

The business case for gender equity

in senior leadership roles is strong and clear about the fact that there is a direct link to organizational performance. “Discrimination creates a waste of talent and reduces effectiveness”. In order for companies, and countries, to remain successful, they must build *sustainability and competitiveness* into their strategic objectives. Many sources report that a key factor to achieving this is to have greater gender equality and more specifically, more women in senior leadership roles. Organizations must take advantage of the *largest pool of talent* possible if they wish to forward their strategic agenda and to compete sustainably in today's global environment. Companies that fail to present *diverse perspectives, opinions and decisions* will be dealt with harshly. Maximum productivity and engagement will be required from every worker at every level. This will require a more *balanced and inclusive approach to leadership* to drive creativity and innovation in this age of the knowledge worker. This will be even more important in the coming years, as predictions point to the future being “disproportionately female”.

“Diversity is not self-managing.”

Source: Corporate Leadership Council, 2010

The leadership pipeline refers to the jobs in the organization that have progression paths that lead to the top positions. In reality, **the problem is not about getting women into the pipeline**, rather it is about giving them the “support needed to reach their full potential” once they get there. But successfully managing the leadership pipeline requires more than replacement planning. An integrated approach is required that includes both succession plans and the necessary leadership development to make those successions successful.

Six Common Categories

- Company Strategy
- Senior Leadership Support
- Performance Evaluation
- Career Planning
- Training and Development
- Inclusive Workplace

There has been no growth in the number of women leaders in the senior roles in Canada in the last two decades.

2012 RESEARCH RESULTS

3 Themes, 7 Practices

DRIVERS

- Strong Mentors
- Developmental Opportunities
- Feedback

FACILITATORS

- Flextime
- Telecommuting

ENABLERS

- Top Performance
- Career Ownership

The key dilemma seems to be the fact that there is no single solution to improve the advancement of women and minorities in the private sector. The problem that started out as a human rights pursuit, evolved into one associated with “political correctness” and “organizational effectiveness”. In 1995, the 250-page **Glass Ceiling Commission Report emphatically declared that the glass ceiling does in fact still exist**. The ‘think manager-think male’ bias is alive and well and is a global phenomenon. The challenge still seems to be the difficult question of how to keep the women leaders and develop them into senior roles, in such a way that they are willing to stay. In order to solve the problem of career paths for women, we have to stop looking at them from the career path model designed for men.

The playing field is not level for women and visible minorities.

Existing research shows that CEOs and women leaders do not agree on the degree to which attitudinal barriers exist for women. Add to that the fact that the women leaders did not agree with the HR professionals about which initiatives were more helpful in advancing their careers. The women leaders felt that even when they did have the CEO's support, that support was not focused on activities that were actually driving results.

The actions, or inactions, on the part of the organizations have a direct role in “creating and maintaining the glass ceiling.”

Source: Goodman, Fields & Blum, 2003

How much do women earn compared to men?

1978 - \$.55

1994 - \$.70

2008 - \$.71

Source: Statistics Canada

Note: Equal pay legislation enacted in Canada in 1978

Gender equity has evolved from being seen as a women's issue, to being seen as a business imperative, with some saying it will determine the “competitive edge of Canadian organizations”

Research indicates that successful diversity programs include:

- flexible work patterns and careers
- inclusive culture
- driven from the top leaders
- accountability for diversity metrics and behaviours
- development opportunities

Rosabeth Moss Kanter, 1977

Harvard Business School Professor

- Structural change is necessary
- Problems associated with women in organizations are rooted in powerlessness, not sex
- Primary issue for women is lack of developmental opportunities

“A masculine culture that has existed for so long is not easy to see. People have come to view the culture as normal, but these norms “only appear unbiased.”

Source: Meyerson & Fletcher, 2000

If we are to be successful in making these changes, we have to recognize that the majority of men do not view the lack of equality for women as a “loss” for women, but they do perceive the changes associated with increased equality for women as a “loss” for men.

Source: Federal Glass Ceiling Report, 1995

TWO PREVALENT THEORIES

Individual Perspective:

Women's ability and willingness to perform in leadership roles drives advancement. Research topics in this area have included the number of women available for leadership, their education level, their supposed inherent (or lack of) leadership capabilities, and their drive and motivation to lead. This perspective also takes into account a woman's desire to have and raise children, and a lack of desire for the high-stakes, pressure-laden, competition-focused corporate lifestyle.

Structural Perspective

Organizational and cultural issues are major contributors to a woman's advancement, some of which are outside her direct span of control. This perspective is based on the hierarchies, symbols, values and practices at an organizational level that result in a culture, or a set of norms, that overtly and covertly hold women back from rising up the leadership ranks.

Research Process

- An interview was held with a senior HR leader at each company to determine the organization's talent management practices. (note: several initiatives were identified as gender-specific, but most were not)
- The company practices were summarized into a list that was sent to its respective women leaders.
- The women discussed the items and the degree of impact the items did or did not have on their career advancement.

“There is a secret sauce here. There is a resilience and a commitment to the company that is unusual.”

- Research Study Participant

Women Leader Demographics

- Eleven women leaders across 4 companies in 3 industries
- Women had received at least one promotion at their current company
- Average tenure at current company was 15.7 years
- Several women mentioned they did not intend to stay so long when they first entered the company. The inclusive and flexible culture was given as the key reason for staying
- Six women held line positions and five held staff positions
- Only one leader did not have children

Company Profiles

- Four Toronto-based companies with global operations
- Diversity and inclusion part of strategic direction for over twenty years
- None expressly listed diversity or inclusiveness in either their vision or mission statements that were posted on the Internet
- All four included them in the corporate values descriptions
- None had defined gender quotas
- Each had targets and measures that were reviewed at the highest levels of leadership
- Specific person or team of people responsible for diversity programs and initiatives