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**CRACKING THE CODE:  
GETTING MORE WOMEN INTO  
SENIOR EXECUTIVE ROLES**

**A BLUEPRINT FOR PRACTITIONERS**

# CONTENTS

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- BACKGROUND TO THE RESEARCH AND KEY CONCLUSIONS ..... 1**
  
- 1. A VITAL STRATEGIC ISSUE ..... 4**
  
- 2. A TWIN CHALLENGE: ‘SUPPLY’ AND ‘DEMAND’ ..... 5**
  - 2.1 ‘Supply’ Issues: “You can’t have it all” ..... 5
  - 2.2 ‘Demand’ Issues: an unequal playing field ..... 6
  
- 3. CRACKING THE CODE: HOW TO MAKE REAL PROGRESS ..... 9**
  - 3.1 Establishing a context of commitment: driving change from the top ..... 9
  - 3.2 Creating a supportive ecosystem: optimising a broad set of levers ..... 10
  - 3.3 Making progress sustainable: changing the underlying culture ..... 12
  
- 4. SOME FINAL THOUGHTS: THE NEXT CHAPTER? ..... 14**
  
- SELECTED PARTICIPATING ORGANISATIONS ..... 15**
  
- ABOUT MWM CONSULTING ..... 16**



# BACKGROUND TO THE RESEARCH

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## Refocusing on the 'forgotten' challenge

In recent years, there has been significant and sustained pressure around the world to increase the representation of women on corporate Boards. Formal quotas have been introduced in countries such as Norway, Spain, Finland, the Netherlands and France, whilst other markets have promoted progress through high profile efforts to drive voluntary improvements, such as Australia's 'If Not, Why Not?' initiative and the Davies Report in the UK. The results have been impressive: legislation in Norway, for example, drove female representation on Boards from 7% in 2002 to 40% in 2011, whilst in response to the Davies Report, 45% of the Non-Executive Director appointments to FTSE 100 companies from July 2011 to June 2012 were of women.

This progress is welcome. However, whilst politicians and commentators congratulate themselves on the results of their efforts and continue to consider what further pressure to place on Boards, a much bigger and more intractable challenge remains largely outside of their spotlight – the question of how to improve female representation in the senior executive ranks of major business organisations.

The data here is striking. Across Europe, a recent McKinsey study showed that only 10% of the Executive Committees of major companies in nine countries were women, even lower than the 17% representation of women on Boards. Research by Catalyst in the US revealed a similar picture, with 14% of top executive team members being female, compared to 16% on Boards. It is this paucity of women in Executive Committees and top teams that is in reality the most fundamental issue that needs to be

addressed. For talented and ambitious women in the workforce, their real concern is how likely it is that they will be able to fulfil their potential through the executive ranks; for corporations, the loss of talent and diversity through their inability to promote women as effectively as men represents the much greater cost and potential impact on corporate performance. Moreover, if more women were in the top Executive roles, the future female Non-Executive pipeline would itself be greatly strengthened, thereby reducing the challenge of ensuring Boardroom diversity.

## Cracking the code: our research approach and scope

We have therefore sought to refocus the spotlight onto this issue of improving the presence of women in senior executive roles – both by

seeking to identify the causes of female attrition and to illuminate the barriers faced and, most importantly, by synthesising the lessons that companies are learning on what it takes to make real progress on this thorny problem.

To do this, we conducted in-depth qualitative discussions with the HR Directors of more than 70 major UK and international companies, many of whom

also completed a structured quantitative questionnaire, to understand their own organisations' attitude and approach to the problem. (Many of the participating companies are listed in Appendix 1). To supplement these perspectives, we also spoke at length to over 20 high-performing women to explore their personal experiences on the challenges faced and what it takes to make progress. Finally, we reviewed the external literature on the subject, including recent books written on different aspects of the issue and articles and research published by a range of consultancies.

*The paucity of women in Executive Committees and top teams is in reality the most fundamental issue that needs to be addressed*

# OUR FINDINGS: KEY CONCLUSIONS

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## A ‘slippery ladder’ not a ‘glass ceiling’

The vast majority of companies that we spoke to reported significant rates of attrition as women rose through the ranks: on average, women represented 38% of lower/middle management ranks, but only 11% at Executive Committee level. However, it was striking that attrition occurred at a steady rate throughout the pipeline, indicating that the problem is not one of a ‘glass ceiling’ as often suggested, but much more of a ‘slippery ladder’.

## An acknowledged waste of talent

There was clear acknowledgement that this is a major problem: 70% of our respondents rated the issue as an important or key strategic priority and 91% felt that it was seen as ‘more’ or ‘much more important’ than five years ago. This is in part because more balanced top management teams are seen as bringing diversity of thought, but even more because of the loss of talent that these high levels of female attrition represent. However, addressing the issue was seen to be a real challenge: few of the interviewees that we spoke to were happy with the rate of progress that they were making. Indeed the more effort companies had invested in addressing the issue, the more aware they were of its complex and systemic nature and the difficulties faced in driving a substantial and sustained change.

