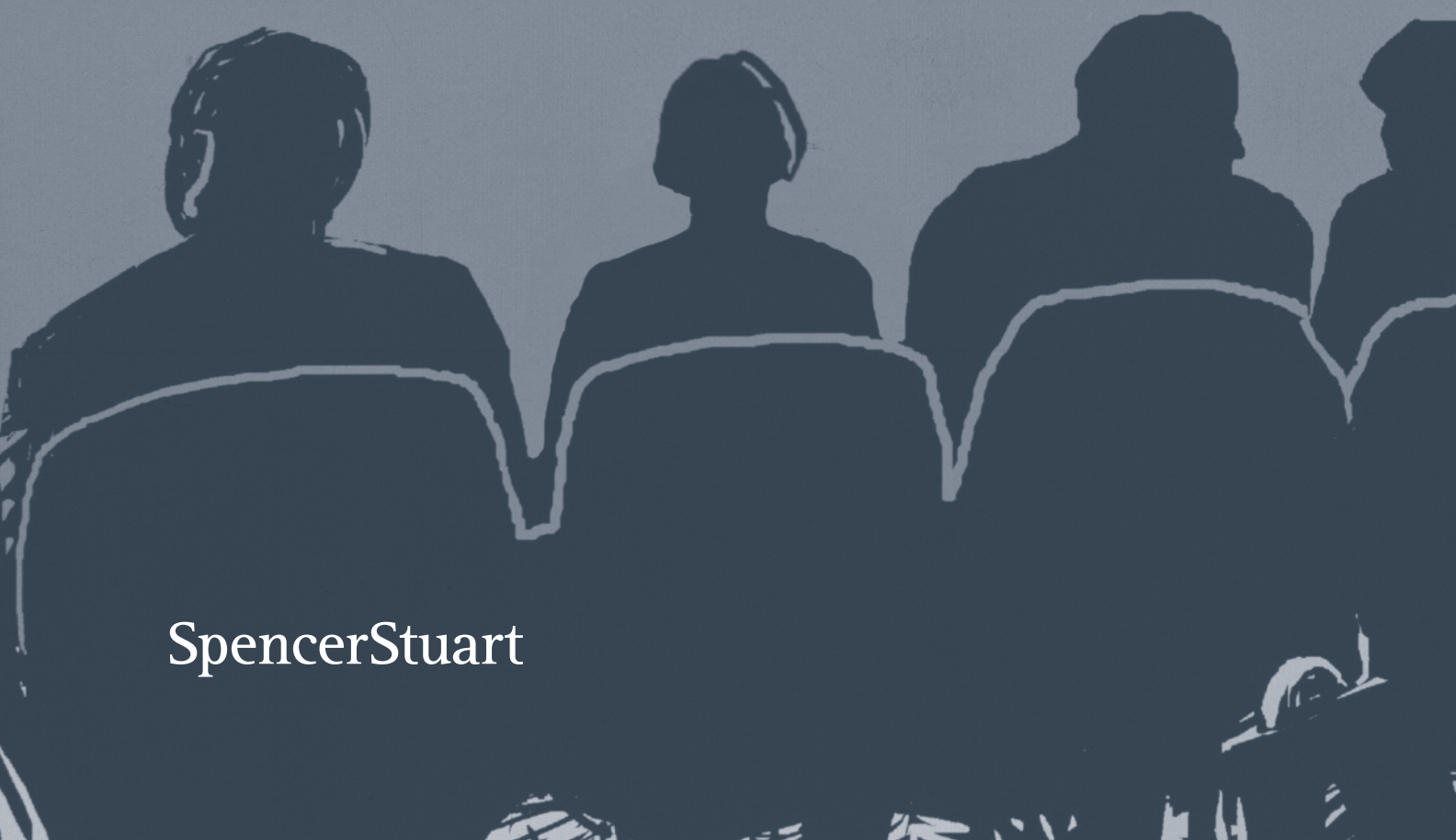




WOMEN *in business*

DEVELOPING CANDIDATES FOR SENIOR EXECUTIVE ROLES



SpencerStuart

ABOUT SPENCER STUART

Spencer Stuart is one of the world's leading executive search consulting firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to nonprofit organizations — and address their leadership requirements. Through 55 offices in 30 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments. For more information on Spencer Stuart, please visit www.spencerstuart.com.

