

2015 CEO Champions Global Meeting

Advancing women in the private and public sectors:
building & strengthening the pipeline



An initiative of the Women's Forum for the Economy & Society



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Foreword

CEO Champions has been an initiative of the Women's Forum for the Economy & Society since 2010, and in 2015 AIG, Janssen Pharmaceutical Companies of Johnson & Johnson and McKinsey & Company partnered this initiative, with the support of the 30 Percent Club and the OECD.

At the 2015 Women's Forum Global Meeting in Deauville, as part of the CEO Champions Initiative, a group of 45 leading figures from the public and private sectors were joined by 15 experts on gender issues to debate tangible and impactful actions for women's advancement, with a particular focus on "Building and strengthening the pipeline". This unprecedented large group gathered for a three-hour closed-door working session under Chatham House rules and expressed and underlined their dedication and ambition to contribute actively to the representation of women at all levels of the workforce.

For the first time, the CEO Champions workshop gathered not only CEOs and senior executives from major corporations but also leaders of public institutions, as well as a high-level panel of gender experts from different sectors. Building on insights from the recently published study by the McKinsey Global Institute on Gender Parity¹, and from McKinsey's *Women Matter* series of research², the CEO Champions brainstormed on two main questions in breakout groups:

- How can we help close the gender gap in society and bring more women into the workforce?
- How do we create a robust and sustainable pipeline of talented women at each stage of our organizations?

CEO Champions Members showed a remarkable level of commitment, passion and conviction which was illustrated in the ideas and objectives set out by each Member during the workshop. The group was unanimous in stating that gender diversity in the workplace requires tackling critical issues in our societies and in the communities in which we operate, as well as driving substantial cultural change. Workshop discussions focused on the broad ecosystem, and inspiring ideas were developed and shared on how to create a truly equal place for women in our societies and corporations. Recognizing that there is no one size fits all solution, the group divided into eight tables in order to brainstorm on the key questions. We were particularly struck by the diversity and the number of initiatives proposed by the CEO Champions Members, as each table concluded

with four actions to be implemented, each one clearly differentiated from the other. The result was noteworthy: over thirty ideas emerged from the workshop, receiving significant consideration and gaining momentum from the group in general.

This white paper aims to capture the priorities and ideas which were debated in the workshop, and to provide a source of inspiration for other executive leaders. It will also serve as a checklist of initiatives for the members of the group itself who seek to advance women in the economy and society or to build a robust pipeline of female leaders in their own organizations. Walking the talk is a key principle of our group. This publication, beyond simply sharing ideas and perspectives, highlights three initiatives in particular that the CEO Champions Members could pilot in their own companies or institutions.

We hope that this effort will provide a valuable source of reflection and action for private and public stakeholders. We have committed to follow the progress of our group on these items, through a number of meetings in 2016. We will work together to implement the pilot initiatives and to learn from our respective experiences. The objective of this white paper is to broadly communicate these ideas and initiatives, thus inspiring more companies and organizations to take action. We will also engage with governments to bring change in societies, through tangible and impact-driven actions. The case has never been as strong for committing to build a better world for women. A world where men and women, together and equally, can express their full potential with the firm intention of building equitable and sustainable economies and societies. Only then can we achieve a better quality of life for all.

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1 McKinsey Global Institute, *The Power of parity: How advancing women's equality can drive \$12 trillion in global growth*

2 McKinsey & Company, *Women Matter*, 2007, 2008, 2013



Introduction

What is at stake?

A case for economic growth

A recent report by the McKinsey Global Institute (MGI)³ has made the case that narrowing the global gender gap in the workforce would not only be equitable in the broadest sense, it also constitutes one of the largest opportunities for inclusive growth in the coming decade: it could double contribution by women to global GDP growth between 2014 and 2025, and deliver an additional \$12 trillion to global GDP by 2025 in a best-in-region scenario (i.e. if every country were to close the gender gap in the workplace at the same rate as its fastest improving regional peer).

