REVISITING THE EXECUTIVE PIPELINE
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No news is not necessarily good news. Two years on from ‘Cracking the Code’s’ FTSE research, relatively little has changed. The similarities between men and women at work still outweigh the differences. But the marginal differences continue to have a disproportionate effect on career outcomes for women.

The involvement of more women in the boardroom has so far failed to create a trickle down effect for women in the executive pipeline. At Executive Committee (ExCo) level, we cannot confidently predict a timescale for women to ever reach a thirty percent tipping point. This is despite more women than ever committing to their careers.

Heavily male-dominated ExCos may be committed to changing the make-up of their leadership ranks but their messaging needs to be backed up with more radical action.

A gap remains between Boards’ and ExCos’ words on gender diversity and their actions which could be closed by:

• Unlocking the power of data to manage, rather than monitor, talent pipelines.
• Showing authenticity around the top table that this is a strategically critical priority.
• Confirming accountability for corporate commitments to diversity and inclusion.
• Encouraging responsibility for delivering change at all levels of the organisation.

Would-be senior female executives are starting to vote with their feet – not to spend more time with their families – but to find better environments and opportunities for career progression.

Externally, market shifts in supply and demand for senior female talent may also be contributing to a reduction in the gender pay gap.

Internally, we do not see female talent being prepared for executive roles to the same extent or in the same ways as talented men. Our original advice still stands. Large corporates need to provide more targeted support to their female talent on:

• Long-range career navigation.
• Building a strategic portfolio of experience.
• Conveying readiness for promotion.

It is no surprise that the pace of change is slow. But more of the same will not produce anything different. Large corporates should (re-)energise systemic change by encouraging:

• CEOs to support the 30% Club’s executive pipeline targets for 2020.
• Female board members to share experiences with women at all levels in the executive pipeline.
• Leadership teams to demonstrate any return on investment from greater gender diversity in their part of the business.
• All people managers to be provided with longitudinal feedback on their career impact for female colleagues.
• All employees, not just working mothers, to work flexibly without limiting their career options.
It is genuinely encouraging to note the uplift of women in the pipeline evidenced in this follow-up to the original ‘Cracking the Code’ report. Even in the space of a few years, the progress documented in this report is pleasing. At many levels, the representation of women is increasing and, even more importantly, there is evidence that women feel more valued in their work environments.

However, as both the YSC data and the results from the participating companies indicate, work still needs to be done. In particular, blockages below the Board level need to be understood and resolved. Ensuring women just below executive level are being fully supported to develop themselves, and engaging men in that process as mentors, sponsors and peers is critical. Furthermore, numbers are only half the story. While representational bias is perhaps being tackled, can we be sure that women feel genuinely included and appreciated on a day-to-day basis? Moving from tackling obvious bias to helping leaders work on ‘conscious inclusion’ when building their teams should perhaps be the next stage of the story. This will not only assist women progress, but will also help leaders access many different types of diversity. More fundamentally, it will help create environments people relish working within and where they feel they can be themselves.

The extent of the progress made in just two years is a real testament to the determination and efforts of those participating organisations. The challenge going forward is two-fold. Firstly, making sure that we remain focused in order to meet the future projections highlighted within this update to ‘Cracking the Code’. Secondly, tackling the issue at Executive Committee (ExCo) level where efforts to date have not yet paid off and the number of women is still stubbornly low. This means it is crucial that organisations intensify their efforts at senior management level and pay particular attention to opportunities for pulling (versus pushing) through high-potential women into Profit & Loss (P&L) and ExCo roles, and then working with them to ensure their success.

The 30% Club has set an aspirational target of 30% women on FTSE 100 ExCos by 2020. In order to make that a reality we need to both embed progress to date and work on accelerating the pace of change.

