WHEN WOMEN THRIVE
BUSINESSES THRIVE
WHEN WOMEN THRIVE, BUSINESSES THRIVE
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ABOUT MERCER

Mercer is a global consulting leader in talent, health, retirement, and investments. Mercer helps clients around the world advance the health, wealth, and performance of their most vital asset — their people. Mercer’s more than 20,000 employees are based in 42 countries, and the firm operates in over 140 countries. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy, and human capital. With over 53,000 employees worldwide and annual revenue exceeding $11 billion, Marsh & McLennan Companies is also the parent company of Marsh, a global leader in insurance broking and risk management; Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; and Oliver Wyman, a global leader in management consulting. For more information, visit www.mercer.com. Follow Mercer on Twitter @MercerInsights.

PREPARED IN COLLABORATION WITH EDGE CERTIFIED FOUNDATION

EDGE is the only global assessment methodology and business certification standard for gender equality. The EDGE assessment methodology was developed by the EDGE Certified Foundation and launched at the World Economic Forum in 2011. EDGE Certification has been designed to help companies not only create an optimal workplace for women and men, but also benefit from it. EDGE stands for Economic Dividends for Gender Equality and is distinguished by its rigor and focus on business impact. The methodology uses a business, rather than theoretical approach that incorporates benchmarking, metrics and accountability into the process. It assesses policies, practices and numbers across five different areas of analysis: equal pay for equivalent work, recruitment and promotion, leadership development training and mentoring, flexible working and company culture.

EDGE Certification has received the endorsement of business, government and academic leaders from around the world.
WHEN WILL WOMEN THRIVE?

This is a question with profound implications for businesses striving to establish competitive advantage, because the link between women’s participation in the workforce and economic growth has never been clearer. It is also a question of urgency for women themselves — and for the families and communities that depend on them. According to the World Economic Forum’s Human Capital Report, women continue to be underrepresented in the workforce in every country and for every age group. They also hold less than a quarter of senior management roles globally.

In our work with leading companies from around the world, we have seen firsthand the costs to businesses unable to secure and effectively utilize their female talent pipelines. We’ve also seen the cost to women, who continue to earn less than men for the same roles and who frequently receive fewer promotions and leave the workforce in greater numbers. The female talent pool is growing and becoming increasingly skilled in many parts of the world. It now comprises more than 50% of global university attendees and graduates today and possesses key insights into the needs of more than half the customers of many businesses. Developed and developing economies alike will thrive only when this female talent pool is productively tapped and engaged; this is an opportunity that we can no longer afford to miss.

While the diversity efforts of the past several decades have resulted in some improvements in women’s participation rates and career trajectories, the research in this report shows that we’re still decades away from true gender equality — if we keep doing what we’re doing. It’s time to start thinking differently so we can act differently to support the unique needs of female employees in our workforces and, thereby, realize the benefit of their full participation.

This research follows on the trailblazing efforts of many organizations committed to improving gender diversity in our businesses and in our other societal and economic institutions. We particularly want to thank the EDGE Certified Foundation, which served as an important advisor for Mercer on this research initiative.

We also want to acknowledge the foundational work of Catalyst, the World Economic Forum, and the Women’s Forum for the Economy & Society. Through research such as the World Economic Forum’s Gender Parity Report and Human Capital Report and Catalyst’s research on equity in business leadership and career pathways, events such as the Women’s Forum for the Economy & Society’s recent 10th-edition Global Meeting, and EDGE’s business certification standard for gender equality, these organizations and others are shining a spotlight on this critical problem, documenting the business case for gender diversity, illuminating trends and barriers, and seeking meaningful solutions to create a tangible impact.

Furthermore, we want to thank the great employers we have had the privilege to work with on this issue, many of which participated in the research and are deliberately and meaningfully pushing gender diversity forward in their own organizations in innovative ways. Their experience and track records demonstrate how much more progress can be achieved when proactive, coherent, and evidence-based policy interventions are backed by true leadership commitment to and hands-on engagement with gender equality.

Of course, the reasons for the global persistence of gender inequality in the workplace are numerous: educational disparities, cultural norms, women consistently taking on the lion’s share of caregiver responsibilities, and the absence
of consistent enabling infrastructures in countries across the globe (including anti-discrimination laws, support for child and elder care, and the availability of transportation and communication technologies), among others. Employers are a crucial constituency with enormous ability to influence the participation and engagement of women in the workforce. But given the wide range of factors at play, it is clear that truly moving the needle on gender diversity will require a multi-stakeholder approach — the best thinking and collaborative engagement from employers, academics, governments, and nongovernmental organizations (NGOs) — that encompasses an understanding of women’s unique career, health, and financial management needs across their professional lifecycle and determines the most effective ways to meet them.

Much work is already under way, including the past few decades of pioneering and foundational gender diversity research by public and academic organizations; new government investments in education and infrastructure; work by NGOs to reduce gender disparities in health; and efforts by universities to attract and graduate more women. Yet there is no denying that employers and societies still struggle to significantly advance gender equality. Progress has been too slow.

So this research is different. Mercer undertook to understand how organizations can do better — so that we don’t have to wait several more lifetimes for women to achieve full participation in the workforce. We reached out to a large set of employers globally and relied on an objective, statistical analysis of the links between their survey responses and actual patterns of female representation and talent flows to uncover the real story of what drives gender diversity in organizations. Our goal is to create the basis for an open and ongoing dialogue leading to real change. Some of our findings challenge conventional wisdom on what works and what doesn’t. They suggest that certain standard practices are at best necessary, but not sufficient, conditions to achieve breakthrough results. We think it is important to understand these distinctions. Neither employers nor women have any more time to lose on well-intentioned but insufficient solutions.

To be clear, we are not arguing for 50/50 math. We don’t define success as having numerically exact gender equality in every organization and in every job level and role. Rather, the goal is to establish a pervasive culture across organizations, and geographies, where diversity is embraced as the norm, where women feel they can thrive and actually do so, and where businesses see the winning results.

Now is the right time for women to thrive. Despite the challenges that remain, we’ve never been more optimistic about the prospects for progress. After all, our businesses and societies urgently need to make progress on diversity today in order to create powerful and productive engines of economic progress tomorrow.

Patricia A. Milligan
President, Mercer North America
ORGANIZATIONS GLOBALLY ARE FAR FROM ACHIEVING GENDER EQUALITY

Based on 178 submissions from 164 companies in 28 countries covering 1.7 million employees — including more than 680,000 women — we find that:

- Women continue to lag men in overall workforce participation and in representation at the professional though executive levels.
- Current female hiring, promotion, and retention rates are insufficient to create gender equality over the next decade.
- Current talent flows will move more women into top roles over the next decade — but not in Northern America.

THE FIVE KEY DRIVERS OF GENDER DIVERSITY

Standalone programs and siloed initiatives are not advancing gender diversity. Statistical analysis of the data provided by respondents reveals the following key drivers:

1. A broad, enterprise-wide focus is linked to sustainable change. Organizations that focus on broad and holistic approaches to support female talent have more comparable talent flows for women and men than those that do not.

2. Accountability is not enough — leadership needs to be engaged in promoting and managing diversity. Formal accountability turns out to be insignificant in increasing gender diversity when divorced from true leadership engagement. But organizations where leaders are actively involved in diversity programs have more women at the top and throughout the organization as well as more equitable talent flows between women and men.

3. The active management of talent drives more favorable outcomes than traditional programs. Simply implementing programs to support women’s needs is not enough — and may actually slow the trajectory for women in the absence of proactive management of their careers. Specifically, we found that:
   - Actively managing pay equity, as opposed to making a passive commitment, drives gender equality.
   - Ensuring that women and men have equal access to profit and loss responsibilities leads to better gender diversity outcomes.
   - Simply implementing traditional “check-the-box” leave and flexibility programs is not sufficient to improve gender equality — and may even hurt diversity efforts when not complemented by proactive coaching.

4. Nontraditional solutions impact firms’ long-term ability to engage and retain female talent. Innovative programs that target women’s unique health and financial needs are helping organizations better attract, develop, and retain female talent, and include:
   - Customized retirement solutions geared toward women’s unique financial behaviors, attitudes, and needs — such as differences between women and men in lifetime earnings; in longevity, which impacts the length of time savings need to last; and in investing behavior.
   - Health-related programs, when prioritized and focused on the needs of women.
EXECUTIVE SUMMARY

5. **Men and women offer employers different but equally important skills.** While companies view female and male managers as having somewhat different strengths, they rank those strengths as equally important to success. Our conclusion is that organizations need a mix of different skills for business success — and must look to a diverse workforce in order to access those skills. And indeed, we find that companies that embrace the different strengths that men and women bring to their roles are more successful at achieving gender diversity.

AN APPROACH FOR ENHANCING GENDER DIVERSITY IN YOUR ORGANIZATION

While the solutions will be different for different organizations, we suggest a common process consisting of the following steps:

1. **Admit you have a problem … and an opportunity.** Put the tough questions on the table, be transparent, and gather the data necessary to analyze where you are today and what stands in the way of real change.

2. **Base your gender diversity strategy and priorities on robust workforce analytics.** Use an evidence-based approach to identify and drill down into your own unique drivers of and barriers to gender equality.

3. **Align your diversity strategy with your talent strategy.** Ensure that your strategy for improving gender diversity doesn’t run counter to your underlying approach to managing talent, including whether you tend to “build” or “buy” your talent, the emphasis you place on talent mobility, and the relative importance you give to supervisory roles, among other things.

4. **Implement new programs and benefits ONLY in the context of an enabling environment.** Foster an organizational culture that is comfortable with different employees contributing to the overall enterprise in different ways and that actively manages women so they effectively utilize available programs and benefits in the context of their overall career development.

5. **Broaden your understanding of what it takes to support women.** Look beyond typical programs when considering how best to support and enable all talent. For example, we find that gender-specific programs focused on either health or financial wellness, neither of which is a common practice today, are associated with improved diversity.

6. **Collaborate with other stakeholders in the macro environment to impact the female talent pipeline.** Position yourself for success by taking a macro-system approach to collaborate with other key stakeholders that can influence the supply of female talent, including schools, governments, public health organizations, industry groups, and NGOs.

By taking this approach to design unique solutions aligned to your own unique circumstances, you will be poised to achieve gender equality years — and possibly even decades — before your competitors.
Organizations that agreed to be named include:

- 3M
- Acando
- Accor
- Alstom
- Amadeus
- Amgen
- Apotex
- Arriva
- Arrow Electronics
- AT&T
- Avery Dennison
- Avon
- Banco Hipotecario
- Belatrix Software
- Belgacom
- Bell
- Blue Shield of California
- Boeing
- Brownells
- BT
- Bunge
- CA Technologies
- CA Institute of Technology
- Capital Group
- Carvalho Educación
- Caterpillar
- Cementos Progreso
- CGG
- CH2M Hill
- Charles Schwab
- City of Olathe, Kansas
- Clayton Utz
- Club Assist
- ConAgra Foods
- Continental
- Crawford & Company
- CSL Behring
- CUNA Mutual Group
- Daimler
- Dannon
- Decathlon
- Deloitte
- Edebe Group
- Educational Testing Service
- Embraer
- Enbridge
- Ericsson
- Erste Group
- Falabella
- First American Financial
- Fujitsu
- Gleason
- Grace
- Graphic Packaging International
- Hershey
- HSBC
- Humana
- ICL
- IFA Celts
- IHS
- Indra
- ING Direct
- International Flavors & Fragrances
- Intesa Sanpaolo
- Jacobs
- John Lewis Partnership
- Johnson Controls
- Kinross Gold
- LandCorp
- Laurentian Bank
- Leighton Holdings
- Lexmark
- Lindorff Group
- Lowe’s
- Marsh & McLennan Companies
- MassMutual
- MasterCard
- McCain Foods
- Mercer
- MetLife
- Molinos
- Monsanto
- Motorola Solutions
- Mundicenter
- National Bank of Canada
- National Democratic Institute for International Affairs
- Natura Cosméticos
- Neste Oil
- Nestlé
- Nissan
- Nomura
- Northwestern Mutual
- Oxfam
- Pacific Life Insurance
- Pan American Silver
- Pernod Ricard
- Perrigo
- PG&E
- Portugal Telecom
- Principal Financial Group
- Proeza
- Raytheon
- Reliance Home Comfort
- Schneider Electric
- Schneider National
- Simplot
- SKF
- Solar Turbines
- Solvay
- SPX
- SunTrust Banks
- TechMahindra
- Tenzing
- Tetra Pak
- The Canadian Real Estate Association
- The Phoenix Group
- Tieto
- TUH
- Unilever
- UnitedHealth Group
- URS
- Waters
- West Corporation
- Wheaton Franciscan Healthcare
- Xylem
- Zinfra Group
SECTION 1. IT’S TIME TO THINK DIFFERENTLY AND ACT DIFFERENTLY

IT’S 2014: DO YOU KNOW WHERE YOUR FEMALE WORKFORCE IS?

