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Gender balance and the link to performance

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The chief executive of global-services company Sodexo, Michel Landel, explains its determination to foster diversity and promote gender equality.

I am firmly convinced that gender balance is more than a moral imperative or a “women’s issue.” Gender balance is at the core of what we stand for at Sodexo, where each of our 420,000 employees must have access to the same opportunities and be able to develop his or her career. By tapping into the full potential of men *and* women, Sodexo is stronger, more innovative, and better at serving its 75 million consumers worldwide.

Over the past 12 years, we have been on a journey at Sodexo to make gender balance a reality. My commitment to this goal was influenced by the years I spent in the United States.

Following the acquisition, in the late 1990s, of Marriott Management Services, we unexpectedly found ourselves fighting a class action over alleged racial discrimination. This suit was a big shock, and took four years to settle. It did, however, prompt us to address the issues of diversity and inclusion head-on. I was fortunate to hire Rohini Anand as chief diversity officer, who still reports to me today. Over the years, we have put in place an ambitious strategy and have worked tirelessly to raise awareness among our teams, in particular through training. To date, more than 50,000 Sodexo employees—both men and women—have benefited from training courses on diversity and inclusion. Clients and other organizations routinely ask us to share the lessons we have learned, as well as resources like our training tools and expert teams.

Changing the culture

At Sodexo, greater diversity and inclusiveness are part of a cultural transformation that requires time and humility. It needs a set of clear, measurable, and attainable long-term objectives for

management. Teams must be held accountable and accountability cascaded through the organization. We all know that without targets, nothing gets measured and nothing changes.

I'll be honest with you: this cultural transformation is not easy. It takes rigor and determination. It takes time to convince all those, including some women, who do not understand why this issue is a strategic one. As a company, we have to help teams alter their perceptions so as to build an organization in which each of our employees can build a better future.

Building women through the ranks

Our biggest challenge is to build up our bench strength so we can promote more talented women to management and leadership positions in our operations. The cornerstone of that strategy is an internal organization called SWIFt—the Sodexo Women's International Forum for talent. Launched six years ago, SWIFt brings together 25 senior female leaders, including 14 nationalities and representing all areas of the organization. Its mission is to identify and put in place the right strategy and actions to promote the advancement of women.

SWIFt has been instrumental in helping more than 1,000 women find mentors. But there's more to it than that. Back in 2007, between 16 and 17 percent of our top 300 leaders were women; today 23 percent are. Moreover, 43 percent of our executive-committee members and 41 percent of our managers at all levels are now female.

While acknowledging that we still have a long way to go, I am proud of our progress, and the hard work and commitment of teams around the world.

One outstanding challenge is to bring more women into senior leadership positions with P&L responsibility. Clearly, men have a role to play in providing the right support, and I see a younger generation of men taking these issues more seriously and further advancing the arguments. Men don't always realize that the rise of gender balance has been beneficial to them. Many requests from women (for flexible hours, parental leave, and other initiatives to improve work/life balance) have directly improved the quality of life for men.

Expanding the business case

Last year, we set out to explore the correlation between gender-balanced management teams and key performance indicators such as employee engagement, brand awareness, client retention, and financial metrics. We analyzed data from 50,000 managers across 90 entities around the world and the results are compelling. They clearly show that teams with a male-female ratio between 40 and 60 percent produce results that are more sustained and predictable than those of unbalanced teams.

Our research, for instance, shows that between 2010 and 2012, the employee engagement rate of gender-balanced teams around the world increased by an average of four percentage points, against an average of one percentage point in the case of unbalanced teams. Similar findings show correlation between gender diversity and other business metrics, including consumer satisfaction and operating profit. We feel strongly that our study illustrates the business case for gender balance. Studies to date have looked extensively at the correlation between financial performance and women in leadership or on boards. We wanted to go one step further and demonstrate how gender balance drives results at all levels of the organization. Moreover, we are convinced that more women in the middle ranks increases the pipeline of candidates for these top positions. Our case study has confirmed what we have always known: gender balance can only deliver results if it is systematically addressed throughout the organization.



For generations, the corporate world has largely adopted a male definition of leadership. Women can be just as ambitious and career driven as men, but they tend to have a different perspective on life. I will never forget how one of my female colleagues on our executive committee presented herself for the first time by saying, “I am a woman, a mother, and a wife. And I am an executive at Sodexo.” A man would not be this up front or candid about his private life.

To succeed in developing a more diverse and gender-balanced workforce, corporate leaders must be prepared to stand up to their executive committees, driving commitment and ensuring accountability even if the initial perceptions are negative. They have to do what they believe is right not just to improve an organization’s performance but to create a better world. □

Michel Landel has been chief executive of Sodexo since 2005. This essay is an edited transcript of an interview conducted by **Sandrine Devillard**, a director in McKinsey’s Paris office; **Tim Dickson** of McKinsey Publishing; and **Cécile Kossoff** of McKinsey Global Communications.

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