Brenda Trenowden, Global Chair, 30% Club

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Furthermore, numbers are only half the story. While representational bias is perhaps being tackled, can we be sure that women feel genuinely included and appreciated on a day-to-day basis? Moving from tackling obvious bias to helping leaders work on ‘conscious inclusion’ when building their teams should perhaps be the next stage of the story. This will not only assist women progress, but will also help leaders access many different types of diversity. More fundamentally, it will help create environments people relish working within and where they feel they can be themselves.

Gurnek Bains, Chairman, YSC
It is clear that business leaders are making a sustained effort to improve the diversity of their organisation and future talent pipeline.

As a champion for gender equality, it is exciting to see how organisational efforts to create more inclusive workplaces are beginning to pay off.

The increase over the last two years in the proportion of women at nearly every level of the executive pipeline is good news. So heartfelt congratulations to all those women whose careers are reflected in this shift and thanks to all those colleagues, friends and family members who have contributed to such a positive climate for female career progression. But while the overall trend is positive, the picture is complex and momentum is not consistent across the board.

The zeitgeist for inclusion, fairness and transparency has undoubtedly encouraged corporate leaders to be alert for bias in their application of meritocracy. However, there is still a lot of corporate lip-service paid to diversity. In addition, some of the razor-sharp focus on gender has become blurred with a more generic approach to diversity.

Leadership that emphasises qualities traditionally considered feminine is emerging as vital for navigating 21st century challenges. We are beginning to see how more women leaders create vibrant and inclusive cultures, not least because innovation and agility benefit from empathy with divergence and insight into difference.

I sincerely hope this update to ‘Cracking the Code’ provides a fillip to all those who continue to work for more diversity, but especially gender diversity, in corporate leadership.

Rachel Short,
Director, Why Women Work

However, there remains a degree of corporate nervousness when it comes to monitoring and reporting on this progress. This is an issue we must tackle. Failing to collate and interrogate diversity data contributes to a lack of clarity on cause and effect: businesses cannot truly gauge whether or not their interventions are successful.

Yet while the pace of change may be slow, progress is being made. I was greatly heartened to read the views of women who report experiencing a sustained cultural change since 2014, when we first conducted this research. They describe working within more inclusive, open and accepting cultures, where they feel valued as individuals rather than as scarce female talent: this is something the business community should be very proud of.

We all have an ongoing commitment to ensure that this topic remains uppermost on the business agenda. It is clear that even more transparency is needed to track progress and to establish a critical path for greater gender diversity across the FTSE 350.

I hope this report will offer insight and practical steps for business leaders and help them to develop the commercial rationale for championing gender diversity in their own organisations.

Melanie Richards,
Vice Chairman, KPMG UK

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‘Cracking the Code’ was commissioned by the 30% Club to explore the myths and realities of female career progression in large corporates. The original ‘Cracking the Code’ data, from more than 681,000 employees, was gathered in early 2014. Back then, women were in the minority at every level in the executive pipeline.

The corporate environment has since harshened. In 2016, growth in the global economy has slowed; market confidence is in decline and investment levels are down. Gender diversity might well have fallen off the corporate strategic radar, yet committed corporate leaders have not cut and run. Their sustained efforts to encourage gender diversity within their leadership ranks is paying off – slowly but surely.

The executive pipeline in our FTSE sample has become more gender-diverse at every level except one – the ExCo. Critically, the proportion of women at two or more levels below ExCo now exceeds thirty percent, the tipping point at which women can exert mainstream influence.

Two years on, whilst the overall trend for women in the executive pipeline is positive, there is considerable variance between organisations. Female representation at senior levels in those organisations providing both original and follow-up ‘Cracking the Code’ data has not changed significantly. Some of these companies report a marginal decrease at ExCo level which is offset by a marginal increase of female executives at one and two levels below the ExCo. The return on investment for these organisations, all early adopters and committed enablers of greater gender diversity in their pipelines, appears to be plateauing.

Across the board, it is clear that more of the same will not work in future. Innovation and radically new approaches are urgently needed to reboot focus on gender diversity at the top and to re-energise collective efforts at enabling more women to progress lower down the executive pipeline.