It’s been over 40 years since the mass arrival of women in the corporate workforce and 50 since the passage of the first equal pay laws. Over 30 years have passed since the problem of the “glass ceiling” came under discussion and 20 since organizations created their first formal diversity plans. So are women thriving in today’s global workforce?

Unfortunately, the answer is no. Women continue to be significantly underrepresented at all levels in labor forces worldwide. The Human Capital Report, released by the World Economic Forum with Mercer in 2013, found that only 60%–70% of the eligible female population participates in the global workforce — compared with male participation in the high 80s — and that this trend persists across all geographies, developed and developing, and across all age groups. (See Figure 1.1.) Moreover, the World Bank reports that global labor force participation rates for women ages 15–64 have actually declined over the past two decades.

The discrepancy between male and female representation becomes even more conspicuous at the most senior levels of organizations today. Women make up less than 5% of Fortune 500 CEOs and hold less than a quarter of senior management roles and just 19% of board seats globally. Gains in salary equality that women achieved in the 1980s have since stagnated. Based on our own work with organizations, we continue to see substantial and persistent pay disparities for women across groups in large, global corporations — differences that should be proactively addressed. And research shows that in North America, Europe, and Asia, while women and men are equally likely to aspire to positions of leadership, women get fewer of the high-visibility, mission-critical roles and international experiences — the so-called hot jobs — that are key to getting ahead at global companies.

The data collected for this report from organizations in 28 countries tell the same story: While men and women enter organizations in roughly equal numbers at the bottom, their representation falls off dramatically midway up the ladder; at the top, there are few women left. Consider this unfortunately typical story of how men and women move in, through, and out of an organization — in this case, a financial services company.

The Internal Labor Market (ILM) map for this company (see Figure 1.2) illustrates talent flows and, more specifically, the inability of the organization to successfully draw from the female talent pool. Many organizations today have a similar ILM map. The organization suffers from declining representation of women by career level. Indeed, there is a “ceiling” for women between levels three and four where women are promoted at significantly lower rates than men; not coincidentally, women are more likely to exit the organization at that level. (There is also less hiring of women directly into senior levels, even relative to their low representation.) Further analysis of these workforce flows shows the organization will move even further away from equal representation in the years to come if it fails to take action.
SECTION 1. IT’S TIME TO THINK DIFFERENTLY AND ACT DIFFERENTLY

FIGURE 1.1: GLOBAL LABOR FORCE PARTICIPATION FROM HUMAN CAPITAL REPORT

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>0-4</td>
<td></td>
<td></td>
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<tr>
<td>5-9</td>
<td></td>
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<td>15-19</td>
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<td>95-99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100+</td>
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- Total population
- Labor force participation
- Gap in labor force participation rates, relative to males
- Labor force participation

% of total population
For over 20 years, Mercer has used Internal Labor Market (ILM) maps and statistical modeling to diagnose issues related to talent flows inside organizations across hundreds of companies and industries. An ILM map is a graphical representation of the talent pipeline in an organization. It summarizes, for each standard career level, the rate at which talent is coming into the organization, moving up through the hierarchy, and ultimately exiting the workforce. Figure 1.2, for example, shows that women make up 89% of the population at level 2 and just 29% at level 5.

The map also suggests how such representation might be changed over time by flows — that is, by hire rates for women and men (relative to their current representation in the level), promotion rates for women and men (relative to their current representation in the source level), and turnover rates for women and men (relative to their representation in the level). In Figure 1.2, we see that, relative to their current representation in level 5, females are hired at a rate of 3% (data to the left of the bar), exit at a rate of 3% (data to the right of the bar), and are promoted out of the level at a rate of 4% (arrow above the bar).
SECTION 1. IT’S TIME TO THINK DIFFERENTLY AND ACT DIFFERENTLY

WHEN WOMEN THRIVE, FAMILIES, COMMUNITIES, AND NATIONS WIN

Given the size of the untapped female workforce and the pivotal role that women play in society as providers, caregivers, decision makers, and consumers, the extent of their participation in the workforce has major implications for the economic and social development of communities and nations. Economists have calculated that eliminating the gap between male and female employment rates could boost GDP in the US by 5%, in Japan by 9%, in the United Arab Emirates by 12%, and in Egypt by 34%. And because women are more likely than men to invest a large portion of their household income in the education and health of their children and in the development of their communities, higher workforce participation by women “could contribute to broader economic development in developing economies, for instance through higher levels of school enrollment for girls” and improvements in healthcare.

The bottom line is that continued growth in both developing and developed countries depends on getting and keeping more women in the workforce. Increasing female workforce participation is a global economic and societal imperative.

WHEN WOMEN THRIVE, BUSINESSES WIN

The underutilization of female talent is also a critical business issue. A significant body of research and industry reports throughout the past two decades suggest a link between larger female representation in the workplace and various company performance measures — including better financial performance such as higher return on sales, equity, and invested capital; higher operating results; greater stock price appreciation; and more.

• “Achieving a more gender-balanced workplace creates efficiency savings, enhances employee engagement, boosts productivity, meets the diverse needs of customers and suppliers, and improves brand reputation.” (Business in the Community, Food For Thought Fact Sheet — The Business Case for Gender Diversity, 2012)

• “Companies with [the strongest] record of promoting women to the executive suite … outperformed industry medians, with overall profits 34% higher when calculated for revenue, 18% higher in terms of assets and 69% higher in regard to equity.” (Roy D. Adler, PhD, Pepperdine University, Women in the Executive Suite Correlate to High Profits)

• “Companies where women are most strongly represented at board or top-management level are also the companies that perform the best.” (McKinsey, Women Matter 1: Gender diversity, a corporate performance driver, 2007)

The reasons for this are likely related to the insights that diverse talent bring to the business, their ability to understand and design products and services aligned to the needs and wants of increasingly diverse customers, and the positive brand image resulting from greater gender diversity.
When women thrive, businesses thrive

**FIGURE 1.3: PROJECTED WORKFORCE IN 2024 FOR THE AVERAGE GLOBAL ORGANIZATION**

Reading Illustrations of Future Workforce Projections

A workforce projection uses the average talent flows from the ILM map and forecasts how female representation at the executive level would change if dynamics were to persist over time. If men and women enter the organization at the same rates as they do now, if promotion rates remain unchanged and turnover stays stable, how quickly and to what extent would female representation improve? In Figure 1.3, which shows 19% female representation at the executive level in 2014, the baseline scenario — assuming no changes to hires, promotions, and exit rates — suggests the percentage can increase to 36% over the next decade. Each additional line approximates future representation if hire, promotion, and exit rates for women were made comparable to those of men. The highest line represents the incremental opportunity to organizations if they were to increase female hiring and promotion rates and reduce female turnover rates to be equal to men’s at all levels.
SECTION 1. IT’S TIME TO THINK DIFFERENTLY AND ACT DIFFERENTLY

TRADITIONAL APPROACHES ARE NOT SUFFICIENTLY MOVING THE NEEDLE

Up until now, employers have focused on well-intentioned but narrowly defined diversity and inclusion policies and practices such as business resource groups, mentoring, and raising awareness to increase the representation of women in their organizations. Unfortunately, our research confirms what we already suspected — it’s not working.

This study covers 164 organizations around the world employing over 1.7 million employees — including more than 680,000 women. Based on our findings, Figures 1.3 and 1.4 show the projected increase in female representation at the average respondent organization over the next 10 years if current approaches are left unchanged. Under current trajectories, we will see only a third of executive positions held by women by 2024. Even more troubling, in the mature economies of Northern America, women will hold only about a quarter of executive positions in the average organization by 2024, with much more of the growth in female representation occurring in the developing world.

In short, we not only find that gender equality is still a distant dream and female talent a squandered resource, but also that if we stay the course with traditional diversity practices — if we don’t begin to think differently and act differently by applying new approaches to this problem — progress will be modest one, five, or even 10 years down the line, leaving organizations far short of gender equality.

FIGURE 1.4: PROJECTED WORKFORCE IN 2024 FOR THE AVERAGE ORGANIZATION IN NORTHERN AMERICA

<table>
<thead>
<tr>
<th>CURRENT AND PROJECTED HEADCOUNT</th>
<th>CURRENT — 2014</th>
<th>5-YEAR PROJ. — 2019</th>
<th>10-YEAR PROJ. — 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BASELINE %</td>
<td>WITH CHANGES %</td>
<td>BASELINE %</td>
</tr>
<tr>
<td>Female executives</td>
<td>24%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Male executives</td>
<td>76%</td>
<td>76%</td>
<td>74%</td>
</tr>
</tbody>
</table>

- With simultaneous adjustments
- With adjusted promotions
- With adjusted hiring
- With adjusted turnover
- Baseline
WHAT IT MEANS TO THRIVE

So what does it mean for women to thrive? In our view, it is not a simple, standardized, one-size-fits-all answer — and it is not just about getting women to the top. Of course, that is an important goal that is part of the equation — but thriving means more than that for women and organizations in today’s dynamic environment. We believe women thrive when:

• They are strongly represented at all levels of the organization — in comparable proportions to men — and there are no perceived or actual barriers to their ability to move through the organization and progress to the highest levels.

• They are paid and rewarded fairly.

• Their competencies are recognized and their leadership is embraced.

• They see a path to contribute at whatever level and in whatever way they choose; not necessarily to get to the top or even work full time, but to be engaged, able to advance (if that is what they seek), and able to live the way they want to live.

• They are evaluated based on outputs and business-relevant capabilities and not on stereotypical inputs such as “face time” in the office.

• There is a sense of security in all areas of their lives — they see equal opportunity in the workplace, are healthy, and benefit from financial peace of mind.
A PERSONALIZED APPROACH FOR ORGANIZATIONS LEADING THE WAY

A few leading companies that have figured out how to implement effective customized gender diversity strategies are seeing the results. A notable example of such success is Kimberly Clark Corporation, which has undertaken a very focused and aggressive approach to increasing diversity in its leadership ranks. Through a combination of hands-on leader engagement and reliance on rigorous analysis of talent flows, the company has managed to move the needle dramatically and in very short order. Kimberly Clark’s achievements with respect to gender diversity earned the company the 2014 Catalyst award.14

As another example, the organization depicted in Figure 1.2 went beyond the simple numbers game of tracking representation levels to understand the underlying causes of observed disparities in promotion rates at the transition point into managerial levels. It learned that it could counter its “glass ceiling” through targeted action. Further analysis for this organization, both quantitative and qualitative, revealed that women below the ceiling were in different roles, were less likely to have a graduate degree, and were also more likely to be on reduced schedules. The solution, therefore, included a review of required job qualifications, an improved tuition reimbursement program, enhanced training programs, and management education to help protect against long-term negative outcomes for those taking leaves and/or working part time.

Though this report focuses on expanding our understanding of which approaches are most impactful for obtaining and engaging female talent globally, we note that the right solution is always highly dependent on the particular organization’s strategic, operational, and cultural context. For some, as was the case in the example just cited, success relates to the provision of training and managerial education. For others, it may relate to getting women into supervisory roles earlier in their careers or facilitating mobility of women across functions, business segments, and geographies. For still others, success might require prioritizing pay equity initiatives or gender-specific health campaigns. Deep-dive diagnosis of the issue across HR and diversity and inclusion programs will determine the most robust solution.

A HUGE OPPORTUNITY — OR A MISSED ONE?

The good news is that for organizations and nations facing an aging and shrinking workforce, this underutilized female workforce represents a big opportunity for them to compete, grow and win.15 Recognizing the abundance and quality of the female talent pool and women’s increasing predominance among the more educated, high-skilled segments of the labor force, leading employers are working to figure out the keys to gender diversity success in their organizations. In the face of persistent talent shortages that threaten growth, these employers realize they can no longer overlook the deep reservoir of capability and know-how that resides in their pipeline of female talent and the larger female labor pool.

But the bad news is that, in 2014, we still don’t know how to fully engage our female workforce. Without significant change in the way organizations approach gender diversity, this opportunity is likely to become a costly missed one for a majority of employers and for many communities and countries as well.

