

Transcript of speech by Bridget Gray, Managing Director Harvey Nash: Gender equity in the workplace works both ways



I was recently invited to address a conference about gender equality in the workplace. The conference was held by TNT in Asia Pacific, creating a formal agenda to their strategic objective of creating a strong platform to enable gender equity in the workplace.

I enjoyed participating in the TNT conference and being part of positive conversations, all of which enable change to happen.

Harvey Nash has been a historic advocate of gender balance and gender equality in the workplace. Harvey Nash have also partnered with The University of Hong Kong, to create and run the first ever board-preparedness programme exclusively for women.

Harvey Nash facilitates a number of not-for-profit business exchanges, including Inspire – networking for board level women – and Aspire – networking for senior management women.

We find that these exchanges and forums, such as this one today, are fantastic examples of the positive promotion of gender balance in leadership roles and should be encouraged. Forums such as these create cordial affiliations and strengthen relationships. They enable participants to react to content, share challenges and experiences, clarify assumptions, support each other, increase interaction time and give encouragement.

I read an interesting paper by Ernst & Young last week, stating the concept of the ‘glass ceiling’, which I am sure you have all heard of, doesn’t exist. The paper argued that women face multiple barriers to leadership roles. Encouraging and supporting women into senior positions is a talent pipeline issue. Organisations need to ensure that they are supporting women at every stage of their career lifecycle, not just as they are about to enter the boardroom.

Many countries have made significant progress towards gender equality in recent decades, particularly in areas like education. However, women continue to earn less than men and are markedly less likely to hold an executive or board level position. Men are less likely to have access to the family-friendly or flexible working arrangements than women.

Achieving gender equality in the workplace is important not just because it is “fair” or “the right thing to do”, it is also vitally important to the bottom line of a business and to the productivity of the global workforce.

Considerable rewards can be attained by businesses which successfully attract both women and men to their workforce. Research suggests that organisations that respect and value the diversity brought by both women and men are better able to attract and retain high performers and improve operational performance. It is not, however, simply about having token women (or men). While diversity is fundamental, gender equality is paramount.

Having the best talent is critical to success in competitive markets. An organisation which is as attractive to women as it is to men will have access to the entire talent pool and is more likely to have a competitive advantage in attracting the best talent available.

Replacing a departing employee can cost 75% or more of their annual wage. A report by the Australian Human Resources Institute has estimated the cost of staff turnover to Australian business

at \$20 billion. Both women and men are more likely to remain with an organisation where there is a proactive diversity 'climate' as they perceive a concrete payoff to themselves by staying in an organisation they view as fair. According to research by the Diversity Council of Australia, around 18% of men, including 37% of young fathers, had "seriously considered" leaving an organisation due to a lack of flexibility. Recent research undertaken by the 100 Percent Project highlights that while many men with families express an interest in greater work-life balance, they are reluctant to avail themselves of flexible work arrangements where they are offered. One key reason for this is that working flexibly is stereotypically seen to show a lack of ambition or commitment.

Recent global research suggests a link between female directors and performance in businesses, with companies with at least one female director showing better financial outcomes on a range of measures than those where there was no woman. Two recent studies have found organisations with the most gender diversity outperform those with the least. In relation to business innovative capacity, a gender diverse executive team seems to be critical:

- A US study examined performance in 1,500 companies over 15 years. It concluded that women's representation in very senior management is associated with improved organisational performance where a company is innovation focused. It calculated for the firms examined that, at an average level of innovation intensity, the presence of a woman in the top management amounts to creating extra market value for each firm of about US\$44 million.
- A study by Dow Jones focusing on US venture backed, start-up companies, found that a company's odds for success increases with more female executives at the vice president and director levels. The overall median proportion of female executives at successful companies was more than double that at unsuccessful ones.

To benefit from improved gender diversity, an organisation needs to incorporate effective gender diversity initiatives from the top down to drive culture change if it is to reap the benefits of diversity. Active commitment to change is needed throughout all levels of a company's management. However, you also need to manage diverse groups supportively.

Across the world women are reported to control or influence nearly three quarters of household spending. And women's own buying power is growing in line with their expanding role in the workforce and increasing personal disposable income. Nearly a billion more women could participate in the market economy worldwide in the next 10 years.

Increasing a company's gender diversity maximises opportunities to benefit from this significant trend. Gender diversity facilitates business understanding of how to appeal to women as customers and what products and services women and men need and want. It may help an organisation create new markets and increase market share.

