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2020 Next-Gen Talent Leadership Report

Advancing Women to the C-Suite

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Hunt Scanlon Media has been defining and informing the senior talent management sector for over 30 years. Our global staffing intelligence data comes in many forms: daily newswires, annual leadership and state of the industry reports, market intelligence sector briefings, industry rankings and our flagship newsletter Executive Search Review. Our exclusive news briefings, interviews, industry trends reports and rankings, forecasts and expert commentary offer unique insight and market intelligence as we track global talent management developments. Since our inception, talent management professionals worldwide have turned to Hunt Scanlon Media.

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leadership and talent solutions consultants who service them.

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FOREWORD



FOREWORD

I am delighted to join Hunt Scanlon Media in welcoming you to the 2020 Next-Gen Talent Leadership Report, 'Advancing Women to the C-Suite.' It is a superbly researched study that we believe makes a major contribution to progress towards greater gender diversity on boards in the U.S. and – by extension – worldwide.

On reading the report, I was immediately impressed by its detailed yet comprehensive coverage of the vitally important topic of senior female representation in enterprises. I was particularly intrigued by the sections on tackling gender imbalances – including the relative lack of women on the C-suite, and why and how we can change this.

Aligned Insights at U.S. and Global Level

These are areas where we at BoardEx have undertaken significant research over many years for our annual Global Gender Diversity Report. It's pleasing to note that Hunt Scanlon's findings – focusing primarily on U.S. publicly traded companies – closely mirror our own wealth of research insights at a global level.

For example, our latest [Global Gender Diversity Report](#), published in June, echoes Hunt Scanlon's view that while progress towards a better gender balance at leadership levels is continuing, it remains frustratingly slow. In particular, we believe that the insufficient representation of women in leadership teams globally raises the risk that there will be a shortage of suitably qualified women to fill board (and, especially, executive) level vacancies in the future.

Women on Boards: Gradual Progress

Zeroing in on female representation on boards – a key focus of the Hunt Scanlon study – the findings from our research make equally interesting reading. France tops the rankings for boardroom diversity, with 43 percent of board positions held by women; at the

other end of the scale is Japan, where just under 9 percent of directors are female.

Currently, the S&P 500 has 27 percent female board representation. Organizations like Hunt Scanlon are championing diversity on the board and in the C-suite. Studies show that the more female leaders in these positions, bring in more female candidates for other management roles.

“These are areas where we at BoardEx have undertaken significant research over many years for our annual Global Gender Diversity Report. It's pleasing to note that Hunt Scanlon's findings – focusing primarily on U.S. publicly traded companies – closely mirror our own wealth of research insights at a global level.”

An Issue Rising Up the Corporate Agenda

These are just some of the perspectives we have built up from our global research into gender diversity at senior levels in enterprises worldwide – underlining why we are such strong supporters of this report from Hunt Scanlon. Focusing primarily on U.S. publicly traded companies, Hunt Scanlon's research provides valuable insights into areas such as building a pipeline of more highly qualified women candidates for senior roles. It also looks at how to identify women with the right attributes and experience, and how they can then make their voices heard in associations and other organizations.

All of these goals are at the heart of our own company's mission. As a global leader in relationship mapping and people intelligence, focusing on the top

global leaders of public and private organizations, we build and constantly update individual profiles that include details such as age, academic background, functional experience, sector experience and – of course – gender.

All of these factors are diversity attributes that companies increasingly want to take account of within their board structures. So, leveraging this wealth of information, we are well-placed to help organizations across all sectors pinpoint gaps and opportunities within their boards and leadership teams.

Improving Diversity in the “New Normal”

Going forward, I believe it's vital that companies such as ourselves and Hunt Scanlon continue to provide insights, solutions and services that have a positive impact. People are the key to this impact, because people will always be the most important part of any business: the individuals an organization has in place

– and the relationships they build – make the critical difference between success and failure.

In my view, this reality will become even more apparent in the post COVID-19 “new normal.” Put simply, there will be leaders who can conceive, catalyze and execute the change needed to come back strongly during the rebound. And there will be leaders who cannot. Finding the right candidate – of whatever gender – is more important than ever to lead organizations through the period of change and uncertainty we are now entering.

As businesses embark on this journey, we are eager to join with like-minded partners – including Hunt Scanlon – to help enterprises progress more women to leadership roles. In that spirit, I hope you find this report interesting, informative and inspiring.

– *Cameron Ireland*
Chief Executive Officer
BoardEx

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Advancing Women To the C-Suite

Last spring, a new record was set for women chief executive officers: For the first time, 33 of the top-grossing companies listed on the Fortune 500 had female leaders, up from 24 the year before. Some of the additions were newly named to the CEO role; others joined the roster by way of their companies' revenues reaching high enough to be included in the prestigious rankings.

But records are records, and this was one to be celebrated. Or was it?

According to recent statistics collected by **BoardEx** – a global data company specializing in relationship mapping and intelligence – much progress has been made over recent years to increase gender diversity, particularly on the boards of major corporations. But, according to the firm's latest report, "this improvement has not been uniform and some countries continue to lag best practices."

Let's take a closer look at the pervasive imbalance in gender diversity – and discover how some companies and their executive search firms are making important corrections.

No one likes to dismiss progress, but many people would have thought that women leaders would have been further along by the end of the second decade of the 21st century. For those who have been fighting the good fight, the fact that women make up just 6.6 percent of the CEO roles at the most successful companies in the U.S. is less a cause for celebration and more of a call to arms. Truth be told, it is sobering signal that achieving equality in leadership remains a distant dream for women everywhere. Consider also that just four CEOs in the Fortune 500 are African American. The only black woman, Mary Winston, who was heading Bed Bath & Beyond on an interim basis, stepped down in November with the hiring of Target's Mark Tritton, a white man. (She continues to serve on the board.) Only 11 Latinos, meanwhile, lead Fortune 500 companies.

Other statistics are equally deflating for those working to change the face of leadership to one that is more reflective of the population as a whole. Women make up 50 percent of the workforce, for example, but they earn just 82 percent for every dollar earned by a man. The gender wage gap is 18 percent.

There is no denying that women have seen advancement at the senior levels of the corporate world. This is most evident in the C-suite, where the representation of women grew from 17 percent to 21 percent since 2015, according to **McKinsey & Company's** "Women in the Workplace 2019" report.

But again, the dream continues to be deferred. "Although this is a step in the right direction, parity remains out of reach," said the McKinsey report. "Women—and particularly women of color—are underrepresented at every level. And without fundamental changes early in the pipeline, gains in women's representation will ultimately stall."

Forty-four percent of companies have three or more women in their C-suite, up from 29 percent of

companies in 2015, said McKinsey. "Adding even one woman can make a material difference given the critical role top executives play in shaping the business and culture of their company," said the report. "Still, the overall representation of women in the C-suite is far from parity. About one in five C-suite executives is a woman—and only one in 25 C-suite executives is a woman of color."

Meanwhile, a **Korn Ferry** study last year revealed that only one quarter of the chief executive officer, chief financial officer, chief information or technology officer, chief marketing officer and chief human resources officer roles are held by women, a two-percentage point blip upward from 2018.

SPOTLIGHT

A Commitment to Diversity & Inclusion

54% of searches in the past 5 years have resulted in a female or minority appointment

Academic Search ensures that every search is exposed to the broadest range of potential candidates through strategic placement of position announcements and direct contact with prospective applicants who represent the entire spectrum of diversity. In addition to their deep connections throughout higher education communities, the firm supports the leadership development programs of many national associations and organizations. The Academic search team provides thousands of pro bono hours every year to help identify and equip the next generation of campus leaders.

A Surprising Moment

But statistics are only part of the story. More difficult to gauge is just how far organizations still have to go in terms of changing attitudes at the top of corporations across the country. Just when diversity and inclusion seems to have become a priority at companies everywhere, one still sees evidence that not everyone received the memo.

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Dale E. Jones, chief executive officer for **Diversified Search**, recently shared an anecdote about being an observer in a corporate boardroom when an announcement was made that a senior woman had been named to run the company's international business. "And all of a sudden one of the board members said, 'OK, that's great, but what about her family? What about her kids? What are we doing?'" said Mr. Jones. "And all of a sudden there's this shock. Would we have been asking about the guy to run the international business, about his kids? And how is he going to manage this in terms of the business? I was appalled that in 2019, in a major business, someone was voicing this comment."

"Now, fortunately there were enough woke people on the board to turn it around to say, why would you bring that up, and why is it an issue, and don't ever do it again," said Mr. Jones. "But oftentimes we need those surprising moments to remind us that we're not exactly where we should be in terms of leadership."

That said, more companies than ever are seeking diverse talent, and telling recruiters to make it a priority. Leading the charge are none other than women and minorities, and a growing chorus of white male leaders, who are working to change the picture. Diverse leaders in all kinds of fields are increasingly seeing it as their obligation to help pave the way for those just now coming up in their careers and aspiring to senior roles. Beyond serving as role models, many accomplished executives are mentoring up-and-comers or serving as sponsors. Many others have been active in participating and giving sound advice at forums and conferences and through an array of research surveys.

You've Got Talent

Such efforts can be transformational. A 2018 **Korn Ferry Institute** report, "Women CEOs Speak," found that two-thirds (65 percent) of the 57 leading women

CEOs interviewed had no idea they could become the head of their company until a boss or mentor encouraged them. Before that, they gave less attention to moving their career forward and more to meeting business targets and seeking new challenges.

The report delved into the qualities that led 38 current and 19 former female CEOs of Fortune 1000 and similar-sized companies into some of the most prestigious roles in corporate America. “Five women always wanted to be CEO,” said the report. “Three never wanted to be CEO, and took the job out of a sense of responsibility. But the majority of the women we interviewed? They had not thought about

being CEO at all – until someone told them they had the talent.”

Sometimes this revelation came early on, during a promotion or a talk with a mentor. Sometimes it arrived surprisingly late in one’s career, after already entering the CEO succession process. Four had outside mentors late in their careers who forcefully told them to ‘go for it.’ In eight cases, women said they didn’t realize they wanted to be CEO until the job was offered to them.

Besides the 65 percent who only came into the job after encouragement, 16 percent came to the realization that they could be CEO after reaching a

INSIGHT

Advancing Women into Leadership Roles: 8 Ways Forward



DiversifiedSearch

Companies report that they are highly committed to gender diversity. But that commitment has not translated into meaningful progress. Progress hasn’t just slowed, it has stalled. Here are 8 platforms on offer to help women advance into leadership roles:

1. Gender Parity & Pay Equity

Companies are setting strong goals, changing recruiting practice, and reporting results. Catalyst CEO Champions for Change is a group of more than 50 CEOs who are pledging to advance women into leadership roles.

2. Boardroom Commitments

2020 Women on Boards has led a campaign, and other organizations are setting goals, to ensure that more women joining boards of directors. The 30 percent Club, which has built momentum in a dozen countries, including the United States, has set a goal of filling 30 percent of board seats with women.

3. Culture is Key

Many firms cite corporate culture as the top reason women fail to reach senior management. While eliminating unconscious bias and increasing the number of women leaders is important, more is needed. It is important men step up and become advocates and sponsors. Culture change must be embraced at all levels

4. Men Advocating Real Change

MARC (Men Advocating Real Change), a new initiative from Catalyst, empowers men to recognize inequality and respond through effective partnership across gender.

5. Mentoring & Sponsorship

Mentoring & Sponsorship are indispensable for women who want to build successful careers. Million Women Mentors (MWM) has organized 2.5 million professionals which have committed to providing women with 20 hours of mentoring a year.

6. Women & Tech

Tech training, along with recognition and awards increases the number of women in tech and builds a pipeline. The Anita Borg Institute for Women & Technology has developed tools and programs to help industry, academia and government recruit, retain, and develop women technology leaders

7. Measuring & Sharing Results

Diversity has been proven to have a positive impact on business performance. It’s important to hold companies, diversity officers, and executives accountable and to communicate diversity results.

8. Celebrating Success

Providing current and future women leaders with support, encouragement, and recognition is important. For example, C200 is a community of the most successful women in the business world, who provide each other with support and advice.



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SPOTLIGHT

Implementing Diversity into HR Functions



Valerie Frederickson, MS, CMP is founder and CEO of her eponymous company,

Frederickson Partners, a leading independently owned people and HR executive search and consulting firm in the U.S. As a people and talent thought leader and consultant for over 25-years, she guides some of the most important employers in the world with people, talent and HR executive searches, strategic HR consulting, and high-level interim HR support. Ms. Frederickson places top HR executives in a variety of industries including high tech, software, wireless, insurance, pharma/biotech, and finance. Clients include Marqeta, Airtime, Dreambox Learning, ServiceNow, Workday, Autodesk, Uber and Alphabet.

Ms. Frederickson puts an emphasis on the importance of diversity throughout all of her searches. “When we do searches, I talk to our clients about diversity and inclusion and what it needs to look like,” she said. “Some of the things are basic, but we all need to do them – for example, having unconscious bias training. And if there’s a role where you really want to fill it with, for example, a woman of color, then you need to have your slate be 75 percent women of color or the interview team most likely won’t select a woman of color for the role. I help our clients put together better diversity practices. I was one of the first people to recommend using artificial intelligence and technology to make job descriptions less gender specific. Now the top diverse candidates come to us because they know that I’m serious about this stuff and I won’t just pay lip service or waste their time.”

high role; 12 percent had wanted the job for some time; and seven percent never actually wanted the job, said the report.

Emerging Traits

Courage, risk-taking, resilience, agility and managing ambiguity were among the traits that repeatedly emerged in the women leaders. “More women need to take on tough and unpredictable job assignments that will build these characteristics,” said Korn Ferry.

One woman leader who has dauntlessly taken on tough and unpredictable assignments is Linda Livingstone. Three years ago, Dr. Livingstone became

president of **Baylor University**, which at the time was reeling from a sexual assault scandal and needed big changes. Dr. Livingstone was the traditionally conservative university's first female president in its then-172-year history.

"When you go in and follow someone who's really successful and everybody loved them, all people do is complain that you don't do it the way the person before you did it," said Dr. Livingstone. "But when you go into a really difficult circumstance, people are desperate for leadership. They're looking for someone to help them through a difficult time. And frankly it gives you more opportunity as a leader to make change much more rapidly and to move the institution forward the way you feel is best."

Dr. Livingstone's father had been a college basketball coach and her mother was a teacher. Between them, they instilled the onetime Oklahoma State University basketball player with traits that would serve her well on her way to the top in academia. "This sort of competitive nature combined with a sense of service is really what kind of molded me," Dr. Livingstone said, "and I think what shifted my thinking when I was in college from wanting to be a lawyer to deciding that I really wanted to work in an academic setting and in a university setting."

"And so one of the first things I learned as I reflect back on my career is that really linking your leadership aspirations to what you're really passionate about and what you care deeply about is important," she said. "Because you're going to spend many, many hours doing what you do, so you want to love what you do and you want it to be meaningful for you."

