

Part I

AUDIT



*Where are we?
What is going on?
What have we
done?*

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Chapter 1

WHAT'S THE BALANCE?

'How wrong we were, and how far we have come.'

Douglas McCracken, former CEO, Deloitte Consulting

The first step in a gender balance programme is to get a thorough picture of where the company stands on all dimensions of the gender issue. This includes understanding how much gender balance affects each different part of the business. It involves collecting all the relevant data on Talent, customers, end users, and competitors. It involves understanding the culture and mindsets of the organisation to evaluate how ready its managers – men and women – are for any change initiative.

The objective of this phase of the Audit is to provide a complete, fact-based overview of the gender balance opportunities and challenges facing the company.

There are three points to include:

- **What a company needs to know** – collecting the relevant metrics, internal and external, as well as the qualitative data necessary to evaluate the scope and priority of the gender issue to the company as well as the readiness of the culture to evolve.

- **What has been done** – looking at what the company has done about gender in the past and what legacy those initiatives have left.
- **What matters most** – analysing the metrics to identify where the main gender issues are – Markets, Talent, Leaders, or all three.

What a company needs to know

Collecting the relevant metrics does not have to be a mammoth exercise. Not all companies have ready access to all their employee and customer data by gender, and much of what they do have tends to be relatively recent, without a great deal of historic context.

While many consulting companies propose huge surveys to collect vast amounts of data, what's more important when going through this phase is to focus on a few key metrics that will highlight the major issues, such as the balance of men and women in the top tiers of management, promotion trends (Fig. 1.1) or the ratio of men and women saying they are most satisfied with the company's service or products. Focus on representative data to facilitate a meaningful debate on the question: Is there a business case for gender balance and, if so, what is it based on?

The best way to get that information is to conduct the Audit in two parts: a quantitative survey and a qualitative one. Do this as simply as possible, gathering the key facts and opinions

What's the Balance?

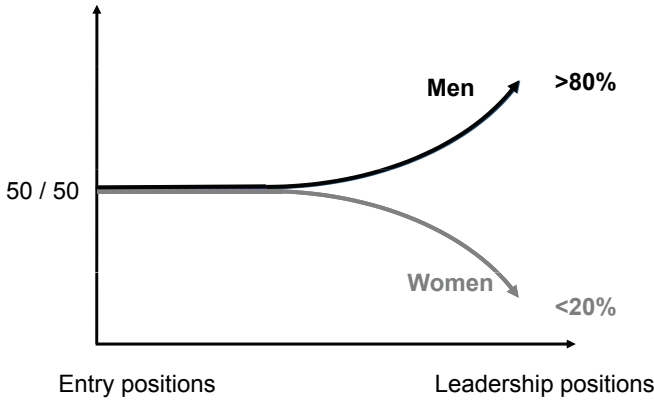


Fig. 1.1 Promotion trends

you need to make good judgement about the way forward. I list below a good approach to both parts of the Audit. The two equally important dimensions of the Audit are the internal Talent-related aspects alongside the external Markets-related ones. The sections below cover the quantitative and qualitative surveys for these two perspectives.

Building the big picture: the quantitative survey

All gender balance Audits should start with a quantitative survey, bringing together the data that will help the company to understand its starting point better. It will also need these numbers when it starts interviews with managers and executives in the qualitative follow-up stage. The quantitative data should gather the key elements that contribute to a strong but simple review of a company's starting point.



Key questions for the quantitative survey – Talent (internal)

The Audit must first assess the company's gender balance, in percentages and absolute terms, and adapted to its terms, categories, and segmentations, by:

1. **Grade level:** This might find sudden shifts in the gender balance at a particular level.
2. **Age:** This might reveal retention issues at particular ages or career phases, and whether they differ by gender.
3. **Division, country, and business unit:** This shows if some areas of the business or the world are more or less balanced than others.
4. **Recruitment:** New employees, by level.
5. **Retention:** Turnover, including by level and age.
6. **Talent identification:** High potential groups.
7. **Development:** Training, including participation in recent leadership and management development programmes.
8. **Promotion:** Promotions by grade and average time spent in each grade.
9. **Key position holders:** For example, top 50, 250, 1000, the top jobs that lead to the Executive Committee.

There are some key trends to look at for the Talent Audit at this stage: evolution, recruitment, retention, and promotion.

What's the Balance?

