in a rigorous action plan for improvement. This is no different than if they had missed one of their other strategic objectives
- *Take the pledge.* Leaders across your organisation need to be visible advocates for change, starting with the board of directors and C-suite. Create an internal campaign where senior leaders and managers share their commitment with employees through meetings, emails, blogs, podcasts, videos, or webcasts. Encourage other employees to engage and voice what they can do personally to support the cause
- *Man to man.* It's important your initiative isn't perceived as a program for women by women. Men's involvement is critical. Identify male leaders who recognise the business advantages of gender-balanced leadership and their personal responsibility to enact change. Their roles as allies will be integral toward helping their teams, especially other men across your organisation, be part of the solution.

Co-create goals for measurable progress

Rather than imposing mandates that seem more like compliance requirements, engage leaders to create measurable goals that expeditiously meet the imperatives of their talent strategy. Their collaboration will help build buy-in, giving leaders ownership for their approach. In our one-on-one interviews, some executives were reluctant to endorse setting goals, saying this might result in women being selected for positions they aren't suited to hold. However, a shortage of qualified women in the talent pipeline is a non-issue for the majority of survey respondents (61 percent).

Actions to take:

- *Establish a baseline.* Encourage leaders to conduct an audit of their teams across all levels of your organisation to determine how many women currently fill leadership roles. Where you have the largest deficit of female

leaders, investigate why. Understanding where your organisation has leadership gender gaps and the root causes will make it easier to set realistic goals for improvement

- *Focus on the pipeline.* Hold leaders accountable for the quality of their pipelines for senior roles. This means taking a hard look at hiring outreach to improve the pool and investing in development processes that deliver
- *Set goals that make sense for your business.* Unless you are in a locale with government-mandated targets for female leaders, proactively find a way to set goals consistent with legal requirements and an inclusive culture. Nearly three-fourths of First Movers report this is necessary to do. Use it as an opportunity to seek out skilled women for leadership roles where they have been traditionally under-represented. There is a risk of reverse-discrimination claims (and backlash) and the best antidote is to focus intensely on developing a diverse pool of qualified candidates
- *Timelines are goals too.* Consider the time it will take to reach your goal and include this in your KPIs. Be aggressive. Determine where you can gain some quick wins and create a diligent plan of action for those areas where you may need a little more time to see results.

Embrace initiatives and policies to alleviate unconscious gender bias

Our data clearly demonstrates that gender bias exists in most organisations worldwide. Unconscious biases—that both men and women harbour—can impact talent management decisions and compensation. To advance more women into leadership roles and other positions throughout your organisation, you may need to revisit your current processes for workforce planning, recruitment and hiring.

Actions to take:

- *Ferret out trouble spots.* First Movers purposefully identify female high performers as often as men. You can uncover those areas in your organisation that may be exhibiting unconscious gender bias by seeing which groups consistently have fewer women recognised as outperformers. Devise a customised plan for improvement that includes education to alleviate unconscious bias in the workplace. You may determine that enterprisewide education will build awareness that could benefit all employees

“Organisations need to support men who want the flexibility to balance their work and personal life. The more that men are doing this, the sooner we’ll see gender equity in the workplace.”

Female Director, Healthcare industry, UK

- *Make recruitment and pay gender-blind.* Gender-blind screening of job candidates is a common practice for First Movers—83 percent say they do this today. To reduce the risk of qualified women being overlooked, consider using artificial intelligence (AI) technology to conduct an objective skills review and develop a list of eligible candidates using gender-blind screening.

Biases about women’s contributions and value to the business also seep into compensation decisions that can hound women throughout their careers. Adopt an equal-pay-for-equal-work policy for all new hires, as well as a program to audit and adjust compensation for current employees where needed. Two-thirds of First Movers conduct audits to help ensure men and women are compensated equally. Most organisations in our survey say they plan to close the pay gap, but genuine improvement will require that senior leaders insist this be done within a specific timeframe

- *Create a robust pipeline of female candidates.* Structure programs for your leaders, backed by measurable goals and accountability, to get qualified female candidates ready to assume leadership roles when openings become available. For every leadership role to fill, mandate that at least one woman be considered for the job. If she isn’t selected, document why to provide insights for ongoing improvement. One step that First Movers take more than other organisations is requiring that every job succession plan includes female candidates.