This report is a response to the concerning prognosis we face in the absence of immediate action — a prognosis that poses a threat to both individuals and to businesses that need better access to female talent in order to drive higher performance. This report was undertaken to broaden our understanding of tangible ways for employers to support female talent — to find out what allows some companies to utilize female talent well, even while many do not — so we can all move much more quickly to new solutions for increasing female representation in the workforce and in leadership levels. In our view, neither companies nor women can afford to wait several more decades to get this right.
Q&A WITH LESLIE MAYS, CHIEF INCLUSION OFFICER, AVON PRODUCTS, INC.

In 2014, Avon commenced development of a multiyear Global Women’s Strategy (GWS). Combining a focus on talent development, benefits and policies, culture change, and brand enhancement, GWS is built on a foundation of evidence-based management informed by comprehensive workforce analytics and enabled by global guidance, local commitment and action, strong engagement, and change management.

Q. Why is GWS an important business objective for Avon?

Leslie Mays: At the very heart of Avon’s mission is an unwavering commitment to the empowerment of women. Our company provided women earning opportunities before they even had the right to vote. Effectively meeting the needs of our representatives and consumers has always been our driving force, but we found we could do more to enhance the experiences of our global associate workforce, which is approximately 65% women.

We have long “owned” the space of being “the company for women” and, to that end, we set out to identify gaps and areas of improvement to ensure we continue meeting that promise. It’s important to our competitiveness and attractiveness as a leading employer of women. GWS ensures we are taking the best care of those who lead, manage, and drive our business — thereby better serving our consumers, representatives, and shareholders.

Q. Without going into data specifics, how did workforce analysis help shape the GWS?

LM: Taking this analytic approach helped in a number of ways. First, it began creating a common language and understanding of women’s issues across the six GWS countries — all of which have very different cultural experiences for working women. The process provided our leaders new insights and ways to understand our competitive gaps. The process also helped us build the strongest case for action using facts rather than feelings or perceptions. Last but not least, it aided us in identifying and prioritizing the most important strategic areas and actions to drive progress — and as a result, to set measures that really count.

Q: What areas are you focused on as part of GWS?

LM: There were four primary areas we identified as the most important to address at the start of this journey. They include (1) strategically closing gaps in our talent pipeline — particularly in critical roles; (2) addressing work-life effectiveness; (3) enhancing health and wellness benefits — particularly those important to women and their families in a consistent fashion wherever we operate; and (4) leading the way on gender pay equity.

Q. What advice would you have for other organizations embarking on a similar journey?

LM: As many know, this is not a quick journey. It’s not an exercise in simply increasing “the numbers” of women or putting mentoring programs in place. It’s driving significant culture change, starting with the board — all the way down to the shop floor. I like posing the question, “What if you took a clean sheet of paper and designed your organization with working women in mind as your primary workforce? What would be different?” Answer: Everything!
SECTION 2. KEY FINDINGS: HOW EMPLOYERS CAN DRIVE GENDER DIVERSITY

OUR GUIDING HYPOTHESIS: THE BUILDING BLOCKS OF AN EFFECTIVE GENDER DIVERSITY STRATEGY ARE HEALTH, FINANCIAL WELL-BEING, AND TALENT MANAGEMENT

BUILDING BLOCK #1: HEALTH

The foundational building block of productive talent is health. Poor health, unhealthy behaviors, and stressors related to balancing work and life responsibilities can force an individual out of the workforce entirely or greatly diminish his or her engagement and productivity. Considerations such as work responsibilities and career aspirations rapidly drop off the radar screen when individuals are sick or are caring for someone who is. The fact that women are affected by different health issues and illnesses than men, experience and use the healthcare system differently than men, and are more likely than men to be caregivers for others mean that health concerns will be of special significance to the female population.

[For further perspective on women’s unique needs in the area of health management, turn to our interview with Dr. Anula Jayasuriya on page 46.]

BUILDING BLOCK #2: FINANCIAL WELL-BEING

The second building block is financial well-being. Fairness in rewards is one component. Supporting employees in planning for their future financial well-being is another and has become a more pressing issue for employers in an age of increased individual accountability. Changes in the economy and in pension systems around the world have put more individuals today in the driver’s seat when it comes to planning and paying for their own healthcare and retirements. Unfortunately, many lack the background to make sound financial decisions and have, therefore, become more susceptible to financial distress, which impacts health, increases absenteeism, and impedes productivity.

The financial well-being of female talent is impacted by several unique experiences and attitudes: Women continue to earn less in the same occupations and spend more years out of the workforce caring for others than do men, impacting their lifetime earnings; women live longer than men yet have investing and savings behaviors that impact the amount accumulated for retirement; and women reportedly have greater financial responsibility and financial stress than men.

[For more on these unique needs, see “Women have unique financial needs” on page 42.]

BUILDING BLOCK #3: TALENT MANAGEMENT

The third building block is provision of career and developmental opportunities juxtaposed against workplace flexibility, the latter of which is particularly important for women who so often balance multiple significant roles. Such practices influence attraction, promotion, and retention—and future representation—but also drive engagement and productivity. It is critical that employers’ provision and employees’ take-up of flexible work options does not have the unintended consequence of limiting career opportunity.

With these building blocks in mind, we reached out to organizations globally to understand how they are supporting female talent in each of these areas and how they each are faring in terms of the representation, attraction, advancement, and retention of women.
SECTION 2. KEY FINDINGS: HOW EMPLOYERS CAN DRIVE GENDER DIVERSITY

METHODOLOGY

A GLOBAL SURVEY

We received 178 survey submissions from 164 organizations globally, with representation from 28 countries covering 1.7 million employees. We recognize the importance of interpreting findings within each organization’s operating context and have, therefore, controlled for these external factors in our analysis. See Figure 2.1 for a profile of participating organizations.

Results are presented across all respondents, for each of three regions: Northern America, Europe/Oceania, and Latin America. Oceania includes Australia and New Zealand and was combined with Europe to ensure sufficient sample size for analysis. Due to limited response in the region, Asia is not examined on its own.

RESEARCH FRAMEWORK: A DATA-DRIVEN APPROACH TO IDENTIFYING SOLUTIONS THAT WILL DRIVE GENDER DIVERSITY

To date, most studies of female workforce participation and engagement have been qualitative and anecdotal. They have laid a strong foundation for gender diversity interventions, identifying and documenting so-called best practices, and have shed light on the problems that both women and employers face, but they have not yet pointed the way toward solutions that can dramatically advance gender diversity.

This research is different. It applies predictive modeling techniques to link practices to real outcomes. It asks companies what they are doing to support female talent.
across the three building blocks described above, and then it goes beyond assessing perceptions of what's working to correlating policies with the following outcomes:

- **Representation of women at the professional through executive levels**
  
  We look at the representation of women at both the highest levels of the organization and, more broadly, across the professional, managerial, and leadership ranks.

- **Projected future representation of women at the executive level in 2024**
  
  Higher projected future representation of women indicates that current talent flows will significantly increase female representation at the executive level. We've chosen to focus on future representation at the executive level because organizations have emphasized this outcome and have struggled to achieve it. Specifically, we look at two different measures:

  - Baseline trajectory: Projected increases in female representation at the executive level by 2024, assuming no changes to hiring, promotion, and exit rates. A higher baseline trajectory indicates that talent flows are already in place to significantly increase female representation.

  - “Optimal” trajectory: Smaller gaps between the baseline trajectory and the growth that would occur if talent flows are adjusted so that women are hired, promoted, and retained at rates at least as favorable as those for men. A smaller gap indicates that the organization is closer to eliminating inequities that impede progress.

We ultimately report on the specific employer attributes, policies, and practices that link to two consolidated outcomes: representation of women and projected future representation in the executive rank.

**ANALYTIC APPROACH**

A regression-based approach was used to link survey responses to the specific outcomes described above. The approach controlled for differences across regions and industries and between organizations of different sizes. (See Figure 2.2.) Prior to testing, the specific survey questions were grouped together with like questions to ensure that our tested factors (or potential “drivers” of success) were not too significantly overlapping — a factor analysis was used for this purpose. Potential drivers were then each considered on their own, in a statistical model that accounted for the above controls, to assess their impact on our outcome measures; this methodology ensures that the analysis has sufficient statistical power to identify true effects. Relationships presented are, of course, statistically significant at conventional levels.

This analytically rigorous view of the drivers of gender equality is crucial for moving employers toward fundamentally different and more effective approaches for fully utilizing the female workforce. However, our experience in working with individual employers shows that those who apply predictive analytics in their own environments to identify and respond to their vital talent business issues — whether they relate to gender, the engagement and participation of other diverse groups, or other workforce matters — can identify the unique, most impactful interventions and, in doing so, facilitate the achievement of rapid and dramatic change. To optimize results, we highly recommend that organizations engage in deep-dive analysis of their own workforce data before moving to program implementation.
Drivers examined:
- Building blocks to develop effective strategies: health, financial well-being, and talent management.
- Critical skills and experiences needed for career success.
- Leadership engagement and accountability.

Controls included:
- Region.
- Industry sector.
- Revenue size.
- Global headcount size.

Outcomes measured:
- Current female representation.
- Projected future improvement in female representation at the executive level.
HOW TO READ THE DRIVERS TABLES

Throughout this section, we use “drivers tables” to summarize our analysis results. To interpret these exhibits, the sample table below provides guidance:

1. The factors listed on the left-hand side of the table are the independent variables we are testing, as derived from our three building blocks.

2. Each of the two columns following represent a type of outcome that is examined. As previously mentioned, each factor (row) and outcome (column) are tested separately to determine the relationship shown, controlling for operational context.

3. Cells with blue shading represent a favorable relationship between the factor and the outcome (e.g., factor 1 is associated with higher female representation).

4. Cells with pink shading represent an unfavorable relationship between the factor and the outcome (e.g., factor 2 is associated with lower female representation).

5. Cells with “n/s” indicate that a relationship is not statistically significant at the 10% level, meaning there is a significant likelihood that the observable result is due to coincidence. Only significant results are presented.

<table>
<thead>
<tr>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>FUTURE FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1</td>
<td></td>
<td>n/s</td>
</tr>
<tr>
<td>Factor 2</td>
<td></td>
<td>n/s</td>
</tr>
<tr>
<td>Factor 3</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td>Factor 4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RESULTS

FOCUSING ON THE OUTCOMES: HOW ARE ORGANIZATIONS DOING TODAY?

Women lag men in workforce representation

Our results confirm that organizations today are still far from achieving gender equality and, moreover, are not hiring, promoting, and retaining women at rates that would correct this imbalance within the next decade.

We rely on ILM maps to examine differences in representation and the underlying workforce flows. ILMs encompass the processes by which organizations obtain, develop, reward, and retain talent. The graphic is a single picture that tells the story of an organization’s ILM: how practices, policies, and culture come together to shape the current and future workforce. When we break down the ILM map by gender, it reveals differences in the levels occupied by women and men, as well as differences in talent flows (hires, promotions, and terminations) driven by their distinct employment experiences.

Among respondents globally, women make up 41% of the average organization’s workforce. (See Figure 2.3.) The overall representation is higher in organizations in Northern America, where women make up 48% of the average organization’s workforce, but significantly lower in Europe/Oceania and Latin America, where women make up 37% and 33% of the average respondents’ workforces, respectively. (See Figures 2.4, 2.5, and 2.6.)

**FIGURE 2.3: INTERNAL LABOR MARKET MAP FOR THE AVERAGE GLOBAL ORGANIZATION**

<table>
<thead>
<tr>
<th>CAREER LEVEL</th>
<th>TOTAL HIRES</th>
<th>AVERAGE REPRESENTATION AND TOTAL PROMOTIONS</th>
<th>TOTAL EXITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>Females: 6%</td>
<td>19%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td></td>
<td>Males: 6%</td>
<td>81%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Females: 7%</td>
<td>26%</td>
<td>Females: 10%</td>
</tr>
<tr>
<td></td>
<td>Males: 10%</td>
<td>74%</td>
<td>Females: 10%</td>
</tr>
<tr>
<td>Manager</td>
<td>Females: 8%</td>
<td>36%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td></td>
<td>Males: 10%</td>
<td>64%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td>Professional</td>
<td>Females: 15%</td>
<td>40%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td></td>
<td>Males: 15%</td>
<td>60%</td>
<td>Females: 8%</td>
</tr>
<tr>
<td>Support Staff</td>
<td>Females: 21%</td>
<td>56%</td>
<td>Females: 7%</td>
</tr>
<tr>
<td></td>
<td>Males: 30%</td>
<td>44%</td>
<td>Females: 7%</td>
</tr>
</tbody>
</table>

Overall representation: 41% female | 59% male
Women’s highest representation among all career levels is in support staff roles, and women’s representation drops — often precipitously — at higher levels of the organization. For the average respondent globally, women make up 40% of the workforce at the professional level and 36% at the managerial level, but only 26% of senior managers and 19% of executives. (See Figure 2.3.) Respondents in Northern America have higher female representation at all these levels, while those in Europe/Oceania and Latin America have lower.