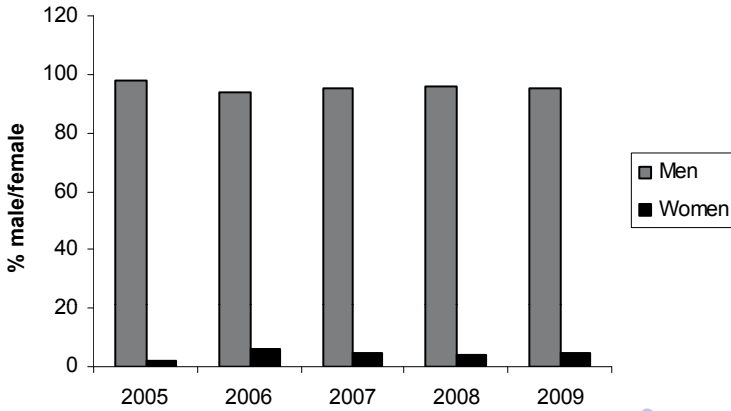


Fig. 1.2 Key positions 2005–9

Evolution

Try to get a snapshot of how the gender balance has changed over the previous few years, if the numbers exist. This tells the company whether or not there has been recent evolution in the balance. Managers, for whatever reason, often believe that things are improving organically. Data can help challenge or validate such assumptions. In companies that have not had a proactive approach to gender, there is usually a flat trend higher up the management chain, with the ratio of men and women remaining the same despite changes in personnel. It can be an important eye opener to see how a trend has remained constant over the years, leaving little room for doubt about the existence of a systemic issue (Fig. 1.2).

Recruitment

Comparative statistics on recruitment may reveal that the organisation is not attracting Talent in a gender balanced way. Many companies in traditionally male dominated sectors find that they have a very small percentage of women at entry level.

Companies in retail, cosmetics, and luxury sectors are beginning to find that they have too few men at entry level. Get a specific measure of the gender balance at the entry level to the Talent pipeline, and check if it is evolving at all.

Retention

Retention is a major gender issue for many companies (Fig. 1.3). The leadership needs to understand the degree – and cost – of turnover and at what grade levels and age groups talented men and women have been leaving the company. The data will show at which points in the career pipeline women start to leave in greater numbers than men, and whether the change gets worse at higher job grades or older age groups, or is limited to a specific life phase. Most companies find that more women than men exit in their 30s.

Develop metrics like those shown in the graph (Fig. 1.3), which indicate for each of the past years the relative gender balance in hiring compared with departures. Focus further if you can on

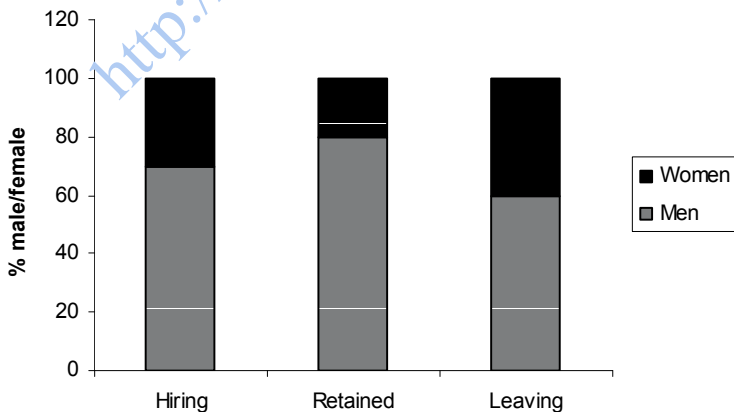


Fig. 1.3 Retention

unwanted departures. This graph will give you an idea whether the efforts many companies are making to recruit more women are being lost by similar numbers of women leaving.

While companies often assume that women are leaving for family reasons, surveys show that women leave for a variety of reasons, ranging from a lack of role models, with very few women in senior roles, to seeing male colleagues getting most of the promotions and development opportunities. Lack of flexibility is also a key issue, and if companies have not adapted to the reality of dual career couples and the pressures those couples experience as parents, they will find that retention is likely to be an ongoing problem, and not just for women.



Three Talent questions to answer

- What is the gender mix in the high potential Talent pool?
- Are women recognised as having potential in the same proportion as their male colleagues?
- What is the gender balance in management development programmes, in key assignments, in mobility programmes or international job scopes?