Dr. Livingstone further encouraged women to recognize the importance of the seemingly "insignificant moments in your life that you think don't really mean anything but at the end of the day have a really huge influence on the direction that your life goes."

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INSIGHT

Tackling Gender Imbalance



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Over the years, much has been written about gender diversity in the boardrooms of the world's largest companies. Board diversity is celebrated in annual reports and, for many companies, achieving a 40 percent female ratio on a main board is now viewed as a 'healthy balance'.

There are of course a number of well-documented factors that have led to the high proportion of female CHROs on leadership teams; the largest being the simple matter of access to talent. HR has traditionally been viewed as a female-dominated profession, so over time perhaps it is only natural that a high number of females rise to hold HR leadership roles. But now that it is commonplace, particularly among top global businesses, for HR to hold a seat at the top table, should it be possible for this position of influence to do much more to accelerate the promotion of women into business-leading roles?

What does female representation look like at the Fortune 500's biggest names?

At No. 1, Walmart can name just 3 females in commercial roles, out of its leadership team of 40 (and only 9 females in total in the leadership team). The next companies in the list (Exxon, Apple, Berkshire Hathaway, Amazon, United Health Group, McKesson) have no female representation in commercial roles at all. In fact, this group of six companies have just ten females overall out of a combined leadership population of 60. Hardly surprising then that female roles models are still in such short supply.

No. 33 on the list, US health insurer Anthem Health, also deserve a mention. They are the only company in both the

Fortune and FTSE 100s to have a leadership team with a female majority. Perhaps helped by being one of only 15 companies on either list to have a female CEO, even then this majority is only slight, at 57 percent or 4 out of 7 roles. The next highest ratio can be found at No. 18, with JPMorgan Chase having a 50 percent representation of females on the leadership team, two of whom hold business unit CEO roles.

Are businesses taking the easy route to female representation?

Across both the Fortune and FTSE 100s, the total number of women holding commercial leadership roles is just 213, out of a total leadership population of 2,254, or 9.5 percent. Looking at the total female leadership population, these 213 women make up just 38 percent. This means the other 62 percent of women on leadership teams are holding roles in corporate functions, such as CHRO, General Counsel or CFO. 29 percent of the Fortune 100 General Counsels or Chief Legal Officers are female and 16 percent of CFOs are female.

Again, this can be attributed to a greater availability of talent. For example, the number of female law graduates has been increasing year on year in the US and in 2017 stood just higher than their male counterparts at 50.3 percent.

There is another divide emerging when the top and bottom halves of the Fortune 100 are analyzed further. The percentage of female representation across the total leadership population remains fairly static (25 percent amongst the top 50 companies and 23 percent in the bottom half), but the table below reveals striking differences in the representation among individual roles – particularly the CFO and CIO positions.

Source: Armstrong Craven

Be Visible

Early in her career, when she was a faculty member at the business school at Baylor, Dr. Livingstone signed on for a faculty free-throw competition during "Midnight Madness," the school's kickoff to the basketball season. She proceeded to wow the crowd by beating the two dozen men she was competing against, and as a result suddenly found herself being recognized all around campus. Within a month, the

school's president asked her to serve on Baylor's Faculty Athletics Council, a highly sought-after role that people often waited years to win.

"And I really believe that because I had the visibility from that free-throw shooting contest that somebody thought, 'Oh, she must know something about athletics if she won a free-throw shooting contest,'" said Dr. Livingstone. "Sometimes the things that we think don't matter that we do actually make a big difference. So

look for those opportunities to be visible, to do the things that might give you an opportunity that you wouldn't think that you would normally have."

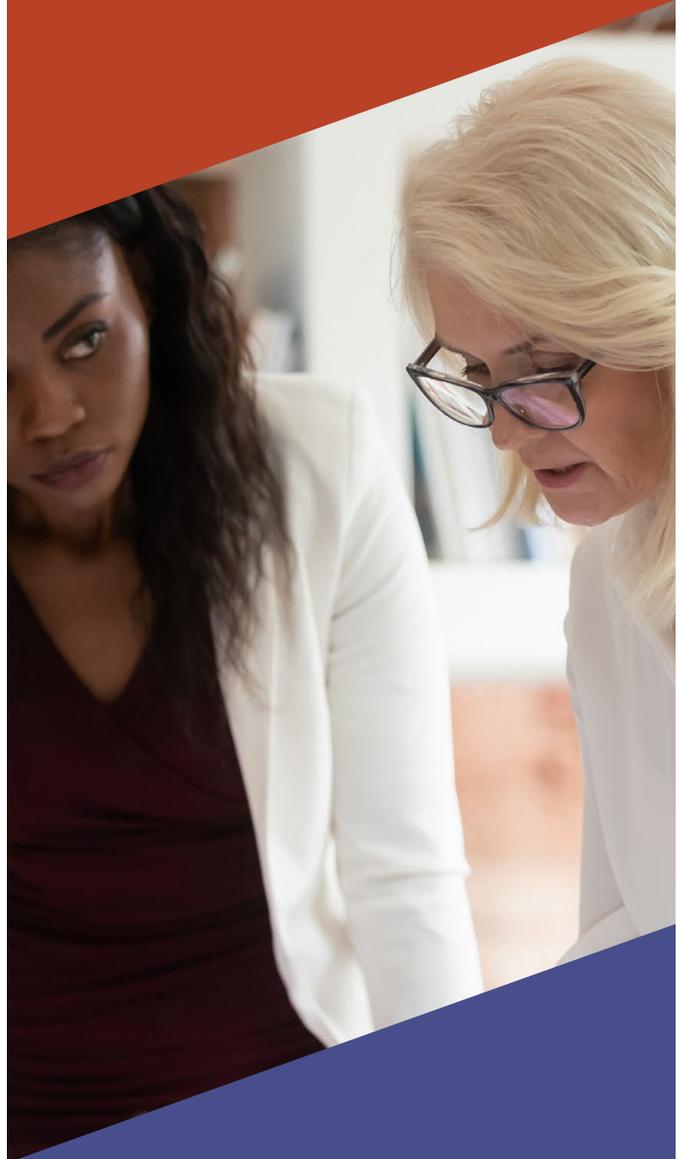
Umran Beba, a former chief global diversity and engagement officer for **PepsiCo**, said that mentors and sponsors are a key element for helping women rise in their careers. She now serves as an executive search consultant with August Leadership. Woman-to-woman relationships can help significantly not only in terms of becoming leaders but also in regard to managing their lives, both professionally and personally. "I think that's very critical," said Ms. Beba. "But at the end of the day it doesn't really matter if it's a man or a woman. What kind of a mentor you are looking for is what's most important."

Reaching Out

Individuals should reach out to would-be mentors and sponsors, she said. But to foster widescale change, she said, companies themselves must continue to step up to facilitate those relationships. "Not everybody is comfortable with reaching out, whether it be to a man or another woman or senior people or those who maybe are not their direct managers," said Ms. Beba. "So we have to facilitate that reaching out. Normally there are formal mentoring programs in most companies. But with the technology now we are looking at how we can facilitate with a mentoring platform where people can sign up and find mentors via a platform, and I think that's going to be the future."

"The other initiative we launched in PepsiCo for women, specifically managers and above, is a global coaching circle in which we started bringing in senior women as role models and speakers, and then men, advocates. We also just launched a program for general managers and higher. These programs happen in person but also on webcasts because they are global and the objective is really to give examples of senior women who have succeeded in the company,

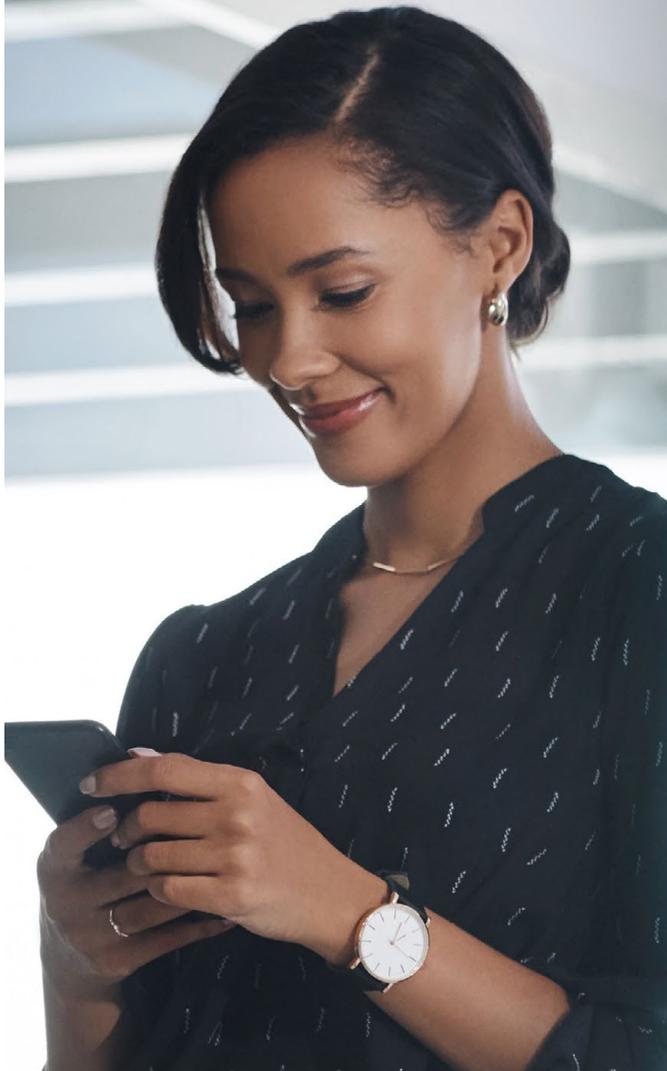
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SPOTLIGHT

Building Diverse Executive Teams

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and technology resourcing services to the technology, professional services and converging digital markets. Its key focus is helping clients who are undergoing digital transformation, with a focus on the TMT, retail, consumer, financial services, private equity, insurance and utility sectors.

Wilton & Bain demands commitment to diversity and inclusion, both internally and externally. Beyond its efforts in running senior women networking events and its participation in diversity conferences, Wilton & Bain promises clients that it will work so that every short-list reflects true diversity. Educating clients about engaging diverse talent beyond the search itself is also critical. "I've spent a lot of time explaining to executives that getting a woman executive, for example, to the table takes 13 phone calls where it takes two for a man," said consultant Lisa Peacock-Edwards. "Therefore, we start building relationships with diverse executives ahead of when you actually need them for the job. It's really about a long-term vision about how you help a company think about doing things differently and really engaging with that marketplace."

senior vice president roles and above. But also men are supporting this agenda at the very senior levels."

"One-on-one relations are of course really important but unfortunately with one-on-one relationships it's really difficult to create an impact in the short term where we need really results," said Ms. Beba. "That's our view: While you have some one-on-one relationships you need also group coaching and also role models, displaying role models in a group setting is also very important."

Key Pathways to Advancement

Neela Seenandan, co-CEO and managing partner at **Hanold Associates**, spoke recently of having two male sponsors over the course of her career who saw her drive and her potential and allowed her to take on opportunities in which she could grow. At least one of her female bosses, unfortunately, was less helpful.

“I wasn’t getting the same level of support,” said Ms. Seenandan. “I wasn’t getting the same opportunities. So I do think that from an organization standpoint that we look for each other and as executives bring females, diverse females, diverse teams along,” she said. “We’re making progress, but not enough.”

One key pathway to advancement to the CEO role is serving on boards of directors, which in itself has been a challenge over the years. But that has begun to change, thanks in large part to pressure from investors touting the bottom-line rewards of having diverse leadership. Women last year held close to 27 percent of the seats on S&P 500 boards, according to **ISS Analytics**, the data arm of Institutional Shareholder Services (ISS), up from 16 percent in 2009-11. Last year, an ISS analysis of Russell 3000 companies (the 3,000 largest traded U.S. stocks) found that 45 percent of their board seats were filled by women (versus 12 percent in 2008) and 19 percent of all Russell 3000 seats were held by women. And though the number of ethnically diverse directors also reached new highs, progress on that front was more muted: Just 10 percent of Russell 3000 directors were ethnic minorities last year and of the new members to boards, only 15 percent were ethnically diverse.

Heidrick & Struggles’ Board Monitor Report 2019 also found considerable room for improvement: Ethnic and racial diversity in 2018 remained unchanged from its previous high of 23 percent in 2017, said the study. African-Americans accounted for 11 percent of new board seats, which more than doubled over the past decade and matched the all-time high from 2017. Ten percent, or 14, of the first-time board appointees in 2018 were African-American.

Looking Beyond the Default Preference

The share of new board appointments that went to Hispanics was a little over four percent, down from six percent in 2017, said the report. Three percent, or four,

of the first-time board appointees in 2018 were Hispanic. Asian and Asian-American board appointments, for their part, rose to eight percent, up from six percent in 2017. Twelve percent, or 17, of the first-time board appointees were Asian or Asian-American.

Heidrick & Struggles found that demand for CEO experience hit an all-time high of 60 percent in 2018. One-third – 90 of 276 – of those with CEO experience were women. Twenty percent of those with CEO experience were ethnic or racial minorities: nine percent, African-Americans; four percent, Hispanics; and seven percent, Asians and Asian-Americans.

“The good news is that there is a plentiful supply of board-ready candidates who are women and/or from racial or ethnic minorities,” said the Board Monitor report. “The key to finding them is looking beyond the default preference for CEO experience. In 2018, the proportion of current or former CEOs appointed to boards reached an all-time high of 60 percent, so it’s clear that companies aren’t consistently casting their nets widely. But while CEOs certainly bring valuable skills to the table, many outstanding general managers and divisional heads have just as much expertise in skills such as strategic orientation, operational ability, and P&L experience.”

University presidents, retired public servants who have led large government agencies and retired career military officers also bring valuable experience leading complex organizations. “Well-run private companies can also be a source of diverse talent,” said the study. “In addition, diligent searching can identify younger executives on the fast track to the top. As a group, they’re generally more diverse than executives in the past, and they will furnish many of tomorrow’s CEOs. The female chairs and independent directors we talked with agree that boards can achieve greater diversity, with no sacrifice in quality, by casting a wider net.”

INSIGHT

96 Percent of Corporate Leaders Agree: The Gender Pay Gap Must be Fixed



The momentum is building, you read and hear about it almost daily. More board, CEO and top-level jobs are going to women in almost

every industry and the drumbeat about the gender pay gap is loud and clear. But is this more of a media movement than a real fix? Will the momentum die before 50/50 leadership is achieved and before women and men are paid the same? Waterman Hurst surveyed 100 gatekeepers, a virtual consortium of top leaders who are CEOs, board members, other C-level leaders, as well as talent leaders, private equity partners and executive search partners to get an idea of how top leaders are trending on the gender pay gap. Fifty out of 100 gatekeepers responded to the survey.

