

Kicking Glass

An action plan for gender equality

Now more than ever, gender equality and the advancement of women is critical to your organization's talent strategies, business results and reputation.

Yet corporate diversity and inclusion initiatives have brought little change in the retention and advancement of high-potential women, especially at the executive level. Companies are losing talented women, in some cases at alarming rates.

The Network of Executive Women's "The Female Leadership Crisis" report shows women are being hired and promoted at near-equal rates as men in retail and consumer goods, but are leaving at a significantly higher rate, especially at the senior executive and C-suite level, where turnover among women at surveyed companies was four times that of men — 27 percent vs. 7 percent.

Hiring and retention data and interviews with men and women reveal how gender-biased corporate cultures are contributing to high turnover among women leaders. NEW research reveals a significant difference exists between what most corporate cultures offer and what women value.

Women executives experience the workplace differently than men do. And too few women are developed and promoted to roles that put them in line for senior leadership.

To achieve gender diversity and inclusion

goals, employers must redefine their value proposition for women by eliminating gender bias, transforming the traditional workplace experience and expanding career opportunities.

This call to action for company leaders focuses on four areas:

- Disrupting gender bias in status quo cultures, making them more inclusive and supportive.
- Better understanding the decisions women must make during life and career pivot points and offer solutions to help women navigate these events.
- Ensuring women are developed for and promoted to P&L and line role assignments that lead to executive management positions.
- Enacting talent strategies that effectively move the needle toward gender equality.

ABOUT NEW

Founded in 2001, the Network of Executive Women represents nearly 11,000 members, 850 companies, 21 regions and 110 corporate partners in the retail, consumer goods, financial services and technology sectors. For more information about NEW and its learning programs, regions, events, advocacy and insights, visit newonline.org.

Why women leaders are leaving

Despite some progress toward gender parity at the mid-level, women remain underrepresented in leadership roles. In 2017, women made up just 26.5 percent of executive-level positions and 5.2 percent of CEOs at the S&P 500¹.

The Network of Executive Women’s “The Female Leadership Crisis” report — based on surveys of more than 3,600 NEW members and U.S. employees in the retail and consumer goods industry; interviews with executives from 11 companies; and hiring, promotion and turnover data representing 400,000 employees in eight companies — reveals women are being hired and promoted at near-equal rates, but are leaving at a significantly higher rate than their male peers (31 percent turnover for women vs. 24 percent for men).

Women first- and mid-level managers at participating companies are leaving at nearly double the rate of their male peers, 24 percent vs. 13 percent at the companies surveyed. The turnover rate for senior executive and C-suite level women is nearly four times that of men — 27 percent vs. 7 percent.

Without effective changes in corporate culture and policies, the percentage of women

holding executive roles in these companies is projected to fall from 35 percent in 2017 to just 15 percent by 2027.

In today’s competitive talent market, corporate culture is crucial in attracting and retaining high-potential women and becoming an employer of choice. The problem: Gender bias in culture, policies and process results in workplace experiences and barriers to women’s advancement and success, especially at the senior executive level.

Isolation

NEW’s “The Female Leadership Crisis” report reveals how women and men experience their workplaces differently, with many women having few executive role models. When women do move up the ladder, they often feel isolated.