The MGI looked at 15 indicators of gender inequality across four categories. The first category is gender equality in the workplace. The other three categories pertain to gender equality in society – gaps women face in essential services such as education and healthcare, financial and digital inclusion; in legal rights and political representation; and finally in physical security and autonomy. While progress has been made on some aspects of gender inequality, large gaps still remain in many parts of the world. MGI has found that 40 out of the 95 countries studied have high or extremely high levels of inequality in more than half of the 15 indicators.

Inequality in the workforce is overtly apparent in the simple fact that there are 655 million fewer women than men in the labor force. Besides, women spend nearly three times more hours on unpaid care work than men. On essential services and enablers of economic equality, many countries have bridged the gap, however some critical issues remain. For instance, 240,000 women still die every year due to pregnancy complications and there are 195 million fewer literate adult women than men. The world's women still have only 77% of the access men have to financial services, and only 84% of the access men have to the Internet and mobile phones. All of these inequalities impact the total contribution women make to global GDP – which is currently only at 37%.

Clearly, closing all these gaps is critical from both a humanitarian and moral perspective. The MGI report however showed that additionally significant economic growth would be achieved. It also demonstrated that it is

not possible to achieve gender equality in the economy and in the workplace without equality in society.

Gender parity is good for business

Businesses have a role to play in helping close the gender gap – both in society and in the workplace – and they have a vested interest in driving an agenda for change. Several studies, including McKinsey's *Women Matter* series⁴ and Sodexo's business case⁵ (see Box 1), demonstrate that gender diversity in corporations (in particular at the top) results in better corporate performance.

We believe that successful interventions should involve multi-sector coalitions. It is the reason why we gathered 45 C-level executives and 15 gender diversity experts from the private and public sectors, for the CEO Champions workshop to discuss how we can build and strengthen the pipeline of talented women in our organizations, and how we can help drive change more broadly in society.

In eight breakout groups, the CEO Champions Members brainstorm contributed to the development of over 30 ideas, some of them proving to be quite straightforward, while others would require some level of exploration. A couple of ideas appeared to be self-evident. These ideas are highlighted in the next sections of this paper, as a checklist of basic actions for all CEO Champions Members to implement in their own organizations. Other more ambitious ideas will be explored further as pilot projects within our own companies and institutions.

3 McKinsey Global Institute, *The Power of parity: How advancing women's equality can drive \$12 trillion in global growth*

4 McKinsey, *Gender diversity: A corporate performance driver*, *Women Matter 2007*; *Gender diversity in top management: Moving corporate culture, moving boundaries*, *Women Matter 2013*,
5 In 2014 Sodexo established a correlation between gender-balanced management teams and key performance indicators such as employee engagement, brand awareness, client retention, and financial metrics, across their 90 entities

I. How to build and strengthen the pipeline of talented women in our organizations?

Ideas and perspectives were collected from each table discussion and structured along the key dimensions of the gender diversity ecosystem developed by McKinsey & Company (**Exhibit 1**).

According to McKinsey’s research, an effective gender-diversity ecosystem involves three main levers: i) resolute and continuous commitment from the CEO as well as the leadership team to put gender diversity at the top of the strategic agenda and closely monitor progress, ii) individual programs to help develop women as leaders, and iii) collective enablers, such as gender-diversity indicators and HR processes.

1. CEO and leadership team commitment

According to the CEO Champions Members, one of the most strategic requirements for any gender parity

program is to establish it **as a top priority on the company agenda**. “Gender parity is a strategic issue and needs to be clearly positioned at the top of the strategic agenda” explained a participant. Other attendees confirmed “Gender diversity is not a sunny weather topic that one drops at every crisis. CEOs need to sustain it over time, and through good and bad weather”.

The imperative of a **robust commitment by the CEO personally** appeared as a consensus in every breakout discussion. All participants agreed that C-level sponsorship of the gender diversity program with a high level of ambition is mandatory in order to bring change. One of the attendees emphasized the importance of “setting clear figures on the objectives and leveraging it as a communication tool to better engage the whole organization”.