DO THE GATEKEEPERS BELIEVE THAT WOMEN ARE PAID UNFAIRLY?

Yes. 96 percent of the gatekeepers say the gender pay gap is real and must be fixed. Here we saw clear solidarity among the leaders.*

Mark Sullivan, president of **Buckhorn**, shared his thoughts: "In nearly every organization I have joined, I am surprised by the pay inequity disadvantaging females. It seems to come from carelessness, but the checks to eliminate it are inadequate. It especially impacts women who have non-traditional career paths or come into the organization with a significant pay difference and no one corrects it at the outset or even over time."

"Women have been some of my best bosses and mentors; any gender pay gap is unfair and must be closed," said Carlos Cata, managing partner at **Caldwell**, and board member at **Make-A-Wish**.

Lonnie Shoff, president of **Thermo Fisher Scientific** commented, "Every leader needs to be progressive and proactive and make sure that there is pay parity on their team. We all need to fight bias. Once you get into a leadership position, you have the power to make a difference. Given we have been aware of the pay gap for more than 50 years and it still exists, it is clear that some leaders need a law or regulations to make pay equity a priority."

Dave Winston, managing partner at **Caldwell**, felt strongly about management's prerogative too, "You can't legislate judgement; this is a leadership issue. Period."

Source: Caldwell Partners & Waterman Hurst

Diversity, however, cannot be the purview of a lone director. "Unless the chairman, joined by other influential directors, makes it a priority, good intentions rarely turn into action," said Heidrick & Struggles. "Finally, boards will benefit from long-term succession planning, which includes thinking creatively about their most strategic needs, building relationships with potential candidates over time, and even increasing the size of the board to ensure long-term diversity by being able to add people when they are available."

For many, global progress on board membership also remains too slow to effect meaningful change any time soon. **Egon Zehnder**, which has been tracking gender and international diversity on boards around the world for the past 15 years, said that the accelerating growth seen in female directors in Western Europe seems to be levelling off while growth elsewhere remains sluggish. At the current pace, according to the firm's "Global Board Diversity Tracker" study, boards may never reach gender parity.

The research, examining data from 1,610 public companies with multi-billion dollar market caps in 44 different countries, showed that despite the slow improvement in the number of women on boards, nearly three quarters of all new board positions worldwide still go to men.

"We need diversity, but it's simply not happening fast enough," said Jill Ader, chairwoman of Egon Zehnder. "New voices and perspectives are essential to unlock the transformational capabilities that businesses tell us they need. Companies — starting from the very top — have to recognize the impact that a critical mass of women on the board and the executive committee makes and take the steps needed to bring that about."

Inconsistent Progress

Two years ago, 84.9 percent of large company boards across 44 countries included at least one woman

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among their directors. Overall, 20.4 percent of all directors in the countries studied were women — up from 13.6 percent six years ago. In Western Europe, board positions held by women have risen from 15.6 percent to 29 percent over the same time period.

On the international diversity front, 72 percent of the companies surveyed had at least one non-national board member. In 19 of the 44 countries studied, all of the large cap companies have at least one female director. This “One on Board Club,” up from 15 countries in 2016 and just eight in 2012, includes nine countries that have instituted a quota, a law requiring that companies reach a certain percentage of women on boards by a specified date.

The progress is far from consistent, however, as 15 percent of large cap companies still have no women on their boards, said Egon Zehnder. Twenty-five countries, including China, Brazil and Russia, are home to large companies with no women on their boards at all. And in the past two years, the overall percentage of companies with at least one woman on the board has stayed roughly flat.

Rule of Three

Egon Zehnder called on businesses to apply the “magic of three” rule. Appointing one woman to the board is not sufficient, the firm said. To reap the benefits of gender diversity, “at least three women are needed to change the way the board is run and the way women are able to share their insights,” the study said.

Boards must raise their aspirations if they want to have true impact, said Egon Zehnder. “Yet the fact that many large companies require their directors to be experienced directors or CEOs in order to even be considered for a board position — and that, conversely, many companies looking for CEOs want to see external board experience — means that there is a

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true pipeline problem,” said the report. “Complicating matters is the fact that many existing female CEOs already serve on several boards, making it difficult to add new board work. To address this issue, boards must be willing to develop first-time directors.”

Peggy Alford, senior vice president of core markets at **PayPal**, knows how tough it can be for women and minorities to secure a seat in the boardroom. But as the first African-American woman on the board of directors at **Facebook**, she also knows firsthand the many benefits that change can bring for individuals and companies alike. “Having a board that is diverse is sort of like an orchestra,” she said recently. “It’s not about whether you have three or four violins and two tubas and a clarinet. It’s about how they all come together to create beautiful music. And I personally feel that beautiful music is created by having a lot of different types of people around the table. And I think the more we can do to convince the rest of society that that is absolutely the case the more progress we’ll make.”

She pointed to the California law that mandated locally headquartered publically traded companies must have at least one female director. In California, that has meant an additional 700 seats filled by female directors. “And if the rest of the nation followed this same course, and there are other states in line to think about this, there would be an additional 3,000 board seats that would need to be filled by women, and that is an almost 75 percent increase in the makeup of boards today,” said Ms. Alford.

The U.S. still lags behind many other countries, she stressed. Norway, Spain, France and Ireland all have laws that require that women comprise at least 40 percent of boards of all publicly listed companies.

Holistic Mindset

“In order to make real progress on this we need to start thinking about it from a business perspective

SPOTLIGHT

Recruiting Top Talent for Academia



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Geralyn McClure Franklin, Ph.D., is considered an innovative and experienced academic leader,

having served as dean of business at three American institutions for over a decade and interim dean at another for two years. She led the College of Business and Economics at the United Arab Emirates University from 2014-2016. Today, Ms. Franklin consults with business schools and universities across the U.S. and globally through her start-up venture **GMF Academic Advisors, LLC** along with her work as a search consultant at **Higher Education Leadership Search**. This year, she also is serving as interim dean of the B.I. Moody III College of Business Administration at the University of Louisiana at Lafayette.

Ms. Franklin has involved faculty, staff, students, alumni, and others to set new, and even transformational, directions for the business units she has headed. She has led efforts to secure external funding for scholarships, professorships, support of academic programming, faculty & staff development, building renovations, and general unit needs. As an academic, she has published more than 80 journal articles and 50 conference proceedings on human resource management, and employment law. She has co-authored five textbooks, including *Employment Regulation in the Workplace*.

and really think about why companies can benefit from having diversity on their boards both from a gender perspective, from an ethnic background perspective, but also from a wide set of experiences,” said Ms. Alford. “So not just race and gender, but also not having just finance people or just investors that got a board seat because they invested in the company. We need to be thinking more holistically in terms of what kind of boards do we need to set up companies for success.”

Ms. Alford said: “Most boards are actually filled through personal relationships, which is also why it becomes difficult from a diversity perspective, because if the pipeline of candidates is the same one that is filling the C-suite, then it’s word of mouth as to who pegs the next person for their board. Then you

end up in the same sort of situation with the same network of people that are being pegged to be on additional boards.”

Yet the obstacles to women rising to the top of organizations run deeper than winning a board seat. Oftentimes, the challenges come on even a basic level, many of which have been highlighted by the rise of the #MeToo movement. Ultimately, businesses suffer as well.

“In the past five years the widely circulated stories of sexual harassment and abuse by CEOs and executive teams at high flying venture-backed and entertainment companies such as Uber, SoFi, Riot Games and the Weinstein Company have caused a finer lens to be placed on the reality of demographics in the workplace and how that affects inequality and culture,” said Valerie Fredrickson, founder and CEO, and managing partner of **Frederickson Partners**, an HR executive recruiting and consulting firm. “The well-embraced #MeToo movement has pushed it further. These two factors, plus some well-respected studies showing that diverse teams make better decisions and out-perform more homogeneous groups, led to the desire by CEOs and boards of directors to have more women in leadership roles.”

“What I’ve seen changed is more CEOs personally asking me for slates of candidates made up primarily of women and of people of color,” said Ms. Frederickson. “Interestingly, the CEOs who I find are the strongest advocates of diversity and who have a track record of hiring and promoting black women, for example, are the ones who may have suffered discrimination themselves.”

The CEOs who have the least desire to truly embrace diversity and to have workforces that reflect society tend to be ones who come from more entitled backgrounds: young, rich, and usually white males, said Ms. Frederickson. “They haven’t experienced

discrimination and may not have empathy. They still tend to dismiss diversity by saying, ‘We need to hire the better person for this role.’ Unconscious bias training may open their eyes but external peer pressure or media pressure is usually the most effective in helping them embrace diversity both as a concept and as a practice.”

In one study, by **FTI Consulting** and Washington, D.C.-based women’s leadership firm **Mine the Gap**, found that about 55 percent of the professional women surveyed said they are less likely to apply for a job and 49 percent are less likely to buy products or stock from a company with a public #MeToo allegation. Twenty-two percent of senior-level women and 20 percent of senior-level men, meanwhile, are concerned there could be an impending #MeToo incident at their organization. Senior-level women in technology and energy are concerned the most, at 33 percent and 31 percent, respectively. Among the senior-level men surveyed, those in technology and healthcare are the most concerned at 29 percent and 19 percent, respectively.

The report also found that 28 percent of professional women said they have experienced or witnessed unwanted physical contact in the workplace in the last year, and nearly one-fifth said they have personally experienced it. In the past year, 34 percent of women in technology, 29 percent of women in energy, 27 percent of women in legal, 26 percent of women in healthcare and 25 percent of women in finance said they have experienced or witnessed unwanted physical contact at work.

“From all different viewpoints and industries, the research findings are stark: #MeToo at work is still happening, and employers that fail to take meaningful action to bring about change face a high risk of irrecoverable reputational and financial consequences,” said Elizabeth Alexander, a senior

managing director in the strategic communications segment at FTI Consulting and a crisis communications and gender inclusion specialist. “The research shows that professional women will wield their purchasing power and their talent as leverage for change: nearly half of the women surveyed said they would be less likely to apply for a job, buy products or stock from a company with a public #MeToo issue.”

“The fact that some workplace cultures still foster sexual harassment says there is more work to be done,” said Johnny C. Taylor, president and CEO of the **Society for Human Resource Management (SHRM)**. “We need a rules-plus approach – organizations need policies and training, but it is the education piece that creates culture change. When you have employees who know how to define, identify and report sexual harassment, everyone can work together to root out sexual harassment in the workplace.”

Bottom Line Impact

Edie Fraser, CEO of STEMconnector and its Million Women Mentors Initiative as well as vice chairman of **Diversified Search**, said that the #MeToo movement impacts are significant and should serve as a wake-up call. “Ramifications are everywhere — from schools and organizations, employees and recruits, to the HR world and CHROs, boards of directors, CEOs, men and women, and every organization and institution and the media. Sexual harassment affects employees and the organization’s bottom line,” she said.

Jacqueline M. Welch, chief human resources officer and chief diversity officer for **Freddie Mac**, credits movements like #MeToo and #timesup for empowering affected people to tell their stories and in the process, making it clear that their stories matter. “Storytelling has always been at the center of any movement intended to right wrongs,” she said.

Q&A

Overcoming Biases to Promote Hiring Women



As the CEO of IQTalent Partners, David Windley oversees the firm’s strategic direction, business development, and day to day operations. Prior to joining IQTalent Partners, Mr. Windley was the chief human resources officer at Yahoo! and Fusion-io. In the following interview, Mr. Windley shares his insight as to why women are not equally represented at the C-suite and how companies can attract women leaders.

Why haven’t we made more progress hiring women in the C-suite and as CEOs?

I believe there are two types of biases that continue to hold us back from making faster progress on this issue. Institutional bias and the unconscious bias that we all have as humans. Institutional bias is when our institutional processes lead to a biased outcome. One example is when we lean primarily on our networks to find candidates at the board and C-suite level. If a predominantly male C-suite relies on their networks which tend to be other men, then that process yields a biased result. It is not that individuals are intentionally trying to discriminate, but the process they use tends to create biased results. Unconscious bias is trickier. We all are influenced by the societies we grow up in, the messages we hear and the constructs we learn. Why is it that study after study shows that we view the same behavior differently for men versus women? Why is a man “assertive” or “strong” for the same behavior that a woman is labeled “bossy”?

Given this, what do companies need to do to attract more women leaders?

I don’t think we have an attraction problem; we have a selection problem. I think women are attracted to board and C-suite jobs as much as men. The issue is in how we select people for the job, not in who we attract.

OK, then what do companies need to do to select more women in C-suite roles?

First, look at your processes. Make sure that your process will yield a diverse set of candidates. Don’t just rely on your networks or on your search firm’s network. Second, in the assessment/ interview process try to have a diverse interview team. I also have seen panel interviews work well. It allows the debrief to uncover different perspectives based on a common data set.

What is the one piece of advice that you would give a woman seeking a C-suite position?

While we will all continue to work on eliminating bias from the system, understand that networking is still critical. Many roles are filled through networking. Build your network.

“What I find particularly interesting is movements like #MeToo and #timesup have re-energized decades long conversations and actions related to creating and sustaining equitable workplaces,” said Ms. Welch. “Every organization is being forced to reflect and ask, ‘How do we create and sustain the most inclusive environment we can for the people who work here?’ So the movements and the storytelling both empower the victims and fuel systemic change.”

Ayana Champagne, vice president and chief HR officer for **Ferring Pharmaceuticals**, said the #MeToo movement has brought about “amazing change.” “Employees are more comfortable questioning questionable behavior and coming forward, which in the end makes for a better work environment,” she said. “The conversation needs to stay at the time from this point onward if we want the great progress that we have made to continue and be sustained.”

Pay Equity

Among the more prominent gender-based issues, the #MeToo movement has brought greater scrutiny to the wage gap. How can it be, many have asked, that in this day and age American women have to work an extra 47 days each year to earn as much as men do? Much is happening on the pay equity front, and now that large companies are required to submit salary data – broken down by gender and race – new transparency rules will likely encourage big changes in how women are paid.

“Pay equity is a topic that has rightfully made it into the national spotlight,” said Ms. Welch. “All industries, financial services included, are impacted. More importantly, many organizations are taking action to reduce the wage gap.”

Increased transparency does help drive pay equity forward, but there’s more to be done, said Ms.



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Welch. “For example, at Freddie Mac, we’ve removed the salary history question from our employment application and upskilled our talent acquisition advisors and hiring managers accordingly. Further, while HR knows salary history for internal candidates, we do not share it with hiring managers when they are considering candidates. If candidates are not constrained by how much they previously made, they are in a better position to self-advocate for an equitable salary.”

“It’s important that companies continue to address and remove bias throughout the entire talent management lifecycle from candidate sourcing to promotion decisions and compensation actions.”

