



Grant Thornton

An instinct for growth™

Women in business: *the path to leadership*

Grant Thornton International Business Report 2015



Executive summary

Business leadership today

(p. 4-9)

The proportion of senior roles held by women has barely changed over the past decade. Eastern Europe leads the way, and there has been some progress in Europe, but Japan, India and Germany remain at the bottom of the rankings.



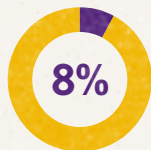
OF SENIOR LEADERSHIP ROLES HELD BY WOMEN



OF BUSINESSES HAVE NO FEMALE LEADERS



OF SENIOR ROLES HELD BY WOMEN IN RUSSIA



OF SENIOR ROLES HELD BY WOMEN IN JAPAN

The path to promotion

(p. 10-14)

Four key trends emerge from our research into the career paths of men and women who have reached the top:



Parenthood and family care require women to make more sacrifices



Women are more likely to work their way up to management support positions



Women are twice as likely to cite gender bias as a barrier



Men and women network differently



Society

- Stop holding female leaders up to a higher standard
- End the stigmatisation of men who share childcare
- Update the outdated business leadership stereotype

- Consider mandating quotas for women on boards
- Facilitate shared parental leave
- Build the necessary infrastructure and legislation

Government



Women

- Put your hand up for stretch assignments
- Push yourself out of your comfort zone
- Challenge your organisation to tackle gender bias

- Make a top-level commitment to support women leaders
- Design leadership positions to be more attractive
- Invest in mentoring and sponsorship programmes

Business



Recommendations (p. 15-18)

We outline 12 recommendations to help smooth the path for women into business leadership roles:

Introduction

For over a decade Grant Thornton has published the proportion of business leadership roles held by women. Every year the result disappoints. So, why do we do it? Why do we, as advisors to dynamic businesses, care?

To put it simply: when women thrive, businesses thrive. If an economy is only using half of its most talented people then it immediately cuts its growth potential. And economies cannot simply throw more (male) labour at the problem: a recent McKinsey report¹ showed how ageing populations and lower birth rates in many advanced economies are weighing on productivity growth. Interestingly, two of the economies sitting on a ticking demographic time bomb highlighted in the McKinsey report - Germany and Japan - rank bottom of our index for the proportion of senior leadership roles held by women. Getting more women into the workforce will not solve the looming productivity crisis but it would be a step in the right direction.

More broadly businesses need to think about how they access different skillsets. We are all aware of the danger of 'groupthink'; diversity simply leads to better decisions in all walks of life. Business growth comes from diversity of opinion; from thinking and acting differently from the competition.

As my colleague Sacha Romanovitch puts it, businesses need to create "a bigger map of the world" by broadening their horizons and opening themselves up to new thinking. Gender is just one strand of diversity, but it is a major and grossly under-used one according to our findings.

There is also a moral issue here. Are women being given the same opportunities as men? Do women hold fewer leadership roles out of choice? Or are there cultural or social barriers to their advancement that we should not accept in the 21st century?

So what does this report add to the debate?

Last year's report ([From classroom to boardroom](#)) found that an increasing number of female graduates has not yet translated into increasing participation in the upper echelons of the business world. So this year we decided to focus on career paths to better understand the barriers to women's progress into leadership roles.

Drawing on 5,404 interviews in 35 economies conducted through our International Business Report and 20 in-depth interviews with senior business leaders, this report finds that women's advancement is being constrained by a number of factors, from entrenched social norms and gender bias to parenthood and archaic business practices. Clearly there is no silver bullet to combat such a broad range of barriers, but the research offers insight into the actions society, governments, businesses and women themselves can take to begin the process of change. By following our recommendations each group would

be unlocking its own potential for growth, by raising diversity and boosting productivity. Ignoring them is quite simply a colossal waste.

Francesca Lagerberg

Global leader for tax services
and sponsor on people and culture issues
Grant Thornton



¹ "Can long-term global growth be saved?" - McKinsey Global Institute (2015)

Business leadership today

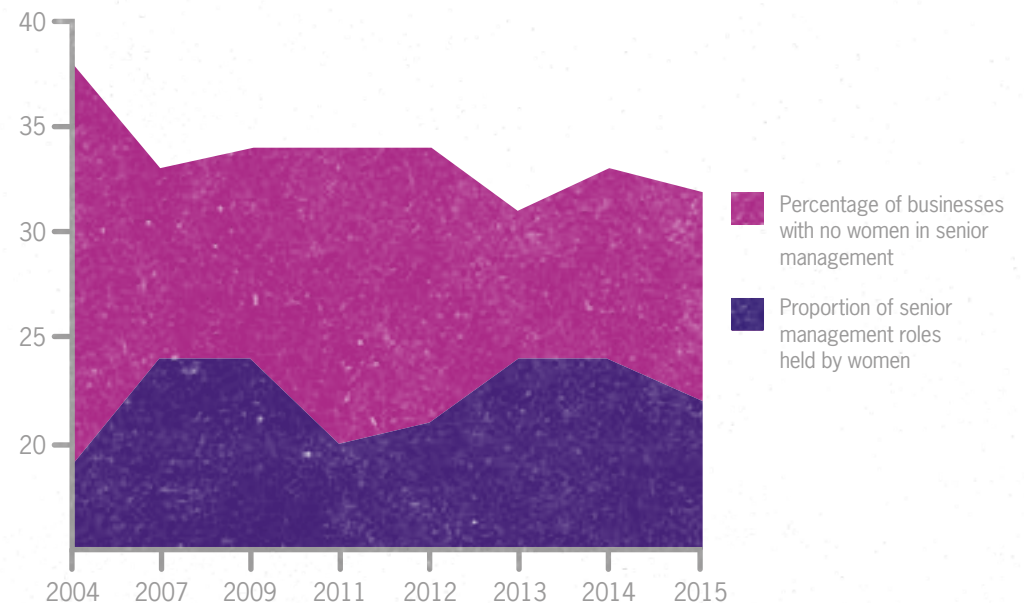
Before we look in detail at career paths, it is worth considering how little has changed in the world since we started tracking gender diversity in business leadership back in 2004. There has been much debate and discussion over the intervening 11 years. Countries such as Norway have successfully introduced quotas, Sheryl Sandberg, COO of Facebook, has sparked debate about whether the lack of progress is a matter of women needing to “lean in”, and a number of countries including Brazil, Germany and Thailand have elected female heads of state.