### 2 year shift in the proportion of women in the executive pipeline (2014 and 2016)

<table>
<thead>
<tr>
<th>Level</th>
<th>Male Representation</th>
<th>Female Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ExCo</td>
<td>82%</td>
<td>0%</td>
</tr>
<tr>
<td>Below ExCo</td>
<td>+2%</td>
<td>75%</td>
</tr>
<tr>
<td>Below ExCo</td>
<td>+2%</td>
<td>70%</td>
</tr>
<tr>
<td>Below ExCo</td>
<td>+3%</td>
<td>68%</td>
</tr>
<tr>
<td>Below ExCo</td>
<td>+4%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Percentage of women occupying positions at each level in the executive pipeline across our sample of FTSE organisations as at the beginning of 2016.
Our 2016 recount shows women now making up 55% of the overall workforce in participating organisations. This aligns with UK government statistics showing more women than ever before in employment since records began. This demographic trend may allay some organisations into waiting patiently for time to take its course.

However, there are significant disparities in the proportion of women employed in different sectors. Women with qualifications in science, technology, engineering and mathematics are in short supply by firms in the finance, construction, manufacturing, energy, and IT sectors. Additional efforts need to be made to attract, promote and retain women at all levels in these traditionally more heavily male-dominated sectors.

At the bottom of the pipeline
The uplift from forty one percent to forty five percent of women at the bottom of the pipeline, i.e. four or more levels below ExCo, masks a disproportionately high number of women occupying lower-paid roles that do not lead, ordinarily, to rapid progression along the executive pipeline. Nonetheless, this uplift also reflects the uplift of young female talent into entry roles for the executive pipeline, as female postgraduate and first-degree qualifiers hit an all time high of fifty seven percent in their take-up of graduate entry roles in the UK in 2015*.

In the middle of the pipeline
The uplift in the middle of the executive pipeline also reflects recent socio-economic and demographic shifts (at least in developed economies) towards increasing numbers of households dependent on dual income earners or sole female breadwinners. This supports our ‘Cracking the Code’ interviewees’ experience of becoming increasingly active in their own career-building. We see more female employees than ever returning to work after starting a family and increasing numbers of working mothers managing to sustain their aspirations for success at home and at work.

At the top of the pipeline
A smaller but still significant tilt in the gender diversity in the upper levels of the executive pipeline is supported by YSC’s experience of global leaders being put through in-depth leadership assessments as part of an executive selection or promotion process. Over the last four years, YSC has seen an overall three percent increase in the proportion of female talent being assessed across all levels of leadership. But it is the proportion of female executives just below the top of the pipeline (business or functional heads) that has shown the most noticeable shift from 12% to 38%.

Senior leadership assessments undertaken by YSC

<table>
<thead>
<tr>
<th>Year</th>
<th>Women %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>2013</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2014</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2015</td>
<td>38%</td>
<td>62%</td>
</tr>
</tbody>
</table>

*Reference: UK Higher Education Statistics Agency (February 2016)
Future projections

At the beginning of 2014, one stand-out statistic in “Cracking the Code” was that a man was on average 4.5 times more likely to attain a role on the ExCo than a woman starting her career at the same time. Two years on, that ratio might look marginally worse. However, the prospects for career-minded women vary enormously in different career stages, functions, organisations, sectors and regions.

Whilst the overall direction of travel is positive at the lower ends of the pipeline, the picture is mixed and the pace of change remains minimally slow at the top. Projecting ahead at a similar rate of change requires a degree of patience rarely shown for organisational culture change initiatives and contrasts with the disruptive shifts forecast for the way we live and work.

Key
- EXECUTIVE COMMITTEE (EXCO)
- ONE LEVEL BELOW EXCO
- TWO LEVELS BELOW EXCO
- THREE LEVELS BELOW EXCO
- FOUR OR MORE LEVELS BELOW EXCO

Projection assumes consistent annual rate of demographic change in the executive pipeline.
Our original ‘Cracking the Code’ report highlighted a career bottleneck for senior female executives. Back then, men were moving up or moving on much more quickly than their female peers.

