

GENDER DIVERSITY



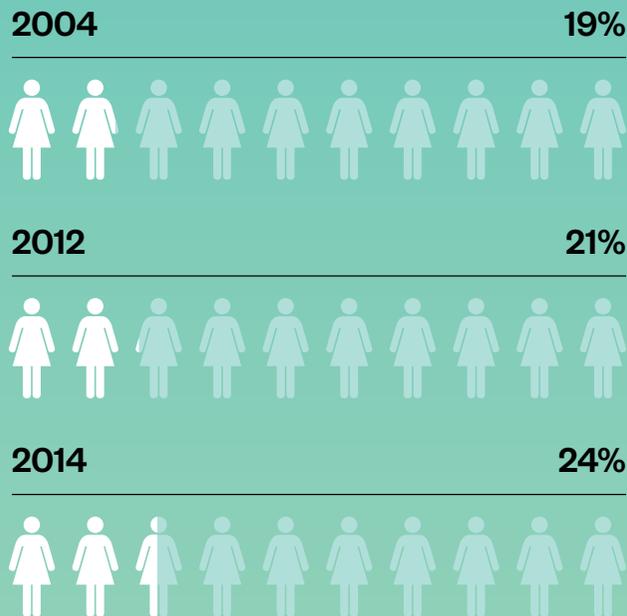
Transforming gender diversity insights
into achievable business programmes

CONTENTS

A social revolution	3
Economic benefits of diversity	4
Diversity at the board level	5
Executive search and diversity	6
The role of men in gender initiatives	7
Advocates of change	8
How and why we are biased	9
Unconscious bias training	10
The importance of corporate culture	11
Return to work	12
The team	13
About HIEC	14

A SOCIAL REVOLUTION

PERCENTAGE OF WOMEN IN SENIOR MANAGEMENT GLOBALLY



Source: UN Women, Facts and Figures: Economic Empowerment <http://beijing20.unwomen.org/en/infographic/economy>

The growth of the female workforce is the biggest social revolution of the last century. In 1900, just one in five women in the US worked for pay; that figure now stands at almost 60%.¹

The economic gains afforded by the evolution of the workforce are striking. **Research shows that bringing female employment rates across the OECD in line with that of Sweden would boost the area's GDP by 5 trillion US dollars.**² Statistics also prove the significant financial gains enjoyed by businesses with diverse executive committees, which consistently outperform competitors with all-male boards. And yet a Harvard Business Review report conducted this year revealed that almost 60% of the 22,000 global firms surveyed have no female board members.³

Now more than ever women are being encouraged to lean in and grab opportunities as they arise. But many of the corporate structures necessary to support this talent pool are missing, leaving businesses unable to truly harness the multitude of economic and social benefits. This disconnect is detrimental to the development of the corporate world.

From local start-ups to global corporations, businesses are waking up to the benefits of a diverse workforce. Faced with a broad spectrum of issues including unconscious bias on hiring committees, gender disparity in the boardroom and the absence of frameworks to support women's return to the workforce, a methodical, company-wide approach to diversity is paramount.

Now is the time to seize the opportunity. Drawing on groundbreaking financial and academic research, our international diversity experts at HIEC have identified the biggest challenges faced by organisations ready to make gender diversity the priority issue of the twenty-first century.

Elsbeth Renshaw,
Partner & Global Diversity Lead
HIEC

1. U.S. Department of Labor, Women's Bureau.
2. Women In Work Index (2016), PwC
3. Study: Firms with More Women in the C-Suite are More Profitable (2016), Harvard Business Review