The presence of high-calibre women acting as non-executive directors on both unitary and supervisory (two-tier) boards of European companies has already started to transform board dynamics and performance across the region.

Much has been written about the availability of “board-ready” women. Without question, the choice of female non-executive director candidates from a wide range of backgrounds has never been better. However, the number of women whose executive roles include P&L responsibility is still very limited. Research published in the Spencer Stuart 2013 UK Board Index reveals that only 20% of the women on the executive committees of FTSE 100 companies are in general management roles. Yet it is people with highly tuned commercial skills who are in the greatest demand from boards.

Spencer Stuart’s HR and Board practices have combined forces on this study in order to identify the reasons why there are still so few female executives in senior P&L roles across Europe and to describe some of the practical ways in which companies are making it possible for more women to progress to such roles in the future — and thereby become strong candidates for board positions.

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EXECUTIVE SUMMARY

Following concerted efforts in recent years to increase the representation of women on boards, the spotlight has turned on the executive pipeline. What are companies doing to encourage and support female executives to realise their potential and get promoted to general management and other senior positions in more significant numbers?

OUR RESEARCH

We talked at length to over 30 senior HR leaders and board directors from a range of sectors in the EMEA region to learn what measures they are taking to address this issue and to retain highly talented women who might otherwise drop out of their organisations midway through their careers.

QUOTAS ARE NOT THE ANSWER

Our observation prior to embarking on this study was that whatever the impact of quotas at board level, this approach will not work in the executive environment. Far more sophisticated initiatives are needed to achieve genuine, lasting improvement in the number of women equipped and willing to take on senior roles.

BARRIERS TO PROGRESS

There are many barriers preventing women's progress. These include difficulties with work/life balance, an absence of role models, less mobility and misconceptions about women's motivation that can disadvantage them during the promotion or recruitment process. Male prejudice, together with the perception that women are reluctant to put themselves forward for promotion, remains a barrier for many women, particularly in certain sectors, and continued effort is necessary to eradicate it from the workplace.

METRICS AND ACCOUNTABILITY ARE CRITICAL

Companies are responding to the challenge in many different ways, but two critical features are common to any successful diversity and inclusion initiative: robust metrics and management accountability. Diversity and inclusion initiatives also have a significantly higher chance of success if the organisation's CEO is leading the way through genuine engagement.

CHANGE PRACTICES AND MINDSETS

Working practices and mindsets need to be fundamentally transformed. Line managers must be trained to become aware of and overcome subconscious attitudes that discourage women from joining their teams and progressing. Companies have to take action early in women's careers, identifying and removing any systemic barriers that lead to attrition among women who have more to offer the organisation.

SUPPORT FOR HIGH-POTENTIALS

Mentoring, coaching and 'sponsorship' of high potential women by senior figures inside and outside the organisation is highly beneficial, as is active engagement by female role models in networking and support groups for women.

LONG-TERM PLANNING

Any single diversity initiative needs to be part of a long-term plan. Only patience and relentless action over time will bring about a change in the diversity of senior management teams.

PROTECTING THE EMPLOYER BRAND

How a company performs in terms of diversity and inclusion affects the employer brand and will determine whether it can attract the next generation of female talent.



INTRODUCTION

“One of the more positive aspects of the drive for more women on boards is that it provides an even stronger impetus to improve diversity at the top of the organisation. Women are very good at holding up the mirror and saying ‘you’ve got to do better than this’.”

Throughout the EMEA region, organisations are coming under growing pressure from all sides to increase the representation of women on their boards. A number of mechanisms have been introduced to address the problem, with varying degrees of success. These range in effectiveness from legally enforceable quotas to voluntary targets to recommendations in governance codes. Quotas are as repellent to some national governments as they are essential to others, but they are becoming harder to resist as the number of women on boards rise, even though numerical change is no guarantee of board effectiveness. There is, however, a more systemic problem facing businesses which quotas are powerless to address.