## A twin challenge of ‘supply’ and ‘demand’

Our research highlighted a complex web of reinforcing barriers that lead to female attrition. Whilst the problems vary from company to company and from country to country, they can be grouped into two interrelated sets of issues – those of ‘supply’ or women choosing to step off the corporate ladder and those of ‘demand’ or the

difficulty faced by women in getting promoted successfully through the ranks:

### ■ ‘Supply’ issues - “You can’t have it all”:

Across the pipeline, a significant proportion of women elect to step off the corporate treadmill, to pursue alternative paths. At the heart of this choice is the difficulty faced - in particular by mothers - of managing competing personal and professional calls on their time. One interviewee recalled the words of the fictional character Cruella de Vil in 101 Dalmatians: “we lose more women to marriage than war, famine and disease”. This challenge is exacerbated by six further factors: the intrinsically demanding nature of senior roles; inflexible working practices; the lack of strong support networks; the scarcity of role models; a perceived lack of persistence on the part of women themselves; and, finally, the availability of more attractive alternatives.

### ■ ‘Demand’ issues - An unequal playing field:

Of equal importance to these ‘supply’ issues is an interrelated set of five ‘demand’ barriers that inhibit women from progressing through the ranks at the same pace as men. Visible and explicit sexism has largely gone; as one veteran female trailblazer observed “the days of finding no ladies’ loos on the executive floor are thankfully behind us’. However, more subtle but no less real barriers remain: the lack of mentoring and sponsorship; women’s perceived lower proactivity and self-confidence; their less comprehensive and rounded career records; the loss of career momentum after maternity; and fundamental but unconscious advancement bias.

*“We lose more women to marriage than war, famine and disease”  
Cruella de Vil*

## The keys to cracking the code

Just as the nature of the challenge varies, so will the best way to address it. Nevertheless, our research suggested that those organisations that are making tangible and sustained progress have recognised that they need to tackle the problem

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via a systematic change programme that focuses in a synchronised way on three elements:

■ **Establishing an unambiguous commitment to change, championed from the top:**

The first step is to establish an unambiguous and unwavering commitment to address the challenge, that is (and is seen to be) championed from the very top of the organisation. Creating this context of commitment has four main components: demonstrating active top management advocacy and leadership; building broad-based buy-in to the need for change; measuring the situation, setting clear targets and ensuring these have real consequences; and crafting a carefully architected change programme.

■ **Creating a supportive ecosystem for women:**

The second critical element is a comprehensive effort to create an organisational environment or ecosystem that gives women the best possible chance to thrive and progress. The precise set of initiatives required will clearly vary from situation to situation but in general companies will need to intervene across eight key areas: initiating targeted recruitment; building supportive networks; driving sponsorship, not (just) mentoring; better managing the return from maternity leaves; embedding flexible working; redesigning working norms; enhancing career development planning; and recrafting evaluation processes. Most organisations have some of these on their radar screens, but all need to be considered; tackling only a few of these in isolation is unlikely to be sufficient to drive the systemic change necessary.

■ **Making progress sustainable by changing the underlying organisational culture:**

Establishing the commitment to change and taking steps to build a supportive ecosystem are both

critical steps, but their impact will be fragile unless concrete actions are taken in parallel to change the underlying organisational culture. Driving this cultural change involves: firstly, systematic efforts to address the mindsets and behaviours that create unconscious bias; secondly, providing active and consistent role modelling; and, thirdly, continuous communication of the progress being made and of key success stories.

### **The next chapter?**

If all companies followed this prescription, then the landscape of opportunities for women would undoubtedly be materially enhanced. However, these changes simply tilt today's playing field of the world of work towards being a fairer one for both genders. A small number of organisations are just beginning to go beyond this to challenge the norms

*Major corporations will need to redesign their working norms and expectations to remain attractive to both men and women*

and expectations of what is fundamentally a 20th Century, male-oriented work model – motivated not only by a desire to turbocharge the pace of progress on gender diversity, but also by the recognition that a number of the concerns and challenges faced by high potential women in balancing professional and personal ambitions are equally shared by 'Generation Y' men.

Going forwards, major corporations will need to redesign their working norms and expectations to ensure that they continue to remain attractive to both men and women versus alternative career options that may offer more meaning and/or flexibility. Equally, they will need to consider how they could appeal to and leverage individuals who – after a period operating more flexibly with a growing family – wish then to return to the corporate world. Even the most advanced thinkers in this area currently have more questions than answers. This will, however, be the next chapter in organisational thinking – and a vital one for companies that wish to win the war for Generation Y talent.

# 1. A VITAL STRATEGIC ISSUE

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Our research confirmed the extent of the problem and the widespread commitment to address it – but also that companies are finding making real progress challenging:

## 1.1 A ‘Slippery Ladder’

Our survey highlighted that, whilst companies in some sectors (such as mining, energy, heavy engineering and infrastructure) face a problem of recruitment, the real issue for most is that women fall out of the pipeline at a much higher rate than men. On average across our questionnaire respondents, women represented 38% of the lower/middle management ranks, but their proportion at Executive Committee level was only 11%. Although the precise extent and shape of the drop-off varied, every single company had a significant issue. Attrition happened throughout the pipeline, suggesting that women do not face a ‘glass ceiling’ as such but rather a ‘slippery ladder’ at each step as they move through the ranks.

