

PROMOTING WOMEN IN MANAGEMENT



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PROF. DR. LINDA SENDEN
UTRECHT UNIVERSITY,
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OCTOBER 2014





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FOREWORD

Dear reader,

Middle and higher management positions in the European Union are primarily the domain of men: across all sectors within the EU 28 States between 61% and 70% of managers are male. This is one of the main results of the report on ‘The Impact of Demographic Change on the Future Availability of Managers and Professionals in Europe’, which CEC published 2013 and which formed part of a one-year international project on demographic change funded by the European Commission.

But this is not all: The share of women in management positions in companies across Europe is also considerably lower than their presence in the general workforce, which currently stands at 63%, and progress over the last decade has been ‘glacially slow’. At the executive board level even fewer women can be found (12%), and hardly any are present at the CEO level (3%). In addition, there is a concern that there is a middle-age dominance, since 60% of managers are in the 35-54 year age band. With current patterns of retirement and the effects of demographic change, all sectors of the European industry may lose more than 50% of their current workforce over the next 25-30 years at a time when fewer young people will be available for recruitment. Therefore the need to recruit, develop, retain and promote women managers becomes even more important than ever before.

CEC European Managers as the coordinator, together with Eurocadres, Ledarna and CFE-CGC as partners, have therefore taken the initiative for a new EU-funded project on ‘Promoting Women in Leadership’ proposing a new action on the promotion of women in leading, decision-making jobs, in order to increase the proportion of women in positions of middle and higher ma-

agement as a means to face the challenges of demographic change in the future.

Our project, which ran for one year until October 2014, encompassed two major pieces of research, the results of which are published in the report which you are holding in your hands. First, we wanted to know what the speed of change with regard to an increase of women in middle and higher management positions has been over the last decade. The answer to this question was researched by Prof. Linda Senden and her team from the University of Utrecht. Maybe not surprisingly – and yet rather disappointingly – it was difficult for our experts to actually find data of appropriate size and quality. This fact in itself shows that the issue of women in management positions is still not considered as important as it should. Nonetheless Prof. Linden was able to produce an excellent, in-depth study on the scarce data that is available. The first part of this report includes the executive summary of the most important results, and I would like to invite those of you who would like to see the full study to consult our project website on www.womeninmanagement.eu.

The second set of major results of our project comes from a set of case studies, which compiles best practices and shows the ways in which companies from different sectors and different parts of Europe successfully promote and support women in their managerial careers. These case studies were conducted with extraordinary success by Ms Mirella Visser, Director of the Centre for Inclusive Leadership in Uithoorn, one of the leading experts worldwide on all aspects surrounding the issue of women in leadership.

I am very grateful to Ms Visser and to Prof. Senden for their fantastic contribution and I hope that the results of this project between CEC European Managers and its partners will be another step in helping to promote more women in leadership positions.

With kind regards,



Annika Elias,
President of CEC EUROPEAN MANAGERS

PROMOTING WOMEN IN MANAGEMENT

PART 1

Comparative Study on Legal and Regulatory Approaches in Europe to Increase the Share of Women in Middle and Higher Management Positions

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OCTOBER 2014

INTRODUCTION

It is common knowledge that women are still underrepresented in senior and top managerial positions, but what is the actual state of play in Europe and what has been the speed of change over the last decade? And also, what different – legally binding and voluntary – regulatory and enforcement approaches have been developed in European countries to tackle this problem and what (potential) impact do these have in terms of bringing about a more balanced representation of men and women in such positions? These are the questions that have been investigated for CEC, focusing on Germany, France, Italy, Poland, Sweden and the UK plus Norway (non-EU member) and combining economic data analysis with a legal, comparative analysis. In this executive summary the main findings are presented, while the underlying full report can be accessed at www.womeninmanagement.eu

The study was carried out by the following research team: the economic data analysis has been performed under the supervision of dr. Chantal Remery (assistant professor of economics, Utrecht University) and dr. Albertine Veltman (associate professor of labour law, Utrecht University), assisted by Nicolaas Bos and Pauline Schaardenburg. Sophie Reddering has provided research assistance as regards the collection of information and relevant legal sources and in drawing up an overview of the applicable laws, codes and policies in the different countries. The focus and substance of this Study has been developed in close collaboration with Mirella Visser (Centre for Inclusive Leadership), the author of the Best Practices report. The responsibility for the overall analysis as presented here and in the report lies with its author Linda Senden (professor of EU law, Utrecht University).



**1 THE CURRENT STATE OF PLAY
AND SPEED OF CHANGE**

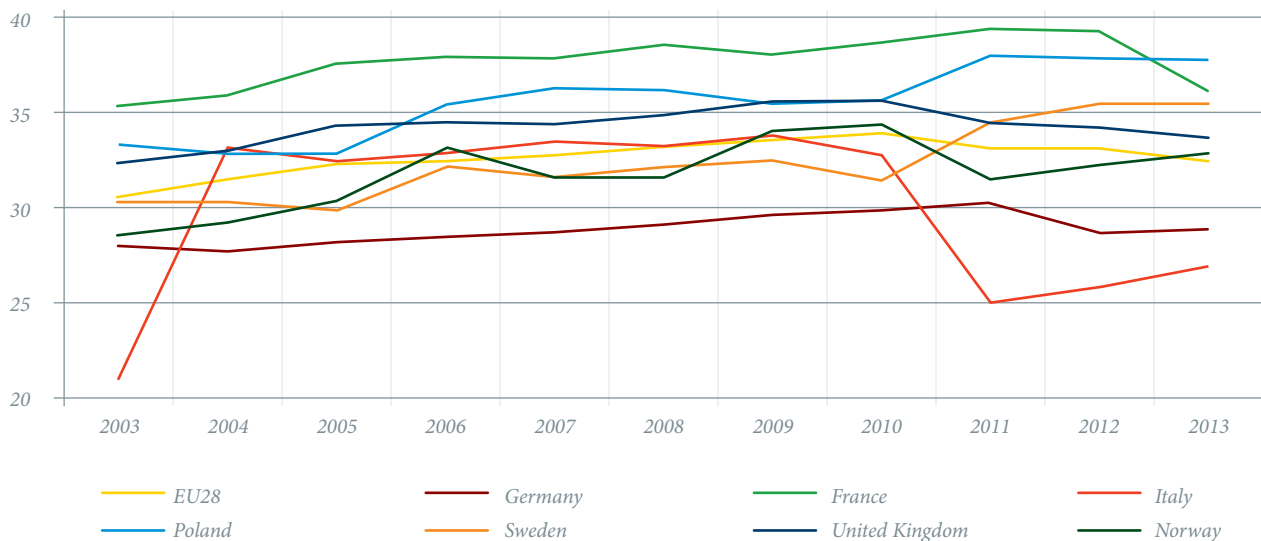
The data

Establishing the actual scope of the problem of under-representation of women in middle and higher management positions, the speed of change and the differences in-between countries has revealed problematic, because of **deficiencies regarding the availability, nature and usefulness of existing data**. Harmonized aggregate data are only available from Eurostat and are based since 2010 on the ILO International Standard Classifications of Occupations (ISCO)-08, which contains a different, more functional classification of managers than the one contained in the preceding ISCO-88 definition, which complicates assessment of the speed of change and cross-country comparison (see the full report for a more detailed explanation of the data caveats).

Overall, the graph shows that EU-wide the speed of change when it comes to the female share of women in management positions seems very low in 10 years time and that there are significant differences in-between countries; some countries show no significant progress (France, Germany, UK), others only minor increases (Poland, Norway) and the best performers among the studied countries also realizing small increases only (Sweden, Italy). Furthermore, only Sweden and Poland show a more or less continuous increasing trend.

As data are available for the age category of 25-49 and 50+, age groups have been used to have some indication of the share of women in lower, middle and higher management, starting from the assumption that the 50+ age group will be more often in higher manage-

Share of women among managers (ISCO1)

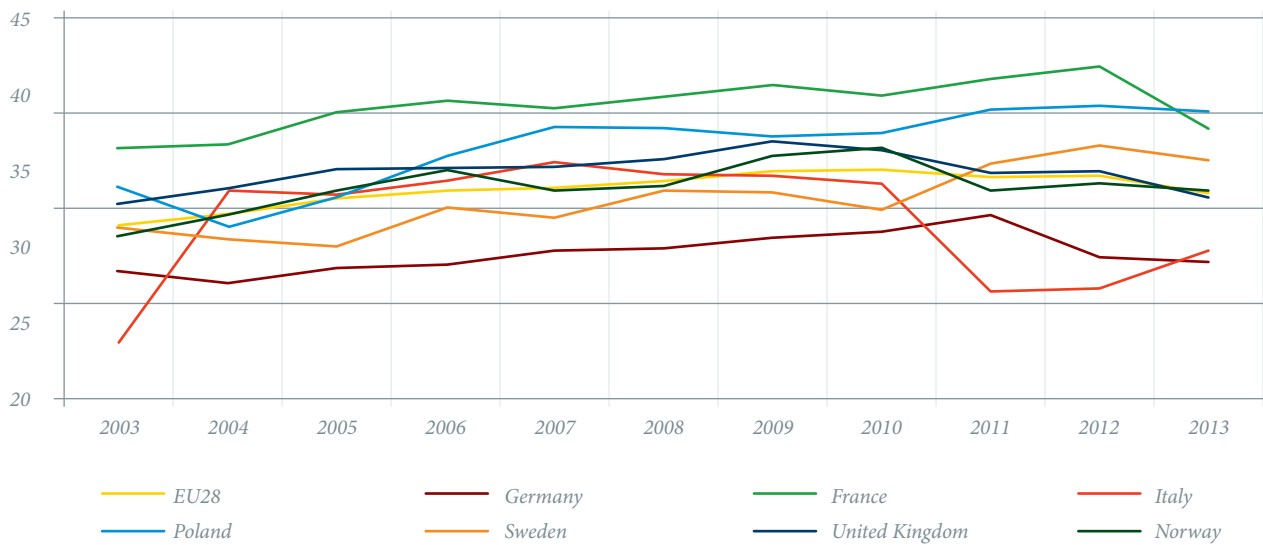


Note: break in series as of 2011 due to change from ISCO 88 to ISCO 08; break in time series: France 2013; Germany 2012, Italy 2004, Poland 2010; Sweden 2005. Source: Eurostat, ELFS (Ilsa_egised)

Regarding the **general share of women among managers, regardless of age, level of education and level of management**, the graph above shows that the change in the ISCO classification has contributed seemingly in some countries to a drop of the female share of managers after 2010, especially in Italy but also in Norway and the UK.

ment positions whereas the age group of 25-49 may still be in lower and middle management functions. The female share in this category ranges between 29% (Germany) and 39% (Poland), Sweden and Poland showing the most continuous increasing trend and the EU-average showing an increase between 2003 and 2010 and a slight decrease between 2011 and 2013.

Share of women among managers (ISCO 1) aged 25-49

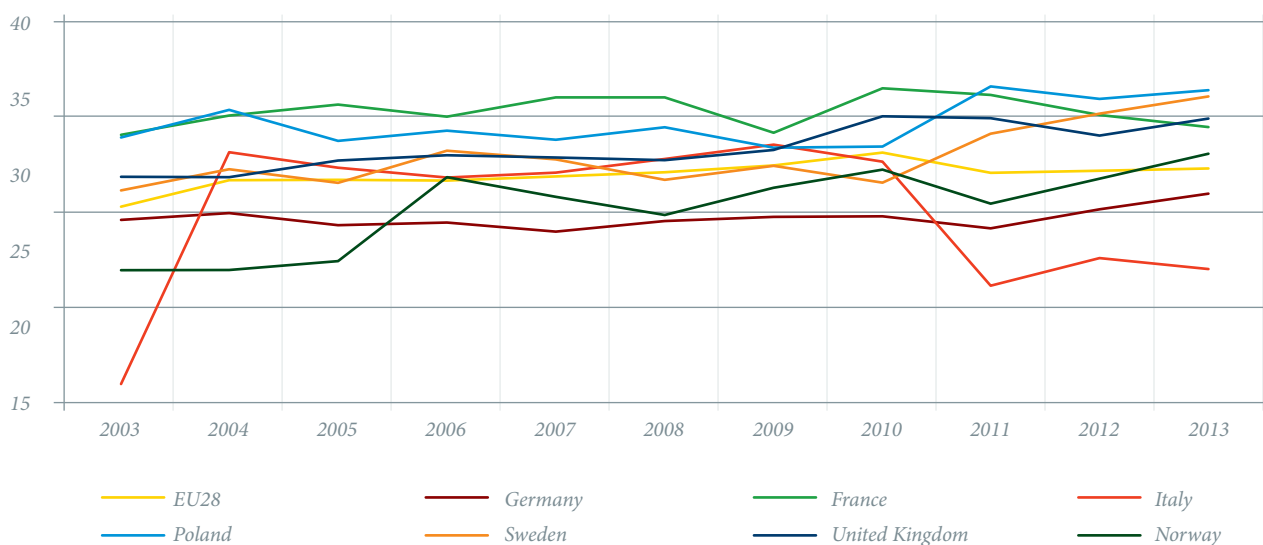


Source: Eurostat, ELFS (lfsa_egais)

In the age group of women managers aged 50+, the average in this group is lower, ranging between 24% (Italy) and 35% (Poland). If the assumption indeed holds true that older women will more likely be in higher management positions, than one can say that the higher the position, the fewer women represented.