Demand for female directors may be growing, but supply is problematic. Boards are rightly being encouraged to cast a wider net and bring women with different types of background and experience into consideration. But the

fact remains that while there may be a place for women without commercial experience on some boards, nomination committees are still predominantly looking among the ranks of current or former corporate executives for directors who can bring experience of general management and P&L responsibility.

The fundamental problem remains that too few women fulfil their career potential by attaining senior executive positions, as successive McKinsey reports have clearly demonstrated, and this is severely limiting the pipeline of female board directors.¹ Until women achieve something close to parity with men at the senior executive level, a concerted effort will be needed to ensure that the same happens in the boardroom — both as executive and non-executive directors.

¹ *Unlocking the full potential of women at work*, McKinsey, 2012; *Gender diversity in top management: Moving corporate culture, moving boundaries*, McKinsey, 2013

To explore how companies are addressing the longer-term objective of developing board-ready female executives, we talked to a range of senior HR leaders, CEOs and board directors in France, Germany, the Nordics, South Africa and the UK. The aim was to try to identify the policies and practices most likely to ‘shift the dial’ in securing better opportunities for women, albeit across very different markets and political and social contexts.

This report examines some of the more enlightened approaches which are helping women in corporate settings to realise their full potential and suggests how women with the capacity for outstanding achievement in their field should go about identifying employers who will give them the greatest chance of succeeding.

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BARRIERS TO PROGRESS

“It is our requirements that have to change, not women. We need an entire change in the leadership culture.”

Women face a variety of obstacles that prevent them from thriving in corporate environments and achieving their potential. During the course of our interviews we encountered a variety of explanations as to why so many women’s careers stall.

Many barriers to progress revolve around balancing work and home, in particular difficulties reintegrating after maternity leave and inflexible working practices for those raising children. Some relate to the growing need for international experience and a lower inclination among many women to be geographically mobile. Others relate to personal traits such as perceived levels of ambition, self-confidence and self-promotion, different ways of networking, and discomfort with workplace politics. A lack of role models is cited as a further reason for many women’s reluctance to aspire to senior management roles.

Companies with a strong representation of women in key functional roles, such as HR, legal, finance, marketing and corporate communications, often find those same women reluctant to move into general management

because of their difficulty in reconciling the demands of such roles with other aspects of their lives. Gareth Williams, former Group Human Resources Director at Diageo, believes that any performance and career conversation must be completely open and transparent in this regard. “A core part of the management process is to really understand people’s life ambitions — not simply their ambitions at work.”

Any barriers that prevent women from achieving their full potential in the corporate world need to be systematically dismantled, especially unconscious bias and outright prejudice on the part of men. There is no shortage of women capable of operating effectively at the tops of organisations. Put simply, the challenge is to find women with potential, fire up their ambition at the earliest possible stage, put them into positions of responsibility where they can progress quickly, and continue to provide whatever support they need as their careers take off — regardless of whether or not they choose to take time out to have a family.

Women on FTSE 100 executive committees

One way to gauge the state of women's progress in UK corporate life is to examine the representation of women on the senior executive management teams of FTSE 100 companies. The Spencer Stuart UK Board Index 2013 records that out of 715 executive committee (ExCo) members, only 104 (14%) are women.* Of these women, only 20 are in general management roles and 23 serve as a non-executive director with another company.

Only 10 companies in the FTSE 100 have 25% or more women on their ExCo. A total of 36 women sit on the ExCos of these 10 companies: 31 are functional heads and only five occupy general management roles. It is in this latter category that women are most conspicuously underrepresented.



* It was only possible to analyse 70 ExCos. Companies are under no obligation to publish the composition of their senior management teams.



