



# Women Matter 2016

## Reinventing the workplace to unlock the potential of gender diversity

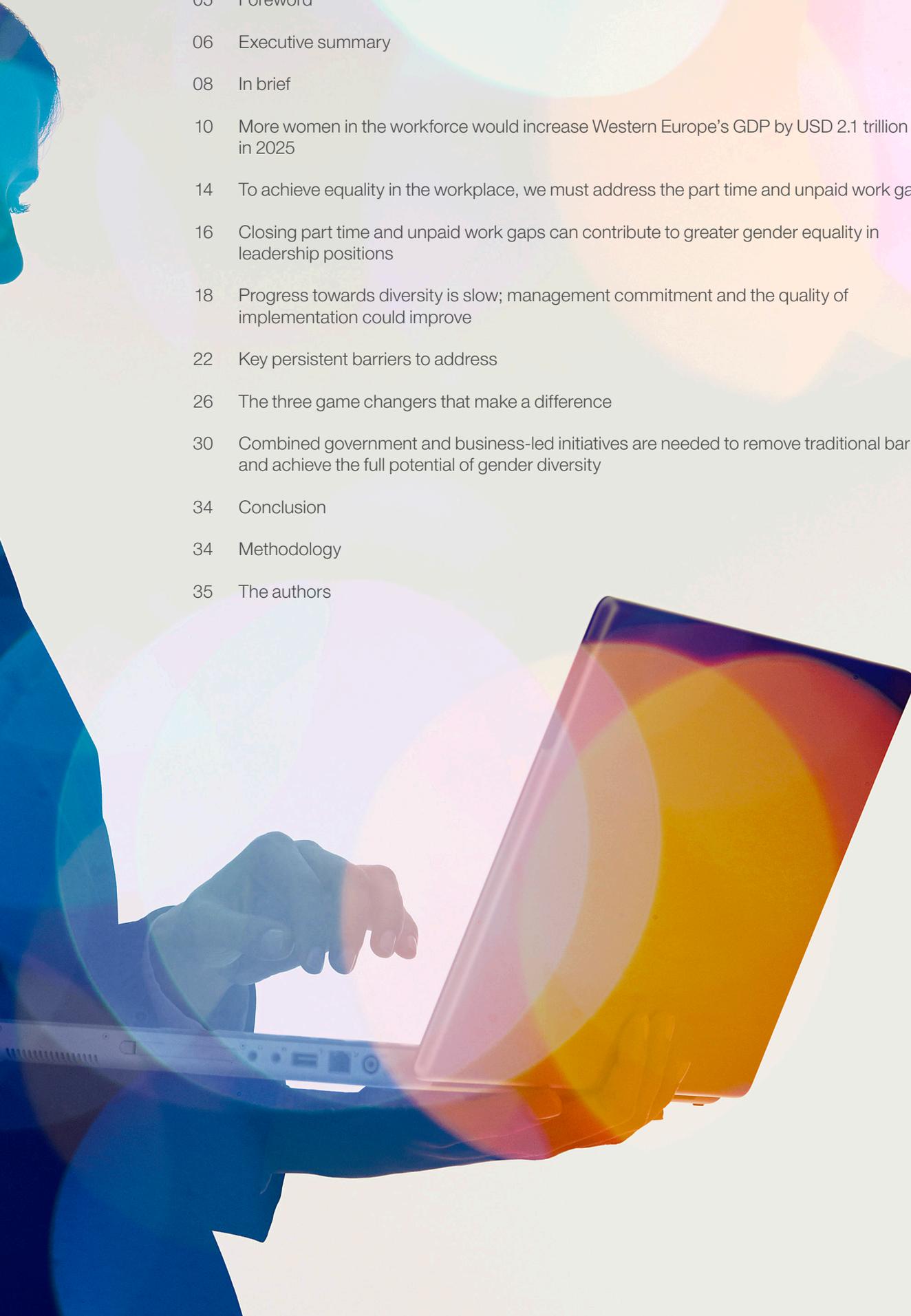
## About McKinsey & Company

McKinsey & Company is a global management consulting firm, deeply committed to helping institutions in the private, public and social sectors achieve lasting success. For over eight decades, our primary objective has been to serve as our clients' most trusted external advisor. With consultants in 121 offices and 62 countries, we bring unparalleled expertise to clients across all relevant industries and functions, anywhere in the world. We work closely with teams at all levels of an organization to shape winning strategies, mobilize for change, build capabilities, and drive successful transformation and lasting improvements.



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# Foreword

McKinsey & Company has for decades made gender diversity a priority at a global level, committing to develop women as leaders through sustained research programs, global partnerships with events and conferences, as well as internal initiatives.

Recently we've redoubled our efforts, by committing to initiatives such as UN Women's HeForShe, as well as publishing major research reports including *The power of parity* (from the McKinsey Global Institute), new reports from the "Women Matter" series, or *Women in the workplace* (in partnership with Sheryl Sandberg's LeanIn.Org).

At the macro level, our McKinsey Global Institute has shown that global GDP realistically could increase by \$12 trillion if women participated in the workforce on more equal terms with men. At a more micro level, the "Women Matter" research, launched more than 10 years ago now, has shown that companies with more than three women in top management positions tend to exhibit better organizational and financial performance.

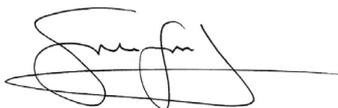
In a context of slow growth and of a raging war for talent at a global level – especially at a time of digital disruption and demographic upheaval –, the case for change towards greater gender diversity within economies and companies appears particularly strong. However, progress is very slow within corporations, and the European continent is no exception.

This new report takes a fresh look at what makes a difference between successful companies and others thanks to a benchmark analysis of 233 companies and 2,200 employees across eight European countries and Turkey.

According to this new report, establishing gender diversity first of all takes time. There is a premium for companies who launch their programs early. However, there is still hope for others: more importantly, the research shows that increasing the number of gender diversity measures is not enough. To make a difference, companies should consider their gender diversity initiatives as real change programs, starting from a compelling aspiration and strong CEO commitment, based on a renewed vision of the company, and the performance model. This new vision should allow a greater diversity of leadership styles, which is a key driver of performance.

In the end, what our research calls for is an evolution towards more inclusive performance and leadership models that are more open and more enticing, in order to better attract, retain and grow the very best talent, men and women alike. This would also help organizations become more sustainable in the longer run and meet today and tomorrow's economic and demographic challenges.

We hope that this new publication will be a source of inspiration and renewal in your path towards greater diversity.



**Sven Smit**

Senior partner, McKinsey & Company



# Executive summary

In 2015, the McKinsey Global Institute (MGI) showed that narrowing the gender gap in the global labor market would not only be equitable in the broadest sense, but would also double women's contribution to global GDP growth between 2014 and 2025<sup>1</sup>. A best-in-region scenario, in which all countries match the improvement rate of the fastest-improving country in their region, could add as much as USD 12 trillion, or 11% to global 2025 GDP, and USD 2.1 trillion to Western Europe's GDP in 2025. The additional USD 2.1 trillion in GDP comes from (i) the increase in hours worked by women; (ii) the higher participation of women in the workforce; and (iii) a greater representation of women in high-productivity sectors. Capturing these opportunities requires to tackle the part time and unpaid work gaps. This narrowing of the gender gap would go beyond a mere GDP increase and improve the representation of women in leadership positions. Indeed, our research shows there is a correlation between the representation of women in leadership positions and women's part time employment rate on the one hand, and hours of unpaid work on the other hand. In addition, the MGI established a clear link between gender equality in society and gender equality in the workplace. In fact, no country has achieved gender equality in the workforce without first narrowing gender gaps in society.

For the past 10 years, McKinsey & Company has researched companies and managers for the "Women Matter" series, and in each year, has built a case for higher representation of women in top management positions and explored concrete ways to change corporate attitudes toward women in the workplace. In particular, our research has consistently shown a correlation between the proportion of women on executive committees and corporate performance. While correlation does not prove causality, we have also found that a diversity of leadership styles can contribute to more effective decision-making, and that the leadership behaviors women typically display can have a positive impact on many dimensions of an organization's performance and health. Our work has shown that, beyond gender diversity, it is the diversity of leadership styles that improves an organization's performance, and that companies that have been successful in retaining talented women are significantly better at retaining talented men as well.

Although the case for gender diversity is compelling, progress toward parity in most Western European countries remains slow: only 17% of executive committee members are women and women comprise only 32% of the corporate boards of companies<sup>2</sup> listed in the major market indices in Western Europe (+6 points since 2012 for executive committees and +10 points for corporate boards), and 17% of executive committees and 18.7% of boards in the US.

