



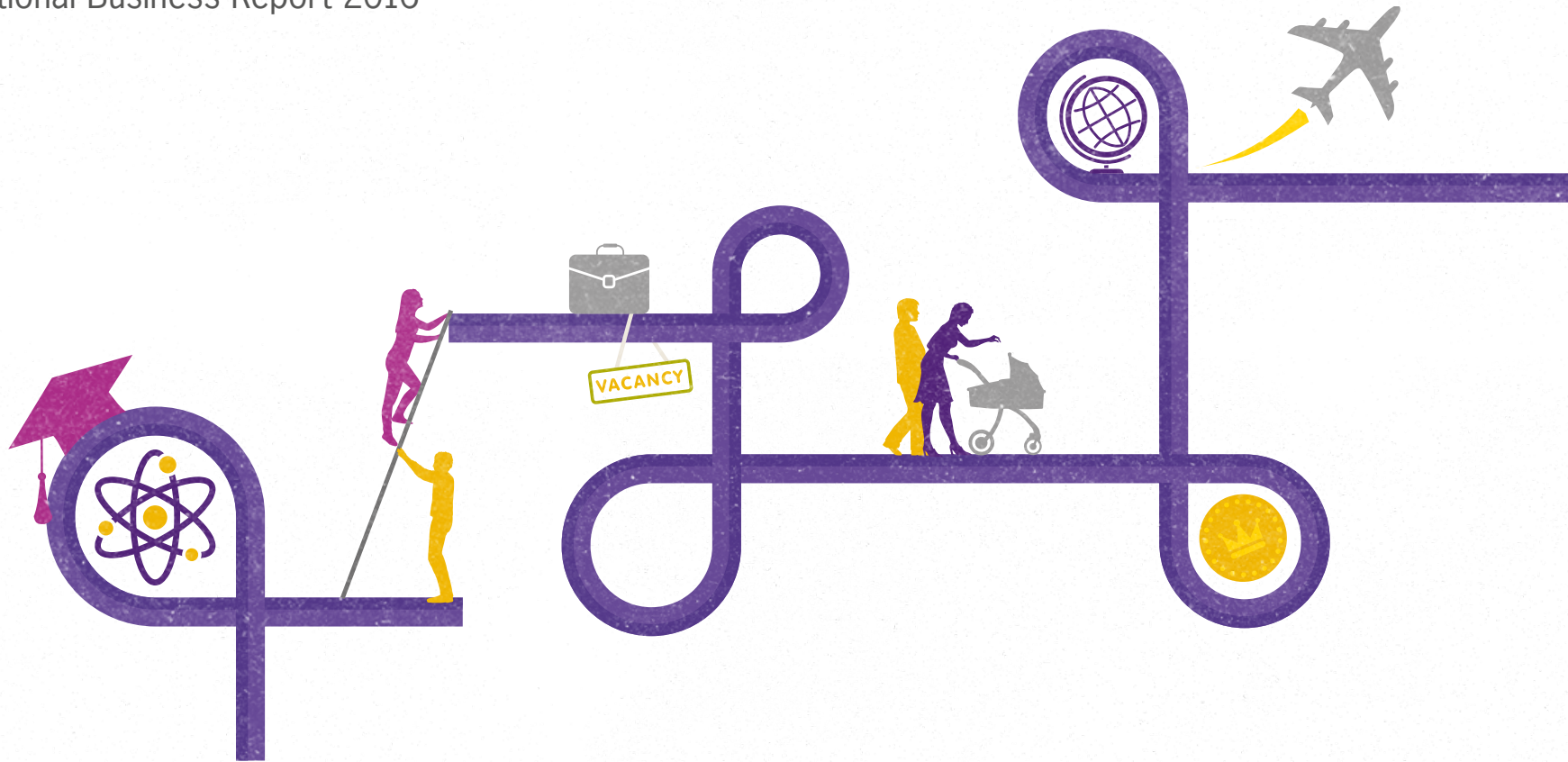
Grant Thornton

An instinct for growth™

Women in business

Turning promise into practice

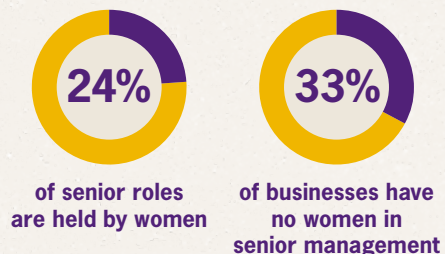
Grant Thornton International Business Report 2016



Executive summary

Diversity in leadership around the world

Despite a third of businesses still having no women in senior management, the percentage of women in senior management increased slightly from five years ago with the G7 continuing to languish behind Eastern Europe and ASEAN countries.



Attracting, developing and retaining leaders

There are three key questions businesses need to consider to ensure they attract female leaders who will help them thrive in an increasingly volatile and complex world:

What makes a good leader?

What drives leaders?

What deters potential leaders?

Recommendations

Three key recommendations businesses, governments and women themselves need to put in place to improve gender diversity in business leadership:

1. Demonstrate demand for the leadership skills women value



Business

Ensure your business is prepared for the complex world – review the way leadership is defined and demonstrated within your organisation

Difference is desirable – reward a broad skill set



Women

Seek out new experiences to gain a diverse perspective and demonstrate you've got the skills businesses need



Government

Demonstrate best practice on diverse leadership

2. Understand what drives the desire to lead



Business

Promote opportunities for leaders to make a difference

Money matters to women so get it out in the open



Women

Be clear about what you want and ask for it



Government

Enforce transparency on remuneration and push for equal pay

3. Create an environment that supports women wanting to lead



Business

Identify and address the ingrained beliefs that are holding women back

Support the talent pipeline – provide mentorship and sponsorship programmes



Women

Recognise that you are a role model – and be honest about your experiences of leadership



Government

Ensure flexible, high-quality childcare is affordable and available

Foreword

The gender diversity issue has been on the business agenda for many years now, yet a third of businesses still have no women at a senior management level. Something is not working.

We know that significant performance benefits come with having a diverse leadership team and there are certainly a large number of women capable of joining such teams. The question is: do they want to? And are businesses doing and saying the right things to appeal to women? Somewhere there seems to be a disconnect.

The business case for gender diversity among business leadership teams is established. It reduces the risk of 'group-think' and opens new opportunities for growth. Diversity improves the bottom line: research Grant Thornton conducted shows that listed companies with male-only boards in the UK, US and India alone are foregoing potential profits of \$655bn.¹ And diversity is even more important given the volatile, uncertain, complex and ambiguous (VUCA) world in which businesses now operate.

Increased globalisation, concerns over sustainability and technological advances are transforming the business environment.