However, over that time, the proportion of the top jobs in business held by women has barely changed, increasing from 19% in 2004 to 22% today, and never reaching higher than 24% over the intervening period. Slightly more encouragingly, the proportion of businesses with no women in their leadership teams has dropped from 38% to 32%. This figure drops further, to 26% for the most dynamic (or high-growth) businesses in our survey, perhaps an indication of the benefits greater leadership diversity brings.

There are other pockets of optimism in the results. Eastern Europe stands out as a consistently good performer with 35% of senior roles held by women. The top six economies in our rankings are from the region where just 16% of businesses have no women in their leadership teams.

The drivers of this relative success are drawn from history, culture and demographics. Women were promoted into new service industries under the old Soviet Union, which was keen to show that ‘equality of opportunity’ under communism included equality between genders. Barbara Stocking, President of Murray Edwards college Cambridge, says “equality of education was very important in the communist era. We have a lot of Eastern European students doing maths and engineering which are much more unusual for girls in the UK.” Gender ratios also play their part: Russia has approximately 120 women for every 100 men, partially driven by the huge number of people who died in Russia (and the wider region) during WWII, and also by higher male mortality rates.

Women in senior management



“We have an ageing society so we need to get well-qualified women back into work.”

Christina Busch | Partner | Warth & Klein Grant Thornton

There has been progress in Europe. Across the European Union (EU) 26% of top jobs are now held by women, compared with just 17% in 2004. In 2013, the European Parliament voted in favour of a proposed law on mandatory quotas (although it does not yet have sufficient support from national parliaments to become EU law). Countries that have made the most progress over this period include Spain (increasing from 14% to 26%), and France (21% to 33%) - which

have introduced their own national quotas - and Sweden (18% to 28%). The UK by contrast has made relatively little progress (18% to 22%) and Germany has gone backwards (16% to 14%).

There has been significant progress in Western Europe where 26% of senior roles are now held by women

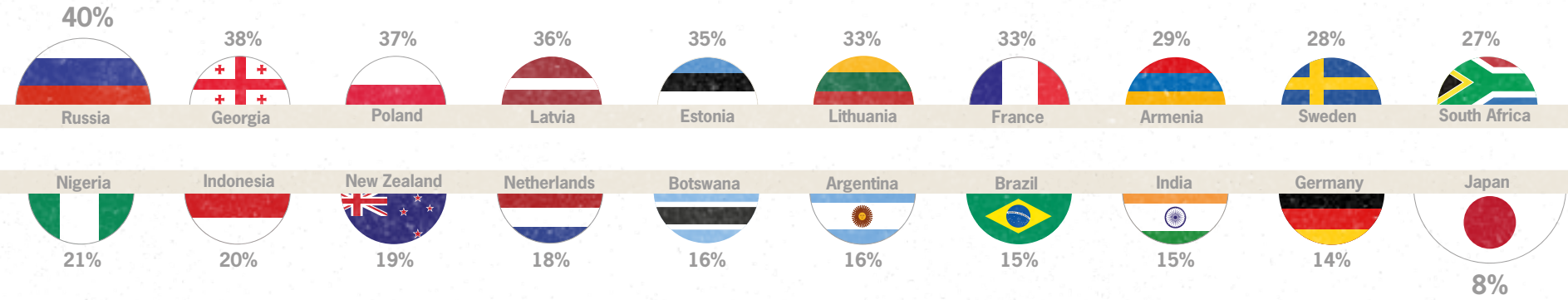
This highlights how difficult it will be for German listed businesses to meet the 30% target set by the government for non-

executive supervisory board seats by this time next year despite the clear need which Christina Busch, a partner at Warth & Klein Grant Thornton highlights: “We have an ageing society so we need to get well-qualified women back into work.”

Little has changed in North America since 2004 with neither Canada (25%) nor the US (21%) showing significant progress, although the proportion of businesses with no female leaders has dropped from 30% in 2012 to 22% in

2015. Worryingly, Latin America seems to have reversed, with senior roles falling from 28% in 2009 to 18% today, while those with no women has risen from 34% to 53%. Maria Cunha Matos, a managing associate at Linklaters in Brazil, says: “We need to see major social changes in Latin America ; I’m often the only woman in the room at meetings, and it’s rare that wives work.”

Proportion of senior management roles held by women (top and bottom ten)



“Asian culture hasn’t matured enough to accept the fact that women can hold a job and also have a family.”

Ellen Teo | CEO | Union Energy in Singapore

In Asia-Pacific, there has been some retrenchment with the proportion of senior roles held by women falling from 25% in 2009 to 20% today. The figure drops to just 13% in the region’s advanced economies, driven by Japan (8%) which has remained steadfastly at the bottom of the table since 2004 despite Shinzo Abe’s pledge to raise the number of women in the workforce and reduce the gender pay gap. A staggering 66% of Japanese businesses have no women in the senior leadership teams. The figure in Australia (22%) has not moved from a decade ago, although the proportion of businesses with no women (28%) is below the global average. Ellen Teo, CEO of

Union Energy in Singapore, says Asian culture “hasn’t matured enough to accept the fact that women can hold a job and also have a family”.

Rapid urbanisation in emerging economies has led to the breakdown of traditional family support models.

Historically, emerging Asia-Pacific economies (23%) perform better in this area. In previous reports we have highlighted the cheap childcare infrastructure (specifically relatives living nearby) that is more prevalent before countries urbanise and families separate into more ‘nuclear’ units that are common in the West. However, mass urbanisation

is starting to erode these support structures as well as raising aspirations and increasing job opportunities for women, meaning many choose to have children later in life (if at all). In China women now hold 25% of senior roles, down from 32% in 2007. However, we have also seen significant volatility in the results over this period (the figure in China rose to 39% in 2013 and to 45% in Thailand in 2011, compared with 27% in 2015) suggesting that businesses are far from homogeneous².