Our 2016 survey of 233 companies and 2,200 employees<sup>3</sup> shows that while the vast majority of companies we surveyed have introduced measures to increase gender diversity at the top, many are struggling to achieve significant results. The measures mentioned include setting quantitative targets and programs to increase representation of women, launching women development programs such as training, mentoring and networking, establishing and monitoring gender diversity indicators, as well as HR processes and policies to attract, develop and retain talent. Specifically:

- Increasing the number of gender diversity initiatives is not enough: having a critical mass of diversity measures is important but the volume alone does not explain women's representation in top management: 52% of the companies in our sample implemented more than 50% of

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1 "The power of parity: how advancing women's equality can add \$12 trillion to global growth", McKinsey Global Institute, 2015.

2 Companies listed on major market indices: CAC40, FTSE100, FTSE MIB, AEX, BEL20, GDAX, OMX, OBX.

3 Survey conducted in 2016 in nine countries (Finland, France, Italy, the Netherlands, Norway, Portugal, Spain, Turkey, UK).

measures, but only 24% of them reported having more than 20% of women in top management positions.

- Only 7% of the companies in our sample ranked diversity among the top three priorities on their strategic agenda.
- Of the 2,200 employees we surveyed, over 88% said they did not believe their company is doing what it takes to improve gender diversity, and 62% of them did not know how to contribute to gender diversity.
- The effectiveness of gender diversity programs was frequently raised, and only 40% of the respondents reported they were “well implemented” in their companies – i.e., they had clear follow-up processes in place, were assessed on a regular basis, and their effectiveness was evaluated at various levels of the organization<sup>4</sup>.

Our survey of 2,200 employees sought to better understand the barriers that prevent women from being promoted to leadership positions. We found, once again, that the prevailing “anytime” performance model and leadership styles in the corporate world are key roadblocks for women at all levels.

In previous “Women Matter” reports, we identified a comprehensive gender diversity ecosystem that companies can implement to increase women’s representation at each stage of the organization. Building on this ecosystem, our 2016 research shows that the following three game changers distinguish best-in-class companies:

- 1. Persistence:** best-in-class companies initiated diversity programs earlier (3 to 5 years ago vs. 1 to 3 years ago). This indicates it takes time to effect tangible, sustainable results.
- 2. CEO commitment:** companies that have successfully engrained gender diversity at the leadership level are twice as likely to place gender diversity among the top three priorities on their strategic agenda, to have strong support from the CEO and management, and to integrate gender diversity at all levels of the organization.
- 3. Holistic transformation programs:** best-in-class companies have initiated holistic change programs to engrain gender diversity. Specifically, those companies are more likely to have change agents and role models at all levels of the organization; they also have developed and communicated a compelling change story to support the programs, policies and processes they have put in place.

We believe it will take government and business-led interventions to create an environment that offers women better opportunities, one that enables women to train for and work in skilled, better-paying sectors, occupations, and roles; that reshapes social norms and attitudes; and that supports work life balance<sup>5</sup>. To achieve this, companies need to embark on a broad transformational change journey that will entail reevaluating their traditional performance models and challenging the long-term viability of their prevailing leadership styles.

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4 Respondents are HR, VP diversity or members of diversity team.

5 “Power of parity – advancing women’s equality in the United Kingdom”, McKinsey Global Institute, 2016.

# In brief

1

Bridging the gender gap in Europe could add USD 2 trillion to the GDP by 2025 and contribute to greater gender equality in leadership positions.

2

Most of this impact comes from an increase in the participation rate and the numbers of hours worked by women. To achieve equality in the workplace, we must address the part time and unpaid work gap.

3

There is a clear positive correlation between the employment rate of women and their representation on executive committees on the one hand, and a negative correlation between the hours of unpaid work women do and their representation on executive committees on the other hand.

4

Progress is slow: In 2016, only 17% of the members of Western Europe's executive committees were women, and women comprised 32% of the corporate boards of companies listed in the main stock index of their countries; this is an increase of 6 points and 10 points respectively, over the last 4 years.

5

Companies struggle to change their organizations: 88% of employees surveyed do not believe their company is doing what it takes to improve gender diversity and 62% of them do not know how to act on gender diversity.

6

Increasing the number of gender diversity initiatives is not enough: having a critical mass of diversity measures is important but the volume alone does not explain women's representation in top management: 52% of the companies in our sample implemented more than 50% of measures, but only 24% of them reported having more than 20% of women in top management positions.

7

Best-in-class companies all use three game changers: (i) they have persistently pursued diversity, started to do so earlier and sustained their programs; (ii) they have strong support from their CEOs who are committed to entrenching gender diversity at all management levels; (iii) they have launched holistic change programs to engrain gender diversity throughout the company.

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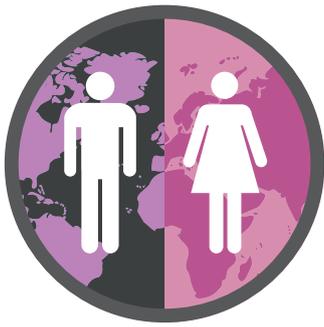
Most men and women seek top executive positions but only 25% of women believe it is likely they will become one.

9

In Western Europe, women devote twice (2.1) as much time as men to domestic tasks: 4 hours and 29 minutes a day, compared with 2 hours and 18 minutes for men.

10

Government and private institutions should work together to remove traditional barriers for women; in particular, holistic change programs can make a difference in addressing the "anytime" performance model and the prevailing leadership styles.



# USD 2.1 trillion

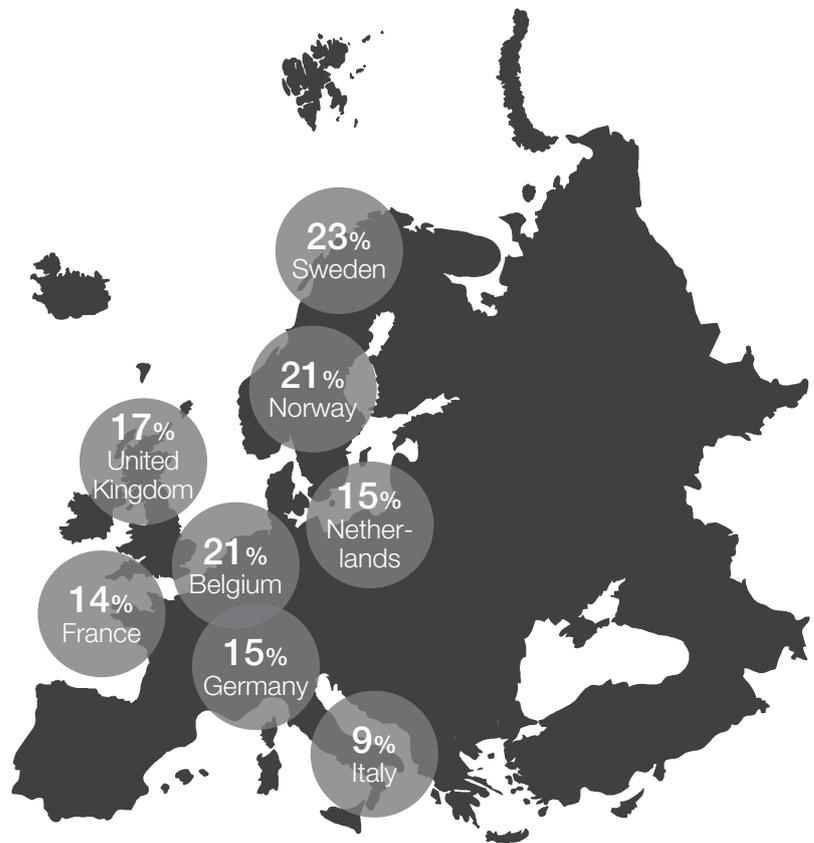
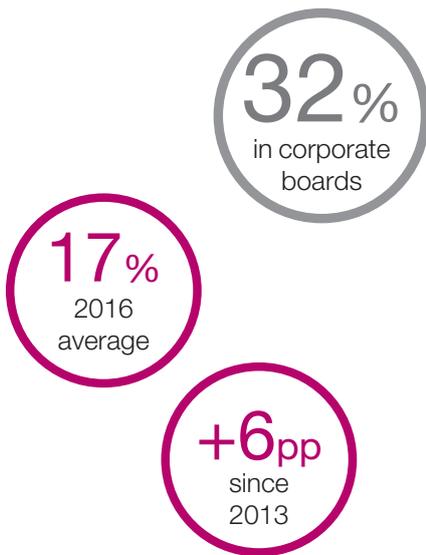
Additional GDP by 2025  
in Western Europe