In Northern America, female promotion rates lag those of males at every career level. Furthermore, the rate at which females are hired lags that of males at every level except the professional level and the executive level, where it appears that companies are trying to make up for a shortfall by hiring women directly into senior positions. Unfortunately, this strategy might be backfiring, since females are also exiting from these levels at higher rates than men. (See Figure 2.4.)

Organizations in Europe/Oceania also have disparities in their hiring and promotion rates. Women are hired at lower rates than men except at the manager level. But organizations are promoting women at higher rates than men at top levels of the organization, a strategy that should significantly boost the representation of women in executive roles over the next decade. (See Figure 2.5.)

Organizations in Latin America are the most aggressive among all respondents in accelerating the hiring and promotion of women to improve female representation. Women are promoted at higher rates than men at every level of the organization. But, unfortunately, women are more likely to quit at many levels. (See Figure 2.6.)
**Figure 2.5: Internal Labor Market Map for the Average Organization in Europe/Oceania**

<table>
<thead>
<tr>
<th>CAREER LEVEL</th>
<th>TOTAL HIRES</th>
<th>AVERAGE REPRESENTATION AND TOTAL PROMOTIONS</th>
<th>TOTAL EXITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>Females: 5%</td>
<td>18% (F)</td>
<td>82% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 6%</td>
<td>24% (F)</td>
<td>76% (M)</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Females: 6%</td>
<td>15% (F)</td>
<td>6% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 12%</td>
<td>23% (F)</td>
<td>71% (M)</td>
</tr>
<tr>
<td>Manager</td>
<td>Females: 11%</td>
<td>11% (F)</td>
<td>5% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 10%</td>
<td>29% (F)</td>
<td>71% (M)</td>
</tr>
<tr>
<td>Professional</td>
<td>Females: 13%</td>
<td>6% (F)</td>
<td>6% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 14%</td>
<td>36% (F)</td>
<td>64% (M)</td>
</tr>
<tr>
<td>Support Staff</td>
<td>Females: 21%</td>
<td>6% (F)</td>
<td>7% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 27%</td>
<td>53% (F)</td>
<td>47% (M)</td>
</tr>
</tbody>
</table>

Overall representation: 37% female | 63% male

**Figure 2.6: Internal Labor Market Map for the Average Organization in Latin America**

<table>
<thead>
<tr>
<th>CAREER LEVEL</th>
<th>TOTAL HIRES</th>
<th>AVERAGE REPRESENTATION AND TOTAL PROMOTIONS</th>
<th>TOTAL EXITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>Females: 2%</td>
<td>12% (F)</td>
<td>88% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 11%</td>
<td>24% (F)</td>
<td>76% (M)</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>Females: 9%</td>
<td>15% (F)</td>
<td>7% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 10%</td>
<td>24% (F)</td>
<td>76% (M)</td>
</tr>
<tr>
<td>Manager</td>
<td>Females: 10%</td>
<td>19% (F)</td>
<td>14% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 10%</td>
<td>33% (F)</td>
<td>67% (M)</td>
</tr>
<tr>
<td>Professional</td>
<td>Females: 18%</td>
<td>17% (F)</td>
<td>15% (M)</td>
</tr>
<tr>
<td></td>
<td>Males: 17%</td>
<td>33% (F)</td>
<td>65% (M)</td>
</tr>
</tbody>
</table>

Overall representation: 33% female | 67% male
Current female talent flows will move more women into top roles over the next decade — but not in Northern America

To assess the future outlook for diversity, we rely on the flows from the ILM map to project future diversity in executive-level representation by region. For the average organization in Northern America, female representation at the highest ranks will remain essentially flat over the next decade, with 26% of executive roles held by women in 2024 compared to 24% today. Clearly organizations in Northern America are not poised to meaningfully progress on gender equality at the top of the organization. If they are to improve, a focus on equity in progression would clearly be more impactful than a focus on hiring or retention. (See Figure 2.7.)

In contrast, organizations in Europe/Oceania are on track to make substantial gains in gender equality at the top of the house over the next five to 10 years. From a baseline of 18% female representation in executive roles today, the average respondent is projected to raise that to 42% in five years and 47% in 10 years. If equity in any flow should be prioritized in this region, it is in hiring. (See Figure 2.8.)

Organizations in Latin America are also positioned for significant growth in female representation at the executive level over the next decade. With the lowest female executive representation today at 12%, the average organization’s talent flows are expected to raise female executive representation to 39% by 2024. We see yet another distinct path for accelerating progress in Latin America, as retention of women is more critical than either hiring or promotion. (See Figure 2.9.)

FIGURE 2.7: PROJECTED WORKFORCE IN 2024 FOR THE AVERAGE ORGANIZATION IN NORTHERN AMERICA

Note: Not all colored lines will show due to overlapping projections.
WHEN WOMEN THRIVE, BUSINESSES THRIVE

FIGURE 2.8: PROJECTED WORKFORCE IN 2024 FOR THE AVERAGE ORGANIZATION IN EUROPE/OCEANIA

<table>
<thead>
<tr>
<th>CURRENT AND PROJECTED HEADCOUNT</th>
<th>CURRENT — 2014</th>
<th>5-YEAR PROJ. — 2019</th>
<th>10-YEAR PROJ. — 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BASELINE %</td>
<td>WITH CHANGES %</td>
<td>BASELINE %</td>
</tr>
<tr>
<td>Female executives</td>
<td>18%</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td>Male executives</td>
<td>82%</td>
<td>58%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Projections: Europe/Oceania — % Female Executives, 2014 to 2024

Note: Not all colored lines will show due to overlapping projections.
FIGURE 2.9: PROJECTED WORKFORCE IN 2024 FOR THE AVERAGE ORGANIZATION IN LATIN AMERICA

**SUMMARY OF REPRESENTATION CHANGES BETWEEN 2014 AND 2024: BASELINE VS. SIMULTANEOUS CHANGES**

<table>
<thead>
<tr>
<th>CURRENT AND PROJECTED HEADCOUNT</th>
<th>CURRENT — 2014</th>
<th>5-YEAR PROJ. — 2019</th>
<th>10-YEAR PROJ. — 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BASELINE %</td>
<td>WITH CHANGES %</td>
<td>BASELINE %</td>
</tr>
<tr>
<td>Female executives</td>
<td>12%</td>
<td>12%</td>
<td>31%</td>
</tr>
<tr>
<td>Male executives</td>
<td>88%</td>
<td>88%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Projections: Latin America — % Female Executives, 2014 to 2024

Note: Not all colored lines will show due to overlapping projections.
WHEN WOMEN THRIVE, BUSINESSES THRIVE
THE FIVE KEY DRIVERS OF GENDER DIVERSITY

Now that we have a clearer understanding of where organizations around the world are starting from today, we will focus on what organizations can do to jump-start their progress, intervene if necessary, and realize long-term gains.

1. A BROAD, ENTERPRISE-WIDE FOCUS IS CRITICAL TO SUSTAINABLE CHANGE

We administered two versions of the survey. In both, we asked respondents how confident they are in their organizations’ abilities to attract, develop, and retain female talent. But half of survey respondents (selected randomly) were asked to answer these questions at the beginning of the survey while the other half were asked to reflect on their confidence at the end. Interestingly, there were marked differences in how these two groups responded.

Those who answered these questions at the beginning of the survey were more confident in their abilities to attract, develop, and retain women than were those answering at the end, after being obliged to consider all they could be doing to support female talent. (See Figure 2.10.)

Furthermore, those who reported confidence at the beginning of the survey appear to be focused on current representation of women throughout the organization, but less focused on how well the organization is impacting talent flows to ensure gender equality in the future.

Of those who answered these questions at the end, however, only those who are still confident in their organization’s ability to attract and develop female talent have truly established more comparable talent flows between women and men. The
others were much more circumspect about the efficacy of their current approach, regardless of current representation. (See Figure 2.11.)

These results validate the importance of broadened thinking — that organizations focused on the totality of practices and not just the here-and-now results are, in fact, on an accelerated path to gender equality.

It is also interesting to note, when looking at the overall survey responses, that organizations are most confident in hiring and least confident in retaining female talent. This likely speaks to perceptions of what organizations can most control and, perhaps, the default focus on hiring. In fact, it may be that building diverse talent (e.g., through promotion) can be a more effective long-term strategy as compared with hiring and, in many cases, should be prioritized.

2. ACCOUNTABILITY IS NOT ENOUGH — LEADERSHIP NEEDS TO BE ENGAGED IN PROMOTING AND MANAGING DIVERSITY

The conventional wisdom is that what gets measured gets done. But accountability turns out to be insignificant in increasing gender equality when divorced from true leadership engagement.

Organizations where leaders are actively engaged in diversity programs and initiatives have more women at the top and throughout the organization and fewer differences in their talent flows — as do organizations where men actively support diversity and inclusion. These organizations are bringing in, promoting, and retaining women at higher rates relative to men and are therefore on the path to better future representation.

---

**FIGURE 2.11: HOW IS CONFIDENCE IN YOUR ORGANIZATION’S ABILITY TO ATTRACT, DEVELOP, AND RETAIN FEMALE TALENT RELATED TO CURRENT WORKFORCE CHARACTERISTICS AND FUTURE OPPORTUNITY?**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>FUTURE FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents who answered at start</td>
<td>Attract female talent the greater the confidence...</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Develop female talent the greater the confidence...</td>
<td>↑</td>
<td>r/s</td>
</tr>
<tr>
<td></td>
<td>Retain female talent the greater the confidence...</td>
<td>↑</td>
<td>r/s</td>
</tr>
<tr>
<td>Respondents who answered at end</td>
<td>Attract female talent the greater the confidence...</td>
<td>n/s</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Develop female talent the greater the confidence...</td>
<td>n/s</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Retain female talent the greater the confidence...</td>
<td>n/s</td>
<td>n/s</td>
</tr>
</tbody>
</table>
By contrast, incentives linked to diversity and inclusion goals do not significantly drive either outcome. In other words, organizations that significantly progress on gender diversity are led by those who care passionately about doing so — and simply implementing stock accountability measures in the absence of that passion is unlikely to be effective. (See Figure 2.12.)

We should note, however, that few organizations have formal accountability — and that might be part of what limits our ability to discern an impact. While 56% of all survey respondents agree that senior leadership is actively engaged in diversity and inclusion programs, only 15% indicate bonuses are linked to achievement of diversity and inclusion goals. There is modest evidence that engagement and accountability go hand-in-hand — of those organizations reporting leadership engagement, 23% indicate bonuses are linked to achievement of diversity and inclusion goals.

Interestingly, the organizations in our sample from Northern America see greater engagement of their senior leaders and men in diversity and inclusion initiatives than do those in other regions. If not for that high level of engagement, the future outlook would be less favorable for the region; increasing leadership focus on gender diversity could be a factor further accelerating future progress. (See Figure App-3 in Data Tables.)

### FIGURE 2.12: ASSOCIATION OF ENGAGEMENT AND LEADERSHIP WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>FUTURE FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement and leadership</td>
<td>Senior leaders and men are actively involved/engaged on D&amp;I initiatives</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Leaders are held accountable, via incentives or non-financial consequences, for D&amp;I goals</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>The person who is responsible for leading D&amp;I initiatives has decision-making authority</td>
<td>n/s</td>
<td>↑</td>
</tr>
</tbody>
</table>

The research also speaks to the power of leaders when they are in a position to enable change. Organizations that agree their diversity and inclusion leader has decision-making authority (55% of respondents) have more comparable hire, promotion, and exit rates between men and women. Organizations that agree their women are as highly represented in profit and loss (P&L) roles as in non-P&L roles (26% of respondents) tend to have better female representation throughout the talent pipeline. (See Figure 2.14.) Whether these findings are because the culture of the organization has allowed for greater gender parity in roles and in talent flows or because these leaders actively brought about the change inside their organizations, there is a clear link between empowering women and diversity leaders and progression on diversity objectives.

