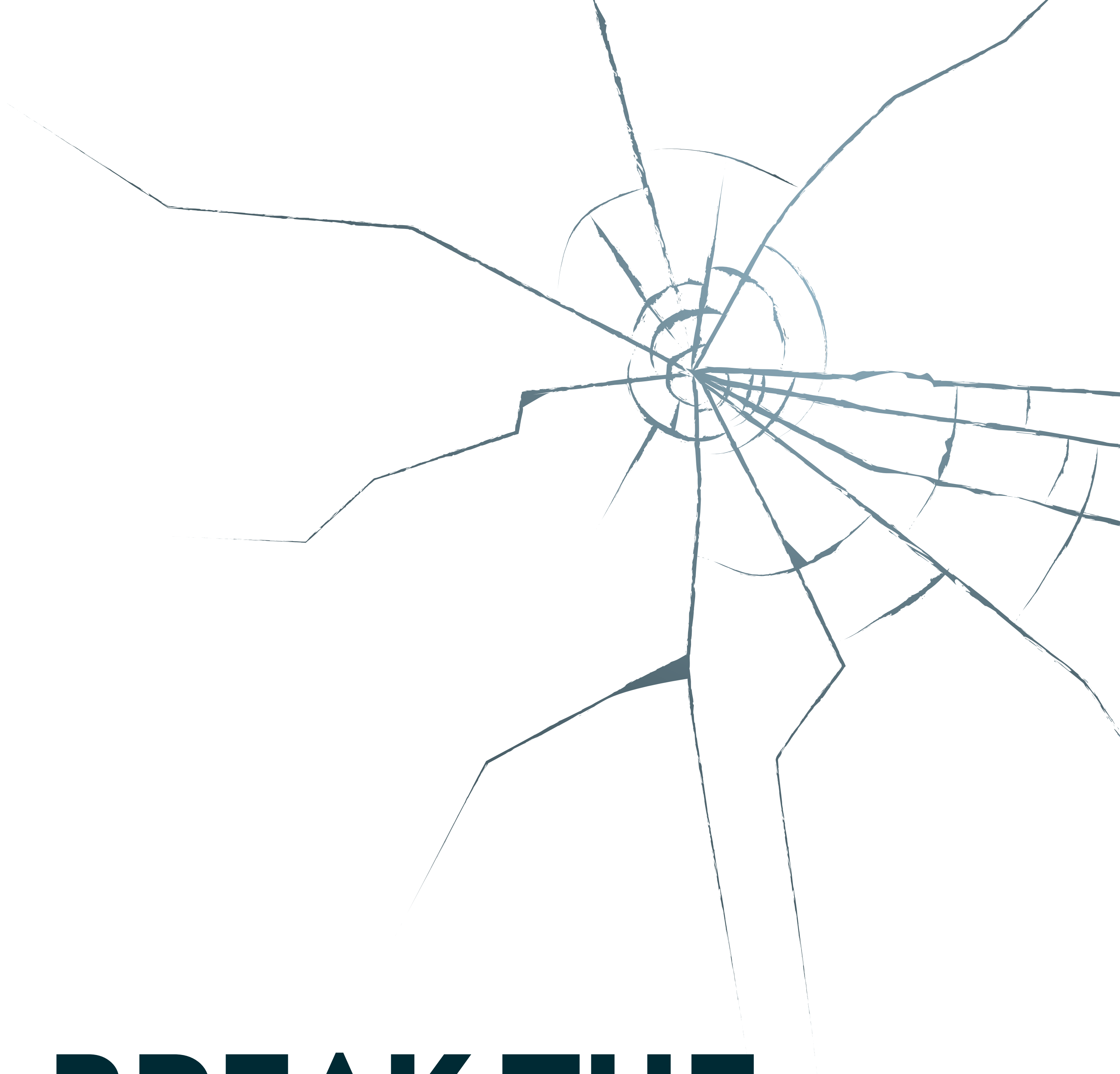

BREAK THE GLASS CEILING

Gender Intelligence Report 2022

University of St.Gallen
Research Institute for International Management
www.ccdi-unisg.ch

Advance
GENDER EQUALITY IN BUSINESS
www.weadvance.ch

advance-hsg-report.ch

PREFACE – LET'S BREAK THE GLASS CEILING TOGETHER!

One of the big economic challenges in Switzerland is the growing skills shortage. According to leading researchers, the Swiss labor market will be short half a million high-qualified people in the coming years, a development accentuated by the retirement wave of the baby boomers. But is talent really that rare in Switzerland, a country with world-leading universities and one of the most educated populations on the globe? Data tells a different story – one that speaks of big potential. This potential is highly educated and available, yet just not leveraged enough: women.

For the first time, this year's report focuses on an industry comparison revealing striking differences. The results are based on the analysis of **385,000 anonymized employees' HR data from 104 Swiss-based companies and organizations** – a unique data set in terms of quality and quantity, corresponding to more than 7% of the Swiss workforce.

This report offers you important insights on Gender Diversity in Swiss business and the tools that have proven to work and create impact. For best practices of Advance member companies and more resources, you can also access the report online: advance-hsg-report.ch.

We wish you an inspiring read!

"Our aim with this report is to make gender equality facts and figures transparent to everyone. It is only with this transparency that we can determine the right measures to progress faster."

Alkistis Petropaki
General Manager Advance

"We see companies advance when the following elements are in place: a clear vision and culture of inclusion, meaningful KPIs and accountability."

Prof. Dr. Gudrun Sander
Co-Director Competence Centre for Diversity & Inclusion

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EXECUTIVE SUMMARY

Some progress overall, but at a snail's pace

Progress is still slow at three percentage points (2020–2022) for management overall and for most management levels, too. However, there are considerable differences with regards to progress in increasing the percentage of women in management when looking at the various industries, even more so when analyzing individual companies.

Advance member companies do better than non-member companies

Conscious engagement for gender equality pays off. The "face" of leadership looks more gender diverse in Advance member companies compared to organizations that are not Advance members. The difference is most impressive in middle management (24% vs. 18%) and in top management (19% vs. 14%).

Female talent pipelines are much less "leaky" in some industries than in others

While the industry spread with regards to the actual shares of women per management level may not come as a big surprise – considering the different preconditions in terms of incoming talent – the view changes dramatically when we look at how well the industries are utilizing their female talent pipelines. For instance, the MEM (machine, electrical and mechanical engineering) and Banking industries have 16% women in middle and top management. Yet the MEM industry achieves this result based on a much thinner pipeline of only 19% women in lower and lowest management, compared to Banking with 31% in those lower management levels. This example shows that the MEM industry is leveraging its gender diversity potential well, whereas the female talent pipeline in Banking is decidedly underutilized.

The MEM and Pharma/Med-tech industries excel in managing their female talent

The Glass Ceiling Index (GCI) is the key performance indicator for gender-equitable talent management. Gender-equitable means: in line with the respective shares of women and men in the pipeline. Ideally, the index is at 1. The higher this index is, the less equitably pipelines are managed, and the more underrepresented women are in middle and top management. In other words, the GCI indicates how well companies are utilizing their talent potential.

It might be surprising to see that the MEM industry is best in class with Pharma/Med-tech regarding the Glass Ceiling Index, as this industry struggles with a notoriously thin female talent pipeline. However, as evidence shows, this industry manages to make the most of their talents by developing and hiring relatively more women into upper management levels. This utilization of talent contrasts with an industry such as insurance, which has the highest GCI.

Women are less hired with career development in mind

What explains the significant leaks along the potential female talent pipeline from non-management to top management? A tertiary degree is the norm to attain a management position. In non-management, women are less likely than men to have tertiary degrees in most sectors. This imbalance could level out in the near future as by now, there are more women than men completing their education with a tertiary degree. Already there are as many women as men with a tertiary degree (47% each) in the age group 30 and younger. However, in the age group 50 and older, there is a significant education gap of 22 percentage points: 41% of women and 63% of men hold a tertiary degree.

Women's share of positions with personnel responsibility between 10–15%

It is striking to observe that the most significant gaps in education levels as well as regarding positions with influence and power appear in those industries where the hurdles for women to reach the top are the steepest: banking, consulting, and insurance. A likely explanation for the education and power gap in these industries could be a gender bias in hiring. This bias is to the effect that women are hired for positions that do not come with any substantial development perspectives but are rather stuck in "nominal" management roles. Supporting this hypothesis: Considering the overall sample, women's share of positions with personnel responsibility remains between 10% and 15% on the various management levels, whereas men's share increases consistently with each higher level.

The more Swiss, the worse the Glass Ceiling Index

Data shows: The more "Swiss" companies are (in terms of numbers of Swiss vs. non-Swiss employees), the more women are underrepresented in management. The very common part-time employment among Swiss women may likely contribute to this, as part-time is not conducive for a management career. The notion that there is a specifically Swiss cultural element at play is strengthened when we look at the development of Swiss vs. non-Swiss women along the leadership pipeline. Whereas the leak for non-Swiss women from non-management to top management lies at -6 percentage points, it amounts to a staggering -21 percentage points for Swiss women.

High performers systematically integrate inclusion and diversity in all organizational dimensions

Based on the rich insights gathered from the industry analysis, we distilled key success factors underlying high performance. These success factors are derived from what proves to work in organizations and industries with a good Glass Ceiling Index and a high degree of diverse talent utilization. So, what is it that high performers do differently? As equality (or inequality) is a systemic challenge, it should be no surprise that the champions show the integration of inclusion and diversity in processes, structures, and culture. Pharma/Med-tech is the industry with the least obstacles for women to reach lowest and lower as well as middle and top management. This sector champions inclusion in nearly every key performance indicator relevant for D&I performance:

- anchoring inclusion in the corporate strategy
- having measurable organization-wide inclusion goals in place
- implementing inclusion goals for managers
- setting inclusion competencies as criteria for promotion and recruitment
- offering parental leave and offering it longer than the legal minimum required

Find actionable recommendations on three key levers to fix these challenges in section V of this report.

Best Practices

Our 2021 selection of Best Practices from Advance member companies reveal that changes in structures, processes and culture drive inclusion and create systemic impact.

Find inspiration here: www.weadvance.ch/best-practices

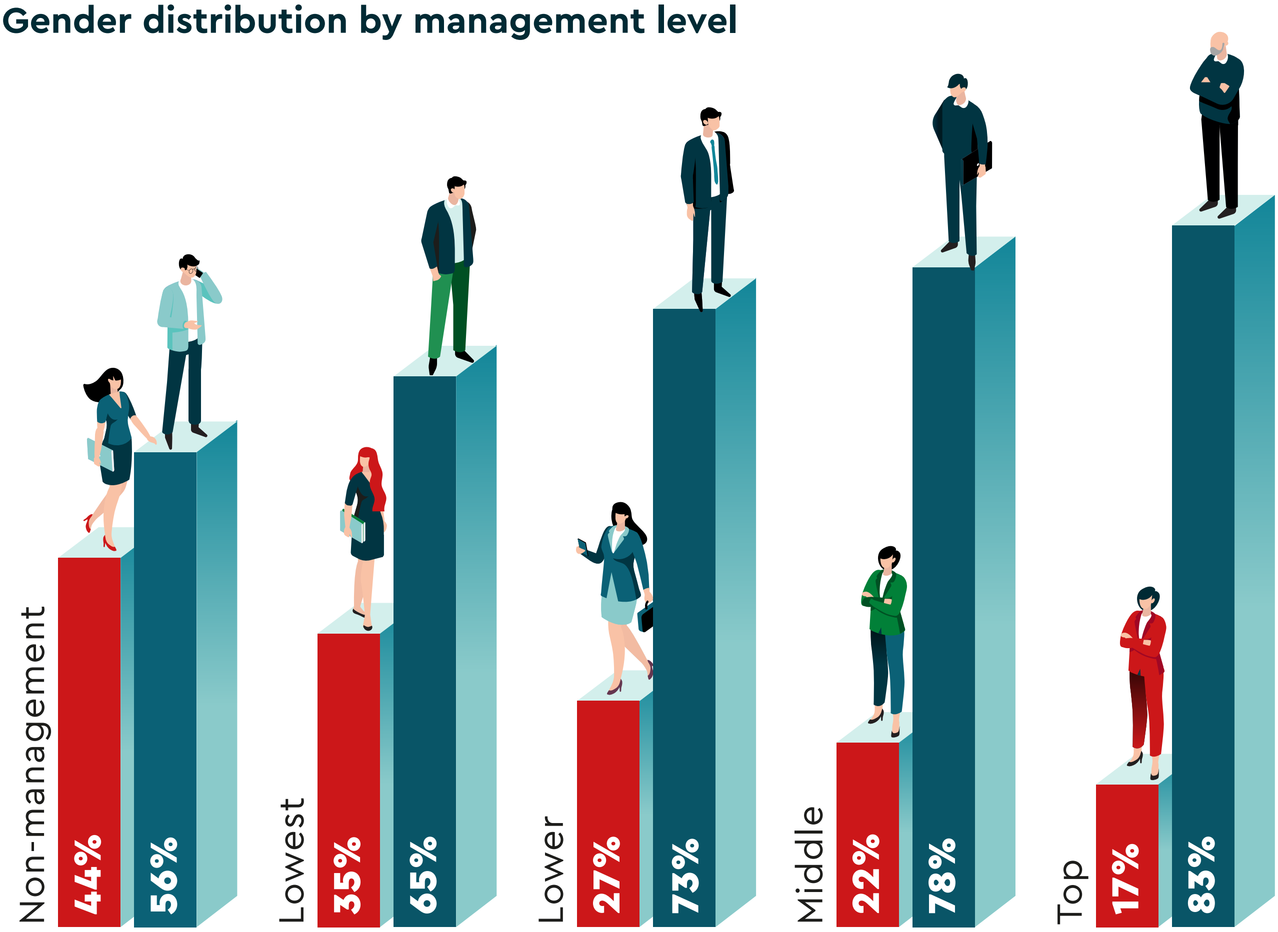
I - BIG PICTURE RESULTS

DIVERSITY: PIPELINE POTENTIAL ISN'T THE PROBLEM

Companies often lament that there are simply not enough qualified, diverse talents in the labor market. But with 44% women in non-management, companies already have the diverse talents they need in-house. The problem is that women remain underrepresented in upper management, at only 17% in top management.2 The "leaky pipeline", where women are (nearly) equally represented in non-management yet barely represented in top management positions, has been a fixture in the Gender Intelligence Report every year. The female talent pool represents a unique potential that remains underutilized, both to diversify management and confront the increasing skilled labor shortage (Sander & Niedermann, 2021).

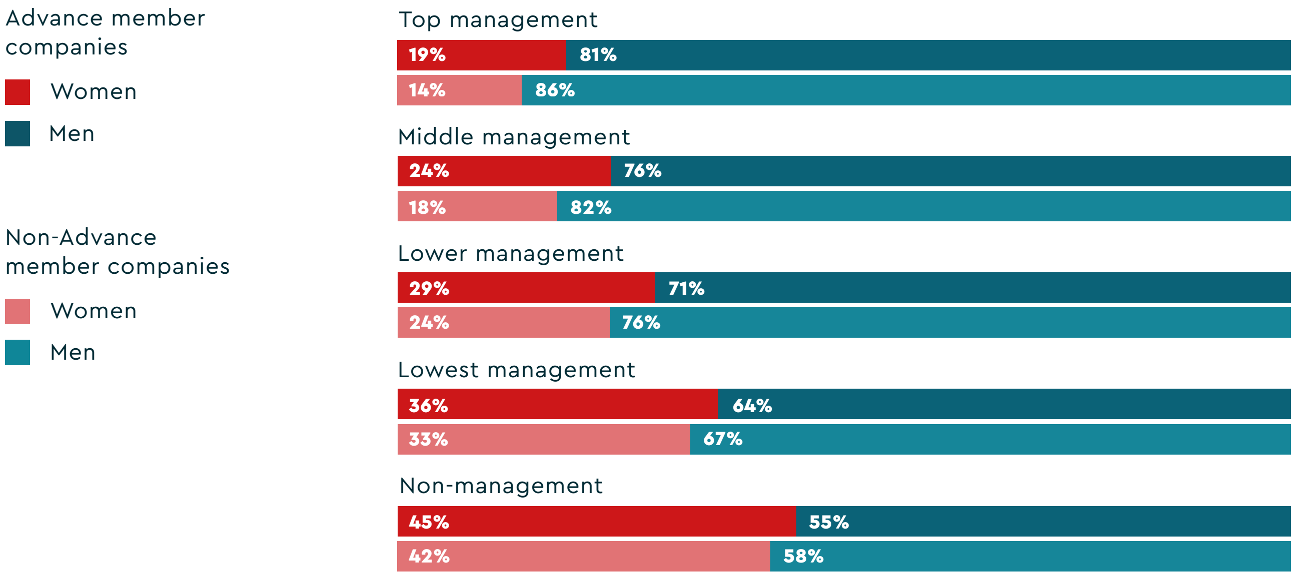
2 This year's sample of participating companies has rather a high proportion of companies from the MEM industry, which have particularly low female representation across all hierarchical levels. This is why this year's numbers appear lower than in previous iterations of the Gender Intelligence Report.

Gender distribution by management level



Advance members do better than non-Advance members regarding the share of women at each management level. In top management, women at Advance member companies have a representation five percentage points higher than at non-Advance members. Yet, the pattern is the same, and the share of women decreases at each management level.

Advance member companies vs. non-Advance members



Fewer women in influential "pole positions"

At first glance, a representation of 35% in lowest management and almost 30% in lower management may seem quite significant. This significance is because, at a representation of about 33%, members of the minority group may influence the organizational culture (Bohnet, 2016; Kanter-Moss, 1977). However, how much power do women actually wield?

When looking at positions of personnel responsibility, it becomes clear that men hold more influence and decision-making power at every management level. In lowest management, where women are represented at 35%, there are very few positions with personnel responsibility. Considering the overall sample, women's share of positions with personnel responsibility remains between 10% and 15% on the various management levels, whereas men's share increases consistently with each higher level.

This pattern shows compellingly that the power gap increases with each management level. While the share of men with personnel responsibility increases at every level, the share of women stays practically the same.