Female leaders, one and two levels below EXCO, were two times less likely to be internally promoted and four times less likely to leave the organisation than a male peer. It is disappointing but not surprising to note little change in the numbers of women at the very top of the executive pipeline, i.e. at EXCO level, of large corporates over the past two years.

Given that succession planning for senior roles tends to be based on three to five year trajectories, our two year timeframe may be insufficient to highlight the success of planned diversification at the executive tier. An additional structural challenge at this level is the type of experience required, and by implication the route to the EXCO role, of female executives.

More female EXCO members have internally facing/functional leadership remits than operational/profit and loss leadership remits. This imbalance may be a legacy of career-enhancing opportunities provided or professional choices made earlier in their careers. A more even distribution between men and women in the type of leadership experience gained earlier in their careers will take a little longer to filter through to EXCO roles.

According to follow-up conversations with ‘Cracking the Code’s’ original female interviewees, the success of chairmen in appointing female non-executive directors (‘NEDs’) to corporate boardrooms may have contributed, inadvertently, to the lack of movement at EXCO level.

Boardroom gender diversity has not yet trickled down to the EXCO. Moreover, our interviewee female board members are not visible role models to women lower down the executive pipeline.

Demand for female NEDs might have led some of those senior female executives experiencing a career bottleneck to seek main board experience in a NED director capacity at another company.

For the time being, CEOs, alert to the conditions for groupthink, should take careful soundings to mitigate any emerging disconnect between the make-up of their EXCO and that of their board, of their employee base, and of their rapidly shifting consumer demographics.

At the current pace of change, it is impossible to predict whether, let alone when, we will see thirty percent of EXCO roles being performed by women.

Gender shift in EXCO roles in FTSE100 companies (2014 and 2016)

Data on FTSE 100 Executive Committee composition was collected from publicly available data and annual reports between February 1st and March 25th 2016.
Our original ‘Cracking the Code’ commentary was drawn from a number of sources, including eighty nine in-depth interviews with individuals at different levels in the executive pipeline.

We caught up with seventy of our original female interviewees in 2016 to explore their perspectives on, and experiences of, the past two years. Individual circumstances vary greatly, but several consistent themes emerged. Internally, women link what they see as a gender shift in the executive pipeline with continued corporate support and courageous individual interventions by a line manager, mentor or sponsor. Externally, they also see more opportunity in the wider job market. Women are seeing the organisational shifts, which are creating opportunities for qualities associated with female leadership and tend to be categorised as:

- Cultural, e.g. diversification encouraging inclusion, cultural competence and authenticity.
- Structural, e.g. disruption encouraging innovation, flexibility and agility.
- Reputational, e.g. community activism encouraging engagement, transparency, and fairness.

Even where there seems to be relatively little systemic change at the top, women feel that there is now more open consideration and discussion of gender balance as an indicator of fairness in internal promotion processes (both inputs and outputs). This helps all women in the executive pipeline to believe that genuine career-enhancing opportunities are open to them.

Some of our interviewees cite concern by their male peers about the consequences for them of changing selection processes to reduce gender bias. More research is needed into men’s espoused versus enacted reactions to what they may perceive to be positive discrimination towards women at the expense of their own career prospects.

Cultural shifts
Recent research from the 30% Club* shows that gender diversity is positively associated with diversity of experience. At ExCo level, the number of women is linked with greater diversity of education, functional background, industry experience, and length of tenure.

This positive association between gender and experiential diversity seems to be mediated by a genuinely inclusive culture and leadership. Our female interviewees at all levels describe working within more inclusive, open and accepting cultures, where they feel valued as individuals rather than as token female talent.