ECONOMIC BENEFITS OF DIVERSE EXECUTIVE COMMITTEES

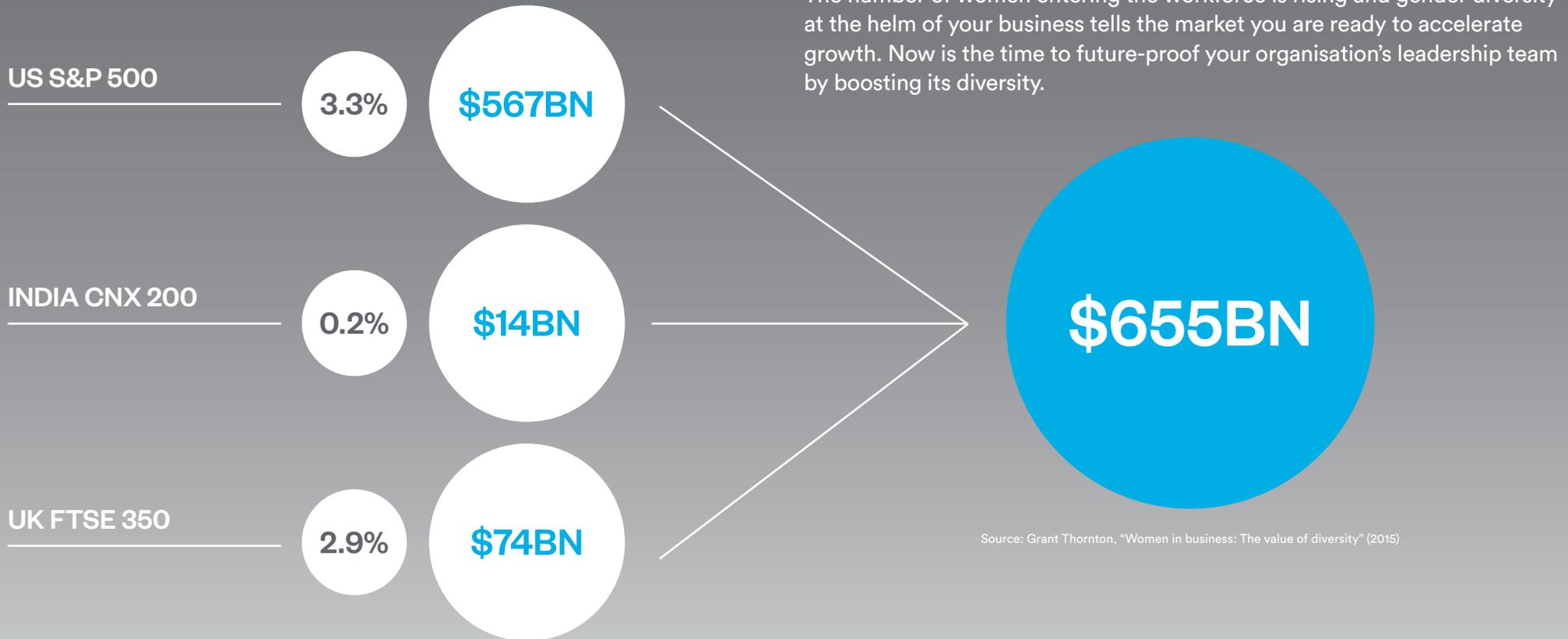
**AVERAGE RETURN
ON EQUITY**

+47%

**AVERAGE EARNINGS
BEFORE INTEREST
AND TAX**

+55%

THE IMPORTANCE OF DIVERSITY AT THE BOARD LEVEL



Women’s representation on corporate boards may be at an all-time high, but men still occupy almost nine out of ten seats in the boardroom.⁴ And yet businesses with diverse executive boards generate significantly higher revenues than those steered by all-male boards.⁵

A lack of gender diversity in the boardroom costs businesses billions. Recent research puts the opportunity cost for companies with men-only boards, in terms of lower returns on assets, at an enormous 655 billion US dollars.⁶

The number of women entering the workforce is rising and gender diversity at the helm of your business tells the market you are ready to accelerate growth. Now is the time to future-proof your organisation’s leadership team by boosting its diversity.

Source: Grant Thornton, “Women in business: The value of diversity” (2015)

4. Women in the boardroom: A Global Perspective (2013), Deloitte Global Center for Corporate Governance
 5. Women in Business: the Value of Diversity (2015), Grant Thornton
 6. Women in Business: the Value of Diversity (2015), Grant Thornton

EXECUTIVE SEARCH: HOW TO GET DIVERSITY RIGHT



**Set diversity targets
for longlist and shortlist**



**Expand each search to new
geographies and sectors**



**Be aware of your own
bias as decision-maker**

Standard methods will produce the same results, so companies need to focus on new ways to attract diverse talent. Through our work with both clients and candidates, we've identified crucial steps that can maximise the chances of hiring a woman into a senior role.