Exhibit 1 - McKinsey’s ecosystem for building gender-diversity in corporations

Reinforcing the gender-diversity ecosystem to address gaps in the corporate culture and mindsets



SOURCE: Women Matter: Moving the corporate culture, moving the needle, McKinsey, 2013

One group suggested assessing the impact of female leadership through financial, qualitative or performance tracking indicators. As a key action to be taken, provided that corporations have the scale for achieving statistically relevant correlations, one could build on Sodexo's example and develop **a business case for female leadership in operational and P&L roles** (see Box 1).

CEO Champions Members agreed that assessing how gender balance drives results at all levels of our own organizations would constitute a powerful step.

Several participants also argued for a **Gender Diversity Index** (see Box 2) similar to the Dow Jones Sustainability Indices (DJSI) or leveraging the concept of Gender Parity Score (GPS) developed by the McKinsey Global Institute. This index could measure and track companies' situations over time, building transparency on a set of critical gender parity indicators. The index would be publicly communicated as a reference for investors, talents, and influencers.

A number of CEO Champions Members were keen to pilot such an index in their own company, highlighting that communicating positive results is critical to the dissemination of the initiative in the broader community, and a powerful driver to accelerate change.

2. Women's individual development programs

Breakout groups also brainstormed on effective ways to help women develop as leaders, focusing on key barriers and gaps to address from a cultural standpoint, such as prevailing leadership models. Several ideas emerged around the role model CEOs can play, the establishment of a supportive environment for women's development and, finally, the importance of developing a **robust pipeline of female talent at each management layer**.

■ CEOs as role models to neutralize the performance model

The CEO Champions Members acknowledged the importance of CEOs as role models for cultural change. One group suggested systematically **appointing two co-CEOs** – one female and one male – to build parity by example at the top and another participant proposed applying this disruptive model at each management level. Participants furthermore highlighted a number of outstanding initiatives such as male **CEOs taking**

BOX 1: ASSESSING THE BUSINESS CASE AND COMMUNICATING RESULTS

In 2014, Sodexo explored the correlation between gender-balanced management teams and four key performance indicators: employee engagement, brand awareness, client retention, and financial metrics. They analyzed data from 50,000 managers across 90 entities around the world and the results were compelling. They clearly showed that teams with a male–female ratio between 40 and 60% produce results that are more sustained and predictable than those of teams that are not gender balanced. The research, for instance, showed that between 2010 and 2012, the employee engagement rate of gender-balanced teams around the world increased by an average of four percentage points, against an average of one percentage point in the case of unbalanced teams. Similar findings showed a correlation between gender diversity and other business metrics, including consumer satisfaction and operating profit. Moreover, Sodexo's case study has confirmed that gender balance delivers results if it is systematically addressed throughout the organization: more women in the middle ranks increases the pipeline of candidates for these top positions.

BOX 2: ASSESSING COMPANIES' GENDER DIVERSITY PERFORMANCE USING A GENDER DIVERSITY INDEX (GDI)

The Dow Jones Sustainability Indices (DJSI) is based on an analysis of corporate, economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labor practices. The trend is to reject companies that do not operate in a sustainable and ethical manner. It includes general as well as industry-specific sustainability criteria for each sector. The GDI could help set up professional standards and criteria for gender diversity in corporations and measure the journey each company has to make in order to achieve full parity, as well as best performers from whom we can learn.

paternity leave. CEO role model examples can likewise be found in **direct mentorship** by senior executives of women executives who request dedicated coaching.

- **Supportive environment for women's development**

The common agreement between CEO Champions Members was that organizations have a clear responsibility to establish a supportive environment to facilitate women's development. The notion of **inclusiveness** was raised as an imperative: "*We need men to understand the specific barriers women face on their way to the top*" and "*we need to better include them in gender diversity initiatives, they need to understand that what is good for women will potentially be good for them*". Many discussions highlighted the critical issue of some women lacking confidence when facing a promotion and anticipating the associated responsibilities. One company – Mazars – shared its experience of how it succeeded in **improving the self-esteem of its talents** by offering an in-house MBA program, thus achieving two positive outcomes with one initiative: "*It helps build robust leadership capabilities on the one hand, and fills the gap in one's self-esteem inherited from the past by building a new reference model for what 'being successful' means*" (See Box 3).

