

GENDER INTELLIGENCE REPORT 2021

HOW TO CHANGE THE FACE OF LEADERSHIP

Executive version



Research Institute for
International Management



University of St.Gallen

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Advance
GENDER EQUALITY IN BUSINESS

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THE BIG SIEVE

Our current gender diversity targets are focused on hiring, promoting and retaining more women. Even if we manage to do so, gender diversity in business won't increase substantially. Why not?

THE RULES OF THE GAME ARE DIFFERENT FOR WOMEN

The prevailing system is wired for traditional gender roles with full-time (mostly) male breadwinners at work. Our standard career models are made with this 'ideal' employee in mind. Therefore, only they have a chance to make it to the top. Women carry extra weight when it comes to climbing the career ladder as societal expectations still gear them towards family care.

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.

To make real progress, we need to change the rules and make them equal for everybody. And while we continue our efforts to increase the numbers, we need to re-wire structures, processes and culture to give diverse talent a real chance.



This year's report is based on anonymized HR raw data from 320'000 employees from 90 companies – a unique data set in Switzerland in terms of quantity and quality.

WHILE THE TALENT POOL IS GENDER DIVERSE ...

Women make up **50%** of talent in non-management.

52% of all university master's degrees and **54%** of all university of applied sciences master's degrees go to women. (Federal Statistical Office FSO 2020/2021)

12'500 highly qualified women annually enter the workforce (FOS 2020); only 1.5% of them are likely to make it to the top, compared to 5% for men. The majority of these women are currently not likely to make it past the lowest management level.

189 billion CHF is the estimated GDP gain if women's participation in Switzerland would fully equal that of men by 2025. (Council on Foreign Relations, 2021)

Up to **77%** of all care responsibilities in Switzerland are shouldered by women, which means they do 3 times more work around the home than men, often on top of their paid work.

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)

Wherever it's about power and money, women are still the big exception. The root causes are systemic and largely due to (non-inclusive) culture. Can we afford to lose so much talent, potential, and GDP, knowing that diversity boosts innovation power and sustained economic success?

... THE FACE OF LEADERSHIP IS VERY MALE

83% of all top managers are men.

81% of all board directors are men. (GetDiversity, 2021)

79% of all new hires into top management are men.