Promotion

After checking the figures for recruitment and retention, companies should review how effectively they are developing and promoting some form of gender balance in their leadership teams. Evaluate, in the sort of chart presented here, whether there is a sudden drop in the gender mix at a particular grade level. In my

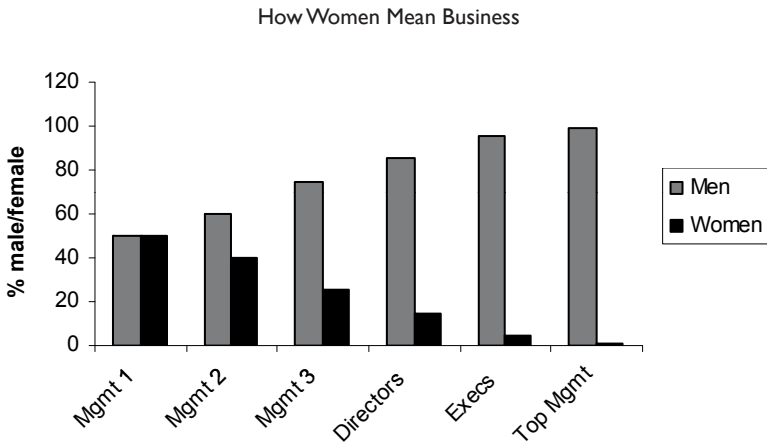


Fig. 1.4 Gender balance by grade

hypothetical chart (Fig. 1.4), the percentage of women managers plummets from around 40% to 20% as Talent gets promoted to Management Level 3 (Mgmt 3) from the level immediately below. Most companies would like to see the trend lines of these charts flatten out so the entry level gender mix for managers stays fairly constant over time. The sort of chart presented here suggests some form of systemic bias that can then be monitored.

Other variables that should be assessed by gender include:

- The lengths of time male and female managers spend at each grade level.
- The gender balance in developmental positions, and in key positions.
- Operational versus staff positions.
- Leadership development programmes.

Generating the data to answer all the Talent questions listed above will point to particular sets of issues and explanations for

gender imbalances. Identifying the problems is the essential starting point for designing effective solutions. For instance, I have seen a host of companies aggressively recruit women in an effort to improve their gender balance, without having first examined their retention problem. As a result, they expended a lot of money and effort only to lose the women a few years later.



Talent is the issue¹

Klaus Hulse Andersen, Area Vice-President of Microsoft Western Europe and Microsoft Corporate VP, ties his commitment to the issue around the need for the best Talent in the world. 'It's not about numbers and quotas. What it is about is getting the best Talent possible in a global economy – that's what it all boils down to. I'm convinced that at least half of the best Talent in the world is female.'

Hallstein Moerk, Executive Vice-President, HR, at mobile phone company Nokia agrees with this view: 'Gender balance must be one of the most important elements of diversity. Women are 50% of the population and therefore half of the Talent base. Gender balance must have a great impact on issues relating to innovation, Markets, and consumers.'

External – measuring the market balance

The issue of Markets rarely gets the attention it deserves in gender balancing programmes, particularly in Europe and Asia. Women are making the majority of the purchasing decisions in

many sectors globally, including more than 80% of those decisions in many consumer goods areas.² But many companies have not updated their marketing, customer systems, and thinking accordingly. Gender initiatives, often run by HR, tend to focus primarily on internal Talent issues. This may turn out to be the right priority for some companies, but an effective Audit needs as wide a snapshot of the gender balance issue and its implications as possible. This part of the quantitative Audit provides a picture of how well an organisation is reaching female and male customers, clients, and end users, and evaluates if there are significant differences and opportunities that lie in any of the gaps.



Key questions for the quantitative survey – Markets (external)

The first part in understanding whether a company has significant gaps in its external gender approach is to assess where it has been and where it is now.

Consumer analysis

- Break down consumers by gender across segments, businesses, and countries.
- Who buys the company's major products or services? How does the gender balance compare with the sector wide data?
- How does the gender ratio vary between different products (Fig. 1.5) and different markets for the company, and how does that compare with competitors or among different regions?

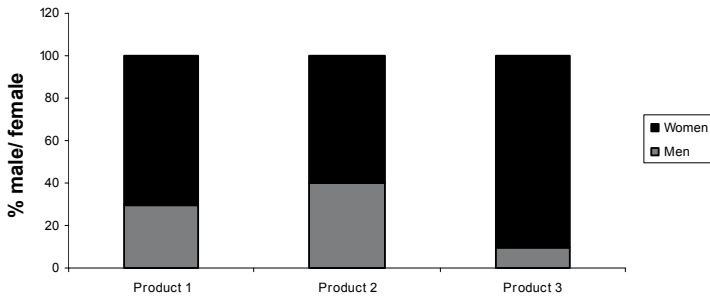


Fig. 1.5 Consumers by gender and product.