Sheila Greco, founder and chief executive officer of **SGA Talent**, a certified minority owned premier recruiting and recruitment research firm, said that the challenges, however, run deeper than the disparity in pay. “Since 2007, we have been tracking executives in the Fortune 1000 and although we see women moving into the C-suite the overall numbers don’t seem to be changing all that much,” said Ms. Greco. “I believe there are other factors affecting movement beyond the wage gap to include: fewer women applying for the roles because they don’t believe they fit the role, and the possibility of having fewer relationships within the organization compared to their male counterparts. Nonetheless, the end goal is to

INSIGHT

What Women Can Learn from Men to Advance Their Careers



Cathy Sutherland, managing director at ZRG has noticed distinct differences between men and women and believes that there are a few things that women can do to better impact their careers. Ms. Sutherland insists that women should understand the differences that exists in business between men and women; she hopes to help them realize the traits that may be hindering progress and to encourage women to emulate the traits in men which will help them advance their careers. The following four traits are most important according to Ms. Sutherland:

1. Willingness to display confidence.

Men are more likely to “step up to bat” while women are more likely to shy away. She says that Chris Baldwin, CEO of BJ’s keeps a baseball bat in his office to symbolize to his employees that they can’t get a hit without swinging the bat.

2. Willingness to take risks.

Many studies show that women and men approach risk differently, and that gender-based differences do exist in the regions of the brains that calculate risk. Ms. Sutherland has seen additional research showing that under pressure, which would include most high-level management positions, male risk-taking increases while females tend to step back. That doesn’t mean women are not suited for pressure-filled situations. The ability to step back for a moment can be an enormous advantage. Yet women should be aware of this tendency, or it might paralyze them. The women executives which she has been talking to have taken risks that required them to push past their fear or to act as if they could do it, even if their inner voice was telling them otherwise.

3. Willingness to delegate.

Men also seem more willing to delegate, while women may be more apt to do it themselves. They may be perfectionists, or as Ms. Sutherland says it – control freaks. They may be concerned about their reputation, especially women in the executive suite who are feeling as if they are under a microscope in a way that men are not. In some cases, given the same circumstances, women continue to be held to a higher standard than men. Yet in other cases, that higher standard may be self-imposed, because women often are their own harshest critics.

4. Willingness to lighten up.

The final trait which women can learn from men is to loosen up! Ms. Sutherland has seen a kind of innocence and playfulness in men that she doesn’t see as often in women. When she sees it, it’s after work hours and away from the office, in their personal lives. Keeping their playful nature alive in the business world allows men to pursue work opportunities with less fear and uncertainty, and more joy.

INSIGHT

Removing Unconscious Bias



• ODGERS BERNDTSON

Jane Griffith is a partner based in Toronto and national diversity leader at **Odgers Berndtson**.

She works collaboratively with clients and colleagues to champion diversity and inclusion. She is focused on the recruitment of senior leaders in the academic, not-for-profit and broader public sectors working with prominent universities, colleges and not-for-profit organizations in Canada.

In Toronto, Ms. Griffith is working on another specific aspect of inclusion & diversity. "In Canada, we are focusing our research on how unconscious bias pervades language and creates a systemic barrier to entry, promotion, and continuation of women in the workplace," she said. A recent Harvard Business Review article found that individuals tend to use language to describe people in ways that support traditionally held stereotypes and beliefs. The article addresses the words used to describe male and female leaders. The differences are powerful. One study found that women not only had fewer positive descriptors (four to men's 10), they also had six times the number of negative descriptors (12 to men's two)

The top positive female words were 'compassionate' and 'enthusiastic,' while the words for men were 'analytical' and 'competent.' "These words can have harmful consequences for women as the male words align more closely with business language and descriptions for ideal candidates in many senior executive roles," said Ms. Griffith. "Ultimately, our use of language can limit gender diversity in the workforce, from hiring, to assessments, to terminations. Biased language can be found in everything from job postings, to candidate screening processes and resume and performance reviews, perpetuating the status quo inside industries, companies, functions, and roles."

Ms. Griffith said the entire Odgers Berndtson Canadian team (covering five offices across the country) receives training on unconscious bias "to ensure that qualified candidates, regardless of their gender, ethnicity, sexual orientation and so on, are not overlooked because of our own inherent biases."

recruit the best talent for each role, but women need to be part of the talent pool so they can make their way to the top."

Ideals of Corporate Diversity

Aside from the fact that it is the morally right thing to do, the powers that be in corporate America have plenty of practical business reasons to embrace diversity and inclusion. A recent wave of research, in fact, shows that diversity is a proven driver for improving profit margins.

In 1980, African-Americans held just three percent of all management-level jobs at American companies with 100 employees or more, said Mr. Jones of Diversified Search. By 2014, that number had risen to just 3.3 percent. After an immediate uptick in the percentage of white women in management, since Y2K that ratio, too, has stagnated.

"Despite this, a massive industry has cropped up around the ideals of corporate diversity," said Mr. Jones. "The search industry specifically focused on minority recruitment is estimated to be more than a billion-dollar industry. Fortune 500 companies spend \$2.5 million on average each year recruiting these candidates. The financial commitment reflects the populism of the moment — where issues of race, gender, and equity fly into our newsfeeds each day."

Mr. Jones and Judith M. von Seldeneck, founder and chairman of Diversified Search, pointed to a McKinsey & Company report titled "Why Diversity Matters," which showed empirically that companies that are more diverse noticeably outperform their peers. And the inverse correlation also holds: The less diverse a firm, the higher likelihood of underperforming the competition. "For every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes rise 0.8 percent," the McKinsey authors noted. What's more, these companies are setting themselves up for the future. Research shows that once a corporate team diversifies, it steadily becomes easier to recruit and

retain top-tier minority talent. And the importance of the talent pipeline is obvious: By 2040, America will be a majority-minority nation.

“Still, there remains a disconnect between corporations’ self-interests around diversity and outcomes,” said Ms. von Seldeneck. “There’s a financial incentive to boost diversity, and a willingness to invest in it, but there remains room for all of us, both in the search industry and in the C-suites of our clients, to do better — a lot better.”

In many ways, the obstacles to diverse workplaces and, in turn, diverse leadership is systemic within the companies themselves. On one hand, businesses recognize the advantages and benefits of a diverse and inclusive workforce, but struggle to tap adequate sources of talent.

A survey of global business leaders conducted by **IIC Partners Executive Search Worldwide**, for instance, found that 63 percent of senior executives say diversity and inclusion is either very important or extremely important, yet this same majority report that their workforces have average or below average diversity representation. When asked where companies look to procure diverse talent, 67 percent of the 461 senior executives surveyed pointed to HR departments and 25 percent said internal talent acquisition teams shoulder this responsibility.

Many companies have exhausted their “go-to” talent pipelines and must take new approaches to achieve their diversity and inclusion goals, the report said. The three largest barriers for identifying diversity candidates, according to IIC Partners: unconscious bias, simply locating diverse talent and a limited pool of diverse talent in the industry.

Sourcing the Right Talent

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Q&A

Female Leadership in the Insurance Industry



Craig Lapham has served as CEO of retained executive search firm The Lapham Group since 1997. Under his leadership, the firm has successfully conducted senior executive search engagements on a global basis for multiple Fortune 100 insurance clients and smaller emerging insurance/financial services firms across both P&C and Life insurance. In the following interview, Mr. Lapham shares how leadership roles have evolved with regards to more female leadership.

What positions in the insurance industry have led to an advancement of women into leadership roles?

As with other industries, historically women in the insurance industry have most frequently advanced to executive leadership roles within the human resources function. The core functions of an insurance company, specifically underwriting and actuarial, were traditionally more male dominated. This is rapidly changing given the expanding dynamics of the product development process and distribution capabilities of insurers. Technology, analytics, and advanced marketing techniques through multiple distribution channels have resulted in a broader and more diverse slate of executives in key leadership roles and often from industries adjacent to, and often outside of insurance. This has created expanded opportunities for women to advance such as Chief Information Officer and Chief Marketing Officer with such diverse candidates more frequently coming from outside the insurance industry.

How have the roles which women fill in this industry evolved over the past few years? What has driven this evolution?

Insurance companies rely on data and analytics to drive the profitable performance of their businesses, and the hard data confirms that diverse organizations outperform their less diverse competitors. As such, the insurance industry over the past decade has increased its willingness to look beyond the traditional HR function for women executive leadership in other key functions. In addition, over the past decade the increased focus on the utilization of sophisticated technology and marketing to drive the development and distribution of insurance products and services have created new opportunities for women to assume key leadership roles. Historically, the underwriting and actuarial functions were the core of insurers and while they remain as such, they have been joined by technology and marketing as equal functions in driving profitable growth of a business. The rise of the "innovation" function within insurers has also created opportunities for women, as these roles are often led by executives who may not have come up the traditional routes of underwriting and actuarial.

In your opinion, has the insurance industry made significant efforts to promote women into leadership roles? If so, how?

On a whole the insurance industry has made efforts to promote women into executive leadership roles. This includes mandating diverse slates of candidates for senior executive roles, and also pushing much more aggressively for diverse leadership at the board of directorship level. Formal mentorship and sponsorship programs for women are becoming more commonplace across the industry where this would have been a unique exception 10 or 15 years ago. The efforts of our clients to promote diversity in recruitment over the past 24 months have resulted in our firm placing women into leadership roles for CIO, CMO, Head of Innovation, Chief Claims Officer, Chief Compliance Officer, all for Fortune 100 level Life and P&C insurance carriers...

How important is diversity in the recruiting process for insurance companies? Has this increased?

The importance of diversity in the recruitment process for insurance companies has increased significantly over the past decade. This is reflected in hiring companies mandating diverse candidate slates for all searches being the rule rather than the exception. It's also reflected in insurance companies being more willing to look to outside industries in order to identify top tier diverse talent to fill and executive role. Traditionally, an insurer would be willing to look to an outside industry for diverse talent to assume an HR role, but clients are now interested in pursuing diverse talent for technology, marketing, innovation, and operations roles as well. Certain core functions like actuarial and underwriting will always require specific industry experience, but these areas as well are increasingly being led by diverse/female talent due to companies focus over the past decade to encourage diverse pipelines of talent. Although progress has certainly been made in women advancing to C suite leadership roles in charge of functional areas including finance, claims, marketing, underwriting, and legal, there is still significant progress that needs to be made in woman advancing with more frequency into P&L leadership roles to include CEO.

expand these initiatives, but appear at times unable to penetrate the market to find and source this talent,” said Ruth Curran, global chair of IIC Partners and managing partner of MERC Partners located in Dublin.

The supply and demand challenge for creating a diverse and inclusive workforce is further compounded by the failure of 48 percent of companies to request a diverse slate of candidates when hiring for senior executive roles. Over half (57 percent) of companies have failed to set any goals for hiring diversity candidates or if they have set goals, will not meet them by their target date.

“An overwhelming 87 percent of senior executives agree that diversity and inclusion creates a stronger workforce,” said Christine Hayward, executive director of IIC Partners. “Companies are very aware that diversity and inclusion positively impact a business, but are struggling to champion and implement it as a best practice.”

“The lack of benchmarking and goal setting indicates an absence of ownership within the organization at the leadership level,” she said. “This responsibility can fall to human resources departments, chief talent officers or an external executive search advisory

partner. Like any strategic initiative, companies will need to identify a leader or partner to spearhead diversity and inclusion programs to see results.”

The IIC report also cited the top drivers of diversity and inclusion programs: attracting and retaining talent, driving business results, enhancing external reputation and increasing employee engagement

Diversity and inclusion impact a business in three main ways, according to IIC: It results in better decision-making, strengthens corporate culture, and makes for better collaboration among teams.

Inclusive Culture Matters

“Women and diverse candidates will not be attracted to companies unless they can see an inclusive culture – an environment where there are others like them who not only survive but thrive and succeed,” Janice Ellig, CEO of IIC Partners member firm Ellig Group, recently told Financier Worldwide. “Companies with more inclusive, welcoming, safe, empowering environments attract the best talent and become the best companies.”

Part of creating that empowering environment means that companies must strive to meet the particular needs of the modern workforce. Central to this is

INSIGHT

Methodology

Russell Reynolds Associates recently asked nearly 850 executives around the world about their perceptions and experiences of diversity and inclusion at work through its 2019 D&I Pulse survey. As part of the survey, we asked executives to classify their organization’s efforts into one of the three maturity categories:



EARLY STAGE

D&I is treated primarily as a compliance issue and D&I strategy is largely reactive



INTERMEDIATE

D&I is treated as a talent issue and focuses on diverse employees



ADVANCED

D&I is treated as a business and organizational issue and engages all employees

Approximately 21 percent considered their firms early stage, 30 percent chose intermediate and 15 percent considered themselves advanced. Another 30 percent said their firms had no D&I strategy, and about 4 percent were not sure if their organization had one or not.

providing a flexibility that was once virtually unheard of in the corporate arena. “One of the things that is a special challenge for women and men that is really starting to reshape the working world is the need for a realistic assessment of work-life balance,” said Christina Hall, chief people officer at **LinkedIn**. “And it’s something that regardless of gender people are thinking about. We did a study of our members in 2019 and earlier this year, and 54 percent of the people who answered, men and women, said that work-life balance was in their top five concerns for success. A few years ago when we did this, that (subject) was way, way down the list. That means that flexibility is something that’s no longer a privilege, that ‘Oh, if you’re in the C-suite you have this flexibility or if you’re at a certain kind of company.’ It’s something that we have to acknowledge in everything we do.”

Courtney Hagen, chief talent officer for Greenwich, CT-based private equity firm **Littlejohn & Co.**, tells of interviewing for her current role and being uncertain that she wanted to join an organization that had no other senior women. She started to have a different outlook, however, when the firm’s president dropped by to say goodbye before she left; he was stepping out early, he said, to go to his son’s school basketball game.

“And as I went through the interviews and the guys I was talking with were talking about their families, I thought, ‘Ok, nobody told them to do this, but they’re talking about the realities of being parents, they’re talking about the realities of flexibility, and people aren’t hiding the fact that men are taking time off when their children are born, that they are honoring family and school commitments for their children,’ and that was a huge turning point for me. I wasn’t sure I wanted to be the only woman in that room full of guys until that moment. And so I think that the importance of modeling that, the importance of men and women having open conversations and using the right

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Q&A

How to Promote Diversity in the Workplace



Molly Hull joined Slayton Search Partners in 2008 and has been progressively promoted due to her successes in recruiting across multiple industries and functions. She became Vice President and Principal in 2014 and Senior Vice President in 2018.

In this interview, Ms. Hull explains the most effective practices to promote diversity in the workplace.

From your experience, what is the most effective practice that recruiters are using to promote diversity in the workplace?

To start, we should be consistent about presenting diverse candidate slates. As executive search partners, it is our responsibility to be more intentional about the individuals we present and recommend to our clients. That early step is crucial. In order to ensure this takes place, consultants need to be advocates for diversity and remind our clients how much of a positive impact these candidates have on business performance.

We also encourage our clients to ensure there is diversity within the interview panels. It is important for candidates not only to hear that a company promotes diversity but also to see it.