Even where there seems to be relatively little systemic change at the top, women feel that there is now more open consideration and discussion of gender balance as an indicator of fairness in internal promotion processes (both inputs and outputs). This helps all women in the executive pipeline to believe that genuine career-enhancing opportunities are open to them.

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*Reference: Looking beyond corporate boards – drivers of female representation in executive roles, Professor Sucheta Nadkarni, Dr Elaine Yen Nee Oon, Dr Jenny Chu (2016), Cambridge Judge Business School
Structural shifts
2014 saw the largest proportion of women in the UK workplace since records began. Against this backdrop of societal change and increasing numbers of economically active women, companies are revisiting their talent attraction strategies to appeal to experienced female candidates and talented millennials.

This has led to a wider rethink on how roles are resourced and whether an agile working arrangement might not provide much needed flexibility for the individual and for the organisation. Several are trialling ‘returnership’ schemes for experienced female hires and tapping into female leavers/alumnae networks to bring back former female colleagues.

Reputational shifts
Whilst media predictions of a 2016 shareholder spring may have been exaggerated, companies are alert to the viral power of social media in amplifying or undermining their brand values, public reputation and stakeholder relationships.

Our interviewees describe how more attention is being paid to aligning the experiences of all organisational stakeholders. Experienced female professionals are being media-trained and put forward on a regular basis as corporate spokespeople and media commentators.

They see this having several upsides. It presents the company’s corporate culture in a positive light as well as providing encouragement via visible female role models to young women and girls considering their career options. It also helps to nail two of ‘Cracking the Code’s’ most persistent myths, namely that women lack confidence and the leadership qualities needed to make it to the top.

“It [gender diversity] forms part of our due diligence now when we are acquiring a company. No female executives would be a red flag. That change in our policy came about in the last two years and no-one has had a problem with it so far.”
Female Head of Strategy, ExCo–2

“I have been making more of an effort to stay in touch with my extended network. Whilst I think this is helpful for me anyway to broaden my horizons, it has also helped me to hire in a great female interim for a reorganisation project.”
Female HR Manager, ExCo–2

“As part of the senior management team, we rotate our townhall appearances so that we don’t ever show up as all one gender. It is much easier now that we are 55% female.”
Head of Legal Function, ExCo
The executive pipeline is changing. The vast majority of our female ‘Cracking the Code’ interviewees have experienced a career shift in the past two years, either as a result of a maternity leave, a change in employer, an organisational restructure or relocation. Around thirty percent of these shifts were accompanied by either a broadening of responsibilities, a promotion or an enhancement of pay and benefits.

Our research in 2016 indicates that women are heavily invested in their careers. Whilst they may no longer be sticking around with the same employer to the same extent as they were in 2014, they expect more from their careers and are changing employers if they don’t feel reciprocal commitment to their career-building from their managers or leaders.

YSC’s database also shows a steady uplift in the proportion of senior female executives being assessed as part of an external recruitment process.

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>2014</td>
<td>90%</td>
<td>10%</td>
</tr>
<tr>
<td>2013</td>
<td>94%</td>
<td>10%</td>
</tr>
<tr>
<td>2012</td>
<td>89%</td>
<td>6%</td>
</tr>
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</table>

Gender is a bigger blocker than parenting to career progression. But childrearing certainly complicates things. Several of our original ‘Cracking the Code’ interviewees have given birth since early 2014. All are either already back at or plan to return to work. They are working flexibly or blending their work and home responsibilities.

Interviewees earlier down the track are navigating how to maximise parents’ potential shared parental leave opportunities without prejudicing either potential parent’s career trajectory. Attitudes about ‘care-giving’ still seem to conflict with expectations about ‘bread-winning’ whether you are a mother or a father.

Symbolic role-modelling by senior leaders is urgently needed to shift attitudes lower down the pipeline about being successful at home and at work.

It only takes a few women at the top to make a difference. At the most senior levels, female leaders talk openly about changes in executive team dynamics and culture as a result of more women being included in executive decision-making.