So how can businesses prepare? They need to be able to anticipate change, understand potential future risks, and develop solutions to overcome them and grow. This requires input from diverse perspective. Firms need more women in senior leadership roles to facilitate this.

Yet despite overwhelming evidence of the benefits of gender diversity in leadership and promises of action from businesses and governments around the world, we have made little progress. Globally the level of women in senior roles has risen just 3% in the past five years. At this rate it will be 2060 before we achieve gender parity. That's too long; the challenge is here now.

We have also seen the proportion of businesses without any women in senior management remain static over the past five years at around 33%. That means a third of businesses still have no female input into executive decisions and no women helping grow the business at a leadership level.

So what needs to change?

In this report we explore how businesses approach leadership and what leaders, especially female leaders, are looking for. Drawing on more than 5,500 interviews in 36 economies conducted through our International Business Report and 17 in-depth interviews with senior business leaders, we examine the attributes of good leaders and the motivations they have for seeking senior positions.

Businesses have talked the talk on diversity in leadership for long enough. It's time to put their promises into practice and deliver results. Too many businesses continue to operate with a traditional 'alpha male' approach to leadership, which does not attract or appeal to many talented women.

Women also appear to be driven by different motivations to take leadership positions. This leads to some necessary reflection on what benefits women are offered to encourage them to take the reins of leadership and how businesses

might articulate this. And it raises the challenge of whether potential future leaders are seeing a senior working environment that they want to be part of.

There is also a disparity between what businesses say and the impression they present through their actions. Women notice the stories that are told, the symbols that are deemed important and the behaviours that are viewed as the norm, and often find these diverge from what businesses say in the messages they broadcast.

In the VUCA world, businesses need the best leadership they can get, so it's vital they respond to this challenge. By following the steps recommended in this report, businesses, governments and women themselves can start to turn the promise of gender equality in business into practice. There are clear rewards for those that make this happen.

Francesca Lagerberg

Global leader for tax services
and sponsor on women in leadership
Grant Thornton

¹ http://www.grantthornton.global/globalassets/wib_value_of_diversity.pdf

“We know that businesses with diverse workforces can outperform their more homogenous peers and are better positioned to adapt to a rapidly changing global business environment. Businesses must resist group-think and welcome a range of perspectives in order to grow and meet the challenges of today.”

Francesca Lagerberg

Global leader for tax services
and sponsor on women in leadership
Grant Thornton



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Diversity in leadership around the world

In this report we focus on how businesses can attract a diverse leadership team that can lead them to growth in a volatile and ever-changing business environment. But first it's important to understand the current extent of gender diversity in business leadership around the world.

The latest Grant Thornton International Business Report figures show that the proportion of senior roles held by women has increased in the last twelve months, returning to the previous high of 24% after falling to 22% in 2015. However, a third (33%) of businesses around the world still have no women in senior management positions.

But within these global averages, some regions stand out.

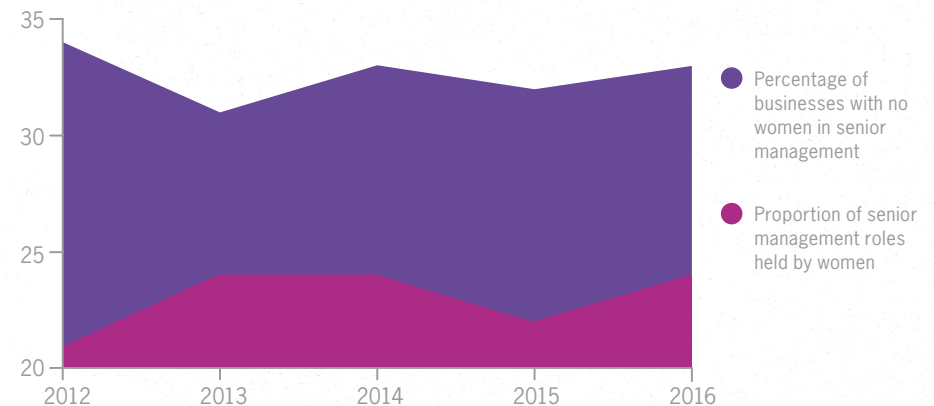
Eastern Europe continues to top the rankings, with 35% of senior roles in the region held by women and just 16% of businesses with no women in senior management. This strong performance

is driven by Russia, where 45% of senior roles are held by women, and the Baltic states of Lithuania (39%), Estonia (37%) and Latvia (35%).

24%
of senior roles globally
are held by women

45%
of senior roles in Russia
are held by women

Women in senior management



Source: Grant Thornton IBR 2015

The proportion of women holding senior roles has increased over the last twelve months



VACANCY

Eastern Europe owes some of its continued women in business success to the legacy of communist principles on equality. The maxim that men and women are equal partners seems to have sparked a trend within the business world that shows little sign of diminishing. When interviewed by the Guardian newspaper about life in Poland, Maya Mortensen, a woman who grew up under communist rule in the 1950s and 60s, commented: "The regime made absolutely no distinction between men and women. I never even thought about the division – all advance in society was open to men and women equally."² A social norm seems to have been created in Eastern Europe under communism, where younger women do not question whether or not they could lead in the future and women in leadership are not seen as a rarity or unconventional.

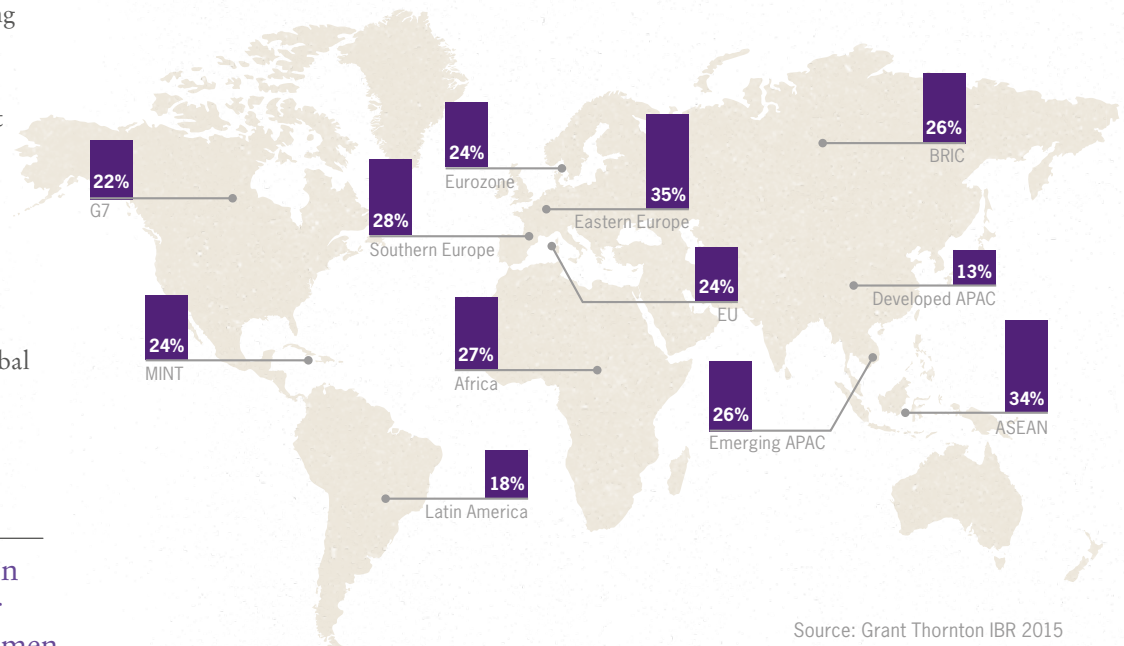
In addition, in Eastern Europe it was common for women to receive higher education, including in subjects such as engineering and mathematics, providing a strong basis on which to build a successful