How has the landscape changed over the past 10 years, and have you noticed increased efforts to promote women into C-suite level positions?

The landscape has changed significantly over the past 10 years and even more so recently. We hear from our clients that diversity is a top priority and an issue they are tackling. Unfortunately, change is not happening fast enough, and some reports suggest decades before we achieve gender parity.

As companies begin to recognize the positive impact that diversity has on business results, career advancement and promotional opportunities are becoming more available - women are being promoted into C-suite roles at a higher rate than they are recruited into a new company in a C-suite role. However, female executives are leaving the C-suite at a higher rate than ever before. Reasons for this are varied, but ultimately expose problems within corporate cultures. Companies that are willing to understand and correct deeper issues to foster supportive cultures will be successful at

retaining diverse talent. There are a few companies that are leading the way and others should follow suit.

It's apparent that the public knows about the gender gap especially on boards and in senior-level positions but still it seems much more has to be done. In your opinion, what is keeping companies from achieving their goals in hiring women into senior-level roles? How do we bridge the gap?

Women executives experience the workplace differently than men do, as many do not feel supported as they move ahead in their careers. Though executives may be willing to mentor women, not enough are willing to sponsor women – to actively open doors and play a critical role in their success. As a result, too few women are developed and promoted into roles that put them in line for senior leadership.

Women have also historically been at a greater disadvantage when it comes to balancing work/life responsibilities. Career gaps had always been a set-back. However, companies are looking at career gaps more positively, offering more flexible work structures, and embracing what women can bring to the table (even after a career gap). A stronger commitment to flexibility is necessary.

As the new decade begins, do you see this problem being resolved in the near future (do you think more women will fill more senior-level roles)?

Gender equality will not happen without senior and C-suite executives publicly stating their commitment to gender diversity and making gender equality a business priority. There is plenty of data to suggest the link between better company performance and female leadership. Until companies disrupt their existing cultures with specific benchmarking, policies, and procedures that will attract, promote and retain women, we will not see the business benefits of gender equality.

More progress needs to be made and long-term plans need to be implemented to ensure organizations nurture a constant and steady flow of high potential female candidates. Getting women in the pipeline is incredibly important. The key to success in this movement is not only acknowledging the inequalities but following through on an action plan to change the status quo.

language and not hiding the fact that we have more to our lives than just work” is important.

Unconscious Bias

Creating a diverse and inclusive workplace requires a hard look at how individuals are hired. Indeed, one major roadblock has been unconscious bias. Research shows that bias — prejudice in favor of

or against a thing, person or group — is human nature. It influences all kinds of decisions, and most of us are unaware when it's a factor in those decisions. “Unconscious bias” refers to judgments and decisions that are deeply affected by our subconscious mind — decisions that can play a significant role in recruiting and hiring.

In one recent report, Molly Brennan, founding partner of **Koya Leadership Partners**, said unconscious bias was insidious. “Indeed, even as a growing number of non-profit organizations say they are working to increase the diversity of their staffs,” she said, “unconscious bias may be negatively impacting non-profit workplaces by undermining efforts to recruit and retain diverse employee, contributing to poor hiring decisions and salary inequities, and denying equal opportunities in the workplace for women and people of color.”

Ms. Brennan offered a number of tips to help companies avoid unconscious bias. She urged companies to educate their HR team about unconscious bias. “Provide your HR team with articles, case studies and trainings related to unconscious bias,” Ms. Brennan said. “Be sure your team knows what it is, how to recognize it and how to avoid it.

Reducing Bias

It is also important to develop consistent, structured hiring processes. “Before your organization launches its next job search, develop a list of core competencies for the job, including skills and experience, and then evaluate every candidate for the job against that list,” said Ms. Brennan. “Be sure, as well, to ask each candidate for the job the same questions to ensure that your evaluations of various candidates are impartial. To ensure that all prospects for a job are assessed against the same criteria, it’s also a good idea to have the same person interview all candidates for a job.”

Blinded, or redacted, candidate materials can be effective in reducing bias in that they eliminate the possibility of making snap judgments based on details (such as name, address, alma mater) that may have nothing to do with whether a candidate is a good fit for a position. “When such details are masked in resumes and CVs, interviewers are more

likely to make decisions based on core competencies rather than personal factors,” Ms. Brennan said. “Similarly, when asking candidates to submit samples of their work, be sure to remove identifying characteristics from the documents to ensure that prospects are assessed and evaluated against a consistent set of criteria.”

Reach Out Widely

Expanding your network can also be invaluable. It is true that employee referrals are often a useful tool in identifying qualified candidates. “But because employees tend to refer people who are like themselves in terms of race, education, and background, such referrals can work against an organization’s diversity goals,” Ms. Brennan said. “To expand your candidate pipeline — and build a more diverse workforce — task your HR team to go beyond the usual referral sources and proactively reach out to a range of organizations and sources.”

Ideally, the decision to hire a candidate should be based solely on whether you think the individual will excel in the job. “Unfortunately, unconscious bias often gets in the way of our conscious desire to make purely competency-based hiring decisions,” Ms. Brennan said. “The best way to combat this tendency is to recognize it and put in place hiring practices designed to promote equity, consistency and fairness at every step of the process.”

So it is that executive recruitment firms across the country have both a tremendous opportunity and challenge to help change the face of organizations everywhere, and usher in a new day of fairness and equity. Lisa Peacock-Edwards, managing partner for **Wilton & Bain**, spoke recently of her admiration for the women who paved the way for today’s female leaders. She paid tribute to her mother, who was the first female air traffic controller in the U.K.’s Royal Air Force, and told of her admiration for U.S. Supreme

SPOTLIGHT

Retaining & Cultivating Diverse Talent

VettedSolutions

Vetted Solutions helps associations and nonprofits recruit, retain, and cultivate key

talent. Vetted partners with organizations identify short-term and long-term recruiting needs; this process ranges from candidate identification to screening and interviews, to placement. The firm provides its clients with a highly prepped candidate to maximize return. Vetted Solutions operates under the constant commitment to provide the most qualified candidate.

Vetted's business is people and therefore they connect organizations with the right individuals to facilitate growth. They have witnessed the lasting, positive impacts that different backgrounds, fresh perspectives, and diverse experiences bring to a company. It is for this reason that Vetted has committed a deliberate and intentional approach to diversity and inclusion. The ultimate goal is to provide organizations with a diverse talent pool which allows the organization to further goals.

Court justice Ruth Bader Ginsburg and all that she went through in her legal career. To not push forward with the female agenda, she said, would be a disservice to her mother, and to all the other women who helped change the landscape for women.

"So yes, in the last five years we've changed things and we've talked more about actually being inside the client, actually showing them how to build out their talent and how to onboard and how to create the better panels. But actually what we need to be doing is not taking no for an answer, and really making sure that we're actually living and breathing by what RBG did, my mother did, and everyone did before so we set ourselves up for the future. So it's our responsibility; we're in a very privileged place to make sure we're delivering on that."

Call to Action

One key answer to delivering change is for recruiters to go beyond their established networks. Headhunters

must be willing to mine deeper to find prospects who show potential to be the star performers of tomorrow. "Too many of us in the search business are recycling the same people over and over again," said Mr. Jones of Diversified Search. "It's exciting to meet new people who have levels of energy and expertise and talent that we can bring into the boardroom to our clients. But the call to action is what are we doing in our sphere of influence to really change the discussion and the dialogue about women in the boardroom today."

"How do we find people who are not on everyone's radar screen and how do we now make the argument that when the client says, 'Find me a woman who's a sitting CEO or CFO?'" With only 33 sitting women CEOs in Fortune 500 companies, "you've essentially eliminated the possibility of having someone on your board if that's your requirement. And so we have to say to companies and/or organizations and boards, 'how about someone who has the experience and the intellect but she is not sitting in the seat today but she will be tomorrow, and if you recruit her today you will have a rare find who will transform the world and your organization.'"

The benefits of enhancing women's roles in corporate leadership are clear, but much work remains, says Jay Rosenzweig, founding partner of Toronto-based executive search firm **Rosenzweig & Company**.

"Your best bet for finding female executives is to work with a search firm that reaches beyond the traditional reservoir of candidates," said Mr. Rosenzweig. "We need to stop just rounding up the usual suspects. It takes more work and more digging, but there are great female candidates out there if you just expand your network and know where to look."

No More Playing it Safe

Mr. Rosenzweig conceded that executive search firms have probably contributed to holding women back

Q&A

Diversity & Inclusion in the C-Suite



Sue Waterbury is a managing director of McDermott + Bull in the firm's New York office, where she leads East Coast business development, with a practice focused on family offices, including private equity, family foundations, and the nonprofit sector. In this interview, Ms. Waterbury reflects on the current nature of diversity & inclusion and explains how McDermott + Bull effectively carries out its clients D&I strategy.

How important is diversity and inclusion in the current C-suite and board level corporate business culture and executive search process?

Both Diversity & Inclusion (D&I) and Diversity Equity & Inclusion (DEI) are extremely important across virtually every industry, and consequently, every search assignment. From the National Football League's "Rooney Rule", where teams now require ethnic-minority candidates for Coach and Senior Operations positions; to parity.org, where corporations sign on to commit to interviewing a qualified woman for every C-suite or board position; to CEO Action, where CEO's of over 800 organizations commit to cultivate a D&I / DEI environment; these issues are now in the forefront.

How important is Diversity & Inclusion to your practice and how does McDermott + Bull incorporate these issues as a priority in today's marketplace?

D&I and DEI have been buzzwords within the corporate and non-profit job sectors for years. No longer catch phrases, these critical issues are now business culture imperatives. A diverse workforce drives engagement, productivity, innovation, and profitability. Indeed, in order to attract the best talent, corporations must think about D&I and DEI with regards to workplace culture and providing broader opportunity to qualified candidates. At McDermott + Bull, our clients make D&I and DEI a top three objective during a search. In 2018, 57 percent of our placements across financial institutions, life science companies, and non-profits were women or people of a diverse background.

Are women being promoted to the boardroom and C-suite?

Yes, but at a slow pace. We see this through examples such as California's Senate Bill 826, where publicly traded companies of a certain size must currently have at least one woman on

their board (to increase by 2021). To achieve these goals, organizations now accept that they must look outside of current networks to bring in diversity. A firm like ours can help avoid obstacles throughout the search, including boards picking candidates they know may not be qualified; picking candidates who serve on other boards and are considered a "safe hire"; and limited candidate pools, as boards tend to look at only C-suite job titles.

So, are there measurable results in the current markets and what do you see happening over the next five years?

Yes, more women have been appointed to boards and C-suite roles, but their tenure is often short lived, so the statistics haven't changed much. With a focus on women leaders and diversity in corporate America, it cannot be limited to rhetoric. Studies have shown that having a diverse workforce is critical to meeting new talent demands. In a Women in the Workplace Study conducted by McKinsey & Company and LeanIn.org in 2019, it is revealed that companies have made progress in gender diversity and that it is a top priority for the future. Further, when employees say their company is highly committed to gender diversity, they are happier and plan to stay at their company longer.

McDermott + Bull believes organizations should re-envision their approach to diversity:

- It starts at the top. The CEO and executive team must truly buy-into an inclusive workplace and promote it unequivocally.
- Develop your internal diverse team and try to promote from within. Use tools of mentorship, coaching, and professional development.
- External hires and the approach to hiring must be overhauled to drive diversity. Making D&I and DEI front and center in a public way will set your firm apart from the competition.

over the years. "But I very much believe we can be catalysts in helping clients find the solution," he said. "There is no question that most executive search firms traditionally looked for the 'safe' solution when it came to many searches."

Recruiters tended to look for individuals who looked a lot like the incumbent or like the rest of the management team. "And that is understandable – we get paid based on success," he said. "But a default to the 'safe' mode is often a default to the status quo,

to the tried and true. Today's business environment is highly dynamic and demands greater workplace diversity and flexibility. Search firms that can adapt to this shift will have a competitive advantage."

Robin Toft, founder and CEO of Toft Group Executive Search and now an executive search consultant with ZRG, sees it as a responsibility to advise clients about the benefits of female and diverse leadership for their teams. "I talk about it early, often and constantly," she said. "Women and millennials are the answer to the talent crisis. It is found across all industries and it will be there for the next five to 10 years. Women and millennials are the answer. Women enter our industry at 52 percent with Ph.Ds. and master's degrees; at the C-level they're 20 percent; at the top they're five percent. This is so not Ok. The fastest and easiest way for you to have talent in your company is to escalate women as quickly as you can."

Last year, recruitment software company **Invenias** teamed with **MIX Diversity Developers**, a boutique consultancy firm specializing in diversity and inclusion, to explore the role that search firms can play in driving greater diversity in recruitment.

Responses from over 400 search professionals highlighted some of the challenges that executive search is facing: from the prevalence of unconscious bias, to the perceived lack of diverse candidates, to the challenge of helping clients see beyond traditional recruitment choices and look instead to the benefits that diverse talent can bring.

Why Executive Recruiters Matter

The report found that executive search professionals recognize a myriad of opportunities offered by diversity and inclusion—from championing emerging leaders to having the opportunity to implement real change within their clients' business. Strategies to achieve greater diversity are also under consideration. An

overwhelming majority of respondents suggested that diverse long lists would be easier to cultivate if clients were more open to candidates from different industry sectors, giving less weight to proven career experience, to instead see candidates with relevant skills and underlying competencies. While these strategies are being trialed within executive search, there is still far from a universal adoption of these practices.

As key advisors, executive search firms are critical in providing a balanced and diversified pool of candidates that can bring talent and experience to a business. The report's findings suggest that executive search firms do indeed take their role as a driver of diversity seriously, with 64 percent of respondents agreeing that diversity will be highly important to clients in 2019, and 52 percent believing they have a part to play in advising clients to choose a diverse short list. "While not necessarily an easy task, it remains a vital one if companies are hoping to not only increase diverse hiring but also build on success," the report said.

Providing strategies to tackle the lack of diversity in the long term is vital if companies are to move towards an inclusive workforce, said the report. The lack of diversity in business, particularly at the board level, is still apparent. Nearly two-thirds of those surveyed said they believed that it was currently more difficult for a woman to be appointed to an executive board/senior management position.

A Pathway, With Roadblocks

But evidence suggests that attitudes are changing. Nearly 40 percent of those surveyed felt that this was a similar premise with BAME (black, Asian and minority ethnic) candidates; although 30 percent of respondents felt that attitudes were yet to change. The reasons for this are varied with more than 55 percent of respondents saying that unconscious bias is to blame for the challenge in appointing diverse candidates. A staggering 46 percent of respondents,

Q&A

Creating Meaningful Impact to Promote Diversity



Julie Choi is the founder of Pointr.co and an award-winning CEO. Ms. Choi created Pointr, a technology platform that provides a framework for talent and companies to engage authentically, beyond the transactional nature of recruiting. Pointr won Gold for Best Mobile and

Web App by the American Business Awards in 2019. In this Q+A, Ms. Choi reflects on how her technology platform is impacting diversity in the workplace as well as how Pointr is assisting young women in advancing their careers.