Assignment brief – It's vital to critically analyse the brief and understand where it can be stretched to accommodate a more diverse candidate pool. The next step is to remove biased terms from the job specification. For example, inclusion of predominantly masculine adjectives (such as 'dominant' or 'challenging') could shrink the talent pool by deterring female applicants.⁷

Search methodology – Finding the best female candidate often means thinking outside the box. It may involve considering new sectors and geographies, or even levels of seniority. Companies should also allow for extra time to identify and engage female candidates, as they are often less active in searching for new opportunities or promoting themselves externally.

Longlist & shortlist – A diverse assignment team to manage the search will bring a range of perspectives, increasing the variety of candidates on the longlist. As female career paths are often unconventional, individual circumstances must be understood and evaluated fairly. A candidate may have taken a career break, or followed an unconventional path, which, if not addressed objectively, may result in fewer females progressing to interview. A more holistic picture of candidates' skills and experience is therefore essential at the shortlist stage.

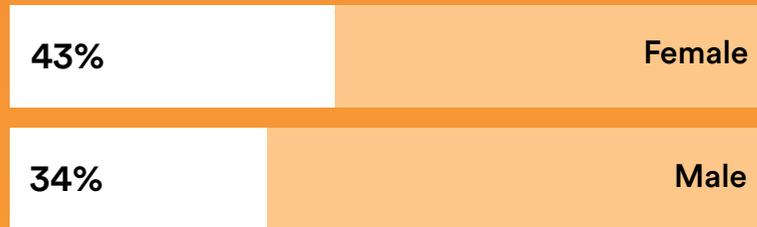
Interview & offer – We are all biased; it's in our biology. It makes us more likely to hire a candidate who is similar to us, and label it as a 'good fit'. Arranging unconscious bias briefings with decision-makers and providing evaluation tools that promote equal assessment will maximise opportunities for female candidates to be assessed fairly. Taking the time to coach female candidates prior to final interviews also increases the chances of a diverse hire at the end of the process.

7. Catalyst blog, Can You Spot The Gender Bias In This Job Description?

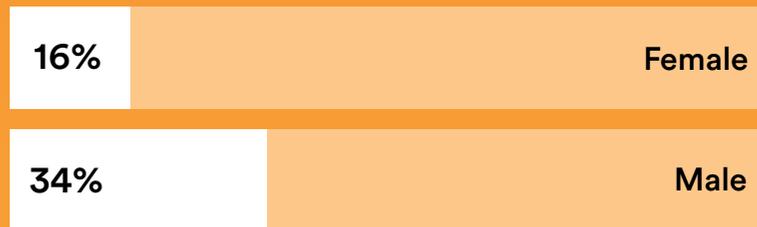
DIVERSITY EFFORTS FAIL WITHOUT SUPPORT FROM THE TOP

Have aspiration to reach top management

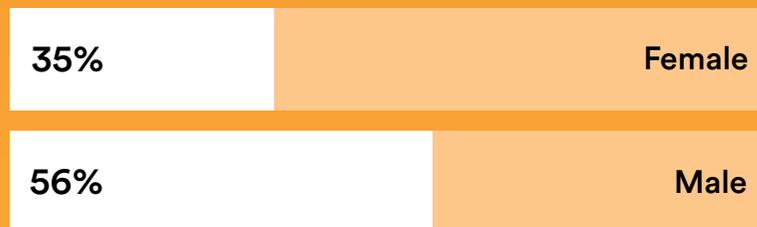
New Employees



Experienced Employees



Senior Leaders



Source: Everyday moments of truth: Frontline managers are key to women's career aspirations (2014) Bain & Company, Inc.