A reputation for promoting gender diversity can help an organisation to attract the best employees to an organisation, retain existing customers and attract new clientele, building market share. Reputation and image are critical in the marketplace and a reputation for promoting gender equality will enhance the regard in which a company is held in the wider community.

Gender equality is not just about making workplaces 'female-friendly'. It's about men too:

- Men with children increasingly have partners in the workforce and fathers increasingly see their role not simply as breadwinners but as involving a more active parenting role.
- Research shows men and especially young fathers value flexible working highly as a job characteristic. Enabling men's greater access to flexible work arrangements in an organisation would help increase gender equality in career progression.
- Research suggests a positive association between flexibility for men and commitment to work, with flexibility being one of the top five employment drivers for men.

- Men play a pivotal role in promoting gender diversity, and must be engaged in leading organisational approaches.

The business case for gender diversity and gender equality is strong. Until greater progress to gender equality is achieved, it is likely women's employment participation will continue to lag behind as will their capacity to realise the personal and financial benefits of engaging in quality, well-paid jobs over the life-cycle. At the same time, men will continue to lack access to opportunities to balance their work and life commitments, and organisations will fail to be as productive as they could be.

The assumption that workplaces are meritocracies does not always hold, leaving women on an uneven playing field. Organisations may help ensure that workplaces become meritocracies by:

- Raising awareness regarding all areas of unconscious bias and addressing them through unconscious bias programs, including educating employees about gender diversity and the detrimental effects of gender stereotypes;
- Performing structured pay audits to identify potential gender pay gaps;
- Examining recruitment processes and selection criteria, as well as indicators used to assess performance and promotion to ensure that they are not unconsciously and unwittingly biased against women; and
- Offering mentoring programs and networking opportunities to support women's careers and equip them for leadership roles with a view to level the playing field.

Challenging the merit 'myth' must involve scrutiny of recruitment and promotion criteria and related policies for bias, along with identification of informal norms within organisations. This was the subject of a study by US consulting firm Catalyst, *The Unwritten Rules*, which found women in particular are excluded from important informal networks in companies and miss out on opportunities for promotion and other forms of talent management such as secondments. The reliance on traditional notions of leadership and highly subjective practices has played a major role in preventing meritocracies from forming.

Men and women should be on a level playing field when it comes to career development and opportunities. Organisations can help to improve women's opportunity in the workplace through mentoring programs or other initiatives designed to develop women's careers and equip them with leadership skills. Encouraging men to mentor younger women helps to include men in the gender debate, while female mentors can act as role models for younger women.

The gender gap in senior jobs is not a result of too few women but too few promotions and role models. More women at the top is the single most important factor in retaining women as the Bain and Chief Executive Women research found. Women are most negative in the middle years of junior and middle management, which is a critical career-building stage according to the study. Many women at this stage perceive that their style may be viewed as a barrier to progression.

This often leads women to question if pushing past the barriers to promotion is achievable when they don't see other women being successful. This is particularly the case if they face work-life trade-offs, with the research highlighting that many women start families at this career stage.

Dismantling historically biased attitudes and behaviour patterns to allow women to climb the career ladder in greater numbers will require a robust dismantling of the myths that fuel them, along with the will and means to remove systemic barriers. As it is mainly men who make key decisions in business at the moment, they must be informed of and engaged with the necessity and then motivated to act.

In the meantime, a combination of factors is required to address this issue and create a positive cycle. It's about circuit-breaking the business-as-usual mindset, as well as re-examining the mechanics in

recruitment and promotion practices to allow a critical mass of the role models so desperately needed. Most important is the presence of women in leadership – women are five times more likely to be promoters of their organisation when females represent more than 25 per cent of the executive team.

Not only do we need to make sure women's issues are fully integrated in formulating and upholding all pillars of our society, it's pivotal that we view men as part of the solution to gender equality, not part of the problem. We need to move the discussion from 'women' to 'gender'; a subtle but powerful language change that helps provoke a paradigm shift that is crucial for the discourse to change.

The participation of men is imperative in driving fundamental transformations and progress in how we live and work, because it is the intimate nature of relationships around the tables – both boardroom and kitchen – that need to change.

We need all, not half, of the population mobilised and working together to establish gender-equitable societies and economies. That means reframing the debate from one which places blame, to one where everyone is responsible for creating change, big or small.