Gender bilingualism⁴ analysis

- How is the brand perceived by men and women?
- What is the gender balance in the marketing department and, externally, in the company's advertising agencies?
- How do men and women rate the shopping experience, or the contact with service personnel or call centre operators?

Research, products, and services

- Does R&D and product development track gender differences in their research and focus group studies? If yes, what are the major gender differences?
- Do research approaches and agencies differentiate between genders?
- What is the gender balance in the R&D, product development, or customer service departments?

One example of how this might look is in the computer games industry. 'More women in the 18- to 35-years age bracket play console games than men,' says Belinda Parmar, professor and founder of the Lady Geek consultancy, which helps technology companies understand and sell to women. 'The average woman spends three times as much on technology – from MP3 and HDTV to mobile phones and laptops – than she does on cosmetics or pampering. This amounts to a market worth £15bn in the UK.'³ But how many companies in this sector have gender balanced executive teams or gender balanced marketing and product development teams? How many have considered the impact of women as consumers and whether they're communicating to them well in terms of both their user and retail experiences?

Attitudes and mindsets: the qualitative data

The most impactful part of the Audit Phase is often the qualitative work. These investigations into what male and female managers really think about gender as a business issue reveal how ready the organisation is for this sort of initiative and why similar efforts may not have succeeded in the past. It is, therefore, a crucial complement to the statistics of the quantitative survey. This section describes one approach for the qualitative work.

At Nestlé corporate headquarters, Marie-Thérèse Burkart-Arnoso, the HR manager responsible for Talent and organisational development, said that what really surprised the Executive Committee when they received the Audit report was the qualitative feedback. The leaders were fairly familiar with the quantitative data and the lack of women at senior levels, as they had seen the

numbers before. What really shook them was 'what people were saying, the feedback from their peers. There was, for example, a high level of disenchantment from the women in the company. This even applied to those women who had made it.'

The Audit Phase should include a high level review of a wide variety of examples of the company's corporate culture and communication style. This can include everything from print and web media, to the language of leaders in speeches and presentations, to the visual design of offices and recruitment advertising. (See Chapter 3 for more on this.)

In the Audit, many companies unthinkingly collect and present data only on or about female employees. Such an approach risks limiting the analysis to a female only perspective, and neglects the role that managers play in achieving gender balance. It can also lead to the impression that the company is concerned exclusively with the situation of women in the organisation. For example, it might focus on the fact that women are not advancing to top management levels in sufficient numbers. This makes the issue about the lack of progress of women. The company needs to correctly frame the questions if it wants to get a sustainable gender balance throughout the organisation in areas relating to both internal Talent development and external Markets issues.

It makes sense to pre-empt the common misperception that gender initiatives are just about women by collecting and comparing data about both men and women. Differences or gaps between the two populations will quickly stand out. It takes only a small shift to make sure that all the data present both

genders in every statistical presentation, but it will fundamentally alter the conversation. Visually, in many companies today, it will underline not only the lack of women at certain levels, but also the overwhelming presence of men. Equally, these data will show companies where they have too few men, as is often the case in certain functional departments such as HR and Communications.

The qualitative work gives businesses a sense of the corporate culture and the individual motivation and readiness of leaders and key influencers to push for proactive change. It also shows how much work will be required in getting mindsets to evolve.

Ideally, companies should use an external gender consultant to carry out the interviews for this part of the Audit. It is important that the anonymity of interviews be guaranteed and that each interviewee has the chance (and protection) to speak freely about the subject. This is the only way of getting a real sense of all the attitudes that exist in the company. The qualitative step aims to provide the organisation with a snapshot of what management and women in different countries and at different levels perceive to be the key issues, so it should feature interviews with managers across geographies and functions.

While these surveys do not aim to be statistically representative, they are extremely useful in measuring the culture and readiness of an organisation relating to the issue of gender balance. In addition to auditing local realities, these interviews also prove a first opportunity for interviewees to become more aware of the issue. The results must include people with a variety of

different views on the topic of gender balance (those who are open to the issue, as well as those who are more sceptical or even hostile to the idea). All opinions must be represented.

Suggested interviewee profiles to consider include the following.

- **Top management:** It is helpful to interview every member of the Executive Committee, as this group will be critical in leading and implementing the initiative. Measure the alignment of this group around an understanding of the business case for gender balance. The top executives probably have never discussed the gender issue in this way and the results can go far in revealing each individual's perspective on the issue. It is the obvious starting point in the discussions.