Personnel responsibility by gender and management level – full sample

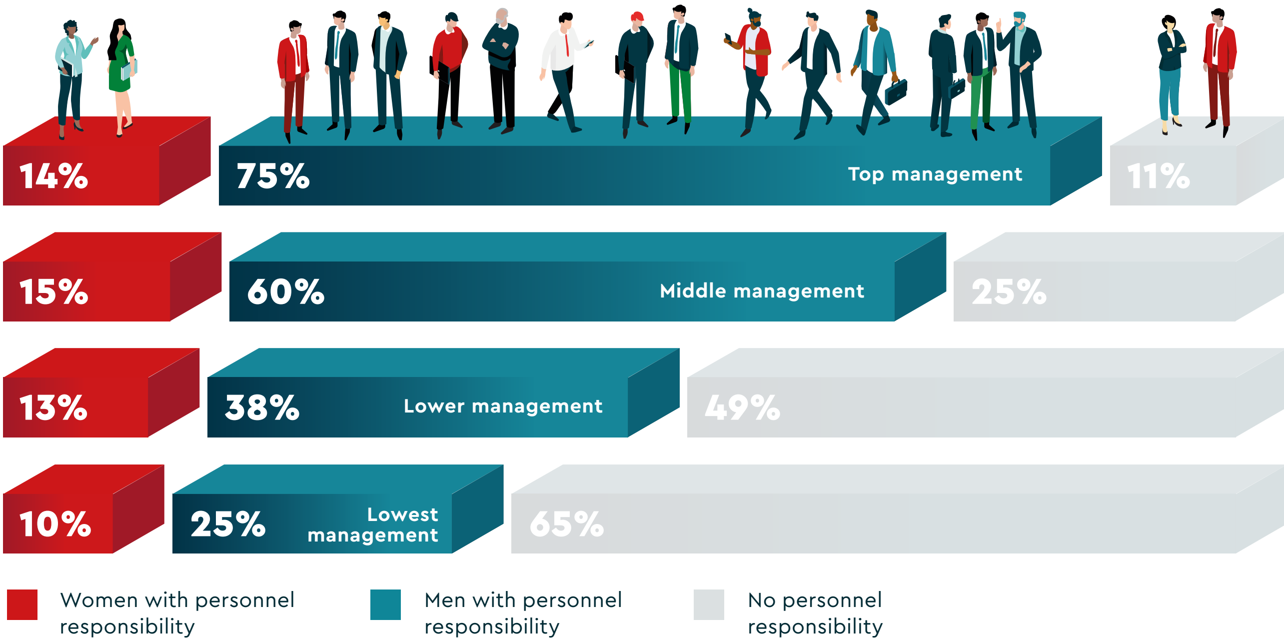


Figure 6: Personnel responsibility by gender and management level – full sample

In other words, many women in lower management positions are not in the "springboard positions" with the visibility likely to catapult women to the top. Taking on personnel responsibility can make someone stand out when it comes to promotions, making employees with personnel responsibility in lowest management more likely to make it higher. Women in low management may be stuck in "nominal" positions (expert or admin roles without personnel responsibility), where they have little chance to advance down the line.

Expect change, but at a snail's pace

If we keep progressing at the current pace, the share of women in management will only increase by five percentage points, from 27% to 32%, by 2030. That increase is still far away from equal representation.

If all industries were to hire and promote at the same rates as the MEM industry, which uses its small talent pipeline exceptionally well, we would reach 41% women in overall management by 2030 (up from 27% in 2021). And full parity could be reached within 20 years, around 2042! However, if we continue at the current pace, it will take another 100 years until we get there.

This slow expected growth reinforces the conclusion that "more of the same" is not enough to affect meaningful change. So what is the hang-up?

Pipeline potential isn't the problem

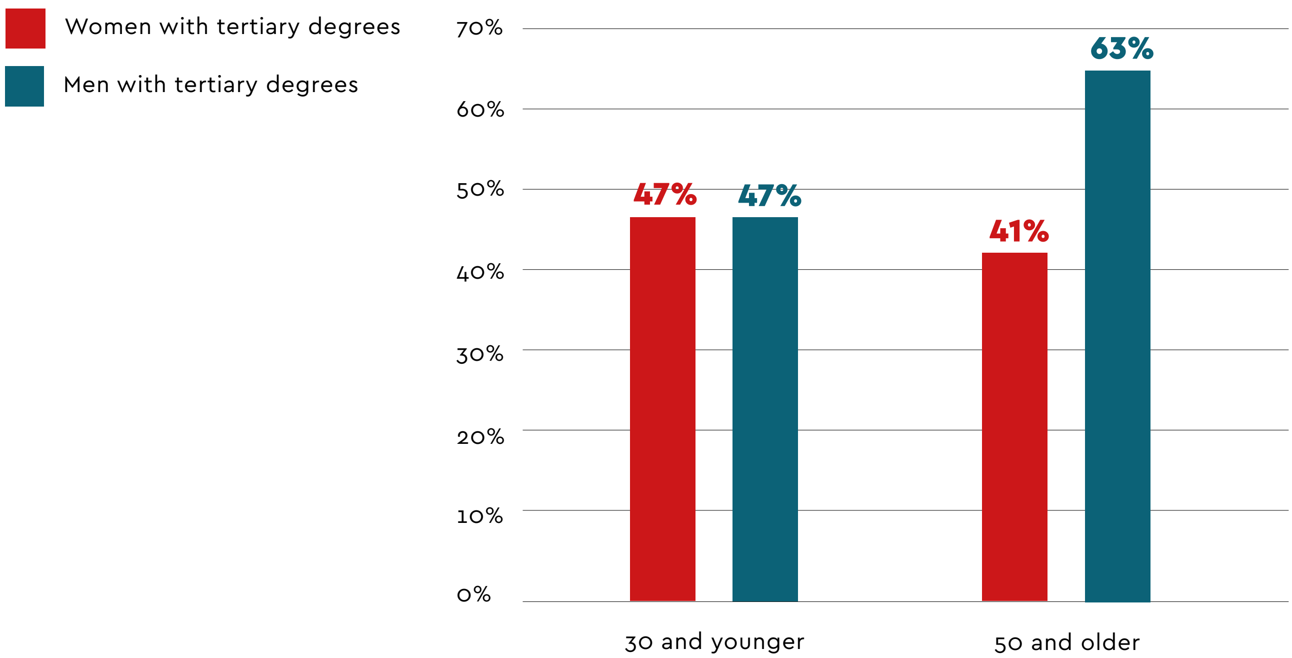
Swiss companies don't have a "pipeline problem." In fact, companies in Switzerland often already have myriad female talents in-house. After all, 44% of non-management employees are women, as are 35% of employees at the lowest management level.

Demographic trends also point in the right direction. According to the latest analysis by the Swiss Federal Statistical Office (2022), the labor force participation rate in Switzerland has increased by 1.6 percentage points over the past ten years. Although the rate for men is still higher than that for women (87.5% vs. 79.7%), the difference between the sexes has narrowed (from 11.5 percentage points to 7.8 percentage points). This narrowing means that increasingly more women are participating in the labor market, increasing the potential female talent pool significantly.

A minor, positive development can also be observed with regards to part-time employment of men. While part-time work remains widespread among women (57.5% of employed women aged 15–64 in 2021), the share among men increased by 3.8 percentage points between 2011 and 2021 to 15.5%. Suppose the part-time rate of men continues to rise, and women and men are employed part-time or full-time at similar rates. In that case, traditional gender norms (e.g., mothers working part-time) may change in the direction of a more partnership-based task division of gainful employment, household, and family work, further evening the playing field for diverse young talents in the future. This scenario would leave fewer excuses for companies as to why they don't have more gender-diverse management ranks.

Moreover, young female and male employees currently have practically identical educational backgrounds. In previous generations, male employees were significantly higher educated and had significantly better chances of advancement. Today, men and women under 30 are equally well educated regarding tertiary degrees (though for men, the share of non-management employees with university degrees is minimally greater). This educational similarity also holds for non-management.

Tertiary degrees by gender and age



The future pipeline is looking – mostly – diverse

Graduation rates over the last few years paint a hopeful picture regarding future diverse pipeline potential. According to the Swiss Federal Statistical Office, the proportion of people with tertiary-level qualifications (higher vocational training and university degrees) in the population aged 25 to 64 is expected to rise from 44% in 2019 to 51% in 2030. Migration trends bolster this development: 60% of immigrants have a tertiary degree (FSO, 2020).

Female graduates are leading the charge. Including universities of applied sciences, 53% of all university degrees went to women in 2020.[3] However, women and girls still lag men and boys in some subjects. In business-related fields, only 35% of university bachelor's and master's degrees go to women. However, in universities of applied sciences, most bachelor's degrees in the same field go to women. For example, 39% of university degrees in exact and natural sciences go to women. In technical sciences, the share of women is again lower – 35% of bachelor's degrees and 32% of master's degrees, though it should be noted that this number was seven percentage points lower ten years ago (FSO, 2022).

[3] The last year for which this statistic was made available.

The gender drift between "girl" and "boy" subjects starts early. In childhood, boys' and girls' interests in math and sciences are encouraged differently so that they enter primary school with different levels of subject knowledge (Solga & Pfahl, 2009). Boys' and girls' interests in school diverge around grade 7, where boys move towards maths and sciences, and girls towards languages and art (Brovelli, 2017). For instance, women only comprise 9% of successfully completed apprenticeships in software and application development and analysis (FSO, 2022).

But this difference in subjects should not serve as an excuse for companies. For one, they can take the initiative and try to influence the diversity of their pipeline early. For instance, companies might start or support educational programs or initiatives designed to inspire high school students, especially girls, to consider a future in STEM. Research shows that lack of relatable role models and early understanding on what a career in tech actually entails, are crucial factors that keep girls out of STEM – and these are gaps that companies can help bridge (Ostrowski, 2017). A company who is attracting and recruiting women for tech roles is Accenture, who, with their Cloud Infrastructure Engineering Female Voices initiative both showcase their female talent as speakers at conferences and in so doing create role models to attract more women to engineering and Accenture. It's a virtuous circle. For inspiration click here.

Companies can also support higher vocational training for their diverse employees, which bolsters their chances of advancement. Higher vocational training often has a strong connection to the profession practiced and is therefore usually completed closely with the company where the trainees are employed. One-third to two-thirds of trainees are in a management position just one year after completing higher vocational training. This proportion increases by four years after graduation (FSO, 2022).

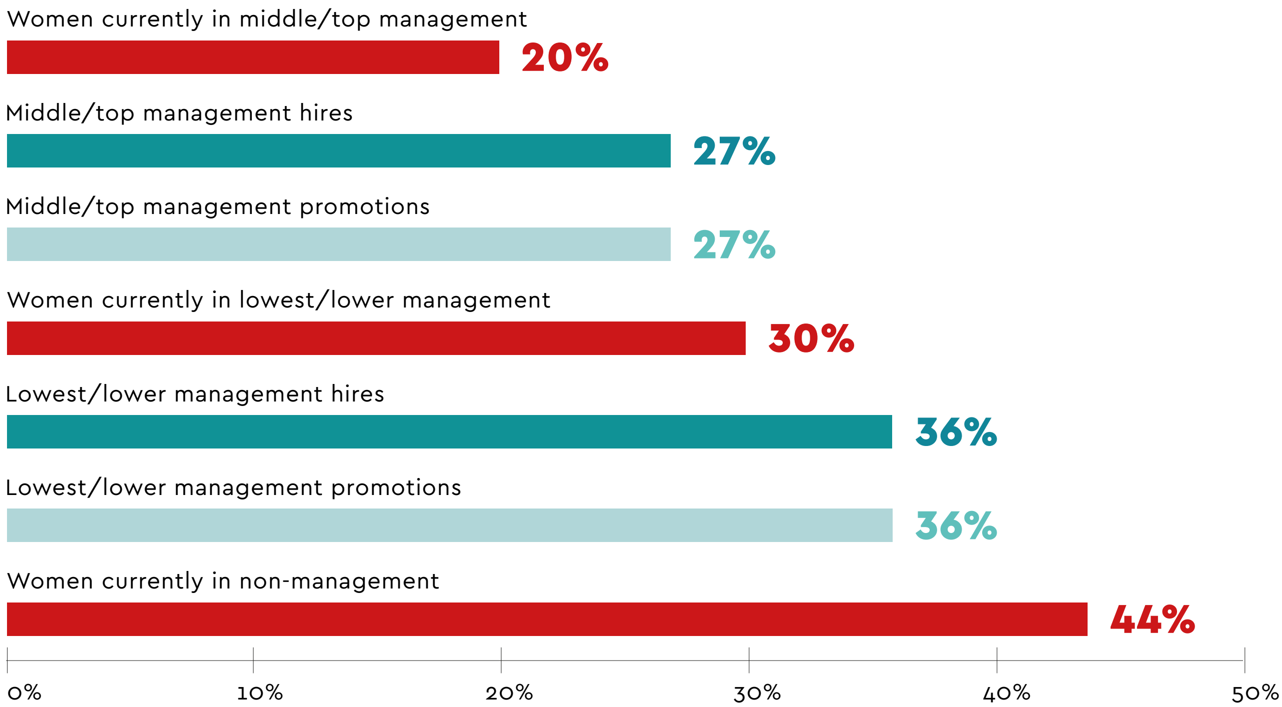
Little evidence of sustainable pipeline management – but the opportunity will come

The pipeline is bursting with (diverse) potential. But unless it is properly managed, the face of leadership will remain predomnantly male (and white). Middle and top managers are a homogeneous group; 80% are male. Of these men, 70% are Swiss, 74% German-speaking, over 60% have tertiary degrees, and 45% are over 50. Looking at just top management, well over 55% are over 50 and over 8% over 60. As long as this group remains the same, real cultural change remains unlikely, as these employees were likely socialized, educated, and brought up similarly.

While companies are increasing the share of women in management through promotions and new hires, there is little evidence overall that they are fully utilizing their diverse talent pipeline. If we consider non-management employees as the potential talent pool for lowest and lower management, then internal development efforts (promotions) are not fully utilizing this pool. While women make up 44% of non-management, only 36% of lowest and lower management promotions are women. Looking at the middle and top management promotions, it's a bit better. From the lowest and lower management "pool" (30%), there is a 27% female share of middle and top management promotions, showing that the talent pool is relatively well utilized (though women remain underrepresented).

The numbers for recruitment are identical, indicating that the external talent pipeline also remains underutilized.

Pipeline management



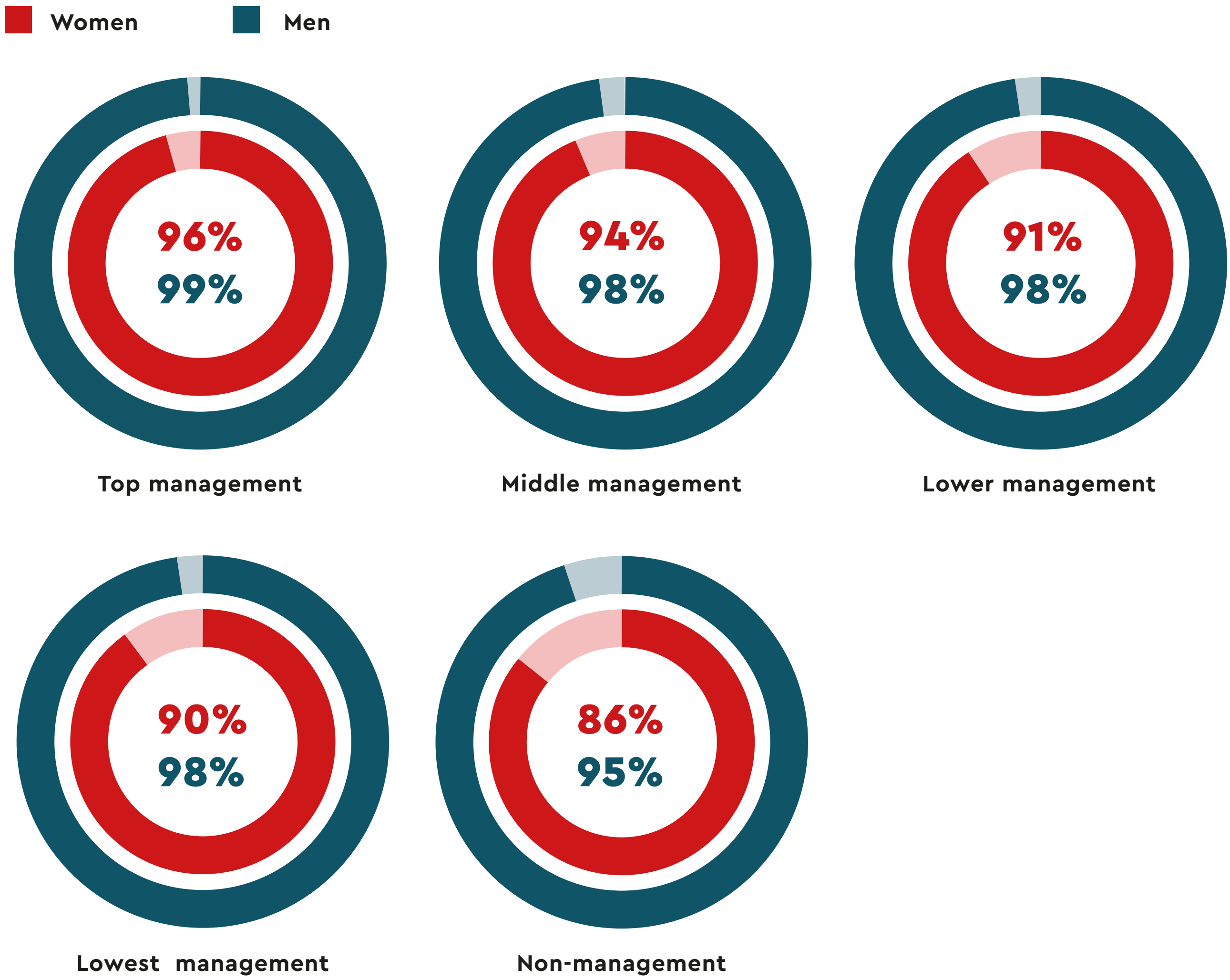
Yet Swiss companies and organizations are finding themselves with a unique opportunity. In middle and top management, many men from the baby boomer generation will retire in the coming years. This wave of retirement provides an opportunity to think about what the top management of the future will look like in terms of diversity, skills, (inclusive) mindsets, values, etc. These retirements are also an economic challenge. At the end of 2021, the Swiss Skills Shortage Index for highly skilled professionals increased by 27%, compared with the summer half-year of 2020 (Adecco, 2021). These retirements also pose a key challenge due to the loss of knowledge. This challenge must be considered when focusing on sustainable talent management.

Due to the impending shortage, employers are dependent upon reaching talents from all backgrounds and developing and retaining the promising talents they have. This search for new employees means rethinking who should be considered a talent. Traditional conceptions of "talent" tie the term to a particular age group or education level (Ritz & Sinelli, 2011). This connotation often goes hand in hand with the idea that being considered a "talent" is an exclusive designation for select employees who should be identified as early as possible, nurtured, and all efforts made to retain them (von Hehn, 2016). In contrast, inclusive talent management assumes that "talent" is seen as something every employee has in some form and can represent – in different ways and for different pathways – potential.

It's time to rethink leadership

One way it becomes evident that Swiss organizations have a non-inclusive leadership culture is by looking at employment percentages. The higher the management level, the higher the employment percentage, irrespective of gender. To be a leader, working full-time is still the norm. Yet men work at higher employment percentages (full-time or near full-time) at all hierarchical levels, while women are much more likely to work part-time. Therefore, to achieve a higher level, women must increase their employment rate, which can be challenging due to timing. It is right around "family primetime" that women decrease their employment percentages – which coincides with the age group where most promotions happen, between ages 31 and 40.

Employment percentage by gender and management level



What does this mean? Companies in Switzerland seem "stuck" on a preconceived notion of what a leader – and what leadership – looks like. This image is based on a family model where the man is the primary breadwinner for his family and has a wife/partner at home who supports him with home/family care (Aboim, 2010; Ciccia & Verloo, 2012). If career trajectories and expectations are rigidly tied to this traditional image, diverse employees are not the only ones who lose out on a seat at the table. With the skills shortage becoming an urgent reality, Swiss organizations also lose out on an invaluable, diverse talent pool simply because they are unable to rethink the image of a leader.

The pandemic provides a unique opportunity to reimagine leaders as individuals with unique needs and wants. This opportunity came because most companies now have significant hands-on experience with flexible working. Flexible work, when done right, is also a unique opportunity to demonstrate trust and empower employees (Hussain et al., 2014).

