

Women in business 2019:

Blueprint for action

Business culture needs to be both diverse and inclusive, but change won't happen by itself – we need to take conscious action that is both deliberate and followed through. This action falls within six pillars of purpose: the foundations of Grant Thornton's Blueprint for action.



**Open up development
and advancement**



**Know your
diversity data**



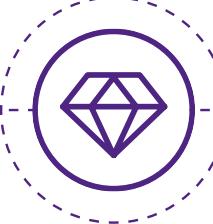
**Retain diverse
employees**



**Champion the
business case**



**Identify and
source talent**



**Create an
inclusive culture**



Champion the business case

Diverse teams lead to better, more innovative business performance, critical in an increasingly complex world.

Despite a decades-long conversation, progress towards gender parity has been slow. Grant Thornton research shows that, while the global percentage of women in senior management hit 29% in 2019, in 2018 it was 24% – an identical figure to 2016, 2014 and 2007¹. It takes more than good intentions to create change: the business case for diversity must be convincingly argued. That case is clear: a study of 1,000 companies in 12 countries by McKinsey & Company found that organisations in the top 25% for gender diversity among executive leadership were likely to outperform on profitability (by 21%) and value creation (by 27%)².

“Recent studies have shown that having a gender diverse workforce is a strategy for business growth,” says Catherine Dahl, CEO and co-founder of Canadian software provider Beanworks. “An extra USD12 trillion could be added to global GDP by 2025 by simply creating gender-diverse workforces³. Striving for a gender equal team or company board should be a top priority.”

Danica Murphy, CEO of business consultancy Prism, believe leaders must be alert to the opportunities: “My sector is more female dominated – but if you are trying to solve interesting and diverse problems, you need to look at them from more than the female lens. As a result, my radar is constantly set to maintain the gender diversity of the team.”

And this isn’t just a job for women: it’s vital male leaders visibly champion change. Greg Keith, CEO of Grant Thornton Australia, agrees: “Diversity is not a women’s issue. Women get it. They live with it every day. Change happens when leaders take action. I say to all the men in the room: embrace it and own it.”

Actions:



- Connect diversity to business goals
- Set and communicate clear diversity targets
- Ensure complacency doesn't set in
- Lead from the top
- Engage everyone in championing the business case



Know your diversity data

Each business has its own position on the diversity scale. Before leaping into action, benchmark your organisation's data to understand where you need to make targeted changes.

Diversity data is key, but numbers alone don't generate change. Identifying gaps and pinpointing areas of opportunity are critical for maximising the potential of your entire workforce. Research by Catalyst has identified five fundamental metrics to benchmark diversity: representation gaps, hiring, turnover, promotions, and time in position⁴.

And there are other methods for discerning where your business sits on the inclusiveness scale. "We evaluate topics such as how many women are in leadership positions, what practices the organisation offers to promote issues of equity and gender, diversity and inclusion," outlines Michelle Ferrari, CEO of Great Place to Work, Mexico. "It's important to not only have data recorded in a documented file, but to have it live on a day to day basis, rooting it in the DNA of the organisation."

The importance of knowing your numbers is emphasised by Peter Grauer, chairman of Bloomberg LP, who says gender diversity sparks innovation and drives better business performance. "We've seen evidence of this through the Bloomberg Gender-Equality Index (GEI),

which measures gender equality across internal company statistics, employee policies, external community support and engagement, and gender-conscious offerings." Over the past three years GEI companies in the financial services industry have outperformed against leading sector benchmarks from Dow Jones, FTSE and MSCI.

Tracing employees' career journeys provides another useful data stream. "Annually, we perform a talent mapping process which identifies the talent with the highest potential. This leads to discussion about how we retain that talent, what attributes they need to develop to get to partnership, and how those individuals may need to be supported differently," says Nicole Bradley, managing partner – Sydney, Grant Thornton Australia.

Actions:

- Evaluate your current position
- Analyse data to obtain insights
- Identify gaps in female representation
- Find areas of opportunity to increase gender balance
- Map employee career paths over time



Identify and source talent

Removing bias, both in identifying and sourcing candidates and throughout your appointment and promotion processes, will help prevent women being recruited on current capability while men are recruited on potential.

Recruiting the best people is a challenge when they don't pursue top opportunities. The oft-quoted Hewlett Packard internal report, showing that men apply for a job when they meet 60% of the qualifications, but women apply only if they meet 100%, highlights the issue. However, it is not the candidates, but the process which is at fault, for not specifying what is required⁵. While Grant Thornton's 2018 research found that 71% of businesses had non-discrimination policies in recruitment, businesses need to go beyond policy to create change⁶.