## 1.2 An Acknowledged Priority

Not everyone sees this issue as a corporate priority. In some industries like fashion, female representation is already strong. Meanwhile, some respondents felt that immediate financial and performance issues are paramount in today’s challenging times; others argued that focusing on women’s advancement risks diverting attention from the issue of promoting diversity more broadly. However, the consensus view was clear: 70% of our respondents rated the issue as an important or key strategic priority and 91% felt that it was seen as ‘more’ or ‘much more important’ than five years ago. This view reflects four reinforcing factors:

### ■ Diversity of thought:

Diversity of thought is a real asset in teams – and gender balance is a key driver of this. Whilst many of our interviewees felt that the research that tries to show a link between top team diversity

and business performance is far from conclusive, practical experience convinced most of the benefits. “It’s a question of belief and philosophy” said one; “it’s difficult to prove, but you know it’s right” said another.

### ■ Loss of talent:

Even more importantly, in a world where talent is seen as a key source of competitive advantage, the cost of losing many of your potentially most valuable management resources is recognised as huge. “Why would you want to select your leaders from only one half of your management population?” mused one HR Director.

### ■ Meritocracy and fairness:

A number of companies argued strongly that in an organisation based on principles of meritocracy and fairness, it is vital that the best talent rises to the top. For them, the higher attrition rate for women runs counter to this objective.

### ■ Reflecting the customer base:

Finally, B2C companies in particular felt that it is anomalous and unhealthy for their senior management ranks to have low female representation, when women account for the vast majority of their customer base.

Some of the organisations we interviewed are only now beginning to address this challenge, but many have been working to enhance gender diversity for several years already. Progress is being made; indeed data shows that the proportion of women in Executive Committees has doubled over the last five years. But even the most successful companies are finding that this progress is patchy both across geographies and across different functional areas, with relatively few women coming through the ranks in front-line operational, commercial and general management roles in particular. Moreover, it was striking that the more effort companies had invested in addressing the issue, the more aware they were of its complex nature and the difficulties in driving a substantial and sustained change.

*“Why would you want to select your leaders from only one half of your management population?”*

## 2. A TWIN CHALLENGE: 'SUPPLY' AND 'DEMAND'

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So why do so few women reach the top levels of major businesses? There is no simple answer, with the issues varying from company to company, from country to country and indeed from individual to individual. Moreover, our research highlighted a complex web of reinforcing barriers that lead to attrition. Nevertheless, they fall into two groups – ‘supply-side’ issues where women choose to step off the corporate ladder and ‘demand’ issues reflecting the difficulty faced by women in progressing successfully through the ranks.

### 2.1 ‘Supply’ Issues: ‘You Can’t Have it All’

Across the pipeline, a significant proportion of women elect to step off the corporate treadmill, deciding that they would prefer to follow an alternative path. This choice reflects the impact of seven underlying factors:

#### ■ **Competing professional and personal calls on their time:**

At the heart of the challenge for women lies the fact that they are trying to balance their professional and personal lives. Even today, the responsibility of managing the household falls disproportionately on women; recent Eurostat data suggests that European women spend nearly twice as much time on domestic commitments as their male partners. The pressures are particularly acute for mothers who, either through active choice or because of engrained social expectations, will typically take on the primary parenting responsibilities. Juggling both professional and personal ambitions and doing justice to both is an endless difficulty and source of angst and many women conclude that it is simply not possible ‘to have it all’. As Anne-Marie Slaughter has observed, “Women who are both mothers and top professionals must either be rich, superhuman or self-employed”.

*“Women who are both mothers and top professionals must either be rich, superhuman or self-employed”*

#### ■ **The intrinsically demanding nature of senior roles:**

The difficulty of balancing professional and personal aspirations is exacerbated by the requirements of most senior corporate or professional roles. These are hugely demanding positions, typically requiring long hours, significant travel and the willingness to respond to unpredictable crises in a flexible way; this is particularly true of ‘front-line’ commercial, operational and general management positions. Most of the HR Directors that we interviewed felt that these pressures are an inevitable and inescapable part of senior life; as one observed, “the working culture is a tough one – you have to be incredibly committed”. It’s not easy for all women – at key stages in their career – to manage these relentless demands given their other obligations.

#### ■ **Inflexible working practices:**

On top of the demanding nature of senior roles, traditional working practices are deeply embedded in many organisations. A number of our interviewees lamented the pervasive sense of presenteeism that continues to characterise their companies; one commented that “if the Chairman hears that someone’s working from home, he believes they’re skiving”, whilst another observed that “people’s default reaction to flexible working options is ‘no, that won’t work’”. More broadly, there continues to be suspicion – including from many female HR Directors – that most senior roles require full-time commitment; as one put it, “you simply can’t do these jobs part-time.”

#### ■ **Lack of affordable childcare support:**

For many mothers, the feasibility of continuing to pursue their professional careers is inhibited by the lack of support networks that provide alternative childcare. This is an area where there are significant differences across countries based

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on government policies and social norms. In Scandinavia, for example, affordable nursery care is provided, whereas in the UK it is often unattractively expensive for middle managers; in some parts of Asia, family support and domestic help are usually available, whereas in Germany it is not and indeed working women are often stigmatised as ‘Raven Mothers’. There is a clear correlation between the presence of strong childcare support mechanisms and the relative national success of women in the workplace.