A company focused on not only what their definition of leadership is but also the lived behavior of their leaders is EY. They are using storytelling to engage leaders and create a psychologically safe work environment, coupled with active listening techniques so that their diverse employees are feeling heard and better understood. For inspiration click here.

Inclusion – and an inclusive organizational culture – is a key factor in building a sustainable and diverse talent pipeline. However, inclusion goes beyond only attracting, developing, and retaining employees so they have the competencies and commitment to ensure the organization's success (Pasmore, 2015). Instead, inclusion necessitates building a culture where diverse talents with unique needs feel valued, are heard, and have a sense of belonging. Sustainable talent management is about empowering diverse talents so that they can actively shape the inclusive (leadership) culture they need to thrive in the long term. This empowerment ensures that an organizational culture where diverse talents can thrive becomes a long-term reality. Thus, inclusion is an essential prerequisite for sustainable talent management.

Inclusion as the fast track to diversity

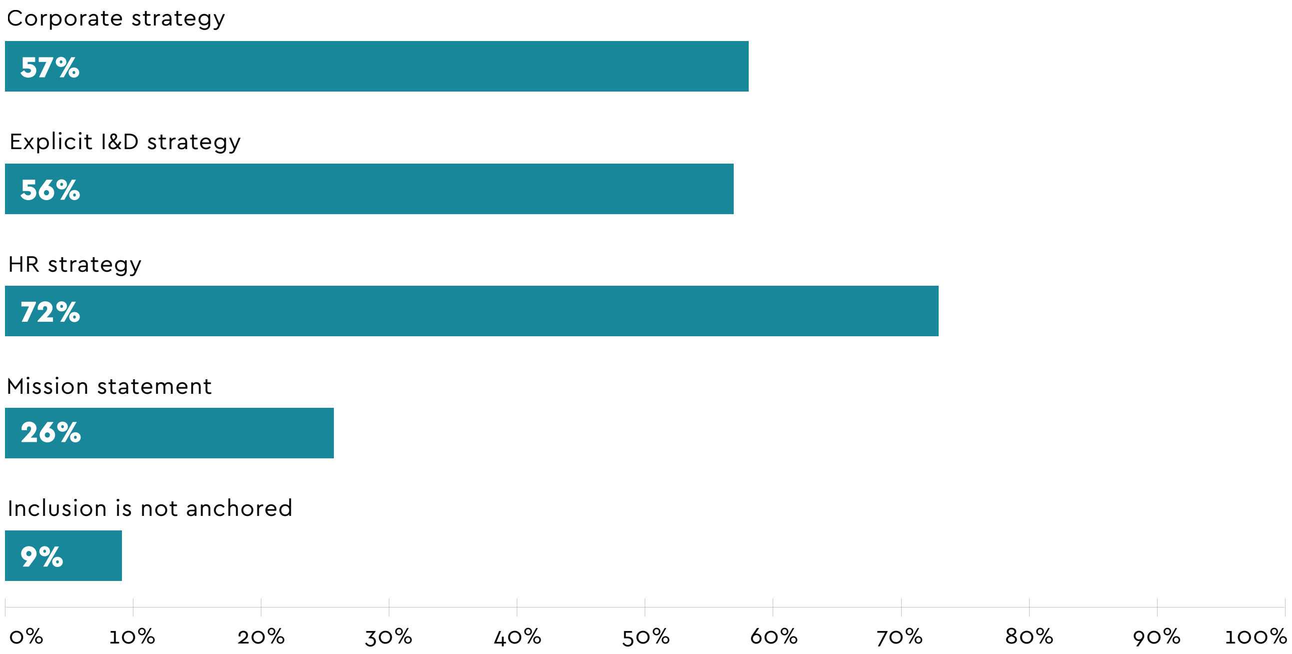
Last year, we asked Swiss companies to manage inclusion like a business. This year, we want to know, what are Swiss organizations actually doing to build inclusive cultures and foster inclusive leadership?

A company managing to integrate inclusion into their overall SIX Spirit transformation strategy is SIX. An internal trainer community created across hierarchy levels is working to take every employee on a shared journey towards an open, inclusive and growth-oriented culture. For inspiration click here.

Anchoring inclusion in the organization

Are most Swiss organizations currently prioritizing inclusion? The short answer – it depends. The majority (above 50%) feature inclusion as part of their HR strategy, I&D strategy, corporate strategy, or all of the above. However, including "inclusion" in the HR strategy seems significantly more prevalent than inclusion as part of the corporate strategy or mission statement (though not all companies possess the latter), which signals that inclusion is perceived as an HR issue, not a topic central to its core business. Incorporating inclusion in its mission statement demonstrates that a company considers it a part of its core purpose. If inclusion is a key value for the company, it should be reflected in the core.

How is inclusion anchored in the organization?

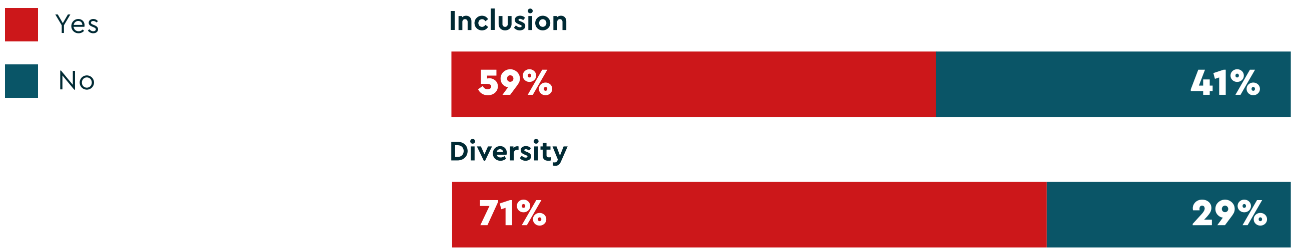


In contrast to inclusion, 66% of companies include "diversity" in their corporate strategy, and 32% include it in their mission statement. This difference in strategy and statement signals a stronger understanding that diversity is key for business success. However, the awareness that diversity cannot thrive without inclusion has not been fully established throughout the Swiss business consciousness.

Setting measurable inclusion goals

61% of companies have measurable, overall inclusion goals. While this number may seem high, it is still lower than those companies with measurable diversity goals (72%). This difference matters because companies who focus on diversity goals without the combination of inclusion goals may promote assimilation into the old organizational culture. Assimilation contrasts with the positive cultural transformation that comes from inclusive employees (Jacobs et al., 2022).

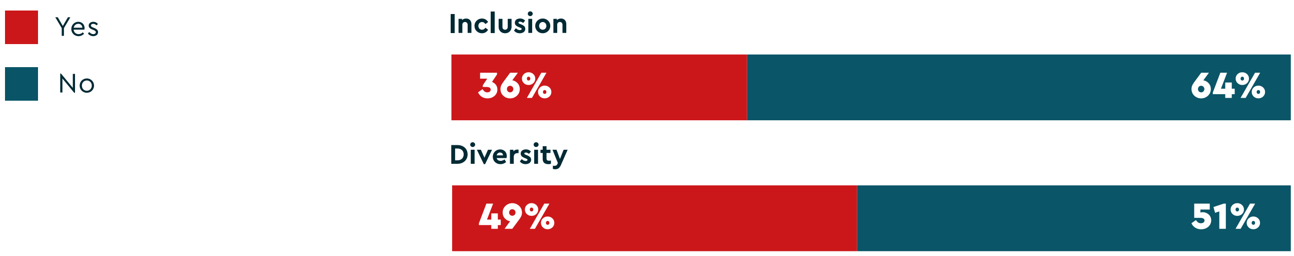
Does the organization have measurable I&D goals?



Empowerment and accountability for managers

Inclusive leaders are the people who build inclusive teams and serve as role models in daily business life (Nishii, 2013, Shore et al., 2011). These leaders manage inclusivity to work towards the company's shared vision for the inclusive culture they plan to establish, thus getting the organization to achieve its goals (Korkmaz et al., 2022). Inclusion goals for managers may include proven conflict resolution skills, participation in inclusion trainings (e.g., psychological safety or inclusive leadership), team-level engagement survey results related to inclusion, etc. Leaders need to be held accountable for achieving these goals. Managers should not be surprised when it comes time for performance reviews on whether they successfully fostered inclusion. Yet only 36% of companies have measurable inclusion goals for managers, compared to 49% of companies with diversity goals. Is it truly realistic to achieve diversity goals if those goals are not linked to inclusion?

Does the organization have I&D goals for managers?



While inclusion goals need to be improved, it is important to note that more companies are providing leaders with the key tools to foster inclusion. 57% of companies make inclusive leadership an integral part of leadership development programs, and 52% do the same for psychological safety. A company living up to its inclusion goals through manager training and linking it to promotion chances is PwC. Their Inclusive Mindset Learning Pathway is a comprehensive self-paced learning journey which spells out for managers the benefits and the 'how to dos' of inclusive leadership. For inspiration click here.

Ultimately, being an inclusive leader is about respecting another human being. Respect, and the reciprocation of such, takes inclusive leaders beyond the normal business case for diversity (Wettstein, 2012). This type of treatment of employees bridges the business case to the business and human rights perspective and humanistic management view (Pirson, 2017). These views create a holistic portrait of an employee. They are more than just a worker; they are a person who deserves a life of dignity, a maximization of their freedoms, and the psychological safety to work unhindered. But for this to matter, leaders need to be held accountable.

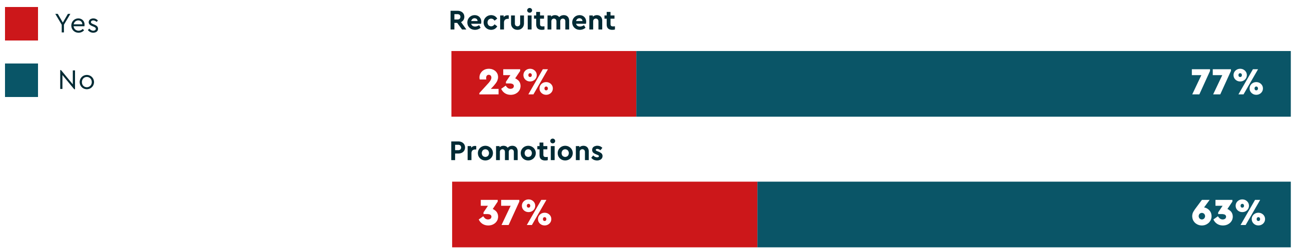
A company which takes an innovative approach to setting targets by empowering divisions to set their own, is Swisscom. **For inspiration click here.**

Hiring and promoting for inclusion

Organizational key performance indicators (KPIs) should not only be put on behaviors but also key HR decisions. These decisions may include recruitment, talent development, retention, performance reviews, and promotions.

Hiring for inclusion is a key step in sustainable talent management, creating the pathway to sustain and strengthen an environment that empowers and values diverse talents. This can be done through hiring for inclusive cultural fit. Many organizations fall into an exclusionary trap when looking to hire specifically for "cultural fit" (i.e., looking for potential employees who are most similar to the current company climate). To mitigate this trap, it is key to recruit candidates for whom inclusion is truly a core value.

Are inclusion competencies considered during key HR processes?

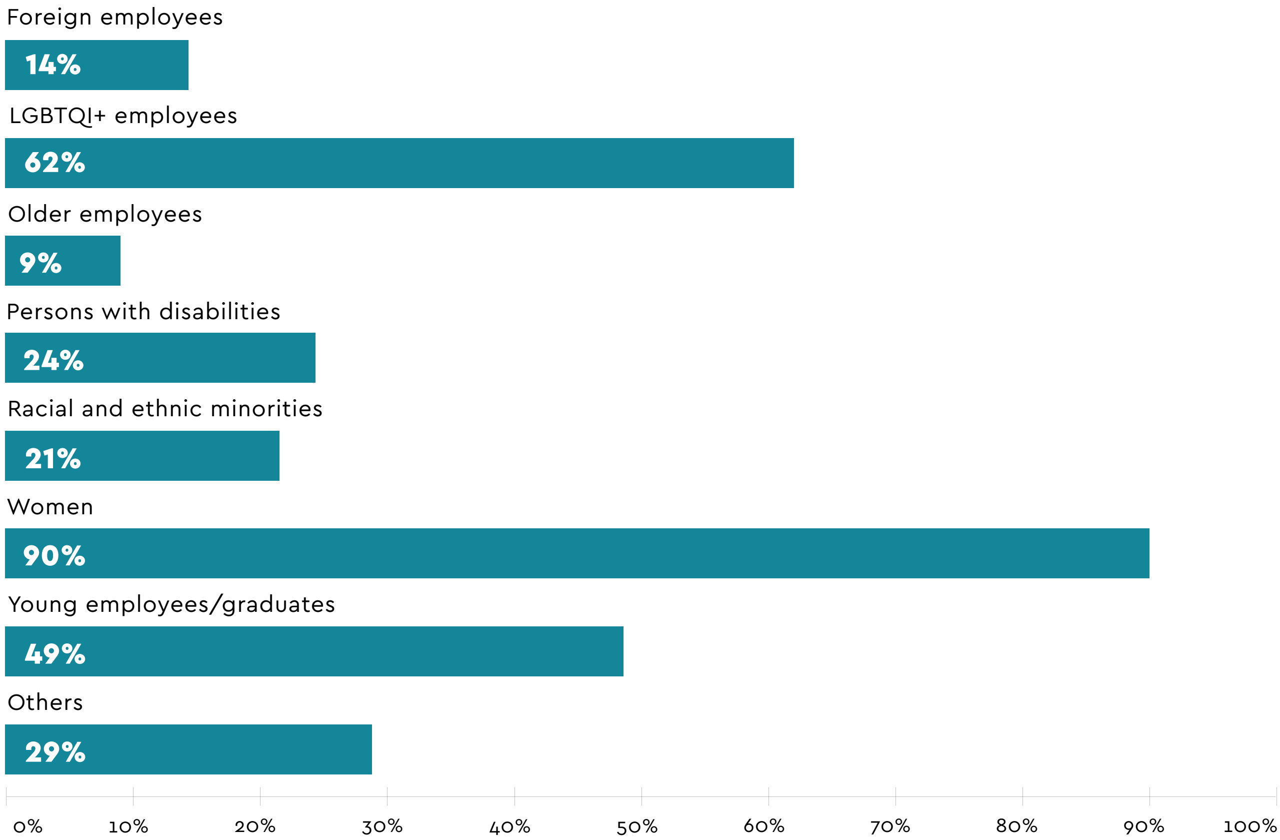


Interestingly, companies seem more focused on inclusive behaviors when it comes to promotions than hiring. This focus may be because it is easier to judge inclusion skills with employees who have already proven these skills in practice. That companies are not seeing the interconnection between diversity and inclusion is apparent when considering the inclusion of diversity goals in key HR processes – 88% have diversity goals for recruitment, 64% for promotions.

An intersectional approach to employee resource groups

To manage and foster an inclusive culture in your organization, involve leaders and employees from all organizational levels. This collaboration allows for authenticity when implementing inclusion where employees feel valued, that they have a voice, and that they belong. A collaborative effort starts with creating safe spaces as communities for support, connection, exchange, and learning. To help incorporate and better support employees, organizations often institute Employee Resource Groups (ERGs). This implementation of ERGs offers employees a voice, though organizational support is key as not to put undue burden on marginalized employees (click here to read more).

For which groups does your organization have I&D networks or ERGs?



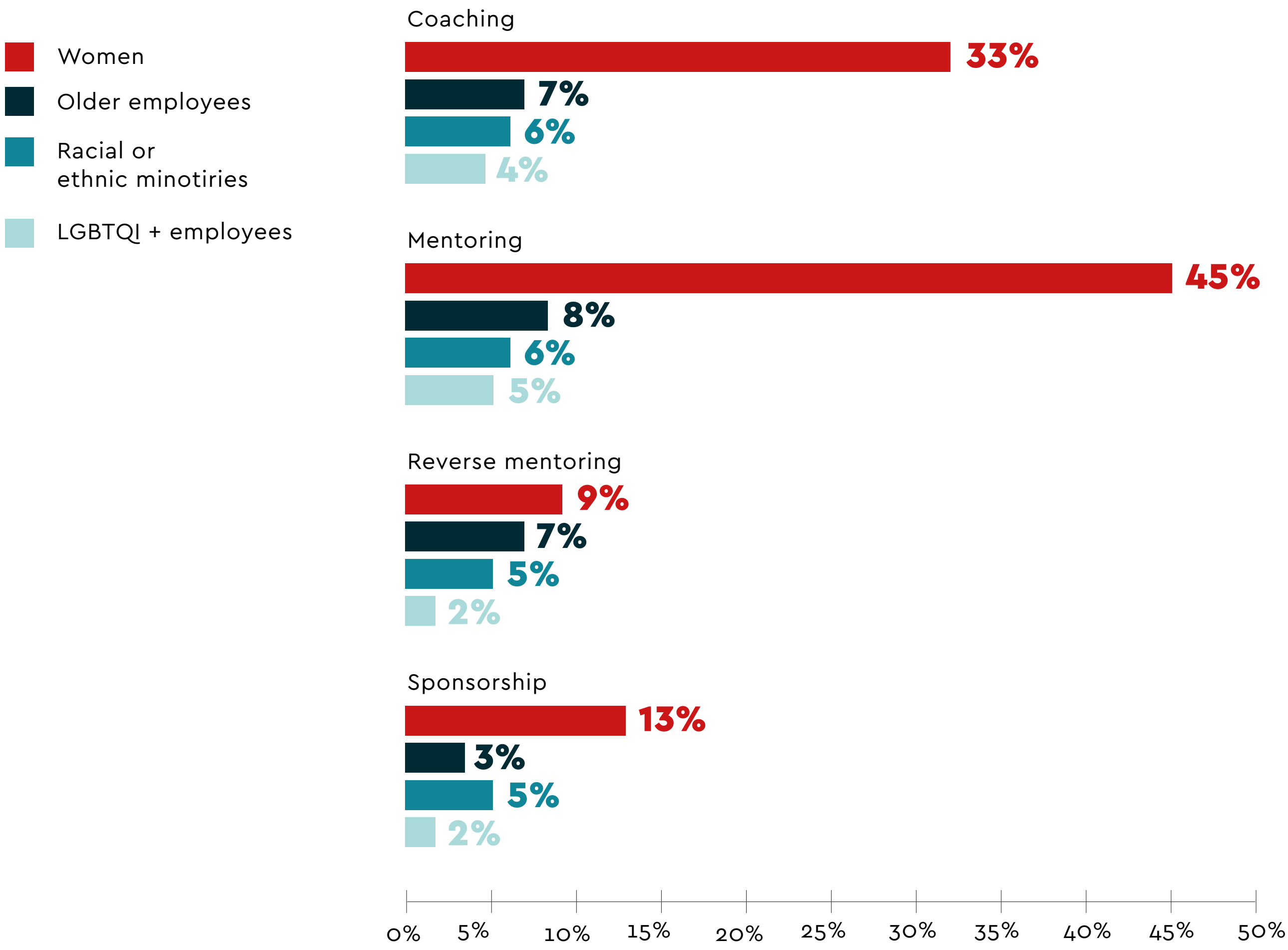
The good news, 90% of organizations have ERGs or D&I networks for women, and 62% have the same for LGBTQI+ employees. However, organizations tend to put considerably less emphasis on programs for groups other than women. Only about 1 in 5 organizations has an ERG for racial and ethnic minorities, for instance. Being more inclusive means accepting that diversity is truly intersectional and making resources available to all potentially stigmatized groups.