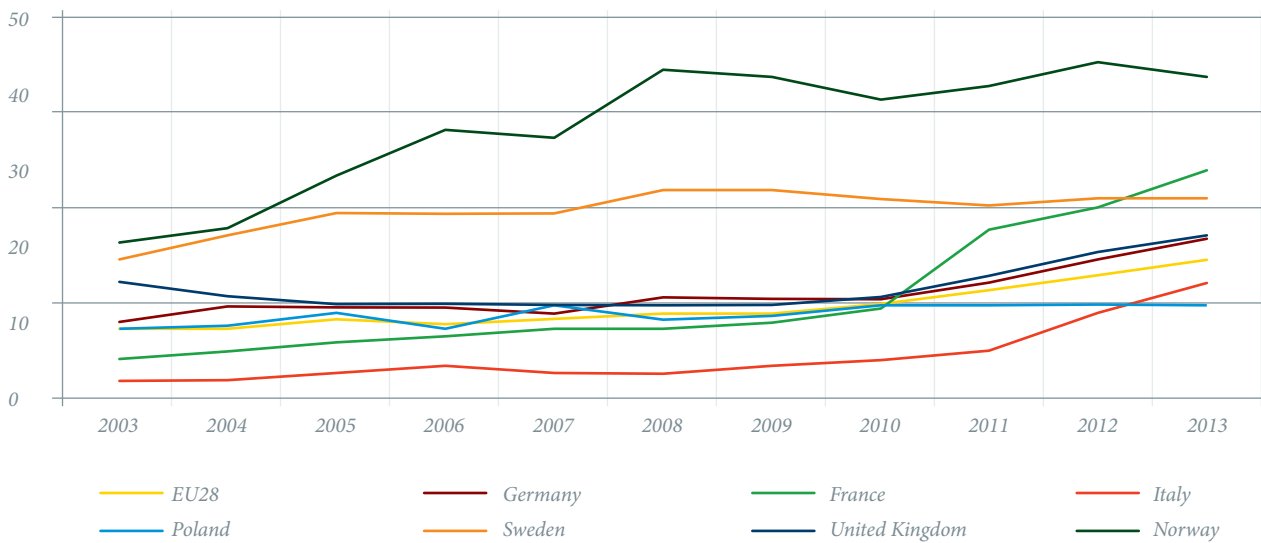
The data on the representation of women in top management positions, i.e. non-executive or supervisory board functions of the largest publicly listed companies, shows an overall very low EU figure, being about 18% only, and showing not even 1% point annual growth since 2004.

Share of women among managers (ISCO1) aged 50+



Note: break in series as of 2011 due to change from ISCO 88 to ISCO 08; break in time series: France 2005, 2011; Germany 2005, 2011, 2012, Italy 2004, 2005, 2011, Poland 2004, 2005, 2010, 2011; Sweden 2005, 2011, UK 2004, 2005, 2007, 2008, 2011. Source: Eurostat, ELFS ((lfsa_egais)

Share of women among board members of the largest publicly listed companies



Source: EC database on gender balance in decision-making positions

But these data clearly also reveal **important differences in-between countries**. Norway thus shows a remarkable 22% point increase in 10 years time, bringing the female share up to 42%, but also a few other countries demonstrate clear growth figures as from 2010 onwards, France moving from 13 to 30% and Italy from 5 to 15%. Interestingly, these three countries have developed a hard law quota approach. Germany and the UK still adhere to a self-regulatory approach but which (increasingly) operates in the shadow of the law and both show an increase from 13 to 21%. The two countries applying the softest regulatory approach mark the least progress over time; Poland moving only from 9 to 12% and Sweden remaining at the figure of about 25% since 2005.

When comparing the EU average number (18%) with non-European countries, it appears slightly higher than the US figure (16.9%) but much higher than that of China (8.1%) and Japan (1.1%).

Possible explanations for low representation of women in management

Various theories offer possible explanations for the low representation of women in top, higher and middle management, most importantly:

- human capital theory, emphasising diverging study choices and career paths of men and women;
- discrimination theory, emphasising prejudice stereotyping towards female employees;
- status characteristics theory, emphasising that membership of a certain group is seen as an indication of a certain (in)competence; and
- glass ceiling theory, emphasising not only objective corporate barriers but also subjective ones connected to the 'old-boys' network.

The following charts visualize the impediments women encounter, locating them at the employee's level, firm level and top management level in the light of these theories.

Employee	<p>Human Capital Theory</p> <ul style="list-style-type: none"> • Educational credits <ul style="list-style-type: none"> • Training choices and opportunities • Working experience <ul style="list-style-type: none"> • Unpaid labour/work-family preferences • Competencies and skills
Firm	<p>Human capital theory</p> <ul style="list-style-type: none"> • Working experience <ul style="list-style-type: none"> • Same entry level but diverging career paths • Educational credits <ul style="list-style-type: none"> • company specific training opportunities and programs <p>Status characteristics theory</p> <ul style="list-style-type: none"> • Gender bias and confirmation standard <ul style="list-style-type: none"> • Higher burden of proof and overqualification <p>Discrimination theory</p> <ul style="list-style-type: none"> • Gender stereotyping <ul style="list-style-type: none"> • Working mothers not competent, serious, reliable enough • Senior male gatekeepers controlling training opportunities <p>Male defined benchmarks</p> <ul style="list-style-type: none"> • Male gatekeepers set the standards for successful career • Women who act like women, considered incompetent... and women who act like men, not taken seriously...
Top management	<p>The 'glass ceiling' effect</p> <ul style="list-style-type: none"> • 'Objective' corporate barriers <ul style="list-style-type: none"> • Training policies • Promotion policies • 'Subjective' cultural and behavioural barriers <ul style="list-style-type: none"> • Gender stereotyping • Old boys network maintaining status quo

Possible explanations for cross-country divergences

The socio-economic, political and cultural context within which employees and firms operate and function has an important bearing both on the scope of the problem of underrepresentation in itself, as well as on the type of regulatory solutions and instruments that are turned to for resolving it. While no in-depth ana-

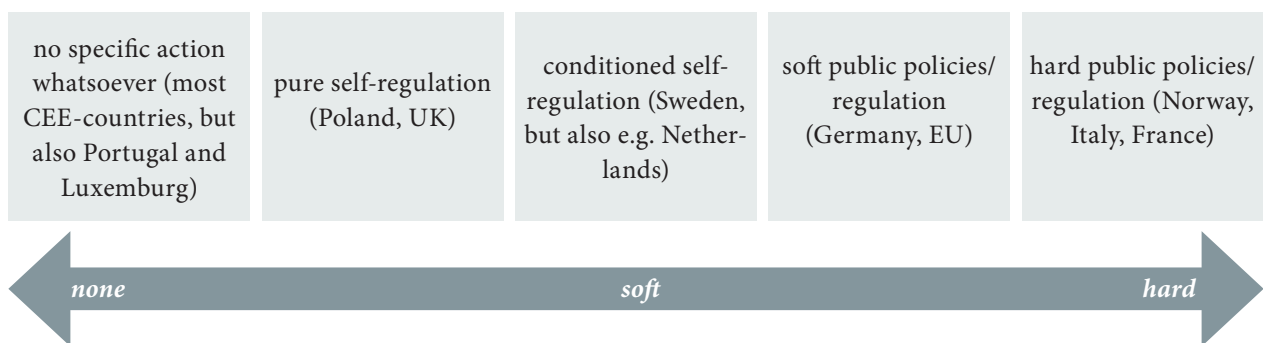
lysis of the link of causality has been carried out in this regard, the possible influence of this context, including amongst others the type of welfare system that prevails in a country and the extent to which it can be classified as an individualist or collectivist society, needs to be acknowledged. Yet, there is still an ongoing academic debate as to how significant the link is between the wider social, political and economic context and the level of women's representation on corporate boards.



**2 THE MULTITUDE OF
REGULATORY AND
ENFORCEMENT RESPONSES**

The research findings have revealed a huge diversity of the regulatory and enforcement approaches in the countries under scrutiny with a view to increasing the female share in higher and top management positions. These range from **no specific action at all and pure self-regulatory approaches to forms of conditioned self-regulation, soft public policy measures and hard legislative – quota – rules.**

- management boards;
- their level of ambition and – (un)clarity of the – targets that are actually being set;
- the time-limits for realising these;
- their implementation and monitoring mechanisms; and the – harshness of the – means and sanctions to punish non-compliance.



What these approaches have **in common** is that they are mainly geared towards top management (supervisory boards) and not middle and higher management positions.

Otherwise they show a **striking variation** as to:

- the public and/or private nature and voluntary or binding nature of the regulatory and enforcement regimes established;
- the size and type of companies actually covered by them; private, listed and/or state companies;
- the type of boards that are covered; non-executive supervisory boards only or also executive/

Possible explanatory factors for this diversity of approaches

- the **general cultural and societal features** and differences in welfare systems;
- the **different weight – if any at all – given to the various normative justifications** for a more balanced representation of women and men on company boards:
 - The economic, business case argument, underscoring the business need for more gender balanced boards from the perspective of an improved performance of companies, enhanced corporate social responsibility and engagement

- in modern stakeholder management;
- The individual, equal opportunities justification, underscoring that addressing the power imbalance in corporate management is simply a matter of individual fairness;
- The societal, public interest and fundamental rights justification, underlining the importance of balanced representation from the more general perspective of ensuring social justice and democratic legitimacy.

The latter two justifications have played an important role in the countries that moved towards a more stringent, hard quota law approach. In the countries that have not taken specific action or opted for a co- and/or self-regulatory approach, the balance is tilted more towards protection of ownership and corporate freedom, than towards ensuring gender equality in corporate management.

- the *possible legal – even constitutional – limits* to the use of gender quota targets or rules (e.g. Germany). By contrast, in Norway there was already a longer gender quota tradition as observed above.

- *legal tradition and culture*; in some (liberal) countries there is more of a self-regulation tradition and emphasis on de-regulation rather than regulation of business in the light of global competition (e.g. the UK, Sweden). In other countries there is more a tradition of state interference with market mechanisms through public regulation and the introduction of social policies as the state also assumes more a redistributive role (e.g. Norway, France, Italy, Germany).

However, at the same time, one must also note the *huge dynamism* at play in the regulatory landscape. Clearly, the Norwegian quota law has been a leading example for the recent hard law regimes adopted in a number of countries (Italy, France, but also for example Spain, Belgium, Iceland), while setting the tone for (heated) political and societal debates in others on what the most appropriate institutional and instrumental response is to the persistent problem of female underrepresentation in corporate management (e.g. Sweden, Germany). In that sense, one can say that minds are increasingly converging to the necessity of more stringent approaches, raising also the question of the impact or effectiveness of the different approaches.



**3 THE - POSSIBLE - IMPACT OF
REGULATORY APPROACHES**

Assessing the impact or effectiveness of the different regulatory and enforcement approaches depends first of all on what one sees as **the ultimate goal** to be achieved; **equality in terms of outcome** – a balanced representation of men and women in management and/or boards – **or rather the creation of equal opportunities** to have access to a management (board) position. Hard quota law regimes can be said to be more (top-down) outcome-oriented, whereas selfregulatory and coregulatory approaches are more (bottom-up) opportunities-oriented and often not setting specific targets.

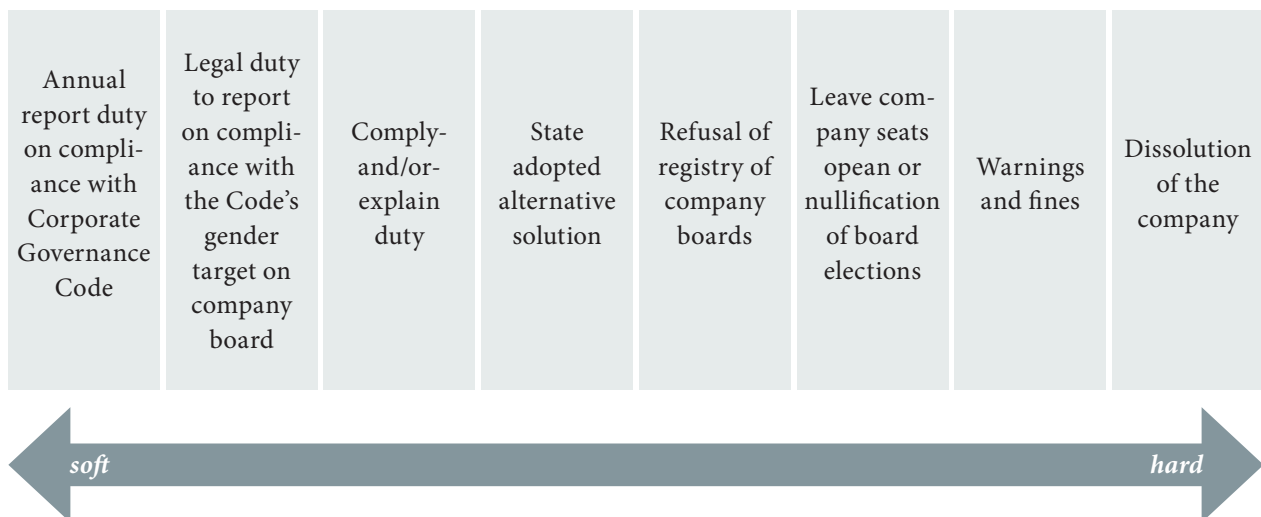
Elements determining effectiveness

Various studies show that for realizing equality of outcome, the hardest regulatory and enforcement regimes, with the **most stringent and binding targets or quotas**, are the most effective ones, also in terms of speed of change. This effectiveness has also been found to depend on **the type and strictness of the sanctions imposed** and the legal means used for this, such as the possible dissolution of non-compliant companies in Norway.

Monitoring and enforcement mechanisms

But in relation to the Norwegian success the importance of voluntary measures has also been underlined, especially professional training programmes for qualified female candidates and stakeholder cooperation with a view to creating support systems, as well as the availability of female role models.