2.1x  
more unpaid work

## 88%

of employees surveyed do not believe their company  
is doing what it takes to improve gender diversity

### SHARE OF WOMEN IN EXECUTIVE COMMITTEES



### 3 GAME CHANGERS

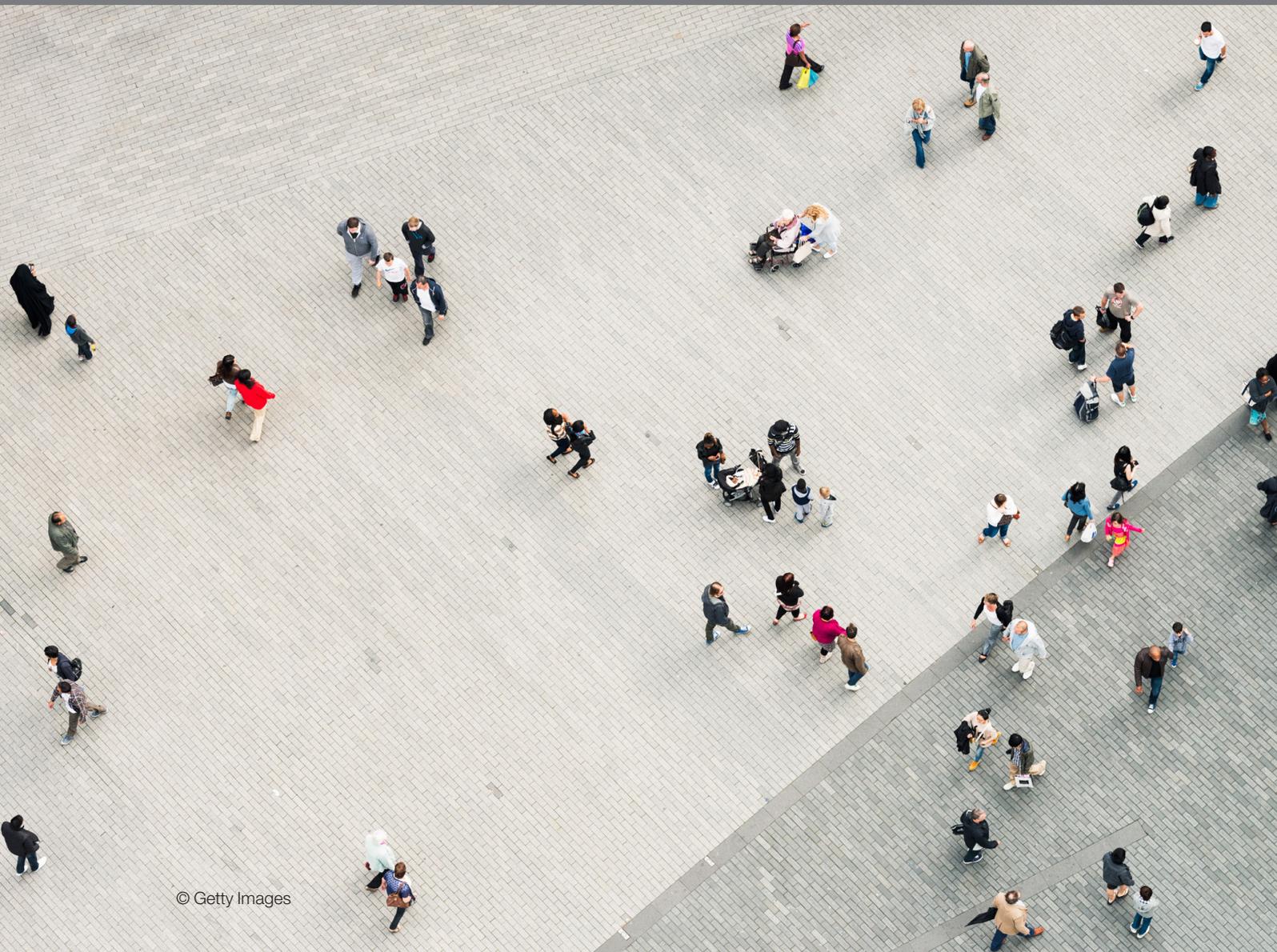
**PERSISTENCE**

**CEO AND MANAGEMENT  
COMMITMENT**

**CHANGE PROGRAM**

# 1.

More women in the workforce  
would increase Western Europe's GDP  
by USD 2.1 trillion in 2025



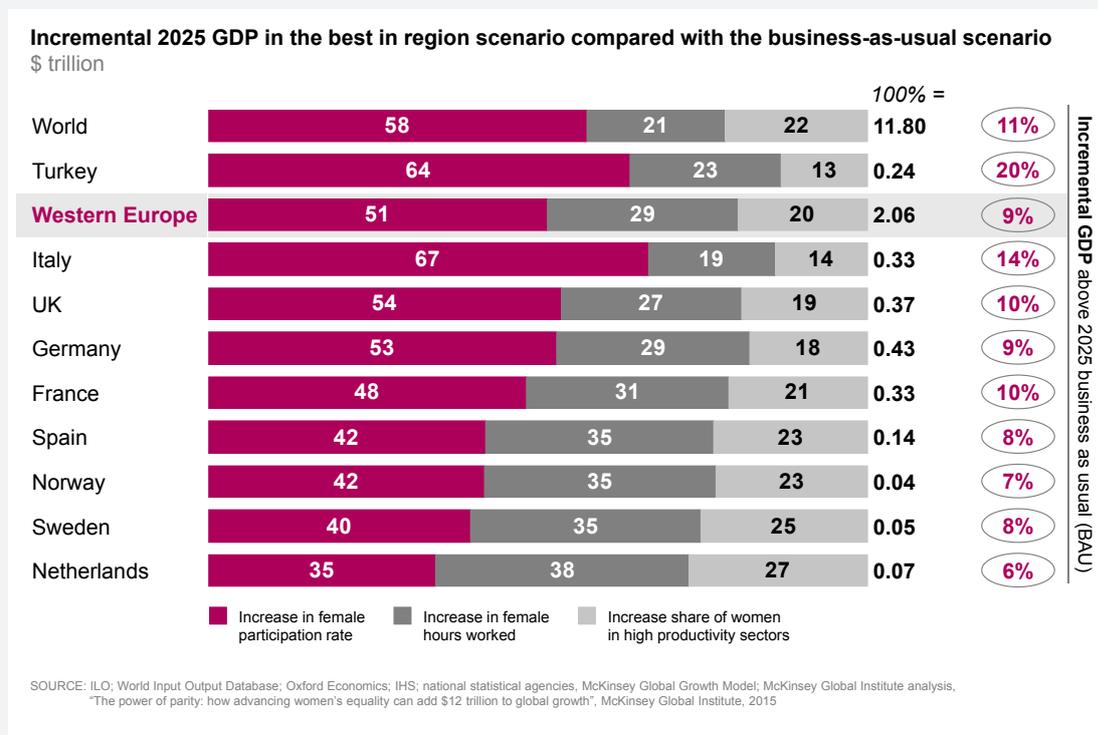
All regions could increase their GDP substantially by bridging the gender gap. In 2015, the MGI report considered a “full-potential” scenario in which women’s participation in the economy was identical to that of men. In this scenario, the world would add USD 28 trillion to GDP by 2025, with USD 5.1 trillion of that amount coming from Western Europe. It also analyzed an alternative “best-in-region” scenario in which all countries compare their progress towards gender parity against that of the fastest-improving country in their region. Western Europe could boost its GDP by USD 2.1 trillion in 2025 or 9%.

Additional GDP comes from the triple effect of (i) the increase in hours worked by women; (ii) the higher participation of women in the workforce; and (iii) a greater representation of women in high-productivity sectors (Exhibit 1).

To fulfil the economic opportunities outlined, actions to address the gender gap must extend beyond the workplace and encompass society as a whole. Our studies show a clear correlation between gender inequality in society and gender inequality at work (Exhibit 2).