■ **Few role models:**

In most companies, women wrestling with the challenges of balancing their professional and personal ambitions have few role models to look up to and learn from. This is partly a question of numbers; there are simply not enough female business leaders. However, it is also the case that many of the senior women that have thrived are not necessarily natural role models for the younger cohorts – whether because they are unmarried or childless, they have ‘stay-at-home’ husbands or they are felt to have become ‘alpha male’ lookalikes in order to thrive. One HR Director summarised the problem well: “women don’t look up and see people that they want to be”.

■ **Perceived lack of ‘persistence’:**

Whilst everyone acknowledged the challenges inherent in pursuing a demanding career at the same time as bringing up a family, we also heard a consistent refrain that too many women are too quick to opt out. Whereas men who are going through a sticky patch in their careers will typically have no option but to persevere and try to rebuild momentum, their female counterparts may – consciously or unconsciously – decide to step off the corporate ladder and refocus their energies elsewhere. “Too many women give up because they can”, said one interviewee; “women will just say ‘enough’, whereas men will tend to

lump it”, suggested another.

■ **More attractive alternatives:**

Finally, women may actively choose to pursue a different career path that they regard as more attractive. For some, work per se just doesn’t play the same role for them as it does for male colleagues; as one HR Director put it, “work doesn’t necessarily define women in the way that it does men” while another commented that “women have other criteria by which they measure happiness”. For others, they are drawn to options that offer them more control of their lifestyles, such as independent consultancy or project work, or a greater sense of perceived purpose and meaning, such as charity work or their own entrepreneurial ventures. They have a flexibility to explore and embrace such alternatives that male counterparts may be unwilling to contemplate.

The importance of these seven ‘supply-side’ factors clearly varies from individual to individual and, of course, they are in practice mutually reinforcing rather than independent issues. Their collective impact, however, is that a significant proportion of high potential women choose to step out – at least for an extended period of time – from the corporate world.

## 2.2 ‘Demand’ Issues: An unequal playing field

Of equal importance to these ‘supply’ issues is an interrelated set of five ‘demand’ barriers that inhibit women from progressing through the ranks at the same pace as men:

■ **Lack of mentoring and sponsorship:**

Women often lack the same degree of mentoring and sponsorship that men receive. There are a number of reasons for this. Firstly, many male leaders may instinctively devote their energies into advising other men who they may perceive as

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natural protégés. Secondly, some of the relatively rare female senior leaders can be reluctant to be seen as supporting other women, whether to avoid accusations of gender bias or because of what one interviewee termed as “the ‘Mother-in-Law’ syndrome”, where they want the younger generation to follow the same path that they did. Finally, some men are reported to be nervous about taking a keen interest in the careers of promising young women, for fear that this may be misinterpreted.

As a result, women often receive less systematic career advice, both on how to navigate the organisation and on how to manage their careers in a way that helps them optimise both professional and personal goals. They may also receive less, and less honest, feedback on the progress they are making and on what they need to be successful. Perhaps most critically, they may not get the same access to the most exciting or developmentally rewarding projects and assignments. In this environment, it is all too easy for high-potential female talent to slip off the pace or feel less fulfilled in their work.

■ **Lower proactivity and confidence:**

Reinforcing this lack of support is the lower level of proactivity and self-confidence that some women are perceived to display. Our interviewees acknowledged that the picture of ambitious, self-promoting men and cautious, self-effacing women is a stereotype – but argued that, like all stereotypes, it is too frequently the case in reality. “Women tend to be cautious and self-deprecating about their talents and so don’t push themselves forward enough”, complained one HR Director; “guys will go for the job they’re 50% qualified for whereas women feel they need to be 95% qualified to apply”, observed another. This picture is by no means universal and has its roots in societal norms; it is striking, for example, that Chinese and

Russian women tend to be much more confident than those in many parts of Western Europe.

■ **Less comprehensive and rounded career records:**

It is often more challenging for women to accumulate the set of career experiences typically expected for advancement to the most senior ranks, in particular general management roles in major international organisations. There are two key barriers. Firstly, women – if they are married and particularly if they have a family – often struggle to see how to make an international assignment work, given that it not only impacts their partner and children but also takes them

away from their support network. Yet such international experience is typically a fundamental and transformational learning experience that companies expect their most rounded senior talent to have had. One HR Director agreed that “our desire to increase international mobility is at odds with our diversity aims; they fight against each other”.

■ **Loss of career momentum:**

The fourth barrier is the difficulty women face in maintaining career momentum when they have children. One strikingly consistent and unexpected insight from the research was that generous maternity leave provisions, such as those in the UK, inadvertently create real challenges. Women who take a lengthy maternity break can lose self-confidence and find it hard quickly to re-engage and get up to speed when they return. One HR Director went as far as to say “rebuilding the confidence of women returning from extended maternity leaves can be as tough as dealing with the long-term unemployed”.