career. And there was high-quality childcare attached to most workplaces, overcoming one of the most common barriers to women's progression in business.

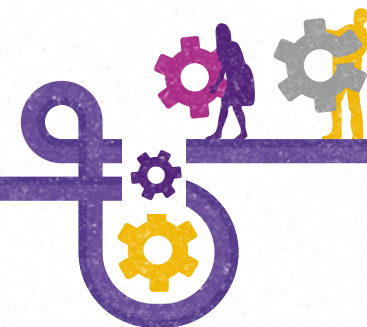
Another region that appears to benefit from the legacy of equality in education and jobs in the past is ASEAN, where 34% of senior roles are held by women and only 21% of businesses have no women in senior management. All five of the ASEAN countries have more senior roles held by women than the global average with Philippines, Thailand and Indonesia all making it into the top ten economies worldwide with 39%, 37% and 36% respectively.

A social norm seems to have been created in Eastern Europe under communism, where younger women do not question whether or not they could lead in the future and women in leadership are not seen as a rarity or unconventional.

Proportion of senior management roles held by women



In Eastern Europe it was common for women to receive higher education, including in subjects such as engineering and mathematics



² <http://www.theguardian.com/world/2011/apr/08/polish-women-communism-better-equality>

Marivic Espano, chairperson and CEO at Grant Thornton Philippines, suggests ASEAN's strong performance may be in part because women in the region are well supported in terms of getting a good education, but also because they are organising themselves to identify the challenges women in business face and advocate for change. Maria Saab, a research fellow at the New America Foundation, points to investment in education as a major catalyst for women's success in emerging markets. She says: "Women are graduating from universities and graduate programmes at higher rates than men and are better

positioned for senior management positions when they open up [and] this growth can also be traced back to the promotion of women within communist regimes."³

In contrast to Eastern Europe and ASEAN, and despite considerable efforts by governments and campaigners to increase female leadership in business, the G7 falls below the global average. Across these major economies just 22% of senior roles are held by women, a modest improvement on the 18% measured in 2012. Alarming, four in ten (39%) of businesses have no women in senior management.

While Italy, France and Canada all perform better than average, Germany and Japan continue to languish at the bottom of the rankings. Despite having a female chancellor and quotas requiring a third of non-executive board roles to be held by women coming into force this year, in Germany just 15% of senior roles are held by women and 60% of businesses have no women in senior management. Meanwhile in Japan the situation is even worse, with just 7% of senior roles held by women and almost three quarters (73%) of businesses with no women in senior management.

73%

of businesses in Japan have no women in senior management

4/10

G7 businesses have no women in senior management

"Interestingly, in the Middle East there is no culture of flexible working, and even part-time roles are very rare, but there is affordable, flexible and high-quality childcare, so lots of women return to the workforce and continue to progress to senior roles."

Lindsay Degouve De Nuncques
Head, ACCA Middle East

Women are graduating from universities and graduate programmes at higher rates than men



³ <http://time.com/2861431/female-executives-gender-quotas/>

Despite the publication and recommendations of the Davies Report, a number of high profile speeches and multiple campaigns on gender equality, the UK has marginally declined in the last year, with 21% of senior roles now held by women (down from 22% in 2015) and its highest recorded proportion of businesses with no women in senior management at 36%.

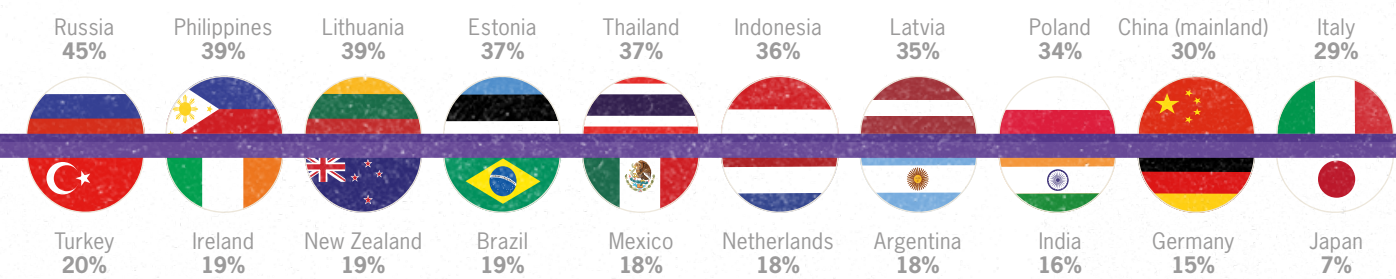
Meanwhile the US has performed slightly better. The proportion of senior roles held by women rose from 21% in 2015 to 23% this year, the highest figure recorded since 2007. However, the US has also seen the proportion of businesses with no women in senior management rise to its highest level at 31%.

Pamela Harless, chief people and culture officer at Grant Thornton US, suggests that the poor performance of the US and UK may be due to a wider culture of leadership that does not value more feminine characteristics.

“In the US and the UK, societal norms are based around a ‘command and control’ style of leadership. If you look at government structure, direction is often set from the top down, leadership is seen as something that needs to be strong and direct, not collaborative – and that trickles down in the corporate world.”

Pamela Harless
Chief people and culture officer, Grant Thornton US

Senior roles held by women by country (top and bottom ten)



Source: Grant Thornton IBR 2015

Global snapshot

European Union

The EU has remained relatively consistent over the past five years with around a quarter of senior roles held by women and just over a third of businesses with no women in senior management. Strong performance in the Baltics is dragged down by poor performance by Germany and the Netherlands, which continue to rank among the bottom ten economies worldwide.



Eastern Europe

Five of the countries in the top ten for women in senior roles are in Eastern Europe, many of which improved from 2015 to 2016. Russia continues to top the rankings, while Estonia, Latvia, Lithuania and Poland also all appear in the top ten economies worldwide.