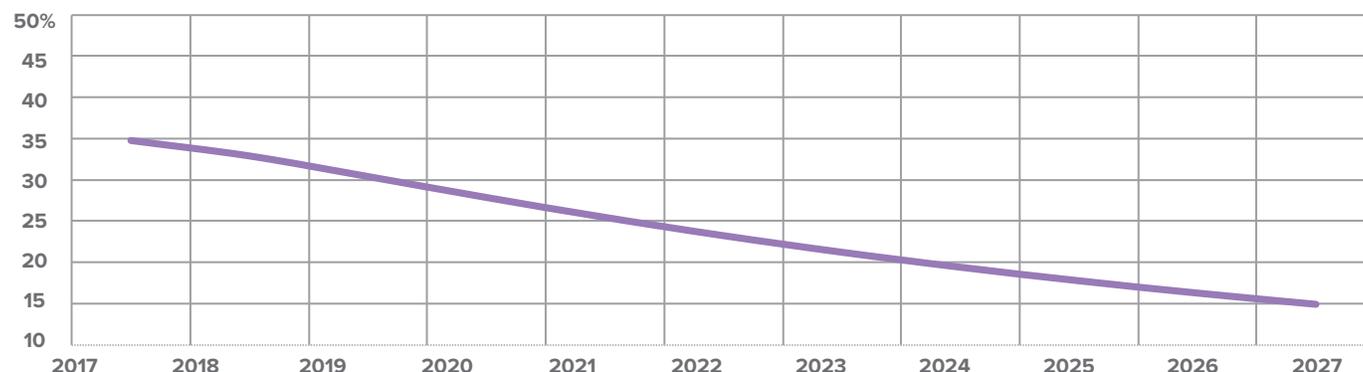
Only half of the women surveyed believe their company has a good mix of male and female role models. While nearly three-fourths of the men surveyed by NEW agree, “There are people similar to me in leadership positions at my company,” only slightly more than half of women surveyed believe this.

As one survey respondent noted, “Many times, men will see a woman or two at certain levels and state there is not a problem. But it is a problem when the leadership ratio is 1 to 100.”

¹Pyramid: Women in S&P 500 Companies, 2018, Catalyst.

Projected percentage of women executives, with no intervention

With no changes to corporate culture or policies, women will hold just 15 percent of executive positions by 2027



Source: Mercer Internal Labor Market data from participating NEW partner companies.

Many women who do advance are not feeling supported. Only half the women surveyed report they received support from their peers and managers when they were promoted — 63 percent of men did.

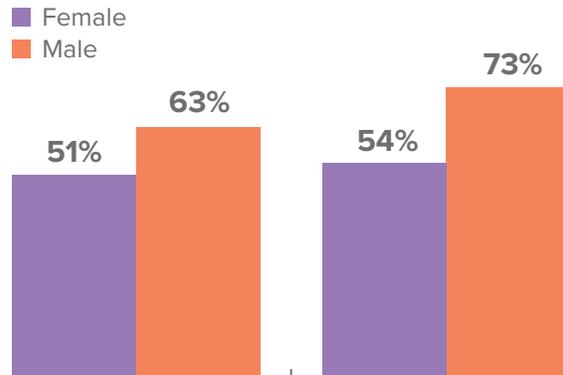
Companies that recognize that talented women who can identify a career path and feel supported and valued are more likely to stay — and succeed — are putting resources into women’s development. Retailer Ahold Delhaize’s Signature program, for example, is designed to provide peer support and accelerate the movement of qualified women into senior management. Over the past four years, the company provided 64 women with roles at the director level and above three days of intensive learning and development.

“We’ve seen greater retention of senior women leaders because of the program,” noted Subarna Malakar, the company’s vice president for global diversity and inclusion. “And we’ve seen promotions increase for those who have gone through it.”

Missing role models

Fewer women than men find role models they can relate to in the workplace

Percent who agree



“My company has a good mix of male and female role models I can look up to.”

“There are people similar to me in leadership positions at my company.”

Source: Mercer survey of NEW members and participating company employees.

Kim Feil: “Isolation makes women feel they’re frozen out.”

Kim Feil, chief marketing and strategy officer at Aspire Healthy Energy Drinks, understands that company culture will make a woman feel part of the team — or isolated.

“I made it to CEO [in my last role], but had to move outside of a large corporation to do that,” she says. “I’ve been told to just ‘listen and learn,’ because I’ve been the only woman in C-suite meetings.

“Despite being a C-level executive, I was asked not to speak by a very old-school CEO, who thought women should be seen and not heard. When I did speak

up in meetings, my male peers had two choices: Build on what I said or ignore it. I’m so thankful they were more enlightened than he was. They built on my ideas. He tried to isolate me. They recognized I was an essential part of the team.”