SETTING CONDITIONS FOR CHANGE

“All our senior women and those who aspire to senior roles say quotas are a bad thing: they want to get there on merit. They would rather focus on the conditions that will ensure they are treated on equal terms.”

Our research reveals that there are plenty of ground-breaking initiatives being adopted by companies which, if maintained and developed over the long term, are likely to have a material impact. But it also points to a multiplicity of obstacles along the way, requiring companies to exercise innovation, flexibility and tenacity.

We found almost unanimous recognition among HR directors of the value of diversity and inclusion and the contribution it makes to business competitiveness. Equally, we found nearly unanimous opposition to the use of quotas to boost the number of women in boardrooms or in senior executive management positions. We did, however, hear a strong message that setting clear and precise internal targets to increase the presence of women at all levels in the organisation is essential.

We identified two common elements that are present in any successful diversity and inclusion initiative.

The first is **METRICS**. Once you start to focus on the issues you start gathering data and analysing the evidence. What gets measured gets done. Without setting clear targets and measuring

progress against them, organisations are very unlikely to turn good intentions into effective action.

The second is **LEADERSHIP**. If the benefits of diversity are to permeate the organisation, change must be prioritised by the extended leadership team — not just the CEO and the executive committee. They are part of the solution, but also part of the problem. They need coaching to become aware of the issues, in particular the presence of ‘unconscious bias’ which causes even thoughtful people to make decisions that replicate existing patterns of behaviour.

Expert coaching should be used to develop a proper awareness of the importance of diversity and inclusion to the health of the business and gradually change the attitude of those throughout the organisation responsible for making decisions about promotion and recruitment. It is also essential to train managers to talk to every individual on their team about their expectations and aspirations and any issues they might be facing — from an early stage in their careers.

MEASUREMENT AND ACCOUNTABILITY: A CLOSER LOOK

“Metrics around our gender goals bring the conversation to something that’s tangible — they show us the scale of the task.”

The importance of these efforts must constantly be reinforced by the senior leadership team who also need to set a good example. Appointments to the top team deserve particularly close scrutiny to ensure that every possible avenue has been explored. Diversity is more likely to take hold throughout the organisation if it is evident at the top.

Eric Rivard, VP Leadership and Organisation Development, Sanofi Group, says: “Within Sanofi there is a far smaller percentage of women in the senior leadership team (SLT) than in SLT-1 positions. To increase the probability of promotions, we measure the number of women on short-lists of internal or external candidates.” A number of HR directors acknowledged that they are placing increasing pressure on headhunters to demonstrate a diverse slate of candidates on shortlists for executive roles.

However, businesses are also finding that the need to be proactive goes a great deal further. “The first big thing has been to enhance leadership awareness and accountability of this issue” says Leena Nair, Global SVP, Leadership & Organisation Development at Unilever. “Our leaders are held accountable for improving gender representation in their own patches,

not just for the promotion rates but also the exit rates. Exit rates for women are much greater than for men. So we ask: ‘What are you doing about it? How are you going to close the gap?’ ”

Innovative ways of bypassing the risk of a senior individual’s bias can be found in the actions of several of the companies we spoke to. At the Swedish headquarters of Vattenfall Europe, Rainer Schulze, VP Executives & Executive Development, is working on a concept to pass hiring decisions through a specific committee instead of leaving decisions in the hands of the hiring manager alone.

In companies with an entrenched culture, accountability can be a great deal harder to achieve. A change in leadership at the top may be the catalyst for importing new ideas into the organisation.

There is widespread consensus that targets remain critical for change to take effect. At Roche Holding, for example, Silvia Ayyoubi, Head of HR, says: “Progress in diversity is part of the overall company goals.”

At Germany’s Infineon Technologies Thomas Marquardt, Global Head, HR, says that all bonus systems related to



personal achievement of individual targets have been removed — bonuses are paid entirely on company performance. The future of that performance is designed to include a corporate culture that embraces gender equality. New standards have been established to ensure that the number of female candidates considered for any appointment is increased. If this is not achieved, management involved in the talent round and search process have to look again.