Emerging APAC

2016 saw a return to previously strong performance in Indonesia, Philippines and Thailand, with all three appearing in the top ten economies worldwide. However, China remains below its five year average and India continues to rank in the bottom ten economies worldwide.



Developed APAC

Since paid maternity leave was introduced five years ago Australia has seen a decrease in the percentage of businesses with no women in senior management, although little change in the percentage of senior roles held by women. New Zealand is significantly below its five year average, while Japan is once again bottom of the global rankings.



North America

North America saw its strongest performance to date, hitting 23% of senior roles held by women, with Canada continuing to perform better than the US. However, the region also saw the percentage of businesses with no women in senior management rise to a high of 31%.



Latin America

Despite a number of Latin American countries boasting female presidents, the region continues to struggle. Although Argentina and Brazil saw a slight improvement year-on-year, both have declined over the last five years. The region as a whole has just 18% of senior roles held by women and more than half (52%) of businesses with no women in senior management.



Africa

South Africa has declined to just 23% of senior roles held by women and 39% of businesses with no women in senior management, its lowest figures to date. Botswana has seen year-on-year improvement but is still significantly below its five year average. Meanwhile, in its second year of measuring, Nigeria saw considerable improvement.



The roles women perform in business leadership

Despite the overall progress, women tend to be in senior supporting roles and not leading executive teams. Once again, in 2016 the majority of women in senior management are human resources directors (23%), chief financial officers (21%) or, in third place, chief marketing officers (11%). Just 9% are chief executive officers or managing directors.

Again the ASEAN region performs better than average, with 22% of women in senior management holding the CEO role, while in Eastern Europe 10% of women are CEOs but 48% are CFOs. Meanwhile in the G7, just 7% of women in senior management are CEOs, compared to 20% who are human resources directors, 12% who are chief

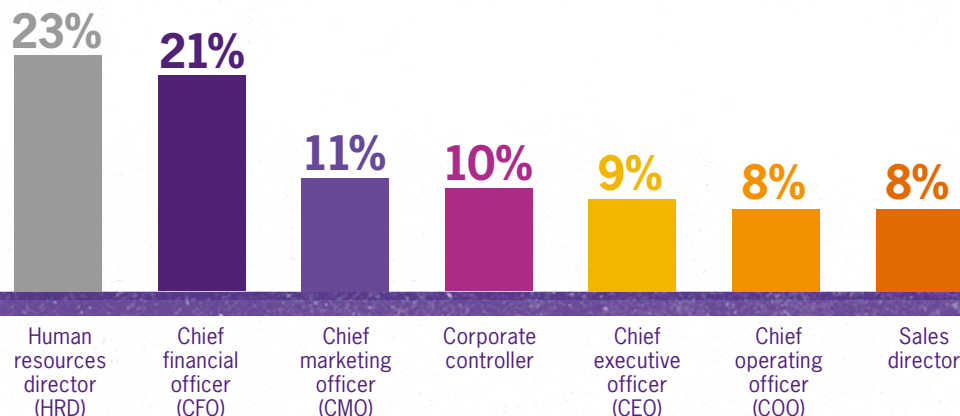
marketing officers and 11% who are CFOs. While chief executives rarely come from a human resources background,⁴ there may be better news for women working in the finance function. A recent report published by recruiter Korn Ferry highlighted the need for CFOs to “move beyond their technical left-brain skills and develop

more competencies in people- and relationship-oriented right-brain areas” in order to move to the CEO role.⁵ This is something that science suggests will be easier for women than men, as on average women’s brains are more connected across left and right hemispheres.⁶

“If we are going to crack the problem of women in business leadership, we need to have more women serving in truly operational leadership roles. Women shouldn’t just be in support roles such as HR and marketing but owning profit and loss lines and driving the operation of the business.”

Pamela Harless
Chief people and culture officer, Grant Thornton US

Senior management roles held by women



Source: Grant Thornton IBR 2015

9% of women in senior management are CEOs

⁴ <http://www.managementtoday.co.uk/opinion/1181415/want-ceo-hard-luck-youre-hr-director/>

⁵ <http://www.kornferry.com/institute/cfo-ceo-right-brain-leadership-gap>

⁶ <http://www.pnas.org/content/111/2/823>

Attracting, developing and retaining leaders

Today's volatile and uncertain business world requires diverse leadership teams that bring different perspectives to complex problems in order for businesses to compete and grow. Businesses need to create an environment that attracts and develops these diverse leadership teams.

The business case for diverse senior leadership teams has been established. There have been numerous studies demonstrating the importance of avoiding the group-think that occurs when leadership teams are homogenous. There is evidence of the need for company leaders to better understand their workers and customers, which are both likely to include a high proportion of women, and of the potential new market opportunities that are lost if women progress only to a middle management level. Canadian Prime Minister Justin Trudeau, speaking at Davos 2016, described diversity as “the engine of invention”. And diversity improves the bottom line. Research Grant Thornton conducted

shows that listed companies with male-only boards in the UK (FTSE 350), US (S&P 500) and India (CNX 200) are foregoing potential profits of \$655bn, while in the UK and US alone moving to mixed boards on the S&P 500 and the FTSE 350 could boost GDP by around 3%.⁷

Diversity is vital to ensure businesses thrive in the current VUCA business environment. Francesca Lagerberg, global leader of tax services at Grant Thornton International, explains: “Cycles that used to happen every decade now happen every year. So your core business might be exactly the same but you are operating in such a different environment that you have to fundamentally change the way you do

things.” Firms need leaders and leadership teams with a diverse perspective, who can understand this new world and identify the opportunities for growth.

But how can businesses ensure they are attracting, developing and retaining a diverse range of leaders and improve the proportion of women in senior roles?

Below we explore the attributes men and women in senior management around the world believe are important in good leaders, and the motivations that drove them to take leadership positions. We find there are differences between what businesses provide and what leaders want, and outline a number of recommendations to overcome these disconnects.

“If we want to create thriving businesses, we need people from all backgrounds leading them.”

Norman Pickavance
Leader of brand, culture and sustainability,
Grant Thornton UK

“When women don't continue through to the senior roles, firms lose the very valuable client relationships and perspectives that they bring to decision making.”

Sian Sinclair
Partner, Grant Thornton Australia

Listed companies with male-only boards in the UK, US and India are foregoing potential profits of \$655bn

⁷ http://www.grantthornton.global/globalassets/wib_value_of_diversity.pdf

What makes a good leader?

Passion, honesty, integrity, drive – there are many attributes we want our business leaders to have, and that businesses need to ensure they are searching for and developing in future leaders. Businesses also need to recognise that some skills are particularly relevant in the VUCA world, and that men and women value the attributes of leadership differently.