Political pressure, intensive public debate and substantive argumentation may contribute to making progress and lending credibility to co- and self-regulatory approaches, e.g. through corporate governance codes, that have been developed in this field. Yet, self-regulatory codes may bear (very) little promise as to the impact they can actually have, by not setting any specific or hard goals for companies to achieve and by not providing for any sanctions when companies deviate from the recommendation of a gender-balanced representation. Where the comply-or-explain principle applies, one must note that for bigger companies the cost of public reputation being affected or lost in the case of non-compliance is clearly higher than for small companies. More generally, the overall application and monitoring of corporate governance codes has been found to be problematic.



Furthermore, studies show that *progress appears significantly minor and slower in the case of sticking to soft rules and that it may grind to a halt at some point in time (e.g. Sweden, UK)*. One cause for this can be traced back to reluctance by the industry to work methodically with the issue. The credibility of a self-regulatory approach will be hampered if the industry is not convinced of the need to bring about change from the perspective of corporate business and when it does not commit itself to the goals of equal opportunities and social justice.

Finally, the expected, so-called *'trickle down' effect of the quota regime in Norway has not materialized (as yet)*, meaning that so far it has not significantly contributed to enhancing equal opportunities for women in management positions more generally. To bring about such a change, it would appear essential for both self- and co-regulatory and command-and-control approaches to be coupled with *the further development of supporting measures and corporate best practices* for enhancing gender diversity in management positions.



4 MAIN CONCLUSIONS AND LESSONS

Conclusions

- the female share in management positions is overall still quite low, but for middle and higher management the cross-country differences are less significant (27% v. 38%) than for top management (12% v. 42%);
- while there are cross-country differences, the speed of change in middle and higher management positions is generally low in all countries and age groups;
- the speed of change in top management/at board level is quite high in some countries as a result of recently introduced quota law approaches and very low in others, while the EU average is still very low (18%);
- self- and co-regulatory approaches are increasingly making way for command-and-control regimes because of the insufficient progress. While Norway set the tone for this, quota approaches elsewhere are tailor-made.

Lessons

- For any regulatory and enforcement approach to be successful, it needs to fit in with – legal – culture and have broad societal, public, shareholder and stakeholder support. But societal views are not static and political and public pressure may lead to changes in (constitutional) law so as to enable the move from a laissez-faire industry to a more forceful command-and-control approach.
- The credibility and effectiveness of self- and co-regulatory approaches depend not on strong enforcement mechanisms and sanctions, but rather on the State and public companies leading by example, a strong role of the media and the commitment and ownership of all involved actors (CEOs, chair persons, board members, HR-departments, employee representatives, works councils, etc.), including the development of best practices.
- While self- and co-regulatory approaches may fall short to bring about outcome equality, they can be considered rather indispensable steps towards creating a basis of support for this policy goal and for adopting a more forceful legal approach when sufficient progress is not being realized. Self- and co-regulation are thus important mechanisms for bringing about more industry, political and public awareness of the problem itself and for re-thinking appropriate and effective responses to it. In the end, such responses often entail a mixed toolbox of instruments, the exact contents of which may depend on time and place.

PROMOTING WOMEN IN MANAGEMENT

PART 2

Strategies and Best Practices to
increase the Share of Women in
Middle and Higher Management
Positions

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1 INTRODUCTION

The share of women in management positions in companies across Europe is considerably lower than their presence in the general workforce, which currently stands at 63%¹. In 2013 **women occupied only 32% of management positions** in the EU² and progress over the last decade has been ‘glacially slow’. At the executive board level even fewer women can be found (12%)³, and hardly any are present at the CEO level (3%). In addition, there is a concern that there is a middle-age dominance, since **60% of managers are in the 35-54 year age band**. With current patterns of retirement and the effects of demographic change, all sectors of the European industry may lose more than 50% of their current workforce over the next 25-30 years at a time when fewer young people will be available for recruitment⁴. Therefore the need to recruit, develop, retain and promote women managers becomes even more important than ever before.

CEC European Managers as the coordinator, together with Eurocadres, Ledarna and CFE-CGC as co-applicants, have taken the initiative by proposing a new action on the promotion of women in leading, decision-making jobs, in order to **increase the proportion of women in positions of middle and higher management as a means to face the challenges of demographic change** in the future. To this end this project was developed and executed with funding from the European Commission under the title “Promoting Women in Leadership – Strategies and Best Practices to increase the Share of Women in Middle and Higher Management Positions”. In addition to this report on Best Practices a Study⁵ by the University of Utrecht was published and other activities, including a dedicated website and conferences, were organized.

The five companies in this report, *Accor* (based in France), *Gekoplast* (Poland), *H&M* (Sweden), *Sandvik* (Sweden) and *T-Systems* (Germany), volunteered to participate and share their experiences, policies and tools with a wider audience, because they acknowledge the business need they will face in their managerial workforce in the years ahead. CEC European Managers contacted the companies and the Centre for Inclusive Leadership was responsible for gathering the information, analysing the data and writing this report. The companies were selected on geographical criteria (Northern European, East European, and large countries), variety of industries and size. The participating companies have approved the texts relevant to their cases.

This Best Practices report shows the variety of arguments organizations use (the ‘why’) and the policies and tools they deploy (the ‘how’) to recruit, develop and promote women in management positions. It presents **best practices of a selected group of companies** with a proven track record in promoting women to middle and senior management. In addition, it presents the views of senior women managers who are successful in their managerial careers, on how they achieved their success and on how they perceive barriers and enablers for women in managerial careers. The terminology ‘Best practices’ often refers to the outcome of a selection process on benchmarks. Due to the set-up of the report, with companies volunteering to participate instead of being selected against industry benchmarks, the presented ‘best practices’ are in fact ‘good practices’.

The information in this report is based on **personal interviews**⁶ with HR directors, diversity managers, board members and a number of senior female leaders⁷. In addition, supporting documentation and other information (such as videos, web links⁸) were used.

1 ‘Progress on equality between women and men in 2013’, by the European Commission; http://ec.europa.eu/justice/gender-equality/files/annual_reports/141002_report_progress_equality_between_women_men_2013web_en.pdf

2 Definition of ‘managers’ of group 1 of ISCO-08; data from Eurostat, ELFS (see for details the Study).

3 Source: EC Database Women & Men in Decision-making; data collected between 01/04/2014-30/04/2014.

4 See CEC report: ‘The Impact of Demographic Change on the Future Availability of Managers and Professionals in Europe’.

5 See the Study on the website dedicated to this project: www.womeninmanagement.eu

6 Quotes of interviewees are in italics. They have been approved for publication.

7 See for the names of the interviewees the list at the end of this report.

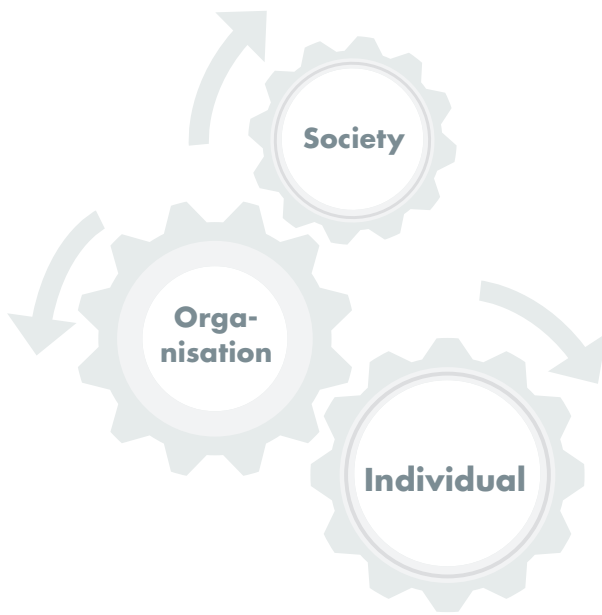
8 Some of this information is available on the project’s website www.womeninmanagement.eu

It has not been the aim of this project to provide a comprehensive account or empirical support of the findings through site visits or audits in the participating companies. Rather it has sought to identify different approaches or pathways companies can develop themselves to enhance the representation of women in management positions, as a complement to or as an alternative to legal approaches described in the Study.

This Best Practices report thus serves to inspire, motivate and provide practical tools to organisations to improve the underrepresentation of women in managerial careers. We present an overview of possible strategies, tools and policies, which may be adapted and developed into tailor-made solutions in organisations. We would like to express our gratitude to the companies for their willingness to participate in this project.



**2 BARRIERS FOR WOMEN'S
ADVANCEMENT
IN MANAGEMENT**



Society

- Expectations and prejudices
- Support mechanisms
- Legislations and policies

Organisation

- Working arrangements
- Corporate culture
- HR policies and programs

Individual

- Educational and career choices
- Work/life balance choices
- self promotion and visibility

The barriers for women’s advancement in management positions can be found at **three levels**; societal, organisational and individual level.

At **societal level** the **expectations** about the roles women and men may take up in (corporate) life and the prejudices about women in management and leadership shape the environment in which organisations operate. In addition, the country **culture** plays an important role. Across Europe the Nordic countries are seen as the most advanced in regard to the acceptance of women in leadership positions. Further barriers at this level can be found in the way **government support mechanisms**, like (child and elderly) care facilities, **policies and legislation** (including taxation) are structured allowing both women and men to combine family life with a (management) career. Organizations cannot influence these societal barriers as such, but can develop policies and implement tools to mitigate potential negative impact on their female workforce.

At **organizational level** policies and working arrangements can be encouraging or discouraging for women aspiring a management career. Examples of supporting tools are flexible working arrangements, (temporary) part time work, but also unbiased

recruitment and selection processes and equal pay policies. **Corporate culture**, or ‘the way we do things around here’, can have a substantial impact on the effectiveness of policies and instruments and can be an enabler or a barrier in women’s advancement in management positions. In cultures in which informal relationships are crucial to career development, women that are not part of the **informal structures** and networks will not be as well informed as their male counterparts regarding career opportunities. In addition, their absence from these networks often leads to being unknown and invisible to those in the company who control the selection and promotion processes for management functions. In companies where certain masculine **behaviours** are the norm, for instance when long office hours are seen as a sign of commitment to the job, women might be less successful in achieving senior levels. If women, and increasingly men too, who have care tasks cannot fulfil those unwritten rules, they might be labelled as less committed to their career. Other factors are corporate values and the way top management sets the example for diversity policies. Chapter 4 of this report is dedicated to the issues related to the barriers and enablers at organizational level at the five participating companies.

Last, but not least, one of the barriers for career advancement may be found in the *individual choices* women make. Choices regarding education and career (such as choice of sector, functional areas, choice of roles (management or support roles), and mobility, combined with work life balance issues determine the direction of a career. These choices are influenced by national culture as well as corporate culture. Chapter 5 is dedicated to the individual career paths of five senior women in the participating companies and will show which

choices they made and how their career paths were structured.

The interaction between the various barriers at three levels adds to the *complexity* of finding the right policies and tools for organizations to enable women to advance in managerial positions.

In Chapter 3 we will first present the five companies that provided input for the identification of the Best Practices in this report.



3 PRESENTATION OF THE PARTICIPATING COMPANIES

The five companies in this report operate in different industries, countries, and have different sizes and corporate and legal structures (ownership).

Data of participating companies in alphabetical order, 2013

Company	Accor	Gekoplast	H&M	Sandvik	T-Systems ⁹
Industry	Hotel	Plastics	Fashion	Industrial engineering	IT services and consulting
Country of incorporation	France	Poland	Sweden	Sweden	Germany
Ownership	Listed in Paris (CAC40)	Private equity	Family	Listed in Stockholm (OMX30)	Subsidiary of Deutsche Telekom AG
No. operating countries	92	1	53	130	20
Turnover 2013	€ 5.5 billion	€ 18 million	€ 16.7 billion	€ 9.6 billion	€ 9.5 billion
No. employees	170,000	228	116,000	47,000	50,000
% Women on SB/NED ¹⁰	40	0	55	10	23,5
% Women on EB/ExCo/BoM ¹¹	9	33	37.5	33	0
% Women in senior management ¹²	28	47	50	16.4	15.7
% Women in middle management ¹³	NA	NA	NA	NA	14.7
% Women employees	46	38	89	18.5	24.9

⁹ Numbers relate to global situation and include Germany.

¹⁰ SB means Supervisory Board (two tier system of corporate governance); NED means Non-Executive Director (unitary system). Both roles are supervisory in nature and do not involve executive tasks.

¹¹ EB means Executive Board, the top executive roles. Also called Executive Committee (ExCo), Board of Management (BoM), and Management Board.

¹² Senior management is the most senior management level below the Board. At Accor senior management involves general managers of hotels; at H&M these are country managers, with overall responsibility for sales and profitability.

¹³ Not all companies were able to provide figures for the different management layers.

Three trends

Interestingly, the data of the participating companies reflect a number of well-known trends regarding the representation of women in the workforce and management. First of all, in general in **certain industries**, like the fashion and hospitality industries, women in the workforce are more numerous than in other industries, such as ICT and engineering. At fashion-company H&M almost 90% of the workforce consists of women, whereas at Sandvik, a global industrial engineering, tooling and construction group, and ICT-company T-Systems, women only make up respectively 18.5% and 24.9% of employees.

Second, in **sectors closer to final consumer demand** often a higher proportion of women can be found on the board. Both Accor and H&M have relatively high numbers of women on their supervisory boards, respectively 40 and 55%. Sectors closer to the bottom of the supply chain tend to have a much lower proportion of women on the board. Interestingly, Sandvik's supervisory board has only 10% women, but its Executive Board 33%.

Thirdly, in general **larger companies** are much more likely to have women on the board than smaller companies. This might be explained by the fact that larger companies tend to be subject to a greater influence of internationalisation, have higher visibility in general (resulting in more scrutiny by public, press and government) and consequently pay more attention to potential reputational risk. Also, at larger companies HR processes in general, including board recruitment and selection processes, have been standardized and professionalized.