BOX 3: ASSESSING SELF-ESTEEM AND ADDRESSING RELATED GENDER GAPS

CEO Champions Members suggested exploring rolling out a self-esteem survey in our organizations, to help understand the specific groups affected by a biased vision of their potentials and capabilities. Doing so would help not only identify the self-confidence issues women face in corporations, but it would also help design a new *company-based* success model that would benefit all categories of talent – in particular *Generation Y*.

Last but not least, one group suggested the creation of a new type of **venture capital fund** dedicated to supporting women's entrepreneurship initiatives, enabling greater gender diversity in business development and the creation of start-ups.

- **A robust and sustainable pipeline of female talent**

Building a robust and sustainable pipeline of female talent at every management layer is a critical topic for all companies and public institutions who wish to bring more women into their top management. Some participants highlighted that mentoring and coaching is not enough: "*We need (male) senior executives to **sponsor and advocate for talented women***". One idea piloted by Orange as part of their global gender diversity program received considerable interest: **identifying the invisible women in the organization**. "*We could set up a rule for each senior executive to identify at least two women from their teams*" suggested one table. "*Promoting women in every function, including for **P&L responsibilities** and not just in the traditional HR or communications departments, is absolutely critical*" insisted one group, pointing out that too few women are holding executive positions in core business functions such as Finance, Engineering or Sales. "*We need to prevent the so-called pink ghettos*". Similarly, one member suggested that it was critical to create career paths enabling high-potential women who occupy a position in support functions to join or return to operational roles in their organizations.

3. HR policies and corporate culture

Human Resources policies and corporate culture were widely explored during the CEO Champions workshop, with four critical actions highlighted:

- **HR training on equality:** Human Resources departments are often owners of gender parity programs. It is therefore important to encourage HR teams to "**do the obvious**": develop key gender-parity indicators, and ensure that the company has equal pay for equal work, equal opportunities in recruitment and promotions, etc. It is crucial to train HR – from directors and leaders to managers and employees – and to work with them to deconstruct the **unconscious bias** affecting recruiting, promoting, and evaluating women at work. Launching such a program could constitute an excellent opportunity to mobilize HR professionals around the need to build a gender diversity strategy and sustain it over time.
- **Personal life at work:** One group expressed the idea that "*if professional life tends to take more and more space in private life, private life should be allowed more often into professional life*". This could be explored through **facilitating parental life at work**,

for example, implementing an in-house childcare/nursery in the company or other household facilities and services. Beyond that, the discussion aimed at drawing attention to certain behaviors, such as **visibility at the desk or extensible workhours**, which are sometimes considered as proof of engagement at work and therefore unconscious indicators of success, while most of the time they are not compatible with family life.

- **Paternity / Maternity leave:** Some companies have been saluted for their recent moves regarding parental leave policies. One good example is Facebook, which recently granted employees a four-month paid

parental leave. It helps to **neutralize the leave by making it available for men as well as for women**. Participants also highlighted that companies should “*allow women to live in peace with their choices*” and offer them the possibility of staying in touch with their corporate teams or projects when they are on parental leave.

- **Agile working (Homeworking):** The discussions on this topic mentioned how technological developments and the digitization of our organizations can help develop better agility – and therefore **flexibility** – in the workforce. It is critical to make leadership roles more compatible with family life.



II. How can corporations help close the gender gap in society?

Beyond corporate actions, the CEO Champions Members debated the importance for organizations to work with and for the community on social gender inequalities. Several ideas emerged from the breakout discussions. Most of the participants acknowledged that companies have a responsibility and potential for impact in building a better world for women and bringing them to the front stage, at parity with men.