Swiss organizations still need to take a more intersectional approach when supporting employees. Why does this matter in a gender report? First coined by American academic Kimberlé Crenshaw (1989), intersectionality focuses on how the overlap of one's identities may create more or less privileges for that person. After all, each woman is more than just their gender, and from an intersectional view may have multiple identities. For example, the intersection of gender and sexual orientation shows that a woman who is White and heterosexual will have more privilege than a woman who is White and homosexual. Both White women, when incorporating the intersection of race, will have more privilege in the workplace in comparison with Black women. Between Black women, there is a difference in privilege regarding sexual orientation as well. Creating systems that include the most marginalized, and those identifying with multiple marginalized groups, is the fastest way to include all, including the dominant majority group – it's a win-win-win (Praslova, 2022; Shore et al, 2011). Systemic inclusion that considers intersectionalities comprehensively addresses all barriers and embeds inclusion in all talent processes and decision-making mechanisms.

An inclusive, intersectional approach to talent management?

Due to the lack of privilege of employees from marginalized groups, it is important Swiss organizations support them through leadership development and other opportunities. Types of programs that can support these employees may include sponsorship, coaching, reverse mentoring, and mentoring. Here, too, a lack of intersectional mindset becomes apparent. 45% of companies surveyed have mentoring programs for women, which is already less than half (and considerably lower than the number of companies that have ERGs for women, which often wrongly involve less organizational effort to set up). However, initiatives for employees who come from other groups exist in a small percentage of organizations.

What talent development programmes exist for marginalized groups?



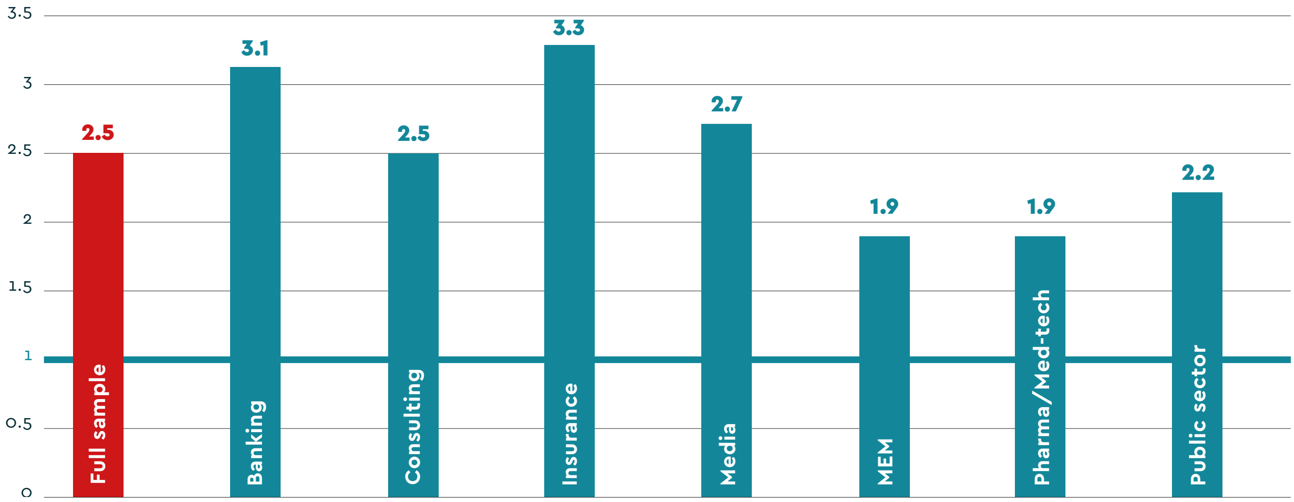
Outlook: Industry analysis

For the first time, the GIR includes analyses for individual industries. In what follows, you can find answers to questions such as: Do the above conclusions hold for all industries? Are there some industries that lead the charge when it comes to gender diversity and inclusion, where women advance in their careers at a similar pace to men? Are there industries that lag behind? And where does YOUR industry stand?

THE PIPELINES ARE "LEAKY" IN ALL INDUSTRIES – BUT A FEW ARE AHEAD OF THE PACK

Hurdles persist across all industries regarding women making it to the top – for some industries, they are steep. Yet, key differences persist across industries as to the size of these hurdles. These hurdles are illustrated by the Glass Ceiling Index (GCI).

Glass Ceiling Index for middle and top management by industry



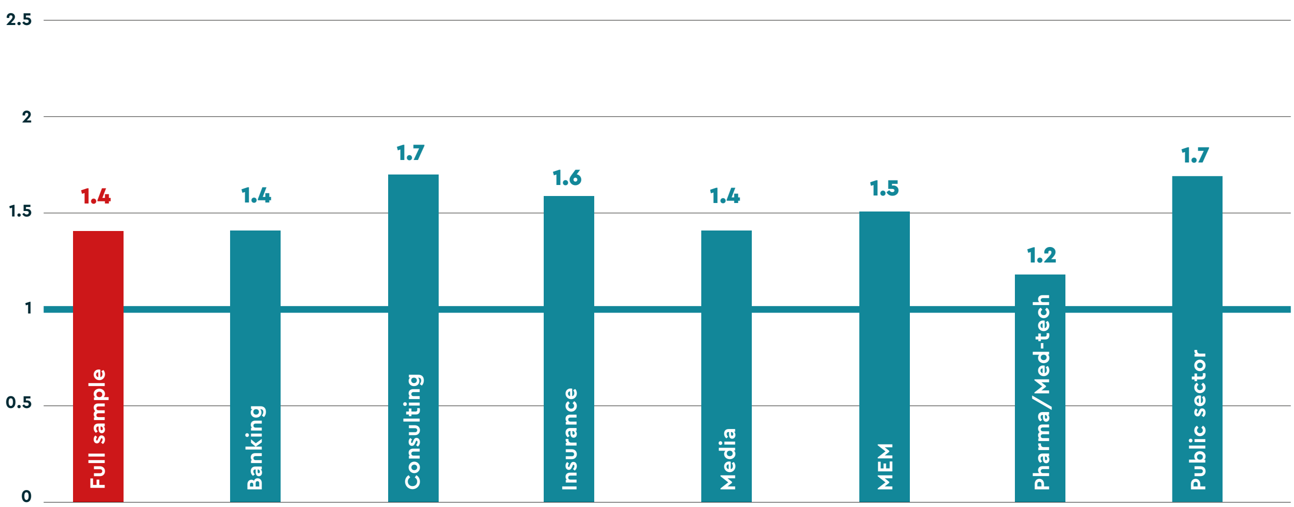
The GCI for middle and top management shows clearly: The hurdles to reach middle and top management positions are highest for women in the Banking and Insurance industry and lowest in Pharma/Med-tech and the MEM industry.

What does the Glass Ceiling Index tell us?

If women are represented with similar proportions across all hierarchy levels, they can reach management positions without significant hurdles compared to men. The Glass Ceiling Index compares the gender distribution in management (or at a specific management level) with the gender distribution in the overall workforce. A Glass Ceiling Index of 2 would indicate that the overrepresentation of men at a certain management level doubles (compared to the representation of women). If men were represented at a ratio of 1:1.5 in the overall workforce (e.g., 40% to 60%), they are represented at a ratio of 1:3 (e.g., 25% to 75%) a this specific management level.

A Glass Ceiling Index of 1 is optimal and means that women are represented at a given management level in proportion to their representation in the overall workforce. This means that no female talent is lost on the way up, and the potential is fully realized. If the index is above 1, women are underrepresented (compared to their share of the total workforce) at a particular level. The higher the value, the greater the hurdles for women and the loss of talent potential.

Glass Ceiling Index for lowest and lower management by industry



The GCI for lower and lowest management is lower and much more similar across industries. Hurdles for women to reach these lower management levels are therefore less significant.

Here, too, the Pharma/Med-tech industry is leading the charge when it comes to female representation in lowest and lower management: Barely any hurdles exist.

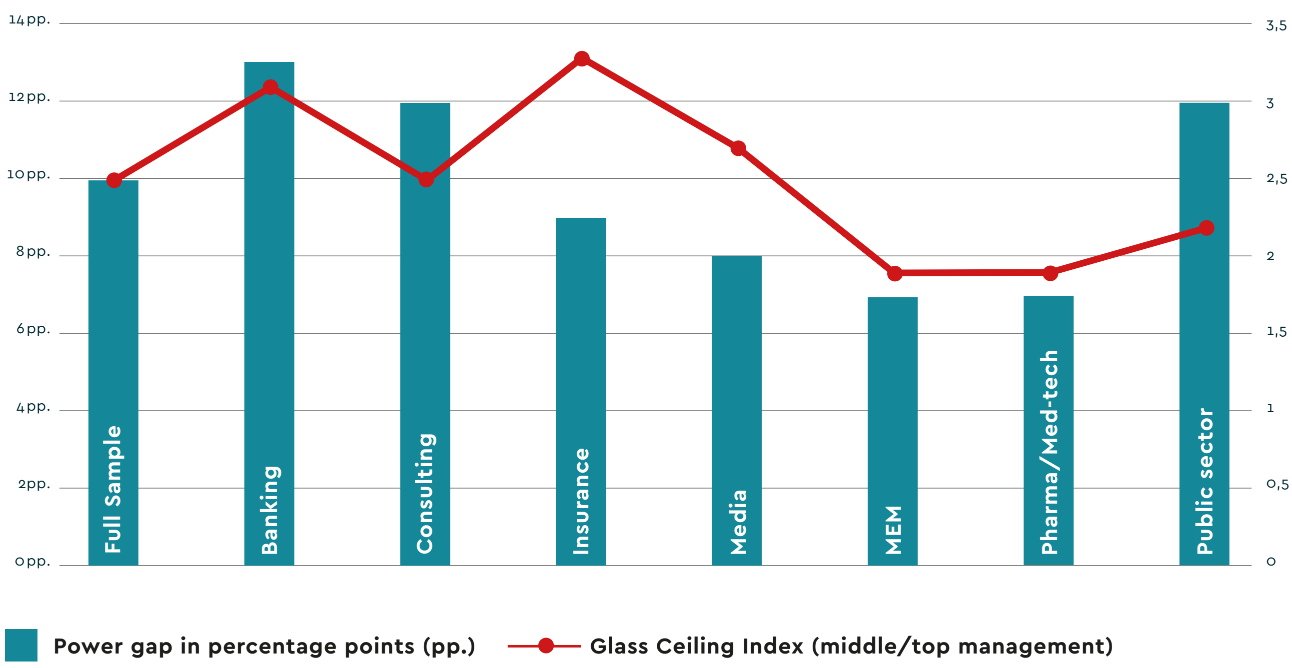
"Nominal" management positions don't lead to the top

While women are better represented in lowest and lower management than in middle and top management, this does not necessarily mean that the talent pipeline is really filling up with diverse talents. Often, women are promoted into nominal management positions (expert or higher level administrative/back-office positions) where they have little responsibility over personnel or profit & loss and receive little visibility. These are not true "springboard" positions that will catapult women all the way to the top. Considering the overall sample, women's share of positions with personnel responsibility remains between 10% and 15% on the various management levels, whereas men's share increases consistently with each higher level.

Also in line with this pattern: the share of personnel responsibility positions in lower and lowest management is lowest in Banking, Insurance, and Pharma/Med-tech, though in Pharma/Med-tech, the share of positions with personnel responsibility is lower in middle and top management as well (it seems possible to attain a high management level on an expert management track, too). And: Banking and Insurance have particularly high obstacles to attain middle and top management positions.

That women are less well represented in positions with power is also represented in the so-called "power gap", which shows the difference between the proportion of men with personnel responsibility (in relation to all men) and the proportion of women with personnel responsibility (in relation to all women). Looking at the industry spread in this respect reveals interesting differences. With the exception of the Insurance industry and the Public sector, the power gap reflects the Glass Ceiling Index curve. While we see one of the lowest power gaps at 7 percentage points in the MEM and Pharma/Med-tech industries – both demonstrating a good GCI – the gap is biggest in Banking at 13 percentage points.

Power gap vs. Glass Ceiling Index (middle/top management)



Who is a talent?

In almost all industries, the internal development of talent is more important than external recruitment for both genders. This means that more key career steps can be made through internal development (promotions) than external hires.

Who gets promoted? In short: The "typical talent" that advances internally is a 31 to 40 year old man, Swiss, educated with a tertiary degree, and who works full time. There is not a single industry where the female share of promotions reaches 50%. The Banking, Consulting, and MEM industries promote between two-thirds and three-quarters of men. The Insurance industry, Media, Pharma/Med-tech, and the Public sector promote below 60% men. The overall share of women among promoted employees is highest in the Public sector at 45%.

Promotions mostly increase women's representation in lowest and lower management ...

Industries are using promotions to increase the share of women in lowest and lower management with varying success. For example, in the Banking industry, the female representation among promotions to this level is 33%, and thus only slightly higher than the existing 30% of women in lowest and lower management. The same is true for the Consulting industry, Pharma/Med-tech, and the Public Sector, where promotions barely move the (diversity) needle (it should be noted that the share of women in lowest and lower management in Pharma/Med-tech and the Public sector is higher to begin with).

On the other hand, the MEM industry, Insurance, and (most of all) Media are utilizing promotions to increase the share of women in lower and lowest management, contributing to a diversifying talent pipeline in "springboard positions."

... but few industries are fully utilizing their internal talent pipeline to fill springboard positions

But this number alone tells us little about how well different industries are using their gender-diverse internal talent pipelines. The talent pipeline for lowest and lower management positions are non-management employees. By comparing the female promotion rates in lowest and lower management to non-management, we can gain valuable insights into how well a given industry utilizes its diverse talents.

The MEM industry is doing a lot with little: It is utilizing the relatively few female talents in non-management to increase the share of women in lowest and lower management. In fact, only the MEM (despite NOT having a gender-diverse talent pipeline) and the Media industries are promoting women at a similar or higher rate than their representation in non-management. They are using their internal talent pipelines well. All other industries promote women at lower rates compared to their representation in non-management.

The difference between women's promotion rates and women's representation in non-management is particularly strong in the Banking and Insurance industries, and the Public sector. These industries are not utilizing their diverse talent base well when it comes to internally advancing women's careers.

Promotions also mostly increase women's representation in middle and top management …

Promotions serve to increase the share of women in middle and top management in all industries. But also, with promotions to these upper management levels, differences between the industries exist. Overall, the different industries are better utilizing internal development to increase the share of women at the top, though it is important to keep in mind that the existing share of women in these positions is very low, to begin with.

… and about half of all industries are leveraging their diverse talent pipelines for these positions

Yet, only about half of all industries are (nearly) proportionally utilizing their diverse talent pipeline in lowest and lower management when it comes to promoting in middle and top management: The MEM industry, Media, Pharma/Med-tech and the Public sector. The gap between female talent pipeline and middle and top management promotions is particularly high in the Consulting and Insurance industries.

What is striking: Only the MEM and Media industries proportionally utilize their diverse talent pipeline for internal development across all management levels.

Most industries increase share of female managers through recruitment

Of course, industries can also increase their gender diversity in management through external hires, though this should not be a substitute to internal sustainable talent management – more of a supplement.

All industries are using new hires to contribute to the diversity of a given management level. For the lowest and lower management level, this is particularly pronounced for Consulting, the MEM industry, and – above all – the Public sector. For middle and top management, the Consulting and Insurance industries and once again the Public sector are utilizing external recruitment particularly well to increase the share of women.

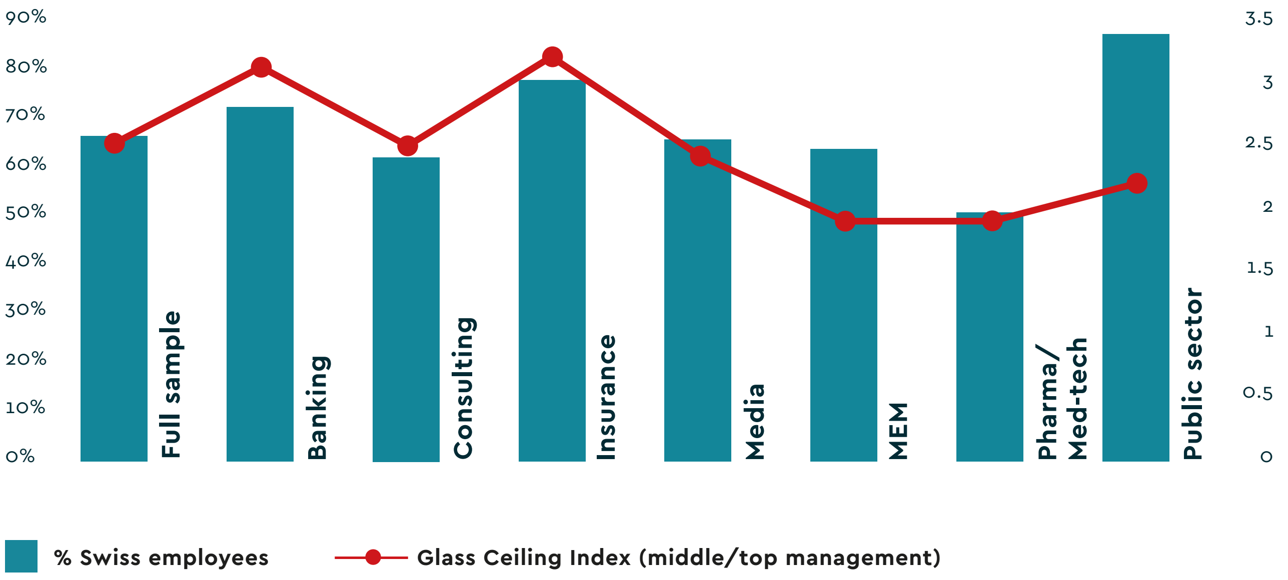
Overall, the Public sector is standing out clearly when it comes to increasing the share of women through external recruitment across all management levels.

Women face more obstacles in industries with traditional Swiss cultures

It is striking to see that more "Swiss" (in terms of numbers of employees) goes along with a less proportionate talent management when it comes to bringing women into upper management roles. This indicates that the Swiss culture continues to pose difficulties for women to thrive in management careers.

For example: The Banking and Insurance industries have a high share of Swiss employees and the highest Glass Ceiling Index for middle and top management. The MEM and Pharma/Med-tech industries have lower levels of Swiss employees and fewer obstacles at the top.