66%

**OF JAPANESE BUSINESSES
HAVE NO WOMEN IN
THEIR SENIOR LEADERSHIP TEAMS**



20%



**THE PROPORTION OF SENIOR ROLES HELD
BY WOMEN IN ASIA-PACIFIC ECONOMIES**

² Methodological note: c.40% of the respondents are repeat interviewees

Global snapshot

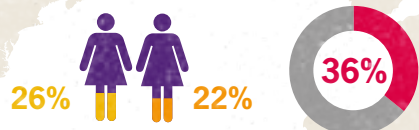
North America

The result for North America in 2015 is in-line with the long-run average suggesting little change over the past decade, although Canada (25%) has been tracking higher than the US. The proportion of businesses with no female leaders has dropped steadily from 30% in 2012 to 22% in 2015.



European Union

Big improvement since 2004 (+9pp) in senior roles held by women driven by France, Spain (which have both introduced legislation) and Sweden, although businesses with no women remains fairly consistent. Little change in the UK over the past decade and Germany remains the big laggard: 59% of businesses have no female leaders.



Eastern Europe

Seven economies placed in the top eight for women in senior management. Russia and Poland have the fewest businesses with no women in senior management. No significant changes seen over past decade apart from Turkey (+6pp) but Russia (39%) and Poland (34%) long-run averages are the highest in the world.



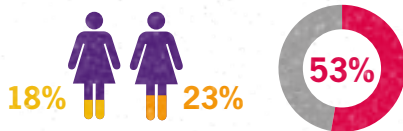
Emerging APAC

Significant volatility in year-on-year results suggests businesses in the region are far from homogenous, but downwards trend in female participation accelerated over past 12 months, especially in China, Indonesia and perhaps less surprisingly Thailand given its political situation. India remains in the bottom three globally.



Latin America

Despite the strong presence of female political leaders, the region has gone backwards (-10pp) since 2009, driven by Brazil which this year ranks fourth bottom globally (57% of businesses have no female leaders). Recession in Argentina may have pushed its result down 3pp on its long-run average. The situation in Mexico has been stable over the past decade, marginally above the global average.



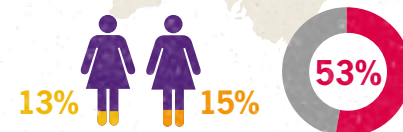
Africa

Very little change in South Africa in terms of senior roles held by women since 2004 (+1pp); Botswana showed a surprising (and unexplained) dip in 2015. This is the first year we have interviewed in Nigeria.



Developed APAC

Women's overall participation in the labour force remains low in Japan, dragging down the regional average. Japan has averaged just 8% of roles being held by women over the past decade. Both Australia and Singapore sit level with the global average but have seen no improvement since 2004.



Senior roles held by women



The industry perspective

The proportion of senior roles held by women varies enormously by industry. Women tend to be over-represented in service industries such as education, healthcare and hospitality, while the leadership teams of more traditional, primary industries such as manufacturing, transport, construction & real estate, mining & quarrying are overwhelmingly made up of men.

Women are most likely to lead education and social services and healthcare businesses (41%). Our survey only covers private businesses but these industries are tied closely to the public sector, an early adopter of flexible working practices and lengthy application processes which create a 'level playing field'. Close to half of business leaders in education & social services across Asia-Pacific are women (48%). In Europe, more than half of healthcare senior managers are female (53%).

Both hospitality (33%) and food & beverage (27%) also sit well above the global average, perhaps conscious of the need to appeal to women who make the bulk of the day-to-day buying decisions

in a typical household. For hospitality, this rises to 39% in North America and 37% in Europe; and for food & beverage to 45% in Eastern Europe.

At the other end of the spectrum, sit a group of industries that tend to involve men selling to other men. Mining & quarrying (12%) is the prime example, but construction & real estate (18%), manufacturing and transport (both 19%) also sit below the global average. Eastern Europe has a much higher proportion of women in senior leadership in construction & real estate (30%), but manufacturing is low across the globe, from Europe and Asia-Pacific (both 18%) to North America (20%).

Industries such as technology (19%) and cleantech (20%) are slight anomalies in that they are associated with young, dynamic people where you might expect traditional barriers to female advancement to be lower. The proportion of top technology jobs held by women stands at just 15% in Europe, rising slightly to 17% in Asia-Pacific and 20% in North America. This is largely explained by the continuing under-representation of women on computer science courses: from 2000 to 2011, the proportion of undergraduates in the US actually dropped from 28% to 18%³.

41%

OF SENIOR EDUCATION AND HEALTHCARE ROLES ARE HELD BY WOMEN



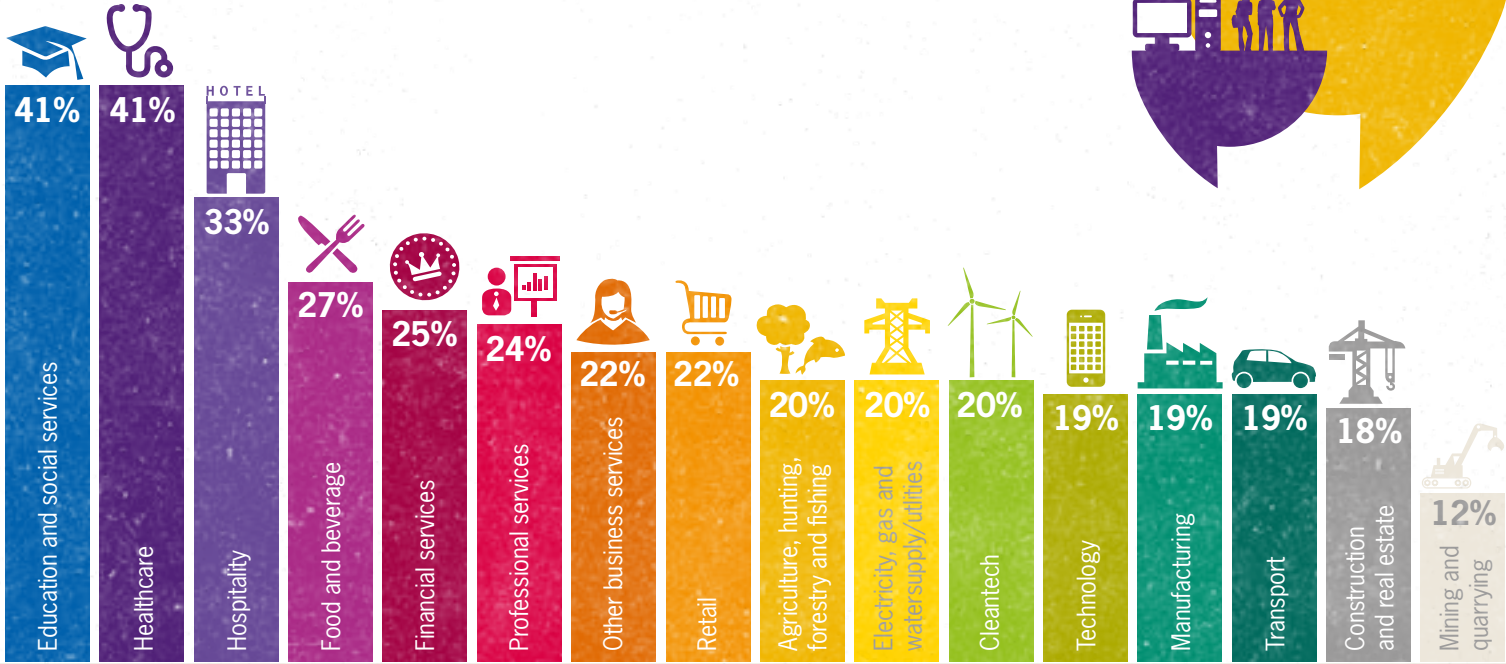
WOMEN ARE UNDERREPRESENTED ON COMPUTER SCIENCE COURSES GLOBALLY.