CEOs are looking to make their leadership ranks appear more representative of, and accessible to, people from a wide range of backgrounds. A better gender balance is a necessary first step for them.

None of our interviewees made reference to any of the negative stereotypes historically associated with female executives. All were impressed and encouraged by the calibre of senior female appointments in their organisations or disheartened by the regretted departure of others.

More could be done to showcase how women are bringing complementary leadership qualities that are much needed and welcomed at the top.
Myth 8 – High-potential programmes are fast-tracking women

High potential programmes to develop executive talent remain popular. In 2016, eighty nine percent of companies – unchanged from 2014 – ran these programmes for nearly one-third more employees than in 2014. However, this is not wholly good news for women.

The proportion of female participants on high-potential programmes fell by seven percent since 2014. A more heavily male-dominated intake means these programmes tilt against, rather than level the playing field, for women aspiring to get to the top.

YSC’s data supports signs of a downturn in senior female leaders being put through assessments for executive development.

This tailing off of involvement in formal high potential development programmes corresponds with our female interviewees’ experience.

They describe being increasingly encouraged to take up 1:1 internal sponsorship and mentoring opportunities to boost their lines of access to those in positions of influence.

The recent emphasis on encouraging women to build their social capital by being sponsored could be eclipsing a more fundamental requirement to build women’s psychological capital and equipping them with the strategic frameworks, innovative insights and breadth of commercial experience expected of enterprise leaders.

Clearly, female talent benefits from formal leadership assessment and targeted development activity, as well as access to key organisational decision-makers in order to be seriously considered for executive leadership opportunities.
Take up of formal flexible working has not changed radically over the past two years. Women are still more likely than men to work part-time. Nonetheless, in line with millennials’* entry to the workforce and their prioritisation of flexibility and experiential learning, there is a small but significant shift in the proportion of men working flexibly, up from twenty one percent to twenty five percent.

With only three percent of ExCo leaders working part-time, the perception, shaped by observation of senior executives’ 24/7 lifestyles, that flexibility is not compatible with ExCo responsibility remains alive and well.

Of course, flexibility does not relate solely to time spent at work. Courageous role-modelling by leaders at the very top on how to empower others, how to adapt the way they work in response to enabling technology, and how to prioritise physical and psychological well-being also goes a long way to enabling a culture where flexibility and discretionary effort are the norm.

Myth 9 – Formal flexible working arrangements ease women’s route to the top

Myth 10 – The business case for gender diversity is working

In the middle of the executive pipeline, female managers identified relatively little change. Indeed, some feel that gender diversity has been overtaken by a more feasible focus on broader sources of diversity, giving managers more latitude, even laxity, in their people management decisions. This reliance on managers’ personal values and interpretation of policies, leads to very variable local climates for gender diversity.

Diversity is still seen as unrelated to day-to-day business priorities. Very few of our interviewees report any attempt to build a local business case by linking their immediate team’s performance with team diversity. Some believe that this type of ‘up close and personal’ evidence could be too damaging politically. Others are concerned that even in the face of unconscious bias training and published research on the positive effects of gender diversity, managers still feel this is an issue for HR and not something that requires their active involvement.

The performance impact of gender diversity still needs to be validated at a very local level for it to influence individual attitudes and behaviours.

“At my level you have to know when to be flexible and when to be firm. I make it really clear that I need to leave every day at 5.45pm to get home for the kids. When I get comments about being a part–timer, I just remind them who made the most income last year. Because I have a global team, I log on once the kids are in bed to check if there is anything critical that I have to deal with then and there.” Female Head of Trading, ExCo–1

“I was assigned a mentor and he has really helped me in the last 18 months. He has really introduced me to leaders in other parts of the organisation and this has opened my eyes to opportunities that I didn’t know about before. I would really recommend getting an active mentor or sponsor to help you move on in your career.” Female construction professional, ExCo–4

*Reference: Think Future report (2016) 30% Club and KPMG
Unlocking the power of data

Creating a report like this depends on the continuity and quality of data management by participating companies.

