

WhiteWater Insights

a research update by the White Water Group

Gender Equality : Why corporate initiatives fail (and what to do about it)



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Most companies are well-intentioned regarding gender diversity : efforts range from a general awareness of the need to ‘do something that is fair’, to complex initiatives supported by full-time specialists and significant budgets. And yet... true lasting change has been elusive. Worse, many people have a touching faith that it is all sorted now and that organic change will complete the process. Yet the numbers don’t lie: from Big Corporates to Professional Services firms and large SMEs, the talent pipeline keeps leaking. In this research note we draw on our 15+ years of experience coaching senior women and consulting on gender diversity to analyse why efforts don’t produce expected results and what to do instead.

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Board progress or leaky pipeline? - Both

There has been visible progress in female participation on big company boards: in the UK there are no longer any all-male boards among the FTSE100 companies and women now represent 25% of Directors (a doubling in 5 years). Yes this is largely anecdotal: out of 286 female Directors in late 2015, only 26 were Executives. Strip out fashion and retail and the numbers look even more puny. This is important because all the research shows that the financial gains from diverse teams take place at the senior management/executive level, not the board.

This confirms our research and experience where companies’ pipelines keep ‘leaking’ in such a way that most female talent is lost long before the executive suite. This happens everywhere: for example women make up 60% of undergraduate students and 55% of post-graduates, yet they only represent 19% of Vice-Chancellors – Senior Executives of Universities. If numbers are equally dire in sectors which do not suffer from classic ‘childcare’ issues, then something more complex is at work i.e. culture, processes, rewards...

A weak business case leads to diluted sponsorship

The general business case outlining the benefits of diversity is incontrovertible. We have analysed 10 years of research papers on the subject and the effect of having a mixed team ranges from neutral to extreme financial gain but there are no 'against' cases. The latest at the time of writing is McKinsey's 'Power of Parity' paper (*How advancing women's equality can add \$12 trillion to global growth*) - This is equivalent to the current GDP of Japan, Germany and the UK combined.

This underscores the importance of creating an actively managed pipeline of female managers and not simply somehow finding women for the very top. Yet companies systematically underinvest in the issue. Our argument is that they generally fail to translate this research into a compelling localised business case. It costs £150,000 to train a good business lawyer - and most trainees are female. On average, for each group of 100 newly qualified lawyers, firms will have wasted £7.5m by the time the remaining women make it to full Partner. Yet law firms say time after time that 'natural talent will rise to the top' - a very different story from that told by women who leave the profession. Of course we are not singling out lawyers or professional services - this happens in every industry: the combination of recruitment and on-ramping costs for new hires typically represent 6 months of pay. In which other part of a business would we allow such wastage to take place? Firms seem quite happy to spend millions every year because the loss is simply not being made explicit. As a result, women's initiatives suffer from sub-optimal sponsorship and lack continuity of focus.

No silver bullet for a 'wicked problem'

Another unnoticed pattern is that of back-sliding: many companies (including some of our clients) thought that 'they had arrived' and stopped investing in diversity. Sometimes it is sufficient for just one manager to change for years of good work to become undone.

A reason is that most executives see diversity as a complicated but ultimately resolvable problem: delegate it to specialists and throw a limited amount of money at it. At first the focus was about changing companies and their rules so the most obviously unfair processes were changed, supported by technology. Then it became about 'fixing the women' and skills-based programmes were offered. And still the pipeline kept leaking...

Gender diversity actually exhibits the characteristics of a complex or 'wicked' problem: this is defined as one where issues are inter-dependent, with multiple feedback loops and no single 'right' solution. Think child poverty. Think illegal drugs. Think executive compensation. What we know about wicked problems is that one needs to reason in terms of multiple causes and multiple solutions, as well as experimentation due to the absence of any silver bullet.