In the same vein, women who move for a period on to part-time programmes or into more manageable functional, staff or project roles can feel left behind by their peers and both feel and be perceived as having fallen off the fast track; it

*“Women tend to be cautious and self-deprecating about their talents and so don’t push themselves forward enough”*

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is often hard for them have the motivation and ability to recapture their previous trajectory. One HR Director concluded that “it’s very hard to ‘slow down’ and then ‘speed up’ your career”. These problems are even more true for women who take an extended career break and are then tempted to try to re-enter the workforce. As one interviewee observed, “once women step out of work completely, they lose experience and confidence”.

■ **Unconscious advancement bias:**

Finally, and fundamentally, women are often the victims of unconscious but deep-rooted bias in the advancement process. Deliberate gender bias is, thankfully, now rare in major corporations; only a handful of the female interviewees we spoke to gave examples of this and they were invariably isolated incidences. However, evaluation and promotion processes do still often tend to be subtly and unconsciously tilted against women in a number of ways:

- **The ‘mirror’ effect:** it is basic human nature, verified by many research studies, instinctively to rate highly people in your image. Given that most people making senior advancement decisions are men, this can predispose them to see greater potential in rising male stars than in female ones.
- **Style over substance:** our interviewees suggested that, in many cases, male executives are seen as more self-confident, vocal and

better networked; this may lead to them being judged as having more ‘gravitas’ and ‘presence’ and thereby rated more highly than female counterparts – whose performance record and underlying capabilities may be at least the equal. As one interviewee put it, “development and performance evaluation systems unintentionally over-reward masculine characteristics”.

- **‘The path most travelled’:** most managers are instinctively more comfortable promoting people whose experience conforms with established and expected career paths. High potential women who have stepped out for periods into part-time roles or into functional or staff positions may find their commitment being questioned or their lack of specific experience being highlighted and so may be ranked less highly than men who ‘tick the boxes’ and look ‘safer’ options. One HR Director warned of the danger that “review processes tend to overvalue experience and undervalue potential”.

These ‘demand’ barriers combine to make it more challenging for women to fulfil their potential and rise through the ranks of major corporations. Moreover, as women sense this, they are more likely to get disenchanted – which, of course, in turn increases the likelihood of the ‘supply’ issues leading them to conclude that they prefer to step off the corporate ladder altogether.

*“Development and performance evaluation systems unintentionally over-reward masculine characteristics”*

### 3. CRACKING THE CODE: HOW TO MAKE REAL PROGRESS

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The causes of the higher levels of female attrition are complex and interrelated. It is no surprise, therefore, that companies seeking to tackle the problem have found making progress difficult – one HR Director observed that “there’s certainly no single silver bullet”, whilst another concluded “the problems are clear but how to solve them is not”.

Just as the nature of the challenge varies across companies and across countries, so will the best way to address it. Nevertheless, our research suggests that those organisations that are making tangible and sustained progress have recognised that they need to tackle the problem via a systematic change programme that has three broad characteristics:

- Unambiguous commitment to change, championed from the top
- Creating a supportive ‘ecosystem’ for women by rethinking a broad set of organisational levers
- Making progress sustainable by changing the underlying organisational culture

Each of these three elements needs to be comprehensively and simultaneously addressed or progress will be slow, incremental at best and fragile – and change efforts will come to be seen as “mere flag waving that soon falls victim to initiative overload”, as one HR Director put it.

#### 3.1 Establishing a context of commitment: driving change from the top

The first element is to establish an unambiguous and unwavering commitment to address this challenge, that is (and is seen to be) championed from the very top of the organisation. Creating this context of commitment has four main components:

- **Active top management advocacy:**  
Wherever we heard of real progress being made,

it was where this issue was firmly on the CEO’s agenda and where he (or she) visibly championed it. “The CEO’s attitudes and behaviour set the tone”, observed one interviewee; “you’ll never solve this without active senior sponsorship”, reflected another. This is as true at a local level as at a corporate one; several HR Directors reflected on strong advances being made even in unpromising geographies – and always because the country MD was personally pushing the issue hard. This is not an issue which can be ‘outsourced’ to a Head of Diversity or even the HR Director; it has to be led from the very top.

- **Broad-based buy-in:**

Whilst top-level leadership is necessary, it is far from sufficient. The need for change has to be bought into by a critical mass of senior and middle managers who will need to support initiatives on the ground. This is not easy to achieve; these managers are often the most resistant to and threatened by change. It is critical to win both minds and hearts – minds through a clearly articulated and relentlessly repeated business case for change, and hearts through making it crystal clear that progress is non-negotiable. One HR director talked of the critical importance of sending the message that “if you don’t get the business case, then get out of the business”.

- **Measurement, targets and consequences:**

Our interviewees universally underscored the central role of measurement – both to clarify the extent and nature of the challenge and to provide a transparent basis for assessing progress. The value of targets was more controversial, with a significant minority nervous that they could serve unproductively to distort behaviour or engender a backlash against change. However, the message from those organisations making the most positive progress was unambiguous: you need targets and failure to meet those targets must have

*“The CEO’s attitudes and behaviour set the tone”*

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consequences. “You need targets with teeth in terms of people’s appraisal and rewards – fear and money are great motivators”, concluded one HR Director. Another was impatient with the notion that management quality and diversity could be incompatible bedfellows: “you have to be able to juggle both dimensions, just like we expect people to be able to hit both revenue and profit targets”, he argued. These targets need to be carefully set and sensibly differentiated across the business – but, without them, progress will be elusive.