Isolation is a powerful force on women’s experiences and career trajectories, she says. “Isolation makes women feel they are frozen out, invisible in the room. I’ve worked for companies where I’ve felt it and for some where I have not. It’s time to move toward the latter across the board. Women are an essential part of the competitive equation.



“I know plenty of qualified women who won’t stay in the [retail and consumer goods] industry without a change. And we need their skills to better serve our consumers.”

Affinity bias

Among the most stubborn barriers to gender parity is affinity bias — favoring “people who are like me” — especially by white men, who hold the vast majority of top leadership roles.

Affinity bias perpetuates outdated corporate norms and gender and other stereotypes. The result: Women are less likely than men to have sponsors, be held up as leaders or be present where and when decisions are made.²

Whether conscious or unconscious, affinity bias creates much different workplace experiences for men and women. As one NEW survey respondent put it: “There is still a very pervasive culture of directors, VPs and above preferring to hire and work with, through conscious or unconscious bias, those who look and act as they do. They do not see the benefits of hiring those who approach their work in a different way.”

Affinity bias costs women promotions. Until companies disrupt bias, companies will lack diverse viewpoints. Fairness and transparency in assigning projects and in the promotion process must be built into the culture.

Policies and procedures aimed at eliminating bias in hiring, development and promotion processes are a starting point, but most companies are not bridging the gap between policy intent and workplace practice.

Many C-suite leaders are unaware that bias is still embedded in their company cultures. Engaging all employees in the conversation is the only way to understand your true corporate culture.

Life and career pivot points

Last year, Melinda Gates, co-founder of the Bill & Melinda Gates Foundation, wrote, “We are sending our daughters into workplaces designed for our dads.”

Women, and more men than ever, are straining to balance work and home responsibilities. Our workplaces have not kept pace with the changes in how women live and work and how women *and* men want to work.

Corporate cultures that offer flexibility and reward results, rather than focus on face time, position their employees to perform in a way that works best for individual and team success. But until companies have corporate leaders that have career gaps due to family commitments, or who applaud taking time for a life outside of work, many women will opt out of high-level management positions.

By better understanding the issues women face at life and career pivot points — such as having children, caring for aging parents, illness, promotions, downsizing and relocation — companies can provide support and career paths that do not penalize women.

Frequent relocation, for example, is particularly difficult for women candidates, who are more likely to be in dual-career relationships. Companies may consider how women might get diverse experience that prepares them for higher-level roles without frequent relocations, such as leadership roles on special projects or temporary roles that build skills.

The P&L pipeline

While six out of 10 women surveyed by NEW last year say their supervisor entrusts them with a range of assignments that help prepare them for their next role, 40 percent report they are not receiving corporate stretch roles and breadth of experience necessary to place them in contention for positions of authority. This leaves them stagnating in their current role, feeling passed over or promoted without sufficient development. None of these situations sets women up for success.

Target Corporation, which believes the makeup of its leadership teams should reflect its customers, has made gender and other types of diversity and inclusion key metrics and holds senior leaders accountable for building diverse teams. Nearly half of Target’s 1,800 stores are run by women; one in four are run by a racially or ethnically diverse leader.

Women account for 36 percent of Target’s leadership team and one-third of the company’s board of directors. By comparison, women make up 20 percent of Fortune 500 board directors.

² “Winning with Women: On Purpose,” Network of Executive Women, 2017.

A rigorous approach

To close the gender opportunity gap, companies must take a more systemic, scientific view of their talent management strategies. Too many companies believe tweaking old job paradigms or succession planning models, rather than redesigning them, will lead to gender parity. Monitoring non-posted positions will help ensure women are included in the candidate mix. Reworking the criteria used for promotions to include diverse leadership styles is essential.

Gender bias must be removed from mentoring programs and sponsorship.

It's not uncommon for hiring managers to hire a man who doesn't fulfill all requirements

of a job, assuming he will "grow into the role," while passing over a woman with the same qualifications. This bias results in men being promoted to key P&L and line roles earlier and more often than women.