How does Pointr create meaningful impact in promoting diversity in the workplace?

The workforce of the future is challenging how we think about diversity and inclusion. We need to address the attitudes of rising talent. Pointr makes it easy for any employee to relate to talent, no matter the differences in generation, background, and perspectives. Pointr harnesses the power of open-ended questions that transcend role and agenda, allowing people to be real. Individuality is not a bad word. When teams value what makes someone distinctly individual it allows them to tap into intrinsic motivators. What drives human performance is fulfillment. Pointr helps companies embrace the whole person, which unlocks engagement, productivity, and ultimately, outsized ROI. Isn't that the point of diversity?

In today's hypercompetitive landscape, how do companies win the ones they want?

The decision to join, stay, or leave is an emotional one. The greatest differentiator in winning, and keeping, the ones you want - relationships and personal connectivity. It is critical to shift from a one-sided, role-specific mindset to a holistic, relationship-driven mindset. Disengagement and churn are challenging the status quo on all fronts, particularly culture and what it means to talent. Pointr scales personalized engagement and cultivates culture when it matters most, between people.

How does Pointr assist in helping young women advance their careers?

Pointr empowers young women to be their own advocate. We free talent from labels and boxes - giving talent a voice and inviting them to share what matters to them. We shift the mindset of talent and companies, bringing forward genuine interest in the authentic person. Pointr goes beyond credentials and reveals self-awareness and intentionality. We make it easy for talent, no matter their personality or communication style, to characterize how they view themselves and their potential.

however, said that the lack of diverse candidates is to blame for the lack of diverse appointments at the C-suite level, and executive search firms can have a direct impact on this statistic.

The pathway to the C-suite is fraught with roadblocks for women and minorities. It is made all the more difficult by the dearth of women in lower positions in the corporate hierarchy. Only 651 (11.5 percent) of the nearly 5,700 executives under the CEO level (positions such as chief operating officer and CFO) were women, according to analysis from a **Pew Research Center** analysis of federal securities filings by all companies in the benchmark Standard & Poor's Composite 1500 stock index. Although this group in general constitutes a significant pool of potential future CEO candidates, the women officers Pew Research identified tended to be in positions such as finance or legal that, previous research suggests, are less likely to lead to the CEO's chair than other, more operations-focused roles.

The share of non-CEO top executives who were women differed little by company size, but did vary considerably by broad sector and specific industry. Utilities had the highest share of women in such positions with 17.3 percent. The sector also had the biggest share of female CEOs, with 10 out of 54 or 18.5 percent.

In the consumer discretionary sector, a diverse category that includes makers and sellers of everything from cars to handbags and service providers ranging from hotels and restaurants to wedding planners and broadcasters, 16.1 percent of non-CEO top executives were women. By comparison, only three of the 50 non-CEO top executives identified by the 13 telecommunications companies in the index, or six percent, were women. Telecom also was the only sector with no women CEOs.

What specific positions did women hold? Pew Research Center's analysis found them to be

highly concentrated in just a few types of corporate jobs: 168 (25.8 percent) were the CFOs of their companies, while another 19 held other finance positions, such as controller or chief accounting officer. Women, in fact, made up 11.2 percent of all CFOs, vs. 5.1 percent of CEOs. Nearly a quarter (23.7 percent) of the female second-tier executives were corporate general counsels or chief legal officers, and nearly 10 percent were chief human resources officers or the equivalent.

In addition, 47 women non-CEO top executives (7.2 percent of the total) were designated president, COO or a similar title, and 96 (14.7 percent) were the heads of major subsidiaries or operating divisions. “The relative scarcity of women in high-level operational roles may be significant, because management researchers have found that, generally speaking, companies and their boards (who formally appoint the CEO) prefer to have people with operational experience in the top spot,” the Pew Research Center said.

Pipelining More Women

The long-term and sustainable solution, said Tory Clarke, partner and co-founder of **Bridge Partners**, lies in talent development and retention. Ms. Clarke said that organizations must take care to seed their CEO candidate pools with women, “not by simply finding the most senior women in their organization and identifying them as potential but unlikely CEO successors (which is simply window-dressing), but by turning the equation around and ensuring that the pipeline to roles that are most suited to CEO succession are populated with women, and that those women both want to be the next CEO, and are retained and developed in a way that ensures they stick around for the opportunity, when it arises.”

Ms. Clarke said that “sounds like a simple solution but you would be surprised how many organizations look at diversity in succession planning as a numbers

game, rather than considering five to seven years ahead how to make sure that, at any given time – crisis or planned succession – the CEO pipeline is diverse by every measure.”

In one recent report, “Women Leaders: How We Got Here,” **Spencer Stuart** cited four main areas of focus that women and companies can follow to boost the gender diversity of their leadership teams: sponsorship, overcoming unconscious bias, relationship-building and risk-taking, and proactive career management.

- *Career champions and support.* Sponsorship fuels career advancement in a variety of ways. “Research has found that sponsors, more than mentors, provide advice for getting and succeeding in new roles, and also use their influence and connections to open doors and help the people they sponsor reach new roles,” said Spencer Stuart. “Sponsors tend to give women the confidence to take risks they might hesitate to otherwise — for example, to take a role sooner than they might feel ready, or to push out of their comfort zone to pursue a P&L role. The visible support sponsors provide also can play a role in controlling for unconscious bias and expanding women’s network of relationships.”

- *Overcoming unconscious bias and assumptions.* Avoiding making assumptions about women’s aspirations and interests and setting the expectation that leaders will reach out to people with diverse backgrounds can help overcome these challenges. “Even the simple step of making leaders aware of these kinds of biases and assumptions — making the unconscious conscious — can make a meaningful difference,” said Spencer Stuart. “Leaders should be encouraged to look beyond the people who are raising their hands and proactively reach out to qualified people with diverse backgrounds and encourage them to apply.”

- *Relationship-building and risk-taking.* Relationship-building is important for career advancement, regardless of gender. “Some women can be uncomfortable with what they perceive as the politics of corporate life and prefer to let their work speak for itself, assuming that hard work and doing a better job than the next person is all they need to do,” said the report. “But, it’s important to recognize that, especially in the upper reaches of an organization, relationships and networking are critical, as senior-level leaders have to make decisions about the handful of people that they trust to run the company.”

- *Proactively managing your career.* “It is important to think longer term about your career aspirations and route up to avoid inadvertently closing the door to certain opportunities,” said Spencer Stuart. “Many women (and men) truly prefer a specific function, such as marketing or finance, and strive for leadership roles within the functional area.”

Speaking up about one’s interests and longer-term aspirations early and often can encourage others to think about you when openings arise. “Don’t assume people in the company, even your manager, know the next move you want to make or where you see your career going over the long term,” said Spencer Stuart.

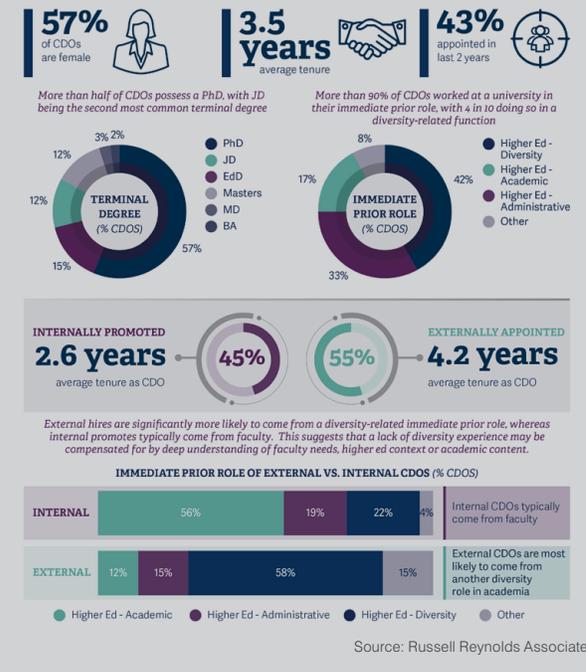
Speak Up

Women aspiring to top leadership roles have to be willing to take risks. “It’s well documented that women are more likely than men to think they need to meet all the qualifications for a position to apply for a role,” said the report. “Nearly half (46 percent) of the high-achieving women we surveyed agreed or strongly agreed with the statement, ‘I tend to raise my hand for new jobs only when I meet all the qualifications.’ Recognizing this tendency and getting comfortable with not being completely ‘ready’ for a new role may help more women get comfortable with taking career risks. Once they do make a leap into a new role, they

POINT OF VIEW

The Profile of the Chief Diversity Officer

An analysis of the backgrounds of 60 CDOs from leading U.S. universities identifies several key commonalities in the profile and “route to the top.”



are likely to learn that they are able to ‘figure it out’ and succeed,” the report said.

Valerie Camillo, president of business operations for the **Philadelphia Flyers** and the **Wells Fargo Center**, says that she often speaks before panels of women professionals and many times is asked by younger women how they can get a seat at the table or how can they get their voice to be heard. “My encouragement to them always is, ‘If you want a seat at the table, if you want your voice to be heard, have something to say. Lead with your substance and your ideas.’ And I encourage women to take their eyes off their identity as much as possible. And I’m not Pollyanna. I don’t think that there’s not problems and you’re not going



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to encounter people, I get it. But men don't walk into the meeting worrying about themselves and neither should we. So take your eyes off yourself and lead with identity and substance. In my experience, ideas can win through a lot and cut through a lot."

On a broader level, technology is also beginning to cut through bias and help promote diversity in the workforce. In HR departments across the country, artificial intelligence has begun powering a range of strategic – and transformational – initiatives, including measuring employee sentiment, increasing engagement, and finding ways to acquire talent without bias. It is creating an environment where companies are spending less time searching for people and more time curating the right kinds of relationships with talent pools.

The global research and advisory firm **Gartner**, in fact, reports that 23 percent of organizations have already introduced AI in human resources and recruitment. Artificial intelligence is helping companies to write better advertisements for jobs, flagging language that might dissuade certain groups of people or otherwise be insensitive. AI can also help eliminate bias in applicant screening, removing information from resumes, for instance, that might reveal identity and therefore produce conscious or unconscious bias. It can even help deliver greater equity in pay.

Granted, there are challenges. Much has been made of the potential for AI to actually enter bias into its algorithms, and recent reports tell of the tech industry's own lack of diversity among those who create artificial intelligence, which could affect its outcomes. Nonetheless, technology is becoming a major factor in the battle for diversity.

The goal, says Deb Bubb, chief leadership, learning and inclusion officer for **IBM**, is to use "a data driven, science based and human centered approach" to

disassemble bias and provide new solutions to foster better results.

“At the root of this strategy is the idea that artificial intelligence can create new opportunities,” said Ms. Bubb. “Artificial intelligence, simply said, is a way of using the power of analytics and computing to connect new insights across your data that human beings have a hard time seeing from where they’re sitting, to take these scale insights and turn them into different kinds of experiences and outcomes. Artificial intelligence is a way to have our computers take advantage of data, put the data together in a way that produces new meanings, introduces those new meanings in new experiences that help people do things differently. And it has a tremendous impact.”

AI can enhance decision-making, eliminate bias, provide for greater efficiency and personalize the employee experience. Said Ms. Bubb: “Human resources leaders are sensing the possibility of this impact, the possibility that artificial intelligence and other technologies like it – cognitive computing essentially – can drive significant value in HR and can actually transform HR in a way that helps us transform this outcome.”

Ms. Bubb says that her boss, IBM CEO Ginni Rometty, likes to say that 100 percent of all jobs will one day be impacted by artificial intelligence. “Maybe not all at the same time,” said Ms. Bubb. “But artificial intelligence is going to transform the world we’re living in. We believe it will have a material impact. It’s going to accelerate over time. It’s going to have a material impact on how we work, where we work, what we do. It isn’t that

technical skills and AI are the only skills that are going to be important. In fact, as this technology changes the way we work, increasingly our human skills are going to become more important.”

Creating a Sense of Urgency

Umran Beba, of PepsiCo, agrees. Even as technology becomes an increasingly integral part of our lives, the soft skills, the human factor, will take on even greater significance. “I believe that the global mindset, understanding and appreciating diversity and inclusion, will be part of an emotional intelligence and making sure that we really bring those soft skills in collaboration with the digital and technology skills,” said Ms. Beba. “So for the future I think definitely diversity and inclusion will continue to be part of the leadership agenda. But I want to think and I want to hope that it will not be singled out. It will be an integral part of that reality.”

“Today we are still singling out diversity and inclusion,” she said. “We have diversity reports, we have diversity conferences. But it should be part of life and leadership and growth and innovation. It should be more naturally integrated to that reality because at the end people will see that you can’t succeed without that.”

“Sometimes you need to create a sense of urgency in order to change the agenda or have a downshift in the agenda, and I believe we are in that period at this point in time,” Ms. Beba said. “But with all the efforts that we are seeing if we can actually integrate more of those efforts into the real leadership DNA, I think that’s going to be our role. Ideally you don’t need specific people running these agendas. It should be every leader’s role.”

INDUSTRY VIEWPOINT

VIEWPOINT

Hunt Scanlon keeps tabs on an ever-expanding executive search and talent management sector that far exceeds where the industry was just a decade ago. Today, Hunt Scanlon tracks some 17,000 executive search consultants at more than 4,000 recruiting firms in North America and another 4,500 overseas, spanning Europe, Asia, Africa and the Middle East, and everywhere else in between.

To round out our study this year, we invited a leadership advisory specialist to bring us their market insights. As Valerie Frederickson, founder and CEO of **Frederickson Partners**, will be the first to admit, search consultants face a host of challenges on their way to finding the right talent for their clients. And the current divisive culture that is pervasive across the nation only adds to that challenge. Her timely “Viewpoint” examines how best to boost diversity in the C-suite. According to Ms. Frederickson, diversity, inclusion and belonging is now at the forefront of the executive recruiting business. Here, she offers a practical guide forward.

So, if you're interested in hearing from one of the industry's most trusted and respected leadership advisory professionals, we encourage you to take the time to read this outstanding Viewpoint.

A NEW INTENSITY DRIVES DIVERSITY INTO THE BOARDROOM

Dominick Sutton, Chief Data Officer of BoardEx, Shares His Views on Advancing Women to the Boardroom



Dominick Sutton is chief data officer of BoardEx which offers enterprise solutions to advance business development and to enhance relationship capital management. He has almost 40 years' experience in data analytics and statistics having worked in environmental science, venture fund management, investment banking (as chief economist) and latterly as head of the data division of BoardEx. At BoardEx, he built the firm's data division into a world leader in the collection and analysis of high-quality personal profile data.