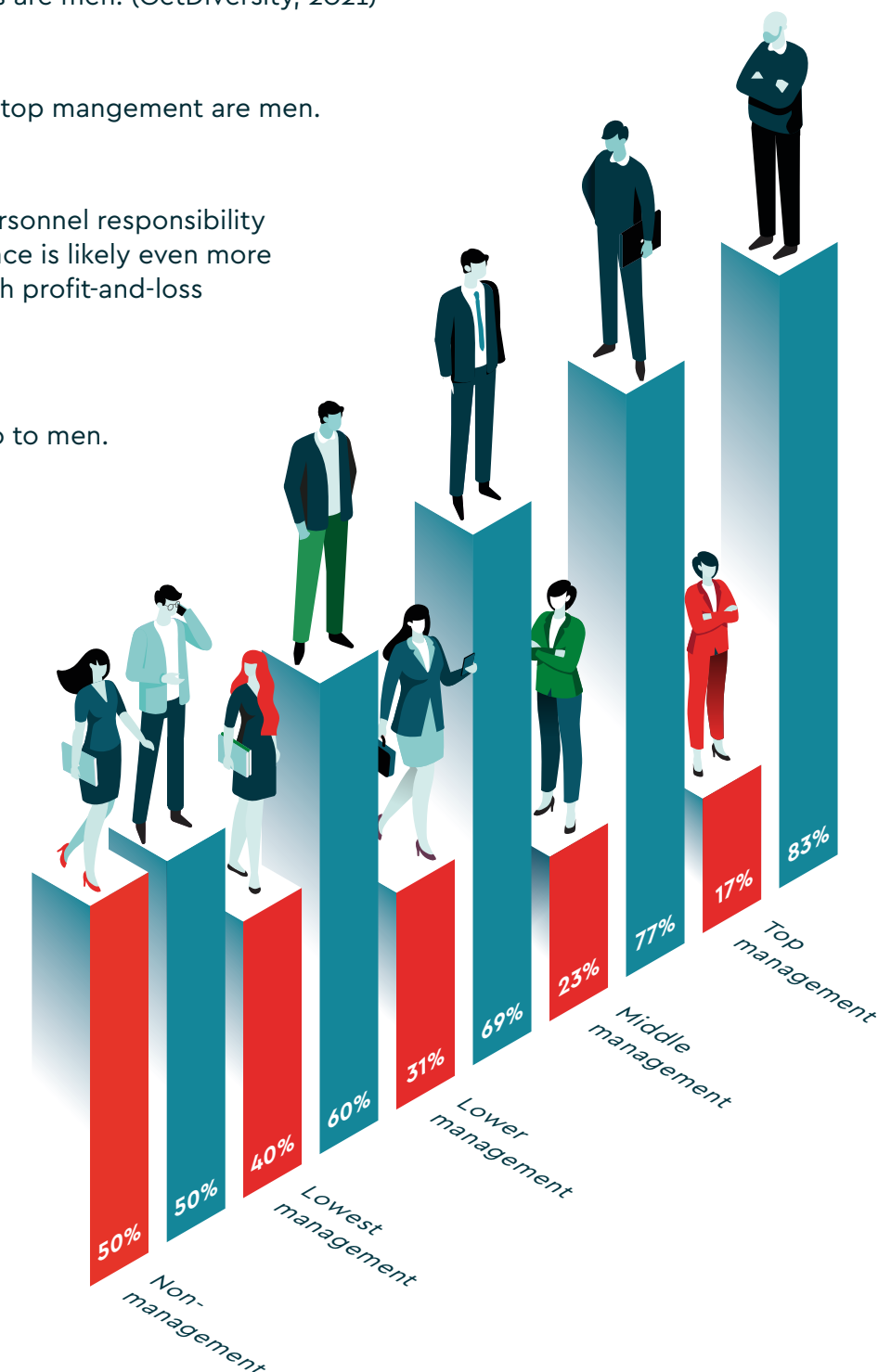
71% of new hires with personnel responsibility are men. The gender imbalance is likely even more pronounced for positions with profit-and-loss responsibility.

64% of all promotions go to men.

GENDER REPRESENTATION BY MANAGEMENT LEVEL

The share of women decreases with every management level.

■ Women
■ Men



GENDER MATURITY COMPASS – A SNAPSHOT OF D&I REALITY

The Gender Maturity Compass is a unique model that measures and maps cross-company progress along the four stages that organizations typically undergo as they move towards gender diversity.

STAGE I, WE COMMIT:

The company has declared the intent to increase women's representation in leadership.

STAGE III, WE PROMOTE:

The company's processes and interactions are starting to reflect its gender maturity. The value of D&I has become ingrained in talent development and promotion; men's and women's employment percentages converge.

STAGE II, WE ACT:

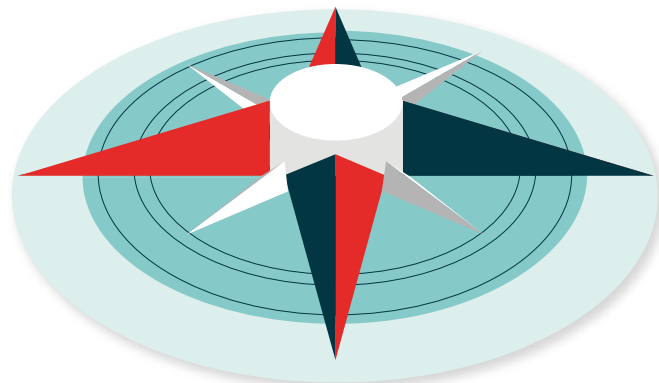
The company has started to take concrete actions and measures its progress. At this stage, it typically focuses on recruitment and developing inclusive mindsets.

STAGE IV, WE ADVANCE:

The company is now a truly diverse and inclusive place of work. The gender distribution across all hierarchical levels resembles a cylinder rather than a pyramid.