3. **THE ACTIVE MANAGEMENT OF TALENT DRIVES MORE FAVORABLE OUTCOMES THAN PASSIVELY MANAGED, TRADITIONAL PROGRAMS**

Actively managing pay equity, for example, is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation. And ensuring the same representation of women in P&L roles as in non-P&L roles is also correlated with more women in professional, managerial, and senior manager roles. However, common policies intended to promote equity through flexibility — including flexible work and leave programs — are, on their own, associated with slower improvements in representation; such programs need to be actively and effectively managed to drive impact.
Pay equity drives gender diversity

Pay equity appears to be a critical driver of gender diversity, perhaps because it not only improves the value proposition for women but also can put women on a more equal footing with men in the household — with the effect that women are more likely to stay in the labor force.

However, it is clearly the active and regular management of pay equity, as opposed to a passive commitment, that drives results. While communicating and documenting commitments to gender equality and pay equity are not correlated with our outcome metrics, having a dedicated team responsible for conducting robust, statistical pay equity analyses and addressing remediation is. Also positively linked to better future outcomes for female representation is a compensation and benefits philosophy of which gender equality is a core element. (See Figure 2.13.)

Among respondents, organizations in Northern America are much more focused on pay equity and more likely to rely on statistical analyses and formalized remediation processes to address pay equity risks than are those in other regions. Organizations in Europe/Oceania are much less focused on this issue. (See Figure App-3 in Data Tables.)

Job roles matter

Getting women out of staff roles and into roles with P&L responsibilities also leads to better gender diversity outcomes. When women are as represented in line roles as they are in staff roles (e.g., finance, human resources, and marketing), organizations are more likely to have higher female representation. Clearly the types of roles women hold in the organization matter — that women fill such roles signals an organization’s commitment to women and associated career opportunities and, in itself, likely creates such opportunities. (See Figure 2.14.)

Organizations in Latin America report good representation of women in P&L roles, while those in Europe/Oceania are the least likely to have women in these roles. (See Figure App-3 in Data Tables.)

Traditional “check-the-box” programs aren’t moving the needle

As organizations have sought to attract and retain more women over the past several decades, many have added a plethora of programs and benefits intended to provide women and other employees with additional flexibility and

---

**FIGURE 2.13: ASSOCIATION OF PAY EQUITY COMMITMENTS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>FUTURE FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender equality and pay equity</td>
<td>Gender equality is a core part of compensation &amp; benefits philosophy</td>
<td>n/s</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Commitments to gender equality and pay equity are communicated and documented</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>There is a team responsible for pay equity, and process relies on a robust statistical approach</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>
support. By offering everything from healthcare coverage, family leave, and assistance with child care to onsite gyms, lactation rooms, and beauty salons, organizations have provided real benefits to women and others struggling to combine family and domestic responsibilities with careers. It seemed logical to assume that by continuing to add programs, organizations could continue to make progress in attracting and retaining women.

However, what this research makes clear is that the provision of programs, while certainly aligned with the needs of women and likely helpful in improving gender diversity in the workplace in the past, is no longer enough — and may even lull some organizations into complacency. For example, although flexible work schedules and maternity leave are associated with higher current female representation throughout organizations, they are also correlated with slower improvement in female representation at the executive level. And while organizations that offer a greater number of such programs also have greater representation of women, we again see slower improvement in female representation in executive positions. (See Figure 2.15.)

We see these results as an indication that some organizations are substituting active management of their female talent through the different stages of their professional lifecycle — and real leadership engagement in improving gender equality — with off-the-shelf programs that are insufficient on their own to promote advancement into the leadership ranks. In fact, without proactive and engaged support for her career development, a woman who avails herself of programs that help provide better work/life balance as needed during certain periods of her career may be unwittingly deprived of the encouragement or opportunity to seek new challenges and advance her career during other stages of her professional lifecycle. In addition, ingrained bias and negative stereotypes within the organization may put any employee who takes advantage of options such as flexible schedules and leave at a disadvantage when it comes to performance ratings and promotion.

### FIGURE 2.14: ASSOCIATION OF PRACTICES AROUND TALENT FLOWS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>FUTURE FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent flows and</td>
<td>We routinely check for and act to close gender gaps in hire, promotion, and exit rates</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td>representation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>We routinely check for and act to close gender gaps in performance ratings</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Women are equally represented in P&amp;L roles as they are in non-P&amp;L roles</td>
<td></td>
<td>↑</td>
</tr>
</tbody>
</table>

n/s = Not specified
Francine Blau and Lawrence Kahn (2013), Cornell labor economists, summarize part of the challenge with managing flexible leave programs as follows:

"While parental leave and part-time ... policies appear to raise women's labor force participation, it is plausible that [they] reduce the likelihood that women will be able to enter high-level jobs, which generally require full-time, full-year, career-long commitments. [Furthermore], more generous leave policies and a higher incidence of part-time [opportunities] may lead employers to engage in statistical discrimination against women as a group, anticipating that women will take advantage of such opportunities."

As evidence that such stigma might be attached to women leveraging such programs, we found that it does indeed matter who uses available programs. We asked organizations to report which benefit or talent management programs were most important for retaining and developing female talent. Greater usage of organizations’ “top 5” programs (those ranked as most important for retaining and developing female talent) by women is associated with higher current female representation. But similar usage by women and men is associated with improved future female representation. We also see improved future female representation when programs are more widely used. (See Figure 2.16.)

### FIGURE 2.15: ASSOCIATION OF HEALTH AND BENEFIT PROGRAMS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit programs offered</td>
<td>Other flexible work arrangements</td>
<td>🔄</td>
<td>🔄</td>
</tr>
<tr>
<td></td>
<td>Maternity leave</td>
<td>🔄</td>
<td>🔄</td>
</tr>
<tr>
<td></td>
<td>Paternity leave</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Company-sponsored access to child care</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Company-sponsored access to elder care</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Company-sponsored access to low-cost reproductive health options</td>
<td>n/s</td>
<td>🔄</td>
</tr>
<tr>
<td></td>
<td>Company-covered preventive benefits</td>
<td>n/s</td>
<td>🔄</td>
</tr>
<tr>
<td></td>
<td>Secure transportation/commuter options</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Domestic violence support services</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>Wellness programs</td>
<td>🔄</td>
<td>🔄</td>
</tr>
<tr>
<td></td>
<td>Gender-specific health education campaigns</td>
<td>n/s</td>
<td>n/s</td>
</tr>
</tbody>
</table>

Fig 2. 15  
Fig 2. 16  
Fig 2. 17  
Fig 2. 18
We conclude that the impact of various programs and benefits on gender diversity has more to do with the way the programs and the employees who take advantage of them are led and managed than it does with simply whether or not the program is offered. As further evidence of this, we found that, although offering maternity leave to employees is correlated with lower representation of women at the executive level, among organizations that also ranked maternity leave as one of the top five benefits for meeting the needs of women, there is no negative correlation between the program and future female representation. (See Figure 2.17.) This suggests that companies that view maternity leave as a critical program to strengthen diversity are actively managing their employees before and after their leaves, with no negative implications for overall career development.

**FIGURE 2.16: ASSOCIATION OF USERS OF PROGRAMS AND BENEFITS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usage of <em>“top 5”</em> benefit programs</td>
<td>If programs are used more by women the more programs that are used by women...</td>
<td>↑</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>If similarly used between genders the more programs that are similarly used...</td>
<td>n/s</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>If used by 33% of workforce or more the more programs with higher usage...</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td>Usage of <em>“top 5”</em> talent programs</td>
<td>If programs are used more by women the more programs that are used by women...</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>If similarly used between genders the more programs that are similarly used...</td>
<td>↑</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>If used by 33% of workforce or more the more programs with higher usage...</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

**FIGURE 2.17: ASSOCIATION OF TOP 5 PROGRAMS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit programs ranked in <em>“top 5”</em></td>
<td>Maternity leave</td>
<td>↑</td>
<td>n/s</td>
</tr>
<tr>
<td>Gender-specific health education campaigns</td>
<td>n/s</td>
<td></td>
<td>↑</td>
</tr>
</tbody>
</table>
4. Nontraditional Solutions Impact Firms’ Long-Term Ability to Engage and Retain Female Talent

Financial well-being: The value of focusing on women’s unique financial needs

Our survey asked employers about their compensation policies and philosophies — not only their approach to pay equity but also the extent to which their retirement and savings programs are geared toward a variety of different needs, including the specific needs of women. We discovered that innovative retirement and savings programs, customized to the unique needs of women, are clear drivers of more optimal female talent flows.

Retirement and savings programs available to all employees that address different work arrangements, such as part-time work or service breaks, and that help employees manage the financial well-being of their dependents and elderly parents, are associated with higher female representation at the professional through executive level today — but not better trajectories for future female representation at the executive level.

But innovative retirement solutions that are geared toward different gender behaviors, attitudes, and needs — such as differences in longevity (which impact the amount of retirement savings needed) and distinct investing strategies, given differences in knowledge, confidence, and aversion to risk — are affecting the long term. Paying attention and designing solutions geared toward these differences clearly helps to progress gender diversity. (See Figure 2.18.)

According to our findings, organizations in Northern America are much more focused on offering innovative savings programs for women than are organizations in other regions. (See Figure App-3 in Data Tables.)

Health: Standard health programs are not yet aligned with or supportive of the female professional lifecycle

It is clear that organizations have not yet begun to determine how to accommodate and support women’s unique health needs at different stages of the professional lifecycle. Previous research has pointed to significant shortcomings in organizations’ efforts to develop and execute comprehensive health management strategies for employees.

FIGURE 2.18: ASSOCIATION OF RETIREMENT/SAVINGS (R/S) PROGRAMS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INDEPENDENT VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement/savings program design</td>
<td>R/S programs address different work arrangements and help employees save for others</td>
<td>↑</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>R/S programs are monitored by gender and customized to different gender behaviors</td>
<td>n/s</td>
<td>↑</td>
</tr>
</tbody>
</table>
SECTION 2. KEY FINDINGS: HOW EMPLOYERS CAN DRIVE GENDER DIVERSITY
WOMEN HAVE UNIQUE FINANCIAL NEEDS

The financial lifecycle is lived differently for women than for men, requiring different approaches to fully support their unique needs.

**Women’s work cycles are different from men’s, resulting in differences in how much money is earned.**

On average, women work in lower-paid employment with more gaps in service and more part-time employment. In the US, women spend an average of 12 years out of the workforce while caregiving. Globally, women continue to earn less than men even when controlling for occupation. An analysis by the International Labour Organisation of 83 countries shows that women in paid work earn on average between 10% and 30% less than men.

**Women are less confident and more risk-averse investors compared to men, which impacts the amount of money they are able to accumulate for retirement.**

In the US, for example, although the majority of men and women are similarly financially illiterate, 55% of women, compared with 28% of men, believe they know less than the average investor. This can cause them to struggle to effectively increase their savings and increases the risk that they will fall short of retirement savings goals. Data show that women are more likely than men to spend their savings caring for someone else rather than keeping the money for their own needs. And yet because women live longer than men — 4.6 years longer on average according to the World Health Organization — they often need financial resources that will stretch through a longer retirement period.

**Women have increasing responsibility for household financial decisions.**

Women make 70%–80% of household purchasing decisions in Europe and America, as well as the majority of healthcare purchasing decisions, not only for themselves but also for their families. A recent survey of American women found that “95% of women are financial decision-makers, and 84% of married women are either solely or jointly responsible for household financial decisions.” With this increased financial responsibility, women in the US report three times as much overwhelming financial stress as men.
Mercer’s own 2013 Talent Barometer research found that few respondents globally had incorporated health and wellness into their business values and strategic priorities; less than one-third of respondents said that sufficient budget and resources are provided to meet their program objectives. So perhaps it’s not surprising that even when employers recognize the importance of health to productivity and develop programs to enhance employee health, they rarely target the unique healthcare needs of each gender.

This research confirms that a void still exists in the area of gender-specific health initiatives. We found that employers tend to see health as a lesser issue when it comes to the retention and development of women — and certainly aren’t doing much to support women’s unique healthcare needs. Few companies rank health programs and benefits such as company-covered preventive benefits, gender-specific health education campaigns, domestic violence support services, or company-sponsored access to low-cost reproductive health options among the top five for the retention and development of women. And only half see wellness programs as a top driver. (See Figure 2.19.)

But importantly, this low utilization does not mean health programs aren’t important in driving gender diversity. Our findings show that when companies do view health-related programs as top drivers for developing and retaining women, these programs are associated with higher female representation. Specifically, gender-specific health education campaigns are associated with better trajectories for future female representation when organizations identify these programs as one of their top five most important for developing and retaining women. Likewise, a maternity leave policy has a larger impact.
on gender diversity — and no negative impact on future trajectory — when companies see it as a top driver of development and retention. In other words, what matters most is not the presence of the program, but how it is activated. (See Figure 2.17.)