³ "Fostering women leaders: A fitness test for your top team" - McKinsey Quarterly (2015)

Big tech companies are clearly aware of the problem. Google has introduced all manner of workplace amenities such as ‘sleep pods’, running tracks and canteens that are open around the clock to allow its people to work flexibly. Apple and Facebook last year announced controversial plans to pay for female employees to freeze their eggs, ostensibly allowing them to work longer before having children. It is too early to tell if such schemes are making tech courses and careers more attractive to women. For mid-sized businesses in the sector, without the financial clout to invest in their workspaces and benefits systems, it remains a challenge.

Proportion of senior management roles held by women - by industry



19%
OF SENIOR TECHNOLOGY ROLES ARE HELD BY WOMEN



“In the food & beverage industry, there’s often a clear disconnect between industry leadership (predominantly men) and the end consumers who influence the buying decision (mainly women). Businesses need a more diverse balance and mix of skills, capabilities, and experience at a leadership level to maximise growth opportunities.”

Ciara Jackson | National leader - Food and beverage | Grant Thornton Ireland

The path to promotion

In light of the broad stagnation of women taking senior leadership roles globally, this section focuses on how and why women’s career paths diverge from those of men. Splitting respondents by gender (1,477 women; 3,927 men) produces some fascinating insight into perceptions of what has helped and hindered leaders along the road to senior management. Four highlights are discussed below.

Parenthood and family care require women to make more sacrifices

It is something of a cliché that the advancement of women into senior leadership is hampered by the pressures of child-rearing but parenthood is still viewed as a major barrier to female advancement into senior roles by women themselves (28%), a view supported by relatively fewer men (21%).

And whether mothers or not, many women have other significant family responsibilities - 24% of our female respondents cited these as a barrier to advancement. Some have to juggle care of young children and elderly parents.

Interestingly, women do not start their careers expecting to be restricted by children and families. A recent study of its alumni by the Harvard Business School⁴ found that women still wanted high-achieving careers even after starting

families, but that they suffered from mismatched expectations with their male partners. Half the women interviewed expected to do the majority of childcare but almost three-quarters actually ended up doing so. Less than a quarter expected their partner’s career to take precedence, but this happened 40% of the time. By contrast, the expectations of men in the study were exceeded.

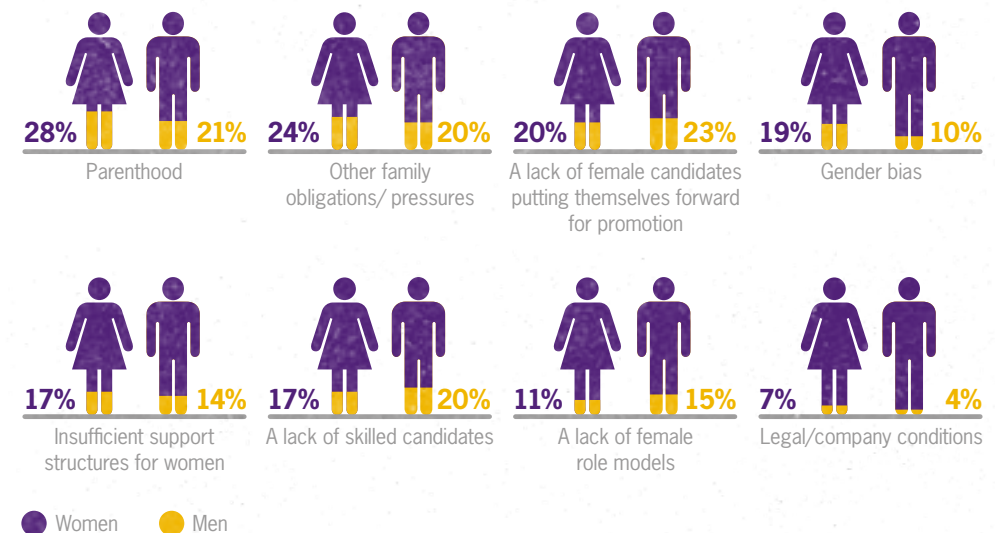
Sian Sinclair, partner at Grant Thornton Australia, says that often women pull back from the workforce when they become parents because it becomes “difficult juggling a career and family commitments” and that “every couple has to decide who will make the career sacrifices and more often than not, it’s the woman”.

For Madeleine Blankenstein, a partner at Grant Thornton Brazil, there are very practical problems for women in Brazil: “Poor infrastructure makes travel lengthy

and unpredictable – which makes it really tricky for women with children, adds to the cost of childcare and makes it difficult to plan.” Changes in traditional family structures in countries like Singapore also

pose problems. “My mother has friends who had high positions in their companies because they had older relatives to help with the children...but nowadays the support is really not there,” says Ellen Teo.