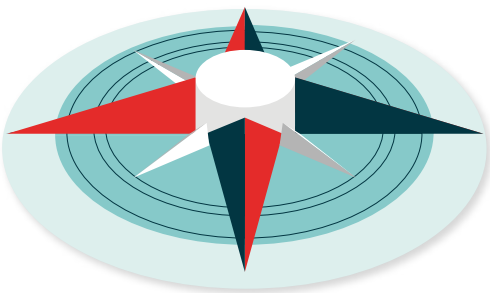
WE COMMIT

56% of companies reach stage I
61% 2020



WE ACT

25% of companies reach stage II
20% 2020



COMPASS CONFIRMS: LITTLE TO NO PROGRESS

Only a very few of the participating companies show a high degree of gender maturity: 1% at stage IV, 'we advance', and 8% at stage III, 'we promote'.

Despite their best intentions, most organizations remain stuck in low maturity stages largely due to systemic reasons.

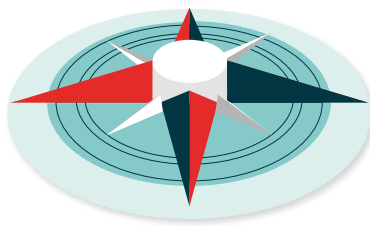
Many companies don't reach stage I: They have not declared a clear intent to embark on their inclusion & diversity journey.

The pandemic reinforced stagnation: More women than men lost their jobs or suffered from mental overload as they shouldered both care work while also working from home.

- 37% percent of women with children felt they had significantly less capacity to focus on their career, compared to men in the same situation (25%)
- Unemployment in 2019–20 increased by 2.5 percentage points for women (aged 15–39). For men in the same age group, it went up only 1.6 percentage points.

WE PROMOTE

8% of companies reach stage III
11% 2020



WE ADVANCE

1% of companies reach stage IV
5% 2020



The good news:
Advance member companies do better than non-Advance members. All stage III and IV companies are members of Advance.

KEY CHALLENGE I

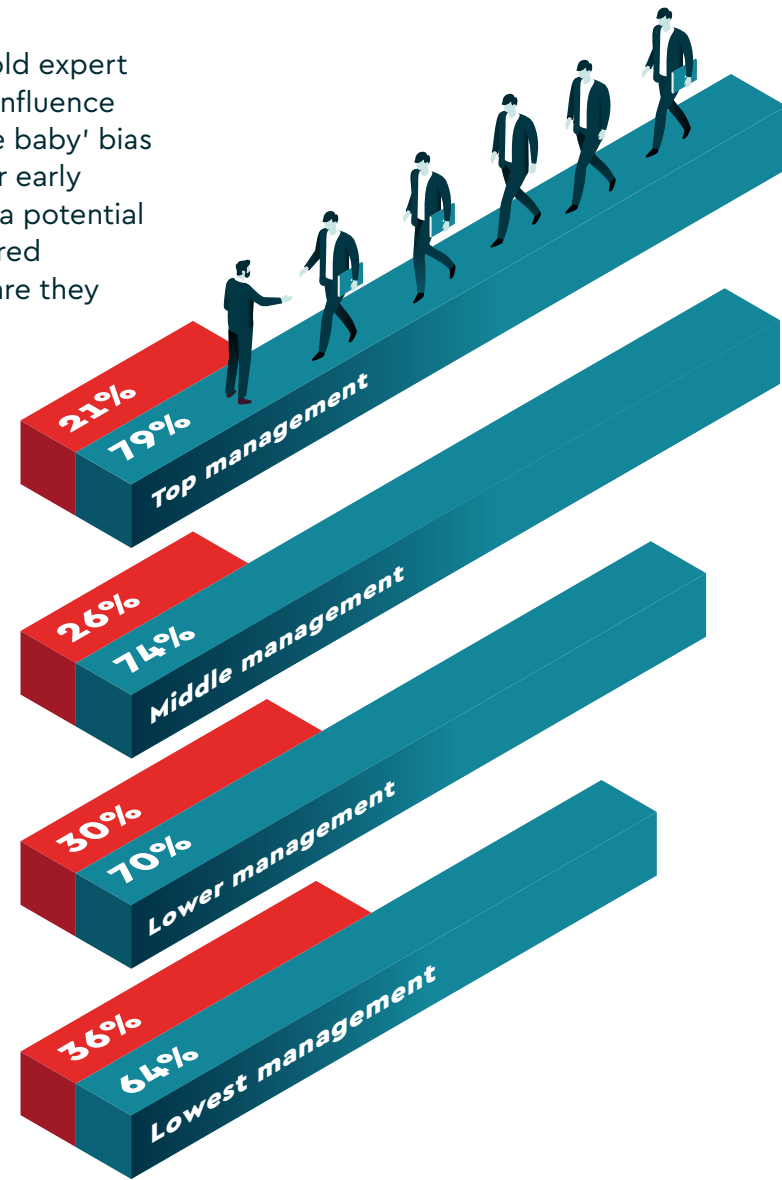
NEW HIRES INTO KEY POSITIONS ARE STILL PREDOMINANTLY MALE

68% of all new hires into management roles are men.