Top leadership positions

The CEO (at executive board) and the Chair of the Board (in the unitary system) are regarded as the most powerful positions in a company. None of the participating companies have women serving in these roles. This is consistent with the data at EU-level, since only **3%¹⁴ of CEOs are women**. Next to the CEO, BU managers and the financial director (CFO) typically

hold powerful positions at executive board level.

Depending on the core business of the company, other positions might be deemed powerful, such as Research & Development or Materials Technology. In the participating companies few of the most powerful positions are held by women; Accor's only female executive board member, Sophie Stabile, is in charge of Group finances as CFO; at Gekoplast the only female board member Joanna Siempinska is Responsible for Production and Development, and at Sandvik Petra Einarsson is President of the Materials Technology business area.

The important distinction between executive and non-executive board functions

A management career typically involves several hierarchical steps in which the scope of responsibilities and the numbers or function level of subordinates gradually increase. The highest management position is the Executive Board (EB), or Executive Committee (ExCo) or Board of Management (BoM). This top executive level is responsible for the **day-to-day operation** of the business. The Supervisory Board members (in the two tier corporate governance system) or Non-Executive Directors (in the unitary system) are responsible for **supervision** of the activities of the top executives, and in many cases of appointing, rewarding and firing them. In conducting its supervisory tasks the members have to take into account the interests of all stakeholders of the company (shareholders, employees, customers, etc., so society as a whole). Whereas top executives are **full time employed** by the company, supervisory board members or non-executive directors spend only **limited time** in the company on their duties. Supervisory board members (or Non-Executive Directors) often do not all come from within the same company, but from other companies and organizations, and typically hold more than one supervisory position.

Different career paths

Although in the selection process for supervisory board positions experience at top executive level at

¹⁴ Source: EC Database Women & Men in Decision-making; data collected between 01/04/2014-30/04/2014.

a company is often a criterion, the career path to a supervisory board position may be very different than the one leading to an executive board position. Due to the lack of women with top management experience and driven by the pressure from society, the media and (upcoming) regulation to appoint more women, increasingly **women from outside the corporate world**, with a background in politics, government, NGO's, professional service firms etc. are being appointed as supervisory board member or non-executive director. This pattern is common across the EU; the proportion of women at supervisory board level is 20% but at executive board level only 12%. This pattern is also reflected at three of the participating companies; Accor, H&M and T-Systems have more women at the supervisory board level than at the executive board level. Many efforts to improve the underrepresentation of women on boards, like the legal instruments shown in the Study, focus on the level of the Supervisory Board. However, Supervisory board members are far less

visible to the employees than executive board members. Younger women starting a management career need **role models** and companies without any or with very few female executive board members unconsciously send the message that a top management career might not be attainable for them. Therefore the focus of companies' efforts needs to lie on improving the representation and visibility of women at middle, senior and top executive management rather than primarily at the non-executive level.

Country culture

It is obvious that companies are influenced by the culture¹⁵ of the countries in which they operate. Comparing the presence of women on their boards to the averages in their country of incorporation, H&M outperforms the home country's averages at both levels, and Accor comes very close. Sandvik outperforms the

Comparison % women on boards with country and EU averages

Company (country) ¹⁶	% Women on Supervisory/ Non-Executive Board	% Women on Executive Board/ Committee/BoM
Accor (France)	40 (31)	9 (11)
Gekoplast (Poland)	0 (18)	33 (4)
H&M (Sweden)	55 (29)	37.5 (21)
Sandvik (Sweden)	10 (29)	33 (21)
T-Systems (Germany)	23.5 (18)	0 (7)
EU average	20	12

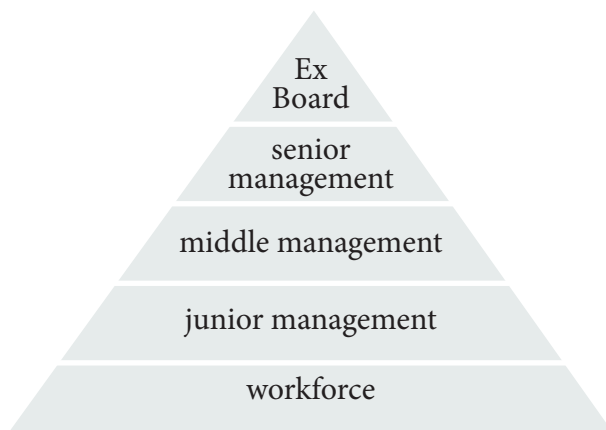
¹⁵ The Study presents a detailed analysis of the countries' cultures and the prevailing attitudes towards state intervention regarding the challenge of gender equality in business.

¹⁶ Country averages are between brackets.

Swedish average only for the representation of women on executive boards, whereas T-Systems does better than the German average regarding the gender composition of the non-executive board.

The pyramid of lost women

Looking at the data of the participating companies, a familiar pyramid pattern¹⁷ emerges at most of them. Starting from the total workforce numbers, the numbers of women gradually decrease when moving up the ladder, from junior to middle, senior and top management positions. This pattern results in a serious underrepresentation of women in the highest management positions compared to their overall presence in the organization. For instance H&M's 'pyramid of lost women' starts with 89% women at the base, decreasing to 50% in senior management and further decreasing to 37.5% at executive board level. Accor's pyramid starts at 46%, moving to 28% in senior management and ending at 9% at the top level. Only *Sandvik seems rather successful* in reversing this negative trend with 18.5% of women in the workforce, slightly decreasing to 16.4% at senior management level but accelerating to 33% at the top executive positions.



Business-critical functions

Another important issue is to what extent women's management careers seem to be concentrated in certain areas like Human Resources, Public Relations, Communication, General Counsel or other support and overhead functions as opposed to Business Unit (BU) management and functions with so-called 'profit and loss' responsibility. In many companies more prestige is attached to the BU management roles in comparison to the support roles and top functions of overhead departments. This distinction is also important because some portfolios, especially the business-critical functions, are deemed more *powerful* than other portfolios and thus provide a better gateway and *career path* to the highest executive positions. In addition, when certain roles in a company are seen as 'typical women's positions', such as Human Resources and Communication, *stereotypes* might emerge that may limit women in their career paths. Figures regarding the gender composition of senior functions in support and BU management in the participating companies are not available. From publicly available information on the gender composition of the highest executive level it can be observed that three out of four female Executive Board members at Sandvik are indeed responsible for overhead and support functions (HR, Communications and General Counsel).

Preliminary results

The participating companies were asked how the numbers of women at different management levels over the past 10 years had developed. While complete datasets on this were not available, and some companies only recently started to pay special attention to the advancement of women in management positions, some observations can be made.

¹⁷ US Women in Business, Catalyst, 2013: www.catalyst.org/media/catalyst-2012-census-fortune-500-no-change-women-top-leadership; "Women Matter", 2012, McKinsey: www.mckinsey.com/client_service/organization/latest_thinking/women_matter

Accor is steadily building a pipeline of female managerial talent. Worldwide now 28% of hotel general managers are women, but there are significant differences between regions and countries. In Europe the percentage is 35%, in North America only 7% and in Latin America even 44%. Across Europe the differences range from 0 (Bulgaria, Greece, Ireland, Slovakia, Ukraine) to between 30 and 40% (France, Italy, Netherlands, Portugal, Spain) and even 40 to 50% (Czech Republic, Lithuania, Luxembourg, Poland).

Gekoplast has not developed a gender diversity policy. Currently women hold 10% of management positions, and occupy 33% of the executive board seats (one member out of three).

Of the companies in this report **H&M** has the highest percentage of women at the executive board: 37.5%. In addition, half of the country managers - the most senior management level below the board - are women, including in some of the most important countries. Women can not only be found in supporting and staff roles at head office, but also in traditional male environments, as Head of Buying and Head of New Business Development.

At **Sandvik**, where a global diversity strategy was introduced in 2012, the share of women in manage-

ment positions increased from 13.9 to 16.1% from 2010 to 2013. For the first time in history there are four women (out of 12 members) in the Group Executive Management Team.

T-Systems, that started the diversity journey in 2010, reported a considerable overall increase of 3% points of women at junior, middle and senior levels over the past three years. The highest increase was recorded at middle management level at 4% points (from 2010 to YE 2013). Currently women occupy 15% of top and middle management positions, up from 12.1% three years earlier. T-Systems currently does not have any women in the Board of Management; Georg Pepping (Board member Human Resources) explains: “What seems to be limiting the chances to find women for Board of Management positions is that we are still a very German-centric company and due to that for instance command of the German language is actually still one criterion. Another is a solid IT/TC background. It is not easy to find both aspects in one profile. It seems to be easier to find women for HR and finance Board of Management positions. To deal with this challenge, we are steadily building our future pipeline bottom up and growing our own talents into senior management and ultimately board members. There are around 15% in middle to senior management positions and 16% in junior management”.

A grid of 16 photographs showing various views of a staircase with yellow walls and metal railings. The images are arranged in a 4x4 grid. The central text "4 BEST PRACTICES" is overlaid on the grid.

4 BEST PRACTICES

4.1 TWO MAJOR THEMES

Each participating company in its particular industry has made great efforts to improve the underrepresentation of women in managerial positions, while adopting quite different approaches, policies and instruments. This demonstrates that there is no 'one-size-fits-all' approach and that the choice of instruments depends on the environment an organization is operating in and its corporate culture.

The inventory of best practices is structured around the following main themes:

I The business case for 'gender diversity' and its integration in the organisation

Companies were invited to share their rationale or so-called business case for gender diversity, as the foundation for their diversity policies. In addition, they were asked how gender diversity has been linked to their strategy and integrated into the structure of their organization. This part of the interviews dealt with questions around the business need for diversity, the responsibility for implementation of policies, how efforts are being measured and reported on and how managers are involved in the day-to-day application of the principles. An important factor for the successful implementation of the policies and tools resulting from the business case is the organization's so-called 'corporate culture'. This is the informal way of doing business and refers to informal networks and power structures, operating in parallel to the formal hierarchical structures. Even the best gender diversity strategies and excellent supporting tools will not be effective if they are not firmly embedded in the organization's culture. Companies were asked to report on what they see as the informal success factors in career development and if women take part in this the same way as men do. Of special importance for managerial careers is a specific part of corporate culture: the meeting culture. Not only the timing and duration of meetings, but also the way meeting agendas are structured and influenced as well as the informal rules about who gets to speak and in which order, have a serious impact on the contribution individual members, and in particular women, can make.

In this Chapter a specific question, formulated by the project's Steering Committee after the first conference, will be addressed too:

How to deal with (possible) resistance from male (and sometimes also female) employees against policies and programs aimed at promoting women?

It has been observed that in certain cases men respond negatively to programs or policies to advance women in management careers. Some of them feel that these programs limit their chances for promotion. Others refer to the right that all employees should be treated equally by bringing forward that specific women's programs actually defy the notion of meritocracy and equality.

II Employment policies, conditions and facilities

Following the foundation of the business rationale and the integration into the company's structure, the second theme looks at the practical level of facilitating management careers and addressing the obstacles women may face. Topics like flexible working (teleworking, part time), equal pay policies, and recruitment and selection procedures for management functions were reported on. Specific attention was paid to issues regarding 'work-life balance' and special programs to facilitate women's management careers, such as training, coaching and mentoring programs and the role of women's networks.

In this Chapter the second specific question, as formulated by the project's Steering Committee, was addressed:

How to deal with 'modest' behaviours of women?

It has been well documented that women often underestimate their potential and show more reluctance than men to promote themselves or to ask for an opportunity, promotion or a rise in salary. As a result women may lag behind in their careers and employers may find that their female workforce is not being utilized to its full capacity. Companies were asked if they recognized this general pattern in their organisation and if so, which strategies they deployed to counteract the negative impact these behaviours might have on women's career progress and on the company as a whole.

4.2 THE BUSINESS CASE FOR GENDER DIVERSITY AND ITS INTEGRATION INTO THE ORGANIZATION

Many companies start their diversity journey by building the so-called ‘business case for gender diversity’ or more broadly ‘Diversity’ or ‘Diversity & Inclusion (D&I)’ as the foundation for developing specific diversity policies and activities. Starting point of the business case is the company’s mission statement and strategy; the key-question to be answered is **how a diverse workforce will enhance the company’s results**.

Following research on the **effectiveness of teams** and the impact¹⁸ diversity may have on the **quality of decision-making**, some companies use this argument in their business case to show that the company’s financial results overall will benefit. This may be tied to the argument that the old corporate culture needs to be changed; the diversity initiative then becomes part of a wider effort to **change the culture**, often into a more open, innovative and flexible culture.

The business case may be built on a **macro-economic analysis** of the developments in the labour market. For instance the impact of the ageing population on the composition of the managerial workforce may demonstrate the need to recruit, develop, and retain more **female talent**. After all, talent knows no gender and if an organization is not able to ensure a pipeline of qualified male and female employees it will seriously compromise its **competitiveness** in the longer term. Developing diversity policies in order to achieve an image of ‘**preferred employer**’ is becoming an increasingly important argument for companies looking to recruit the top talents in the labour market.

Frequently used models to demonstrate **financial benefits** may include a calculation of the costs of the loss of female talent. By calculating the costs of education and training (the ‘investment’ in) of female talents on one side, and the costs of recruitment, selection (such as executive search fees, advertisements) and training of a replacement on the other side, it becomes apparent what the financial impact is of the underutilization

and high attrition rates of female talents.

Another prevailing argument is the **marketing and sales perspective** of being close to your customers. Companies with a large female customer base see advantages in having women employees involved at all levels of decision-making because it enhances their capability to design new products and services that better cater to the needs of their clients.

Other frequently used arguments in the business case relate to the company’s **corporate social responsibility** policy, for instance requiring the (equal) representation of all communities and stakeholders in the company’s management structure, as well as sustainability (sustainable talent development).