Percentage of respondents who cite the following as a barrier to women entering senior management in their organisation



⁴ “Rethink what you know about high achieving women” - Harvard Business School (2014)

Women are more likely to work their way up to management support positions

Senior female leaders are more likely to have worked as a more junior member of staff at their current company compared with their male counterparts. Almost three-quarters of women (74%) joined their company as a graduate or as an experienced hire - rising to 78% in Latin America and North America, and 83% in Asia Pacific. This compares with 60% of men, who are more likely to have been hired into a senior management role (31%) or to have founded the business (9%).

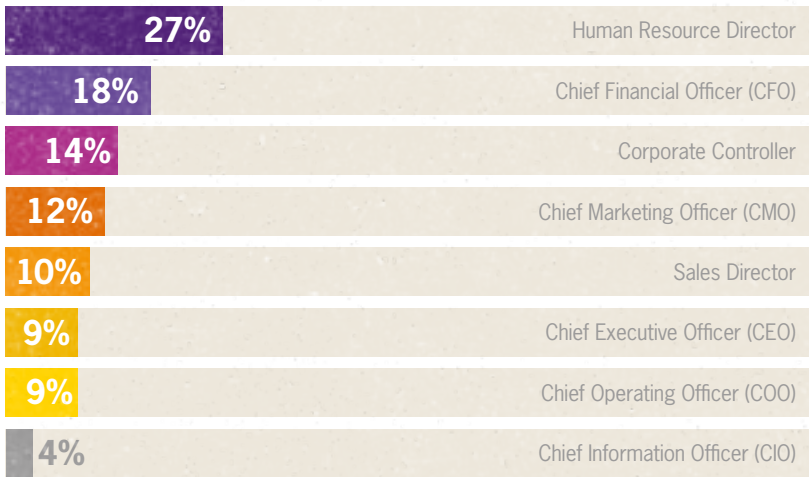
While women make up 22% of senior management globally, they continue to be concentrated in management support functions rather than in leadership roles at the core of a business, suggesting a bottleneck for women upon reaching the management level. The most popular leadership role for women globally is Human Resources Director (27%); women are only a third as likely to be Chief Executive Officer (CEO) or Chief Operating Officers (COO) globally (both 9%). However, 18% of Chief Financial Officer (CFO) and 14% of corporate controller roles are held by women. Rose Zhou, partner at Grant Thornton China, explains that “there is a pronounced tradition in many emerging markets of women running household budgets [while] traits typically associated with women – such a more rational, level-headed approach – lend themselves well to finance roles”.

A pervasive belief is that not enough women put themselves forward for promotion or for the ‘stretch assignments’ that will give them the experience and visibility necessary for advancement to senior leadership, a view shared by 20% of the women (and 23% of the men) we surveyed. Linda Wirth, a gender expert with the International Labour Organization (ILO) says: “A lot of the stories you hear are that the women don’t ‘lean in’. But there are just as many stories of women who say that they’ve done everything to climb, but [have] ultimately been frustrated because they do not get appointed by the men around. This is one of the reasons why women leave the corporate world to start their own businesses”.

Other leaders we spoke to attribute the gap to women needing to be encouraged more to put themselves forward for positions that might facilitate faster career progression. Sacha Romanovitch, CEO elect of Grant Thornton UK, says she

often needs to approach junior female colleagues to take on stretch assignments, whereas their male peers will put their hands up even if they are under qualified; “these women just don’t know how good they are,” she says.

Proportion of businesses where a woman holds role



29% OF HR DIRECTORS ARE WOMEN BUT JUST 9% OF CEOS

“People are positively opting out of the way up the greasy pole, because they’re making different decisions about quality of life.”

Francesca Lagerberg | Global leader for tax services and sponsor on people and cultural issues | Grant Thornton

Hewlett-Packard discovered something similar when the company was trying to address the paucity of women in its senior ranks. Analysis of its personnel records found women applied for promotion only when they believed they met 100% of the criteria; for men the figure dropped to just 60%. And research by Manchester Business School found women believe they deserve around 20% less in terms of salary compared with men for the same roles.⁵

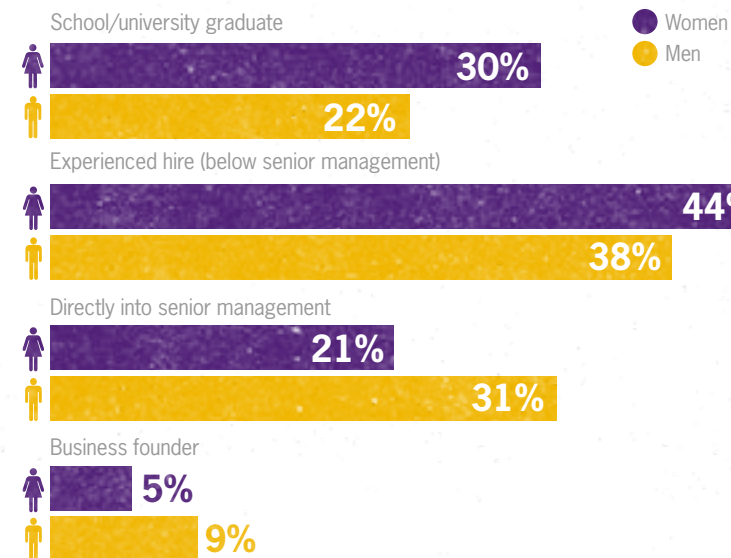
However, there is also a question mark around how attractive these senior roles really are. Research shows that upward of half of women at the peak of their careers in the US, UK and Germany believe that the drawbacks of leadership positions outweigh the benefits.⁶

Francesca Lagerberg says that people are “positively opting out of the way up the greasy pole, because they’re making different decisions about quality of life.”

There is a big question mark around how attractive business leadership roles really are.

Sacha Romanovitch says it’s a fallacy that there is “a long queue of people knocking on the door to get into senior leadership” and that both men and women are “choosing to do different things, as the sacrifices you have to make to become a business leader aren’t that attractive”.

Level respondent entered their current business



WOMEN TEND TO APPLY FOR PROMOTION ONLY WHEN THEY MEET 100% OF THE ROLE CRITERIA

⁵ “The confidence gap” - *The Atlantic* (2014)

⁶ “Women Want Five Things” - *Centre for Talent Innovation* (2014)

Women are twice as likely to cite gender bias

The power of stereotypes and gender bias is highlighted as a significant barrier on the path to leadership. The women we interviewed were almost twice as likely to cite gender bias as their male peers (19% vs. 10%), although there is significant variation between regions.