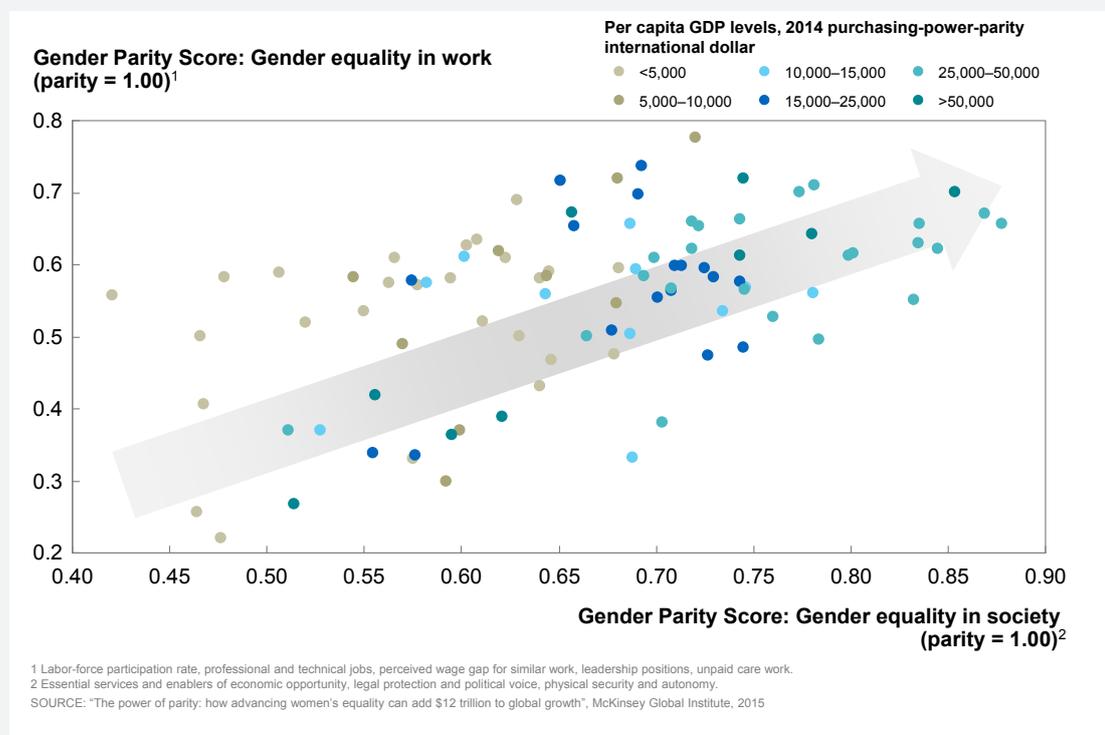
**EXHIBIT 1**

**In Western Europe, 3 drivers help seize a substantial incremental GDP opportunity**



## EXHIBIT 2

### Gender equality in society is linked with gender equality in work



# 2.

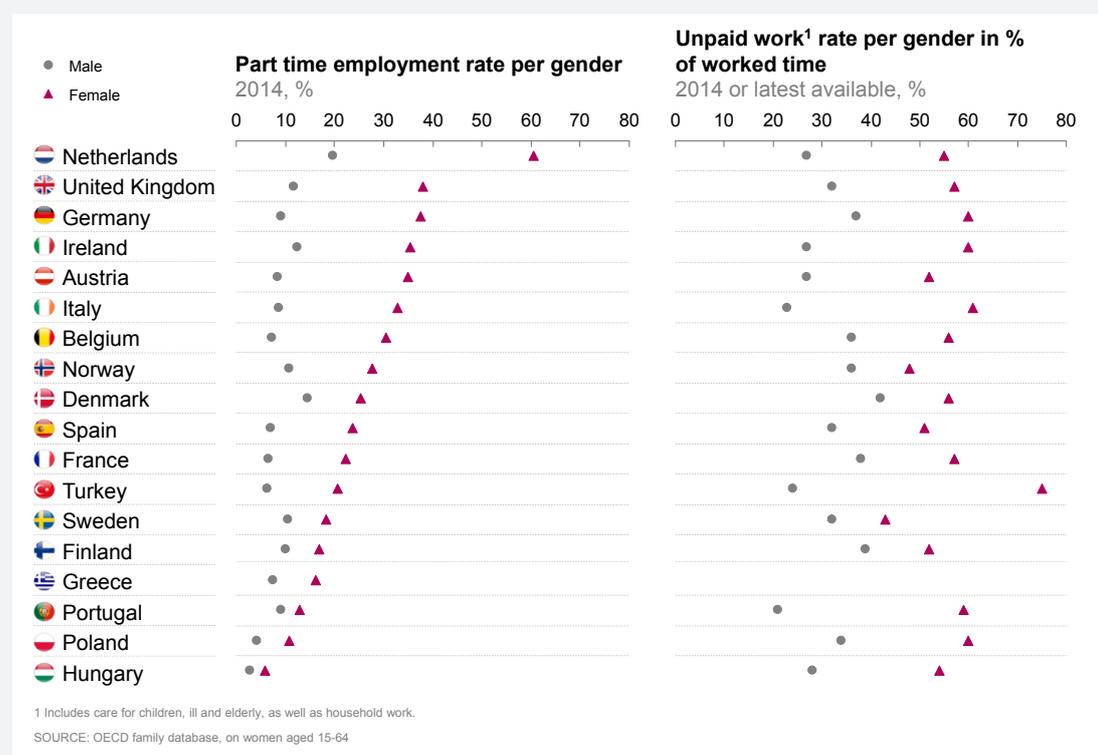
To achieve equality in the workplace,  
we must address the part time and  
unpaid work gaps



There are three ways to close women’s economic gender gap: (i) increase the hours worked by women; (ii) increase the participation of women in the workforce; and (iii) increase the representation of women in high-productivity sectors. These three ways implicitly question the current situation that drives women to work part time and provide the lion’s share of unpaid services, such as care-giving and housework. Decreasing the part time employment rate of women, and their share of unpaid hours, will be key to capturing women’s economic potential in Western Europe (Exhibit 3).

Socioeconomic inequalities not only affect the GDP, but also strongly influence women’s

**EXHIBIT 3**  
**European women work more part time and do more unpaid hours than men**



# 3.

Closing part time and unpaid work gaps can contribute to greater gender equality in leadership positions



representation in leadership positions in the private sector. In fact, there is a correlation between the representation of women in leadership positions and women's employment rate as well as with hours of unpaid work (Exhibit 4).

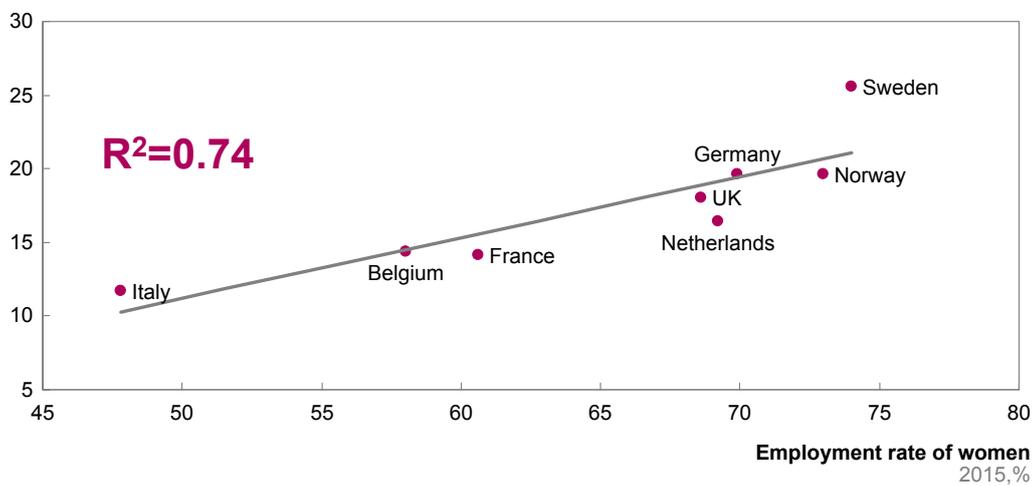
Beyond the economic case for change, there is overall strong conviction that gender diversity

#### EXHIBIT 4

There is a correlation between the representation of women in leadership positions and women's employment rate as well as with hours of unpaid work

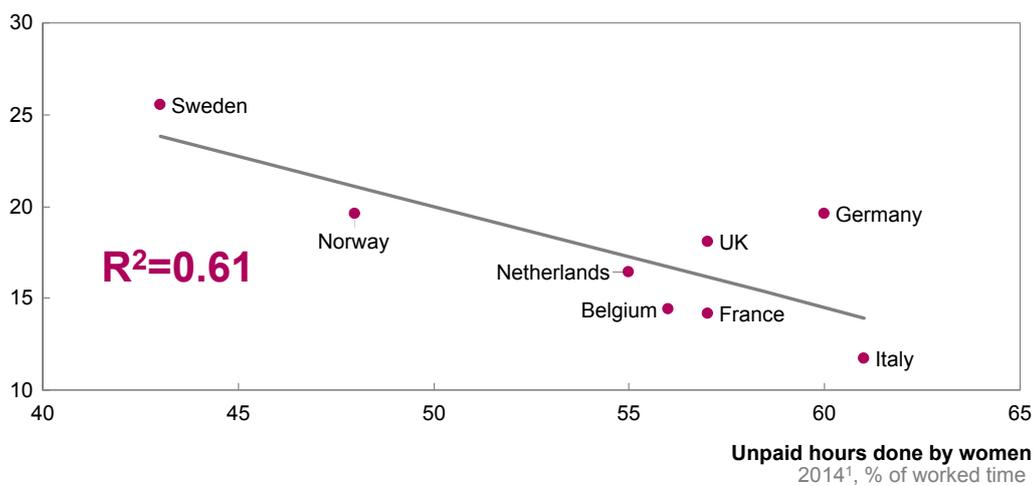
**Women's representation on executive committees**

2015, %



**Women's representation on executive committees**

2015, %



<sup>1</sup> 2014 or latest available data.