Nationality vs. Glass Ceiling Index (middle/top management)

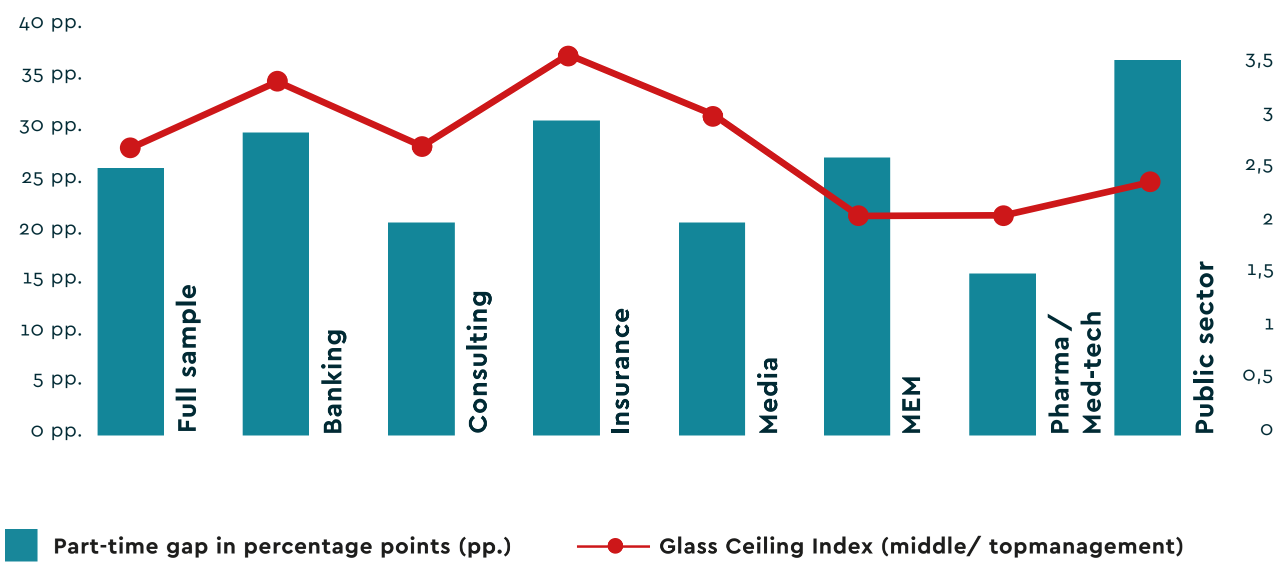


Working part-time is associated with obstacles

The very common part-time employment among Swiss women may likely contribute to the result shown in the figure above. Data shows that Swiss women work substantially more often part-time (and in lower employment percentages) than non-Swiss women. Part-time, however, is not conducive for a management career. In (higher) management levels, full-time is clearly the norm in Switzerland. Interestingly, the Glass Ceiling Index tends to look worse in those industries with a bigger part-time gap. The part-time gap shows the difference between the proportion of women who work part-time (in relation to all women) and the proportion of men who work part-time (in relation to all men).

Women seem to face more obstacles if they routinely reduce their employment percentage around "family prime-time," which coincides with when most promotions/career steps take place. On average, women reduce their employment percentage between the age groups of 25–35 and 36–45 by seven percentage points.

Part-time gap vs. Glass Ceiling Index (middle/top management)



What is it that high performers do differently?

The I&D questionnaire yields insight into what performing industries are doing differently and what the key to success might be. The following insights are derived from what proves to work in organizations and industries with a good Glass Ceiling Index and a high degree of diverse talent utilization.

Anchoring both diversity and inclusion is key: The more both diversity and inclusion are anchored in the corporate strategy, the better the Glass Ceiling Index. Pharma/Med-tech is clearly a leader here, whereas the Banking industry and the Public sector are much more likely to anchor diversity over inclusion. Without inclusion, the full benefits of diversity cannot come to fruition.

Inclusion targets for managers prove game-changing: In the two industries with the lowest Glass Ceiling Index (MEM industry and Pharma/Med-tech), having inclusion goals for managers has become the standard. This entails enabling managers to act, communicate and lead their teams in an inclusive way and outline clear consequences if they don't.

Promoting and hiring for inclusion skills has an impact: Organizations in industries with a good Glass Ceiling Index tend to use inclusion skills as criteria in their key HR processes such as promotions and, to a lesser extent, recruitment. New hires and newly promoted managers provide an opportunity to ensure that leadership lives up to inclusion as a strategically important value.

Excelling organizations hire women with leadership roles in mind: The gender gap regarding roles with personnel responsibility (and, less pronounced, educational backgrounds) is considerably smaller in those organizations that belong to the two industries with the best Glass Ceiling Index. They manage their pipelines more gender-equitably and hire women for positions with the potential for career development.

Leaders in gender equality and inclusion recognize sponsorship as key: Often not formalized, yet a highly effective and common practice in most leading companies is sponsorship. In short, it means that senior leaders spot female talent with potential, show interest in their work and achievements, and actively create opportunities for them to thrive and develop.

Parental leave and supporting both fathers and mothers at work matters greatly: Living up to equity particularly concerns the age group 31–40 when family primetime starts. Proactive initiatives supporting working parents pay off as well as offering flexibility, part-time and parental leave for both fathers and mothers. Some organizations even make it mandatory for fathers to take their leave.

High performers systematically integrate inclusion and diversity in all organizational dimensions

Pharma/Med-tech, as the industry with the best Glass Ceiling Index overall, in middle and top management and in lower and lowest management, stands out in championing inclusion in nearly every key performance indicator relevant for I&D performance:

- anchoring inclusion in the corporate strategy
- measurable organization-wide inclusion goals
- inclusion goals for managers
- inclusion competencies as a criterion for promotion and recruitment
- offering parental leave (i.e., shared leave entitlement) and offering it longer than the legal minimum required

III – GENDER EQUALITY BY INDUSTRY

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Gender equality in Banking

Despite a gender-diverse talent base, women are underrepresented in promotions and – to an even greater extent – new hires into springboard and upper management positions. The Banking industry is significantly underutilizing its diverse talent pipeline when it comes to internal development, also when compared to all other industries.

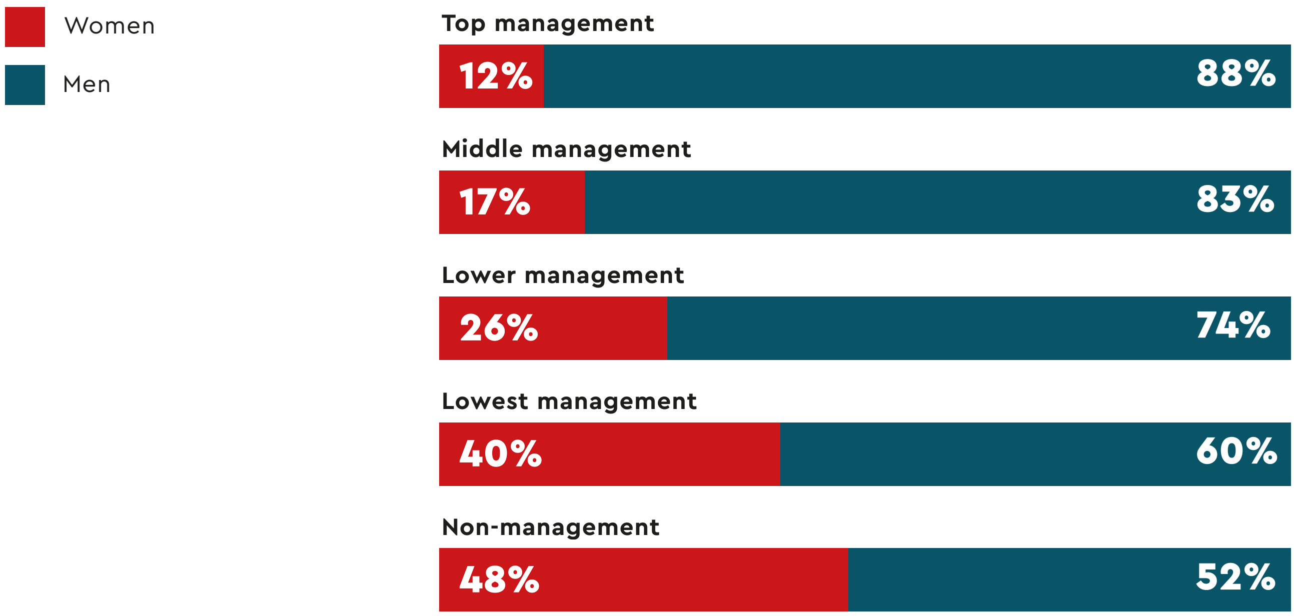
Between ages 31 and 40, women are promoted and hired into springboard positions (lowest and lower management) at considerably lower rates than their male counterparts. The pipeline is blocked for women during family primetime. During this time, women reduce their employment percentages significantly while men's tend to stay the same.

The typical senior manager in the Banking industry is older and male: 45% of male senior managers are over 50 years old. The expected wave of baby boomer retirements provides a unique opportunity to diversify management. After all, while women's representation in management is 27%, among 51–60-year-olds, women are represented at only 21%. To take full advantage of the opportunity, sustainable management of diverse talent is crucial.

Women in banking are highly underrepresented in management

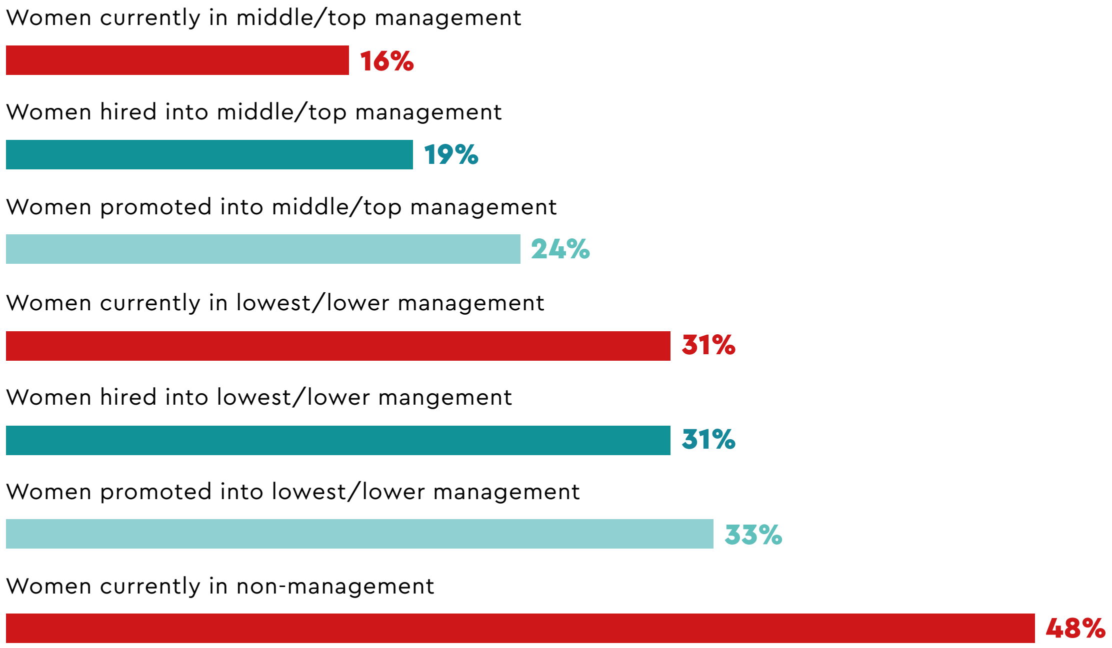
In the Banking industry, women are highly underrepresented in management compared to the diverse potential at the base. At 12% in top management, there are considerably fewer women in management than in the full sample of all GIR companies (17%). However, at 48% in non-management, non-management employees are very balanced regarding gender diversity (compared to 44% when looking at the full sample of all GIR companies), which indicates that the Banking industry has a promising, gender-diverse talent base. The Banking industry also has a considerable influx of young talent – over 50% of all new female hires are 30 years or under, whereas for men, this is true for only 42%. To make the best use of this influx of young female talent, the Banking industry needs to make significant changes to its sustainable pipeline management.

Gender distribution by management level – Banking



Where do banking organizations lose women on the way to the top? In lowest management, there are 40% women, and in lower management, there are only 26%, making the transition from lowest to lower management a key obstacle put in the career paths of women. This means women are not well-represented in positions with personnel responsibility, i.e. the kinds of positions that can provide the sort of visibility and responsibility to propel employees all the way to the top. Only 27% of all positions in lowest management (compared to 39% of positions in lower management) come with personnel responsibility, so the female managers are less often people managers.

Overview Banking industry



The diverse talent pipeline is underutilized all the way to the top

Banks insufficiently utilize their internal talent pipeline to increase the share of women in management. While 48% of non-management employees are female (the talent base), women receive only 33% of promotions in lowest and lower management. At a more granular level, women are particularly underrepresented in promotions from lowest to lower management. Though they make up 40% of lowest management, their share in promotions to lower management is only 32%. This percentage should be 40% if women were promoted proportionally. This strengthens the hypothesis that women are underrepresented in the kinds of "springboard positions" in lowest management that are likely to lead to advancement. This point is where the talent pipeline is particularly leaky.

Similar trends persist when it comes to promotions in middle and top management. While promotions at these levels contribute to increasing the very low share of women at the top, the talent base of lowest and lower management is still significantly underutilized.

The typical management hire is male, Swiss, and between 31 and 40

Despite the unbalanced internal development patterns, recruitment is even more underutilized to advance women to the top. Throughout all management levels, the banking industry succeeds better at advancing women's careers by promoting women internally rather than hiring externally.

Especially between 31 and 40, women are promoted and hired into key springboard positions (lowest and lower management) at considerably lower rates than their male counterparts. This is particularly striking when it comes to hiring, yet when it comes to promotions into lowest and lower management, men are still promoted at almost twice the rate as women in this key age group.

Looking at the typical talent when it comes to both promotions and management hires, they are overwhelmingly male, Swiss, between 31 and 40 years old, and work full-time.

Full-time norms in leadership cause women to stumble

While full-time work is the norm for men and women in banking in middle and top management, men and women differ in their average employment percentages at lower management levels. While only 13% of men in lowest and lower management work part-time, 42% of women do. If full-time is expected to attain a top management position, the pool of men who will be seen as promising talents is considerably larger than women.

In the 31-to-40 age bracket, many employees in Switzerland start their families. Laws and policies, as well as gender stereotypes in society surrounding parenthood, still incentivize women to be the primary caretakers. The difference between men's and women's employment percentage in lowest and lower management is most significant at around age 35. In Banking, this difference is greater than in other industries (such as the MEM industry or Pharma/Med-tech), where women's and men's employment rates stay more consistent around this age and women face fewer hurdles to middle and top management.

Compared to other industries, the difference in employment percentage between lowest and lower management (for women) is particularly large. It seems that women must increase their employment percentage to rise the ranks (from an average of 86% in lowest management to 90% in lower management and 95% in middle management).

Baby boomer retirements as a challenge – and an opportunity

The typical senior manager is older and male: 45% of male senior managers are over 50 years old. The expected wave of baby boomer retirements provides a unique opportunity to diversify management. After all, while women's share in management is 27%, among 51–60-year-olds, it is only 21%. Retiring of "the old guard" will, on its own, contribute to a slight leveling of the gender distribution in management.

To really change the face of leadership, the Banking industry has its work cut out; 41% of female managers are 40 or below. So, to make sure these diverse talents make it to the top, a cultural shift in terms of sustainable talent management (internally and externally) and inclusive culture is critical.

Recommendations: Hiring inclusive, diverse talents

Though banks are underutilizing their internal pipelines, they are even more so underutilizing their external talent pipelines. Well-qualified women exist – but must be reached, attracted, retained, and developed (you can find some tips about sustainable talent management here). How?

What women want: Rethink what it actually takes to become an employer of choice. Employees today seek flexibility, autonomy, and better working conditions (Mercer, 2021). Flexibility, top-sharing, part-time and leadership should not be empty buzzwords. Implement real changes to become attractive to diverse employees (in the present and future) and provide visibility for role models.

Know your diversity hiring stats: Look below the surface, assessing your diversity hiring weak points. Do you know why you are hiring so few women for key positions? Are there enough (good) applications from women for these positions, or is your company receiving more applications from men? Do female applications get filtered out during the recruitment process, and, if so, at what stage?

Set smart targets: Identify the kinds of positions with clear upward mobility potential (positions with personnel or P&L responsibility) and set actionable diversity goals, rather than simply seeking to increase the share of women at a given management level.

Keep as many women in the applicant pool as long as possible: Make sure that at least two women are represented in the final pool of applicants. If both genders are equally represented in the final selection, there is a 50% chance that a woman will be recruited for the position. On the other hand, if only one woman is in the final selection, then she differs from the norm and unconscious biases of the minority group "women" are attributed to her. In that case, the chance that the woman will be hired drops to 0 (Johnson et al., 2016).

Gender equality in Consulting

> Women are particularly underrepresented at the very top. While 51% of employees in non-management are women, women only hold 17% of top management positions. The jump from middle to top management seems particularly difficult and represents the most significant leak in the pipeline; the share of women is at 30% and above for the other management levels. In no other industry is the "drop" from middle to top management as sizeable as in consulting.

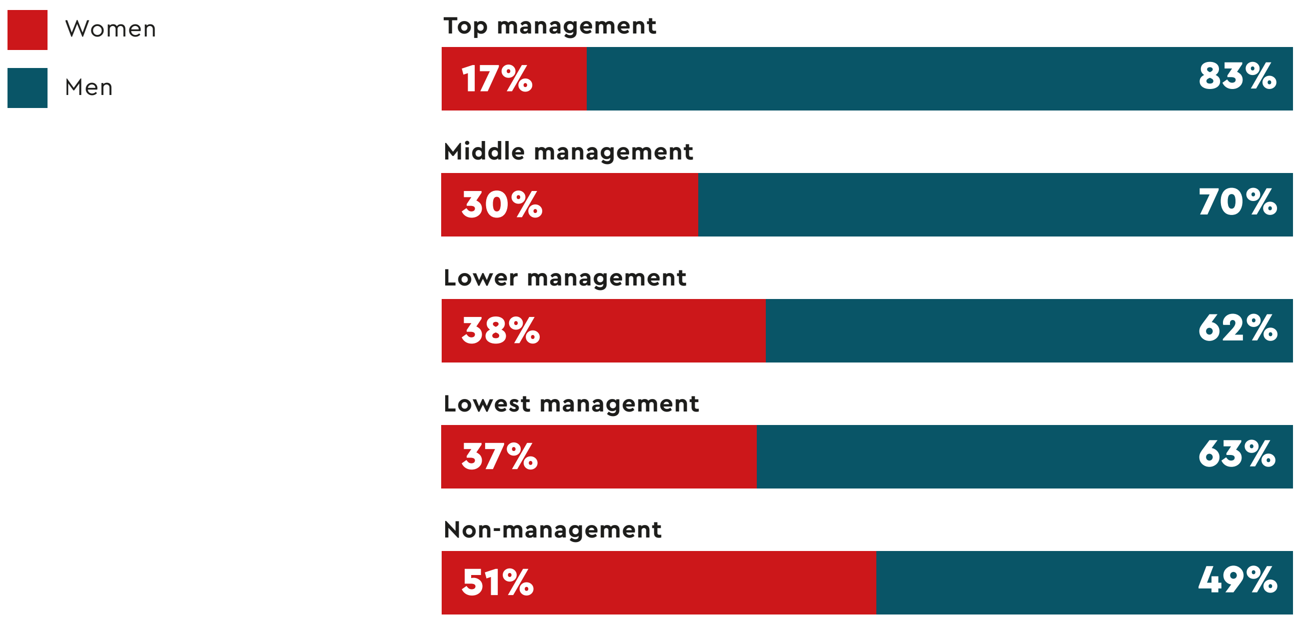
> The internal diverse talent pipeline is underutilized: Though women make up more than half of non-management positions, their share of lowest and lower management promotions is only 42%. The underutilization of the talent pipeline is even more pronounced for middle and top management promotions. In the Consulting industry, promotions barely contribute to increasing the share of women in management at any level, but particularly in middle and top management, in contrast to other industries.

> Promotion rates indicate the persistence of traditional career models – and seem to keep women from the top. 75% of all middle and top management promotions go to employees between 31 and 40 years old, and fewer than 1 in 5 of these promotions go to a woman.