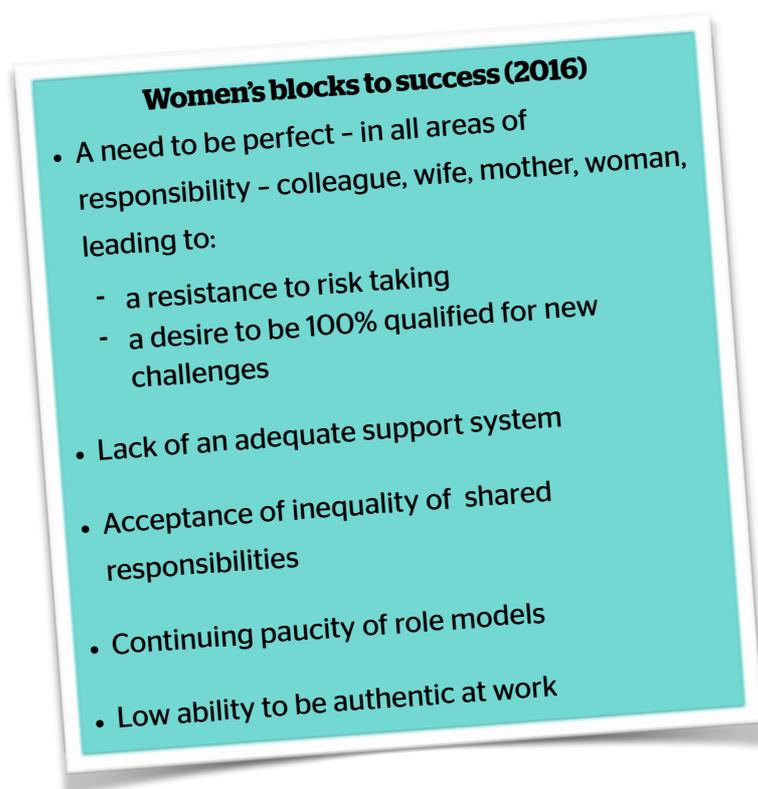
Any slackening of effort results in a return to an undesirable state. The best way to think about gender is as multiple, continuous efforts to converge towards a desired diversity level and to forget about a mythical tipping point.

Sense check: What do women want? What do they get?

If women vote with their feet, it makes sense to actually ask them what they want! This is what we did when we researched our book *Coaching Women To Lead* (Routledge). Key findings formed the basis for our *Women In Leadership programmes* where we involved both women and men to deliver on the following themes:

- Confidence - specifically in those areas where they were not already proven experts
- Networking - particularly practising it as a key professional skill with planned influence outcomes
- Role models - few and far between, so most women had not seen a range of women ahead of them with whom they could identify
- Work-life alignment - balance is unlikely but women struggled to find ways to handle their multiple roles without permanent guilt
- Resilience - those multiple roles take their toll as women often skimmed on the support system and activities that were necessary to keep them strong
- Navigating the labyrinth - career paths for women are less of an upward trajectory than they were for men yet many women had not contemplated planning their route through
- Presence - women's traditional style made them easy to overlook, leaving them frustrated and at times strident
- Leadership - their style of leadership differed from men but they also ran the risk of doing rather than leading

We expected that by 2016 the list would have shortened somewhat, so we canvassed our original research respondents. Their responses were sobering: they still saw women holding themselves back, being slow to grasp opportunities, combined with serious lack of change in organisations that were originally designed for and run by men. Women felt there was a great deal of gender diversity talk but there was limited real behaviour and cultural change and in some cases they felt there was a risk that gender equality could slip back.



Culture gap: pushing back from both sides

It is fair to say that, in many organisations, both genders are unhappy about the situation: women have started to push back against initiatives which they don't see as part of a broader culture change. A client, invited to join a women's leadership programme refused pointblank arguing: "I don't see why I should change until this place's culture changes".

Men are also frustrated: some feel discriminated against for promotion, that the playing field is no longer fair and that despite 'all their efforts' ungrateful women keep leaving... What is more important is that men just do not see that there is a problem: male respondents in another White Water research project (*CEO for a Day!*) considered their organisations 'female friendly' - when their female peers clearly did not. Many men believe the issue has already been addressed by introducing flexible working but have no concept of the effect of being the lone woman in a traditional man's world.