Communication

When we asked senior business people what attribute they thought was most important in good leaders, communication came out on top, with more than a third (35%) saying it was important. Stephanie Hasenbos-Case, global leader of people and culture at Grant Thornton, explains: “Communication is a core attribute for any good leader. The only way you are going to get people to follow you is if you can communicate a strategy, explain where you are going as an organisation and how you are going to get there.”

However, communication is more important for women than men, with 42% of women saying it was an important attribute for good leaders compared to 32% of men. Our research suggests women and men also see communication differently.

Many of those we spoke to, including male leaders, said that men, who tend to dominate company leadership teams, view communication as telling people about decisions that have been made, while women value conversations. For women, good communication is about openness, listening and bringing others into the decision making process. As Sacha Romanovitch, CEO at Grant Thornton UK, comments: “I think communication has for too long been thought of as broadcast; actually it’s about creating conversation and building community.”

In today’s world, with 24/7 online media, open and transparent communication is vital. For communication to move from the broadcast of messages to creating conversations, leaders must be able to listen.

“Leaders need to be connected to their organisation and understand it, so they can respond quickly and appropriately when things need to change,” says Lindsay Degouve De Nuncques, head of ACCA Middle East.

Women expect leaders to listen, but they also recognise that those they are leading need to feel they are being heard. This can perhaps come more naturally to women. As Norman Pickavance, leader of brand, culture and sustainability at Grant Thornton UK, says: “Men can sometimes be too heavily focused on their own agenda to demonstrate that all points of view are valued.”

“As technology advances, it is realistic for everyone to have a say. We live in a world of crowd-sourcing ideas, which is an example of the value of everybody’s voice being heard, and great leaders will need to apply that development to the way they run their organisation.”

Norman Pickavance
Leader of brand, culture and sustainability,
Grant Thornton UK

42%
of women say communication is an
important attribute for good leaders,
compared to 32% of men



Inspirational vision

Closely linked to communication is the ability to inspire, the second most important attribute of good leaders (31%). Leaders need to be able to bring direction to an organisation, and motivate their teams to follow them.

But again women value the ability to inspire and vision differently to men. While women recognise that occasionally it is important for leaders to be single-minded, even obsessive about their vision in order to see it through, most of the time they want leaders to be willing to hear from others and bring them on board first. This is important given how quickly the world is changing. Cultural norms have shifted; historically, business and experts influenced decision making, today society expects a broader range of views to be considered.

Delegation vs collaboration

Leaders cannot do everything themselves; they need to have a strong team around them to whom they can delegate work. A recent article in Harvard Business Review highlights that teamwork is becoming increasingly important for operational success as business becomes more global and cross-functional and connectivity increases.⁸ A quarter of senior leaders told us that the ability to delegate was an important attribute for good leaders, but it was more important for men than women.

Instead, women seem to focus more on collaboration, which many leaders believe is becoming more and more important. As Pamela Harless comments: “Firms need to bring people with diverse experiences to the table if they’re going to be able to solve the increasingly complex problems they are facing. This requires a more collaborative, not dictatorial, leadership style.”

Senior leaders we spoke to suggest that this inclusive approach is more common among women than men, with one interviewee commenting that his female chief executive’s general inclination is “always to bring other people to the table”. Women are seen to value team-building and cooperation more than men, and this can achieve greater results than delegation alone. “The more people you’ve got working on a problem, the more chance you’ve got of coming up with something that’s going to make sense and succeed,” says Francesca Lagerberg.

“Leaders need to be able to give clear direction to the organisation, and then inspire others to follow that direction through clear and engaging communication and creating a culture where people feel empowered and motivated to deliver and know they are making a difference.”

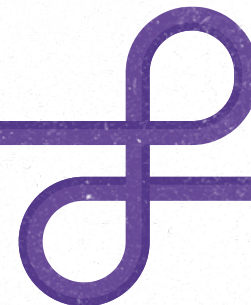
Lindsay Degouve De Nuncques
Head, ACCA Middle East

“I think delegation is absolutely critical. As a leader you can’t be successful doing it all on your own.”

Stephanie Hasenbos-Case
Global leader of people and culture, Grant Thornton

26% of men say delegation is an important attribute for a good leader, compared to 20% of women

⁸ <https://hbr.org/2016/01/collaborative-overload>



Dealing with complexity

In conversations with senior leaders, the importance of adaptability for good leadership came up time and time again. Although the ability to deal with complexity is not seen as one of the top three most important attributes for good leaders, it is something that is more important for women than men, with 24% of women saying it is important compared to 18% of men. This might suggest that women are more aware of the increasing complexity of the VUCA world and recognise the need for leaders to be able to operate within that uncertainty.

The business world is going through huge transformation. Millennials expect more from their employers and technological advances allow competitors to challenge traditional market practices. This means it is vital that leaders are able to adapt.

Sacha Romanovitch highlights the difference between adaptive leadership and technical leadership, saying: “Technical leadership is about implementing a known solution to a complex problem. But in a volatile and uncertain world you don’t know what the answer is, so you need to lead by creating an environment in which lots of people are involved in finding solutions to the challenges you’re facing.”

“Dealing with complexity and a changeable world is hugely important. In Brazil we are very aware of this fact and, through the years, have experienced a lot of economic and political changes. Senior management must bring creative, flexible and inspiring solutions - typical skills of professional women raised and educated in this country.”

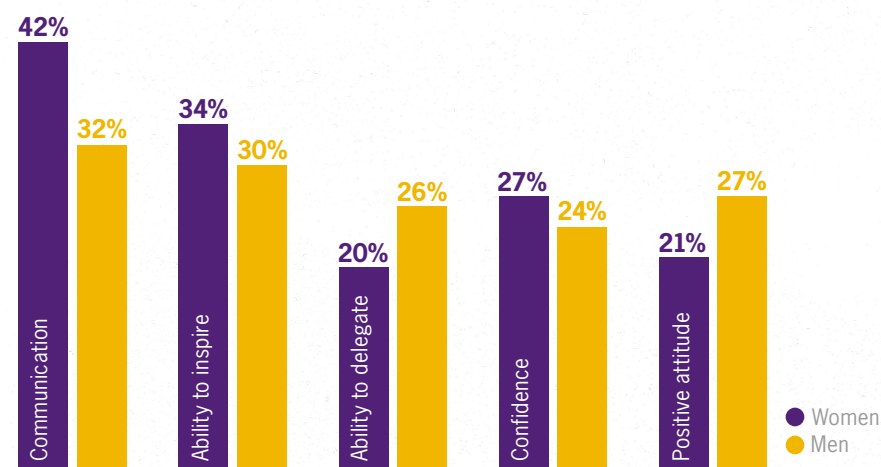
Madeleine Blankenstein
Partner, Grant Thornton Brazil

A new style of leadership

Women value the attributes of good leadership differently to men, but they also recognise that the world is changing and therefore business has to change too. The women we spoke to said it’s time for a new style of leadership, for businesses to move away from the traditional ‘alpha male’ approach and instead embrace a style of leadership that values asking questions,

listening to the views of others and collaborating to find the best solutions. As one interviewee put it: “Historically, a lot of leadership in the business world has been ‘command and control’, but that alpha leadership style stems from the military and stops people looking for opportunities and different ways of doing things; I don’t think it’s a great model.”