This article examines the current gender representation position globally. It starts by looking at the role women hold on the leadership team, that is, the group of senior executives and directors who manage the company and execute its strategies on a day-to-day basis. It then looks at board level gender, before finishing with a comparison between the female participation rates of boards and leadership teams. In each case the global position is examined before zooming in on the current position in the U.S and U.K.

Recent events have brought a new intensity to the focus on diversity in the boardroom and at the top of organizations, especially for large and systemically important organizations. While it often remains problematic to measure the different levels of inclusion around the world (not least because of the different aspects of exclusion globally) there is one universal measure that can serve as a bellwether for diversity in general, and that is gender. Not only is it easier to measure and report the many other types of diversity, it has also been the subject of much longer focus and action.

And yet, one finds a shortage of women in positions of power and influence after decades of activism, legislation, and policy development.

The evidence suggests that, despite the focus on board gender diversity, there is still a long way to go before the leadership teams of the largest global organizations see the same progress. Leadership teams remain predominantly male and the positions women do have tend to be more one of influence rather than direct power.

The following analyses are based on data collected at the end of 2019 for 26 leading nations, as expressed by the major index on each of their stock markets. For instance, the United States is represented by the S&P 500 and the United Kingdom by the FTSE 100. The major indices were selected as representing their nations as they tend to the highest visibility corporations and the ones most likely to lead the implementation of new diversity initiatives.

What Roles do Women Hold in Leadership Teams?

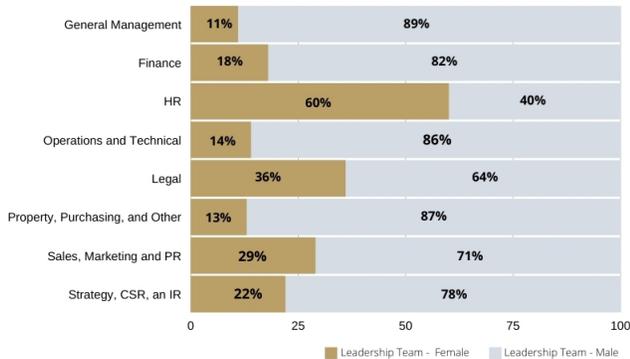
If women are to achieve the highest positions in organizations, they need to be sufficiently qualified and experienced. This means that looking at the roles they currently hold in leadership teams can yield insight into the likely supply of qualified women for the most senior roles in the future. This is in addition to assessing their representation in key corporate roles. Finally, it gives insight into predominantly "male" and "female" disciplines and seeing if this situation still persists.

The leadership team comprises the most senior managers in the organization and includes executive directors (in those countries that appoint executive directors). These senior manager groups have different names and corporate governance structures across the world. The data used in this analysis is derived from those individuals identified as the leadership group in company filings and annual reports.

For this, over 16,000 roles need to be classified into a small number of disciplines in order to carry out the analysis. This is done on the basis of job titles and additional disclosed role information. Where sufficient information is not disclosed to allocate a role to a discipline it is considered a General Management position. This is not unrealistic, as members of the top management team invariably have extensive management experience and in most cases run substantial corporate divisions. In total there are eight disciplines used to group the various roles into logical classes.

The next chart shows the gender balance for each discipline across the 26 countries that comprise the full dataset.

Leadership Team - Global



Female representation varies greatly, depending on the discipline. Most disciplines are predominantly male but human resources is majority female. This may seem encouraging, but HR positions make up only six percent of leadership team places. In contrast, general management is 89 percent male, and these positions make up 44 percent of leadership team places. Add in finance roles (82 percent male, and accounting for 11 percent of leadership team roles) and you find that of the 55 percent of all leadership team roles that are in these key positions only 12 percent are held by women. In contrast, two advisory disciplines (HR and Legal) are the ones in which women have the highest representation (60 percent and 36 percent, respectively), but these make up only 14 percent of all senior management roles.

This could also be considered a difference between positions of power and one of influence. Nobody can deny that top level roles in HR and legal are positions of great influence. Nonetheless, they are still for the most part advisory roles. In contrast, general management, finance, operations and technical, and sales, marketing and PR roles are, for the most part, positions of power. Viewed this way, women appear to be best represented in advisory roles (HR and legal, which are 46 percent female) as opposed to the “power” roles, which are only 14 percent female.

The following table shows the overall leadership team ratios for the 26 countries analysed in this study.

Overall Leadership Team Gender Ratios					
Country	Male	Female	Country	Male	Female
Norway	71%	29%	Hong Kong SAR	84%	16%
Australia	73%	27%	Denmark	84%	16%
Malaysia	76%	24%	Spain	85%	15%
Sweden	77%	23%	Belgium	86%	14%
Finland	77%	23%	Russia	86%	14%
South Africa	77%	23%	Germany	87%	13%
United States	78%	22%	Switzerland	87%	13%
United Kingdom	79%	21%	Brazil	89%	11%
Singapore	79%	21%	Portugal	90%	10%
Ireland	81%	19%	Austria	91%	9%
Netherlands	81%	19%	Italy	91%	9%
France	82%	18%	India	92%	8%
Canada	82%	18%	Japan	97%	3%

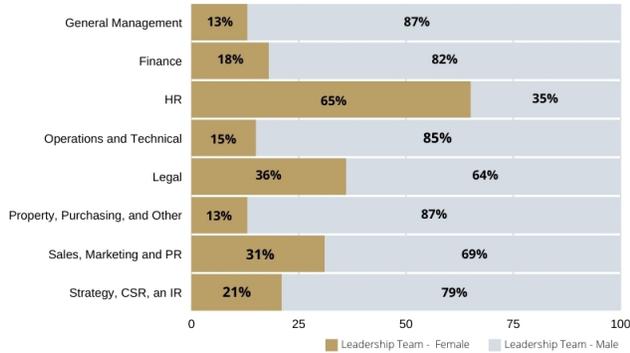
This shows that few countries come close to the 30 percent level and some are seriously adrift of any degree of gender diversity. The top three countries are Norway, Australia and Malaysia (29 percent, 27 percent and 24 percent, respectively). In contrast, women only account for three percent of Japanese leadership team positions among the top index firms, eight percent in Indian firms and nine percent in both Italy and Austria.

The United States is seventh on the list (just behind South Africa) at 22 percent, and the United Kingdom comes next, with 21 percent.

Looking at the same “influence” versus “power” analysis as described above, the best female “power” percentage is for Norway (21 percent), closely followed by Australia (20 percent). The worst is for Japan (three percent), with Austria, Brazil and India also lagging, at seven percent. Those countries in which women have better representation in power positions also score highly for positions of influence. Conversely, the countries with few women in positions of power often usually have fewer in positions of influence.

The detailed position for the U.S. is illustrated in the next chart.

Leadership Team - U.S.

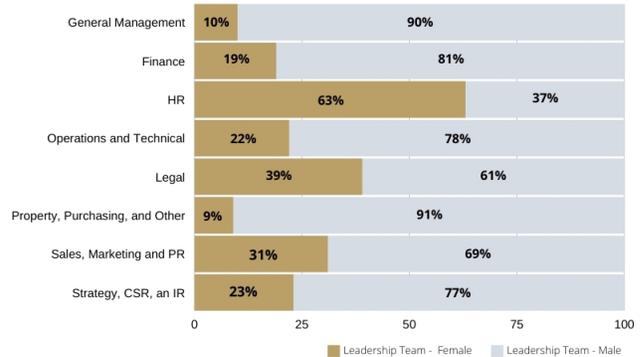


In the U.S. a similar picture is found to the global position. Women, again, dominate in HR (65 percent) and have the same level of representation in legal. These positions account for 16 percent of all leadership team roles. General management is again male dominated (87 percent) and finance matches the global rate (18 percent female). These two categories, however, account for 52 percent of all senior management roles.

Indeed, the most striking feature of this chart is how little the U.S. leadership team gender balance differs from the global position. Viewed from the influence/power perspective, women hold 47 percent of the “influence” roles but only 16 percent of the “power” roles, not much different from that found with the global average. This is disappointing when it is remembered that the global average includes countries such as Japan that have such low levels of female participation in their leadership teams.

The next chart shows the discipline breakdown for U.K. leadership teams.

Leadership Team - U.K.



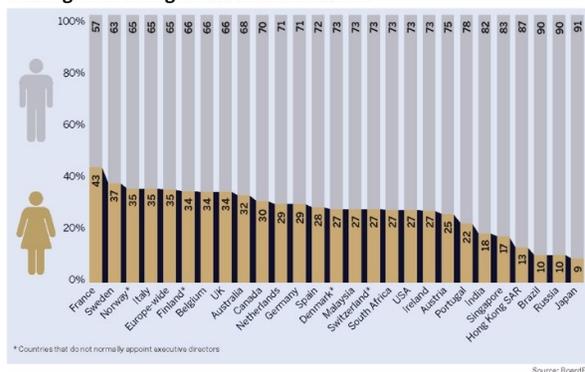
A similar picture is found for the U.K. Human resources is again the location of the highest female representation (63 percent), with legal coming second, at 39 percent, and these two categories account for 16 percent of leadership team roles. General Management and finance, however, account for 53 percent of roles at this senior level of the organization and are 90 percent and 81 percent male, respectively.

Looking at the influence/power perspective, women hold 50 percent of the “influence” roles but only 16 percent of the “power” roles. Again, this is not much different from the global or U.S. averages and is a disappointing finding in light of the focus given to board-level diversity.

Overall Board Composition

The following chart depicts the average gender diversity level achieved for each country as assessed on the performance of the leading stock exchange index for each country.

Average Percentage of Women on Boards



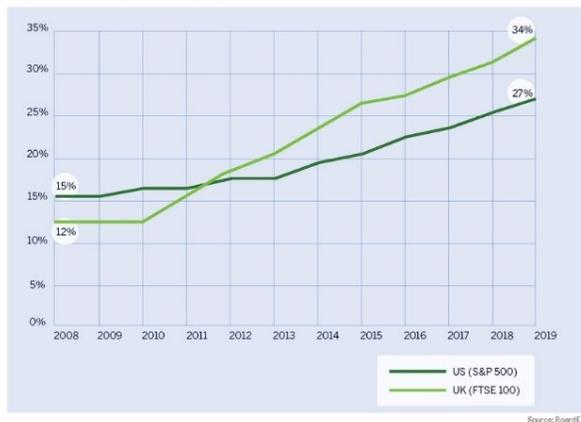
* Countries that do not normally appoint executive directors

Source: BoardEx

This chart shows that the performance among large listed corporation has been mixed, with Europe in particular having relatively high levels of board level gender diversity (France, for instance, achieved 43 percent) whereas Japan is the laggard at nine percent and Brazil and Russia are both not much better, at 10 percent. This superior performance in Europe has undoubtedly been influenced by governmental action (including quotas and targets) but is also a result of more gender equal societies in places such as Scandinavia. The U.K. is at 34 percent female representation (which was achieved following a high-profile campaign to achieve 30 percent representation) whereas the U.S. is at 27 percent.

Zooming in on the U.S. and U.K., the following chart illustrates the progress made by these two countries since 2008.

Female Director Percentage in the U.S. and U.K. Between 2008 and 2019



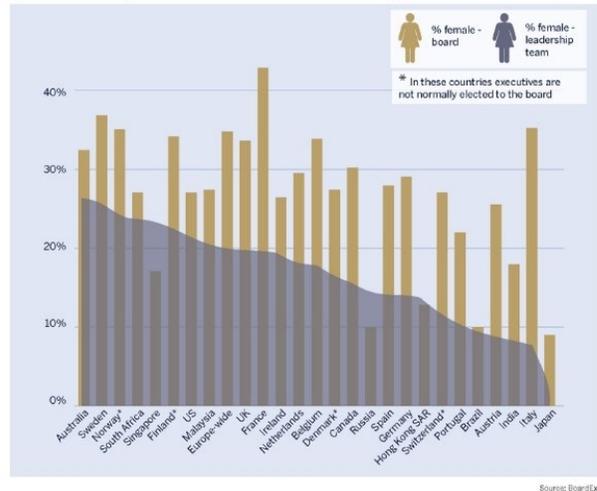
Both the U.S. and U.K. have made significant progress over this 11-year period. The U.S. has nearly doubled its board representation, from 15 percent to 27 percent and appears to be on a steady upwards trajectory. The U.K. started later but then made more progress from 2010 onwards in response to heightened public and governmental focus on this measure. As a result, the U.K. ratio passed the U.S. level for the first time in 2011 and now stands seven percentage points higher, at 34 percent.

Leadership Team vs Board

Having examined female representation among leadership teams and boards it is now useful to compare the performance at each level. Board-level gender representation measures average across both executive and non-executive directors (non-executive directors are also called independent or supervisory directors). This means that a corporation can achieve a high gender diversity ratio while not actually appointing many women to positions of corporate executive power. By comparing the performance for the two levels (bearing in mind that executive director data is in both data sets) a fuller picture of a country's gender diversity performance can be made.

The following chart shows the gender split for both the board and leadership teams in the same 26 countries as before.

Top Leadership Team vs. Board: Percentage Female Participation

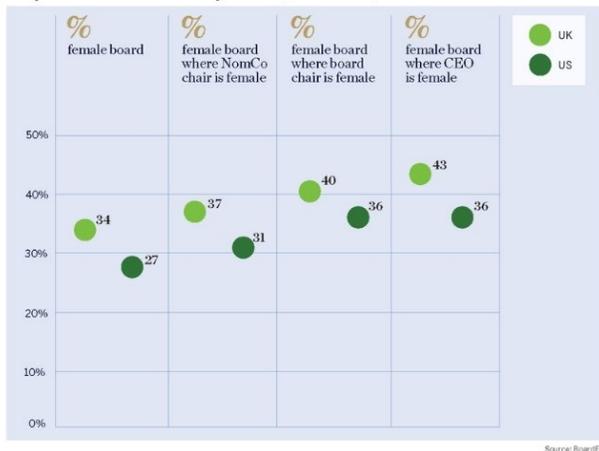


This chart shows that there is a much lower level of female representation at leadership team level compared to board level for most countries. Interestingly, Singapore, Hong Kong SAR and Russia have higher representation at leadership team level than at board level. It is unclear, however, if this is owing to better practices at executive level compare to board level, or because of a block on women reaching board positions. Japan is again the laggard, with its leadership team representation even lower than its worst in class board representation.

The United States is ranked seventh for leadership team representation as opposed to seventeenth for board representation, and time will tell if these senior executive women will migrate to board roles. In the case of the United Kingdom, it ranks as ninth on leadership team representation (ignoring the supra-national European wide ranking measure), down from seventh for board representation. It may be that the drive to increase board gender diversity in the U.K. has not (yet?) translated into a similar drive for leadership team representation.

The next chart focuses in on what could be an important influence on board representation, whether women hold positions of influence and power. The data in this chart reflects the positions of U.S. and U.K. firms that are represented in this analysis.

Impact of Women in Key Roles (U.K. / U.S.)