Sometimes the culture is reinforced by poor analysis: a professional services firm had concluded that female partners were actually less productive/profitable than male ones - they had the numbers to prove it! Obviously, this did not entice the senior partner group to push for greater diversity... Working with them, we established that they had been looking at the wrong metrics and that women partners were in fact bang in the middle in terms of performance; the real issue was a long tail of underperforming, mostly male, partners.

How to do it badly

So there you have it: bleeding talent and money, pressure to do something, a history of talk but limited action, a grumpy gender culture, what are leaders to do? - Let's start by examining how to do it badly... A good place to start is the failure to understand the significance of these everyday stories:

Misplaced Commitment

A young woman takes over a role at a bank and shines. By the time she is a middle manager, the economic climate has changed. She is now carrying out three people's jobs. She is loyal, hard working and invaluable. Then, she marries and has a child. Others, outside the department, are impressed by her talent and she is headhunted for an internal job at a higher level. Her boss will not release her, intimating unofficially that as she has negotiated to work from home two days a week - she won't want to rock that boat. She knuckles down to an extremely heavy workload and later has her second child. She decides to sacrifice her own career by stepping down a level with loss of pay and career opportunities. Now, finance is also an issue. She is head hunted to a competitor on twice the salary, and with all the flexibility over hours that she could wish for. The bank she left prided itself on having the answer to any and all of her life issues yet this talented woman slipped away, taking all her intellectual capital with her.

What does your husband do?

A senior woman in this organisation had made a major impact on strategy and the face of the business on the high street. When she decided to leave for a better-paid job elsewhere, a male peer didn't ask where she was going, instead commenting in all seriousness: "well your husband earns a lot, doesn't he? You must just work for pin money".

Thankfully, words failed her but she realised that this unconscious belief probably ran deep amongst senior men.

Jumping through hoops

In her career she had found that many men had no idea how to deal with a woman, especially one as smart as they were. They tried flirting, compliments and sexual innuendo and were fazed when she just kept responding with straightforward business behaviour. She entered a financial services firm at a senior level having never learned to 'suck up'. She built the business from zero to millions, but was forced to begin below partner level and prove herself. Equivalent men were taken on as partners from the start. She got there in 10 months by jumping through every hoop placed in her path. Still only 11% of the partners are women. She left and was welcomed with open arms as a partner by one of the Big 4.

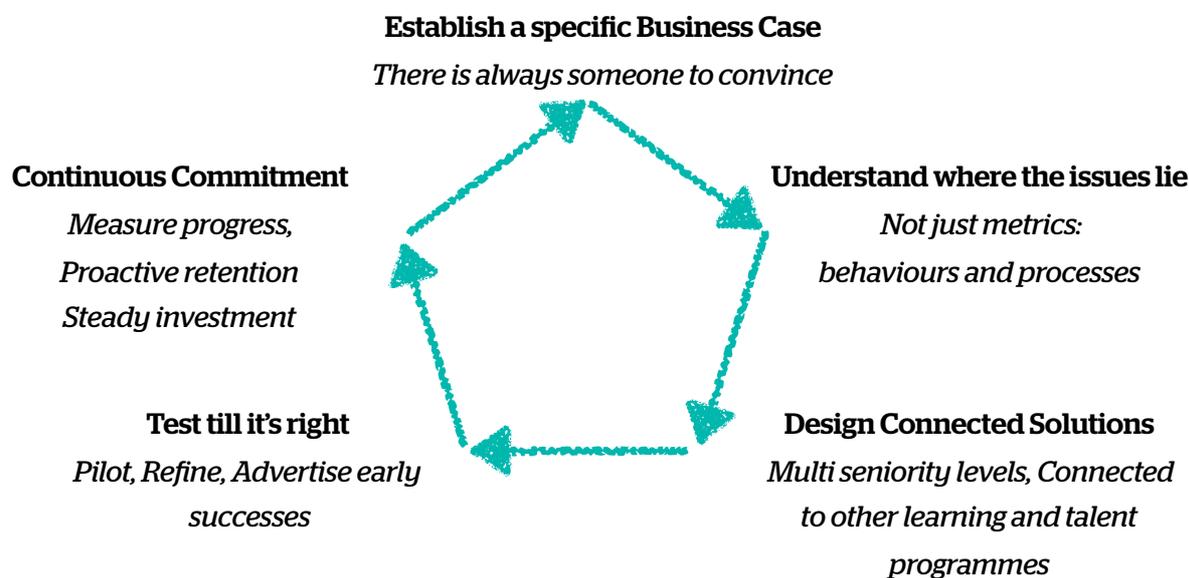
It is easy to spend a significant amount of money on a specific initiative and just get it wrong. For example dedicated female leadership programmes that exist in a vacuum, with no connections to men or without opportunities for energised women raring to accelerate their careers after the programme.