In some countries and cultures the purely legal argument of **preventing discrimination** and legal costs associated with law suits if discrimination occurs and potential subsequent **reputational damage** play an important role in the setup of a diversity policy.

In the end, each company builds its own business case, with the arguments and numbers linked to the strategic goals of the organization.

One of the most well known instruments to embed any policy into a company’s structure is setting targets. It is a familiar tool used by management to motivate and steer employees in the desired direction. After all, “if it gets measured, it gets done”. However, this instrument applied to the area of gender diversity policies has sparked fierce debate in society and in companies. People hold strong views on the need or desirability for companies to use targets for the representation of women in management positions. Those that are in favour emphasise the profitability of diversity, the importance of making full use of talent or refer to justice. Those that are opposed bring forward that targets are undemocratic and against equality legislation, discriminating men, and imply that women are being selected because of their gender and not based on their qualifications.

As we will see below, the participating companies have framed their business case to a varying extent on some of the above arguments and use a variety of tools, many of them using targets, to integrate diversity policies into the organization.

¹⁸ Research is available that proves a positive correlation (not a causal relation) between gender diversity on boards and a company’s financial performance, but there is also research that proves a negative impact.

4.2.1 Accor

The **Group International Diversity Charter**¹⁹ is the foundation for Accor's worldwide diversity policy. The diversity policy is based on the **principle of non-discrimination and equal treatment**. It covers equality in four main areas: gender, disability, age and origin. Some of the key messages in the Charter are:

- "Diversity is based on a fundamental principle: the completely unbiased welcome of others based solely on **professional skills**".
- "A permanent source of shared enrichment, social and commercial dynamics, innovation and adaptability to change, diversity is one of the **keys to our future performance**".
- "We have a **goal of equality** between employees with equivalent professional skills, in particular regarding men and women, in terms of training, compensation and career development".

The Charter was developed in a year by an international working group, in which all regions were represented (North-America, Latin-America and the Caribbean, Africa & the Middle-East, Asia Pacific, Europe); this ensured broad involvement and acceptance throughout the company. The Charter has so far been translated into 13 languages. Accor is a decentralized organization and the **corporate culture** is heavily influenced by country culture, so the challenges for women in management vary per country.

The **responsibility** for developing the group-wide diversity policy lies with the Vice President Group Diversity, Frédérique Poggi, whereas the Vice Presidents Human Resources in the countries are responsible for developing and implementing local diversity policies: "As Vice President Group Diversity I have experienced that **communication skills are very important, because you need to be very convincing. You have to speak the language of senior management and use facts and figures to convince them of the benefits diversity brings**".

Accor embarked upon a **study** with 8 other companies on the topic of children (work-life balance) and stereotypes (for management roles). The study showed that mixed teams in general perform better than homogeneous teams. The research is being used to inform ma-

nagers, start debates and discussions, and explain the impact of stereotypes in daily management practice.

Frédérique Poggi is convinced that **resistance** against diversity policies can be managed effectively by consistent and good communication about the benefits diversity brings: "Resistance from men is a temporary problem. Every time we do something for women it benefits men too. The world is changing. So men get into the same situation as women more and more often."

An important **external driver** in this process has been the recent French law requiring that by 2017 at least 40% of company board members should be women. Therefore Accor decided in 2010 to set a **target** that by 2015 at least 35% of senior management positions (hotel general managers) should be held by women; this proves to be a tough target since women now make up 28%.

The Charter includes obligations on **monitoring, communication towards clients**, diversity training (e-learning modules) and yearly action plans. In addition, it prescribes **annual reporting** to the Executive Committee.

Employees follow **diversity training** through two e-learning modules, entitled "How to act to prevent discrimination?" (45 minutes) and "Make diversity real in my hotel" (60 minutes). Set up like a game, a group of tourists comes to the hotel and in different situations 'you as the manager' need to find an answer in line with the company's diversity policy. Scoring points, receiving feedback and providing background information are integrated in the games. The modules contain information on legal aspects, recognition of stereotypes, but also offer practical exercises. One **exercise on recruitment** trains managers how to ensure that recruitment of a new employee is solely based on training, experience and skills. In this exercise the manager is requested to delete parts of the candidates' CV's (such as picture, name, address, gender, marital status, children, physical ability, religion and age) to avoid discrimination and bias. In another scene at the hotel the manager overhears a conversation regarding a possible promotion of an employee: "He's just got divorced, and in addition, he's got custody of the child. He can't possibly be made Front Office manager". According to the

19 Full text is available for downloading from the project's website www.womeninmanagement.eu

diversity policy this is a case of clear-cut discrimination: “Restricting someone’s career development on the basis of their marital status is discrimination”.

4.2.2 Gekoplast

At Gekoplast developing a **diversity policy** has not been on the agenda. It is not common in Poland for companies to develop a company-wide diversity policy. During the communist rule men and women worked alike, and for instance granting women maternity leave was not an issue. After the collapse of communism, companies needed all the educated people they could find, so women and men had equal chances to become managers. However, this changed at the turn of this century. Since the early 2000’s a situation has grown in which women **seem to have to be better qualified** and educated than men to become senior managers. In addition, maternity leave has become a problem for many companies because of the extra costs involved in hiring an intermediate replacement. Also at ministerial level and in legislation there is little attention to the topic of representation of women in management and on boards²⁰.

The topic of gender diversity is ‘not seen as an issue’ at Gekoplast. The company complies with the **legal obligation** to treat all employees, men and women, equally and to not discriminate. Selection is always based on qualifications. Nevertheless Joanna Siempinska, member of the board, responsible for Production and Development, personally focuses on improving the numbers of women in management positions: *“I focus on having women in management positions because women have characteristics that are very suitable for certain tasks, such as quality control, checking and auditing. I also find that women are more open-minded and more focused on achieving their goals; this makes them very qualified for Research and Development jobs.”*

Joanna Siempinska is convinced that taking a **project approach** is the key to success: *“When you want to change something, like having more women in ma-*

agement, you have to treat it like a project. It is very important to invite employees at middle and lower levels to be involved and to contribute to the project.”

As for managing **resistance from men** when women are appointed to management positions, Joanna Siempinska mentions that she has not observed any resistance: *“In our company qualifications are most important so the choice is always made based on this.”*

4.2.3 H&M

“Diversity, in the broadest sense, is in the company’s genes since its foundation in 1947”, says Sanna Lindberg (Global HR Director). The current CEO, Karl-Johan Persson, is the grandson of the founder, so the company is still very much a family-owned company. Diversity not only refers to gender, but to culture, background and age too.

H&M’s approach towards gender equality is based on the **legal concept of non-discrimination** and reads: “All employees at H&M contribute to the company’s success. The diversity of the workforce in terms of age, gender and ethnicity, for example, is an **asset to the company**. We therefore strive for diversity at all job levels and at all H&M’s workplaces. At H&M all employees are of equal value. Nobody shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, growth, development or training. For the purpose of this policy the term discrimination includes any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction, social origin, sexual orientation or age. All employees and customers of H&M are entitled to be treated with respect; therefore, discriminatory bias, offensive or abusive treatment, harassment or retaliation by managers or employees is never tolerated. Further basis for employment protection may be added due to national or local legislation. This policy is based on the **ILO convention C111 Discrimination.**”

²⁰ For more background information see the Study.

Every manager is responsible for having a diverse team. There are no **targets or financial reward systems** for recruiting or promoting women. Gender diversity is not a separate topic on the Board's agenda. As such the topic is technically not driven from the top, but integrated in the company at all levels and in its culture.

Sanna Lindberg: *"It is important to make everyone understand that gender balanced teams are more dynamic and in line with modern times. The world is changing and becoming global. If we want to understand the world we need to have diversity in our company. It makes us more successful"*.

Regarding the presence of women in management, there are differences between areas of the business. Half of the country managers, which are the most senior management level under the board, including in some of the most important countries, are women. But in the IT department men are overrepresented whereas women are overrepresented in the buying department. It is difficult to get more men joining the buying department and more women joining the IT department. This is being addressed by targeted actions. Women in the IT department might not always feel comfortable or welcome. Often men are not aware of certain behaviours and to **raise awareness** is the first step in addressing this issue.

H&M's **corporate culture** is strong and value-driven; it is about being open to new ideas and being innovative. It is all about creating an open atmosphere. This also goes for the formal hierarchy: employees feel they can always contact their manager directly. Implementing this culture in new markets is a goal and a challenge, due to differences in country cultures. H&M offices around the world ooze the same atmosphere when you enter.

As for **managing resistance** from men against women in leadership positions, Doris Klein (H&M's Country Manager Spain) has never experienced any negative behaviour of men during her career. She emphasizes that it is very important how top management **sets the example** for this behaviour. H&M's CEO consistently lives H&M's values by putting first what is best for H&M and not what is best for individuals. "Show off" behaviours are not rewarded. The CEO's conduct has an important impact on corporate culture and the behaviour of all employees.

4.2.4 Sandvik

Sandvik was built by engineers, which led to a corporate culture in which "engineers can do any job" and in which not being an engineer was often a barrier for a management career. In 2012 Sandvik's CEO defined Diversity and Inclusion as one of the 5 most important areas for the company because the management team was very homogeneous (male, Swedish, similar in terms of age) and there was a general lack of mobility and diversity in the company. Concrete steps were taken; top and senior management (executive MT and 600 senior managers) were trained on D&I and cultural awareness. In addition, the business case for D&I was built, based on **academic research on problem solving, innovation and effectiveness of decision-making processes**.

Malin Rogström (Global Manager Culture & Change): *"The reason for diversity in teams? We find that although homogeneous groups are often more confident in decision making, the quality of their decisions might not be optimal"*.

The D&I and cultural awareness programs aim to **change the old culture**. The informal culture was very strong and 'cowboy-like'; for instance, the one who travelled most was seen as the most successful. Key features of the new corporate culture Sandvik is building are 'fair play, high ethical standards and safety first'.

The 4 **drivers** of Sandvik's diversity policy are: serving a global, diverse **customer** base; creating a culture of **innovation**; attracting, developing and retaining the **best people** and to be a **winning team** – one step ahead.

A **global intranet portal** with tools, including a global movie (10 minutes) about the business case and drivers, in different languages, and a dialogue kit, a checklist for D&I perspective in recruitment processes, the "Guideline of small acts of inclusion" have been developed and are actively used by employees and managers.

Targets have been set to improve the underrepresentation of women in management functions: at least 30% of management positions are to be held by women. There is no time frame agreed in which the targets

should be reached. The 30% target is broken down into yearly increases for each business area (in 2014 5% globally). Both Heads and Vice Presidents Human Resources of business areas have a D&I target included in their individual performance management and bonus system. Semi-annual and annual reviews include KPI's (Key Performance Indicators) on D&I.

Transparency is an important tool in implementing gender diversity. Sandvik publishes statistics on the share of women employees and in management positions on the website²¹.

The identification with role models is an important motivator for younger women embarking upon a management career. Sandvik is actively joining **competitions and regularly receiving awards**. Petra Einarsson, president of Sandvik Materials Technology, was recently named the most powerful woman in business in Sweden²². This has a positive impact on women in the company and outside (for recruitment purposes). In addition, the CEO received the Mentor Award for D&I of the Swedish American Chamber of Commerce in April 2013. This awards gives a clear signal that top management is committed and actively working on D&I.

As for managing resistance from men, Mia Pålsson (senior manager product unit Turning²³) reported: *"I have learned that it is often **unconscious behaviours** of men that make women feel less comfortable or welcome. Nowadays I feel that if old-fashioned men want to keep their beliefs, let them. I am convinced that I can deliver results and I take pride in doing so."* Effectively dealing with resistance is also about maintaining a balance and being aware of possible negative effects: *"I get worried when some of my male colleagues and friends feel excluded because they are 'white male +50 years'. It is important that we are observant in how we behave so that **when are trying to include one group we don't start excluding others**".*

4.2.5 T-Systems

T-Systems actively aims to ensure **equality** in all areas between all employees regardless of gender; age, eth-

nic origin, religion and orientation. T-Systems further aims to be an **employer of choice** through offering equal opportunities by actively attracting, retaining and promoting females. The company places **society** at the heart of the discussion and motivates the recently introduced women's quota (30% women at all management levels) emphasizing the fact that companies with diverse (gender, age, background, ability) teams achieve better quality of decision-making. This will lead to a better **company performance**. It also ensures a better **talent supply** when looking for the best suitable candidate among a greater talent pool.

Deutsche Telekom AG (DTAG), parent company of T-Systems, was the first Dax-30 company that introduced in 2010 a **women's quota** of 30% for all management levels and for all their companies in all countries, including T-Systems. The target was set at 30% to make it relevant, but not as a result of deep analysis. Georg Pepping (member of the Board of Management (BoM) at T-Systems): *"At DTAG the BoM realized that the customer base (in Telco-business primarily private consumers) consisted of 50% women, and the question was asked: 'What's wrong with us that we do not have at least 30% women represented at top level?'"*

Former Deutsche Telekom Executive Board member Thomas Sattelberger (Chief HR officer) found that there was *"too much talk and too little action"* about increasing the national share of women in management in Germany and in corporations. Job profiles as well as leadership attributes tended to be too masculine. It was his personal drive, actively supported by former CEO Rene Obermann that started the process. Georg Pepping: *"The fact that 2 board members which included the CEO, were personally driving the process made it successful. In addition, the **immediate appointments** of women to the top level reinforced the message. This has had a great impact on all managers throughout the company."*

The majority of employees accepted the **30% women's quota** as the right way to boost the company's performance and cultural and societal value added. Only few were sceptical at the beginning, however it came from both sides, so from male and female employees. Some women were sceptical because they feared being seen

21 www.sandvik.com/en/about-sandvik/about-the-company/diversity-and-inclusion/statistics/

22 www.sandvik.com/en/news-and-media/news/awards/petra-einarsson-named-this-years-most-powerful-businesswoman-in-sweden/

23 'Turning' means metal cutting tools, for all different kinds of metal.

as ‘quota-women’ instead of professionals who were promoted at management level because of their performance. And their male colleagues were now confronted with the fact that their female colleagues were positively discriminated. Georg Pepping addressed the issue: “We clarified that **it is performance that matters, not gender**. Naturally there were some men who were concerned that their chances of promotion could be affected. However, TSI as a responsible employer strives for equal opportunities, concerning gender as well as other diversity factors.”