Women in Africa are by far the most likely to cite gender bias (44%), followed by peers in the EU (25%) and North America (21%). Men in Africa are most likely to recognise gender bias (21%), with those in Asia Pacific (5%) and Eastern Europe (4%) the least likely. However, Africa (23pp) is also where the biggest gaps between male and female perception of this issue are found in Africa, followed by Europe (15pp) and Asia-Pacific (12pp).

According to Linda Wirth, gender bias can range from the questions asked in interviews and men presenting women's ideas as their own in meetings, to making sexist remarks or subtly undermining women's abilities by calling them 'girls'. "Bias is subtle at the beginning of a career, but causes a clear separation of career paths," she says. In a recent study of its alumnae by Murray Edwards college Cambridge, far more women (38%) cited an 'unsupportive work environment' as their biggest career challenge, than anything else which, Barbara Stocking, says, amounts to "covert gender bias."

Gender bias is particularly important with respect to hiring processes and women's ability to move along the path into senior roles given long-held masculine stereotypes of leadership. "Style, gravitas, all of the subjective leadership qualities that we don't tend to define still exist as biases against women today," says Mark McLane, global head of diversity and inclusion at Barclays.⁷

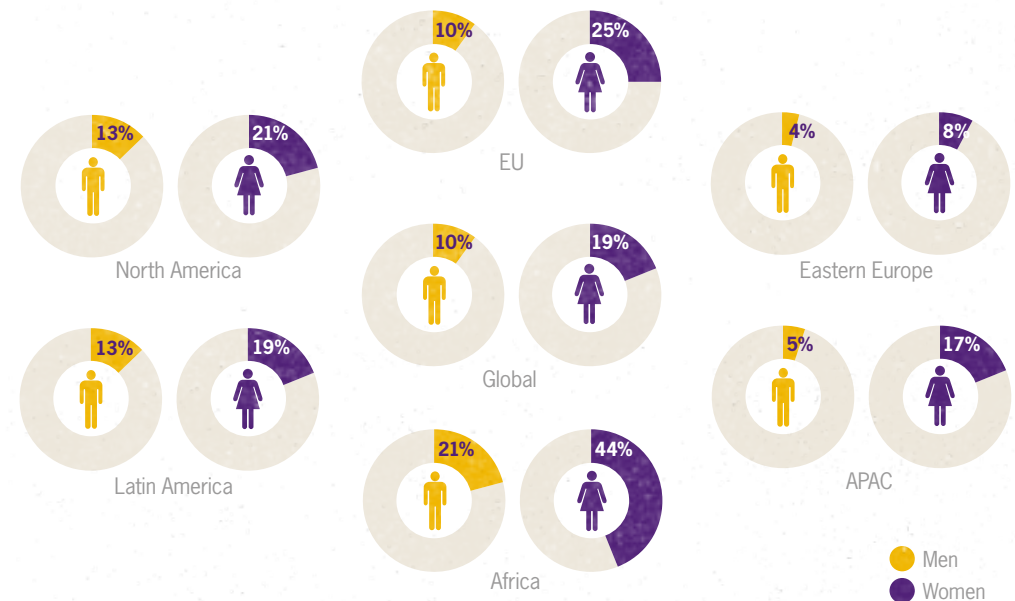
Maria Cunha Matos agrees that the macho, male-dominated culture in Brazil makes it tough for women to progress. She recalls walking into her first meeting to find herself as the only woman in a room of 17 and says that it's "hard for senior women to meet each other." Matias Ortiz, General Manager of Distrifar says that "macho culture exists in Argentina" where there is no labour law against sex discrimination but that it has slowly been changing in recent years.

Other women mentioned specific ways in which gender bias pervades the business world. A few female interviewees mentioned that they had made a certain

point during a meeting, only to see a male peer raise the same issue later and get a better reception. In Nigeria, Onyeka Udegbumam, founder of NGO Hope Givers, says that women who rise quickly are often slandered so "women don't want to assert themselves for fear of what will be

said about them." Jill Krueger, CEO of Symbria in the US, explains that she and other female peers had to put up with sexual harassment in the past and would "not necessarily feel comfortable talking to a male peer about a boss making advances at work."

Percentage of respondents citing gender bias as a barrier to female advancement



⁷ "Are women in the West being left behind on leadership?" - The Guardian (2013)

Men and women network differently

Formal business meetings are still overwhelmingly the principal means by which senior leaders, both men (51%) and women (49%), achieved their current role. However while 42% of men used networking events or conferences, only 30% of women did. Meanwhile 27% of women used their social or online networks compared with just 20% of men.

Madeleine Blankenstein, says, “Attending events remains the most powerful tool for networking and progressing careers, but I like the broad outreach and flexibility offered by social networks, which allow you to augment and build on discussions started face-to-face.” Maria Cunha Matos agrees that after-work commitments can be tricky for professional women to juggle so she organises professional womens’ networking breakfasts every other month but “in the mornings, which means no time away from personal priorities.”

Online networking is even more popular in Africa (38%) and Asia-Pacific (36%) and business leaders in these markets explain that some networking channels are simply closed to women. Onyeka Udegbumam says that women “don’t have as many opportunities to network

as men” because “resources are still concentrated at the hands of men.” Ong Seng Sze, COO of Techsap, says that “in Malaysian culture there are certain networking opportunities that are dominated by men, like golf.”