8. Everyday moments of truth: Frontline managers are key to women's career aspirations (2014) Bain & Company, Inc.

9. Unlocking the full potential of women at work (2012), McKinsey & Company.

10. Moving mind-sets on gender diversity: McKinsey Global Survey results (2014), McKinsey & Company.

Women enter the workforce with the same energy and ambition as their male colleagues. The results of a five-year study conducted by Bain & Company show that 43% of women aspire to top management positions during the first two years of their career, compared with 34% of men. But over time, women's aspiration levels fall by two-thirds, while men's remain the same.⁸

The numbers show more than just the difficult transition from classroom to boardroom. Though women hit many of the milestones on the track to a C-suite role in the first stages of their career, significant disengagement with the exec career path means women make up just 14% of Fortune 500 executive committees.⁹

If organisations are to unlock the full potential of the female workforce, gender parity must be a business priority. One of the key factors in the successful development of this talent pool is the support of male figures. Men of influence must demonstrate a public willingness to own the issue, and reject selection decisions that fail to include women.

The challenge for your organisation is how to identify those powerful male influencers ready to lead the change. McKinsey research identifies a strong commitment from the CEO and supportive corporate culture as the most important drivers of equality. In fact, **corporate culture clashes have more than twice as much impact on women's confidence than individual factors.**¹⁰

THE ADVOCATES OF CHANGE PROGRAMME



Designed by our Global Gender Diversity Partner, this programme will explain the selection, support and promotion processes needed to encourage men of influence to champion gender issues. You will learn how to **harness the power of male influencers in your organisation**, and gain a better understanding of the significant economic impact of failing to develop female talent.

This expert-led programme will help you to:

Lend your voice – Being an advocate means speaking up. Less than a fifth of male respondents in a recent McKinsey survey strongly agreed that top management positions are harder for women to obtain.¹¹ Use your standing to drive awareness of the cultural roadblocks that stall women’s career progression. The more senior the Advocates of Change, the more likely the cohort is to grow in numbers.

Blaze a trail (and get ahead of your competitors) – According to Harvard Business Review, 60% of the world’s university graduates are female.¹² Create a welcoming and supportive corporate culture that taps into this growing talent pool and gain a competitive edge in your market.

Expand male sponsorship – If they are to reach the top, women need advocates and support to access opportunities. Develop your organisation’s supervisory support and mentorship structures, creating a better framework to develop your best talent. You’ll improve staff retention and create a more cohesive workforce.

11. Moving mind-sets on gender diversity: McKinsey Global Survey results (2014), McKinsey & Company.
12. How Women Are Faring at Business Schools Worldwide (2015), Harvard Business Review

BLIND AUDITIONS WORK FOR ORCHESTRAS, BUT WHAT CAN CORPORATES DO ABOUT UNCONSCIOUS BIAS?

Women still earn on average

15.5%

less than men

In an attempt to mitigate unconscious bias, most orchestras made major changes to their hiring policies in the 1970s – a time when female musicians made up just 5% of the top five US symphony orchestras. The simple addition of a screen to conceal the candidate's identity from the jury has meant female players now make up a quarter of such ensembles.¹³

'Unconscious bias' describes the positive and negative stereotypes that exist in our subconscious and direct our understanding, actions and decisions. Scientific research into such bias shows that **only 2% of emotional cognition is available consciously**.¹⁴ Whether we like it or not, our brains are wired to take cognitive shortcuts in order to identify patterns and prioritise information. These mental associations link identity with characteristics, sidestepping logical thought and blocking us from making objective decisions.

Despite the positive public commitment of many corporates to combat overt prejudice, subtle biases still translate into workplace discrimination. According to the latest OECD data, women earn on average 15.5% less than men across 35 OECD countries.¹⁵ To achieve real gender parity in the workplace, companies must:

- Use data to uncover bias in performance review and promotion
- Recognise gendered job descriptions (and attract more candidates)
- Introduce structured interviews and evaluate candidates fairly
- Identify unintentional signals in the workplace
- Implement frameworks to tie remuneration to merit only