Foster a culture of inclusion

First Movers identified the following three initiatives as being the most successful in helping them address women’s traditional barriers to advancement. By formalising programs and redefining key work policies to help level the playing field, they are able to create a more inclusive work environment where top talent wants to stay and build their careers.

Actions to take:

- *Forget mentoring, think formal sponsorship.* Many of the executives we interviewed one-on-one credited someone who played a critical role in their current success. These mentors were often strong role models who provided insight and guidance. But their support went beyond thoughtful advice to sponsorship where they were effectively able to advocate for their mentees’ career progression. Many organisations point to their mentorship programs for women as a sign they are making progress on the gender-parity front. But if these programs were successful in advancing women, the percentage of women leaders today would be much higher.

The First Movers’ approach is different. They insist their programs be formalised and structured. This means creating a framework with consistent, measurable actions that result in men and women having equal opportunities for advancement

- *Sanction flexible hours so everyone can benefit.* Providing staff with the ability to arrange their workdays as much as possible is a huge benefit for all employees. But importantly for women, by making this a standard workplace policy, needing a more flexible work schedule is less likely to be seen as a women’s issue. It neutralises the stigma that women tend to work fewer hours than men—a negative stereotype that, unfortunately, nearly a third of survey respondents report their colleagues believe
- *Expect men to focus on their families, too.* By providing parental leave for men as well as women, First Movers acknowledge that family responsibilities are not for women alone to bear. Maternity leave, in particular, is cited by our survey respondents as one of the top barriers women face in the advancement of their careers. But when both women and men are equally expected to take time away from work for family commitments, it will be harder to stigmatise women as uniquely disadvantaged if they want to have a career and a family.

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Questions to consider

- » To what extent has your organisation made advancing women a formal business priority supported by a strategic plan with goals, KPIs, metrics, budget, resources and executive ownership—just like you would for any formal business priority?
- » Are the leaders in your organisation held accountable for the advancement of women? If not, how can you tie gender equality to a system of incentives with rewards for progress and penalties if the number of female leaders declines?
- » What can your organisation do to help men at all levels become ardent allies in the effort to advance more women into leadership roles? What programs can you launch to educate all employees about unconscious gender bias to help them recognise their own blind spots?
- » How is your organisation managing its pipeline to help ensure that qualified women are promoted to leadership positions to the same extent that qualified men are?