The pipeline is both leaky and blocked in consulting

In the Consulting industry, regarding gender, non-management is particularly well-balanced. However, when looking at top management, less than 20% of positions are held by women. This gap immediately starts (when looking at lowest management level), then grows. At lowest and lower management levels, around 38% of the positions are held by women. Lower in the pipeline, efforts at getting more women to the top seem to bear fruit. However, in middle management, only 30% of employees are female, and only 17% in top management. Overall, there is still much equitable work for organizations to be done.

Gender distribution by management level – Consulting



Women are equally well represented in management positions and positions with personnel responsibility, which indicates that the women who ARE in management positions tend to be in positions with upwards momentum and visibility at similar rates as men.

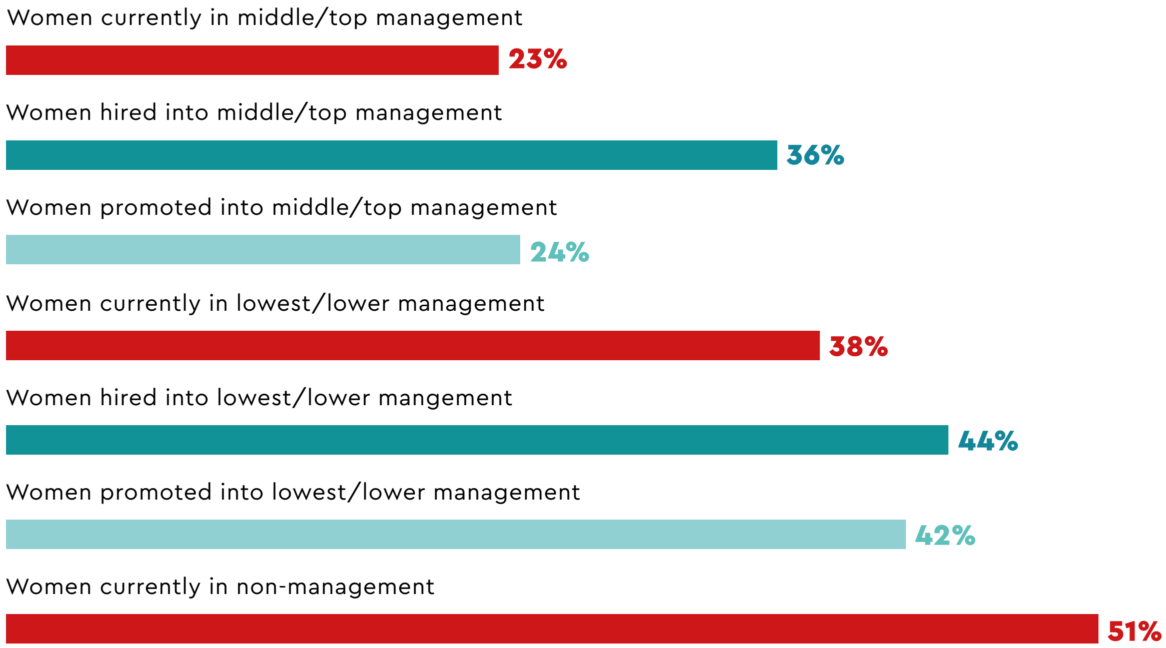
Promotions are barely contributing to diversifying middle and top management

The Consulting industry is not utilizing its diverse pipeline for internal development. The talent pool of 51% women in non-management is not reflected in the lowest and lower management promotion rate of 42%. Likewise, though there is 38% of women in lowest and lower management, women make up only 24% in middle and top management promotions.

Conversely, external recruitment significantly increases the share of women in middle and top management – 36% of new hires at this level are women. In fact, the share of women newly hired is higher than the share of female promotions for both lowest and lower as well as middle and top management. This tendency is more pronounced in consulting than in any other industry.

These trends point to an "up or out" mentality that puts women at a disadvantage, particularly at the higher management levels, so they tend to leave their companies to advance their careers.

Overview Consulting industry



When it comes to recruitment, an interesting trend persists for both men and women: New management hires have considerably higher shares of non-Swiss nationals than in the existing management population. This points to a growing internationalization in consulting, which further necessitates inclusive leadership and management as employees become more and more diverse.

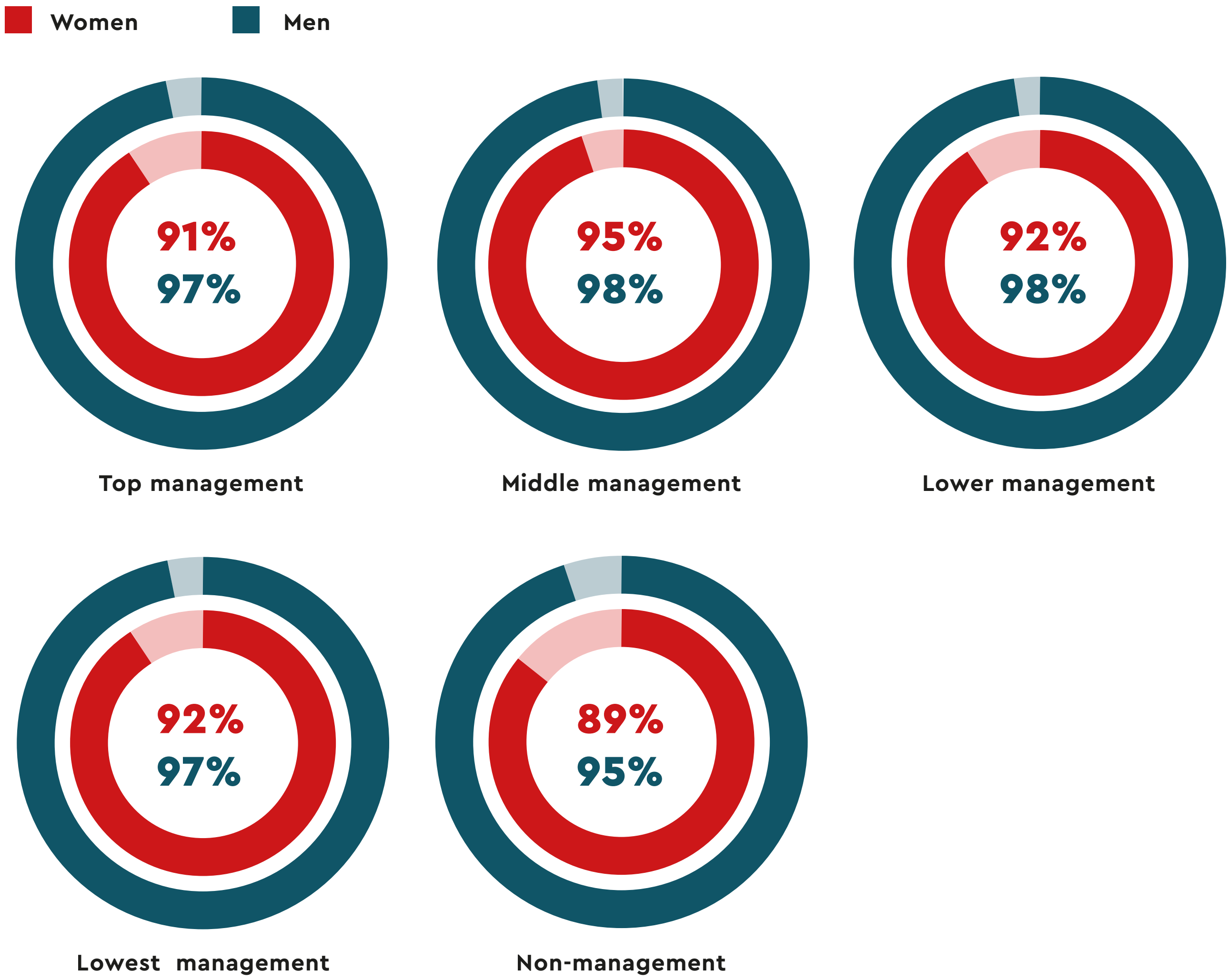
Women at a disadvantage during the rush hours of life

Promotion rates indicate the persistence of traditional career models. Over 60% of all management promotions go to employees between 31 and 40, and it is precisely in this age category that the difference between men's and women's promotion rates is greatest – women only make up less than a quarter of promotions in this age group. This is even more pronounced for middle and top management promotions in the same age category. Less than one in five promotions in middle and top management goes to a woman, and three-quarters of all middle and top management promotions go to employees between 31 and 40. Compared to all other industries, the typical talent is particularly homogeneous (male, between 31 and 40, working full-time and has a tertiary degree).

Near-full-time in leadership more permissible than in other industries

Promotions and hiring patterns suggest that the traditional mindset in Consulting regarding career and gender roles persists. Yet, compared to other industries, the average employment percentages of women stay relatively constant across management levels – a slightly lower employment percentage in top positions might almost be considered a privilege deserved after working full-time all the way through the ranks.

Employment percentage by gender and management level – Consulting



Recommendations: Sustainably managing diverse talents

The "up or out" mentality in consulting seems to affect women more than men, particularly in the "rush hours of life." How can consulting companies better implement good practices with regard to sustainable talent management? The focus should be: Everyone is a talent.

Question your existing talent management concept: What is your company's definition of talent and high potentials? What criteria do you use to determine whether a person is accepted into a talent program? Are these criteria transparent and fair? And is diversity ensured in the talent programs? How do you design your succession plans? How diverse are these plans staffed?

Analyze how you manage talents in practice – and who gets left out: Who uses internal and external training (men, women, older/younger employees, certain nationalities, etc.)? Are there groups that are systematically excluded (e.g., certain age groups or part-time employees)?

Make development opportunities accessible to all: Make regular development meetings mandatory (for all employees), including the definition and documentation of specific development goals and measures. Systematically offer reverse mentoring. Make big development opportunities (such as MBA or PhD sponsorship) available to all and guide promising diverse talents in taking the steps they need to qualify.

Gender equality in Insurance

Compared to most industries, women are particularly underrepresented in middle and top management levels. While 57% of non-management employees are women, the same is true for only 22% of middle management and 16% of top management employees.

Educational qualifications differ by gender in the Insurance industry even for young employees – in contrast to the full sample of industries. Only 21% of women up to 30 in non-management positions hold tertiary degrees, while 30% of their male counterparts do. This gap indicates that men are likely hired more for positions with development potential while women are hired as administrative employees (with less potential for upward mobility).

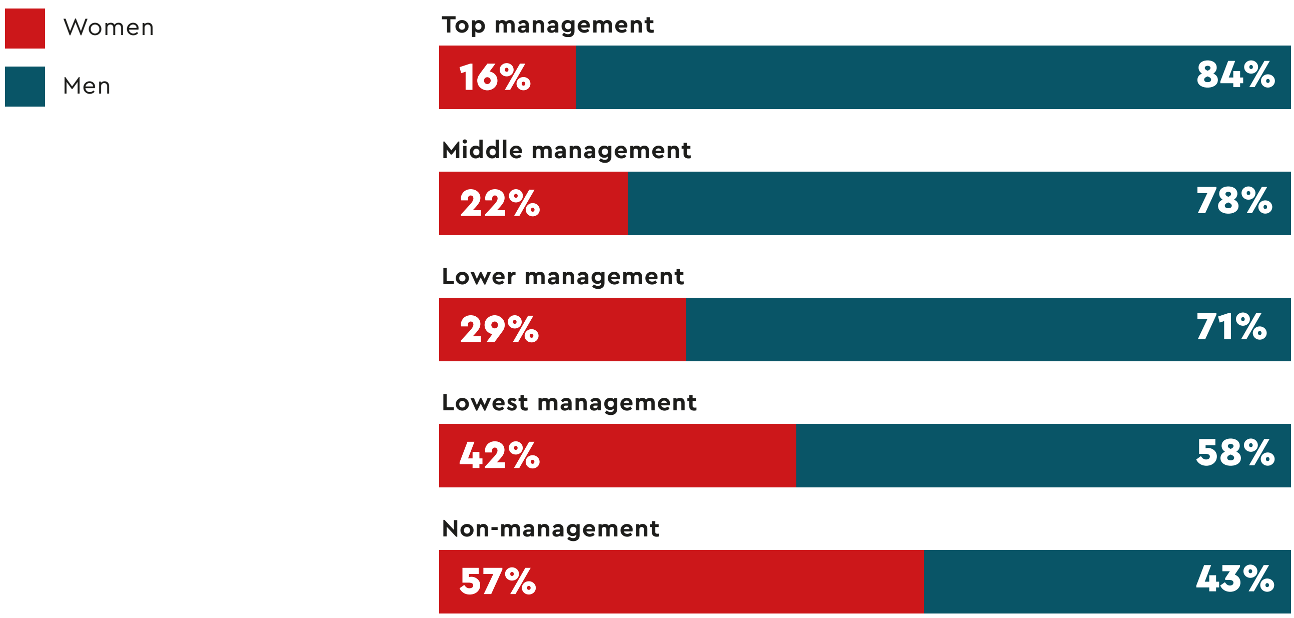
While women are more likely to advance to lowest and lower management via promotions, they are more likely to advance into middle and top management via external recruitment. This lack of advancement via promotions raises a question: Are women internally promoted into "springboard positions" that lead to the top, or are they promoted into "nominal" (or expert) management positions that are not conducive to reaching the top?

The Insurance industry has a particularly stark difference in men's and women's employment percentages in lower management levels, particularly between the ages of 35 and 45. These are the ages where men are disproportionately promoted into middle and top management.

The dam is bursting

In the Insurance industry, there is a stark contrast between non-management and top management. In non-management positions, there are more women than men. However, there is an immediate drop of 15 percentage points at the lowest management, so only 42% of employees at that level are women. This steep decline continues to the top management level, where only 16% of the employees are women. A "burst dam" may be a more accurate description than a leaky pipeline.

Gender distribution by management level – Insurance



Women are better represented at hierarchical levels and in positions that come with less influence and potential for future career advancement: For example, in lowest management (where women have a share of 42%), fewer than 1 in 5 positions comes with personnel responsibility. This indicates that women are primarily in "nominal" management positions (expert or administrative roles).

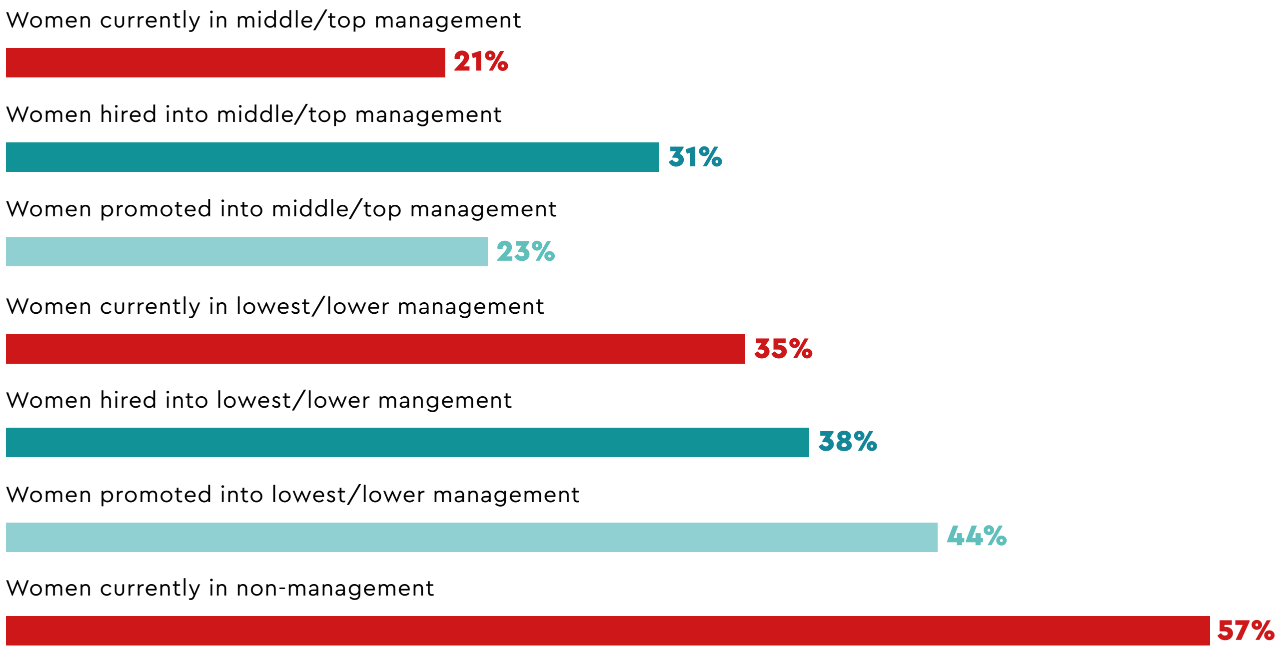
Not only are the middle and top management levels clearly dominated by men, but these levels are comparatively homogeneous in other diversity dimensions. 80% of male middle and top managers are Swiss, 91% work full-time, the vast majority speaks German and almost 50% are over 50 years old. This means that a wave of baby boomer retirements is expected over the next few years, opening a window of opportunity for diversifying middle and top management.

The internal talent pipeline doesn't lead women to the top

The Insurance industry is not properly utilizing its talent pipelines for all management levels. Women make up 44% of the lowest and lower management promotions compared to 57% women in non-management and even though the percentage of women in lowest and lower management is 35%, they only make up 23% of promotions in middle and top management.

While the Insurance industry utilizes promotions to increase the share of women in lowest and lower management, new hires barely have a positive effect on the share of women in these levels. In contrast, women are more likely to attain positions in middle and top management via external recruitment than internal development in the Insurance industry.

Overview Insurance industry



Men are also better educated than women, which also holds true for the younger generation. This difference in education makes men's advancement chances considerably higher, as tertiary degrees appear to be the norm for both male and female managers. Among non-managers up to 30, only 21% of women hold tertiary degrees, while 30% of men do. In other words: In this segment of the talent pipeline, young men are still better qualified and have higher chances of making it to the top. In the full sample of industries, no such education difference is discernible. This, too, indicates that in the Insurance industry, young men still seem to be hired for positions with development potential, while women are hired for more administrative roles with less potential for upward mobility. This difference may explain why men are still favored when it comes to promotions.