Sometimes you can get it wrong through hasty, flawed design: one eminent consultancy full of bright, numerical people decided that they would set a quota - they would accept 50% of all the women who applied to be promoted to partners and 50% of all the men. Great; that's fair, isn't it? Well not if you check your maths: 100 men and 50 women applied - oops , you just widened the gender gap; but did you also learn something about why some women might be more reticent about putting themselves forward for promotion? Maybe you should start there.

We also find that all participants in the gender debate tend to be 'high in blame, low in collaboration'. It is easy to design interventions that only address one side of the equation (the women themselves or the corporate culture): organisations have to recognise that their environment is rarely totally fair, yet women themselves may need to be nudged to try out different behaviours. What we found out is that organisations would try a few things out and get partial and often unsustainable results. Some interventions are like poultices: stuck on the outside and working till they fall off and get forgotten.

A five step plan to success

Only the firms that follow through on all the steps actually get the benefit they are looking for. The 5 elegantly simple steps that will lead to a transformed culture for women are:



Although straightforward, the model assumes a deep understanding of what drives women at work and creating a flourishing environment. Here are two examples:

- Step 2: Understand the issues/improving processes
- Step 5: Commitment to Talent Retention

Improving processes: Recruitment

It is easy for men to appoint those they recognise and understand, usually other men. Women are often wary of appointing women in case it looks like partiality. Both of these views perpetuate gender imbalance. Here an example of what can be done:

1. Make the decision that you will lead the way to gender balance one woman at a time Aim to make the next appointment a woman (unless you are already at 50:50 - in which case: well done, what a good leader you are)
2. Stamp out unintentional discrimination. Assumptions about strong leadership correlate with widely held beliefs about male behaviour. So senior executives fill leadership positions with more men than women. Gender plays a role in skewing performance evaluations at the most senior levels. Women score higher on measures of job performance, yet women lag behind men on ratings of promotability. Stop the irrationality
3. Ensure that recruiters know that you want them to provide you with a balanced group of both male and female candidates. Don't ever believe that there just aren't any talented women out there. Make them look harder. Women's fault can be that they are working hard and waiting to be picked
4. Search out the women you need on LinkedIn and through other networks. Find mutual contacts. Pursue them directly
5. Make sure the interviewing panel has solid female representation - not just from HR

Vignette: From Observer to Player

She took a Chief of Staff role because she liked the boss but felt she would never handle the pressure he was under.

When he left, she worked with us to decide what it would take to fill his shoes.

Reviewing her strengths, she realised her

capabilities. On studying her boss's behaviour she saw she could streamline the processes and plan the work more effectively.

We worked to ensure that she could recognise her ambitions and plan how she could align her professional and personal goals.

Expertly prepared for the complex interview process, her application was successful.

Once in position, she discovered the additional power and financial freedom simplified life.

First hundred days coaching, mentoring and leadership development ensured her continuing success.