SOURCE: OECD for women aged 15-64, representation rate based on rate of women in ExCo of listed companies in main indexes in 2015

# 4.

Progress towards diversity is slow; management commitment and the quality of implementation could improve

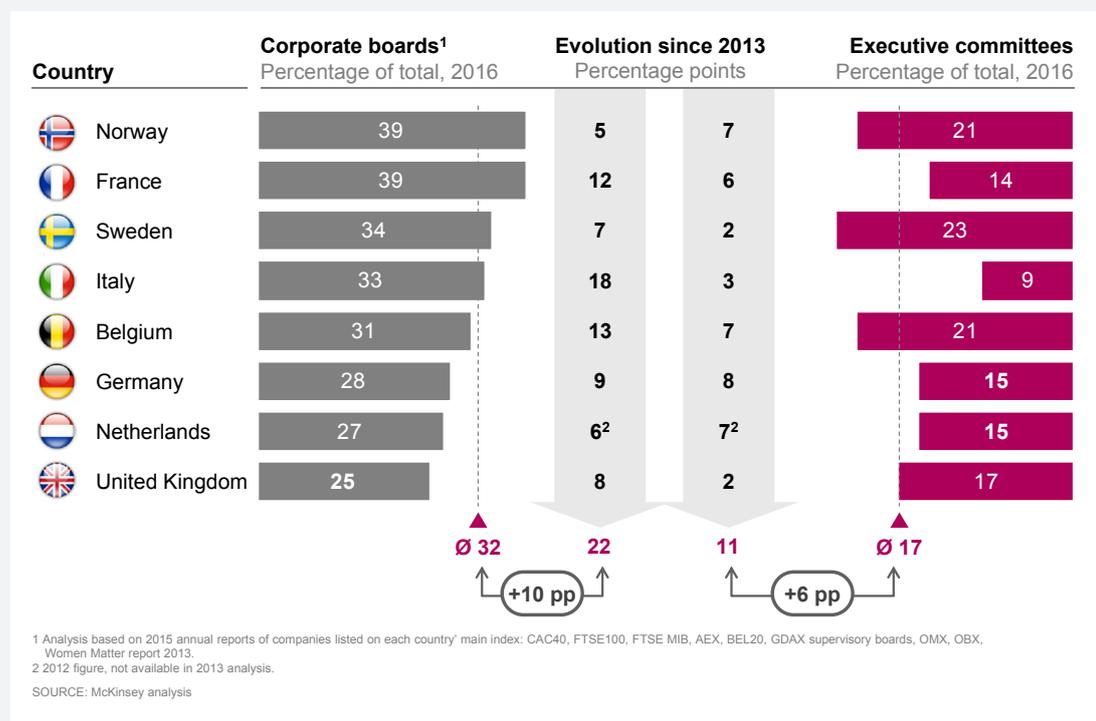


is good for businesses: 43% of the 233 companies we surveyed reported developing a gender diversity business case and programs that resonated with employees. Specifically, when asked why a company should prioritize gender diversity, “better business results” was the first reason mentioned by survey respondents, with “being fair” and “bringing a positive image to the company” the second and third reasons.

However, despite these responses, the representation of women on corporate boards and executive committees across the world remains far from parity: in Western Europe, women make up 17% of executive committees and 32% of the corporate boards of companies listed on the main stock index of their country, an increase of 10 points for boards and of 6 points for executive committees over the last 4 years. (In the US, women occupy 18.7% of board seats, a 1.7 point increase since 2012<sup>6</sup>, and 17% of executive committees seats, a static proportion<sup>7</sup>; in Asia, women comprise 6% of board membership, the same ratio as in 2012<sup>8</sup>). (Exhibit 5)

### EXHIBIT 5

Despite progress towards gender diversity, European countries still have a long way to go to reach parity



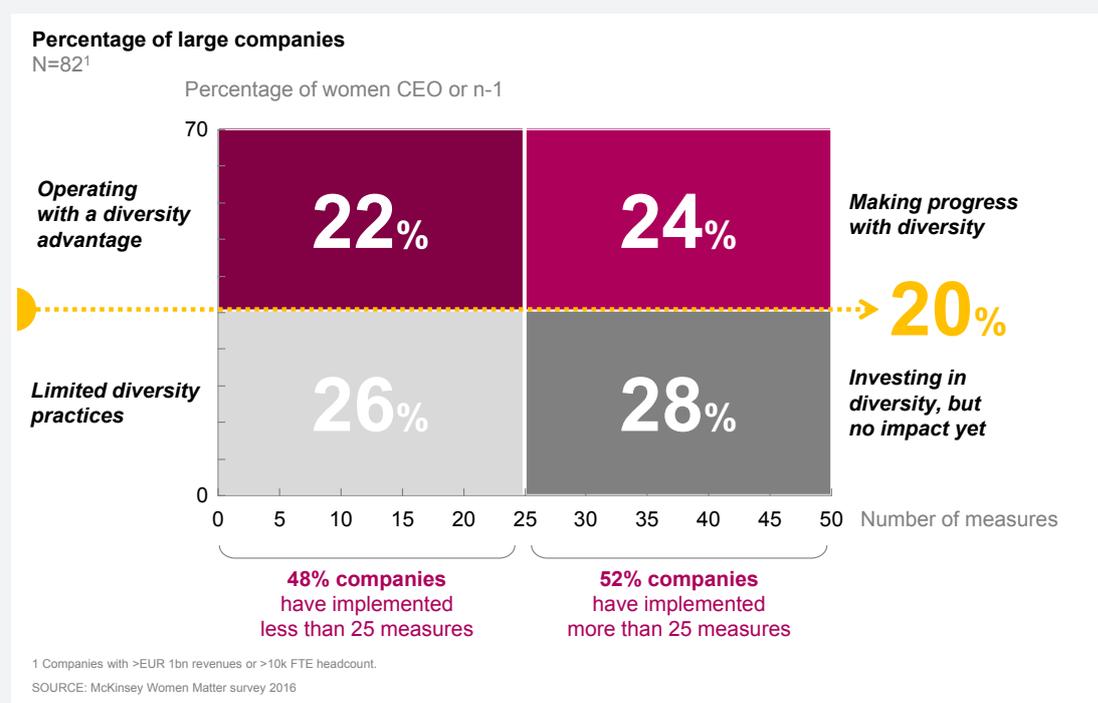
6 Deloitte 2015, “Women in the boardroom”, study on S&P 500.

7 Harvard Business Review, “Female Executives Make Progress, But Mostly in Support Functions”, April 2014.

8 “Women matter, an Asian perspective” (2011) and “Women matter, an African perspective” (2016).

This slow progress towards gender diversity makes one question the quality of the companies' diversity programs and their implementation. Indeed, although companies we surveyed launched numerous programs, policies and processes, results are meager. For example, of the largest companies in our sample<sup>9</sup>, 52% implemented more than 50% of typical measures (i.e., set quantitative targets, launched women development programs, defined gender diversity indicators and created a neutral evaluation system) but only 24% of them currently have more than 20% women on their executive committees or at the senior management level (Exhibit 6).

**EXHIBIT 6**  
**Over 50% of companies implemented a majority of gender diversity measures, but only half of them are making real progress with diversity**



The effectiveness of gender diversity programs was frequently raised, and only 40% of the respondents<sup>10</sup> reported they were “well implemented” in their companies – i.e., they had clear follow-up processes in place, were assessed on a regular basis, and their effectiveness was evaluated at various levels of the organization.