71% of all management hires with personnel responsibility are men.

Only **17%** of positions with profit-and-loss responsibility are held by women. (International Labour Organization ILO, The Business Case for Change, 2019)

The lion's share of female managers hold expert or services roles with a small circle of influence or decision-making power. The 'maybe baby' bias heavily affects women: Women in their early 30s are viewed as a riskier choice and a potential 'pregnancy inconvenience'. Men are hired more often as the 'safer option' – but are they always the best choice?



NEW HIRES BY GENDER AND MANAGEMENT LEVEL

The likelihood of women getting hired significantly decreases with each management level.

■ Women
■ Men

WHAT YOU CAN DO AS A LEADER

HIRE INCLUSIVE PERSONALITIES

New hires are a huge opportunity to strengthen your inclusivity endeavors. Thus, make sure that new hires at every level bring an inclusive mindset to the table and apply this in everything they do.

MAKE 'INCLUSIVE BEHAVIOR' ONE OF THE CRITERIA FOR NEW HIRES

- Review your candidate assessment criteria to ensure that you hire for inclusive behavior.
- Ensure that your inclusion & diversity vision is reflected consistently in all your hiring materials and make inclusion competencies explicit in role descriptions and job ads.

MAKE EQUAL HIRING SLATES THE NEW NORM

- Set this as a principle and standard for all management positions.
- Use inclusive language in all your role descriptions and employer branding materials – in fact in all your corporate and visual communication.
- Hire for potential, not only experience. See how you can widen profile criteria meaningfully to attract more women, especially in the tech industry.

SET UP DIVERSE HIRING COMMITTEES FOR ALL MANAGEMENT POSITIONS

- Diversity of perspectives needs to be a given from the start.
- Criteria need to be transparent and measurable to minimize unconscious bias.
- Implement this as a standard from middle management upwards.

KEY CHALLENGE II

PROMOTION RUNGS FOR WOMEN BREAK EARLY

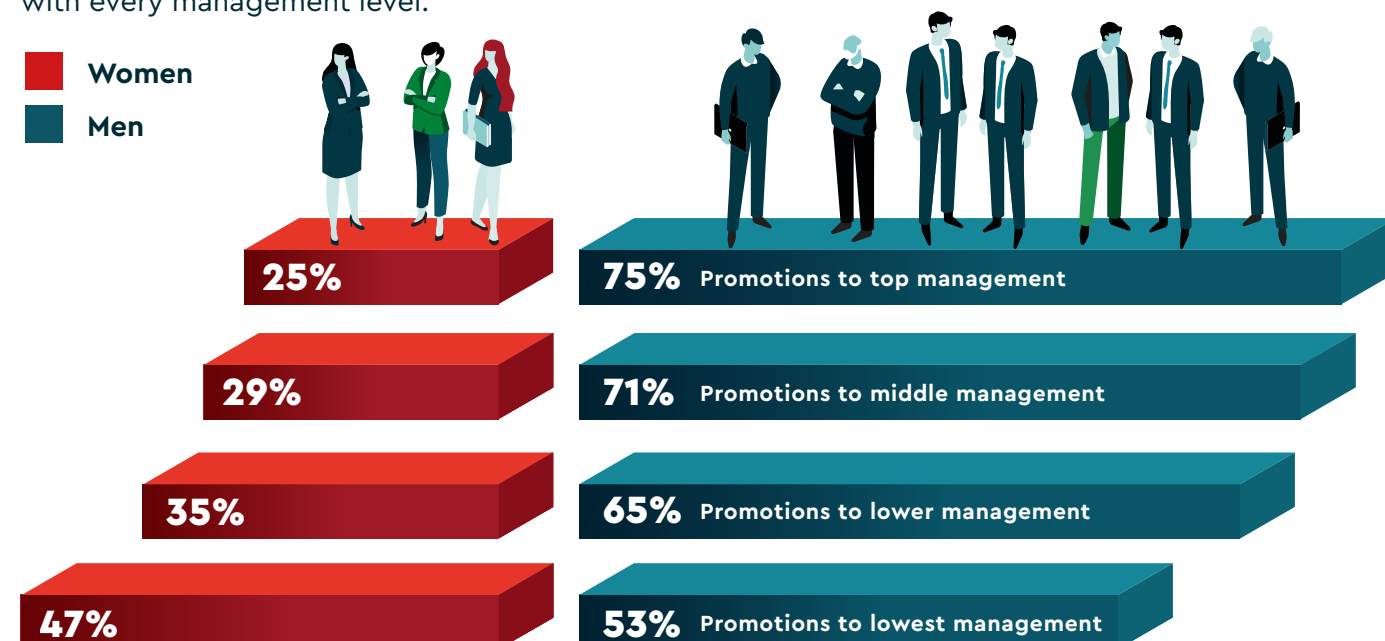
- Women hardly make it past the lowest management level.
- Career rungs get increasingly weaker for women and decidedly stronger for men the higher up the career ladder one goes.
- Key springboard positions are won by men: Only 36% of promotions into positions with personnel responsibility go to women, and the numbers are likely worse when it comes to profit-and-loss.
- Heavy leaks in the female leadership pipeline: Women are leaving management at a higher rate and after a shorter time period, especially in the 'rush hours of life' between 31-40: at 9%, women's turnover rate in this age group is clearly higher than men's at 7%.