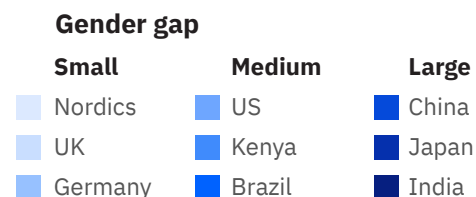
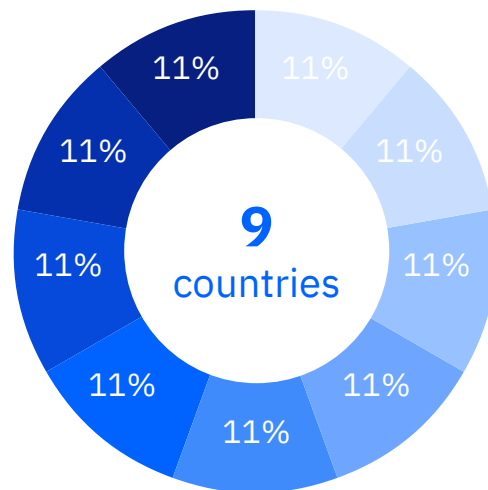
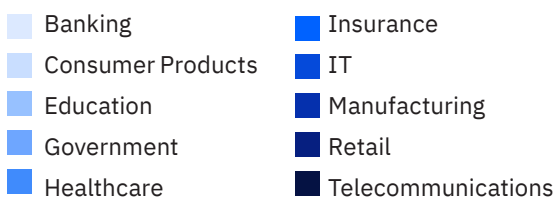
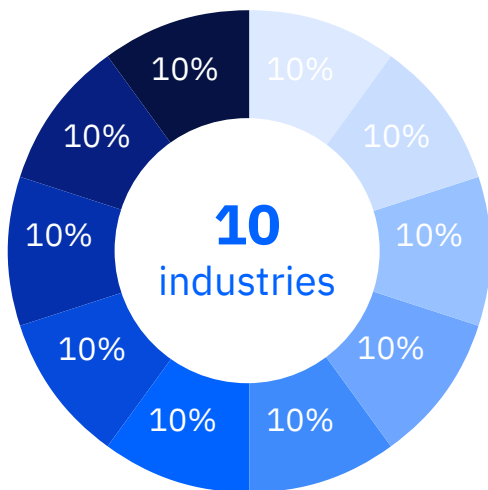
Study approach and methodology

In cooperation with Oxford Economics, the IBM® Institute for Business Value (IBV) surveyed 2,300 executives and professionals—an equal number of women and men—from organisations worldwide across multiple industries to better understand why the gender gap in leadership persists and what can be done to ignite real change. These individuals included C-suite officers (CEOs, CIOs, CFOs, CMOs, COOs, CHROs and others) as well as senior VPs, VPs, directors, middle managers and nonmanagerial professionals to capture current leaders’ assessments and assessments from those who could be potential future leaders.

The ten industries represented included banking, consumer products, education, government, healthcare, insurance, manufacturing, retail, technology and telecommunications. They each comprise 10 percent of our total sample. The countries/regions in our survey represent a mix of areas where the gender gap ranges from small to large, according to the World Economic Forum’s Global Gender Gap Report 2017.¹² Each country (or Nordics region) comprises 11 percent of the total sample:

- Small gap: Nordics (Iceland, Norway, Finland, Sweden), Germany, UK
- Medium gap: US, Kenya, Brazil
- Large gap: India, China, Japan.

In addition to our quantitative survey, we conducted a series of one-on-one interviews with executives and professionals in Norway, Germany, UK, US, Brazil and China. All data is self-reported.



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How IBM can help

The direction and support of a talented leader can lift a team to new heights of efficiency, effectiveness and engagement. To identify employees with the highest aptitude for future first-line manager roles and nurture a new generation of managers, IBM has launched an engaging, multi-method assessment suite powered with IBM Kenexa Talent Assessments solutions. This new assessment process offers managers deep insights into the competencies and behavioural traits of leadership candidates—helping them reduce bias, close identified gaps and promote applicants with the best fit. Learn more at ibm.com/talent-management/hr-solutions

For more information

To learn more about this IBV study, please contact us at iibv@us.ibm.com.

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The IBV, part of IBM Services, develops fact-based, strategic insights for senior business executives on critical public and private sector issues.

Endnotes

- 1 “Five reasons why having women in leadership benefits your entire company.” The Broadlist. September 5, 2016. <https://medium.com/@theBoardlist/5-reasons-why-having-women-in-leadership-benefits-your-entire-company-labor-day-2016-a3e46162a7a0>. Noland, Marcus and Tyler Moran. “Study: Firms with More Women in the C-suite Are More Profitable.” *Harvard Business Review*. February 8, 2016. <https://hbr.org/2016/02/study-firms-with-more-women-in-the-c-suite-are-more-profitable>
- 2 At the start of our survey, we informed respondents that while we recognise gender categories are not exclusively binary, for purposes of this study, we are focusing on the workplace experiences of people who identify as male versus those who identify as female.
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