



Ibec policy brief

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Gender balance in decision-making

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Cracking the code for gender balance

Ireland has an excellent reputation for its attitude towards diversity and inclusion. Yet today in Ireland, as in the rest of the world the lack of representative numbers of women in decision-making and senior executive roles remains a very real issue. Women account for only 10.5% of board members of the largest publicly listed companies in Ireland, compared to an EU average of 18.6%. At the current pace of progress, female executive representation across Europe is unlikely to reach 20% until 2035.

Why are we talking about gender balance?

Studies show strong and measurable benefits to gender balance include: increased labour productivity; enhanced governance; improved corporate image; increased creativity and workplace innovation; greater competitiveness; greater ability to attract and retain the best talent; and a reduction in employee turnover.

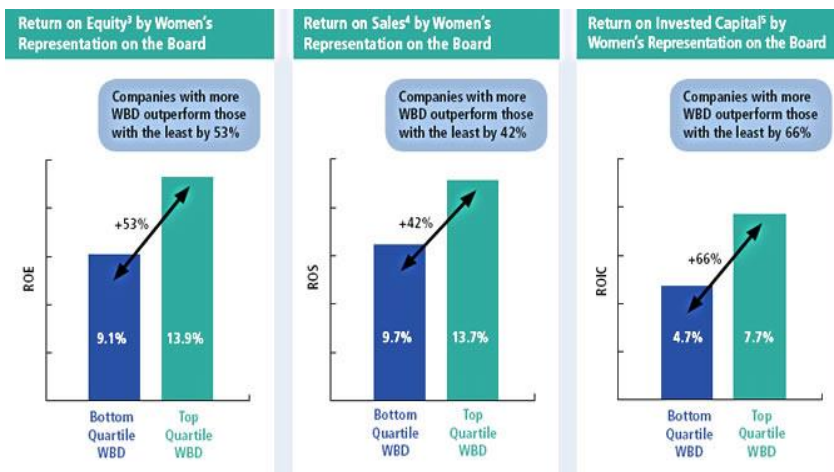
Gender balance has been proven to increase profits, return on sales, return on equity, innovation and problem solving (e.g. figure 1). In private sector research, on average companies with 3 or more women in top management or leadership functions significantly outperform their sector by 36%. The complementary skills and styles of men and women fosters the creativity that delivers these results.

Women represent an enormous opportunity for business not least because they represent more than half of the educated talent on the planet (60% of global graduates are female). Yet while women are making rapid educational gains this is not typically reflected in the seniority of female employment. Goldman Sachs calculated that closing the gap between male and female employment rates would boost Eurozone GDP by as much as 13%.

Women are also the majority of consumers and end-users in an ever-widening array of sectors (globally 80% of consumer goods purchasing decisions are made by women this includes cars, real estate and technology purchases). They represent a growth market more than twice as big as China and India combined yet despite this the majority of women feel misunderstood by marketers. Social media is also crucial for driving brand, product and services and the social media world is led by women – 62% of women participate in sharing on Facebook while 8 out of 10 Twitter users who have hit the 10 million followers mark are female.

Finally, we are experiencing globally a decreasing birth rate and aging populations. McKinsey predicts that by 2020 there will be a shortfall of 40 million college educated workers in advanced economies and as such a 'war for talent'. Thus choosing to harness less than 100% of the available talent is something effective organisations can ill-afford. In addition, choosing from a homogenous pool of talent will ultimately be found lacking. It is clear to leaders that gender balance is a solution to many of the problems currently facing organisations.

Figure 1.
Results of gender
diversity at board level,
Catalyst



A business solution to a business challenge

Gender balance is not a "women's issue" but rather a strategic business issue. Previously organisations tried to address gender balance from an ethical standpoint, by helping women 'fit in'. This underestimated the potential that gender balance offers and treated women like "victims". Today that is changing and many organisations like Google and Facebook among others published their gender balance statistics along with their aim to change them. Gender balance is rightly viewed as a business issue and a challenge that progressive, future-oriented leaders are embracing as it affects the performance and sustainability of their organisations.

Leading by example

Every major cultural, operational, or strategic change in business requires commitment and senior executives leading by example, and gender balance is no exception. To achieve this companies urgently need to become “gender bilingual” if they want to tap into today’s talent pool. This requires new thinking and innovative approaches with leaders prioritising gender balance, understanding the cultures and systems that enable it – and those that challenge it.

Those companies willing to overcome the challenges will reap business benefits and create a competitive advantage for the future. Leaders have to lead the charge and explain why it matters, as if they do not fully buy in, it will not happen.

Awareness raising

The next step is the need to raise awareness about the necessity for change before we can expect it to occur. Challenging why we do something a particular way can be the first step to changing “the way we do things around here”. While explicit discrimination has been addressed in the main, we now need to remove norms and structures that continue to maintain gender gaps.

That means making the entire workplace aware of the business and economic costs of failing to harness all of the talent available to an organisation. To achieve this requires considering the unconscious biases that exist alongside custom and practice in our organisations including from how and where we work, to what skills and competencies are needed to carry out a leadership role.