6. Check your assessments are free from Unconscious Bias at every stage: e.g. women do much better when applications have gender removed. (Check out Howard and Heidi research)
7. Analyse letters of recommendation with an understanding that all referees (female and male) use language that tends to underrate women and overrate men
8. If it comes down to two good candidates, take the woman - until you have reached balance

Continuous Commitment: Talent Retention

Women are like the canaries down the mine. They leave if they feel things aren't quite right in the culture. It is usually because a 'straw broke the camel's back'. i.e. a seemingly trivial event that proved just one too many. They also never tell you the truth about why they are leaving. Usually, it could have been prevented and precious talent retained. This is how:

1. Women (like many men and all millennials) want regular feedback. Traditionally, they have been told to toughen up and not ask for feedback. That's not how people work nowadays. They want to know how well they are doing, what they can do better and where they should seek development. Invest in regular, positive feedback and you will not only get higher performance, you are much more likely to retain both men and women
2. Do not accept resignations without exploring what it would take to get them to stay. Their leaving may not be inevitable. Women feel they are taken for granted and so have to go to a new job to get noticed. Find out what is it they are looking for - which opportunity, how much of a raise, what development, how much more agile working? It is worth the negotiation to retain valuable talent. It is so much cheaper than hiring someone new!
3. Organise the right experiences to ensure that women are 'promotion ready' at the same time as their male counterparts. Currently their progress is often slower due to less exposure to new opportunities, different expectations and just plain old unconscious bias
4. Build a reputation as the kind of leader who fosters women. You will be rewarded with great loyalty and it will be easier to recruit more women when they perceive a female friendly atmosphere. You really do not want the reputation as someone that women just don't want to work for!

What next?

There are many more tips & tricks. Some are industry specific, others relate to your existing gender mix, culture and past efforts. There are subtle ways a company can signal that this is not the place for women. We can share our experience in this space, but the bigger picture - creating continuous momentum - is critical. This will be reached through a skilful blend of both major interventions and attention to seemingly insignificant details. Only systemic approaches - working from the inside out - have lasting and effective outcomes.

About us

You can do all this by yourself but somehow we find it just doesn't happen.

We are the experts. We know how to get to the truth, to build the right business case for you and to design the interventions that will be viewed positively by both men and women and will stick, long after we have gone. We have designed and tried and tested the options.

We consult with you to find the most effective solutions within your situation and budget. To find out more or simply compare your experience with ours, give us a call on +44 (0) 20 7036 8899 or drop us a line at info@whitewatergroup.eu

“Reasons I would recommend White Water Women’s leadership programme to colleagues”

- Highly personalised (small group + coaching)
- You realise you are in control of your development and advancement
- Excellent instructors who share real-life stories
- Great networking opportunities with great women, management and friends
- Gained visibility across the Division
- Helped me increase self-awareness and think strategically regarding everything in my life
- A needed boost to our morale and confidence
- Identified the development areas I needed to work on
- Helped me to understand some of the specific obstacles women face
- Opportunities to meet senior management
- Being selected for this programme means a lot. It removes self-imposed barriers
- The dedication of White Water, their availability and multiple examples of generous advice were highly appreciated

About us ...

The **White Water Group** is a leadership and business consultancy based in the UK and operating across Europe.

We work with blue chip companies and fast-growing business in sectors ranging from banking to luxury goods, from heavy engineering to enterprise software, from accounting to the third sector: everywhere organisations harness the talent of skilled people to gain competitive advantage.

Our recipe is simple: good research, good interventions and great results.

We continuously refine our understanding of what good leadership is and how people develop most successfully. We bring together senior experts with proven track records in their own specialities, great insight into human development and excellent experience of organisations and the markets they operate in.



White Water Coaching

The perfect balance between psychological insight and business credibility. We work with leaders in the area of personal leadership behaviours, team dynamics and board relationships



White Water Leaders

We work with individuals and teams to ensure they reach their full potential. We start with the best research and our extensive experience with hundreds of senior people to align your talent with your strategy



White Water Women

We give women their best chance of success at work by equipping them with the skills, attitudes and confidence to make it to the top in their careers. We do this through really effective programmes - open or in-house - and focused coaching

To find out more about our research or discuss your own perspective, just click on one of these links to **book a telephone appointment**: [let's talk about leadership](#) or [coaching](#) or [about women](#)