Infineon Technologies also makes a conscious effort in its recruitment and development programmes to avoid language in position profiles that will appeal more to men than women; this includes carefully defining competencies required so as not to alienate female candidates.

There is no one-size-fits-all solution when it comes to setting targets, however. For an international bank like Standard Chartered, heavily present in emerging markets, overall targets for the entire organisation do not always make sense. Geraldine Haley, Group Head, Future Organisation & Leadership Effectiveness at the bank, says: “Targets or goals have the greatest relevance and impact in a particular hot spot where you know you have a genuine opportunity to shift the dial. For us that will be in a specific business, in a specific country or series of countries where we can get right down to the sort of transactions that will make a difference.” Blanket goals across such a vast entity can also result in a lack of ownership for the responsibility of

change. Goals tailored to local needs and circumstances are more effective.

Natalie Woodford, SVP, Talent, Leadership and OD Centre of Excellence at GlaxoSmithKline, emphasises that global policies must be relevant in each country and sensitive to cultural and historical issues: “Countries that in the West we might consider to be less supportive of women, may in fact have women in executive positions, as they come from very educated families who have encouraged them to be successful. You can’t just rely on traditional stereotypes.”

Multinational companies face a complicated agenda. Geraldine Haley adds: “Standard Chartered is such a naturally diverse organisation that we prefer to take a very holistic view of diversity, covering a range of different under-represented groups, and ultimately celebrating the uniqueness of each individual and the value they bring to the organisation. We try not to make it just about women because our feedback is that women don’t like us doing that, and because even when driving gender balance, research shows that men are a key part of the solution as well.” The issue for Standard Chartered’s executive agenda, as for many businesses, is increasingly one of “representation” and “inclusion” rather than gender diversity alone.

Regardless of where the balance of emphasis lies, the consensus is that achieving greater diversity requires defined metrics and a commitment to using these as the basis for concerted action.

INTERVENING AT EVERY LEVEL

“The way things are done around here is determined by men. If you could find an organisation run by women I bet their ways of working, how they ran meetings, would be completely different.”

Companies have taken a variety of different approaches in the past few years to bring about change. These range from cascading diversity through the company from the top down to rethinking selection processes at graduate recruitment level to leaning towards appointing a woman if there is a choice. But many companies are now looking at broadening their approach to make sure it extends to every layer of the organisation.

Kirsty Bashforth, Vice President Strategy and Marketing at BP, speaks of trying to find “the common design that goes through the stick of rock ... such that we have consistent language and a consistent way of prioritising activity.” For BP, this means putting “rules of the road” in place to ensure the company avoids any blind spots and having goals in place for 2020 for the top 500 people in the company, followed by the next 6,000.

It also includes making sure recruitment is changing at the graduate level. BP is looking not just at traditional resource centres for female engineers, but also targeting women’s networks. According to Ms Bashforth, all big companies in the West need to look “not

just at the historical centres for talent but at Indian universities, Chinese universities — to broaden global reach even if they don’t have businesses there as yet.” At the same time, a great deal more clearly needs to be done to influence the choices of subject at schools in the West so that there is a more even spread of women graduating across the spectrum of academic disciplines and entering sectors still dominated by men.

Changing corporate culture to embrace diversity and inclusion is considered a priority. However, not all HR directors have buy-in from the top and this has led to some interesting innovation. One HR director with no initial support from the CEO created a diversity programme targeted “two or three levels below the top” which now has full support from the whole executive team.

“There is no silver bullet: you’ve really got to make interventions at every level,” says Gareth Williams. Diageo is pushing hard for diversity — all its commercial graduate programmes internationally have a goal of at least 50 per cent women, with early career, mid-career and leadership programmes to follow suit. The company is moving marketers into general management



roles, to “see how they do and get them interested”. Forty per cent of Diageo’s executive committee are women, and the company is aiming to get a number of its senior women exposure on plc boards and to have them coached by chairmen of other companies.

But as Gareth Williams points out, any significant change takes time: “We have won some awards because we have four female directors, but that’s a product of eight years of planning.”