The **quota-system** is set up in such a way that a manager is not obliged to choose a woman if she is not the best candidate for the job. That means, performance and capabilities are still the main criteria – for both men and women. But by having to put forward female candidates (for instance at least one on candidates lists for promotions) women are given a better chance and better visibility because recruiters actively have to look for potential female candidates. It is a **temporary system** until the culture has changed. The system might well slow down the hiring process because sometimes a recruiter has to look better and longer to find a suitable female candidate. Georg Pepping: “Quota or targets only work if you break them up in real numbers, for each part of the HR process. For instance, on every **short list of candidates** for a top level promotion there should now be at least one woman.”

The competency to lead international, culturally and gender diverse teams becomes more and more important, so managers are sent to management education programs that include this competency. In addition, managers attend a one-day workshop with the purpose of creating awareness of gender differences and behaviours especially with regard to the benefits diversity brings in decision-making processes. Georg Pepping: “In **gender awareness training** you learn that when a woman behaves differently it does not mean that she does not know her topic. It is human nature to mirror your own behaviour and you need to become aware of that. Male behaviour is often seen as successful behaviour, whereas it might not always be.”

To ensure that the topic stays at the **top of management agendas** a number of measures have been implemented:

- **Consistent monitoring of gender participation** e.g. in leadership groups and events, talent initiatives and special qualification programs.
- **Quarterly reporting on progress in the Board of Management.**
- Gender is included in the **KPI's** (Key Performance Indicators) and targets for managers.
- **Internal competition** is stimulated through diversity awards.

Special attention is given to ensure culturally and gender sensitive corporate communication. The Marketing department is sensitive to include photos and images of women and diverse employees (i.e. different ethnic groups; ages etc.). Company communication is in German and English and culturally sensitive. Often pre-communication is sent to the diversity manager for reading before sending it out.

T-Systems has received a few **D&I awards**, like the International KEN Award for the international company actively promoting diversity, and the Employer of choice Award in Austria, where equal opportunities were an important aspect in the judging process.

4.3 EMPLOYMENT POLICIES, CONDITIONS AND FACILITIES

In this chapter companies share their insights into the reasons why women do not make it in sufficient numbers to management positions, and what policies, tools and facilities they have designed to improve the situation.

4.3.1 Accor

There is a substantial difference between countries with regard to the numbers of women in senior management. For instance in Poland Accor’s management team is gender balanced (50/50) whereas in Brazil only 15% of managers are women.

In addition to the influence of **national cultures**, there are several general reasons why women do not reach senior management positions in the same numbers as men, according to Vice President Group Diversity Frédérique Poggi:

- The hotel industry culture is **male-dominated**.
- In hospitality schools male students more often than women take up management subjects, so relatively more men are **prepared** for management roles.
- There are still issues with women's **modest behaviours**; women do not always dare to take on a leadership role.
- **Selection committees** for management positions consist of men; they tend to select other men.
- Women are not part of the **informal networks** and are **less visible**, so they don't get the job.
- Hotels are open every day of the year 24 hours a day; this creates the **expectation** (possibly resulting in stereotyping) that women, who are often responsible for care tasks at home, cannot do the job as well as men.
- As for senior management roles at head office in France, another problem arises. In top positions the number of days of leave are limited, so women lose this **flexibility** when moving up the ladder and may therefore more reluctant to go for a top position.

The company's **meeting culture** can be an impediment for women's managerial careers. For instance in France business meetings may not always start on time, or might be scheduled at say 6 pm, which might pose difficulties for female (and male) employees that have care tasks. Another observation relates to the way hierarchy may influence employees participating in meetings. In some countries the most senior manager takes the lead in the meeting and may dominate the discussion, whereas in other countries this is less of an issue. These cultural aspects influence the way women feel comfortable and are able to actively participate in meetings and can only be addressed locally.

In general women's **lack of self-confidence** can be a serious barrier: "I personally coach women to become more confident and take on a job. For instance, a female employee was asked to go abroad but was reluctant

because of her husband having to give up his job. I pushed her to take this chance. She went abroad, her husband found a job there and she is now very happy that she took the chance", said Sophie Stabile (Member of the Executive Board and CFO).

On Accor's intranet many management jobs can be found, but not all of them. There is still a large **informal network**. Since women are often not part of these networks, they still have more difficulty in accessing the top management jobs. Frédérique Poggi: "When a country sends in a list for **promotions** on which are only names of men, I always ask: 'where are the women'? The country manager will have to explain very well why women are absent from the list".

As for **flexible working**, currently there is a pilot at head office (France) for employees to work from home one day a week. Flexible working is not a group-wide policy, so it depends on national policies if this option exists.

When reviewing the list of '**potentials**', starting with the women instead of automatically with the men ensures that there is sufficient time and attention paid to female candidates.

As for remuneration, checks are being done against outside benchmarks on an individual basis, to make sure there is no **pay gap** between men and women.

In 2012 an international **companywide women's network** was launched, coordinated by VP Group Diversity and with regional coordinators, and currently has 1800 members worldwide. The year 2013 was dedicated to establishing the network and the theme in 2014 was "Daring". President of the women's network is Sophie Stabile, CFO and the only woman at Executive Board level²⁴. The reason for the network being set up rather late (compared to other large listed companies) is because there were no women at the ExCo level before and male colleagues did not think it was so important. Sophie spends a lot of time building the network: "I spend a lot of time leading and building Accor's women's network because I am convinced that we need this platform for women to share their experiences". The network organizes

²⁴ The interview with Sophie Stabile can be found in Chapter 5.

events and workshops, for instance a 2-hour workshop on daring and improving your visibility.

The women's network has recently started a **mentoring program**; there are already 90 pairs worldwide. Mentors are men and women that are very experienced and senior in their job; mentees are women who are members of the network. The regional leader of the networks organizes the matching process. It starts with the mentee formulating her question: "What do you want to address with your mentor?". The preliminary results of the program indicate that the mentees benefit in many ways; they feel encouraged and motivated to fulfil their ambitions and their self-confidence is strengthened. Other benefits reported by the mentees are that they expanded their network in the company, gained better understanding of the corporate culture (the unwritten rules) and discovered 'keys to their career advancement'. Important feature of the program is that mentor and mentee are not hierarchically linked. In addition, both mentor and mentee commit to maintaining full confidentiality of their discussions towards the outside world. The duration of the relationship is limited to 12 months. The program will be rolled out worldwide.

4.3.2 Gekoplast

Gekoplast has a **flexible working policy**, and many employees **work from home** one day a week. This is possible because of the availability of excellent remote connections.

In the case of **maternity leave**, the company is obliged to fill the position temporarily by someone else until the female employee comes back. This provides women with the possibility to continue their career after giving birth.

The **lack of self-confidence** is an important barrier for women in the company to achieve a senior management position (only 10% now). Several programs have been initiated to address this, like special **coaching programs** and specific programs for women to improve their **management skills**.

An important tool for female talent development is organizing **quarterly assessments**. These are individu-

al talks between a manager and his or her employees about goals and achievements, qualifications and behaviour. By doing this every three months problems are detected sooner. The frequency of these talks helps managers to coach women to become more self-confident. Joanna Siempinska recognizes the issue of 'modest' behaviour: "*I have observed this in some women. One of my female employees was really too modest and I coached her to work on this. Every quarter I have a discussion with all my managers about their goals and their achievements and this issue will come up if necessary*".

The company has various **internal tuition programs** for all employees to improve their qualifications for the job.

As for **women's networks**, there are some in Poland, but not many at local companies, and not at Gekoplast. International companies, like Citibank, have women's clubs. It is not common in Poland for women to be part of such a network.

4.3.3 H&M

H&M offers **flexible working policies** for both men and women. Looking at the advancement of women from the level of store manager to area and country managers, the main problem is not with store managers. The positions of area and country manager require frequent travel and being away from home more often. Women find it often easier to have a position that requires less time away from home.

H&M's policy is to develop and promote talent from within the company. **Younger women** are better negotiators than previous generations and are increasingly ambitious to have an international career. Several now have international careers, taking their families abroad, some with role reversal in which the partner takes care of the children. It is expected that this will further increase in the future.

Doris Klein (H&M's Country Manager Spain) reports that dealing with '**modest behaviours**' of women is not an issue at H&M: "*Good leaders pay close attention to their employees, understand their potential and provide them with opportunities and chances to continue to de-*

velop their skills. For teams we set clear and measurable goals. These form the basis for the evaluation process. However, good leaders understand **which team members do the real work**".

Regular **equal pay audits** are being carried out to assess that women receive the same pay for the same work as men.

There are **mentoring and coaching** programs, both with internal and external parties. An internal **cross-gender mentoring program** has been established in the IT department as one of the activities to address the underrepresentation of women there.

The equality program and mentoring and coaching programs are helping to have women progress to management positions. But it is very important to pay close attention to women in **middle management** and give them the right tools and support to manage their mobility. Doris Klein: *"In middle management there are many women nowadays. We really need to manage their needs, like **mobility**. We need the right tools to encourage them and the right support to prepare them for senior management roles."*

Corporate women networks, in various sizes, exist in most countries. These are bottom-up locally organized initiatives, in which women (for instance store managers) share work experiences and support each other. The networks are aimed at sharing personal experiences with peers and are not seen as advocacy groups or liaisons with works council. There is no H&M company-wide women's network.

Management training for young professionals is done in mixed groups. There are **no specific women's leadership training programs**.

An important project H&M, together with 9 other large Swedish companies, participated in was **"Battle of the numbers"**²⁵, in 2013. This project aimed at removing obstacles for the advancement of women to operating and decision-making roles and spreading the best and proven ideas to other companies. In each company ten 'soon-to-be' and existing women managers were asked to work with and report to their

CEOs about their experiences with success factors and obstacles in their careers, and make suggestions for change. The personal involvement of the CEOs was unique. This project had great impact and led to better understanding of the challenges women face in the participating companies.

H&M recognizes that senior women have an important responsibility to act as role models for younger women. They are featured in films on the **intranet**, talking about their career choices, for instance on how to deal with moving your family to another country for your career. Senior women also regularly give talks to student audiences. Sanna Lindberg (Global HR Director): *"It is very important to 'walk the talk' and show others that it can be done if you have the courage to do it"*.

Based on her former experience as Country Manager for North-America, Sanna Lindberg shared her views on the key factors for success: *"First of all, you need to build a great **network** and always walk the talk, by creating diverse teams and by ensuring the organisation understands why this is important. In addition, you need to have one or more **mentors**"*.

4.3.4 Sandvik

Sandvik's leadership model is based on the latest academic research about **team effectiveness and innovation**. The internal leadership training programs are integrated and include Sandvik's core values, Diversity & Inclusion modules (both on gender and culture) and specific tools (for recruitment, performance reviews etc.). In programs to identify top talent and to manage succession planning the focus lies on how well the individual corresponds to the skills of Sandvik's leadership traits.

Sandvik has not only embarked on a large program on D&I that includes training the recruiters, it also made tools available to help employees become more open minded and objective and to sort out their emotions. **HR support, tools, knowledge, training** improved significantly, and has led to growing numbers of women in the company.

²⁵ For more information see: <http://www.battleofthenumbers.se/site/vad-vill-vi/>

Just like many other technical and engineering companies, Sandvik experienced that fewer women than men apply for positions. Several activities were taken with respect to the recruitment and **selection processes** in place to ensure larger numbers of women applying:

- The **internal job market** was opened up; now 90% of jobs are filled through open and professional recruitment. Unknown or unlikely candidates now have a fairer chance. *“We opened up all vacancies. And often someone you did not think about beforehand applies. It is about creating objective processes. That is what leadership is all about. There is still an informal culture and lobbying for positions, but less than before”*, says Mia Pålsson (Senior Manager).
- Recruiters (in Sweden) have been trained to write **job descriptions** that are more inviting for women to apply to; it was found that women are sometimes reluctant to apply to job descriptions that contain many bullet points since they underestimate their abilities.
- In cooperation with the Stockholm School of Business research has been conducted into how to **design advertisements** that are more appealing to women.
- The share of women is **measured quarterly** in talent and succession plans.

Part-time work is one of the tools Sandvik uses to enable women to temporarily work fewer hours than normal, without losing their career opportunities. In addition, part-time functions sometimes provide a good ‘training ground’ for women. Mia Pålsson: *“Part-time work in Sweden does not carry a stigma, like in so many other companies and cultures. Although there are not a lot of part-time workers in management positions, it does exist and can create opportunities in many ways. When a manager is on parental leave someone else can fill in as temporary manager; that gives you an opportunity to test your leadership skills for a period. It is less of a big deal if it doesn’t work out, it is a good training or testing ground”*.

The company’s **women’s network** is very active; it organizes seminars with male and female speakers on generic topics and gender. It was seen as a bit obscure at first, but not anymore. The men that joined report improving their insights into women’s issues.

In one of the business areas (SMT, the largest) there is a **talent program for women** specifically, looking at obstacles and success factors in career advancement. Like H&M, Sandvik also participated in the project ‘**Battle of the Numbers**’, which led to better understanding by the Executive management team of the challenges women face in their careers.