■ **A carefully crafted change programme:**

The final step in creating the right context is to design the optimal change programme. As one interviewee put it, “you need to approach this just like you would any other major change effort” – with a rigorous diagnostic to highlight the company’s particular challenges, a tailored suite of initiatives, intelligently sequenced and with clear milestones and accountabilities and real resources provided to lead the change. “This isn’t rocket science”, commented one HR Director, “but it seems to be easy to lose sight of these basics”.

### **3.2 Creating a supportive ‘ecosystem’: optimising a broad set of organisational levers**

The second critical element is a comprehensive effort to create an organisational environment or ‘ecosystem’ that gives women the best possible chance to thrive and progress. The precise initiatives required will clearly vary from situation to situation but in general companies will need to intervene across eight key areas. Most organisations have some of these on their radar screens, but all need to be considered; tackling only a few of these in isolation is unlikely to be sufficient to drive the systemic change necessary.

■ **Targeted recruitment:**

One way of making relatively rapid progress in improving gender diversity at senior levels is systematically to recruit women into key roles; as one HR Director put it, “there should be a ‘war for talent’ for women at the mid-career levels”. Many companies are therefore insisting on more balanced shortlists of candidates for external roles, and redesigning their assessment processes to reduce any potential gender bias – whether through broadening the range of assessment techniques used or ensuring diverse interview panels. Bringing in a number of high potential women does not of course address the underlying reasons why an organisation is failing to develop

that talent itself, but it can help to ‘shift the dynamics’ and reinforce the momentum for change, as well as to provide much-needed role models.

■ **Supportive networks:**

Not everyone is a fan of women’s networks. Some interviewees viewed them as potentially divisive, whilst others accused them of descending into ‘whingeing’ pressure groups. Nevertheless, designed and managed well – and clearly positioned simply as forums for exchanging learnings – they have an important role in giving women a safe environment to swap experiences on how to manage the conflicting pressures they feel and to gain invaluable advice and inspiration on how to succeed. “Providing women access to both internal and indeed external networks is critical in creating a sense of mutual support and connectivity”, observed one HR Director; “there’s enormous value in talking to others who’ve wrestled with the same challenges”, commented another. The key is for these networks not to reinforce any sense of ‘entitlement’, but rather to help women to identify what they can do proactively to help themselves to succeed.

*“You need targets with teeth in terms of people’s appraisal and rewards – fear and money are great motivators”*

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■ **Sponsorship, not (just) mentoring:**

Many companies have put in place mentoring programmes and well-designed initiatives – in particular those where careful consideration is given to who mentors whom, as well as those which include an element of reverse mentoring – are undoubtedly of value.

However, what really makes a difference is providing women with clear sponsors, who actively champion their cause and seek to create opportunities for them. It was striking how many of the most successful women we spoke to pointed to a pivotal individual who took them under their wing, gave them confidence and self-belief, and who took a chance on them relatively early in their careers. Such sponsorship generally happens quite naturally for high-potential men, but is less common for women; consciously engineering it – and ensuring that sponsors understand how their role differs from mentoring – is critical.

■ **Managed maternity:**

Maternity leave – and returning from it – is a period of particular vulnerability for high potential women; it is all too easy for them to feel disconnected while they are away and disorientated when they return. The most successful companies therefore invest significantly in keeping in close touch while women are off – through phone calls or visits from key line managers and providing periodic updates on key business initiatives. “Women need to know and feel that they’re still part of the team”, argued one interviewee. Moreover, the best practitioners seek to design for returning mothers gradual programmes of re-engagement with the world of work, for example through involvement in ad hoc projects; others recognise the importance of designing an explicit (re)induction process to ease people back. “It

*What really makes a difference is providing women with clear sponsors*

*“You have to ensure that flexible working doesn’t have a stigma attached to it”*

is critical to plan these exits and entries really carefully”, concluded one HR Director.

■ **Flexible working:**

The majority of companies have now introduced an impressive menu of flexible working and part-time options; as one HR Director put it, “we have rewritten our policies for the 21st Century”. Flexible working is certainly not seen as a panacea: few, for example, have found experiments with job sharing successful except in very specific circumstances, whilst many stressed that for certain roles, a part-time model

was extremely hard to manage effectively. Moreover, it is striking that in many companies take-up of flexible working options is patchy and organisational inertia is considerable. Overcoming this involves three elements. Firstly, it needs to be made clear that, whilst every case will be treated on its merits, there will be a bias to say ‘yes’ to requests. Secondly, it is incumbent on women to be proactive; “you need the assertiveness and self-confidence to present your boss with a workable solution”, observed one high-flyer on a part-time programme. Finally, success stories of senior managers – men as well as women – prospering down such a path needs to be demonstrated to ensure, as one interviewee put it, “you have to ensure that flexible working doesn’t have a stigma attached to it”.

■ **Redesigned working norms:**

In parallel with flexible working, companies need to challenge established working norms that emphasise time in the office and rely exclusively on face-to-face meetings. Advances in modern technology – both in computing and telecommunications – mean that working from home is perfectly feasible for many tasks and

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that ‘virtual’ meetings, for example via Skype or Telepresence, can eliminate the need for travel. Investing in providing the necessary technology infrastructure has an immediate pay-off in enabling everyone to work in a more ‘agile’ and productive way, and in particular helps parents juggle their professional and personal obligations in a more efficient and seamless way. However, as one interviewee emphasised, “technology is just an enabler; you have to reinforce constantly that use of it is not just possible, but that it’s often preferable”.