Diversity in practice — selected initiatives

“Gender happens to be very topical, it is easy to measure. But the real prize is a diverse team in the truest sense, with representation from right across the organisation.”

- > Having a main board director chair the company’s council for diversity and inclusion
- > Female non-executives on the main board talking to groups of female executives inside the company
- > Coaching of high-potentials by chairmen of other companies
- > Getting talented women exposure to boards, as non-executives of smaller companies or not-for-profit organisations
- > Senior female executives mentoring and sponsoring junior talent inside the organisation
- > Senior female executives talking to women’s networks
- > Creating a flexible environment (e.g. home office and part-time working, sabbaticals, extended maternity/paternity leave)
- > Short international assignments early in the careers of high-potential women
- > Increasing or shaping their direct reports in such a way that female executives can take on non-executive roles without risk to their performance as executives
- > Making the achievement of diversity targets a factor in managers’ bonuses
- > Gender diversity is raised in any discussion about succession
- > Making the talent conversation fully inclusive — diversity is equally a question of gender, ethnicity, age and cultural background.



ENGAGEMENT

“The challenge is in shifting the discourse — to creating long-term social and commercial benefits.”

Unilever has launched a major education and awareness programme around gender balance. Ms Nair says: “We ran a broad-based employee engagement programme called ‘Women Balance’ which became the highest ever subscribed employee engagement programme with 40,000 people participating to share their views on how Unilever can become more gender balanced.”

The company has also embedded the concept of a ‘balanced slate’ into its talent processes by pushing everybody to look at gender balance and making inclusion a key behaviour that is required of anyone in a leadership role. Inclusion awareness training has been provided for the top 20 leadership teams. External experts have been brought in to work with the top 500 leaders on unconscious bias in their behaviour.

Unilever is supporting men as well as women around the 30–40 age mark with specific programmes from pre-maternity counselling and post-maternity reintegration back into the workforce to the provision of daycare/childcare facilities. It is also encouraging both men and women to work flexibly, and is working on a global re-entry programme. This recognises that there will be some women who will decide

to work elsewhere or in a flexible mode for a while, but will eventually want to resume their careers and be re-integrated into the company.

Angelika Nobbmann, Global Head of CoE Diversity & Inclusion at Boehringer Ingelheim, says that an inclusive culture is required for leveraging diverse perspectives, which often leads to innovation. “Inclusiveness entails different things, e.g. the way we lead but also to uncover how best to deal with flexible working hours,” she says. “Small elements are relevant in making it happen: like keeping the kindergarten open until 5pm on Friday evening in Germany.”

While Infineon Technologies does not have a programme specifically targeted at women, HR has changed its STEPS talent development programme to avoid misleading pre-selection and to ensure that women are attracted to the company. In Germany, cultural change means changing people’s views about working hours, flexibility and mobility and encouraging them to see flexibility as both acceptable and desirable, suggests Thomas Marquardt.



As several HR leaders pointed out, part of the challenge in engaging key influencers inside the organisation, especially those responsible for hiring, promotion and succession, is shifting the discourse so that instead of being locked into the language of targets and compliance, they talk about the social and commercial benefits of diversity and inclusion.

Companies also have to recognise that the baby boomer generation's definition of success and commitment may be at odds with that of younger generations, who view the notion of career fulfilment through a different lens, one that does not necessarily involve long hours or total commitment to one company.

FINDING TALENT THROUGH FLEXIBILITY

“Diversity policies are necessary but not sufficient. Companies need to find a way to provide flexibility for women in the ‘middle years’. I would challenge the notion that people are not ambitious because they are working flexibly.”

One way in which companies can offer support to women is through the option of flexible working. Alison Carnwath, chairman of Land Securities, believes that flexibility in the working environment is essential. “If companies really think gender diversity will benefit their business model — which they should do — then they are going to have to adapt their working practices and be flexible. They can't just expect women, or people generally, to fit in. Technology has enabled people to be much freer. Gone are the days when people should feel guilty not answering a land line after 6pm; if necessary, people can contact you on your mobile wherever you are.”