Where possible, performance needs to be measured by results rather than hours at work,

especially as flexibility is so important to 21st century working lives. All jobs must be determined by merit and failing to tap into the best talent, be it male or female, is short-sighted. Recruitment and promotion processes need to be examined to ensure they are fair and transparent. This may mean looking at why representative candidates are not coming through the process and considering if change is required. Embedding diversity within corporate culture is a complex process and requires an increase in gender balance throughout the talent pipeline within organisations.

Engaging men in the debate is key

By only focusing on women in the past, organisations have arguably side-lined and alienated a powerful group of stakeholders in most organisations – men. Men worldwide tend to dominate positions of leadership and influence in the workplace and as such are crucial to the gender-balance solution. They can and need to be powerful ambassadors for change.

Many organisations have embraced this idea and begun to engage senior men and women as allies for change. One initiative the Men Advocating Real Change (MARC) programme, a Catalyst initiative, has seen a culture change in organisations e.g. Dell, as employees come together to address diversity and balance.

Sharing the caring

We need to consider both men and women as having caring responsibilities whether for children or elder care and not see this as an obstacle to career progression. In fact, assumptions about what women or men want from their careers generally needs to be checked.

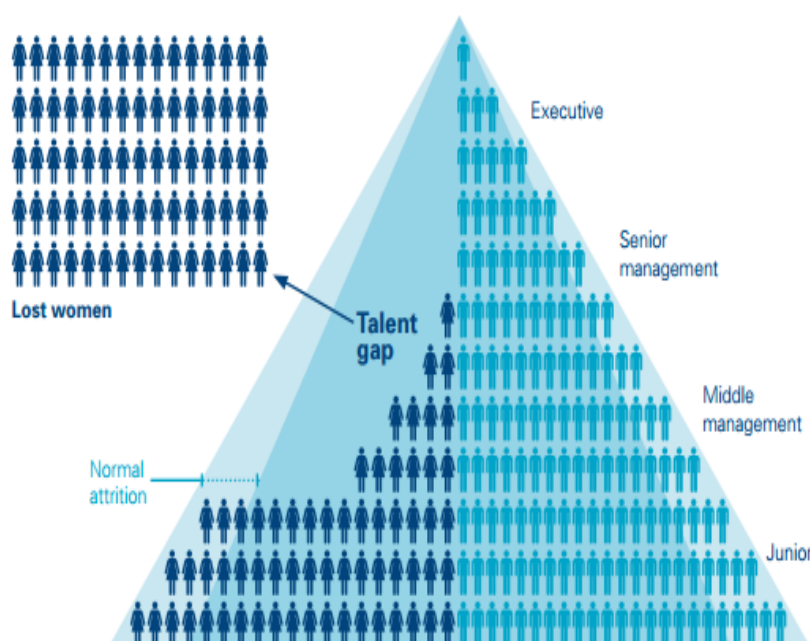
We need to encourage active fathering and more innovative parental leave models to support working parents to care for their children. A number of organisations have started to make strides in this field e.g. Arthur Cox. In addition, affordable, quality childcare is an essential requirement to support men and women.

In sum

Organisations need to harness the power of gender-balanced leadership as a means to understand the needs of their customers, tackle complex business challenges and turn insights into strategic advantages to differentiate themselves from their competitors. Failure to address this imbalance leaves organisations out of touch with the way the world is changing.

When the talents of males and females are merged in a culture that puts skills, professionalism and results first, the outcome is not necessarily a redistribution of power and resources but a win-win situation leading to a greater outcome for all stakeholders.

Figure 2. The talent gap
– Source: Ioannidis & Waite, 2010 “your loss: How to win back your female talent.”



Key recommendations

- Develop fact based explanation of how the business case for gender balance is relevant to the organisation and an urgent business imperative.
- Metrics are critical. How will we know success if we do not have a baseline? Where are the gaps – at recruitment? Post-maternity? At senior management?
- A diverse talent pipeline is essential and business needs to proactively plan for that.
- Schools need to encourage more girls into STEM subjects coupled with career guidance that challenges stereotypes.
- Transparent and open recruitment and promotion processes need to be engaged within organisations to avoid homogenous selection and groupthink.
- Recruitment and promotion panels need to be gender balanced to avoid group think and encourage objective selection.
- Management skills need to be developed to enable differentiation between actual differences and unconscious bias.
- “High potential” internal programmes must have gender neutral selection criteria, free from stereotypes.
- Women need sponsors to advocate for them – more than they need mentors to provide advice.
- Flexible working practices to be introduced where possible to encourage work-life balance for men and women.
- Culture change to business systems is critical – career management, leadership criteria, product and service design and marketing systems all need to be reviewed with a gender lens.

Ibec policy team



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Kara McGann is a senior labour market policy executive at Ibec and provides advice and support on diversity, workplace issues and labour market policy and practices to Ibec member organisations. She represents Irish employers in Europe on the European Social Fund Committee and represents Ibec on the board of Skillnets. Prior to joining Ibec in 2008, Kara worked for a number of years as an organisational psychologist and human resources manager in industry and lectured at undergraduate, postgraduate and executive level in leadership, organisational behaviour and organisational change.

Kara holds a PhD in Psychology from University College Dublin and a MBS in Management and Organisation Studies from the Smurfit Graduate School of Business. She is a Member of the Psychological Society of Ireland and a board member of the Professional Women's Network (PWN) Dublin.