4.3.5 T-Systems

The corporate culture of **T-Systems** can be described as “fast, highly demanding, high performance driven, innovative and with regular transformations”. The **informal success factors** in career development are networking and one-to-one relationships. Women take part in these informal success factors to a lesser extent than men. This is being addressed by various activities, such as women’s networks, HR’s activities in ensuring the visibility of female talents, and establishing mentor relationships. The latter are particularly useful for women to learn the ‘**unwritten rules**’ in the company.

T-Systems has various working models and programs which ensure a **healthy work life balance** for all employees, e.g. part time working, flexible hours, home office; job sharing (tandem); video conferencing instead of extensive traveling; teleworking and day care facilities. At weekends and leisure time it is not compulsory to answer any work-related emails or calls.

The company has analysed that getting their **first management position** seems to be the most difficult step for women; the dropout rate is the highest there. Therefore the activities need to start before then, to help women to get more experience before they apply.

It has been the experience of managers that in the recruitment and **selection processes** (“the quality gate”) one often falls into the trap of mirroring oneself. To address this female observers are now always part of the selection process.

Dealing with ‘modest behaviours’ of women is not seen as an issue. Women are encouraged to share their knowledge and ambitions. Next to showing role models, there is a **female talent development program**. This program contains modules on self-reflection, like

how others perceive you, and how to be successful in a male-dominated culture.

In **mentoring** relationships women can develop specific skills such as self-marketing, both on a formal and informal basis. A pilot **female mentoring program** has been started. It aims at making women more visible in the company but does not guarantee job placements. In fact it creates an **internal labour market**. Women can choose to be included in a talent booklet, with their CV and picture. Managers can volunteer to become a mentor. Managers are not obliged to do so, but peer pressure is sometimes applied successfully. In 2013 around 90 women took part in the mentoring program. It is an important tool in breaking the frequently heard argument: "I would like to promote a woman but there are simply no qualified ones."

Diversity managers play an important role in scouting and promoting female talent. They conduct personal interviews (so-called Talent Dialogues) with female employees with the objective to get to know them well, put them forward and make them visible for upcoming management positions. The Diversity team acts as **talent brokers** and actively matches them to vacancies and hiring managers. This is done with women from within the company and from outside.

The rules for intergroup placements include the **30% women's target** and the requirement that there should be **at least one woman on the shortlist**. This forces managers to get to know potential female candidates. The transparency in the hiring process makes it more likely for women to get a chance.

Georg Pepping: *"To achieve a quota of 30 % women in management is a very ambitious goal. However, it is not only the percentage we should try to achieve, rather **the way you go about it**, like how you adapt talent management, recruitment and selection and succession planning processes for the longer term. Such a challenging change of mind-set just needs time."*

Specific attention for **male and female competencies** in job descriptions is being discussed with recruitment partners and might be integrated in 2014/5.

Another specific instrument being used to facilitate women's progress in management positions is the cooperation with **head hunters specialized in female talents**.

T-Systems offers several **women's networks**, some official and some unofficial and are in the process of improving them by bringing them together and unite efforts. The women's networks serve as additional platforms for making women more **visible**.



**5 WOMEN SENIOR MANAGERS:
PERSONAL EXPERIENCES**

Five successful women were selected by the Human Resources managers of the participating companies to share their views. All are successful in their management career in various business units, operations or other line management functions, often involving large groups of employees to manage.

The interviews were structured around three themes; their career paths, their experiences with and views on the barriers and enablers for the advancement of women in management, and their personal advice to women aspiring a management career.

5.1 CAREER PATHS

5.1.1 Motivation

Many factors influence a management career. One of the most important drivers is the motivation or ambition to lead. The interviewees reported a wide variety of motivations that led them to strive for a senior management position.

Sophie Stabile is CFO of Accor Group and the only woman at the Executive Committee (in total 11 members). After graduating from the Ecole Supérieure de Gestion et Finances, Sophie worked at Deloitte's for 5 years. Accor recruited her to head up the Consolidation and Information Systems department in 1999. In 2006 she was appointed as Group General Controller, reporting to the CFO. In addition to her responsibilities in finance she became involved in many large projects and other areas of the company. In 2010 she was appointed CFO to the Executive Committee, also in charge of Investor Relations, Cash Management, Tax Affairs and Procurement. Sophie has a gender-balanced team: *"My team consists of 60% women and 40% men. I find that a team with only women or only men is very difficult to manage. A mixed team simply works best"*. In 2012 she helped set up and became president of the Women At Accor Generation (WAAG) network for the promotion of women. Becoming a leader was not something she aspired to when she started her career: *"A management career was not specifically my choice; it arrived naturally step by step."*
Joanna Siempinska is Member of the Board and Production and Development Director at Gekoplast S.A.,

Poland. Joanna is responsible for production, operations, research and development at Gekoplast. She has a PhD in economics and is a certified internal auditor. She has been in this position for almost 3 years now, and was hired by the company for this position. She is the only woman on the board of three. *"In my career I am always among men"*. She has 6 direct reports, managers, of which 3 women and 3 men. She remembers when she discovered that she was a leader at the beginning of her career: *"I always worked faster than my colleagues and was more aware of bad things that could happen. Once I warned my manager about what could happen in a certain situation but he did not believe me. When it happened as I predicted, they finally started to believe me. I realized that I had to be more stubborn next time. This is how I developed trust in myself and self-confidence."*

Doris Klein was appointed H&M's Country Manager for Spain and Portugal almost two years ago. She has profit and loss responsibility for 179 H&M stores with around 6000 employees in total and annual turnover of € 630 million Net sales (2013). Doris, who is a German national, started her career as H&M store manager in 1995 in Frankfurt (Germany), was promoted to area manager in Germany and worked in a number of countries as Country Manager (Netherlands, Switzerland, Italy, Greece) before she was appointed as country manager in Spain. *"I always ask myself: What can I contribute to? How can I create a win-win situation in order to improve our business?"* Hierarchy, status and monetary rewards do not really motivate her; she is very driven and passionate about **developing people and the business**. *"I want people to feel a bit happier after they have shopped in our store"*.

Mia Pålsson is senior manager Product Unit Turning at Sandvik, a global function, located at Sandvik Coromant head office in Sweden. She is responsible for global product management and development for the product area 'turning'. It encompasses developing a long-term strategy for products needed in the future (10 years). The unit also provides knowledge to sales units. Including Mia the unit has 69 employees, of which 16 women (29%), well above the industry's average. Mia started at Sandvik as a process engineer in a production facility in 1991, as one of the first women with an academic background. After 10 years she applied for a leadership role because her manager at the time was

moving abroad and: *“I felt it was time to try it and to do it my way”*. Mia’s career driver is to make a difference. *“It starts with knowing your strengths and ‘allowable’ weaknesses and how you by that can contribute and make a difference”*. Her career focus is not on hierarchy but on content. *“To have an **impact and influence** the way I want, I have to be at the level I am at now”*.

Elke Anderl is global account executive, Vice President Sales, at T-Systems. She leads a team of 100 employees, half of which are located across the world and half in Germany. The team is responsible for all business relationships of one of the largest customers. Elke is also a member of the Supervisory Board of ZTG (Zentrum für Telematik und Telemedizin GmbH, a company focusing on telemedicine). After having studied business administration Elke started her career with an international trainee programme at Deutsche Telekom 15 years ago and has then worked in different roles in as well as outside of Germany (i.e. e. Singapore and Japan). She is married, and her husband has an international career too. *“I always strive to do something new. I want to take responsibility, for a team, for a topic, for a country. This is what makes you a leader. If you assume responsibility as a leader you need to ensure others follow you.”* In addition she says: *“I believe that a strong and convincing value set combined with passion, intrinsic motivation and a strong belief in your capabilities supports you as a leader and gives you the strength to move ahead in your career”*.

5.1.2 Barriers

Career barriers in many forms and shapes can be found at three levels; at societal, organizational and individual level, as we have seen in Chapter 2. The interviewees were asked if they had experienced any barriers in their career, and if so, how they dealt with them. In addition, they reflected on the common barriers women may face in management careers.

Being treated differently on the basis of your gender is an experience some of the senior women in the participating companies have had. **Sophie Stabile** (Accor): *“When I was nominated for a management position, the (male) manager said that he wanted to test me for quite a long period, 3 - 5 months. This had never been*

proposed to my (male) predecessors, so I was treated in a different way”.

Modest behaviours of women can be an impediment. Sophie Stabile recognizes this behaviour: *“If a man has 50% of the competencies required for the job, he will ask to be appointed. Women will only consider the job if they have at least 80% of the competencies, but even then they are often afraid to ask for it. You have to push women to take the next step and I do that all the time.”*

Joanna Siempinska (Gekoplast) observes that women often prefer to work in **different areas** of the business than men. Women make up 30% of Gekoplast’s total workforce, but in the bookkeeping department almost 90% of employees are women. In Sales there is gender balance, but in production (which involves more physical labour) there are hardly any female employees. Also very few (10%) management positions are held by women. She mentions the **lack of self-confidence** as an important barrier for women: *“I think women and men are equally ambitious but often women lack self-confidence to follow through. Especially the lack of self-confidence is very harmful to women who have the education, experience and ambition to fulfil senior management positions”*.

Doris Klein (H&M) mentions several potential barriers. First of all, women need to be highly motivated and very flexible to progress through the ranks. H&M is a fast-growing global company with businesses around the world, so **mobility** of employees is a big issue. *“If you want to grow into senior management positions moving around comes with it. Just like men, women need to be mobile if they want to get the right experience.”* In addition, women, as well as men, need to be very **open-minded** because they will have to be able to work in different cultures, communicate in different languages. It is important to have a field of expertise one is master in, but at the same time one needs to understand that the environment is constantly changing, so employees need to keep learning and adapting all the time. Women may not always be **visible** for their achievements like men: *“You need to share the things you do well. Show what you have achieved, and don’t hide. But do it in a nice way”*.

Mia Pålsson (Sandvik) notices that women often hold themselves back when they should not. She recognizes

this ‘**modest behaviour**’ since she also suffered from it at the beginning of her career. “Companies should be tougher in promoting and pushing women to take the next function. It takes more attention and convincing if you want more women to reach senior management positions.” In addition, role models should be more visible. “I believe in positive examples. We should make sure we have more **role models**. ,If she can do it, I can do it too’. You always identify with someone close to yourself.” **Lack of self-promotion** is also a factor: “There is still untapped potential because good female leaders do not always promote themselves.” It is important that the company takes this seriously. “There are a lot of competent women that can contribute to developing our company.”

It is said that in some cultures ‘being a woman’ can seriously hinder a management career. **Mia Pålsson**, who works in Sweden, never experienced a disadvantage of being a woman in her career and instead sees it as an advantage: “I sometimes get more help and attention than my male colleagues and I get away with things they don’t get away with”. When she was appointed to her first management position ten years ago she received only positive reactions from within the company. However, she still sometimes receives negative reactions from outsiders. This could be from customers from cultures in which men are not used to women working in this field. One of the strategies she developed when dealing with this kind of resistance is the **use of humour**: “It took some time before I dared to use humour in those situations. At a meeting of global managers, I wore a skirt and my new boots. They happened to be red. An older male colleague looked at them, frowned and said: ,They are red’. I smiled and said: “Now I know you are not colour-blind, aren’t they beautiful?””

Elke Anderl (T-Systems) did not experience any resistance so far when being promoted to senior management positions, but sees this quite pragmatic. “If this is unfair, life has been unfair for women for a very long time as well. It is clear that the working environment is different when you have a diverse group. It is not all about women, rather it is about the need for diversity. Men experience that it helps to have women in the team.” To explain the underrepresentation of women in management she sees three main barriers. First of all, many women step out of their careers due to **fami-**

ly responsibilities. For instance in sales it is a challenge to work part-time, especially when you are dealing with very demanding customers. Personal contact and presence are very important, so if you can’t work fulltime or do not have the flexibility to travel it is very difficult to advance a career in Sales. Secondly, T-Systems is a technical, IT-driven company. The ‘market’, meaning women with an **ITC background** or studies, is limited; there are more women in HR or marketing functions. Thirdly, there is a prevailing **male perception** that women have to prove themselves differently. Elke recites situations in which she met someone for the first time and she was told: “I expected an older (as for some people age seems to equal senior) man.” To change this picture in people’s heads takes time and parent company Deutsche Telekom and T-Systems are in a transition process.

5.1.3 Enablers

Many factors contribute to the success of a career. They range from internal conviction, drive and even a certain degree of ‘luck’ to family support, policies and business mentors. Most of the interviewees indicated that questions around work-life balance should be posed to men in top management positions too. They all acknowledge that for any top position sacrifices need to be made, by women and men alike.

Sophie Stabile (Accor): “The key to my success? When I want something I put in place everything I need in order to get it. I have a lot of **ambition** and I never give up”. In addition, **mentoring** has played a crucial role: “In my career I have had many mentors. As a manager you can be quite alone because you cannot share everything with your staff. Mentors help you, give advice and push you to go ahead.”

One of the key success factors mentioned by most women is **mentoring**. **Mia Pålsson**: “Mentorship is crucial. Young women paired with more experienced women or men. This creates energy, triggers both mentors and mentees to do things you wouldn’t do and it influences the company’s development. Mentoring can cut down time in developing leaders. People are getting younger at senior positions than before. In my department every manager has mentors. Personally I don’t have a mentor but I am a collector of relationships. “My talent is to

have a good network of people very skilled in certain areas. I didn't have it when I was young so I make sure I now have."

At Gekoplast the quarterly discussions managers have with their employees about their goals and their achievements form the basis of the actions managers take to remove barriers for women to become successful. **Joanna Siempinska**: *"One of my female employees was really too modest and I coached her to work on this. Every quarter I have a discussion with all my managers, male and female, about their goals and their achievements and this issue will come up if necessary"*.