Often, though not always, flexibility equates to part-time work, although for many the term “part time” is problematic. “Unfortunately, there are too many negative associations with part-time work from both employers and employees. Most people don't think it's possible,” says Karen Mattison, co-founder of the Timewise Foundation (www.timewise.co.uk) which runs three businesses aimed at achieving practical outcomes for people seeking flexible work. Its annual Power Part Time list demonstrates that there are increasing numbers of women (and men) thriving in senior roles on a part-time basis.

“The problem is that although some 650,000 people in the higher tax bracket are working part time in the UK, more often than not they are having to do it under the radar,” says Mattison. “What we hear time and time again is that for the sake of career progression, it is better to be quiet about it. Companies tell us they don’t want to open the floodgates, but that is never what happens. Most people don’t want part-time work and can’t afford it. By creating the option you’re making sure you can see the talent that is out there. You also have to decouple flexible working from the reason it may be necessary. In a hiring situation, why should you care about the work-life balance of someone you don’t know? The key issue is, ‘what will this person bring to the business?’”

According to Mattison, agreeing to flexible working arrangements is just the beginning. To make it work, you need trust, supportive leadership, and role models inside the organisation. It is easy for a company’s best intentions to be derailed by a culture in which everyone is trying to prove they are wired and busy 24/7. “It is particularly challenging for client-facing roles: high-performing women are given flexibility and then expected to do exactly the same job. If the roles are not redefined, you are setting them up to fail. But if you put some of your best people to work with them, once they get through the pain barrier of the first year they will fly.”

Two further difficulties with flexible working commonly present themselves. The first is how and when to raise the question. Everyone in the recruitment process has a responsibility to discuss the issue openly, otherwise the candidate is left wondering whether to discuss their need to work flexibly at the outset or wait until they have emerged as the preferred candidate. The second difficulty is what Timewise call the “flexibility trap”. Many senior people working part time become trapped in their current role for fear of losing the flexibility should they take a promotion or decide to leave the organisation. A generational shift is unlikely to occur until companies are open about how flexible workers can progress and succeed in different roles.



MENTORING, COACHING AND ROLE MODELS

“Our message is: sponsor people who don’t look like you or sound like you.”

As more women have reached influential positions in their organisations, their value as role models and icons of change has grown. Every woman in a senior position is a powerful reminder to others coming up behind that it can be done. Vincent Lecerf, Executive Vice President, HR of Tarkett Group, notes that the two women on Tarkett’s executive board “have a strong impact. Their presence is very well regarded by other women in the company.” Diana Breeze, Group HR Director of Land Securities, says that “creating role models and maximising their value is one of the most effective ways to counter the perception within a very

male-dominated industry that women will find it difficult to fit in at a senior level. Our statistics are strong: women account for 30% of the main board, 33% of the executive committee and 40% of business unit executive committees. This makes senior roles more attainable to women further down the organisation. Within these groups we have some notable examples of part-time and more flexible working.”

Most companies have had programmes in place to mentor and coach high potentials and develop them for leadership positions for many years, but today there is a much greater appreciation of

Five questions that every CEO and CHRO need to be aware of to be sure they are ahead of the game

1. Is your own human resources organisation an example of your diversity and inclusion policy working successfully?
2. How deeply embedded are diversity and inclusion policies in your core business processes (as opposed to operating outside as a separate item)?
3. Are you using terminology, metrics and KPIs which use the language of the business, rather than the jargon of diversity and inclusion?
4. Do you have a systematic, rigorous and credible set of benchmarking data to measure yourself against the outside world in a relevant and meaningful way?
5. Who in the organisation owns and is responsible for diversity and inclusion? If you asked people inside the organisation that question, would you get the answer you want?

the need for training and mentoring programmes specifically geared towards women.