Despite the small number of data points, it does appear that having more women in positions of power results in better outcomes for board representation. This suggests a possible virtuous cycle – getting more women into these key roles may accelerate further female board appointments and so enable quicker progress. We have already seen the apparent deficits in “power” roles at the leadership team level. This suggests that the lack of women in “power” roles may inhibit more rapid progress than would be the case had the influence and power positions been more evenly distributed.

Overall Conclusions

The success of gender diversity at the top of organizations is therefore very much a matter of perspective. If the focus is solely on the overall board it appears that there has been significant progress in many countries. As attention moves further down the organization, however, the picture becomes less encouraging.

The position becomes even more disheartening if an “influence versus power” perspective is taken. From this analysis it appears that diversity is very much skewed towards positions of influence and not power. It is also disappointing to find the U.S. and U.K. positions more-or-less matching the global averages.

There is clearly much more to be done to boost gender diversity at leadership team level. The importance of this progress is not just on the opportunities for women to become members of this senior management group. Future executive and non-executive directors are highly likely to come from this talent pool. If women are to have a chance of heading up major organizations they must first be given the chance to acquire the skills and experience needed to qualify. Without that opportunity it is likely that gender ratios will continue to lag and true equality of opportunity at the top will never be reached.

A HOW-TO GUIDE TO BOOST DIVERSITY IN THE C-SUITE

Valerie Frederickson, Founder & CEO of Frederickson Partners, Discusses the Best Way Forward When Recruiting Diverse and Inclusive Talent



Valerie Frederickson, founder and CEO of Silicon Valley-based Frederickson Partners, has forged a reputation not only for finding great HR talent but for her commitment to diversity, inclusion and belonging. Valerie has helped hundreds of companies during the past 20+ years build and improve their human resources organizations. HR executives and C-level executives often seek her personal guidance and counsel when reorganizing their HR functions. She has conducted confidential, replacement and upgrade searches of HR executives, and placed heads of HR at companies such as C3 IoT, GE, Genentech, Mozilla, Qualtrics, and hundreds more.

These days, it's hard to imagine that for decades women professionals had only one office-based career choice: secretarial work. Relegated to the typing pools, they were unable to break free of the institutional shackles limiting their professional potential.

As increasing numbers of women started asking for more – better roles, promotions, consideration for the C-Suite – the media assigned a name to their cause: Shattering the Glass Ceiling. I grew up hearing this term and understanding the analogy, but I could never have imagined just how difficult a goal it would be to accomplish. Shattering the glass ceiling – or even fracturing it – is only slightly more challenging than physically picking up a 30-pound sledgehammer and actually breaking glass.

Reviewing the Numbers

While women and people of color still have a long way to go to reach parity on boards, the numbers are nonetheless moving in a positive direction. In 2019, there were no longer any S&P 500 companies that didn't have a single female director¹. There are even a small number of companies, like GM, Viacom and CBS, that had boards with at least half women². According to research conducted by the Alliance for Board Diversity, women and minorities now hold 38.6 percent of board seats at Fortune 100 companies³. This is an increase since 2016, when they held 35.9 percent. Unfortunately, only 5.8 percent of board seats are held by minority women, the group which has traditionally had the toughest time breaking through structural barriers to their success.

Everyone Wants the Same Candidates

Today, the numerous benefits to diversity are well-understood, both for teams and for boards⁴. As a reminder, diverse teams are smarter⁵, more innovative⁶ and more

productive, and they drive superior financial outcomes⁷. As such, most leading CEOs are actively seeking to diversify their executive teams and boards. The barrier, therefore, is less about convincing executives to consider diversity as beneficial as it is about helping them find qualified and interested women and minority candidates to recruit.

Often employers compete for a small sub-segment of women who have 100 percent of the qualifications and pedigrees they're seeking, including the desired cultural fit and executive presence. This is especially true for women of color. Only 2.8 percent of board directors are women of color, but they hold 3.1 percent of the total positions. Women of color as twice as likely as white women to serve on multiple boards. Selection committees are relying on the same tiny groups of women and especially women of color to fill board seats. Too many of these search firms are relying mainly on referrals from current board members, or candidates who are already on boards, creating a Catch-22: getting on a board largely requires having already served on one⁸.

Over my 25 years running the country's leading human resources executive search and consulting practice, I've learned what actually works. In my HR executive search practice – which is exclusively devoted to placing chief human resources officers, chief people officers, and heads of talent acquisition, diversity & inclusion, and total rewards – 75 percent of the candidates we've placed have been diverse.

Part of our secret sauce is that I've built the most diverse search team in-house that I've ever seen and have invested heavily in their training and development. Diverse teams are effective at recruiting diverse candidates. They also, from my perspective, make a far more interesting and rewarding work environment.

Whether you are consulting to a CEO or board about how to generally improve their diversity numbers or looking to impact a specific hire, this following advice should be of value to you. These practices are among the best diversity hiring practices in the world and have proven successful in my own HR executive search firm, as well as for our clients.

Before the Hire

Start by thinking through the entire recruiting experience from the job description through onboarding. How can you make the entire process more gender-neutral or women-friendly?

Begin with the job descriptions. Technologies like Textio and Unitive can help you reduce bias in job descriptions. Scrutinize the job requirements, and don't take any of them for granted. For example, many jobs require a heavy travel schedule, sometimes up to 50 percent. This is probably not necessary in this age of video conferencing. Assume that some women (and some men) can't or don't want to travel, so emphasize role performance over face time.

If you can hit your quota or make your KPIs while working in the office, why should travel be important? Making travel optional not only helps women but also anyone who doesn't want to travel heavily. However, don't assume that all the women won't want to travel. Some women – like many men – love to be on the road, and they deserve not to be judged by those of us who have decided to limit our travel. Make travel flexibilities and exceptions the norm.

Next, think critically about the resume screen. Take candidates' names and LinkedIn profiles off their resumes before they go to the recruiters so that their gender is unknown during the screening process. Next, consider the interview questions. Design interview questions for each role for each interviewer so that no one strays into the Oh, you have a baby at home...how do you handle it territory and so that the interview process is the same for all candidates.

Next, get serious about how to reward your recruiters, whether they're internal or external. If you want diversity, demand diversity. Train your recruiters in unconscious bias, how to recruit women and people of color, and how to improve the interview experience. If you want a woman candidate hired for a specific role, demand a slate of at least

75 percent qualified women. Any fewer, and men are more likely to get the job.

Next, think about where you source candidates. It's important to open up the potential candidate pool by recruiting women into technology from relevant industries with more gender parity, such as academia, consulting, not-for-profit and government. I also encourage recruiters to look seriously at former CEOs and former directors – not just at people who are currently holding those roles. Finally, I've seen it work very well to recruit directors from the CHRO and CPO population since this group has many women who are used to working closely with boards and CEOs. Smaller companies beyond the S&P 500 can even look beyond CHROs to Heads of Talent Acquisition and Total Rewards at large companies. This is comparable to the many Vice Presidents of Finance at large companies (as opposed to CFOs) who hold many mid-size company board positions.

Finally, consider diverse applications one level too senior and one level too junior for each role. Also be open to high-potential candidates who appear to only exhibit 70 to 80 percent of the desired skills. This is critical because it will expand your target candidate pool. If you have the right executive sponsor for diversity, your company will be able to hire more diverse candidates this way.

Interestingly, one thing you do not need to do is to put current employees of the desired gender or ethnicity onto the hiring panel in hopes that the diverse employees will select candidates who look like them. The best people to include in the hiring panel are the direct manager and whatever executive sponsor of diversity you can find. These people's opinions will carry the most weight, and their opinions will not be viewed as biased. Don't make assumptions that women will help women or that Latinos will help Latinos to get selected in. Understand that some women may be just as biased or even sexist as some men because women live in a sexist society, and we are all influenced by it.

Replace Cultural Fit with Skills Fit

Cultural fit means Let's hire people just like us. Skills fit means Let's hire people who can do what we need done. Here's an example I often use: There are two ten-year olds

attending school with my ten-year-old twins. One child, I'll call him Sutton, was born into a fourth generation Harvard family. His grandfather is chairman of a Fortune 100 company, and his future college tuition is already paid. He started golf lessons when he was three and has now added tennis and sailing. He has play dates with other children of Ivy Leaguers, and they all show up in their little Polo shirts and matching flat front, tailored shorts like little executives vacationing in Bermuda. His parents, both senior executives themselves, not only coach him constantly on his behavior, but also role model strong, confident communications and decisive, commanding attitudes. How will he interview for jobs? Like the confident future Harvard student he is. Straight posture, firm handshake, great eye contact, and comfortable discussing all his qualifications. In fact, studies show that when it's time to go to work that he'll apply for – and often get – jobs even if he's unqualified⁹.

I'll call the other child Juan. His parents are from Mexico and don't speak much English. His dad earns minimum wage working in the back of a big box store, and his mother cleans houses. His grandmother who doesn't speak English walks him to and from school. His family is close, warm and loving, and Juan is a super smart, delightful kid. He's one of the best readers in his class and is almost a musical protégé on the piano. His parents coach him to show gratitude and respect and not to ask for or expect too much. How will Juan interview? Let's just say that unless the company has stopped interviewing for cultural fit and accepts different styles of communication, like less eye contact and more humility, Juan will lose every time. Research shows he probably won't even apply for jobs unless he meets 100 percent of the stated requirements, and even then, he won't come across as self-confidently as Sutton.

Overcome the Negotiation Hurdle

Studies show that both male and female hiring managers react negatively when women ask for raises or negotiate their compensation¹⁰. How will women get paid more if they can't ask for it without negative social consequences? The answer is three-fold: 1) Have a third-party negotiate on their behalf; 2) Share compensation data with all candidates; and 3) Don't ask the candidates what they are making.

Back in 1997 when my HR executive search firm was two years old, I brought in two HR consultants of equal levels, a man and a woman, to work on a career pathing project for a big German software company. Our first meeting was a two-hour planning session with the client. The next day I received two invoices, one from each of the consultants. The man had billed for eight hours, and the woman had billed for two hours. I was amused and mystified by such a huge difference in hours billed and wanted to understand each of their billing philosophies. I called them and asked them the same question: "Why did you bill me for eight (or two) hours?"

The answers show why we need to help female executives negotiate their compensation packages. The man replied, "I thought about it, prepped for it, and debriefed afterwards. A day's work. Easy. Eight hours." The woman said, "It was a two-hour meeting, so I billed for two hours." This shows why we need to offer the same compensation to all candidates. We shouldn't give more compensation to the person who impresses us the most during the negotiation process because studies show that it won't be a female or person of color (even if they ultimately outperform the non-diverse candidates once they work on the job)¹¹.

California, which leads the nation in high tech, labor laws and earthquakes, enacted a new law, AB168, which prevents employers from requesting a candidate's compensation history. That is supposed to stop employers from offering female candidates the least possible amount of compensation and instead offer them what the job is worth. It has been a painful transition for those of us in search. I miss the beautiful multi-colored bar graph showing candidates' compensation trend lines which I included in all search reports. I recently experienced the power of this new law within my own firm. I recently hired someone without having any idea what the person was making. When they accepted the offer and told me that it was much more than they had previously been making, I had that split second, "Darn, I've missed out on a bargain" thought, but it was immediately followed with the realization that it felt great to do the right thing.

Don't Just Recruit, Coach

Recruiting diverse candidates for executive roles requires advocating for them, coaching them, and having tough

conversations. Many women, like many candidates from outside the U.S., have been trained not to sell themselves. This over-index on humility needs to be unlearned during the recruiting process.

I coach candidates on everything from not talking too much to selecting classier hair colors. Truthfully, some probably hate it when I coach them about their appearance or their habits. Based on what I think the CEO will like, I'll suggest that a candidate wear a cocktail dress, jeans and a blouse, highlight their hair, stop dyeing their hair a tacky color, or get rid of their little girl jewelry. I give them feedback on whatever it will take to get them the job.

I also coach them on their actual delivery during the interviewing process, such as how to keep answers short and how to describe their wins. I teach women how to come across as strong and authoritative but still authentic and feminine. Our society still has problems with women in direct leadership roles unless they can fall into the unconsciously approved categories of "second wife," "wise woman," or "daughter." My attitude is to get them the job and to change the diversity numbers one at a time.

After the Hire

Once you've competed for and made that key female hire, the real work kicks in again. You need to review all your policies and programs and make sure that the new female executive is set up for success now and in the future. Have friendly policies so that she can flourish on the job and maintain her home life. Implement a mentoring and a sponsor program. Mentors help individuals perform better in their current roles while sponsors give them visibility and chances no one else would. Also, apply the feedback from the interview process to our new diverse executive's development plan to help her grow and thrive.

Part of setting your diverse hires up for success involves getting everyone else on board to recognize their impact. Put your entire executive team (and ideally all managers) through unconscious bias training so they are trained to hear the smartest voices, not just the loudest ones. This is an easy win that can not only improve morale but also creativity and performance.

Finally, keep yourself honest. Track your Gender Equality Index, and make your data public. That way you'll know how you're doing not just at recruiting diverse candidates but also at retaining them.

When You're Not Recruiting

For me as the leader of an HR executive search practice, hiring and promoting women and people of color is only half the battle. Planting the seeds for the next generation and making sure the ground is ready to help them grow is equally important. There are things that you can do personally and as an employer to support diversity. It's hard to believe, but there are seven universities in the U.S. (primarily in the deep South where there are high African American student populations) that do not have a single African American student majoring in engineering. And today, many girls still feel intimidated by math and science and view it as a boys' thing.

Donate to STEM programs for girls and for children of color. Talk to children you know from under-represented groups, and offer them internships and paid positions at your firm. Invite them to business events, dinners, and meetings to give them exposure to the business world. Help them get a better job. Support global laws and programs that help girls go to school and avoid child marriages. Write to movie writers, directors and producers, and ask them to include more women and minorities on screen and off. What we see and experience every day is our reality and our norm unless we change it.

1) SHRM, 2019, "All S&P 500 Companies Now Have Women on Boards" 2) Fortune, 2019, "GM's Board Will Have More Women Than Men. It's Not the Only One" 3) Alliance for Board Diversity (ABD), in collaboration with Deloitte, 2019, "Missing pieces report: The 2018 board diversity census of women and minorities on Fortune 500 boards" 4) HBR, 2019, "When and Why Diversity Improves Your Board's Performance" 5) HBR, 2016, "Why Diverse Teams Are Smarter" 6) HBR, 2013, "How Diversity Can Drive Innovation" 7) HBR, 2018, "How and Where Diversity Drives Financial Performance" 8) HBR, 2014, "Why Women Don't Apply for Jobs Unless They're 100 percent Qualified" 9) HBR, 2018, "Research: Women Ask for Raises as Often as Men, but Are Less Likely to Get Them" 10) BBC, 2018, "How hidden bias can stop you getting a job" 11) Fast Company, 2016, "Six Reasons Why Your Company's Board Still Isn't Very Diverse"