5. MEN AND WOMEN OFFER EMPLOYERS DIFFERENT BUT EQUALLY IMPORTANT SKILLS FOR DRIVING THE BUSINESS

Through this research, we wanted to understand how organizations value the different skills of their leaders and whether, in total, organizations perceive a difference between the overall strengths of their male and female managers. To gain insight on these questions we relied on the survey to:

1. Identify unique strengths: We asked respondents to describe the current strengths of their managerial population by selecting the top three attributes for each gender from a list of 13 attributes. Based on the distribution of responses, we found that female and male managers are perceived to have unique competencies. (See Figure 2.20.) While male managers are seen as having an edge in strategic visioning, technical skills, and experience managing profit and loss, female managers are seen as stronger in inclusive team leadership and people leadership skills, flexibility and adaptability to change or hardship, and teamwork and cooperation. Next, we will refer to these last three differentiators as the unique strengths of women.
FEMALE-ONLY FINANCIAL PLANNING AND INVESTING WORKSHOPS FILL A NEED FOR SCHWAB EMPLOYEES

Charles Schwab, a brokerage and investment services firm, is helping to educate its female employees on financial planning and investing. With more women in the labor force today than ever and an increasing number of women making financial decisions for the family, Schwab saw the need to support women in the organization with more targeted financial education and launched a female-only workshop series. “Although we are a financial services firm, we have many employees in different functional areas who are not necessarily experts in investing,” says Cathy Campbell, Managing Director, Diversity & Inclusion at Charles Schwab & Co. “For the workshops we are able to leverage the expertise in the firm to boost employees’ knowledge on this topic.”

Following a workshop in 2011 on basic financial fitness, the company quickly saw enormous interest in the topic and approach among employees. In the years since, the workshops have grown increasingly popular and increasingly complex. “Since we started marketing these workshops through our Women’s Interactive Network employee resource group, attendance has grown exponentially,” says Campbell. “We didn’t realize there was such pent-up demand.”

While the fundamentals of investing are the same for men and women alike, Schwab found through research that the two genders take differing approaches to investing and have different goals. “Women often see investing as a tool to accomplish their goals but not the goal, whereas men are often more interested in ‘how did I do today’,” says Tony Samour, senior manager, Diverse Investor Outreach Programs, Charles Schwab & Co.

Schwab also discovered that women tend to appreciate the opportunity to learn more about investing in the company of other women. “Having only women in the room contributes to a more comfortable environment that helps to create more interaction, allowing participants freedom to ask more questions, and making it more likely that those in the session will use the information to structure financial plans with more control over their financial well-being,” says Campbell.

In fact, the workshops are so popular with Schwab’s female employees that attendees began sharing information about them with women’s employee resource groups at other companies. “Something happened as women in these networks began to talk to each other,” says Campbell. “Women in other organizations said, ‘If I can jump in on a session I would love to.’ As a result, Schwab has recently extended participation in the workshops to members of employee networks at other organizations.
Q&A WITH ANULA JAYASURIYA, MD, PHD, MBA, LIFE SCIENCE VENTURE CAPITALIST

In 2014, Dr. Anula Jayasuriya launched a venture fund called EXXclaim Capital to invest in women’s healthcare needs.

Q: How are women’s healthcare needs different from men’s?

AJ: We’ve always thought that the only way that women and men differ biologically is in the area of reproduction, but that’s not correct. Very important research is showing that women and men are biologically quite different. Women manifest the same disease very differently than men — the course of the disease is different, their response to medication is different, and their outcomes are very different.

For example, two areas of difference are in cardiology and lung cancer, where disease presentation, course, and outcome are very different in men versus women. Alzheimer’s is also a very different disease in men than in women, and many more women are affected. And the incidence of autoimmune diseases in women is much higher than in men.

Q: What is hindering women’s ability to stay healthy?

AJ: Women are under enormous time pressure. They’re taking care not only of themselves but of many others, including children and elderly parents, and doing so many other chores than, in general, men do. Because of this, their stress level is high, with negative health implications, and they tend to skip their own checkups and let their own healthcare slide.

Also, women are dealing with a healthcare system that is very male-oriented. They are not getting optimal treatment because the vast majority of therapies on the market today were developed for men.

Q: What is the opportunity here for employers to better support women’s unique health needs?

AJ: First, employers can ensure that women have better knowledge about their health. They can raise awareness about how the symptoms and presentation of disease may be different in women than in men. For example, our canonical view of a cardiac arrest is male-driven with the main presenting symptom being pressing on the chest. But women usually present with different symptoms.

Second, employers can do more to ensure that women have the time they need to get all the preventive screenings and checkups they are covered for. So if you’re covered for a mammogram, an HPV test, a colon test, or whatever is appropriate for your age, your employer can ensure that you get the time off from work to get them. That will certainly save money for the employer in terms of having women stay healthier.

Third, employers can make it more convenient for women to take care of their health. They can partner with innovative companies to help employees manage their nutrition, their pregnancies or access personal trainers at convenient times, for example. They can also play a role in helping women access platforms and tools that make it easier to organize oneself, such as online personal health records, care coordination software, and online appointment scheduling.
2. **Value unique strengths:** We then asked respondents to rank how important each of the 13 characteristics are for driving future career success. Figure 2.21 displays the skills and experiences that are considered by global respondents to be most important for career success.

To determine the relative importance of each characteristic, we conducted a conjoint analysis, asking respondents to select the most and least important attributes from a series of clustered choices. The repetition of choices and rankings allow us to accurately rank the relative importance for each.

By combining these findings, we found that the different mix of skills displayed by male and female managers is equally valued by organizations. Both genders play important, complementary roles inside organizations.

We took the analysis one step further and examined whether those organizations that value the unique strengths of women — as demonstrated by the number of times they ranked these strengths as “most important” — actually do better than those organizations that do not consider these capabilities as important. Indeed, we found that in environments where the unique strengths of women are highly valued, there tends also to be higher female representation at the higher levels. Furthermore, respondents who marked these overall female strengths as least important tend to have lower female representation at the higher levels. (See Figure 2.22.) As we move toward a world focused on innovation and more focused specialists, leaders who can coordinate teams and facilitate collaboration — that is, leaders possessing the unique strengths of women — are likely to be further advantaged; this may well be a force for acceleration of gender diversity.
More immediately, businesses can accelerate their own progress toward diversity goals through recognition of unique competencies. At least at the managerial level, our research suggests that it’s not a skills gap but rather a recognition gap — companies that embrace the different strengths that men and women bring to their roles are better positioned to make the most of their talent overall. In our work with companies, related analyses confirm the different — but equally valuable — roles that men and women lead inside organizations.

Realizing unique value doesn’t end with recognizing differences by gender. Roughly half of survey respondents (51%) agree that their gender diversity programs also incorporate racial and ethnic differences. These organizations similarly benefit from their inclusive view of valuable skills and perspectives, which is associated with greater representation of women and more equitable talent flows. (See Figure 2.23.)

FIGURE 2.22: ASSOCIATION OF ORGANIZATIONS’ DEFINITIONS OF TOP TALENT WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top talent profile</td>
<td>If key skills* are more highly valued</td>
<td>↑</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>more frequently considered most important...</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If key skills* are less valued</td>
<td>↓</td>
<td>n/s</td>
</tr>
<tr>
<td></td>
<td>more frequently considered least important...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The 3 skills areas women scored more favorably in are:
1. Inclusive team management/people leadership skills.
2. Flexibility/adaptibility to change or hardship.
3. Teamwork/cooperation with other groups.

FIGURE 2.23: ASSOCIATION OF INCLUSION OF RACIAL/ETHNIC DIFFERENCES IN DIVERSITY PROGRAMS WITH CURRENT AND PROJECTED FEMALE REPRESENTATION

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>VARIABLE</th>
<th>CURRENT FEMALE REPRESENTATION</th>
<th>PROJECTED FEMALE REPRESENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement and leadership</td>
<td>Gender diversity programs/ initiatives also incorporate racial/ethnic differences</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>
THE VALUE OF DIFFERENT SKILLS

A survey of senior managers from one multinational company reveals the different functions that men and women play in some organizations. We asked these managers to tell us who they work with. The diagram below illustrates the resulting links between these managers. While the male managers are more likely to work in tight clusters, facilitating information transfer within the cluster, women are more likely to serve as connectors with links to different parts of the network, facilitating information transfer and collaboration across the organization. Both roles are critical to enable the organization’s ultimate success.

A NETWORK OF SENIOR MANAGERS, BY GENDER

Women are more likely to be “connector” positions with links to different parts of the network.

Men are more likely to be tightly “clustered” with other men.
IMPLICATIONS OF FINDINGS FOR EMPLOYERS

The findings in this report challenge the conventional wisdom about how best to increase gender diversity and are a call for employers to think and act in new ways in order to better utilize female talent. We believe the need for action is indisputable. This research reveals several significant opportunities for employers ready to accelerate progress on gender diversity:

- **Actively engage the right people with the right commitment at the right time**

  Only 54% of survey respondents agree that their senior executives are actively involved in diversity and inclusion initiatives, and only 49% agree that the men in their organizations are involved. (See Figure App-2 in Data Tables.) Organizations can make significant progress on gender diversity when leaders, and men and women in the organization, truly adapt the perspective that gender diversity is good for business.

  However, some have argued that nothing less than the support of the full executive committee can really move the needle on this issue. We disagree. Rather than taking a broad-brush approach and trying to get those who aren’t passionate about tapping the full value of the female talent pool to lead from the front, organizations should focus on identifying champions who are ready to drive change. This approach will be more effective and authentic in moving organizations toward greater gender equality.

- **Commit to improving pay equity between genders**

  Our research confirms that pay equity is an essential ingredient of a successful diversity strategy. Pay inequities skew career decisions for employees who make career decisions in consultation with their partners in order to maximize family income. They also create incentives for women to exit a particular organization or the workforce in general.

  While 52% of respondents agree that they have a dedicated team responsible for conducting regular pay equity analyses and ensuring that pay equity adjustments are implemented, only 38% agree that these analyses rely on a robust statistical approach, and only 35% agree that they have a formalized remediation process to address any pay equity risks. (See Figure App-2 in Data Tables.) There is obviously much room for improvement. If all organizations were aligned on the importance of pay equity in ensuring access to the right talent, we would be much further along on our journey toward the equal representation of men and women in the workforce.

- **Actively manage women’s professional lifecycles**

  It appears that many employers believe they can best serve women by implementing workforce policies that offer them and all employees the flexibility they might need during certain stages of their lives. However, the findings of this study suggest that these policies can actually slow the progression of women if not matched by career development initiatives intended to engage women in new challenges and new opportunities at other stages in their professional lifecycles. This active management requires ongoing, transparent communication about the implications of possible career choices as well as the encouragement to take risks and reach for higher rungs on the ladder. It also requires ensuring that managers do not, perhaps inadvertently, penalize those who take advantage of such programs.

- **Increase the representation of women in P&L roles**

  Organizations today aren’t doing a very good job on this score. Among survey respondents, only 26% agree that women in the organization are equally likely to be in P&L roles as in non-P&L roles. (See Figure App-2 in Data Tables.) This research indicates that by actively encouraging more women to take on line roles, organizations could more quickly achieve real gender equality at the professional level and above.
• Help women improve their financial well-being through programs and education geared toward their unique financial needs, attitudes, and behaviors

Respondents that have introduced gender-specific elements into their retirement and savings programs are seeing an impact on their ability to engage female talent. But these organizations are in the vanguard; only 12%-15% of respondents agree that they monitor savings ratios and investment choices by gender or customize their main retirement/savings education and training programs to different gender behaviors. Moreover, only 33%-46% agree that their main retirement/savings program addresses different work arrangements or allows varying contributions to compensate for these work arrangements. (See Figure App-2 in Data Tables.) Clearly there is an opportunity for many more employers to begin tailoring financial programs to women’s unique needs.

• Adopt more innovative, gender-specific approaches to supporting women’s health

Evidence from around the world indicates that health and caregiving issues have a huge impact on employee productivity. Organizations globally still do little overall to help employees manage or mitigate these issues; targeting programs to women’s unique biology and healthcare needs and to the disproportionate work women do as caregivers for their families is rarer still. Traditional health offerings are not sufficiently gender-specific or aligned with women’s professional lifecycles to have an impact on gender equality — indeed, in the rare case where health education programs are geared to women, we see a significant impact on future representation. We believe that these more targeted and flexible approaches to health and well-being could significantly impact female participation in the workforce if adopted by employers.