The ‘Cracking the Code’ project team has noted little improvement in the quality and availability of corporate data on gender diversity. Indeed, in some cases, participating companies struggled to retrieve the data they had made available to the project team in 2014.

Problems with accessing, collating and interrogating diversity data in organisations contribute to a lack of clarity on cause and effect. So, even where human capital data provides accurate gender demographics, there is relatively little emphasis by the company on exploring what lies behind the trends over time and their significance for business performance.

RECOMMENDATION:

Build your own business case. Pare back gender diversity data collation and analysis to one or two essentials, ideally linking these to organisational outcomes. Make it really clear how gender diversity furthers key organisational aims, e.g. demonstrate how cognitive diversity helps team agility and innovation; illustrate how more women in market-facing roles can create a closer understanding of consumer influencers and show how more women in risk management decision-making roles boost corporate governance.

Responsibility and accountability

2016’s shareholder spring may have focused on executive pay, but the push for transparency on equal pay for both genders remains high on the agenda.

Very few of our female interviewees report having access to personally useful benchmarking information, e.g. on pay and benefits.

A significant proportion of participating companies regularly monitor progress towards a range of diversity targets including gender pay difference, as part of their balanced business performance management process.

Thirty percent of participating companies go further and publicly disclose their aspirations on gender diversity.

Public commitment and transparent reporting create a strong cultural ripple internally, which is often as tangible as linking senior managers’ annual reward with achievement of diversity targets.

RECOMMENDATION:

Make gender relevant to everyone. Be consistent in incorporating gender as one of several lenses for strategic decision-making. Provide people managers at all levels with comparative gender-differentiated feedback on their own management interventions with their teams.

RECOMMENDATION:

Include communication of progress on diversity as one element of regular business performance reporting. Make diversity data easily accessible to employees, e.g. through the use of interactive infographics, to encourage discussion, share what works and encourage fresh thinking.

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Make gender relevant to everyone. Be consistent in incorporating gender as one of several lenses for strategic decision-making. Provide people managers at all levels with comparative gender-differentiated feedback on their own management interventions with their teams.

RECOMMENDATION:

Include communication of progress on diversity as one element of regular business performance reporting. Make diversity data easily accessible to employees, e.g. through the use of interactive infographics, to encourage discussion, share what works and encourage fresh thinking.
Interactions with more female colleagues across the executive pipeline are helping to change men's attitudes towards gender diversity. This is helping to dispel cultural stereotypes about what it takes to succeed and to challenge personal unconscious bias at an individual level.

At the same time, women’s fear of tokenism is ebbing as they identify with an increasingly diverse and influential group of female colleagues. Women are more relaxed about how they are seen and feel less likely to be treated as a unique representative of their gender. This also makes it easier for senior women to support gender initiatives and to sponsor, as well as mentor, other women.

Authentic CEOs, whose words on gender diversity are matched by their actions, benefit from a ‘gender’ effect. They are seen as forward-thinking and inclusive role models, who attract senior female talent to work with them. More could be done, however, to engage middle managers in the need to move beyond their immediate performance management mindset when it comes to encouraging women at all levels of the pipeline to aspire to make it to the very top.

Senior female executives cite corporate nervousness about not being able to deliver a ‘good news story’ on diversity. For that reason, messaging on gender diversity is presented conservatively and often recycled under a ‘work in progress’ banner. Some of the brightest and best talent is discouraged from involvement with stalling diversity initiatives.

Be honest. Gaps between rhetoric and reality do not help the case for diversity. Revisit and refocus aspirations regularly in the light of progress made. Encourage senior male leaders to head up taskforces and address gender diversity like any other organisational change programme.

Encourage women to speak up. Monitor and reward senior female executives for their externally facing ambassadorial efforts on behalf of their organisation or profession. Revisit the funding of gender initiatives. Women’s networks often punch above their budgetary weight by relying on committed women to contribute their time and effort pro bono.