Well meaning but wrong

At Deloitte Consulting, the senior partners were unaware of the problem – yet other firms were poaching talented women Deloitte had invested in. The then CEO, Douglas McCracken, recalls: 'To be frank, many of the firm's senior partners, including myself, didn't actually see the exodus of the women as a problem, or at least, it wasn't our problem. We assumed they were leaving to have children and stay home.' The partners felt that they were doing everything they could to retain the women and prided themselves on the firm's 'open, collegial, performance based work environment'.⁵

- **Broad cross-section of managers:** As the real issue in gender balance is often harnessing the buy-in of the company's managers, the majority of whom are usually men, it is important to interview a broad and representative sample of managers, especially line managers with the responsibility and power to carry out the necessary changes. This is the population companies are trying to impact. Interviewees should be managers from different countries and functions, including representatives from both the Talent and Markets areas. It is crucial to understand managers' thinking on the issue. Are they sceptical or doubtful? Do they think it is yet another management fad? Are they convinced of the business case?
- **Women:** The focus cannot and should not be solely on the women in the company, but the interviews must include women from across the company and its divisions. While their operation or level may well be covered by another interviewee, it is important to understand how the women feel about the organisation and the idea of a gender balance programme. Women often feel uncomfortable about the issue, in that it could be construed as positive discrimination. They may be sceptical that it will make any difference. It is helpful to interview women of different ages and seniority levels to get as broad a picture as possible.

Generally, the most senior women are wary of any initiative that might make others suspect that they have risen to where they are because they are female, rather than because of their competence. They are tired of being dragged out every time there is a need to position the company publicly on this issue and they don't much appreciate the repetitive questions they get asked about their gender. The younger



Dominique Senequier, CEO, AXA Private Equity

The Financial Times journalist Richard Milne interviewed Dominique Senequier, Chief Executive, AXA Private Equity, in September 2009 for the newspaper's online video series, *View from the Top*. Telling her she was the first woman CEO he had interviewed in the 18 months of the series, Milne proceeded to ask for her views on the persistently low number of women in senior positions in business. She avoided going into any detail on her views on the issue, seeming to accept it as a fact of business life. She said she had worked hard (seven days a week) and travelled a great deal for her work. In other words, she had made sacrifices to rise to her position.⁶

women think that the entire issue is obsolete and do not see any problem at all. They do not appreciate having it raised. Handled strategically, positioned as a business issue, and run inclusively as a gender balance issue rather than a 'women's' issue, women quickly – and enthusiastically – come on board. Until that has been demonstrated, many women will fall in what I call the 'Patient' segment, although few will be outright resisters. (See below for definitions of the different segments: Progressive, Patient, and Plodding.)

- **Younger staff:** Include some young people in the interviewing to monitor for significant differences in perception because of generational differences. Gen Y (those born from 1979 to 1994) may have very different attitudes to

work and organisational life. They tend to tell surveys that they are motivated by meaningful work, the ability to work flexibly, and having the chance to network.⁷

While many people assume that gender issues are disappearing and will become obsolete as a younger generation moves in, this is not what I have found in my experience with companies. On the contrary, the senior leaders are often far more open to these topics than are their younger (male) colleagues, who will be facing for the first time the full brunt of the competition from a massive wave of female Talent. However, with younger generations expressing much more interest in lifestyle and flexibility issues, as well as in family roles, that trend may help align the objectives of both male and female managers to some degree.

- **Former employees:** Include the results of exit interviews for male and female managers that the company is sorry to have seen go. Those interviews, if they don't already, should find out why the men and women left, the level of their job satisfaction earlier and upon departure, the advantages and disadvantages of the job, their view of the company's career planning and, crucially, the conditions for their return. Look for similarities and differences between the men and women.