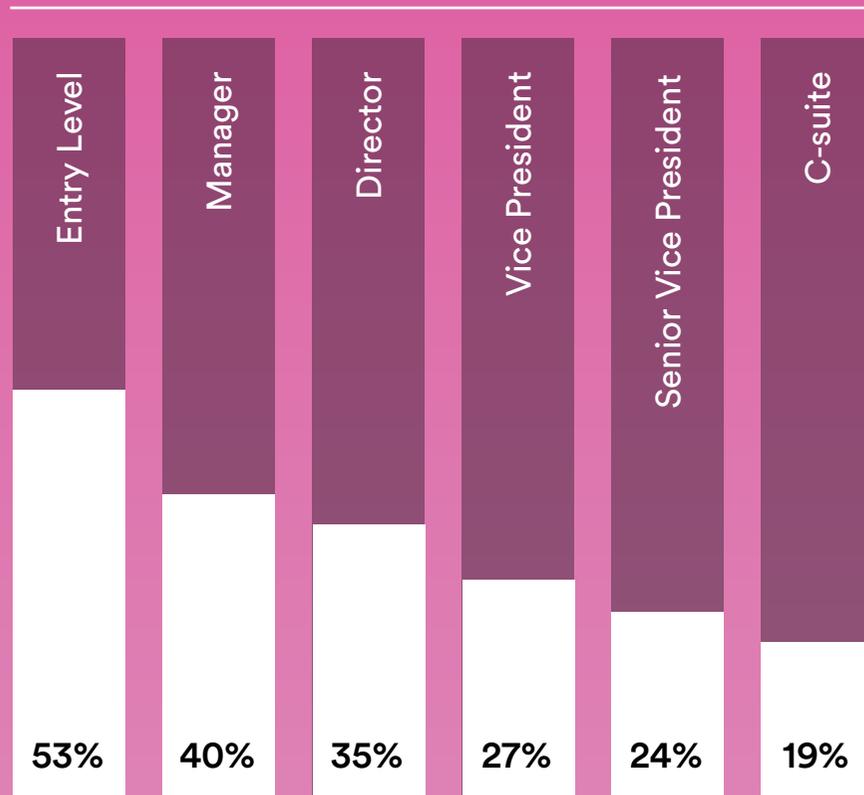
13. Goldin, Claudia and Cecilia Rouse. "Orchestrating Impartiality: The Impact Of 'Blind' Auditions On Female Musicians," American Economic Review, 2000

14. State of the Science: Implicit Bias Review (2016), Kirwan Institute for the Study of Race and Ethnicity

15. Source: OECD Employment Database (2014)

NOT ENOUGH WOMEN ARE HIRED AT A SENIOR LEVEL

Share of women in leadership pipeline



Source: McKinsey & Company, "Unlocking the full potential of women at work" (2012)

Women are entering the workforce in ever-larger numbers, but they are not making it to the top. Though slightly more than 50% of entry-level positions are filled by women, at director level **women hold just 35% of roles and represent as little as 19% of the C-suite.**¹⁶ Women are more likely to remain in middle management positions, take staff roles or leave the corporate world altogether.

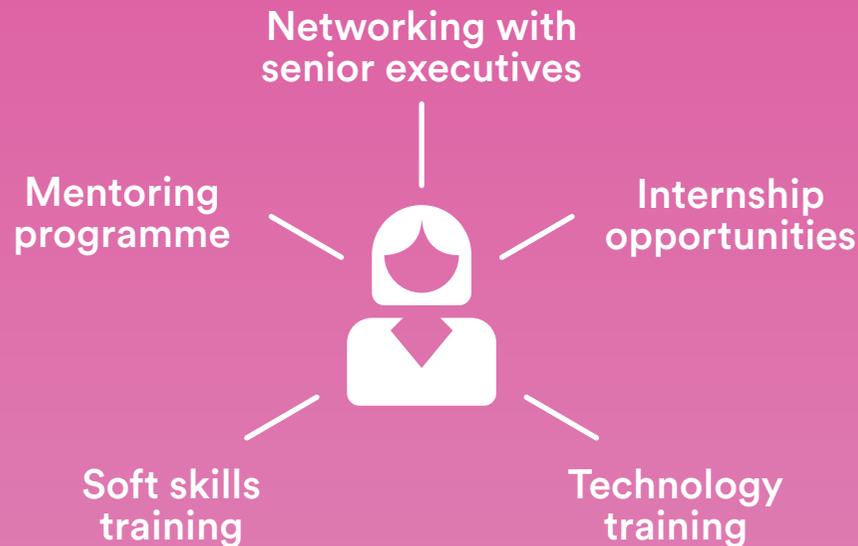
Structural obstacles and lifestyle choices are halting the progression of half the professional talent pool. Issues including the closed nature of powerful executive networks and a lack of sponsorship put promotion to the top out of reach. For many women working against this backdrop, the dual role as primary breadwinner and caregiver weighs heavy. With part-time or flexible work patterns still to become a reality in many companies, and the high cost of childcare, the pressure put on female talent makes long career breaks more likely.