RECOMMENDATION:
Celebrate the real change agents. Set up a range of feedback mechanisms to identify and encourage male allies and champions of change for gender diversity. Reward senior formal and informal male leaders for mentoring and sponsoring female talent. Check the proportion of women undertaking genuinely experience-enhancing development, be that through 1:1 mentoring, or personal sponsorship for work placements or formalised development programmes.

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WHERE THE DATA COMES FROM

**ORGANISATIONS**

- 353K employees
- 15 organisations
- All levels in the pipeline
- 10 FTSE 100, 1 FTSE 250 company, 4 registered outside the UK
- 9 companies are the same as those participating in 2014

**YSC DATABASE**

- 2,907 executive profiles
- 8 FTSE organisations
- ExCo to three levels below ExCo in the pipeline
- 4 hour in depth psychological profiling between 2012 and 2015

**INTERVIEWS**

- 70 interviewees
- 19 organisations
- All levels in the pipeline
- 20 minute semi-structured telephone interview/email correspondence between December 2015 and April 2016
We thank all of the companies who participated in the research and the 30% Club’s Balancing the Pyramid team members.

References and further reading

‘Cracking the Code,’ KPMG, YSC and the 30% Club (2014)

‘Looking Beyond Corporate Boards – Drivers of Female Representation in Executive Roles’, Professor Sucheta Nadkarni, Dr Elaine Yen Nee Oon, Dr Jenny Chu, Cambridge Judge Business School (2016)


The Female FTSE Board Report ‘Women on Boards: Taking Stock of Where We Are,’ Dr Ruth Sealy, Dr Elena Doldor, Professor Susan Vinnicombe, CBE Cranfield University (2016)

‘View from the Top’, KPMG, Why Women Work, YSC and the 30% Club (2016)


‘The Think Future Study’, KPMG and the 30% Club (2016)

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KPMG
KPMG LLP is a professional services firm assisting clients across audit, tax and advisory. Our ‘People Powered Performance’, approach to people issues, known as P³, is designed to take a holistic view of the workforce to show how business and workforce performance indicators are connected, to track overall workforce effectiveness and identify improvement areas. This process is insight and data-rich, allowing evidence-based decisions to be used to enhance business performance through people.

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YSC
We are the world’s premier independent leadership consultancy.

We partner with clients across their leadership and talent agendas, helping organisations to achieve sustainable success by releasing the power of their people. We make broad impact through deep insight, underpinned by rigorous independence and led by qualified, characterful and authentic consultants. We are global in our reach, supporting iconic multinational, regional and local companies, as well as government bodies and not-for-profit organisations. Our key client offerings include cutting-edge services and thought leadership in the arenas of Board and CEO development and succession planning; executive assessment; executive coaching; leadership development; leadership frameworks and culture change; diversity and inclusion; executive team development; and emerging talent and identifying potential.

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30% Club
The 30% Club aims to develop a diverse pool of talent for all businesses through the efforts of its Chair and CEO members who are committed to better gender balance at all levels of their organisations. Business leadership is key to the 30% Club’s mission, taking the issue beyond a specialist diversity effort and into mainstream talent management. The 30% Club adopts a collaborative, concerted business-led approach to support voluntary, sustainable broadening of the pipeline for women at all levels, from “schoolroom to boardroom”.

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Why Women Work
Why Women Work is a unique social enterprise, founded to boost the number of women in corporate leadership roles. Why Women Work deploys a network of experts in their field to partner with executive teams in creating an enabling ecosystem for female talent. Partnering can range from advisory services on diversity initiatives, to demonstrating a live business case for diversity, through to executive collective coaching (‘E-Co-Coaching’) on changing the diversity climate. The underlying ethos is always the same; to understand what is working for women in a specific context and to use this insight to accelerate change.

Why Women Work is committed to social change. Run on a commercial basis, all profits are channelled into supporting pro bono research and activism on gender diversity.

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