<sup>9</sup> Large companies are defined as companies having a revenue of at least \$1 billion and/or at least 10,000 FTE.

<sup>10</sup> Respondents are HR, VP diversity or members of diversity team.

Interestingly, if the number of companies that rank gender diversity among their 10 priorities increased by 10%, when compared to our 2012 sample, the number of companies that make gender diversity a top three priority remains quite low, about 7%. While a greater number of companies claim their CEO and management are committed to improving gender diversity, this commitment is not evident at other levels of their organization. Specifically, the full commitment of middle management (n-2) remains quite low, and significantly lower than in the top leadership (25% vs. 48%).

Essentially, only 31% of employees (29% of the women, 34% of the men) think their company is strongly committed to gender diversity, and 88% of them do not believe their company is doing what it takes to improve the situation. In addition, 62% of employees do not know how to act on gender diversity.

Consequently, although the odds for women to advance to the C-suite and senior management have increased in the past 4 years, women remain underrepresented in executive positions and the pipeline of talented women continues to shrink at each stage. Moreover, our 2016 sample shows that women are still concentrated in staff roles – they occupy 44% of staff roles and 35% of the line roles.

# 5.

## Key persistent barriers to address



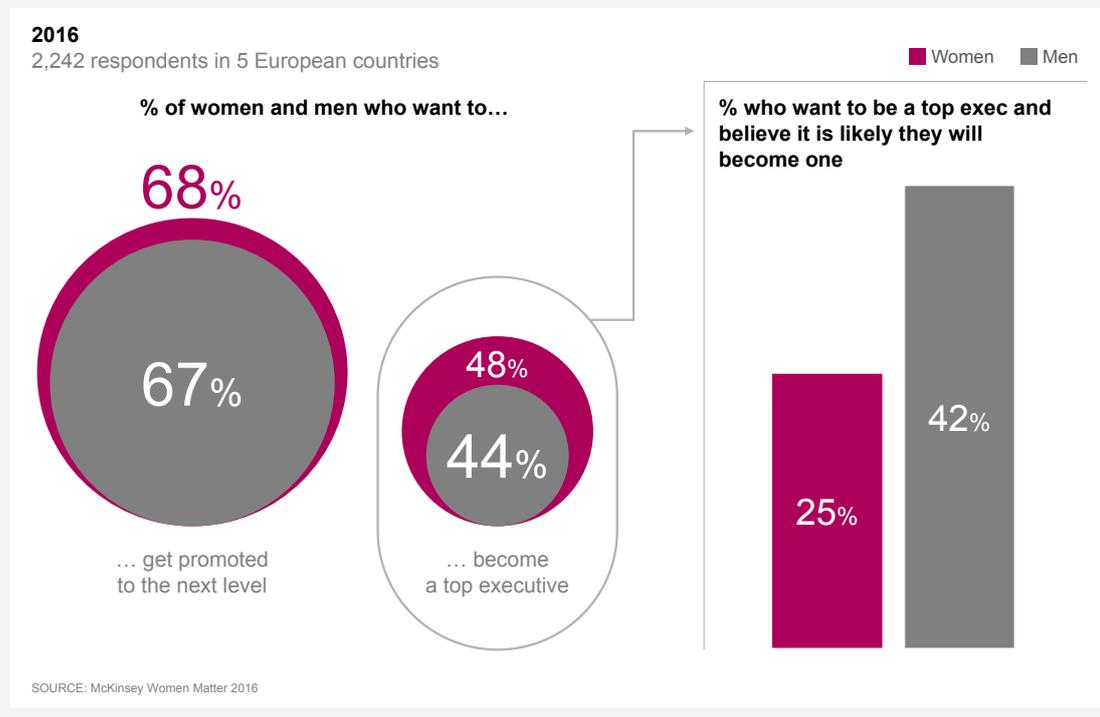
What prevents women from climbing the corporate ladder? According to our new research, which is consistent with previous “Women Matter” reports, two barriers continue to prevent women from rising through the ranks: the dominant “anytime” performance model and leadership styles.

Contrary to common belief, men and women are equally ambitious but it is still difficult for women to realize their ambitions.

- Of the 2,200 employees we surveyed in 2016, men and women showed a similar level of ambition: 67% of men and 68% of women have an interest in being promoted to the next level. However, 26% of the women reported that gender still plays a role in the promotion process and 41% of them believe it is harder for women to be promoted or get a raise.
- Roughly the same proportion of women and men seek top executive positions (48% women vs. 44% men in Western Europe vs. 40% and 56% in the USA<sup>11</sup>). However, of this group, far fewer women than men think they are likely to achieve their goal (25% vs. 42%). (Exhibit 7)

#### EXHIBIT 7

Most men and women seek top executive positions, but fewer women than men expect to achieve this



11 “Women in the Workplace”, McKinsey & Company, 2016.

- Within companies, more women than men are penalized by the “anytime performance model”. Our 2013 “Women Matter” report showed that both male and female respondents believe an executive career demands “anytime” availability, a work mode that requires sacrificing personal and family life. According to the report, this model makes combining an executive career with family life more difficult for women.<sup>12</sup>
- One out of three respondents to our 2016 research stated that an executive career would affect their ability to “pursue outside interests” (36% for both women and men), and to “be good partners or parents” (34% for women and 32% for men). At par with lack of interest, the first reason respondents gave for not seeking an executive position was that “it could affect their work-life balance”.
- Women still do a disproportionate amount of housework, child and elder care (i.e., unpaid work). According to a 2015 report<sup>13</sup> by the McKinsey Global Institute, time spent in unpaid work is a critical issue that prevents women from achieving their full economic potential, regardless of their geography: globally, 75% of unpaid care is undertaken by women, i.e., women do 3-times as much unpaid work as men. In Western Europe, women devote twice (2.1) as much time as men to domestic tasks: 4 hours and 29 minutes a day, compared with 2 hours and 18 minutes for men. In certain parts of the world, such as South Asia and MENA, women spend more than five times as many hours as men on unpaid care work.
- Consistent with this macro-analysis, our “Women Matter” 2016 survey shows that household responsibilities are not equally shared: interestingly, 15% of our women respondents claim they do all the housework while only 1% of the men believe their partner does all the work. When asked why they did more housework than men, 21% of the women answered because they are better than men at household chores and childcare. Women are also twice as likely as men to say their partner believes housework is a woman’s responsibility (13% of women, 7% of men) – and to view the man’s job as more demanding than their own (12% vs. 6%). In answer to the same question, men are much more likely than women to say they do more housework because they choose to do so (45% of men choose vs. 20% of women).
- Unfortunately, current solutions to the “double burden” issue are not satisfying for women. Although both men and women respondents think that gender diversity programs proposed by companies (parental leave, sabbaticals, etc.) are effective, both men and women (46%) argue that “career paced-down” options such as working part time, or on a reduced schedule, would hinder their career. Similarly, 48% of women believe a sabbatical or a leave-of-absence would hurt or greatly hurt their careers (vs. 34% of men), and 30% of them express the same concern about maternity or family leave (vs. 13% of men).

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12 “Women Matter. Gender diversity in top management: Moving corporate culture, moving boundaries”, McKinsey & Company, 2013.

13 “The power of parity: how advancing women’s equality can add \$12 trillion to global growth”, McKinsey Global Institute, 2015.

This explains why the double burden issue, coupled with the “anytime” performance model, stand out as key barriers at each step of a woman’s career journey.

In addition, our 2013 “Women Matter” survey of 1,400 managers and top executives from around the world showed that 40% of women felt their leadership styles were not “fit for the top”<sup>14</sup>. When asked if women’s leadership and communication styles were compatible with the prevailing model for an effective senior leader in the company, only 58% of the women agreed vs. 70% of the men. This confirms that many women think that the way they work and lead may not be recognized as efficient in the dominant model.

This survey also showed that while most men and women agree women can lead as effectively as men, the men had reservations when asked if they were “strongly convinced”: 84% of women strongly agreed they could lead as effectively as men at senior management levels, but only 43% of the men were strongly convinced.

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<sup>14</sup> “Women Matter 2013: Moving corporate culture, moving boundaries”, McKinsey & Company, 2013.