Business leaders' views of the five most important attributes of a good leader



Source: Grant Thornton IBR 2015

What drives leaders to take leadership roles?

In order to attract the leaders they need to succeed, whether from within their own talent pipeline or outside the organisation, businesses need to understand what drives those men and women to strive for and take up a leadership position.

Good leaders want to make a difference

Leaders, whether male or female, want to have an impact, both inside and outside the businesses they work for. Across the world, the biggest driver for taking a senior leadership position is the ability to drive business strategy and effect change, chosen by 37% of our survey respondents. As Pamela Harless explains: “My motivation was that I wanted to be able to influence the direction of the organisation and impact the culture of the firm. I wanted to shape strategy, have a say and bring a new perspective.”

Also important drivers for taking a senior leadership position are the ability to empower others (28%) and to make a positive difference in the local community (23%). It is no longer enough for a job to provide financial security; leaders are looking for careers that allow them to

benefit society and be proud of the work they do. Gone are the days when ‘making a difference’ meant the CEO picking a charity for the business to donate money to; now leaders need to inspire and empower their staff to give time and get involved in projects on the ground. Norman Pickavance describes this shift as moving from a leadership model which is focused on shareholder value to a new model which is focused on societal value.

But women also want to know they're appropriately rewarded

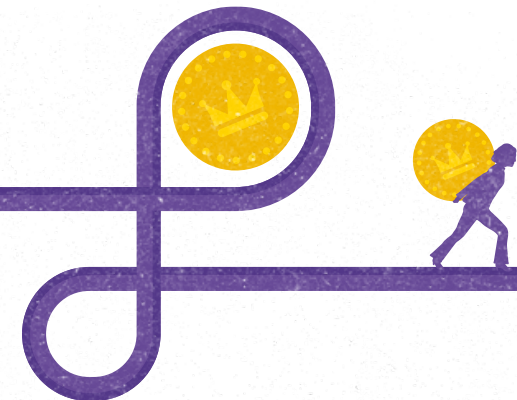
Making a difference is not the only thing that drives leaders to take senior positions. Recognition of ability was the second strongest driver, with a third (32%) of people saying it contributed to them choosing a leadership position, but it was significantly more important to women

than men. Similarly, taking a senior leadership position in order to earn a higher salary was more important to women (28%) than men (21%).

For many of the women we spoke to, this difference was easily explained by the fact that women have had to fight to achieve recognition and equality in the business world. Sacha Romanovitch explains: “Women want to be treated fairly and to feel that their pay is reasonable based on the contribution they have made. But while men may be more likely to take it for granted that they’ll be recognised and rewarded for the work they do, women’s experience is more likely to be that it may not be so; they often feel that recognition and fair reward is something they will have to actively seek out.”

28%

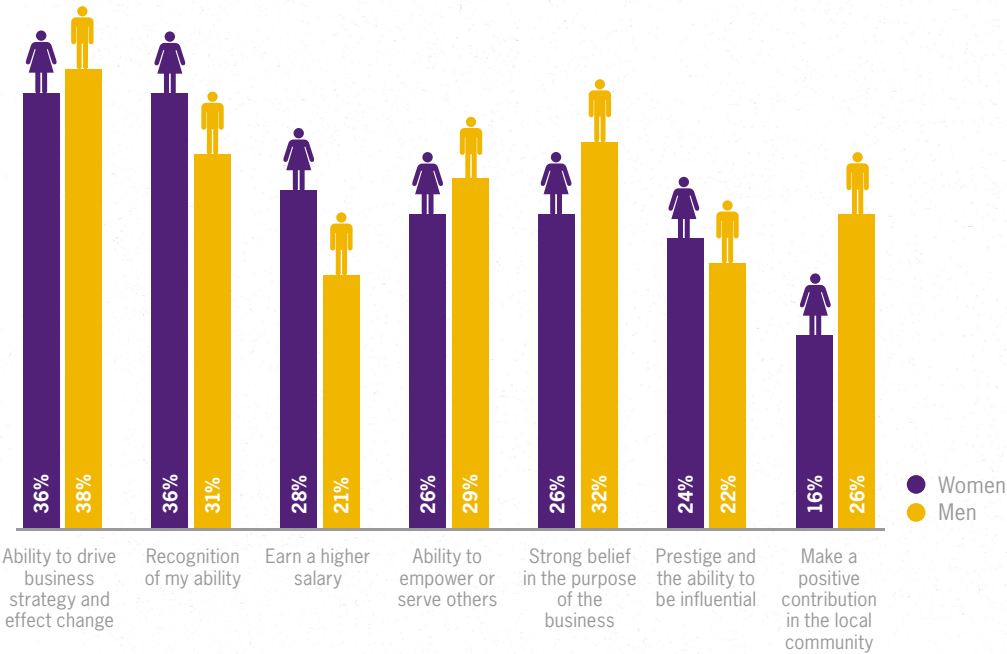
of women felt it was important to take a senior leadership position in order to earn a higher wage compared to 21% of men



A number of interviewees highlighted the increase in awareness and transparency over pay inequality, saying this has put salary issues high on the agenda for women considering senior leadership: “The fact that more women say higher salary is important may be because of a historic lack of transparency over pay issues. Previously women didn’t know there was inequality, but now they’ve seen the data and heard the stories so know there’s a risk they won’t be paid fairly and therefore they are more vocal about the importance of salary,” says Lindsay Degouve De Nuncques.

But there is also a wider social dynamic that influences women’s desire for higher salaries when they take on leadership positions: the need to ensure their family’s financial security. If women are moving to the role of sole breadwinner or will have to pay for childcare while both partners are working, they have to ensure that their remuneration will be sufficient to provide for their family’s needs.

Top reasons leaders take senior leadership positions



Source: Grant Thornton IBR 2015



32%
of people say that recognition of ability was
the strongest driver for them taking a senior position

What deters potential leaders?

Businesses need to ensure that senior roles are attractive to talented employees looking to take that next step. This means they need to be alert to the barriers that can be off-putting to potential leaders, and especially women, and ensure they have the right structures in place to support women looking to lead.