1. Unconscious bias

- **Root treatment of the issue:** One of the key ideas that emerged from the discussions is to address the root causes of gender equality. For example, a group highlighted that still today, schools are not always promoting gender equality values and they can be a vehicle for persistent stereotypes. Corporations could help identify and resolve the root causes through supporting education programs or working in coalition with the public sector, for example to **devote time to children in order to build awareness around gender equality**. In another area, the **advertising industry has a clear responsibility** as a vehicle for myths and trends – somehow promoting a skewed picture, often representing women in charge of raising children, cooking or doing household chores. This industry in particular has an important role to play in addressing unconscious gender bias.
- **Corporate communication:** Communication can be a powerful tool for driving change in society. For example, CEO Champions Members suggested that each of our companies should pick one or two game-changer initiatives for gender equality, implement them and then communicate broadly in the media on their successes and impact, **to leverage strong brands to act as role models in society** and drive change. Each company has a **responsibility in how**

it communicates regarding its industry, functions, services, and to counter the unconscious bias being transmitted through advertising or marketing campaigns. For instance, the consumer packaging goods industry can convey greater gender parity in everyday life situations that is featured in advertising (e.g. ensuring that storytelling better illustrates the role of both men and women in cooking, child care or household chores). In the automotive and high-tech industries, one still sees male-driven types of advertising. Industries such as engineering, construction or finance, **typically considered as male-dominated environments**, should re-evaluate their corporate communication strategies and **feature more women** on their social media platforms and in their advertising campaigns or recruitment communication tools.

2. Funding social programs and supporting NGOs

The breakout discussions highlighted among other ideas many examples of how corporations can fund social programs, sometimes in **association with NGOs**, to help solve critical gender inequality issues around the world.

3. Engaging with government

There is an opportunity to accelerate change by working in coalition with public, private and social sectors, and to influence government through relevant institutions. The OECD for example has been working with the G20 on gender equality and contributed to a commitment by all G20 members to reduce the gender gap in labour force participation in each country by 25% by 2025. OECD members also adopted a Recommendation on Gender Equality in Education, Employment and Entrepreneurship and the OECD will be monitoring and reporting on progress with implementation this recommendation.



III. Ideas for action

Six must-have objectives for our own organizations.

One suggestion emerged from the workshop: “We need to be pragmatic: let’s do the obvious first!” Hence, the CEO Champions Members will work together in the coming months to review **six “basic” gender-diversity aspirations** (see Box 4) and how they are implemented in their organizations.

CEO Champions Members will meet again in 2016 to review the status and progress on the six actions. In the meeting we will share learning and reflect on the barriers faced, in order to build solutions that work.

Three “big ideas” to explore

We believe that the CEO Champions Initiative offers a superb platform to further explore some of the “big ideas” generated in the workshop. In particular, we believe that our member organizations could pilot three ideas that emerged in a significant way during our discussions:

Pilot n°1: Building the business case (see Box 1)

Pilot n° 2: Gender Parity Index (see Box 2)

Pilot n°2: Self-Esteem survey (see Box 3)

The next steps are to meet again as a group and discuss specific targets, outcomes, work plans and timelines for these commitments, set up project teams and steering committees for the three pilots, and get started.

The Women’s Forum and the CEO Champions partners are most grateful to the 2015 Members, who have expressed an outstanding level of energy and commitment to make this workshop a success. Thank you for your challenging points of views, and breakthrough ideas, and for sharing your experiences. We look forward to continuing the discussion and achieving progress together in 2016 and beyond.

BOX 4: SIX MUST-HAVE OBJECTIVES

1. Set up gender diversity indicators ✓

2. HR processes ✓

Equal pay for equal work

Equal treatment in recruiting and promotion

3. Set ambitious gender equality targets... ✓

... at each management level

4. C-level commitment ✓

Nominate a Chief Diversity Officer within the Executive Committee

Put gender diversity at the top of the company’s strategic agenda

5. Strengthen the pipeline of female top management leaders ✓

Promote women in the core business with P&L responsibility

Identify “invisible women” for promotion outside the traditional pipeline

6. Mentorship & sponsoring by each member of the management team ✓

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