■ **Enhanced career development planning:**

Whilst flexible working policies and adaptive working practices can make a significant difference, expecting women to follow the same traditional career paths as men do just doesn’t work for a significant proportion of them, and so companies need to rethink their models in four ways. Firstly, it is vital to try to give women exposure to critical job assignments (such as international moves, cross-functional roles or operational positions) as early as possible in their career, when they have the greatest flexibility; this will require, as one HR Director pointed out, “early and active career management”. Secondly, it is important to challenge engrained beliefs on the requirements of particular roles, to stimulate what one interviewee called “more creativity in designing jobs that can be done flexibly” – for example, by questioning whether people playing global roles necessarily have to relocate to the corporate centre. Thirdly, new ways of giving people exposure to key experiences need to be explored – in particular through specific project assignments, for example. Finally, for those women wanting for a period to step ‘off the fast track’, companies need to design roles that are manageable but also meaningful and developmental – and are seen as such across the organisation.

*“The attitude must be not ‘how do we fix the women’ but rather ‘how do we change the culture so that women can flourish’”*

■ **Recrafted evaluation processes:**

Last, but not least, evaluation and advancement processes need to be redesigned. The objective is not to skew these in favour of women, although it is important to make gender diversity an explicit focus of discussion; many companies have found, for example, that investing particular attention on the progress of high potential female talent is valuable in ensuring that they get access to the right developmental opportunities, whilst others advocated an “explicit focus on whether promotions are proportional”, as one interviewee described it. Instead, what is critical is to bring best practice rigour and insight into processes to counter more effectively the unconscious biases that may be prevalent – to ensure that “promotions become ruthlessly merit-based”, in the words of one HR Director. This involves three key elements. Firstly, it is vital to focus with discipline on the performance outputs that managers have delivered, not just their style. Secondly, 360 degree feedback needs to be introduced, to ensure that comprehensive perspectives are gathered on people’s leadership impact and footprint. Finally, discussions on individuals’ potential must be wary of what one HR Director called “the fundamental bias that ‘everyone needs to be like me’”, but instead anchored in a careful exploration of underlying competencies.

**3.3 Making progress sustainable: changing the underlying culture**

Establishing the commitment to change and taking steps to build a supportive ‘ecosystem’ are both critical steps, but their impact will be fragile unless firm actions are taken in parallel to change the underlying organisational culture. Driving this has three core components:

■ **Changing mindsets and behaviours:**

Most fundamentally, it is vital to address the often

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unconscious mindsets and behaviours that create barriers for women and to build an environment where all managers seek to generate an open and inclusive culture. “The attitude must be not ‘how do we fix the women’ but rather ‘how do we change the culture so that women can flourish’”, suggested one HR Director. Many companies have introduced highly successful programmes to educate managers on the actions that lead to unconscious bias or make it harder for women to unlock their full potential, as well as providing them with specific tools on how to change their behaviour to deal with this. One interviewee described the positive impact of such a programme as twofold – “coaching women and training men”. We heard of a wide range of different types of intervention and the best way to tackle these unconscious biases is not yet clearly established. Nevertheless, making a real and sustained effort to do so is essential if change is to be built on the most solid foundations.

■ **Providing active and consistent role modelling:**

As with any change programme, it is essential that the actions that people see from their senior leaders serve to reinforce the words that they are hearing. This is not always the case: one HR Director observed ruefully that “the CEO is a strong advocate for gender diversity but often serves to undermine it through his overly demanding work ethic”. In the companies that are making the greatest progress, there is not only a growing

critical mass of senior women who provide positive examples of what can be achieved, but also top male leaders who role model the desired new ways of working – for example, by themselves taking time off to get to their children’s school plays or sports days or actively promoting flexible working initiatives with some of their own teams. “You need to have role models from both sexes who make the new ways of working normal”, argued one interviewee.

■ **‘Communicate, communicate, communicate’:**

Finally, continuous communication has an invaluable role to play, not only in ensuring widespread initial understanding of the case for and commitment to change, but also in maintaining momentum over time. One HR Director talked of “the pivotal importance of visible celebration of successes” and many companies make effective use of newsletters, webcasts and networks both to reinforce that progress

is being made and to provide examples of the different approaches and models being followed. As part of this, explicitly sharing key metrics on the levels of gender diversity in different functions and geographies not only gives everyone a clear sense of the pace and extent of change, but also helps to add some pressure on the relative laggards.

*“You need to have role models from both sexes who make the new ways of working normal”*

## 4. SOME FINAL THOUGHTS: THE NEXT CHAPTER?

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Improving gender diversity is not easy. However, it is possible to make real progress by following a systematic change programme that: establishes an unambiguous commitment to change, championed from the top; creates a supportive ecosystem for women by redesigning a broad set of levers; and makes progress sustainable by changing the underlying organisational culture.