Doris Klein (H&M): *"When traveling I may work up to 60 – 70 hours a week, and in weeks without travel probably 45 hours. Your family needs to **support** you; my husband stayed at home to take care of the children and the home front."* In addition the encouragement and support from previous managers have been crucial. *"When I expressed the wish to become area manager I received encouragement from the country manager to go ahead. It has been very important for my career that my country manager kept asking me what I wanted to do next and was always challenging me to think ahead, but without taking any decisions for me. He mentored me to the point that I voiced my ambition. Their **encouragement** and their **confidence in me** gave me self-confidence to perform at the platforms they provided me to do my learnings"*.

Elke Anderl (T-Systems): *"You need **people who believe in your skills** and not in your outward appearance"*. HR director and member of the Board of Management Georg Pepping and her previous bosses supported her in her career. *"I have always been very open with my bosses and quite ambitious in expressing my wish that I wanted to make the next step"*. **Flexibility** has been an important success factor too: *"In my career I have always been flexible to move close to the customer – whether it meant moving to Singapore, Tokyo, Stuttgart or Wolfsburg"*. Other enablers at T-Systems are being consistent in the company's policies, keeping the women's programmes going (continuity) and creating a pool of women who connect with each other and know each other. In addition, role models are more visible. The special attention given to female talents in for instance succession planning now is very helpful in making talents visible and making women aware of the possibilities.

Not all women are in favour of setting targets to address the underrepresentation of women in management. **Doris Klein** (H&M) says: *"I am not in favour of setting targets because it is about employing people with the best profile for the company"*.

Other senior women agree that setting targets is a good way to achieve change in companies. **Mia Pålsson** (Sandvik): *"To drive change targets are needed. But we need the right ones. It should always be about what the individual can contribute. Targets only about gender are too narrow."*

Elke Anderl (T-Systems) is a supporter of the 30%-women's quota in Deutsche Telekom and T-Systems. *"Otherwise you cannot achieve the change, so you need to set targets."* The system does not require you to appoint a woman if she is not the best for the job, so **performance and capabilities remain the decisive selection criteria**. The result is that women have a better chance of becoming visible because recruiters actively have to look for potential female candidates.

5.2 THEIR CHOICE OF COMPANY BEST PRACTICES

The senior managers were asked which tools or practices they considered to be the most important for achieving better representation of women in management careers in their companies based on their personal experiences.

Sophie Stabile (Accor): *"We have lots of initiatives in place and we spend a lot of time explaining the need for them. It is not easy but it will improve in time. For our diversity initiatives to be successful is a **continuous effort**, every day and in every action. For instance I always make sure that there is **at least one woman in training courses** for general management"*.

Joanna Siempinska (Gekoplast) mentioned the following three actions to be crucial to improve the low numbers of women managers in the company:

- Conduct **quarterly assessments**. These individual talks about goals and achievements, qualifications

and behaviour every 3 months are also helpful in making women become more self-confident.

- Develop **internal tuition programs** for all employees to improve their qualifications for the job.
- Treat getting more women in management as a **project** and ensure **involvement** of employees at middle and lower levels.

Doris Klein (H&M) emphasizes that the focus should really be on women in **middle management** positions: *“The equality program and mentoring and coaching programs are helping to have women progress to management positions. But it is very important to pay close attention to women in middle management and give them the right tools and support to manager their mobility”.*

Mia Pålsson (Sandvik) indicated that the following three topics should be on the management agenda to address the underrepresentation of women in management:

- *“We need to be better at talking to our young girls and presenting them with a view of what is possible. We need more **role models**. In the public domain, like on TV and in magazines, you too seldom see women in technical roles or in the technical industry. Companies have a responsibility to be involved in changing this. As female manager I feel responsible as a person to be a role model for younger female managers with leadership ambitions, who dare to speak out and stand up for what they believe in. I hope they get inspired.”*
- *“**Mentorship** is crucial. Young women paired with more experienced women or men. This creates energy, triggers both mentors and mentees to do things you wouldn’t do and it influences the company’s development. Mentoring can cut down time in developing leaders. People are getting younger at senior positions than before. In my department every manager has mentors. Personally I don’t have a mentor but I am a collector of relationships. “My talent is to have a good network of people very skilled in certain areas. I didn’t have it when I was young so I make sure I now have.”*

- *“We need more workshops, more internal stimulation to **address modest behaviours** in women.*

Elke Anderl (T-Systems) emphasizes that many actions at different levels are needed to ensure that in the future more women will be successful in managerial careers:

- Improving women’s representation in management should be **driven from the Board level**; the Board is role model in the process. The **appointments** of two women to the Deutsche Telekom Board, and implementing a **female board-sponsoring programme** to make women visible are clear signals to the company and the outside world that the issue is taken very seriously.
- Special consideration of women in the long-term **succession planning** of the company and the openness of the processes. This drives the process of identification of female talents and candidates becoming aware of their potential.
- **Continuity and consistency** of the activities at all levels throughout the company.
- Specific arrangements, such as around **maternity leave**: the focus on maintaining personal contact, for instance by inviting women who are on leave to events, and developing a clear plan before coming back to work.
- Retention programmes and exit interviews to better understand the reasons for women leaving.
- Female mentoring programmes on all levels.
- Structured and transparent succession planning with a special focus on female talents on all levels.

5.3 PERSONAL ADVICE FROM WOMEN SENIOR MANAGERS

The senior women in this project were willing to share their personal experiences in their careers and their personal tips for career success in order to motivate next generation women leaders.

Sophie Stabile (Accor):

- Never underestimate yourself.
- Be confident in your choices and never regret them.
- Always ask for what you want. Even if the answer is negative: at least you have tried!

Joanna Siempinska (Gekoplast):

- Execution is the most important. You have to systematically execute your ideas and not give up. Always follow up. This will build your credibility.
- Be stubborn. When you are sure of something, stick to your conviction. Of course you have to be self-confident about your qualifications. Giving up means that you do not have enough confidence to follow through.

Doris Klein (H&M):

- If you want to move ahead in the company you need to be pro-active and share what your vision is.
- You need to be highly motivated and very flexible to progress through the ranks.
- If you want to grow into senior management positions moving around (mobility) comes with it.
- You need to share the things you do well. Show what you have achieved, and don't hide. But do it in a nice way.
- Invest enough time into learning and experiencing the core business; make sure you understand how things at the shop floor with your customers really work.

Mia Pålsson (Sandvik):

- It starts with knowing your strengths and 'allowable' weaknesses and how you by that can contribute and make a difference.
- Remember that everyone is responsible for his or her own development.
- Don't be modest but think: 'If she can do it, I can do it too'.

Elke Anderl (T-Systems):

- Determine how mobile and ambitious you really are.
- Always speak up.
- Make yourself visible.
- Work on your network.
- Voice your wish to make the next step and that you are ready for it.
- Ask for a chance.
- Get feedback on your performance.
- Develop your potential and don't be afraid to move on if something does not work out.
- Find mentors that promote you.
- Remember that people will only promote you if you do what you promised to do, so build your trust and credibility.
- I always advise women to reflect on this question: "If you go the next step in your career, what is important for you?"

6 FINAL REMARKS



1 Despite the fact that women are 50% of the population and often a very substantial part (in some cases even the majority) of a company's workforce, gender equality policies including those addressing the underrepresentation of women in management are typically grouped together with policies addressing other challenges or differences, such as ageing and ethnicity, under the wider category of 'diversity'. This lack of focus may well lead to suboptimal results for separate groups, like women in managerial positions. Many companies have yet to understand that **women are not 'diversity' but as universal as men** and that gender equality policies should reflect this in order to be successful.

2 There are significant differences in between countries in the way people perceive women as credible managers and leaders, the way support mechanisms are organized and – consequently – the numbers of women at managerial levels. **Adaptation of diversity policies and tools to national cultures** is a challenge for international companies that operate in various regions in the world.

3 The variety of arguments, policies and tools reported on by the participating companies clearly demonstrates that there is no 'one-size-fits-all' or standard recipe for success to address the underrepresentation of women in managerial positions. Which combination of strategy, policies and instruments will be successful in an individual organization depends on a multitude of factors and all companies have developed a **tailor-made approach**. Nevertheless, there are certain **common elements** that can be found in the way companies start the process, develop policies and implement various tools.

4 Many companies want to improve the underrepresentation of women in management teams because of the benefits decision-making by mixed teams bring. Sanna Lindberg (H&M): *"It is important to make everyone understand that **gender balanced teams are more dynamic and in line with modern times. The world is changing and becoming global. If we want to understand the world we need to have diversity in our company. It makes us more successful**"*.

5 One of the common elements observed in this Best Practices report is the **prominent role of CEOs**

and other board members in starting and leading the gender diversity initiative. 'Walking the talk' by role modelling gender-sensitive behaviours and showing serious commitment by taking concrete actions, such as immediately appointing women to visible top management positions and ensuring their on-boarding process is well-organized, are imperative for the initiative to take hold in the organisation. CEOs should start asking the right question: **'What's wrong with us that we do not have at least 30% women represented at top level?'**

6 Despite fierce debates in society and companies, **setting targets** for a certain level of representation of women in management positions seems to be the preferred way of operating in most of the participating companies. But there are significant differences in how targets are used. In some companies a target is not the goal to achieve as such but more of a lever to adapt HR processes (like recruitment and selection) in such a way that the target can be achieved in the long term. Some companies have integrated gender targets in their performance (Key Performance Indicators) and remuneration systems, but refrain from linking them to **actual financial rewards** and are relying on **peer pressure** to have their managers achieve them. The preliminary results from the participating companies indicate that it is too soon to conclude if this approach will prove to be successful in the end. However, in the Study we have seen that in the most successful country in terms of representation of women on boards – Norway – the element of severe penalties for non-compliance (ranging from warnings, fines to ultimately delisting) has been an important motivator to actually achieve change in corporate practices. In addition, targets can be seen as one of the tools but not a goal in itself. Targets should lead to adaptations in all HR processes

7 Transparency, consistent monitoring and regular reporting are crucial elements in creating the necessary feedback loop in management information. This starts with the availability of reliable and frequent statistics about the representation of women at every level of the corporate decision-making structure. The majority of the participating companies were not able to produce these statistics in great detail. In addition, very few companies conduct a pattern analysis of their statistics to spot deviations. For instance, if women

managers are lagging behind in the bell curve pattern of performance and rewards distribution, the question should be raised: are we assisting this group adequately to maximize their contribution to our company? By consistently reporting statistics on gender, age, tenure, work level, it will be clear to managers at all levels if there is fair distribution or underrepresentation of women in certain positions. This level of transparency creates awareness of the existence of underrepresentation, which may lead to targeted actions to redress imbalances and subsequent changes to policies.

8 In terms of programs, all companies provide **mentoring and coaching** for women, albeit in various forms and structures. Important features of these programs are that mentor and mentee are not hierarchically linked, that complete confidentiality is maintained towards the outside world and that the mentoring relationship has a limited duration. The benefits for women mentees are multiple, and include gaining a better understanding of the ‘unwritten rules’, becoming more visible in informal networks and expanding their network of contacts. In addition, being able to work on certain management skills and being challenged in their ambitions helps strengthen their self-confidence. As such these relationships are key tools in addressing a frequently cited barrier in our report: the so-called **modest behaviours of women**. It is important to note that many companies recognize that this barrier may prove to be more an issue of **perception** than of reality. A best practice in this regard is having managers enrol in gender awareness training.

9 Another common element or best practice we have observed is the establishment of **corporate women’s networks**. The approaches, roles and activities vary. In the top-down approach a company-wide worldwide network is initiated and led by senior women or diver-

sity managers; it is part of a wider range of initiatives under the diversity strategy. Another approach is the bottom-up approach with local initiatives initiated and organized by small groups of women at the local level without guidance from the head office. Apart from organizing events and connecting women across company to each other, local initiatives offer a platform for sharing of personal on-the-job experiences. Companywide networks may organize mentoring programs through which mentees gain access and exposure to senior and top management. All networks share the **common goal of creating a platform for mutual support and learning** for women. Networks can become influential and grow into business partners of top management, diversity managers, HR managers and even stakeholders like the Works Council.

10 In this report special attention was given to the question how to best **manage resistance** from men (and women) when gender diversity initiatives are launched and specific actions are taken to improve the underrepresentation of women at management levels. Companies have used a number of tools. First of all, the behaviours and actions of the CEO and board members are crucial in having all employees take the issue seriously. Secondly, managers may benefit from gender diversity training because it increases their awareness of the issues at hand. Thirdly, many companies use **academic research on the quality of decision-making and innovation** to demonstrate the need for diversity in their teams; to convince managers of the need for diversity ‘one should speak their language’. Last, but not least the words of Frédérique Poggi (Accor) hold true: “*Resistance from men is a temporary problem. Every time we do something for women it benefits men too. The world is changing. So men get into the same situation as women more and more often*”.

7 LIST OF INTERVIEWEES

The following persons (in alphabetical order) participated.

Mrs Elke Anderl	Vice-President Sales, T-Systems, Germany
Mrs Doris Klein	Country manager H&M, Spain
Mrs Sanna Lindberg	Global HR Director, H&M, Sweden
Mrs Mia Pålsson	Senior manager Product Unit Turning, Sandvik, Sweden
Mr Georg Pepping	Member of the Board of Management, Director Human Resources and Labour, T-Systems, Germany
Mrs Frédérique Poggi	Vice President Group Diversity, Accor, France
Mrs Malin Rogstrom	Global Manager Culture & Change HR, Sandvik, Sweden
Mrs Joanna Siempinska	Member of the board, Production and Development Director, Gekoplast S.A., Poland
Mrs Sophie Stabile	Chief Financial Officer, Accor, France



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