The promotion gap in middle and top management is highest during "family primetime"

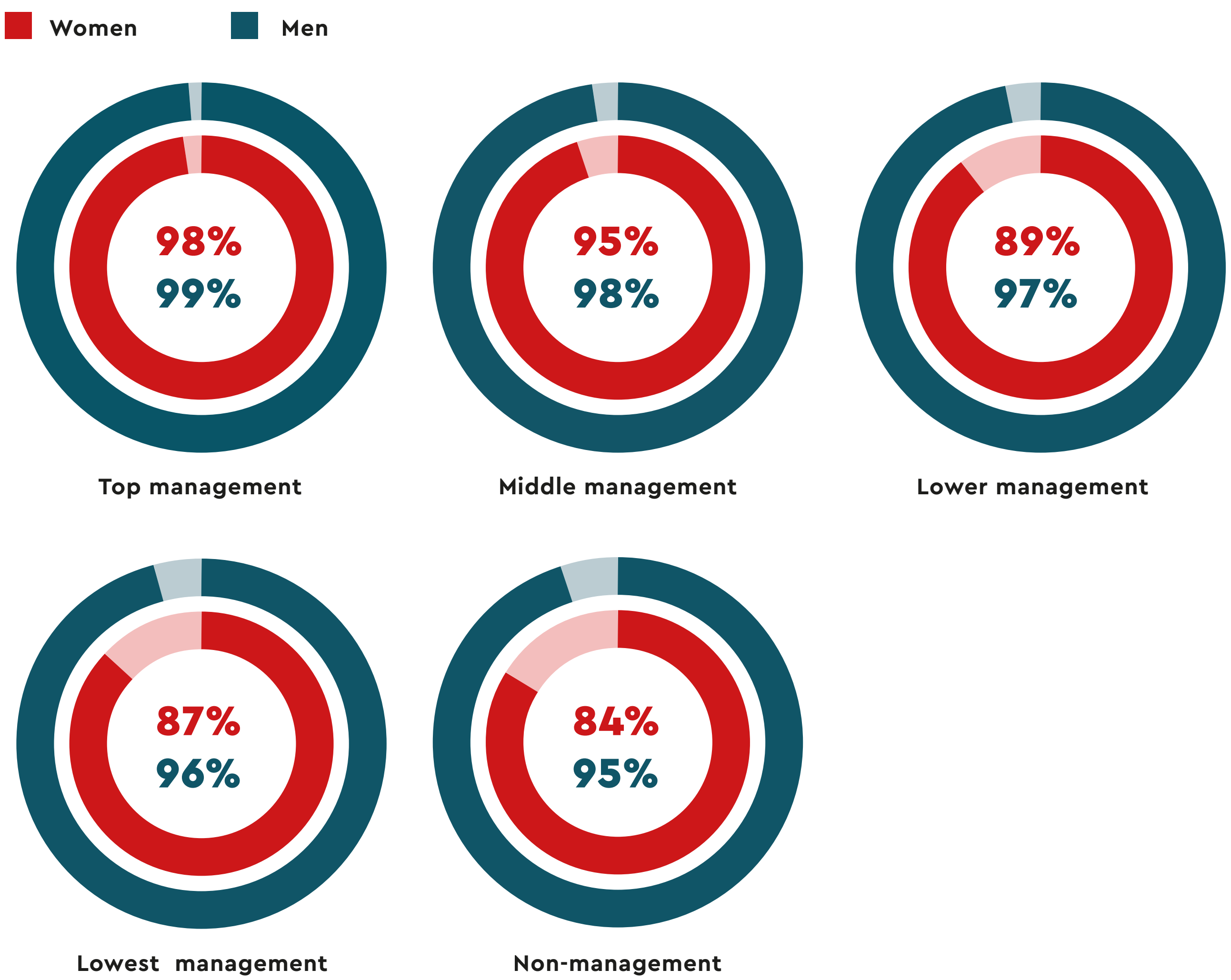
Why are women not making it to the top? A look at the age distribution among middle and top management promotions helps answer this question. While women's promotion rates remain consistent across age for lowest and lower management levels, significant age differences exist for middle and top management. The difference in promotion rates emerges during the "family primetime," between 31 and 50, and is particularly noteworthy between 41 and 50, when almost half of middle and top management promotions are awarded. Between 51 and 60, the share of middle and top management promotions is nearly equal for men and women. It seems there is a tendency to give women another shot at a managerial position after "family primetime."

For new hires, women and men are hired at equal rates for middle and top management positions until age 40. After that, men get hired at a considerably higher rate.

Employment percentages point to traditional values

Further reinforcing the picture of an industry holding on to traditional values and mindsets are the employment percentages of men and women. Only 52% of women in insurance work full-time, while 84% of men do so. These numbers are similar to the full sample of companies participating in GIR. What is striking, however, is that the Insurance industry has a particularly stark difference in men's and women's average employment percentages in lower management levels. Moreover, this difference is vast between ages 35 and 45 – i.e., the same age categories where men are disproportionately promoted into middle and top management. For the Insurance industry, there seems to be a clear expectation that managers in middle and top management work full-time – and this mentality may help to explain the leaks in the industry's diverse talent pipeline.

Employment percentage by gender and management level – Insurance



Recommendations: Building a diverse talent pipeline from the ground up

The Insurance industry should broadly rethink its definition of talent and talent management to consider all employees to be talents. What (diverse) talent do you have, and how can you develop them?

Focus on continuous development: Focus on continuous internal, on-the-job development and establishing a learning culture. In this way, companies offer development opportunities to all employees and, simultaneously, have attractive alternatives to vertical career steps (which are gradually diminishing as organizations become flatter and more agile). The insurance industry has a comparatively low share of positions with personnel responsibility, providing a good opportunity for offering diverse development opportunities.

Rethink criteria for springboard positions and talent pools: Consider the future, diverse leaders you miss out on because of narrow definitions of qualification requirements. For example, is a particular type of degree really necessary to be considered for a certain position, or could further education or on-the-job learning be a valid pathway? What similar skills might already exist (in diverse employees) in non-management?

Set hiring goals for roles with advancement potential: Ensure that women are hired for junior roles with upward mobility potential. Make sure that there is a balance between men's and women's educational qualifications when they first enter the organization.

Clear top-down commitment and sponsorship for the topic: The positioning of sustainable talent management (top-down, via managers and HR) and communication regarding the importance of developing all employees should be clear, with senior leaders as public owners of the issue.

Gender equality in Media

Despite having 53% women in non-management, top management is comprised of only 21% women in the Media industry. This industry sees a significant drop in women's representation between non-management and lowest management.

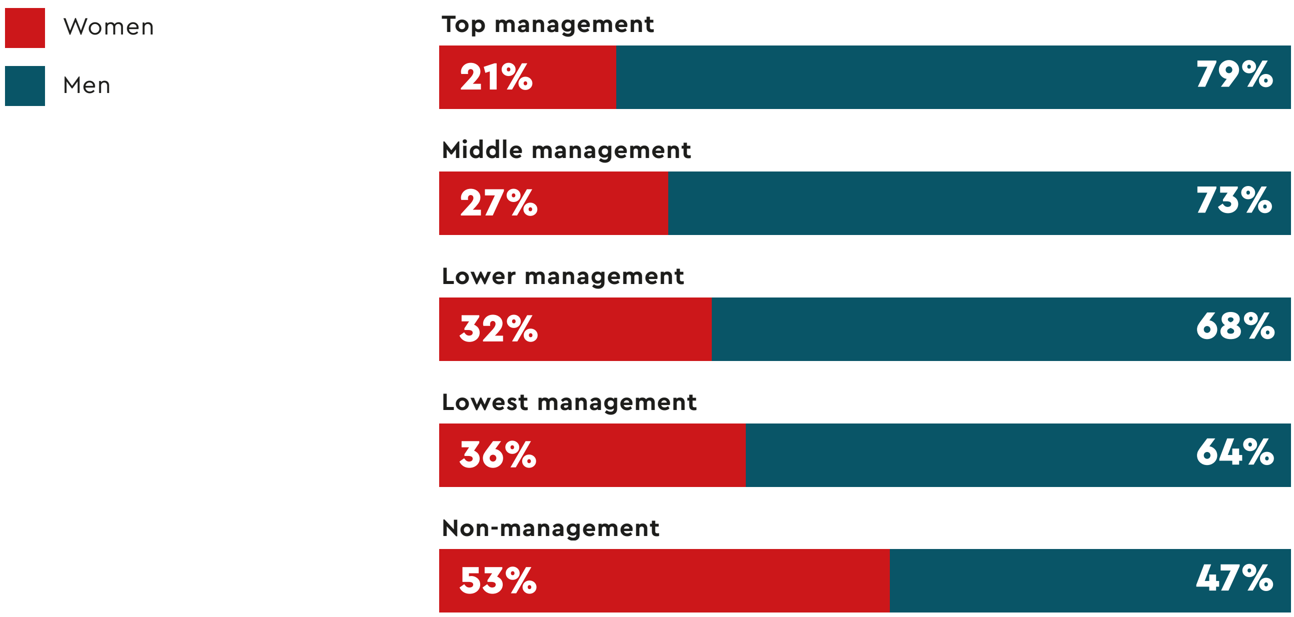
Promotions are utilized well to increase the percentage of women in the different management levels. However, particularly for lowest and lower management, the share of newly hired women is only marginally higher than the existing share of women in these levels. Media companies are doing a better job using promotions to manage their pipelines than they are at using new hires to fill their pipelines.

The hiring gap for management is particularly high between the ages of 31 and 40 and much smaller between 41 and 50. This points to a promising pool of talents (currently underutilized) to diversify the talent pipeline and indicates that it is still possible to take significant career steps after 40.

Women get "lost" on the way to the top

Despite having 53% women in non-management, top management is comprised of only 21% women in the Media industry – women are considerably underrepresented. So, where do women get lost? The Media industry sees the most significant drop in women's representation between non-management and lowest management. Why?

Gender distribution by management level – Media

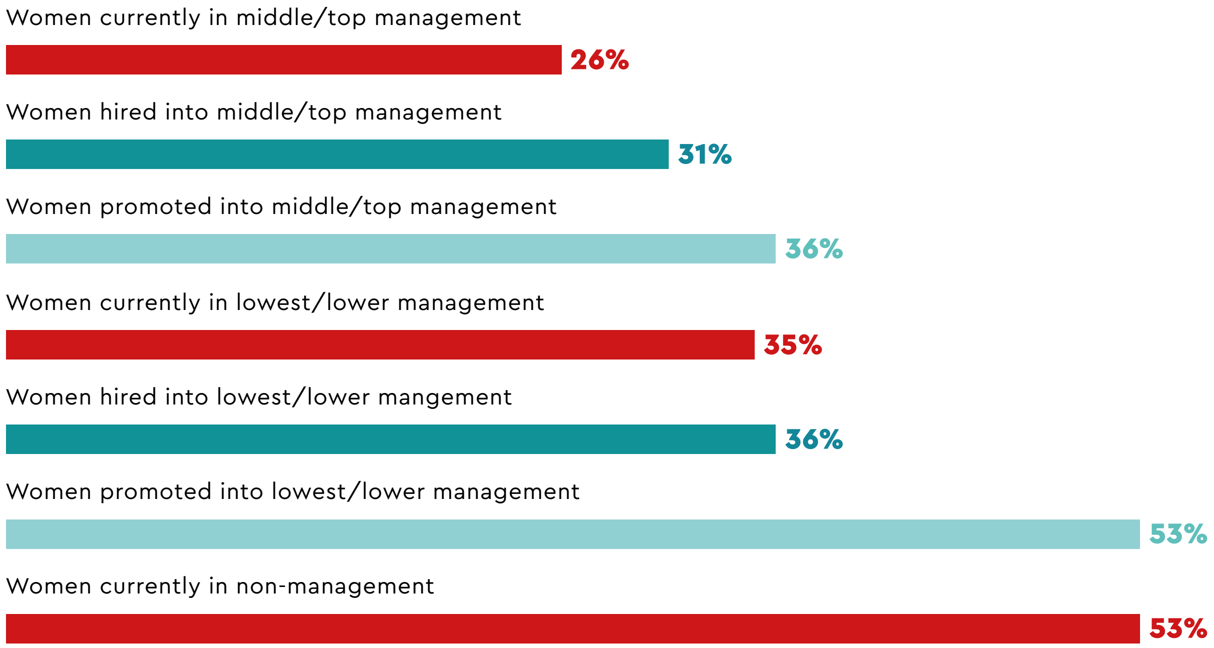


Room for improvement with women's recruitment

Promotions do not seem to be the problem. Women are promoted into lowest and lower management at similar rates as their representation in non-management, which contributes to increasing their representation on these levels. They are also promoted into senior management at slightly higher rates than their share in lowest and lower management. Companies in the Media industry are utilizing promotions well to advance women along the talent pipeline.

However, particularly for lowest and lower management, the share of newly hired women is relatively low. Media companies are using new hires mainly to increase the percentage of women in middle and top management.

Overview Media industry

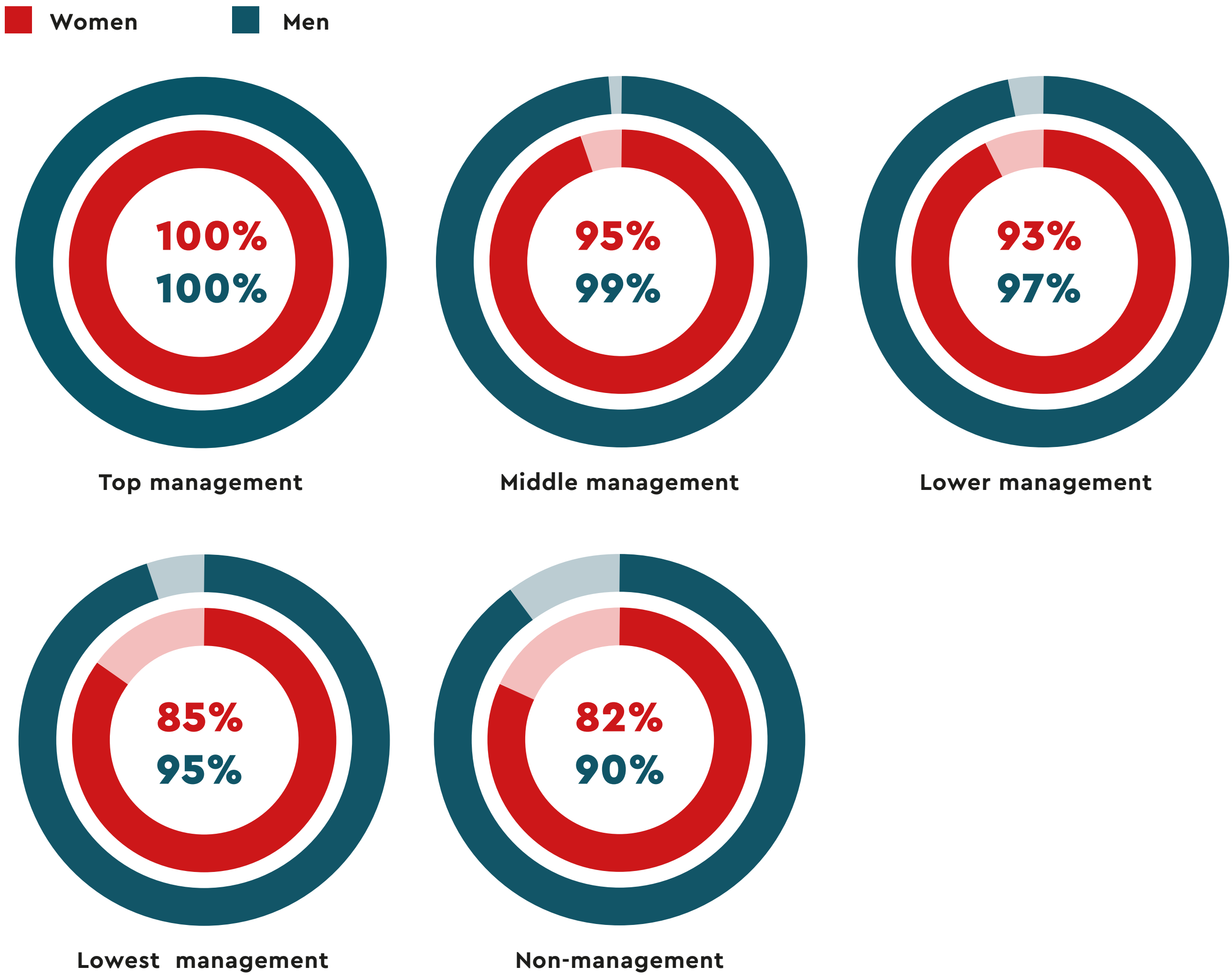


The hiring gap for management is particularly high between the ages of 31 and 40 and much smaller between 41 and 50. This points to a promising pool of talents (currently underutilized) to diversify the talent pipeline and indicates that it is still possible to take significant career steps after 40.

Full-time is the norm in upper management levels

In lower and lowest management, men mainly work full-time. In contrast, women are working in relatively low employment percentages. This likely puts women at a disadvantage regarding promotions, as full-time seems to be expected for middle and top management positions. Interestingly, in non-management, slightly more men work part-time than in other industries.

Employment percentage by gender and management level – Media



Recommendations: How to diversify hiring

Media companies must leverage recruitment to increase the share of women in management. What are some concrete steps to make better use of recruitment?

(Top) management commitment matters: Because of its public face and influence on popular belief, the Media industry should be a role model for other industries. Top leadership needs to make it clear that now is the time for gender equity in senior management and define the steps to get there in no uncertain terms. Exemplify this priority when top leaders themselves are involved in recruitment.

Set clear goals: Getting to gender parity in media requires smart goal setting in hires for management. This means not only aiming for 50% women at each management level but spelling out what this means in practice for hiring (and promotions). The German newspaper Die Tageszeitung is ahead of the curve. Former editor-in-chief Ines Pohl said it clearly, "If the quotas aren't met, the next open position will be filled with a woman, no exceptions. We must draw the famous clear 'red line'" (Pidd, 2012). Of course, having the right qualifications should still be an absolute requirement.

Gender equality in the MEM industry

Though the MEM industry[4] has a low overall share of women (24%), the companies are making good use of their potential. On average, companies are utilizing both promotions and new hires to increase the share of women in springboard and upper management positions. The MEM industry is also leveraging its potential. The share of women promoted into lowest and lower management, for example, is about equal to the share of women in non-management (and the same is true for the step to middle and top management). The overall female promotion rate (25%) is also similar to the share of women in MEM companies (24%).

During "family primetime", female talents are more likely to be externally recruited than internally promoted, indicating a traditional view of family and career. Women between 31 and 40 who are already working in MEM companies may represent untapped potential. What is positive with regard to career opportunities is that the dip in employment percentage for female employees during this period is lower than in other industries.

The typical manager in the MEM industry is male, Swiss, and between 31 and 50 years old. New male hires fit the existing age and nationality profile. The small female share in new hires is more international and younger. 63% of new female management hires are non-Swiss and almost half of them are between 31 and 40.

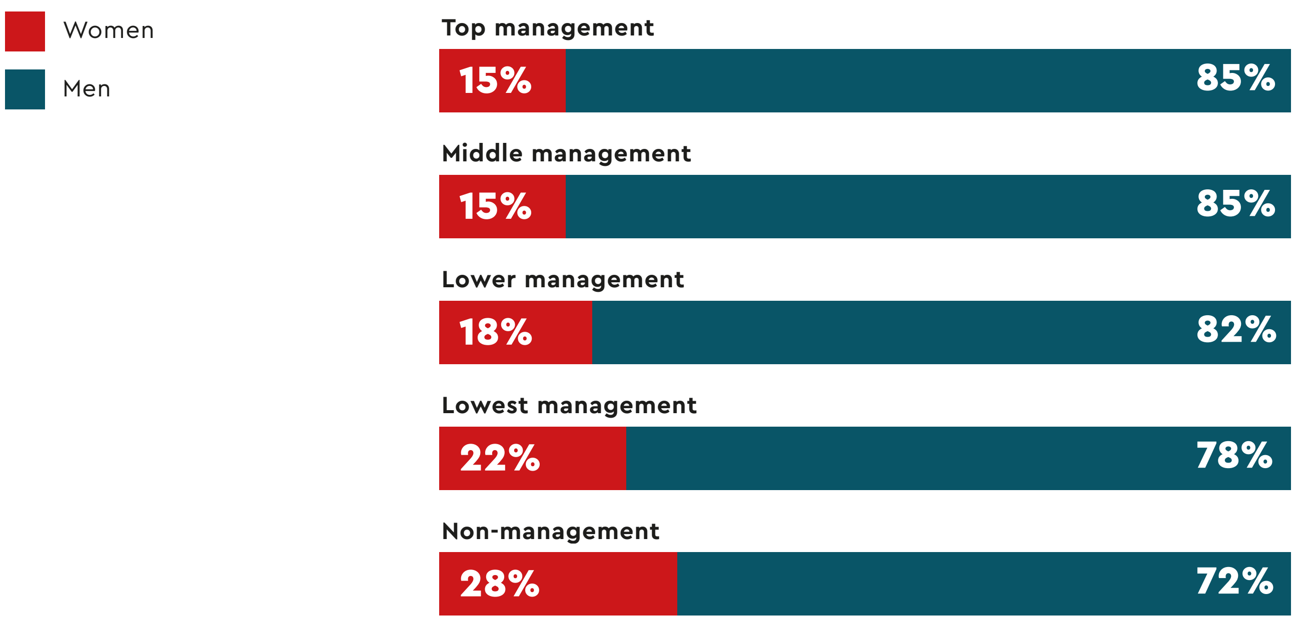
[4] "MEM" industries, as used here, includes not only the machine, electrical, and mechanical engineering companies but also other companies with similar structures and in related fields.