# 6.

## The three game changers that make a difference



Our 2016 survey examined the differences between best-in-class companies (those with a woman CEO and/or over 30% of women at the n-1 level) and others, and identified three game changers (Exhibit 8):

## EXHIBIT 8

Looking at Best-in-class companies (i.e., with a woman CEO or 30% of n-1 are women) we identified 3 game changers

### 1 PERSISTENCE



Best-in-class companies **started to work on gender diversity earlier (3-5 years)**: there is a time to impact

### 2 CEO COMMITMENT



CEOs of best-in-class companies have **gender diversity as a strategic priority** and **cascaded it at all levels**

### 3 HOLISTIC CHANGE PROGRAMS



Best-in-class companies have initiated **holistic change programs**

- 68% of best-in-class companies (vs. 49% of other companies) actively support and nurtures a **gender diversity culture**
- 60% have a **compelling change story** (vs. 56% of the others)
- 48% have **role models and change agents** embracing diversity (vs. only 33% of the other companies in our sample)

SOURCE: Women Matter 2016

**1. Persistence:** best-in-class companies started to work on gender diversity earlier and sustained their programs. This confirms such programs take time to make an impact.

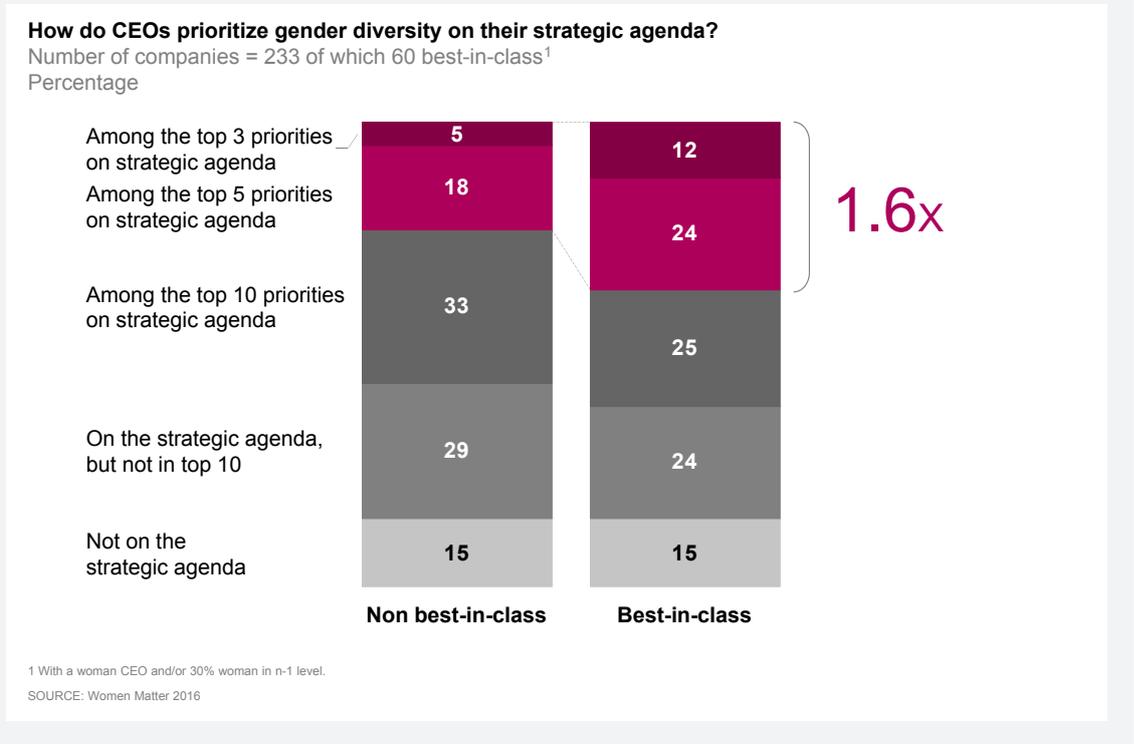
- Gender diversity has been a priority longer – 3 to 5 years for best in class vs. 1 to 3 years and consequently best-in-class companies launched programs to increase the ratio of women in leadership positions earlier.
- Best-in-class companies have had gender diversity indicators in place for some time, as well as policies to reduce gender bias in their evaluation systems.

**2. CEO commitment:** CEOs of best-in-class companies are more inclined to view gender diversity as a strategic priority and to seeing it entrenched at all levels.

- Best-in-class companies' CEO more often put gender diversity within the top 5 priorities of their strategic agenda (Exhibit 9).
- In best-in class companies, the CEO's commitment to gender diversity filters down to all senior managers and vice presidents (n-1), better than average. However, the commitment of middle managers (n-2) is often only slightly above our sample average. This begs the questions: Are these managers sufficiently involved in their companies' gender diversity programs? Are they getting the information they need to support them wholeheartedly? (Exhibit 10)

**EXHIBIT 9**

**Best-in-class companies' CEO put gender diversity much more often on the top 5 of the strategic agenda**



### 3. Best-in-class companies have initiated holistic change programs to engrain the transformation into the company.

Our “Women Matter” research has shown that companies need a comprehensive ecosystem of gender diversity measures to implement change. Best-in-class companies actually went beyond the core ecosystem to initiate a holistic transformation journey towards gender diversity.

Specifically, the best-in-class companies we studied displayed the following characteristics:

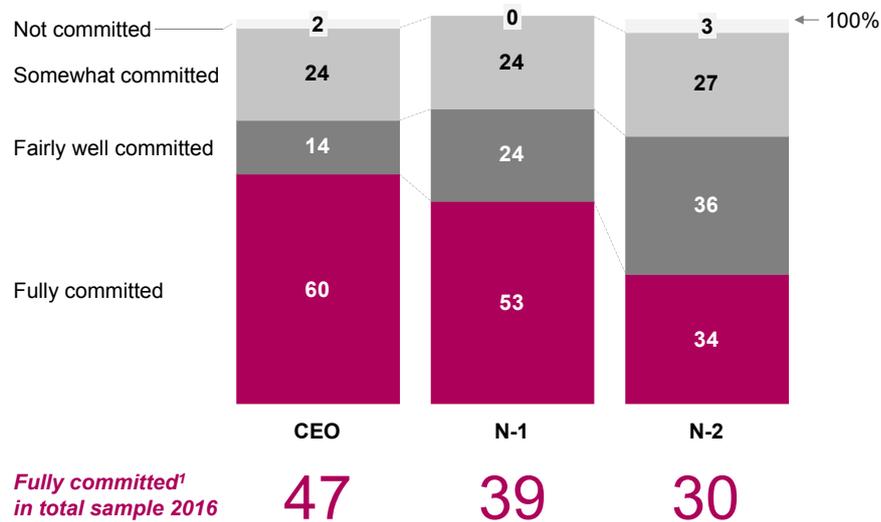
- 68% of best-in-class companies (vs. 49% of other companies) report their company actively supports and nurtures a gender-diverse culture.
- In addition to having developed a clear business case, 60% of best-in-class companies have communicated a compelling change story (vs. 56% of the others).
- 48% of best-in-class companies have role models and change agents embracing diversity (vs. only 33% of the other companies in our sample).

#### EXHIBIT 10

In best-in-class companies, cascade of commitment to lower management level is better than average, with only slight difference for N-2

##### 2016, percent

Number of best-in-class companies in total sample = 60



<sup>1</sup> Definition of “well implemented”: Managers frequently talk about the importance of gender diversity, review diversity data on regular basis and are effective in taking corrective actions; they are personally engaged in several actions including symbolic acts and encourage others to do so.