A P&L assignment should not require the employee to always prioritize work over life. When designing key roles, companies must include on-ramping, off-ramping and re-entry options.

Keeping women connected to the company through life transitions increases retention. Bringing work/life integration to the employees overseeing the corporate balance sheet is one way to do that.

Valerie Oswalt: "There is always an opportunity — find it!"

With a CPA, an MBA and degrees in economics and accounting, Valerie Oswalt, president of confections, North America at Mondelēz International, says her career success has been driven by curiosity, courage and the ability to deliver results.

"Throughout my career I have been focused on growing and contributing with the ambition to be a CEO or general manager," she says. "I took every opportunity to be accountable for my own development and really make an impact.

"My current role requires extensive cross-functional experience and understanding to deliver results, through people and across the full value chain. Having always been open to exploring cross-functional opportunities, I was exposed to and owned different parts of the P&L, understood what collaboration meant across

functions and what success looked like. This all helped get me to where I am today, owning the full P&L and delivery of results through cross-functional teams."

Oswalt credits support from sponsors for keeping her focused and in making important life choices. "As part of a dual-career household with two incredible kids, integrating family and work meant that I took several lateral moves and declined advancement opportunities because they were not at the right time or in the right place for me or my family," she says. "This was empowering, as it enabled me to craft a path I owned, building skills, giving me perspective and affording me a fulfilling career and family life.

"My organization recognized my journey, my leadership and my impact and has entrusted me with a phenomenal business, with full P&L ownership, my dream — and I am ready!"



Your circumstances don't limit you, she says. "There is always opportunity — find it! I created my own path out of my need to manage work and family and took assignments I may not have otherwise chosen. Those experiences developed me to be the general manager I am today."

Take risks, she advises. "I am not fearless, but I always say, 'A head full of fears has no place for dreams.' You must want it more than you are afraid of it. What is the worst that can happen? Just go for it!"

Talent strategies that promote gender equality

While most companies understand the value of gender parity and have developed programs to promote diversity and inclusion, women remain greatly underrepresented in management, especially senior management. To move the needle on gender equality, companies need to:

Start at the top

Gender equality will not happen without senior and C-suite executives publicly stating their commitment to gender diversity and inclusion, behaving as role models, championing programs and policies that help advance women, and making gender equality a business priority.

Be transparent and accountable

Accenture, General Mills, Unilever, Starbucks and others have set specific goals for women in management and made gender equality the foundation of internal benchmarks at all levels. Follow their lead and publish results internally and externally. Transparency is necessary to build a culture of accountability.

Make pay and salary policies gender-neutral

Equal pay should be the first component of any compensation system. Equal pay for equal work benefits everyone. To help ensure equal pay:

- Eliminate reference to pay history when setting salaries.
- Neutralize the effects of maternity or disability leaves on career advancement and wage increases.
- Use turnover analysis and engagement surveys to uncover barriers to equal pay and retention.
- Tie bonus incentives to the achievement of substantive diversity goals.

Adopt new or revised family-friendly practices that offer flexibility

Flex-time, telecommuting, extended leave and access to child and elder care will help all employees — not just women.

Foster an inclusive growth environment

Identifying your company's specific areas of opportunity means knowing which barriers to success your female employees are facing.

Ensure equal access to training

Provide vocational, IT and executive development so that women at all levels are given equal opportunity to advance.

Call out bias

Silence can be construed as consent or agreement, which only leads to even bigger problems. Eliminating bias will require everything from language to unspoken attitudes to be reinvented.

Help women help themselves

Encourage high-potential women to ask for and take key growth opportunities. From networking to risk taking, self-promotion to seeking out the right mentor, women must position themselves for advancement.

Gender parity, and all its business benefits, will not be reached until companies disrupt their status quo cultures with specific benchmarking, policies and procedures that will attract, promote and retain women.



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Advancing **all** women. It's just good business.