CONCLUSION

As this research makes clear, implementing a broad approach that pulls all enabling levers in the organization and is responsive to women’s unique needs throughout their professional and personal lifecycles is the key to achieving real gender equality in the near future. By applying these learnings to their own talent management and diversity and inclusion efforts, organizations can boost their performance — and ensure that the women who work for them thrive.

In the next section we will explore a process by which employers can build on these findings and work to define a customized gender strategy that incorporates a truly holistic point of view and is effective within their particular organizational context.
SECTION 3. WHEN WOMEN THRIVE: AN APPROACH FOR ENHANCING GENDER DIVERSITY IN YOUR ORGANIZATION

THERE IS NO ONE-SIZE-FITS-ALL SOLUTION

The purpose of this report is not to provide employers with a standardized road map for better utilizing female talent, but to broaden the conventional understanding of women’s unique needs and the resulting components of an effective gender strategy. Each employer will need to analyze its own unique circumstances with respect to gender diversity — the current state of its workforce dynamics and the most important drivers of change — in order to craft the most effective strategy.

A PROCESS FOR MOVING TOWARD GENDER BALANCE IN YOUR ORGANIZATION

While the solutions will be different for different organizations, we suggest a common process comprised of the following steps:

1. Admit you have a problem ... and an opportunity

The fear of litigation keeps many organizations from tackling the issue of gender diversity head on. But our experience in working with employers on this issue indicates that in order to make progress, you must be willing to put the tough questions on the table, be transparent, and, yes, gather the data necessary to analyze where you are today and what stands in the way of real change. A thorough examination of the barriers to gender diversity in your organization can lead to progress that will help you maximize the potential of your talent pipeline and improve business performance. Piecemeal efforts will not lead to meaningful change.

Some organizations concerned with the impact of current gender imbalances on their results and future growth are coming out of the closet to lead on this issue. For example, some companies, including Google and LinkedIn, have decided that transparency is the best route to progress on diversity. These companies recognize that an honest assessment of the problem is always the essential first step in solving it.

2. Base your gender diversity strategy and priorities on robust workforce analytics

This study relies on a rigorous statistical methodology to link specific gender diversity outcomes to organizational policies, pay equity efforts, leadership and engagement, talent management, and health and retirement programs. An evidence-based approach allows you to identify your unique drivers of gender equality by:

• Allowing you to detect where bottlenecks are occurring in your female talent pipeline.
• Pinpointing HR processes and practices — hiring, promotion, retention, performance management, and compensation — that are most linked to improving gender diversity.
• Determining which specific policies and programs are accelerating or slowing the progression of women in your organization.

This methodology can also be used to forecast how current practices will influence gender diversity in your organization in the future, as well as the projected impact of specific changes, to guide decisions you make today.
3. **Align your diversity strategy with your talent strategy**

Organizations run into trouble when their diversity strategies run counter to the broader talent strategy. For example, an organization may have a strong female pipeline internally, but if there is an overall “buy” strategy (i.e., a focus on external hiring to enhance current capabilities), opportunities for diverse talent to progress may be limited. On the other hand, hiring senior women from the outside to create more balance at the top is a doomed diversity strategy in organizations where informal networks and institutional knowledge are the keys to success.

4. **Implement new programs and benefits ONLY in the context of an enabling environment**

Our research reveals that programs implemented to improve gender diversity can, in the absence of a supportive organizational culture and the active management of female talent, become diversity derailers instead. Programs will help advance diversity in your organization only if the larger culture embraces difference and is comfortable with different employees choosing different paths and different ways to contribute to the overall enterprise. If there is a stigma associated with the use of a particular program or benefit, it will not move the organization toward greater gender diversity.

5. **Broaden your understanding of what it takes to support women**

We recommend that employers look beyond typical programs when considering how best to support and enable all talent. Employers seeking to better utilize the female workforce must recognize and respond to women’s unique health and financial needs at different stages of their professional life cycles with innovative, targeted programs. For example, we find that gender-specific programs focused on either health or financial wellness, neither of which is a commonly offered program today, are associated with improved diversity.

6. **Collaborate with other stakeholders in the macro environment to impact the female talent pipeline**

The availability of female talent and its readiness to succeed is a function not only of the policies and actions of employers but also of social, economic, cultural, and structural elements in the macro environment. Ensuring that you will have the talent you need in every market to compete today and tomorrow relates to how well you manage talent internally and also to the vitality and preparedness of the external female talent supply in the countries and societies within which you operate.

Organizations most concerned with positioning themselves for success are taking a macro-system approach — they are reaching out to collaborate with other key stakeholders that can influence the supply of female talent, including schools, governments, public health organizations, industry groups, and NGOs. In some environments, collective action may be the only way to significantly impact female workforce participation and resulting gender diversity outcomes.

For example, some employers are:

- Working with local and state governments to help improve educational systems and bolster girls’ preparedness for STEM (science, technology, engineering, and mathematics) occupations.
- Working with industry groups and universities to deliver training and lifelong learning opportunities to women.
- Working with government and industry groups to offer internships and apprenticeships.
- Joining advisory councils to have input into university curricula.
- Working with governments and NGOs to promote better access to healthcare.
- Influencing public policies related to disease prevention, promoting healthy choices, and mitigating health stressors for women such as caregiving, reproductive planning, and domestic violence.
- Working with government and NGOs to improve transportation and communication infrastructure.
A tremendous amount of research, energy, and effort has gone into the issue of gender equality in the workplace. Many have documented the costs both to women and to businesses of the structural barriers and conscious and unconscious biases that continue to dampen women’s participation in the global economy and accession to leadership roles in business organizations. And many have attempted to address the issue in meaningful ways.

But we have a profound responsibility and a profound opportunity to do better. Our businesses need to be able to wrest full value from more than half of the world’s labor pool. Our communities and nations need to build our economies on a stronger foundation of engagement and productivity. And our families need to be buoyed by the accomplishments and earnings of our women as well as our men.

This research points the way. It reveals what is possible when organizations take different strategies and unique actions. And it demonstrates the power of analytics to identify the barriers to and drivers of gender diversity.

Importantly, we are not suggesting that organizations should be concerned only with gender diversity. Significant talent is being wasted because organizations still don’t know how to fully utilize all populations. The methodology employed for this research can easily be employed to study the talent flows and internal drivers of and barriers to progression and retention for other populations, and we would strongly encourage employers to do so.

We believe we are at an inflection point and call on organizations worldwide to embrace the goal of gender equality and seek their own unique data-driven solutions to achieve that goal. We are optimistic and confident that leaders want to solve this — and will.

We also encourage organizations, particularly those operating in locations with more widespread economic, cultural, and logistical barriers to women’s participation, to collaborate with other stakeholders in the larger environment to make progress toward the goal.

Those who seize this moment for change are sure to outperform those who remain on the sidelines.
WHEN WOMEN THRIVE, BUSINESSES THRIVE

APPENDIX — DATA TABLES

FIGURE APP.1: SURVEY RESULTS RELATING TO GENDER EQUALITY AND PAY EQUITY COMMITMENTS

- Gender equality is a core part of our compensation philosophy/strategy.
  - Average score: 3.89

- Gender equality is a core part of our benefits philosophy/strategy.
  - Average score: 3.85

- Our commitments to gender equality are publicly documented (e.g., in annual reports, on websites, etc.).
  - Average score: 3.68

- Our company has an explicitly stated pay equity policy that is publicly communicated.
  - Average score: 3.18

- We have a dedicated team responsible for conducting pay equity analysis and ensuring pay equity adjustment are implemented.
  - Average score: 3.34

- Our pay equity analysis addresses both base pay and incentives.
  - Average score: 3.63

- Our pay equity analysis relies upon a robust statistical approach (e.g., multiple regression).
  - Average score: 3.08

- We have a formalized remediation process to address any pay equity risks identified.
  - Average score: 2.98
We routinely check for and act to close gender gaps in hiring rates.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>1 — Strongly disagree</th>
<th>2 — Disagree</th>
<th>3 — Neutral</th>
<th>4 — Agree</th>
<th>5 — Strongly agree</th>
<th>Average score</th>
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<td>16%</td>
<td>25%</td>
<td>34%</td>
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We routinely check for and act to close gender gaps in promotion rates.

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<td>14%</td>
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<td>3.28</td>
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We routinely check for and act to close gender gaps in turnover rates.

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<td>9%</td>
<td>21%</td>
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We routinely check for and act to close gender gaps in performance ratings.

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Women are equally represented in P&L roles as they are in non-P&L positions.

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<tr>
<th>Percentage</th>
<th>1 — Strongly disagree</th>
<th>2 — Disagree</th>
<th>3 — Neutral</th>
<th>4 — Agree</th>
<th>5 — Strongly agree</th>
<th>Average score</th>
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<td>15%</td>
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<td>29%</td>
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</table>
We routinely review and act upon engagement survey responses by gender.

Senior executives (i.e., CEO plus direct reports) are actively involved in diversity and inclusion (D&I) programs/initiatives.

Men are actively involved in D&I programs/initiatives.

Gender diversity programs/initiatives also incorporate racial/ethnic differences.

The person who is responsible for leading D&I initiatives has decision-making authority.

Bonuses/incentives for senior executives (i.e., CEO plus direct reports) are linked to the achievement of D&I goals.

There are non-financial consequences (e.g., termination) for individuals who fail to drive D&I goals.
We monitor savings ratios and investment choices by gender, via our main retirement/savings program.

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<thead>
<tr>
<th></th>
<th>1 — Strongly disagree</th>
<th>2 — Disagree</th>
<th>3 — Neutral</th>
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<th>5 — Strongly agree</th>
<th>Average score</th>
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<td>26%</td>
<td>8%</td>
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<td>2.15</td>
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</table>
## Figure App.2: Comparison of Overall and Regional Results

<table>
<thead>
<tr>
<th>Gender Equality and Pay Equity Commitments</th>
<th>Overall (O)</th>
<th>Northern America (NA)</th>
<th>Latin America (LA)</th>
<th>Europe/Oceania (E/O)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Favorable (% agree or better)</td>
<td>% F</td>
<td>NA~O</td>
<td>% F</td>
<td>LA~O</td>
</tr>
<tr>
<td>Gender equality is a core part of our compensation philosophy/strategy.</td>
<td>66</td>
<td>66</td>
<td>0</td>
<td>67</td>
</tr>
<tr>
<td>Gender equality is a core part of our benefits philosophy/strategy.</td>
<td>63</td>
<td>64</td>
<td>1</td>
<td>62</td>
</tr>
<tr>
<td>Our commitments to gender equality are publicly documented (e.g., in annual reports, on websites, etc.).</td>
<td>55</td>
<td>61</td>
<td>6</td>
<td>42</td>
</tr>
<tr>
<td>Our company has an explicitly stated pay equity policy that is publicly communicated.</td>
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<td>42</td>
<td>−2</td>
<td>46</td>
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<tr>
<td>We have a dedicated team responsible for conducting pay equity analysis and ensuring pay equity adjustments are implemented.</td>
<td>52</td>
<td>59</td>
<td>7</td>
<td>56</td>
</tr>
<tr>
<td>Our pay equity analysis addresses both base pay and incentives.</td>
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<td>58</td>
<td>−2</td>
<td>69</td>
</tr>
<tr>
<td>Our pay equity analysis relies upon a robust statistical approach (e.g., multiple regression).</td>
<td>38</td>
<td>46</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>We have a formalized remediation process to address any pay equity risks identified.</td>
<td>35</td>
<td>42</td>
<td>7</td>
<td>37</td>
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</table>

Note: Green- and red-shaded areas highlight where regional responses differ from the overall global results by at least 7 percentage points. Green-shaded areas represent responses that are more favorable than the overall. Red-shaded areas represent responses that are less favorable than the overall.
FIGURE APP.2: COMPARISON OF OVERALL AND REGIONAL RESULTS

<table>
<thead>
<tr>
<th>TALENT FLOWS AND REPRESENTATION</th>
<th>OVERALL (O)</th>
<th>NORTHERN AMERICA (NA)</th>
<th>LATIN AMERICA (LA)</th>
<th>EUROPE/ OCEANIA (E/O)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% FAVORABLE (% agree or better)</td>
<td>% F</td>
<td>NA–O</td>
<td>% F</td>
<td>LA–O</td>
</tr>
<tr>
<td>We routinely check for and act to close gender gaps in hiring rates.</td>
<td>51</td>
<td>59</td>
<td>8</td>
<td>42</td>
</tr>
<tr>
<td>We routinely check for and act to close gender gaps in promotion rates.</td>
<td>45</td>
<td>47</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>We routinely check for and act to close gender gaps in turnover rates.</td>
<td>37</td>
<td>41</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>We routinely check for and act to close gender gaps in performance ratings.</td>
<td>32</td>
<td>35</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Women are equally represented in P&amp;L roles as they are in non-P&amp;L positions.</td>
<td>26</td>
<td>22</td>
<td>–4</td>
<td>45</td>
</tr>
</tbody>
</table>