Unconscious biases against women

While businesses increasingly understand the benefits of diversity in leadership and are committed to meritocracy, there can be a mismatch between what they say and how they unconsciously behave. Women we spoke to said the dominant narrative around business leadership is still often based on the traditional view that leaders must be single-minded and willing to sacrifice everything else to achieve what they want. But this doesn't match women's desires for their careers. As one interviewee explained: "When I was younger I was given the message that if I wanted a leadership role I had to be hungry, driven and ambitious. The person I pictured was a complete monster and I thought 'that's not who I am so if that's the type of person you're looking for then maybe it's not for me'."

In addition, business practices can, unintentionally, make it harder for women to succeed. Networking events that always happen in the evening can be difficult for working mothers to attend; and requiring people to volunteer for projects rather than being asked to apply can lead to a higher proportion of men than women taking on new roles. Emily Cox, head of employment law, ER and people services at Virgin Money, used the example of headcount policies: "Unfortunately, the unintended consequence of a business policy that headcount must remain flat can be that line managers are reluctant to discuss potential job share proposals with women returning from maternity leave. This means women often feel they have to choose between family life and work, and may choose to opt out rather than continuing to progress their career."

Lack of support structures

Women also feel there is a lack of adequate support structures to help them lead; our International Business Report found that more female than male leaders say the resources aren't in place to help them remain in their role long-term. As Sacha Romanovitch says, leadership can be a lonely place, so having a strong network of people to encourage and inspire you is vital. Businesses need to create environments in which women feel confident that they will be heard and valued, and know they will be supported through transitions and difficult moments.

"I think often the problem is that people suspect firms are addressing diversity because they have to, because there are quotas and reviews and scrutiny and shareholder pressure, rather than because they genuinely believe in it."

Rhodri Williams
Vice president of communications and public affairs EMEA, AIG

"Companies need to have open discussions with the women in their workforce to understand their experiences and what they need in terms of support."

Deborah Stern-Vieitas
CEO, American Chamber of Commerce for Brazil

The impact on family life

There can be a perception that leaders have to choose between success in their career and a sustainable family life, which continues to put women off. The women we spoke to recognise that sometimes taking a senior leadership role is not right for them at that time, with one interviewee saying she was offered a role that required a lot of travel and declined because at that point she wanted to be at home for her family. Although the organisation would have been open to adapting the role to suit her situation, she felt she wouldn't be able to do the best job possible.

Women also highlighted the need for both cultural and business norms to change to make it easier for them to lead. This means changing the expectation that the parent who sidelines their career to look after children will be the female, normalising shared parental leave and providing improved support for women on maternity leave and genuinely flexible working arrangements. In particular, ensuring that childcare is affordable and flexible was a key issue for the women we spoke to, as otherwise it may not be financially viable for them to continue working and progress into senior leadership roles.

And while these issues are particularly salient for women, a number of interviewees highlighted that the same challenge will be a barrier to the next generation of male leaders: "The next generation of leaders – the millennials, both female and male – want work-life balance and flexibility. They want to work from home or be able to take a two-year career gap if they choose to, whether to have children or go travelling or volunteer, and they will be prepared to move firms if this flexibility is not available" says Kim Schmidt, senior advisor on leadership, talent and culture at Grant Thornton Australia.

"People say you can't have both a family and a career, that you have to choose; but why can't you be a great mum and very good in your chosen profession?"

Emily Cox
Head of employment law, ER and people services,
Virgin Money

"I was concerned that if I became a leader I would have less time and focus for my family. We need to change the perception that leaders have to choose between success in their career and a sustainable family life."

Marivic Espano
Chairperson and CEO,
Grant Thornton Philippines



Ensuring childcare is affordable and flexible, across childhood rather than just infancy, is a key issue for women



Recommendations

“Businesses have talked the talk on diversity in leadership for long enough. It’s time to put their promises into practice and deliver results.”

Francesca Lagerberg – Global leader for tax services and sponsor on women in leadership, Grant Thornton

Businesses need to attract, develop and retain diverse leadership teams who will enable them to succeed and grow. However, a third of businesses worldwide still have no women at the senior management table.

Given the majority of senior business leaders are men, the style of leadership being exhibited – the attributes being sought and the benefits being promoted – will likely be moulded by a male view of what it means to lead, and therefore may not appeal to

women looking for senior positions. But there are practices that could overcome this difference and enable businesses to reap the benefits of a diverse, gender-balanced leadership team.

Women felt having a mentor is the most instrumental type of support structure in succeeding a leader



“Even within my own team, I realised that the most common descriptions of leadership we used in meetings were related to sports teams or the military. We had to redefine our story of leadership, settling on an orchestra as the best example to use to be meaningful to both genders.”

Sacha Romanovitch – CEO, Grant Thornton UK

1. Demonstrate demand for the leadership skills women value



Business

Ensure your business is prepared for the complex world – review the way leadership is defined and demonstrated within your organisation

Too many businesses continue to operate with traditional ideas of leadership that do not meet the challenges of today's world and do not appeal to women, or the next generation of men. For instance, it may be perceived that leaders must have domineering personalities, do not take input or accept questions from others, or operate single-handedly rather than collaborating to solve complex problems. It's vital that any misrepresentations are identified and challenged. Firms should review the attributes displayed across the existing leadership team and consider the message this sends to women both internally and externally. Additional benefits are likely if an external body is appointed to conduct the audit, especially if the current leadership team lacks diversity.



Business

Difference is desirable – reward a broad skill set

Firms need to ensure that their performance management requirements take account of the leadership attributes needed in a volatile and uncertain world, and those that women believe are most important in good leaders. Job descriptions, training targets and appraisals should include broader elements of leadership. As academics recently commented in the Harvard Business Review, companies could learn a lot from professional sports teams, who don't just measure goals but also track assists.⁹ In a similar way, organisations should ensure that remuneration structures measure and reward the broad work of leaders and leadership teams rather than a narrow set of financial targets.



Women

Seek out new experiences to gain a diverse perspective and demonstrate you've got the skills businesses need

Leadership teams will work best when every member, whether male or female, has a broad range of experience, so women should actively pursue opportunities to work in different environments and broaden their diversity credentials. This might mean volunteering for projects, secondments and placements that would give them the opportunity to develop new connections, gain knowledge on different issues and see best practice in a variety of settings. As chief operating officer at the Property Council of Australia, Kathy MacDermott says, people who've had a diversity of roles and different experiences will be best equipped to lead so those aspiring to be leaders need to seize opportunities to take on special projects and proactively expand their networks.



Government

Demonstrate best practice on diverse leadership

Government organisations regularly top the lists of the world's biggest employers, from the US Department of Defense to the Chinese military and the UK's National Health Service to Indian Railways.¹⁰ This means governments around the world are in prime position to lead the way on diversity in leadership and provide the example for private sector firms to follow. Public sector organisations should ensure that their leadership teams include both men and women, and that the leaders demonstrate the variety of attributes needed to succeed in a VUCA world.