Table 1.1 is a representative sampling of some of the analyses by men and women in response to the question of whether gender balance is a business issue for their companies. These responses come from different organisations and different sectors, but reflect some of the feedback that you can collect. Interestingly, I find that the men are often far more convinced

Table 1.1 What managers say

Men	Women
<p>'It makes business sense. People to whom we market are mostly females. All the data shows that women are making the purchasing decisions. And women are likely to have a better understanding of women.'</p>	<p>'Women bring a different, more cooperative outlook. Men are like countries, always competing. Gender balance is like sustainable development, women think more about the future, and about children.'</p>
<p>'We've heard about this for 10 years, and nothing happens. Just incoherence.'</p>	<p>'It has been a lot of effort over the years with very little to show for it.'</p>
<p>'It's not a business issue. It's an opportunity. Half the world is female. We would have people who better understand our consumers and we would bring in people with softer skills, and get a better blend.'</p>	<p>'We are in an industry where there is no excuse not to have women in leadership.'</p>
<p>'The most urgent issue [in regard to gender] is window dressing to improve the external image of the company.'</p>	<p>'Our consumers are evolving into a more holistic society. Gender balance is a very important policy to respond to this trend. It's a real business priority.'</p>
	<p>'It's like embracing shareholder value or corporate governance. ... We need to get into the 21st century.'</p>

(Continued.)

Table 1.1 (Continued.)

Men	Women
<p>‘Evolution in management requires increasingly feminine attributes such as intuition, consensus, emotional intelligence managing the grey zone, being less hierarchical, and being a skilled multitasker.’</p>	<p>‘This isn’t a problem about women or a women’s problem. It is a problem that affects the efficiency of the company and stops it being all it can be.’</p>
<p>‘Women don’t need to show they know everything. Men have to show off and prove their worth to their leaders. Women bring other styles of leadership.’</p>	<p>‘Women think differently from men – gender balance is very beneficial.’</p>
<p>‘We’ll miss out on competitiveness if we miss out on women.’</p>	<p>‘Purchasing decision makers are women. We should reflect this in balanced management teams. Not having half the population represented is a key issue. It affects our understanding of market analyses. The fact-based way men argue doesn’t relate to consumers as people.’</p>
<p>‘More women in senior roles leads to more objective, professional behaviour for everyone. It takes the boy’s club away from the boys.’</p>	<p>‘We recruit 50/50. Very few of the women I’ve recruited are still with the company – they left for excellent opportunities elsewhere and felt they were not moving here.’</p>

of the business case for gender than many people might give them credit for. This is all the more reason to involve them in gender balancing initiatives from the very beginning.

Mapping managers, from progressive to plodder

To get a fast and easy insight into where different managers stand on the gender issue, I recommend using a simple mapping tool that places interviewees into one of three categories: Progressive, Patient, and Plodding (Fig. 1.6). Progressives have a clear sense of the need for change in gender and are probably searching for the best way to tackle the issue. People who are in the Patient group may be receptive to the idea of gender balance but do not feel any sense of urgency to make change. The third group, Plodders, contains the out and out sceptics as well as those who are completely unaware of the issue.

This mapping tool provides a sense of the task ahead. In most organisations I have surveyed, the results have been remarkably similar. Usually, the men are distributed roughly equally across the three categories, while the women tend to be mostly Progressive or Patient – but rarely Plodders.

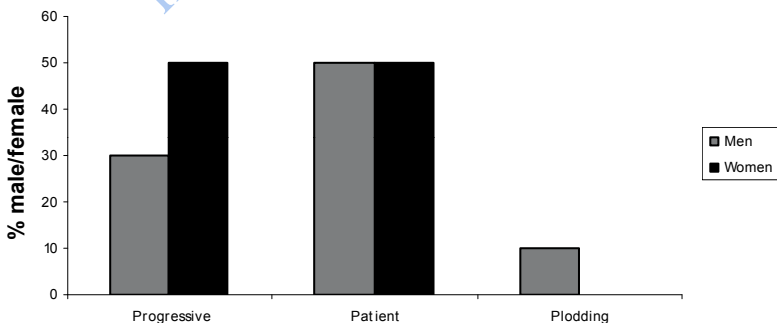


Fig. 1.6 Manager segmentation.



Example of a qualitative gender survey (internal)

Introduction

Objective and use of survey

- Rules of confidentiality
- Who is the interviewee: role, age, length of time with company, previous companies, etc.

General comments about the issue of gender balance

- What does gender balance mean to you?
- Do you think that gender balance is a strategic business issue for business today? Why or why not?
- Are there business opportunities in addressing gender balance issues?

More specifically, at the company

- Are employees gender balanced at different levels?
- What is the gender balance among your clients? How about the end users?
- How would you describe a typical leader in the company?
- Have you observed any evolution in the company regarding this topic over the past few years?
- Is there any internal or external communication on this topic?

For your own division, department, or team

- What is the situation (statistics) regarding gender balance in your area and on your team of direct reports?