Though four out of five CEOs surveyed by McKinsey said they prioritise gender diversity, only half of their employees considered their leader committed to the issue.¹⁷ This is the greatest hidden brain drain of our time. A lack of hiring processes that fairly assess skills after a long break and the absence of formal frameworks to reintegrate women back into the corporate world mean that, despite wanting to return, many women are pessimistic about their professional prospects.

If organisations are to see real progression, they must do a better job of supporting female talent transition back into the workplace. A survey by the London Business School revealed that 70% of women are anxious about taking a career break.¹⁸ **Bridging women's return to work will double your talent pool and provide a more gender-balanced pipeline for future leadership roles.**

16. Unlocking the full potential of women at work (2012), McKinsey & Company.
 17. Source: London Business School annual Women in Business Conference (2014)
 18. Source: London Business School annual Women in Business Conference (2014)

THE RETURN TO WORK PROGRAMME



Our Return to Work training will help you to support women returning to work. Devised by our Global Gender Diversity Partner, the programme combines senior management mentoring sessions, skills workshops and networking opportunities.

- A tailor-made programme to suit the specific needs of your organisation
- Help senior management to lead by example through mentoring sessions
- Understand the business opportunity of a more gender-balanced pipeline for future leadership

Figures within your organisation and potential candidates will be encouraged to share opinions at every stage of the process to ensure a full match is achieved. Join us for this bespoke programme, and help your organisation to:

Improve talent management – Our programme will support the candidate and your organisation at every step of the way. A well-designed and supportive process will quickly bring employees up to speed after a long career break, and improve staff retention thanks to a more flexible corporate environment.

Find the best candidate – The low number of women returning to work in senior positions is the biggest hidden brain drain of our time. From senior management mentoring sessions to networking opportunities, our holistic view of the re-entry process will help you to attract (and retain) more female talent.

Stay a step ahead of competitors – Structured return to work programmes are relatively few and far between. Be the exception not the norm, and show the market your organisation's corporate culture. You'll improve employee engagement and enjoy the proven economic benefits of a gender-diverse leadership team.



Elspeth Renshaw
Global Diversity Partner,
APAC Lead

Unit A, 11/F, On Hing Building
1 On Hing Terrace
Central, Hong Kong
P: +852 3708 9539
E: erenshaw@hiec.com



Philip Boyd
Managing Partner,
EMEA Lead

Foxglove House, 166 Piccadilly,
2nd Floor, London W1J 9EF
United Kingdom
P: +44 (0)20 7042 5040
E: pboyd@hiec.com



David Gabriel
Managing Partner,
Americas Lead

270 Lafayette @ Prince, Suite 604
New York, NY 10012
United States
P: +1 (212) 882 1801
E: dgabriel@hiec.com



Sarah Wilding
Partner,
EMEA Lead

Foxglove House, 166 Piccadilly,
2nd Floor, London W1J 9EF
United Kingdom
P: +44 (0)20 7042 5040
E: swilding@hiec.com



H.I. Executive Consulting (HIEC) is a leading global executive search firm focused on hiring Board, CEO and Senior-level executives globally. Established by several senior partners from the leading global search firms to disrupt the traditional approach to executive search, we place a premium focus on hiring transformational leaders across the sectors we serve – Digital & Technology, Financial Services & Real Estate, Industrial & Automotive, Consumer, Retail & Leisure, and Business & Professional Services.

Operating across 12 offices in North America, Europe, Middle East and Asia Pacific, unified by one global P&L and delivery model, we have cultivated a new professional standard that challenges the competitors in our field.

San Francisco | Silicon Valley | New York | London | Paris | Munich | Zurich | Zug | Dubai | Hong Kong | Tokyo | Shanghai

www.hiec.com