SOURCE: McKinsey Women Matter 2016

# 7.

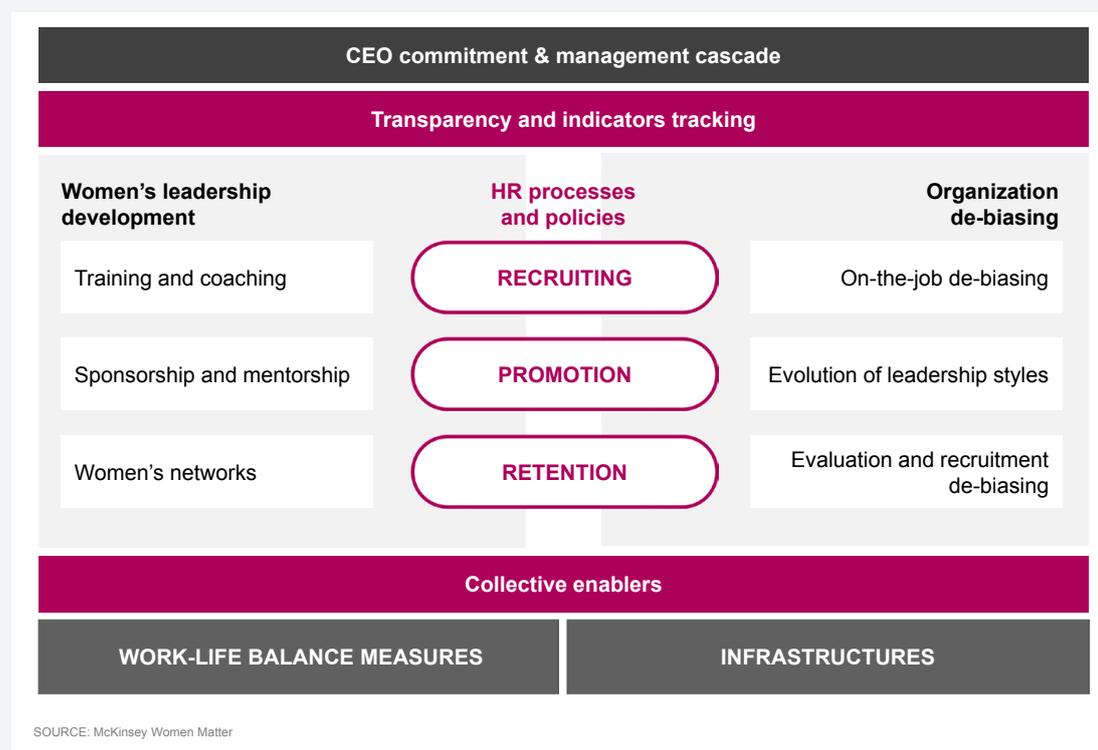
Combined government and business-led initiatives are needed to remove traditional barriers and achieve the full potential of gender diversity



1. Companies first need to define a gender diversity ecosystem that will address the specific gaps they have identified (Exhibit 11).

**EXHIBIT 11**

An ecosystem is required to make change happen



This ecosystem should support three critical evolutions in the company's culture:

- Establishing “new normal” ways of work for everyone, not just women, such as allowing all employees to work on flexible schedules and places, and make top careers compatible with work-life balance.
- Expand inclusiveness by developing programs and policies that neutralize the gender gap and apply to both men and women, such as the right to paternity leave as well as maternity leave.
- Promote and value different leadership styles, ensuring that evaluation and promotion criteria reflect a diversity of performance models.

In addition, among the components of this ecosystem, organization de-biasing is critical as it contributes to an evolution of the leadership styles.

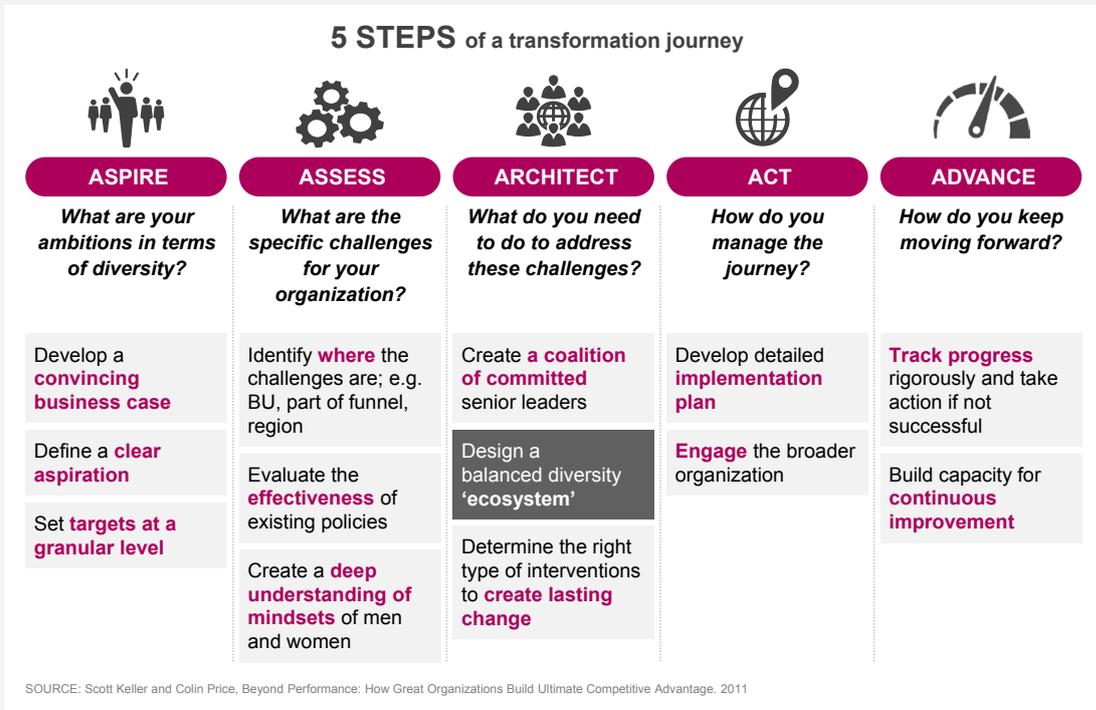
Changing the prevailing corporate leadership models is critical, not only to give women the confidence to take on leadership roles and believe they can succeed, but also because this change would boost companies' performance. A past "Women Matter" study showed how various leadership styles benefited companies' performance<sup>15</sup>. In particular, we found that behaviors more frequently used by women have a positive impact on organizational performance. For example, women tend to care about **developing people; they set expectations and give rewards** more often, and are seen as **role models**. These leadership styles more frequently used by women are critical to strengthen the work environment, reinforce values, instill accountability, drive results, all of which inspire people and organizations to perform better.

**2. Once this ecosystem is defined, companies need to support its effective implementation through a holistic change program** (Exhibit 12).

This change program – or transformation journey – goes beyond and encompasses the ecosystem defined earlier. It is a long-term effort that cascades down to all levels of the organization.

**EXHIBIT 12**

The ecosystem is one key element of a broader transformational change journey towards gender diversity



15 "Women Matter 2008: Female leadership, a competitive edge for the future", McKinsey & Company, 2008.

### **3. Government-led initiatives are key to unlock women's economic potential and ensure visibility to launched initiatives.**

When looking for solutions to bring more women into the most productive sectors, the MGI report's focus on the United Kingdom<sup>16</sup> underlines the need to increase the proportion of women with Science Technology Engineering and Mathematics (STEM) degrees and in STEM careers, and more broadly, to change social attitudes and mindsets. This means getting industry, educators, and professional bodies to recruit more women into the STEM pipeline, starting at a young age, retaining them through flexible return-to-work programs, and creating inclusive work environments.

To change attitudes and mindsets, the report suggests dispelling gender stereotypes by engaging the media, the business world, people of all ages and demographics, and monitoring progress by tracking changes in attitudes.

Governments have an important role in removing the barriers that discourage women from participating in the labor market. For example, governments can improve the childcare infrastructure, offer tax breaks to incentivize women to join the workforce, and create a sound framework for paid family leave, both paternal and maternal.

Finally, to increase the likelihood of success, government leaders can demonstrate their commitment to gender diversity by inviting men and women to help them identify gender equality issues and find solutions; asking men to contribute to inclusive change programs and serve as role models and promoters of the gender diversity agenda; and encouraging stakeholders from all sectors and industries to tap women's diverse skill-sets, and give them more opportunities to join and stay in the workforce.

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<sup>16</sup> *ibid.*



# Conclusion

There are clear economic and business cases for increasing the participation of women in the labor market. However, barriers that prevent women from contributing fully to the economy and from rising to leadership positions remain. Ideally, governments and corporations should work together to break down these barriers and build a sustainable workplace that welcomes women.

Governments can increase women's participation in the workforce by reinforcing social infrastructures and addressing mindsets. These could include initiatives such as infrastructures for childcare and elder-care that reduce women's part time and unpaid work; tax incentives that encourage women to work outside the home; public education that discredits gender stereotypes.

Corporations could launch broad transformation programs that tackle traditional barriers (double burden, anytime model), address the issue of leadership styles and provide long-term answers to the gender diversity issue.

A commitment to greater gender diversity can spur companies to reinvent the way they work; the way they attract, retain and grow talent; and encourage them to adopt new models that value entrepreneurship and independent work.

If we are to create and sustain a culture of gender diversity, we need the support of forward-looking, committed business and political leaders to share our goal.

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## Methodology

The 2016 survey covered 233 companies in nine countries – Finland, France, Italy, the Netherlands, Norway, Portugal, Spain, Turkey, and the UK.

We also surveyed 2,242 employees in five countries – Italy, Sweden, Finland, the Netherlands, and France.

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