"We should try to limit or eliminate bias in the recruitment process and use language that doesn't discourage women from applying for a given position," says Dr Anna Zaroda-Dąbrowska, creator and leader of think tank Diversity Hub in Poland. "Research on the impact of language used in recruitment ads shows that the use of male pronouns, and words stereotypically associated with male management style, makes women feel excluded: they don't identify with the position and are less motivated to apply."

With gender-neutral advertising, a broad slate of candidates can be assembled. "Business leaders must look at the candidates being interviewed and insist they see a good mix of diverse candidates as part of the process," says Josh Graff, LinkedIn UK country manager. "At LinkedIn we've introduced a gender aware recruitment process, meaning that for every job we hire for we have a balanced candidate slate at the start of recruitment, women candidates are included in the shortlist, and we have gender balanced interview panels meeting the candidates."

Selection bias is a further hurdle: research by Catalyst shows that senior leaders' influence on talent management can yield new appointees who mirror the traits of the team that promoted them; and gender stereotyping occurs when organisations fail to integrate checks and balances that guard against gender bias⁷.

Actions:



- Review or introduce recruitment targets
- Identify diverse talent sources
- Interrogate wording in job advertisements
- Assemble a diverse slate of candidates
- Remove bias from interview and appointment processes



Open up development and advancement

Women do better with networking and sponsorship support, but typically 70% of development opportunities are informal – and men are provided with more feedback. Women need to be supported into more development and profit and loss lead roles.

Grant Thornton's International Business Report (IBR) asked male and female leaders about the barriers to promotion they had faced; while both cited finding time alongside job responsibilities as the main obstacle, women were next most likely to say they suffered from a lack of access to developmental work opportunities. This is also the area of biggest imbalance between the sexes, at 27% compared to 23% among men⁸.

Research by Catalyst into the experiences critical for advancement⁹ revealed that women get less access to the large, visible projects, mission-critical roles, and international experiences that make up the crucial 'hot jobs' that springboard into senior leadership. And that while formal development programmes can provide access to these roles, such programmes don't always result in advancement, particularly for women.

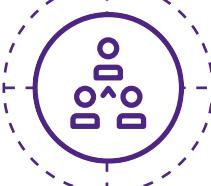
Carla Wall, managing director of Construction Industry Solutions (COINS) Australia, has a plan for driving advancement: "I see four essential ingredients to empowering women – and men: education, self-confidence, exposure and independence. The adoption

of a talent management strategy for any organisation is important in assisting with development and advancement including flexible working arrangements, personal development plans and investment in training to develop self-awareness. Further, I believe it's essential to address gender pay inequality and put appropriate measures in place to achieve gender balance."

Funke Abimbola MBE, solicitor, business leader and diversity campaigner, believes that visible role models and mentors are also vital. "Increasing the visibility of women is very relevant given that women have a tendency to be self-deprecating and reluctant to self-promote. Engaging men as gender advocates is also key to opening up routes to development. Male gender advocates are powerful and have potential to drive more impactful change than women alone."

Actions:

- Introduce sponsorship and mentoring programmes
- Ensure networking opportunities work for both genders
- Formalise jobs and roles which springboard development
- Support development of women's networks
- Champion female leaders and make their success visible



Retain diverse employees

Flexible working needs to be available across the organisation, with people creating employment systems that suit their need for work-life effectiveness.

Retaining talent is a challenge across the board, but specific practices need to be engaged to make workplaces attractive to women. Grant Thornton's IBR data shows that providing flexible working opportunities is the third-most common action being taken by businesses to increase gender diversity globally¹⁰. And research by the Boston Consulting Group found that offering flexible working opportunities is the most effective policy for improving gender diversity, with 51% of respondents ranking it among the most effective measures¹¹.

Vandana Saxena Poria OBE FCA, a disruptive thinker and talent ecosystem enricher based in India, is keen to re-imagine workplaces that suit all employees, not just the dominant majority. "Women only got the vote 100 years ago. Women's views in the workplace were not counted until much more recently. Everything was set up to work for men: our office hours, expected performance levels and working practices were built to serve a different

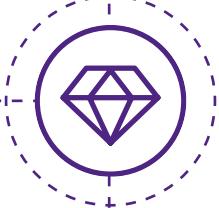
society. Unfortunately, while society has changed, these factors have not... Survey after survey has shown that a balanced homelife contributes to everyone in the workplace performing better."

Janki Lalani Gandhi, managing director, Lincoln International LLC in the US, says businesses need to allow employees to design working practices that fit their needs. "From a practical perspective, the company has to be willing to evolve with the employee as her life evolves. To ensure that the best talent feels empowered – and this relates to both women and men – both the employee and the company have to be committed to an ongoing conversation about balance. The company should regularly consider its culture and programmes, so that professionals feel they can succeed at work and at home."