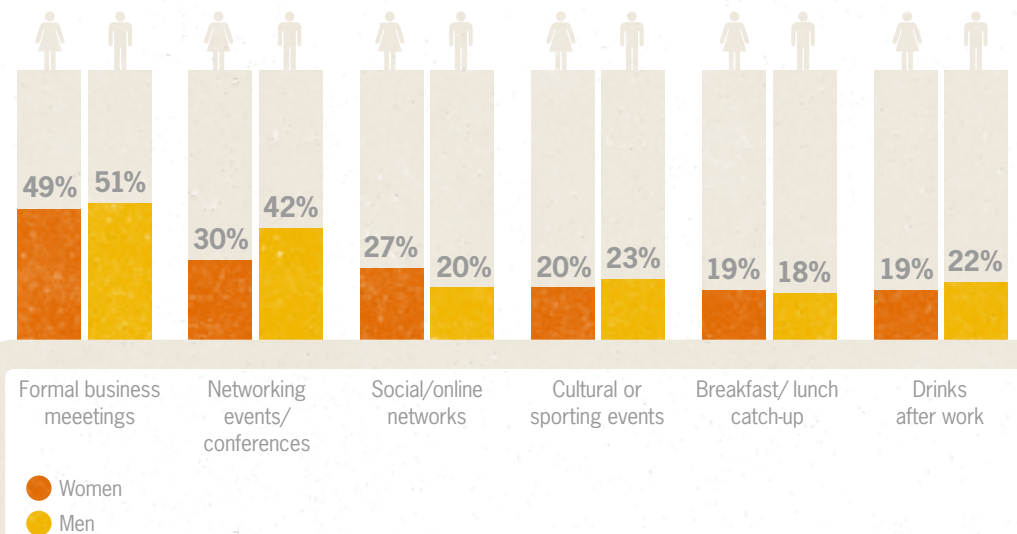
However this trend worries some: Jill Krueger says: “social media can never be nearly as valuable as face-to-face contact” because “60% of our revenues are a result of informal networking.”

Women are also slightly less likely to attend after-work drinks or go to events compared with men according to our research, something many of the leaders we spoke to identified with. Maravic Espano, CEO and Chair of P&A Grant Thornton (Philippines), prefers “more professional, business networking events rather than informal drinks after

work”. As a married CEO, she says: “when my day is done I prefer to go home and be with my kids” while it is “perhaps easier for men to stay out and have cocktails.” Erica O’Malley, partner

at Grant Thornton US, said she built her network through “lots of lunches, coffee during working hours” but “not many evening drinks” especially with male clients as this could be “socially awkward.”

Percentage of respondents who used networking method to help secure their current position



Recommendations

Society

Social norms are rules or standards of behaviour shared by members of a social group. At their best they provide order in society but some of the social norms governing the role of women in business are deeply engrained, and are distinctly unhelpful to female progression. Sacha Romanovitch puts it succinctly: “If you’re a senior female leader in business then you’re already working against the norms of what society expects of you.”

1. Stop holding female leaders up to a higher standard

Many of the female leaders we spoke with wanted to be known not as female business leaders, but simply as business leaders; successful in their own right, not because they happen to be women. They were grateful for the mentoring and sponsorship opportunities they had received, and are now happy to return the favour. But, many are concerned that women try too hard to be perfect in a world where female leaders are under greater scrutiny than their male peers, not only in terms of how they act and dress, but also in terms of their performance. Indeed, research⁸ has shown that women’s leadership styles and mistakes are judged more harshly than men’s by their peers.

2. End the stigmatisation of men who share childcare

The female leaders with children that we spoke with stressed how important the support of their husbands/partners has been allowing them to forge a career path. However, some of these men faced social and workplace stigma that made it difficult for them to take time off, despite it being official business policy. Making it easier for women to move up the career ladder means making it easier for men to be flexible too. Many governments around the world are following the Scandinavian model of allowing parents to share paternity leave, meaning that a father could, in theory, take on the burden of early childcare while the mother goes back to work. However, many couples do not take the opportunity because of the social stigmatisation of men who choose to stay at home or share childcare.

3. Update the outdated leadership stereotype

The vast majority of businesses still operate in a very antiquated manner with meetings held and managed in much the same way as 100 years ago. But in the meantime, peoples’ priorities have changed. Many parents want a more active role in their children’s upbringing and the quality of life afforded by a job is increasingly becoming a deciding factor. Days on the road, early meetings and late nights are not as acceptable as they once

might have been. The workplace needs to be more energising and aspirational if the demands of future generations of female leaders are to be realised. Moreover, old stereotypes of aggressive and hierarchal leadership no longer fit our world and the challenges we face. In fact, leaders who use skills such as collaboration, empathy, and flexibility, which are often stereotyped as female traits, may be best placed to drive future economic growth.

“If this report could do one thing, it would be to alter the perception that men have to be the primary breadwinners.”

Jill Kruger | CEO of Symbria

⁸ “Hard won and easily lost” Harvard Kennedy School (2010)

“I used to be against the idea of quotas - who wants to be the woman who only gets a job due to her gender? However, it may force companies to readdress the compatibility of having a job and a family, and ultimately create a more positive, flexible working environment.”

Christina Busch | Partner at Warth & Klein Grant Thornton

Government

Governments around the world can play an important role in getting more women into the upper echelons of the business world, through the introduction of legislation governing the composition of boards, parental leave or building relevant infrastructure.

And this is not a one-way street: ageing populations and slowing global growth means economies need to tap into the huge swathes of their population which are currently under or unemployed, if they are to maintain the quality of life for their citizens. Christine Lagarde, managing director of the IMF, highlighted the benefits of having more women in boardrooms back in 2010: “If Lehman Brothers had been ‘Lehman Sisters’, today’s economic crisis clearly would look quite different.”

1. Facilitate shared parental leave

Men and women enter the workplace with very similar career ambitions and expectations around childcare commitments. However, while men’s expectations are met or exceeded, women are generally unsatisfied. Biology dictates that pregnancy is always going to place a greater burden on mothers, but once a child is born, fathers can share or take on extra responsibility, providing the necessary support structures are in place to allow them to do so. Most countries around the world now guarantee paid maternity leave (the US is a notable exception) but guaranteed paternity leave is less widely available. Many of the women we spoke to, say they could not have reached the level they have without their partner making sacrifices.

2. Consider mandating quotas for women on boards

The business world remains broadly split on the introduction of quotas: 47% support the idea (for executive boards of large listed companies). However this is up from 37% just two years ago and there is a growing sense that the under-representation of women in business requires an extraordinary solution. Quotas may not be the correct solution in every country, but encouraging signs from Israel, France and Norway suggest that legislation can create the ‘step change’ required to facilitate future female advancement, by forcing business leadership teams to think about the relevant barriers. Where nudging has failed we must now consider a push. Francesca Lagerberg describes quotas as a “fairly blunt instrument” but that it is “not surprising that more people are seeing it as the best tool we have at this point in time, given the absence of progress” on this issue.