⁹ <https://hbr.org/2016/01/collaborative-overload>

¹⁰ <http://www.bbc.co.uk/news/magazine-17429786>

“Part of the problem historically has been the deterrent factor of senior positions. It’s not just the push; it’s the lack of pull.”

Rhodri Williams – Vice president of communications and public affairs EMEA, AIG

2. Understand what drives the desire to lead



Business

Promote opportunities for leaders to make a difference

Many leaders want to make a difference, so businesses need to make it clear that taking up a senior position will provide an opportunity to do so. They need to demystify senior leadership and show that it’s an exciting and rewarding role. Businesses must be able to articulate their purpose and the legacy it will have for the local community. In addition, firms should look to promote the international opportunities of leadership and the ability leaders have to make a difference on a global scale.



Business

Money matters to women so get it out in the open

While remuneration matters to just about everybody, earning a higher salary is, perhaps counter-intuitively, a bigger driver for women in accepting a senior leadership role than men. Women see their pay as a demonstration that the business values them and will reward them fairly for their work, and are also keen to ensure they earn enough to ensure their family’s security. However, women are generally more anxious about asking for more pay and better positions¹¹ and much less likely than men to initiate negotiations¹², so businesses need to talk about money. This can be difficult as people often feel uncomfortable talking about pay. It’s important that businesses give their employees permission to talk freely and train managers in how to have honest conversations with their staff about financial reward.



Women

Be clear about what you want and ask for it

While some women may not find negotiation comfortable, it is important that they are able and willing to articulate what they want from a senior leadership role, including pay. Many of those we spoke to highlighted the need for women looking to lead to take risks and put themselves forward for new roles, and it can also be helpful for women to ask for training in the areas they want to develop further as a demonstration of their ambition. But women need to approach negotiations able to clearly articulate the organisational benefit of their request, as research has shown that this tends to be more successful than simply asking for yourself.¹³



Government

Enforce transparency on remuneration and push for equal pay

Governments certainly have a role to play in opening up the conversation about fair pay, and to demonstrate best practice on this issue. A number of countries have implemented or are exploring new rules around transparency on remuneration, forcing businesses to be open about how much they pay employees of different genders and at different levels. This is putting pressure on businesses to review their structures and ensure there is equal pay for men and women.



¹¹ <http://www.forbes.com/sites/susanadams/2014/10/16/how-women-should-ask-for-a-raise/#49ef20b74101>

¹² <http://www.womendontask.com/stats.html>

¹³ <https://hbr.org/2014/06/why-women-dont-negotiate-their-job-offers/>

“I think the key thing is creating an environment that is actually interesting and exciting for women to be a part of, to feel their contribution will be valued and to feel that they’re heard.”

Sacha Romanovitch – CEO, Grant Thornton UK

3. Create an environment that supports women wanting to lead



Business

Identify and address the ingrained beliefs that are holding women back

Firms need to understand where in their talent pipeline women are facing barriers and dropping off the path to senior leadership. While organisations strive to ensure their assessment processes are fair, as Anne Richard, chief investment officer at Aberdeen Asset Management, commented: “For many women the workplace is not meritocratic”.¹⁴ Running unconscious bias workshops can help businesses understand how they may be unintentionally holding women back, for instance by labelling women as ‘aggressive’ rather than ‘assertive’ when they display a strong drive for results or by having male dominated interview panels that unconsciously hire and promote people who look and sound like them.



Business

Support the talent pipeline – provide mentorship and sponsorship programmes

For many of the women we spoke to, the support structure that was most significant in helping them succeed in leadership was having a mentor or sponsor. These were senior leaders, whether from inside or outside their own organisation, who created opportunities for the women they supported, built their confidence to take risks and provided a sounding board for new ideas. Firms should ensure those individuals identified as potential leaders of the future have the support of a mentor or sponsor as they reflect on what they want from their career and consider how they can best achieve it. But it is vital that these mentors and sponsors are nurturing the right values and attributes in the future leaders they work with.



Women

Recognise that you are a role model – and be honest about your experiences of leadership

While women are in the minority in senior leadership teams, those who are in management positions will unavoidably be looked to by their junior colleagues as examples. Therefore, it is vital that they demonstrate the breadth of leadership attributes required for the company to succeed, and that they make leadership attractive to women looking to progress. As Ida Tillisch, director general of EWS-WWF, comments: “Women visible in senior positions can inspire younger women who want to lead. But they shouldn’t boast to be ‘superwomen’; they need to be able to show they are like any other women and are balancing their job with family and other responsibilities.”



Government

Ensure flexible, high-quality childcare is affordable and available

Many leaders, whether male or female, are passionate about their careers and keen to continue working while also playing an active role in raising a family. However, the lack of reliable, flexible and cost-effective childcare often makes it impossible for both parents to continue working, especially at a senior level. Governments need to put measures in place to provide parents with the support they need to balance a satisfying career with a sustainable family life, for instance standards to ensure quality is consistent and vouchers so that paying for childcare is tax efficient. Governments also need to ensure that childcare is available throughout childhood, rather than stopping when children reach school age, and that it is available in the evenings and throughout school holidays.

¹⁴ <http://www.dailymail.co.uk/money/comment/article-3403879/ANNE-RICHARDS-Slow-progress-weighs-Davos-diversity-men-outnumber-women-four-one.html>

How Grant Thornton can help

The talent pool of the future will change and require different skills. It will also work in different ways and live in different places

About Grant Thornton

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IBR 2016 methodology

The Grant Thornton International Business Report (IBR) is the world's leading mid-market business survey, interviewing approximately 2,500 senior executives every quarter in listed and privately-held companies all over the world. Launched in 1992 in nine European countries, the report now surveys more than 10,000 business leaders in 36 economies on an annual basis, providing insights on the economic and commercial issues affecting the growth prospects of companies globally.

The data in this report are drawn from 5,520 interviews conducted between July and December 2015 with chief executive officers, managing directors, chairmen and other senior decision-makers from all industry sectors in mid-market businesses in 36 economies. A further 17 in-depth interviews were conducted with business leaders from inside and outside Grant Thornton.

The definition of mid-market varies across the world: in mainland China, we interview businesses with 100-1000 employees; in the United States, those with US\$20million to US\$2billion in annual revenues; in Europe, those with 50-499 employees.

For the purposes of this research senior management is defined as those holding C-Suite jobs, such as chief executive officer (CEO), chief operating officer (COO) or chief finance officer (CFO), managing directors or partners.

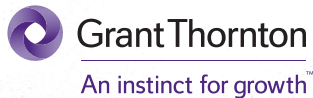
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