Having a focus on diversity does not guarantee that both men and women will push themselves to take new and broad opportunities available to them. Indeed, as Silvia Ayyoubi, at Roche Holding points out, few people are eager to make it to the very top of the organisation: “A majority might not like to take that path, with all the pain that goes with it: It offers great opportunities to shape things and requires a lot of resilience and dedication.”

Jollette Walters, Senior Director, HR, Africa & Middle East Region at Pfizer, says: “Pfizer has coaching programmes, mentoring programmes, senior leadership competencies, colleague competency programmes, online learning, online assessment, and so on — many, many programmes that all talented executives, men and women, can make use of to leverage their careers. But in the end it comes down to the drive of the individual and an understanding that ‘you steer your own ship’.”

BP, which tracks engagement, diversity, retention and promotion, has found that the top 500 executives in the company have almost always been sponsored by someone inside the organisation. “Somebody, somewhere along the line stood up for them, sponsored them when they’re not in the room,” says Kirsty Bashforth. “They have done what you might describe as step into scary roles — perhaps someone looked at their potential rather than just their experience.” Such people tend to be highly networked and visible, she adds — but that means they are often largely male. The message at BP is to “sponsor people who don’t look like you or sound like you” and to look harder for them within the firm.



RETHINKING THE ROLES

“You want the conversation to be authentic. You can’t sugar coat this stuff.”

In the recent past, companies have been talking about flexible working and the need to accommodate and support women who appear to hit a barrier once they have more than one child and their children reach school age. This has been true in most markets, although those with better childcare and flexible working arrangements (such as the Scandinavian countries) seem to do better in retaining women and promoting them at this time in their lives.

To reach a better understanding with employees, companies have to discuss with them how to reconcile their personal and professional lives. To some extent, there has to be a blurring of the divide if women are to transition effectively back to work after maternity leave or extended breaks for childcare.

While all the companies we spoke to are currently looking very seriously at their flexible working policies, we detected a shift in approach and thinking. The need for global mobility

among executives with high leadership potential can present challenges. This appears to have concentrated the minds of businesses in truly understanding what their employees want and on what basis they will stay and progress through the organisation.

When Standard Chartered suddenly found a high fall-out rate among women in certain functions they started to look in detail at what the roles entailed. Ms Haley says: “We found women were thinking: if I go to that level I will be expected to travel a lot more. I’ve got kids and family to care for and will have to work many more hours; I have other commitments.” But such perceptions may not always reflect the reality of the job. The company is now actively increasing its support for employees who have responsibilities outside work, including through a Flexibility Charter which senior leaders are signing to demonstrate their commitment to helping their teams find an appropriate balance.

CONCLUSION

It is apparent from our interviews that companies are facing an enormous challenge. To increase the number of women at senior levels who are capable of stepping into a board role they have to rethink the criteria they use for recruitment decisions at every level, retrain decision makers to reduce the level of unconscious bias in the hiring process, and even go so far as reviewing the entire organisational structure.

Everyone has a role to play. The business case for diversity must be championed by the senior executive team; the HR function needs to create a clear set of metrics and communicate their purpose throughout the organisation; and leaders at all levels must take the action necessary to improve those metrics. The greatest change occurs where men and women at all levels in the organisation are not only committed to diversity and inclusion but also evaluated and rewarded according to the evidence of their commitment.

Questions each board should be asking of its CEO

1. Do you have a clearly stated, fit-for-purpose set of diversity and inclusion policies in line with your strategy?
2. How often and in what way do you communicate progress on diversity and inclusion to the board?
3. Are there clear KPIs and other measures in place enabling management to track progress (or lack of it)?
4. Do you use data on diversity and inclusion to attract external hires?
5. What are the CEO and members of the executive team doing individually and collectively to promote diversity and inclusion?
6. Are you tapping into the breadth of knowledge and experience that board members have from their network and experience in other countries?
7. Can you arrange a rolling programme to expose the diverse range of executive talent to the board?



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FRANCE

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Yann Le Gall, CHRO, Yves Rocher Group

Thierry Parmentier, Group CHRO, Technip

Eric Rivard, VP Leadership and Organization Development, Sanofi

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