3. Build the necessary infrastructure and legislation

Governments can facilitate women’s leadership by building both the legal and physical infrastructure to help them prosper. This means taking stock of whether or not there are laws in place that protect women from discrimination in the workplace and reviewing laws that might treat women differently to men on a range of issues such as the ability to register a business, to travel or to open a bank account. Infrastructure is also critical for allowing women to participate in work and advance in equal measure; simply getting to and from work is highlighted as a major issue for working mothers in emerging economies such as Brazil. Governments should also look at how to cut nursery costs which are prohibitively high in many economies and, following the example of Eastern Europe, encourage more women to take science courses. Without such infrastructure in place, women (and men) will find it hard to juggle competing priorities.



“We still operate by rules of the game set up hundreds of years ago by men in top hats whilst women with ideas were locked up.”

Sacha Romanovitch | CEO elect of Grant Thornton UK

Business

The business world needs more female leaders. Fewer women in senior management means weaker diversity, which leads to more ‘groupthink’, resulting in poorer decisions.

Moreover, businesses are losing some of their best people - people they have invested in and trained to help lead the company in the future - before they reach key decision-making roles. It could also help companies win business. Barbara Stocking says: “As women become more engaged in the economic sphere, businesses realise that clients don’t want to see all-male teams.” Meanwhile, a study⁹ in the US found that 90% of clients want to see more women on consulting teams, primarily because teams led by women are more likely to deliver on time and to budget.

1. Make a top-level commitment to support women leaders

Businesses need to recognise that female advancement is integral to future prosperity by making a top-level commitment to facilitate women’s career paths. An increasing number of companies of differing sizes are making these commitments to women’s leadership and advancement and laying them out in company policies, including addressing unconscious gender bias in the workplace and in hiring practices, and introducing formal mentoring and sponsorship programmes. While real change will not happen overnight, such policies ultimately provide a baseline to allow businesses to support and attract the women who will help them grow.

2. Design leadership positions to be more attractive

Many of the ways in which companies currently do business make leadership positions unattractive to women. Holding breakfast and dinner meetings, and networking events after work, not only makes life hard for women (and men) with other commitments, but it puts them off wanting to join senior leadership in the first place. Leadership roles that offer greater flexibility to allow for family or other obligations are increasingly attractive, however flexible working is offered by just 63% of businesses around the world. As Gillian Saunders, global industry leader for hospitality and tourism at Grant Thornton, tells her team, “it doesn’t matter, and shouldn’t matter, where or when your work is completed.” And Sacha Romanovitch adds that we need to see change in mindset: “the workplace should be for collaboration, not somewhere you travel to only to for hours to sit in front of a screen when you might as well be at home.”

3. Invest in mentoring and build role models

Most of the senior leaders we spoke to said they had benefited from the guidance of at least one mentor or sponsor on their path to promotion. Businesses that make a commitment to women’s leadership by easing barriers and providing support structures, such as mentoring and sponsorship programmes, make an important contribution by helping to shift perceptions and create role models both inside their organisations, in their industries and the wider economy. As Erica O’Malley says, “We need female role models of all types - those with no children, a few children, lots of children; those who work full-time and those who work flexibly - to show the full range of options available.”



⁹ “Women in consulting” - Source (2014)

“Women need to put their hands up for stretch assignments, to give them opportunities to learn and grow into tasks in areas where they previously had no experience.”

Marivic Espano | CEO and Chair of P&A Grant Thornton

Women

There is much for society, governments and companies to do if women are to become better represented in business leadership around the world. However, some of the onus must fall on ambitious women themselves. It is not enough to rail against society for norms that have been developed over thousands of years; or to ask governments to force companies to change the law; or to petition businesses to hire more female managers. Our research clearly shows that anyone wanting to take the step up into senior business leadership has to be determined and has to make sacrifices.

1. Put your hand up for stretch assignments

Those we interviewed agreed that there is a need for women just below senior management to take on stretch roles and assignments that will help to get them noticed. Too often, women will over-analyse the challenge and shrink away from the work for fear of failure or the extra strain it will put on their home life, whereas men will put their hands up and be prepared to ‘learn by doing’. Sian Sinclair notes that early in her career, she was given “great opportunities to prove myself,” and, as she progressed, the process became more structured, providing her with more “opportunities to step up. I was being thrown in the deep end – entrusted with important clients, high-level jobs.”

2. Push yourself out of your comfort zone

Women often self-select out of opportunities because of their own perceptions of what is expected of them or their own comfort levels. And many of the female senior leaders we spoke to acknowledged that they have made sacrifices which would not suit everyone. But they also encouraged women to consider networking opportunities that might be slightly out of their comfort zones. For example, Jill Krueger says the one piece of advice she gives to all aspiring female leaders is: “Learn to play golf and learn how to go and watch a basketball game!” Of course, this is more feasible in some culture than others, but the broader point is that women should not let sporting events be the bastion of men, in the same way that men should not overlook cultural events.

3. Challenge your organisation to remove gender bias

Tackling gender bias is not the sole responsibility of women, but our research clearly shows that men are less likely to see it as a barrier to female advancement. We also know that men tend to dominate business leadership teams so it is important for women to hold companies to account in terms of their commitment to workplace

and leadership diversity. And women also have to tackle their own gender assumptions which are manifested in the subjects they choose to study at school and university, recruitment, the support they provide to female peers and the ideals they hold on what is an acceptable leadership style.



How Grant Thornton can help

Combined
global
revenues
US\$4.7bn

The fastest
growing
large global
accounting
organisation
over the last
three years

**Named
global
employer**
of the year 2014
by the International
Accounting Bulletin



**Ranked in
the top 6**
in major markets

38
M&A deals
in 2014
adding revenues of
\$86m

40,000
people in over
130
countries

Around 725
offices
worldwide

**Best managed
international firm**
in 2014



IBR 2015 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 35 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 5,404 interviews conducted between September and December 2014 with chief executive officers, managing directors, chairmen and other senior decision-makers from all industry sectors in mid-market businesses in 35 economies. A further 20 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\$20m to US\$2bn 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.

Ama Marston, director of Marston Consulting, served as lead technical advisor on this report

More information:

Publications: www.grantthornton.global

Methodology: www.grantthornton.global

Data: dataviztool.internationalbusinessreport.com

Dominic King

Editor, global research
Grant Thornton International Ltd
T +44 (0)20 7391 9537
E dominic.king@gti.gt.com



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