Women's promotion shares have slightly increased since 2019, yet not consistently so, and it's not enough to impact women's representation in management substantially. Here's why: Successes in promotions are eaten up by a decrease of new female hires into management and by a higher turnover rate of women compared to men, especially in lowest and top management levels.

If we continue at the current rate, gender parity might become a reality two to three generations from now in 2078.

PROMOTIONS BY GENDER AND MANAGEMENT LEVEL

Female promotion rates decrease with every management level.



WHAT YOU CAN DO AS A LEADER

MAKE YOUR TALENTED WOMEN VISIBLE

Contrary to common belief, the report's numbers suggest that many promotions are not given based on merit. To change this, question your current promotion practices and make sure that female talent gets equal opportunities for advancement.

BRING WOMEN INTO PROFIT-AND-LOSS ROLES EARLY ON

As there are very few women in influential P&L roles, define targets for women in P&L roles and hold managers accountable for them.

Line managers who despite all efforts cannot fill equal slates are asked to explain. 'Comply or explain' criteria need to be transparent and have managers' buy-in.

Make equal promotion slates the new norm.

GET TO KNOW AND SPONSOR YOUR HIGH-POTENTIAL WOMEN AND CREATE PLATFORMS FOR THEIR VISIBILITY

Actively encourage young female talents to take on roles with profit-and-loss responsibility; create low-threshold projects for starters.

Learn from your peers how to create impactful opportunities for visibility and training leadership skills. Explore the Advance best practices bank and join one of our C-Level events.

REVIEW AND ADAPT YOUR PROMOTION CRITERIA FOR ALL MANAGEMENT LEVELS

Use transparent and measurable criteria that also encompass inclusion skills, such as: empathy, active listening, openness to continuous learning, awareness of privileges and different needs of diverse employees, creating psychological safety, feedback skills, empowerment & support. Make sure you have feedback structures in place to accurately measure inclusion skills, such as 360-degree feedback.

