

Forschungsstelle für Internationales Management



Media release: September 14, 2021

Advance & HSG Gender Intelligence Report 2021

# The Big Sieve – How to Stop the Female Talent Drain in Swiss Business

This year's Gender Intelligence Report reveals: Despite yearlong diversity efforts, the 'face' of leadership in Switzerland remains very male. The root causes are systemic. For real change, we need to change the mindset and fix the structures, not the women. The study, jointly conducted by Advance and the Competence for Diversity & Inclusion (CCDI) at the University of St.Gallen, appears for the 5<sup>th</sup> time and provides facts and figures about the development of gender diversity in the Swiss workplace. The 2021 report is based on raw data from over 320'000 employees from 90 companies.

While the Swiss talent pool is gender diverse, the 'face' of leadership remains very male in Switzerland. The fact is: Our country is literally brimming with female talent. 52% of all university masters and 54% of university of applied sciences masters go to women; already 36% of all graduates in business administration are women, 38% in natural sciences and 32% in technical disciplines (Federal Statistical Office 2020/2021). – However, despite yearlong efforts to increase gender diversity in business, progress is only happening in 'baby' steps. In fact, the latest developments indicate stagnation.

# Wherever it's about power and money, women are still the big exception

This year's figures are staggering: While the gender split in non-management is a neat 50-50, **83%** of top managers and **77%** of middle managers in Switzerland are men. A look at the pipeline development does not give much reason for hope for major changes to happen in the near future: **79%** of all new hires into top management are male, as are **71%** of new hires into positions with personnel responsibility. Looking at promotions, **75%** of promotions to top management are given to men, as are **71%** to middle management and **65%** to lower management. Women hardly make it past the lowest management level. – Why is it that we don't see a more substantial increase in women's representation after all those years of gender diversity initiatives focusing on hiring, promoting and retaining more women?

# The rules of the game are different for women

Our system is still wired for traditional gender roles with full-time (mostly) male breadwinners at work. The standard career models are geared towards these 'ideal' employees. Therefore, only they have a chance to make it to the top. Women carry extra burdens when it comes to climbing the career ladder as society expects them to take on the lion's share of care work. In other words, structures, processes and culture work like a big sieve, which efficiently eliminates gender diversity. The more strongly so, the higher up the ranks.

# Root causes are systemic

As becomes evident from the insights over the years: The root causes of inequality are systemic and largely lie in gender-biased structures and non-inclusive mind-sets. For instance, roughly half of all promotions (47%) happen between 31-40, an age that clashes with family primetime. Since women shoulder up to 77% of all care responsibilities (Branger, 2019), men gain a striking advantage over women in this period and maintain this lead throughout their careers. The rush hours of life can therefore be viewed as 'career killers' for women and 'career accelerators' for men. The developments along the whole employee life cycle show another interesting fact: Although there have been some successes in female promotion rates over time, these increases have been levelled out by a decrease of new female hires into management and by a higher turnover rate of women compared to men. Another key challenge that puts women at a disadvantage is that women's average employment percentage (85%) is lower than men's (96%) while full-time is still king for management roles.

# Can we afford to wait for gender parity until 2078?

Since 2018, the share of women in management has increased by just 1 percentage point. If we continue at the current rate, gender parity might become a reality two to three generations from now in 2078. Can we really afford to wait until 2078 and lose out on the tens of thousands of highly qualified women that get 'sieved out'? Currently, an estimated 54'000 university-educated women in Switzerland do not bring their skills to the labor market, presumably due to family care (FSO, 2021). In terms of GDP, approximately 190 billion CHF could be gained in Switzerland, if women's participation would fully equal that of men by 2025 (CFR, 2021). Moreover, it is

Report available online (14-09-21)

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a well-known fact that diversity boosts innovation and productivity. For all these reasons, including the vast female potential and bringing it to fruition is an economic imperative – even more so in the face of the increasing talent scarcity.

## For real progress, we need to change the rules

"More of the 'same' dearly won't do the job", states Alkistis Petropaki, General Manager Advance. "To create real results, we need to change the rules of the game and make them equal for everybody." Petropaki underlines the point that "we need to stop trying to make the women fit into the current system. Rather, we must consciously create the systemic changes so that women, in fact, all genders, feel included and have a chance to make it to the top." Prof. Dr. Gudrun Sander adds: "Inclusivity is indeed a key part of the equation – the make-orbreak factor. It requires conscious effort to re-wire the business world, which starts with leaders who manage inclusivity like a business." According to Sander, this includes: "Define a vision for the inclusive culture you want to establish. Second, define inclusion KPIs for all key processes such as hiring, promoting and retaining talent. Third, managers need to be held accountable. And fourth, very importantly, leaders need to model inclusive behavior in their daily practice." Another call to action is to 'redefine career' by challenging current leadership norms and creating new career paths. To shed light on impactful practices that are already under way, the report is enriched by <u>case studies</u> from progressive Advance member companies. Explore the best practices <u>here</u>.

### 'The Career Games' – Awareness campaign launched on Sept 14

What if children played by adult rules? This was the question that sparked the idea for a campaign to increase the awareness of systemic flaws in today's 'Career Games'. Girls and boys, aged between 7-9, are competing in an obstacle course. Yet the rules for the two teams are different. Watch the campaign movie <u>here</u>.

### About the Gender Intelligence Report

The Advance & HSG Gender Intelligence Report is the only report in Switzerland that is based on anonymized raw data provided by participating companies and organizations on a yearly basis. This unique data set together with a scientific methodology – applying the same formula, data type and consistent key performance indicators (KPIs) – allows for objective, transparent and comparable results. The report thus provides transparency on the progress of gender diversity in the Swiss workplace.

#### About Advance – Gender Equality in Business

Advance is the leading business association for gender equality in Switzerland, a corporate network of close to 130 companies in Switzerland committed to increasing the share of women in management. With a concrete program, Advance supports companies to turn diversity into a competitive advantage. Because a gender-equal and inclusive workplace is a win-win for all: men, women, business and society. View all members <u>here</u>. <u>www.weadvance.ch</u> |contact@weadvance.ch |LinkedIn | Twitter | Facebook | Instagram

# About the Competence Centre for Diversity & Inclusion, University of St. Gallen

The Competence Centre for Diversity and Inclusion (CCDI) is among the leading research institutions with regard to diversity and inclusion in Switzerland. CCDI conducts cutting-edge research on diversity and inclusion (D&I) and provides guidance and training to companies on how to promote and manage D&I in their organizations. The team draws on more than 20 years of experience in the field.

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