- Do you have any specific issues regarding this topic?
- What are, for you, the main obstacles (if any) to women's advancement?
- Is there any need for proactive action internally or externally?
- If yes, what are, for you, the key success factors of a gender balance programme?
- Do you see any obstacles to implementing such a programme in the company?
- What perception do you think male managers have of gender issues in the company? In your division or department?
- What perception do you think female managers have?
- Do you think you have a particular role to play in such a project?
- What actions might be implemented to attract more women into the company?

Additional questions on individual career evolution

- Why did you choose to join this company?
- Could you describe your career path?
- What have been your main success factors?
- Did you encounter any obstacles or difficulties?
- What are your ambitions today?
- Why have you stayed and what keeps you at this company?

Personal (if possible in your country/legal framework)

- Does your own spouse/partner work? Full time, part time, career?
- Do you have children? How many?
- Any other comments/suggestions you would like to make?

The results from the qualitative interviews often surprise companies by not falling into the gender patterns most managers expected. Men may complain about lack of flexibility and women may be upset at any sign of positive discrimination.

In one example, a global multinational company conducted exit interviews for male and female managers and discovered that the men particularly disliked the lack of transparency and honesty (possibly related to a frustrated career), whereas the women especially disliked a mix of things related to the organisation and its culture, including politics, size, the gender issue, and lack of transparency. Asked about the company's approach towards men and women, some of the men replied that they had never seen a company where so many women were employed as managers.



What women (still) say

Here are some comments from women's exit interviews at a global multinational company, to indicate that what many people think has largely disappeared from corporate life is still quite present in some companies, countries, and cultures across the globe. This is not as uncommon as many think, and in such a context, gender balance initiatives are likely to take more time and effort.

Sex, seduction, sexism

- 'As a woman you have to walk a fine line between letting the flirting happen in order not to become an outcast and not

leading the men on. At off-sites, often as the only woman, you need to have armour to defend yourself against a constant barrage of seduction. As a woman in this organisation you need to find a way to deal with this.'

- 'The women in this organisation know all the guys they need to stay away from at conferences, because they will harass you. Yet these guys get promoted.'

Corporate culture

- 'You are expected to spend a lot of time outside work with your team, to show loyalty. For a woman, if you have a family to take care of, it is difficult to spend enough time on this. I don't think the top guys get to see their families a lot. It is difficult to make a career here if you are single or do not have a spouse who takes care of things at home.'
- 'A lot of the political effort and networking revolves around drinking after hours, which I just wasn't interested in. Most women weren't. And when you're not in, drinking with the group, you're just not in.'
- 'It's all about who can fly more miles, how many weekends spent away from home. It doesn't promote an environment where people can work flexible hours.'

This thorough review of the data will have provided an overview of many of the issues that the company may be facing on the Talent side. Now, it is time to take a look at what is going on externally, on the Markets side.

Qualitative – external

The Markets side of the equation concerns key external stakeholder groups such as clients, customers, end users, suppliers, shareholders, communities, and the media. Above all, it is critical to survey representatives of your customer base – male and female. This will give an idea of the possible gaps between the marketing and sales strategies and women customers. Many companies fail to analyse their female customers, often because they simply assume they have the same attitudes and shopping patterns as their male customers or because they have failed to fully integrate the modern reality that women are the majority of consumers into their processes, systems, and thinking.

There is more on the analysis of customers in Chapter 10, but in the Audit Phase, a handful of focus groups will round out the Audit analysis and pinpoint key issues. Use an external gender analyst to query customers and stakeholders in very women-friendly environments. Focus on key future markets or key product segments in very open ended dialogues that cover a wide range of topics and elicit new ideas and input, rather than specific responses to closed questionnaires. In the same way that the internal review buttresses quantitative analysis by interviewing a representative sampling of managers and leaders, record what customers actually say. Quotes should be included (although not in the sense of an exhaustive market review) to give some indications of gaps or opportunities that can be highlighted.

What has been done?

Gender is not new. It's good to summarise what the company has already done in the past on the topic of gender, if anything. Many companies have years, if not decades, of history on the gender issue, and it is good to list all the things that have been tried in order to get some accountability on the efforts, investments, and return to date.

Sometimes it is easier to start a gender initiative with a clean slate, without the legacy of past approaches. This is particularly true in Latin America, Europe, and Asia, where companies do not have the same history on gender as North American companies. Many companies now launching gender initiatives worry that they are a bit late on the topic, but they have the advantage of being able to bypass approaches that did not work out too well (see Chapter 2 for a list of what has been done elsewhere).

Has it worked?