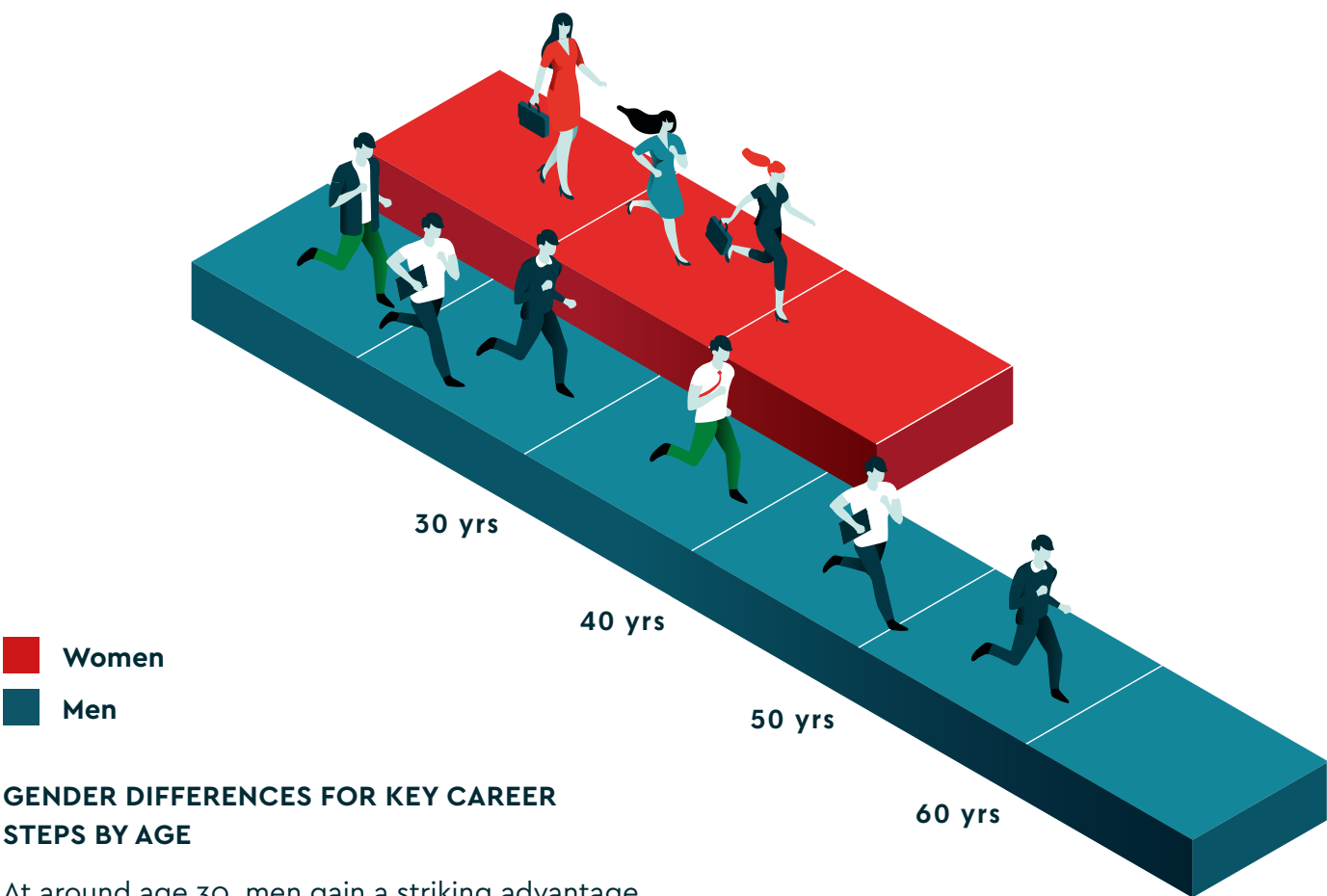
Offer trainings on inclusion skills and have your managers regularly assessed, especially as of middle management upwards.

KEY CHALLENGE III

CAREER WINDOW MUCH SMALLER FOR WOMEN

The career window closes for women by age 40 as they tackle the rush hours of life, whereas for men it stays wide open between 31–50 and beyond.

- Roughly half of all promotions (47%) happen in the age bracket 31–40, which clashes with family prime-time.
- Up to 77% of all family care responsibilities are shouldered by women.
- Full-time is still king in management; while understandably so in top management, senior management roles can be successfully filled at less than full-time or with top-sharing.
- Employment percentages of women are substantially lower than men's: women work on average 85%, men 96%.



GENDER DIFFERENCES FOR KEY CAREER STEPS BY AGE

At around age 30, men gain a striking advantage over women and maintain this lead throughout their careers. The rush hours of life can therefore be viewed as 'career killers' for women.

WHAT YOU CAN DO AS A LEADER

REDEFINE 'CAREER'

What does a successful management career look like in Switzerland? What does it look like in your company? Who are the successful managers in your organization? How diverse is the picture that you get?