If all companies followed this prescription, then the opportunities for women would be materially enhanced. However, what these changes essentially do is tilt the playing field of the current world of work towards being a fairer one for both genders. A small number of organisations are just beginning to explore a more radical set of ideas that would go beyond this to challenge the norms and expectations of what is fundamentally a 20th Century, male-oriented work model.

These organisations are motivated not only by a desire to turbocharge the pace at which they make progress on gender diversity, but also by the recognition that many of the concerns and challenges faced by high potential women in balancing professional and personal ambitions are equally shared by ‘Generation Y’ men. These individuals are, like most women, highly demanding in wanting to feel that their work has real meaning beyond a narrow ‘commercial’ perspective; they are keen to take a more active role in the parenting of their children than previous generations and so expect that their work will be flexible enough to accommodate this; and, often with working partners themselves, they are more sceptical of the attractiveness of international assignments.

In this context, major corporations will need to explore how to redesign their working norms and expectations to ensure that they continue to

remain attractive, for both men and women, versus alternative options that may offer more meaning and/or flexibility – such as entrepreneurial careers, working on a ‘freelance’ basis or operating in the ‘third sector’. Equally, they will need to consider how they could appeal to and leverage individuals who – after a period operating more flexibly with a growing family – wish then to return to the corporate world. One HR Director summed up the challenge well: “we currently see this as a gender problem, but a lot of the issues overlap with the question of how we remain attractive to Generation Y women and men”. Addressing this challenge will require much more fundamental reforms and the most advanced thinkers currently have more questions than answers. This will be the next chapter in organisational thinking.

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*“We currently see this as a gender problem, but a lot of the issues overlap with the question of how we remain attractive to Generation Y women and men”*

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Improving the proportion of women in the senior ranks of major corporations is a critical challenge – not only to enhance diversity but also to avoid the huge loss of talent that the currently high attrition rates imply. Addressing the challenge is not easy but progress can be made by those showing real leadership commitment, pursuing a systematic and broad-based set of changes to key levers and supporting this with cultural and behavioural change to address the barriers that impede female high-flyers. We would like to thank the many companies that contributed to this research and hope that this document provides useful insights to CEOs and CHROs on how to help women fulfill their potential. Cracking this problem will undoubtedly be key for companies to create the talented and effective leadership teams required to win in today’s competitive world.

## APPENDIX 1: SELECTED PARTICIPATING ORGANISATIONS

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ABF	ICAP
ACE	Informa
Aegis	Invensys
Amey	ITV
Amlin	John Lewis Partnership
Anglo-American	Kingfisher
ARM	KPMG
AstraZeneca	Legal & General
Aviva	Linklaters
Bain	McKinsey
Barratt Developments	Mitie
BCG	National Grid
Betfair	NATS
BP	PepsiCo
Bunzl	PwC
BUPA	Rio Tinto
Burberry	Rolls-Royce
Cantor Fitzgerald	RSA
Centrica	SABMiller
Clear Channel	Severn Trent
Close Brothers	Stagecoach
Coca-Cola	Standard Chartered
Computacenter	Talk Talk
Croda	Travis Perkins
Dairy Crest	UBM
Drax	Unilever
DSM	Unipart
Experian	Unite
e2v	Vitec
Fidelity	Vodafone
Freshfields	Whitbread
Hibu	Xstrata
HRG	

## APPENDIX 2: ABOUT MWM CONSULTING

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MWM Consulting is a leading Board advisory and search firm and acts for a number of the largest companies in the world, both in the UK and internationally. In the UK, we have supported the appointments of over 15% of the current FTSE 100 Chairmen and CEOs; a third of our work is for similar global enterprises based outside the UK and during the last two years we have worked with clients in markets across North America, Continental Europe and Asia.

MWM has long been committed to improving gender diversity on Boards by supporting strictly merit-based appointments of high quality female Directors. We have, for example, been involved in the appointments of 20% of the women currently sitting on FTSE 50 Boards and 15% of the women in the FTSE 100. In 2009, we launched our pioneering 'Women for Boards' initiative, aimed at helping the rising generation of female executives to secure their first FTSE 250 Board roles. In 2011, we were part of the team that drafted the Headhunters' Code of Conduct in response to Recommendation 8 of the Davies Report. Over the last year, 40% of our Non-Executive Director assignments have led to the appointment of female candidates.

This research into 'Cracking the Code' was led by three of our team:

■ **Michael Reyner** joined MWM Consulting in 2007 and leads Board and Executive search work with top international clients across a wide range of sectors. He was on the team that drafted the Headhunters' Code of Conduct in 2011. Before joining MWM, Michael was at McKinsey for 15 years where he was one of the partners leading the European Consumer practice.

■ **Louise Vottrup** joined MWM Consulting in 2012 from the Rose Partnership and focuses in particular on Financial Services clients. She holds an MSc in Organisational Psychology and her dissertation was on the topic of 'Women in Leadership', investigating advancement bias. Louise co-leads MWM's 'Women for Boards' initiative. She has previously worked in both Toronto and Copenhagen.

■ **Eve Ramsay** joined MWM in 2008, having previously worked at Sainty Hird. She has co-led our 'Women for Boards' initiative since its inception in 2008. She works on Executive and Non-Executive assignments across a variety of sectors.

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