Actions:



- Introduce flexible working across the organisation**
- Identify and develop work-life effectiveness tools**
- Ensure support and real models exist at key life stage changes**
- Create visibility of all genders working flexibly**
- Remove focus on presenteeism**



Create an inclusive culture

A culture where people feel they belong, their uniqueness is valued and they can speak up, needs to be led from the top, through empowerment, courage, accountability and humility.

A global study of inclusive leadership by Catalyst into how employees characterise inclusive culture and leadership behaviors¹² showed that the more included employees felt, the more innovative they reported being in their jobs, and the more they engaged in team ‘citizenship’ behaviors.

“Creating an inclusive culture requires a business leader to really understand his or her organisation’s emotions, behaviours and attitudes and to take very deliberate actions to shift the negative ones that detract from the culture,” says Brenda Trenowden CBE, global chair of the 30% Club. “Those behaviours need to be role-modelled and cascaded through the organisation both by the leadership and key influencers. These values need to be aligned with and baked into the strategic aspirations of the organisation.”

And leaders must do more than just champion the cause of diversity – they need to lead in an inclusive way, ensuring everyone can express their differences, knowing

that these differences can be leveraged to add real value. “We now need leaders who will leverage diversity of thought, and who actually know how to go about doing it,” says Heather Price, owner and CEO of Australian diversity consultancy Symmetra. “Leaders who know how to embed psychological safety – in other words, how to make people who can bring divergent viewpoints to the table, feel safe to actually express them, and not feel punishment or humiliation if they push back, disagree, express concerns or experiment with unproven actions.”

Culture change is necessary, but not easy. “It is one of the hardest things you can do, because you are not asking one person to change their behaviour, you are trying to get a whole organisation to change their mindset,” says Kim Schmidt, global leader – leadership, people and culture at Grant Thornton International. “As organisations, to survive and thrive, we need an innovative culture, and diversity is essential for that.”

Actions:



- Embrace individuality and publicise ways bias can be overcome**
- Create an atmosphere of psychological safety**
- Hold everyone accountable for their behaviours and actions**
- Embed inclusivity at every contact point, from appraisals to coaching**
- Engage men, and open their eyes to the biases women face**
- Hardwire a culture of inclusiveness into the aspirations of the business**

About Grant Thornton

Grant Thornton is an award-winning, globally recognised professional services network and is one of the world's leading organisations of independent assurance, tax and advisory firms. Grant Thornton is a leading business adviser that helps dynamic organisations to unlock their potential for growth.

Our brand is respected globally, as one of the major global accounting organisations recognised by capital markets, regulators and international standards-setting bodies. Our global scale across more than 140 countries with over 53,000 people means we can meet your changing needs and provide you with the insight and agility to help you stay one step ahead.

Privately owned, publicly listed and public sector clients come to Grant Thornton because of our technical skills and our industry capabilities, but also for our different way of working. Our member firm partners and teams invest the time to truly understand your business, provide you with real insight and a fresh perspective to keep you moving.

Whether a business has domestic or international aspirations, Grant Thornton can help you to unlock your potential for growth.

Visit **grantthornton.global** today to find out how we can help you.

Design your business's Blueprint for action by downloading the schematic at:

grantthornton.global/BlueprintForAction

Footnotes

1. 'Women matter Africa', McKinsey & Company, 2016
2. 'Introduction: Interpreting the transformation of gender inequalities in Southern Europe', María José González, Teresa Jurado and Manuela Naldini in 'South European Society and Politics', Routledge, 2009
3. 'In Latin America, why women face an iron ceiling', Angélica Fuentes, 'Fortune', 2014
4. 'Women matter: Time to accelerate – 10 years of insights into gender diversity', McKinsey & Company, 2017
5. 'The mix that matters: Innovation through diversity', Boston Consulting Group, 2017
6. 'Women in business: beyond policy to progress', Grant Thornton, 2018
7. 'The great debate: Flexibility vs. face time – Busting the myths behind flexible work arrangements', Catalyst, 2013
8. 'Women's Leadership Study', Nielsen for American Express and Women of Influence, 2015
9. Gender Forward Pioneer (GFP) Index, Shandwick, 2016
10. 'Getting the Most from Your Diversity Dollars', Boston Consulting Group, 2017
11. 'Womenomics 4.0: Time to Walk the Talk', Goldman Sachs, 2014
12. 'Getting the Most from Your Diversity Dollars', Boston Consulting Group, 2017