Note: Green- and red-shaded areas highlight where regional responses differ from the overall global results by at least 7 percentage points. Green-shaded areas represent responses that are more favorable than the overall. Red-shaded areas represent responses that are less favorable than the overall.
When women thrive, businesses thrive

**Figure App.2: Comparison of Overall and Regional Results**

<table>
<thead>
<tr>
<th>GENDER EQUALITY AND PAY EQUITY COMMITMENTS</th>
<th>OVERALL (O)</th>
<th>NORTHERN AMERICA (NA)</th>
<th>LATIN AMERICA (LA)</th>
<th>EUROPE / OCEANIA (E/O)</th>
</tr>
</thead>
<tbody>
<tr>
<td>We routinely review and act upon engagement survey responses by gender.</td>
<td>45</td>
<td>50</td>
<td>5</td>
<td>51</td>
</tr>
<tr>
<td>Senior executives (i.e., CEO plus direct reports) are actively involved in D&amp;I programs/initiatives.</td>
<td>56</td>
<td>64</td>
<td>8</td>
<td>51</td>
</tr>
<tr>
<td>Men are actively involved in D&amp;I programs/initiatives.</td>
<td>49</td>
<td>66</td>
<td>17</td>
<td>42</td>
</tr>
<tr>
<td>Gender diversity programs/ initiatives also incorporate racial/ethnic differences.</td>
<td>51</td>
<td>64</td>
<td>13</td>
<td>44</td>
</tr>
<tr>
<td>The person who is responsible for leading D&amp;I initiatives has decision-making authority.</td>
<td>55</td>
<td>58</td>
<td>3</td>
<td>58</td>
</tr>
<tr>
<td>Bonuses/incentives for senior executives (i.e., CEO plus direct reports) are linked to the achievement of D&amp;I goals.</td>
<td>15</td>
<td>21</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>There are non-financial consequences (e.g., termination) for individuals who fail to drive D&amp;I goals.</td>
<td>11</td>
<td>8</td>
<td>-3</td>
<td>28</td>
</tr>
</tbody>
</table>

Note: Green- and red-shaded areas highlight where regional responses differ from the overall global results by at least 7 percentage points. Green-shaded areas represent responses that are more favorable than the overall. Red-shaded areas represent responses that are less favorable than the overall.
# FIGURE APP.2: COMPARISON OF OVERALL AND REGIONAL RESULTS

<table>
<thead>
<tr>
<th>RETIREMENT/SAVINGS PROGRAM DESIGN</th>
<th>OVERALL (O)</th>
<th>NORTHERN AMERICA (NA)</th>
<th>LATIN AMERICA (LA)</th>
<th>EUROPE / OCEANIA (E/O)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% FAVORABLE (F) (% agree or better)</td>
<td>NA-O</td>
<td>LA-O</td>
<td>E/O-O</td>
</tr>
<tr>
<td>We monitor savings ratios and investment choices by gender, via our main retirement/savings program.</td>
<td>15</td>
<td>25</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Our main retirement/savings education/training programs are customized to different gender behaviors.</td>
<td>12</td>
<td>21</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Our main retirement/savings program addresses different work arrangements (e.g., adapted to part-timers, service breaks).</td>
<td>33</td>
<td>55</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Our main retirement/savings program allows varying contributions to compensate for different work arrangements.</td>
<td>36</td>
<td>52</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>Our main retirement/savings program helps employees manage the financial well-being of their dependents.</td>
<td>42</td>
<td>53</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Our main retirement/savings program helps employees manage the financial well-being of their elderly parents.</td>
<td>20</td>
<td>23</td>
<td>3</td>
<td>18</td>
</tr>
</tbody>
</table>

Note: Green- and red-shaded areas highlight where regional responses differ from the overall global results by at least 7 percentage points. Green-shaded areas represent responses that are more favorable than the overall. Red-shaded areas represent responses that are less favorable than the overall.
### FIGURE APP.3: BENEFIT PROGRAMS

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th># OF ORGS SELECTING PROGRAM AS “TOP 5”</th>
<th>MOST COMMON SURVEY RESPONSE</th>
<th>DEGREE OF COST/EFFORT</th>
<th>DEGREE OF IMPACT</th>
<th>OVERALL USAGE (% OF WORKFORCE)</th>
<th>GENDER DIFFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible work arrangements</td>
<td>149</td>
<td>Low</td>
<td>High</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Maternity leave</td>
<td>120</td>
<td>Medium</td>
<td>High</td>
<td>Less than 33%</td>
<td>Women</td>
<td></td>
</tr>
<tr>
<td>Part-time schedules</td>
<td>102</td>
<td>Low</td>
<td>High</td>
<td>Less than 33%</td>
<td>Women</td>
<td></td>
</tr>
<tr>
<td>Wellness programs</td>
<td>90</td>
<td>Medium</td>
<td>Medium</td>
<td>More than 50%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Company-sponsored access to child care</td>
<td>59</td>
<td>High</td>
<td>High</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
</tbody>
</table>

### FIGURE APP.3: TALENT MANAGEMENT PROGRAMS

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th># OF ORGS SELECTING PROGRAM AS “TOP 5”</th>
<th>MOST COMMON SURVEY RESPONSE</th>
<th>DEGREE OF COST/EFFORT</th>
<th>DEGREE OF IMPACT</th>
<th>OVERALL USAGE (% OF WORKFORCE)</th>
<th>GENDER DIFFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular performance reviews</td>
<td>135</td>
<td>Medium</td>
<td>High</td>
<td>More than 50%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Formal mentorship programs</td>
<td>110</td>
<td>Medium</td>
<td>High</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Formal high-potential acceleration programs</td>
<td>100</td>
<td>Medium</td>
<td>High</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Formal mobility or rotational programs</td>
<td>76</td>
<td>High</td>
<td>High</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Tuition reimbursement programs</td>
<td>72</td>
<td>Medium</td>
<td>Medium</td>
<td>Less than 33%</td>
<td>Similar</td>
<td></td>
</tr>
</tbody>
</table>
### FIGURE APP.3: BENEFIT PROGRAMS

<table>
<thead>
<tr>
<th>Overall</th>
<th>Northern America</th>
<th>Latin America</th>
<th>Europe/Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-Ranked Program</td>
<td>% Ranking in Top 5</td>
<td>Top-Ranked Program</td>
<td>% Ranking in Top 5</td>
</tr>
<tr>
<td>Flexible work arrangements</td>
<td>97 Flexible work arrangements</td>
<td>95 Flexible work arrangements</td>
<td>100 Part-time schedules</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>81 Maternity leave</td>
<td>79 Maternity leave</td>
<td>92 Maternity leave</td>
</tr>
<tr>
<td>Part-time schedules</td>
<td>75 Wellness programs</td>
<td>61 Compressed work weeks</td>
<td>88 Company-sponsored access to child care</td>
</tr>
<tr>
<td>Company-sponsored access to child care</td>
<td>66 Part-time schedules</td>
<td>60 Company-sponsored access to child care</td>
<td>79 Compressed work weeks</td>
</tr>
<tr>
<td>Wellness programs</td>
<td>61 Company-sponsored access to child care</td>
<td>59 Part-time schedules</td>
<td>71 Family or parental/caregiver leave</td>
</tr>
</tbody>
</table>

### FIGURE APP.3: TALENT MANAGEMENT PROGRAMS

<table>
<thead>
<tr>
<th>Overall</th>
<th>Northern America</th>
<th>Latin America</th>
<th>Europe/Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-Ranked Program</td>
<td>% Ranking in Top 5</td>
<td>Top-Ranked Program</td>
<td>% Ranking in Top 5</td>
</tr>
<tr>
<td>Formal mentorship programs</td>
<td>87 Formal high-potential acceleration programs</td>
<td>86 Gender-specific training programs</td>
<td>88 Formal mentorship programs</td>
</tr>
<tr>
<td>Formal high-potential acceleration programs</td>
<td>85 Formal mentorship programs</td>
<td>86 Formal high-potential acceleration programs</td>
<td>83 Formal high-potential acceleration programs</td>
</tr>
<tr>
<td>Regular performance reviews</td>
<td>79 Formal executive sponsorship programs</td>
<td>78 Formal mobility or rotational programs</td>
<td>83 Regular performance reviews</td>
</tr>
</tbody>
</table>
WHEN WOMEN THRIVE, BUSINESSES THRIVE
1 Thornton G. *Women in Senior Management: Setting the Stage for Growth*, 2013.

2 Picture B. “Are Diversity Officers Changing the Face of Corporate America?” *Asian Week*, November 26, 2005.


6 Thornton, 2013.


11 Ibid.


21 Beck, 2011


ACKNOWLEDGMENTS

AUTHORS

Patricia A. Milligan  
Senior Partner and Regional President – North America

Brian Levine, PhD  
Partner

Linda Chen  
Senior Associate

Katie Edkins  
Associate

CONTRIBUTORS

Erin Defoyd  
Principal

Martine Ferland  
Senior Partner

Lorna Friedman  
Partner

Eleanor Tabi Haller-Jorden  
Strategic Advisor, EDGE Certified Foundation

Charlotte Harding  
Principal

Alina Polonskaia  
Principal

Lindsay Pracht  
Principal

Gillian Printon  
Senior Partner

Julie Winskie  
Partner

Jill Zimmerman  
Partner

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ABOUT THE AUTHORS

Patricia A. Milligan
Senior Partner and Regional President – North America

Pat Milligan is the President of Mercer’s North America Region, appointed in October 2012. Since joining Mercer in 2005, she has held a number senior leadership positions including Global Leader of Talent and Chief Markets Officer. She is a strong advocate for mentoring and enabling women in leadership. She leads the Women@Mercer Steering Committee in alignment with Mercer’s Diversity governance structure. Pat is also a member of Mercer’s Executive Committee. Prior to joining Mercer in 2005, Pat led the worldwide markets business at Mellon Human Resources Services; at Towers Perrin, Pat was a member of the Executive Committee and Board of Directors.

Pat currently serves as the Co-Vice Chair on the World Economic Forum Global Agenda Council on Education and Skills. For most of her 25-year career, she has collaborated with and been involved in innovative and pioneering work in the area of human capital strategy, HR function strategy, talent management and rewards strategy. Pat was selected as one of the Women Worth Watching in 2010 by Diversity Journal for her strong advocacy, development, and mentorship of women. In May 2012, she was selected by Consulting Magazine as one of the nation’s top 25 consultants, recognized for her excellence in leadership.

Pat is a graduate of Georgetown University’s School of Foreign Service and the Kellogg Graduate School of Management at Northwestern University.

Brian Levine, PhD
Partner

Brian Levine leads innovation for Mercer’s Workforce Strategy & Analytics practice and is a fellow of Mercer’s Workforce Sciences Institute. He has more than 15 years of consulting experience in human capital measurement — working with company data to identify the drivers of rewards and turnover as well as significant links between human capital practices and business performance. Brian also has extensive experience leading analytic assessments of diversity and pay equity and led the team that developed Mercer’s proprietary pay equity software.

Brian received a BS in industrial and labor relations and MS and PhD degrees in economics, all from Cornell University.

Linda Chen
Senior Associate

Linda Chen is a member of the Workforce Strategy & Analytics practice at Mercer. She has worked with organizations across various sectors and geographies on a wide array of client engagements, assessing internal labor dynamics, identifying drivers of key workforce outcomes, and examining linkages between human capital management and business results. Linda’s consulting has focused on analytics to support workplace diversity and evaluation of talent risks in M&A due diligence and integration.

Linda graduated from Wellesley College with a BA in economics and architecture.

Katie Edkins
Associate

Katie Edkins is the global Project Manager for the Women@Mercer program. She is involved with driving the continued impact of programs aimed at maximizing Mercer’s commitment to its own female talent, as well as building and executing a gender diversity commercial program for Mercer globally. In 2014, she played a primary role in developing and directing Mercer’s inaugural gender-diversity conference in Washington, DC.

Katie graduated from Dartmouth College with a BA in English and psychology.
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