Ask if past programmes have inadvertently been doing one of the following:

- **'Fixing the women'**: One of the reasons why gender initiatives sometimes fail is because organisations think they can improve the gender balance simply by focusing on women. 'Fix the women' programmes are usually led by women, often on a voluntary basis in addition to their regular job responsibilities.

- **Giving the wrong message:** Women's networks could send the wrong message to the rest of the organisation. Such networks can seem to suggest that women are mainly to blame for the low number of females in senior positions in the company. Of course, women must take responsibility for their own careers, just like men. But, as I will show in future chapters, there may need to be some systemic and cultural shifts first to level the playing field.
- **Being ineffective in isolation:** None of these initiatives are wrong in themselves, but they are proven to be ineffective if they are done without any parallel efforts to work on all managers and on wider issues.
- **Using the wrong or no metrics:** Some companies don't discuss the key indicators for a gender balance programme, something that is needed from the start. Metrics are essential in measuring whether these sorts of efforts actually deliver, and against what objectives. Companies need to design the metrics before starting, so that they can measure the progress being made and then introduce scorecards to track progress over time.

Legacy

Do not underestimate the imprint made by past company efforts. These will emerge from qualitative surveys and should be captured as a context for the current mood. Many women will have seen initiatives come and go – most of them failing to deliver on their promises – and will be understandably sceptical. Many of them will want to distance themselves from any new programme. Men, typically, will think the issue has little

to do with them. Send them a memo with the word 'women' in the headline and they are likely to pass it on to a female colleague. Most companies need to address their past record on gender balance before adopting a new initiative. They need to demonstrate why things will be different this time round.

At one company, the leadership had tried to appoint women recruited externally directly to the Executive Committee several times. For one reason or another, none of them worked out. When the leadership introduced a different initiative, it had to deal with a great deal of scepticism. There was also a widespread perception that the women hired earlier were failures and had been appointed only because of their gender. This type of negative perception lasts years, and it harms all women who are subsequently appointed.

What matters most?

Your company is now ready to produce a complete overview of where it stands on gender balance, both quantitatively and qualitatively, with some historical context and with the combined perspectives of internal and external stakeholders.

This is usually a mass of information that can be used to analyse where the biggest challenges and opportunities lie. What, in all that data, best presents the business case and clearly and simply summarises it? Determine whether the central issue for your company is a Leadership, Talent or Markets issue.

Leadership

Studies show that companies with a significant number of women in leadership positions perform better than others with fewer women at the top. Boards that have a good gender balance are also more likely to be better at governance. Shareholder pressure for gender balance is increasing, and new investment funds are being created to invest in more balanced companies.

The Audit will provide an opportunity to see how well or how badly an organisation does in terms of the gender balance of its leadership teams – both at corporate level and globally throughout the business. It shows how open the leadership team is to the benefits of more balanced leadership teams. Highlight the readiness of the top team, as revealed by the qualitative survey, because it will define how much of Phase 2 Awareness work will be required.

Talent

Sixty percent of university graduates in Europe and North America are women. Girls are also outperforming boys in school, and in academic research around the globe. Companies are increasingly hard pressed to explain why their supposedly meritocratic systems end up promoting a majority of men to the top.

The Audit should underline how well the company is performing on each part of the Talent management cycle and if there are any significant gaps between men and women. You will be able to highlight whether the company has a recruiting, retention,

or development issue, or whether there are challenges at each of these stages.

Markets

A recent article stated that women worldwide control about \$20 trillion in consumer spending each year, a figure that might grow by 40% in the next five years.⁸ With that kind of purchasing power, it is incumbent on companies to understand how well they are set up to connect with and sell to women.

The external Audit should give the company indicators (a set of key measures) on whether they are reaching male and female consumers, clients, or end users with comparable levels of success. Underline all the gaps in perception and consumption patterns between genders, as these will be the major business opportunities that the company may want to consider focusing on in the future.

There are a couple of further steps to the Audit Phase. Now that the company has a complete overview of its own situation, it is time to take a look at what other companies have done and what they have been saying to the world.



Checklist

- Have you organised your Audit into two distinct phases – qualitative and quantitative?*
- Have you organised this into the two issues of Talent (internal) and Markets (external)?*
- Have you identified the key data you need to measure in the quantitative audit?*
- Have you selected the key groups that will take part in the qualitative stage?*
- Are you aware of the company's legacy on gender?*
- Can you identify which aspects of gender matter most to your business – Talent, Markets, Leadership?*
- Has the top leadership team agreed to set aside time to discuss responses to the Audit?*

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