CREATE FLEXIBLE, AGILE AND INCLUSIVE CAREER PATHS FOR ALL GENDERS

- Start shifting the norms of 'career': adapt the 'prototype' of what career success looks like to include other more flexible career paths and create platforms to make them visible.
- Make the option of flex and remote work the new norm for employees at all hierarchical levels. Introduce a process by which employees and managers define their personal work schedules to ensure that the working options are transparent.
- Consciously promote women after 40.

POSITION PARENTHOOD AS A NORMAL PART OF MEN'S AND WOMEN'S CAREERS

- Level the playing field by equalizing parental leave for all genders. Consider making it mandatory for fathers as well.
- Sensitize and train your managers to actively support and check in with new parents to help them balance family and career; there are impactful parents-at-work programs available.
- Enable parents to balance their careers and other life aspects by providing childcare, coaching and flexible working models.

ACTIVELY ENCOURAGE WOMEN TO RETURN AFTER MATERNAL LEAVE AND POSITION THIS AS THE NEW NORM

- Incentivize mothers to continue their careers by providing maximum flexibility. Listen to what they need and plan mid- to long-term career development.
- The more men share in care work, the more women will increase tenure. Promote the balanced caretaking model to all your employees.

LET'S CREATE REAL RESULTS BY

MANAGING INCLUSIVITY LIKE A BUSINESS

There has never been a better time than now for embracing change. The post-Covid era offers a unique opportunity to shed outdated practices and to develop new ones that are more effective in leveraging the entire talent pool, rather than only half of it. Are you ready to pave the way? Let's equalize the rules of the game for all genders.

WITH A CLEAR VISION

What does inclusion mean in terms of expected behaviors, experiences and abilities? What inclusive talent do you need to make your inclusion vision a reality? All managers should be involved, aware, trained and regularly assessed, so that they champion inclusive behaviors and create maximum visibility, for example in townhalls, panels, internal blogs, etc.

WITH MEANINGFUL KPIs AND ACCOUNTABILITY

Like any other business project, inclusion needs meaningful KPIs and measurable objectives for all key processes such as recruitment, talent development, promotion, appraisals and retention. Regular monitoring of the results is important, ideally anchored in appraisal reviews and tied to management rewards. Be prepared to make hard decisions in cases of non-compliance and communicate this to your management.

WITH WALKING THE TALK

This is a make-or-break factor: Your top-leadership team and senior management need to be on board and lead by example in daily practice. Co-creating an inclusive culture transformation with leaders and champions from all organizational levels is the most promising approach!

BEST PRACTICES



Take a look at what's underway in Advance member companies to shift the systemic norms.

CREDITS

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Issued by

Alkistis Petropaki

General Manager Advance
Advance – Gender Equality in Business
alkistis.petropaki@weadvance.ch
www.weadvance.ch

Alexandra Rutsch

Communication Manager & Project Lead
alexandra.rutsch@weadvance.ch

Faye Witteveen

Program Manager & Best Practices Lead
faye.witteveen@weadvance.ch

Sandra Medeiros

Art Direction, Illustration
www.wildfactory.ch

Prof. Dr. Gudrun Sander

Director Competence Centre
for Diversity & Inclusion (CCDI)
Research Institute for International
Management, University of St.Gallen
gudrun.sander@unisg.ch
www.ccdi-unisg.ch
www.diversitybenchmarking.ch

Dr. Ines Hartmann

Senior Project Manager CCDI
ines.hartmann@unisg.ch

Dr. Nora Keller

Project Manager CCDI
nora.keller@unisg.ch

Visual illustrations & layout

JOIN THE MOVEMENT!

– Together, we #advance faster!

In cooperation with the University of St. Gallen, Advance is continuously developing diversity insights and resources to support companies along the way.

- Find valuable in-depth guidance in the full version of the Gender Intelligence Report [here](#), and check out a rich selection of Advance member companies' best practices [here](#).
- Explore the Advance program including C-Level exchanges, skill-building offers, awareness trainings and campaigns, high-level mentoring and many more membership benefits [here](#).
- Consider participating in the St. Gallen benchmarking for deeper in-company analysis and cross-company comparison. [More here](#).

Download the
full report [here](#)