The MEM industry loses fewer women on the way to the top

While the number of engineering positions has doubled in the first decades of the 2000s, the number of graduates with technical degrees has not kept pace (Minsch et al., 2017). This means that the MEM industry is dependent upon reaching all available talents. How are companies in the MEM industries managing and feeding their talent pipelines? Are they able to attract and retain diverse talents?

The MEM industry has the lowest share of women of any industry included in this year's GIR. Only 24% of the overall workforce is female. Furthermore, at 28% of women in non-management, the MEM industry's female talent pool is considerably lower than is the case for other industries. Yet, the 15% of women who are top managers is only marginally smaller than in almost all other industries. This means that while the share of women is low throughout, companies in the MEM industry do a relatively good job fostering gender diversity in managerial positions.

Gender distribution by management level – MEM

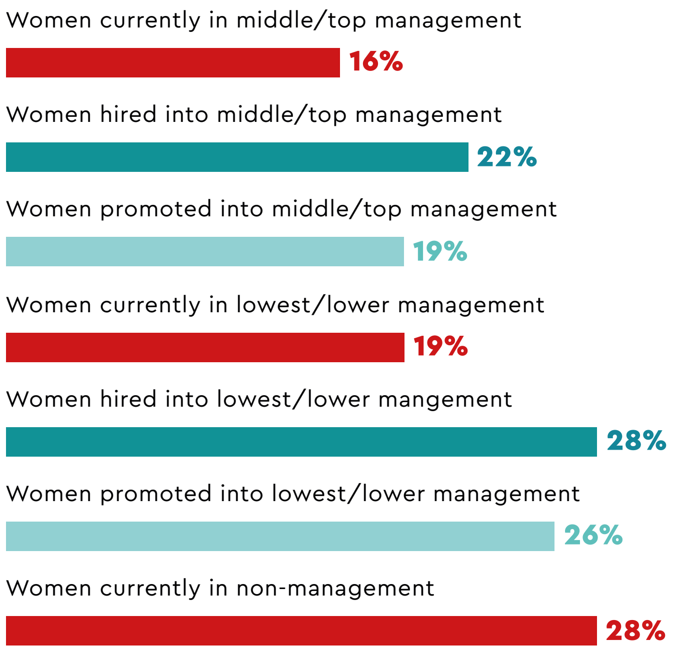


From an intersectional perspective, an interesting trend emerges in the MEM industry; women are considerably younger than men. 47% of all female managers are aged 40 or younger. For men, it is just 30%, a tendency more pronounced than in the overall sample. 46% of male middle and top managers are over 50 years old, which indicates that a wave of baby boomer retirements in leadership is about to hit the MEM industry. This wave provides an opportunity to fill spots with diverse, inclusive leaders but also brings a danger of significant loss of crucial knowledge and the challenge to find enough leaders to fill open positions. Companies in the MEM industry have an excellent opportunity to proactively manage the knowledge transfer between generations and genders.

MEM companies are utilizing the internal and external pipelines

While the typical talent is male, Swiss, and between 31 and 40 years old (looking at promotions), the MEM industry is utilizing both promotions and new hires to increase the share of women in springboard as well as middle and top management positions. The MEM industry is also leveraging its potential. The share of women promoted into lowest and lower management, for example, is about equal to the share of women in non-management, which indicates that the MEM industry is making good use of its diverse talent pool. The overall female promotion rate (25%) is also similar to the share of women in MEM companies (24%).

Overview MEM industry



Outside hires boost women's representation in management

In the MEM industry, women are recruited into management from outside comparatively more often than they are promoted. With this focus, the MEM industry specifically aims to expand the internal female talent pool.

But who are these women newly recruited into MEM companies? The share of foreign women among new management hires is considerably higher than their current share. While 57% of women currently in management positions in the MEM industry are Swiss, the share of Swiss women among new management hires is only 37%. This tendency also exists for non-management hires, though less pronounced. This share is considerably smaller for men, where 54% of new managers are Swiss, compared to 65% of Swiss male managers currently working for MEM companies. This is partly because in Switzerland, the share of women in engineering and technical degrees is lower than is the case abroad, including most of Europe (UNESCO, 2020). Such diverse profiles require careful inclusion strategies to ensure everyone feels valued (and to prevent higher turnover rates of diverse talents). If there are very homogeneous subgroups with little overlap (non-Swiss, younger women and Swiss older men, for example), this can lead to fault lines between groups, with the danger that companies cannot reap the benefits of diversity. So this needs to be carefully managed to avoid conflicts (Lau & Murnighan, 1998; Jackson & Joshi, 2011).

The internal pipeline is leaky during family primetime

60% of all promotions in the MEM industry go to employees aged 31 to 40, which is higher than the average of all industries. However, among lowest and lower management promotions in this age group, women only have a share of 23%. That percentage is lower than their share among lowest and lower management promotions across all age groups. Interestingly, women between 31 and 40 are heavily represented among new hires in lowest and lower management, where their share is 37%.

Regarding middle and top management, the difference between promotions and new hires is particularly stark between 41 and 50 (when most career moves into these positions occur). 13% of promoted employees in this group are women, compared to 23% of hires. Women are more likely to be externally recruited into middle and top management positions than promoted internally.

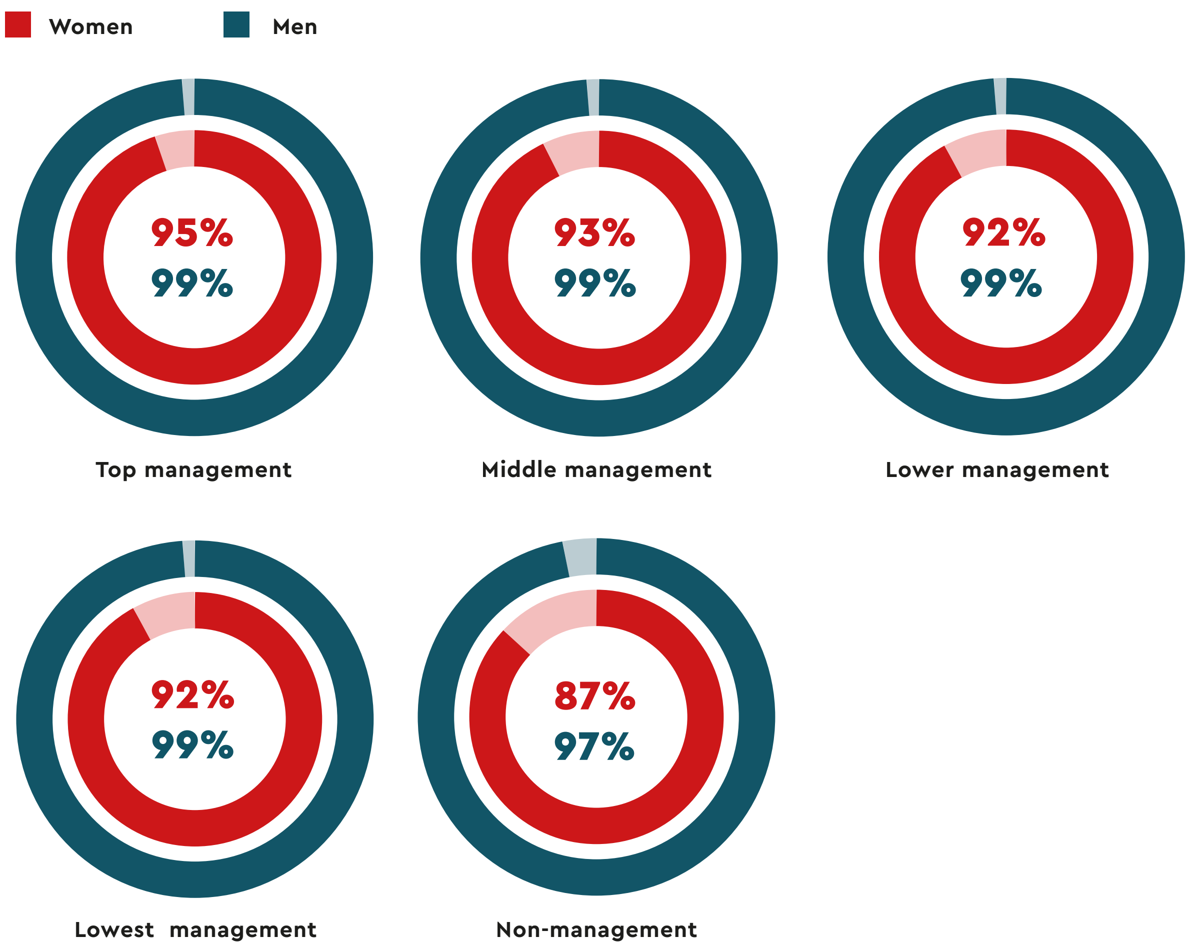
Full-time culture, lack of flexibility?

The MEM industry has a solid full-time culture, reflecting a certain lack of flexibility. Employment percentages are among the highest in any industry, particularly in non-management. Full-time is not only necessary to attain a management position but seems to be the norm throughout.

It is important to note that the average employment rate for women between 31 and 40 in lowest and lower management is higher than for other industries, i.e., men's and women's employment rates are closer. Full-time work seems to be expected, which may pose challenges for employees – but at the same time explain why women rise to the top at higher rates than in other industries. In the MEM industry, the part-time penalty simply doesn't apply!

But this also means that diverse employees with diverse needs may not be attracted to the MEM industry and instead choose to work in different sectors. So, while some types of flexible work may not work that well in the MEM industry, it may be time to come up with creative solutions.

Employment percentage by gender and management level – MEM



Recommendations: Rethinking leadership and identifying role models

Rethinking leadership: MEM companies should re-evaluate job requirements to determine which criteria are truly necessary and which are nice to have to become a leader – thus broadening their pool of potential new hires for managerial positions. For instance:

> **Separate technical know-how from leadership competence:** Consider carefully what technical expertise is necessary to hold a people management or project management function. Consider separating deep expert knowledge from management skills as much as possible to improve leadership and widen your management talent pool. In addition, there should be career development pathways for employees to advance via expert pathways, where they can bring in their unique knowledge and expertise without being expected to lead people if that is not where they thrive.

> **Build up future leaders now:** Enable a less experienced person to gain leadership experience and develop leadership skills (communication, conflict resolution, negotiation, motivation, etc.). This serves to relieve pressure on current leaders and helps mitigate the loss of knowledge.

Identify and develop diverse role models – and ensure they are visible: One effective measure is to make women in STEM professions more visible at the industry level, within and outside the company (Roemer et al., 2020). In doing so, it is important to identify and strategically engage authentic, female role models. But how can you identify these female role models and make them visible?

> **Nominate female role models:** Ask team leaders to nominate their well-qualified female role models. This reflects the team's appreciation of these women.

> **Regular events (internal and external):** Make the women visible on different occasions and give them a stage to reach out to other women. Have these women share their experiences, expertise (keynote on a specialized topic), challenges, and successes.

Gender equality in Pharma/Med-tech

While the Pharma/Med-tech industry has one of the most equitable gender distributions across the different management levels, women are still underrepresented at the top. The decrease in female representation between lowest and lower management is especially steep. Moreover, at these levels, women are also underrepresented in positions with personnel responsibility.

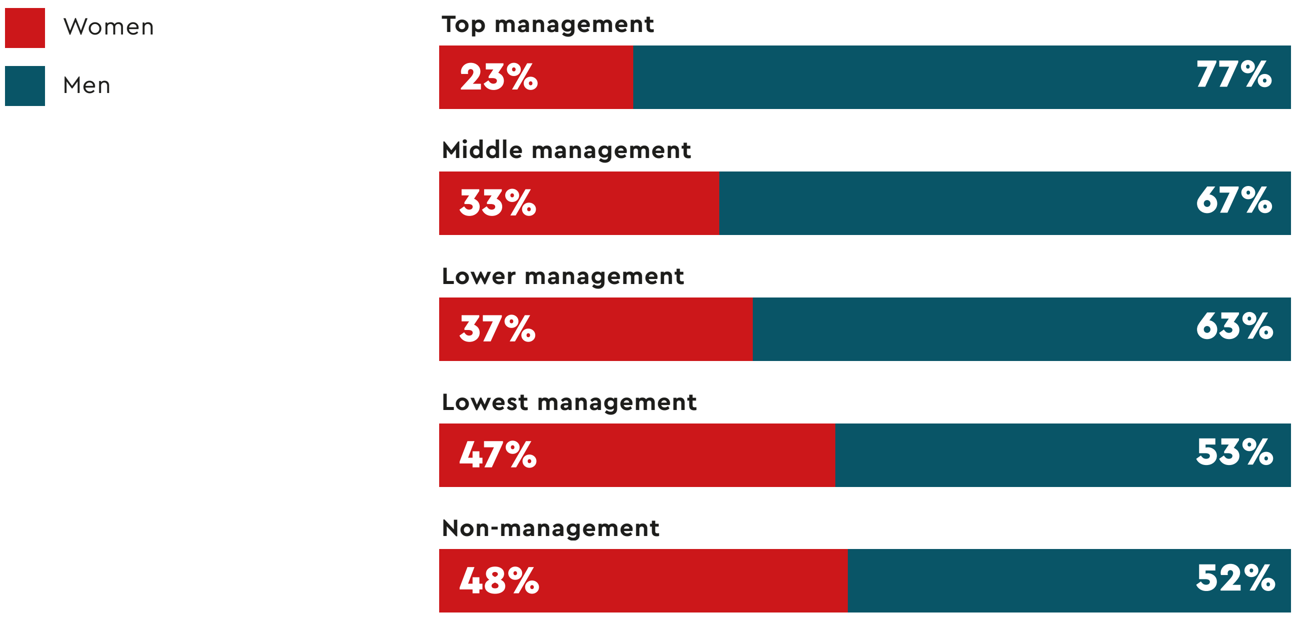
The Pharma/Med-tech industry does a better job utilizing its talent pipeline than other industries. However, promotions into lowest and lower management are underutilized in terms of diverse talent management. The age group between 31 and 40 deserves particular attention, as it is at this age that the promotion gap between men and women widens.

A full-time culture persists across all management levels and, to a lesser extent, age groups. This may explain why women are better represented in management in this industry than elsewhere – women are not held back from promotions by part-time work.

Women are underrepresented in positions with personnel responsibility

At first glance, the Pharmaceutical and Medical technology (Pharma/Med-tech) industry seems gender diverse. However, while women in the Pharma and Med-tech industry are nearly equally represented in lowest management and non-management (at almost 50%!), their representation drops sharply at higher management levels. In top management, only 23% of employees are female. Many women get lost between the lowest and lower management and again between the middle and top management.

Gender distribution by management level – Pharma/Med-tech



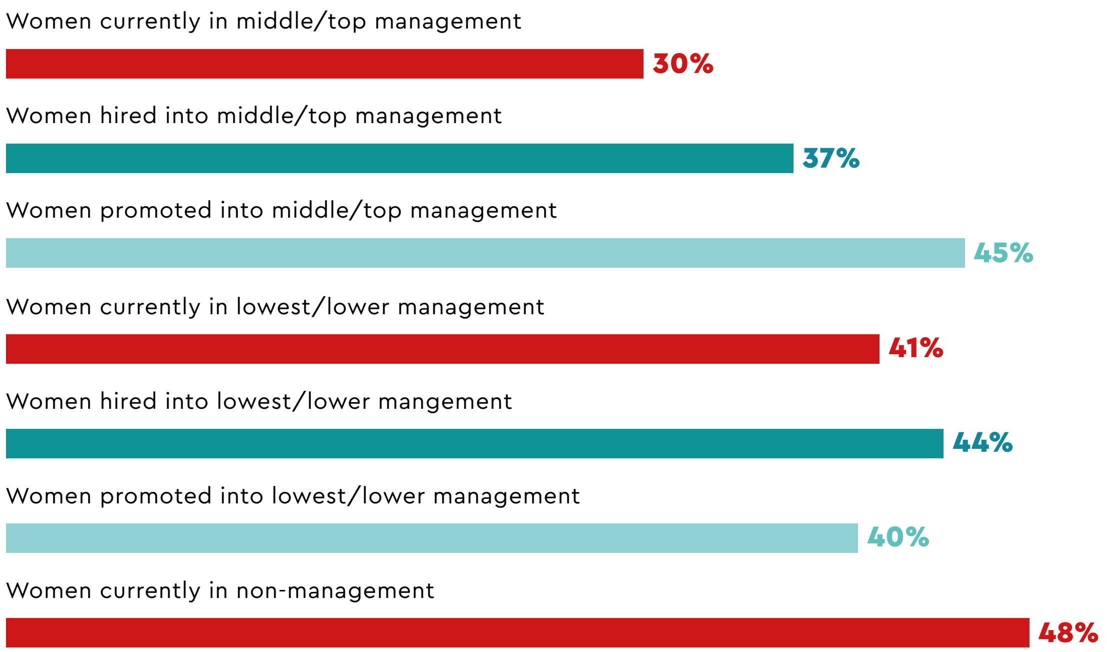
One possible reason: While women are promoted into low-level management functions, these are often not the kinds of positions that set talents up to climb the career ladder further. For instance, while 47% of employees in lowest management are women, they hold only 33% of positions with personnel responsibility. It can be assumed that women in lowest management are mainly in expert or administrative functions, which are unlikely to lead to further advancement. But: The underrepresentation of women in positions with personnel responsibility is less pronounced for Pharma/Med-tech than in the full sample of industries.

The Pharma and Med-tech industry utilizes its talent pipeline well

The Pharma and Med-tech industry does a better job utilizing its talent pipeline than other industries, though some women still get lost on the way to the top. Women make up 48% of non-management employees, but their share in lowest and lower management promotions is only 40%. Women's shar on these levels currently is 41%. Therefore, promotions don't contribute to increasing the percentage of women at these levels. The share of new hires is slightly higher.

By contrast, hires and promotions contribute to increasing the share of women in middle and top management significantly, which is a hopeful sign for an actual increase in leadership diversity in the pharma and med-tech industry. Moreover, women's share in middle and top management promotions is higher than in the talent pipeline of lowest and lower management – the internal pipeline is utilized very well compared with the other industries.

Overview Pharma/Med-tech industry



But why are the promotion rates so low for women in lowest and lower management? What talents are getting lost along the way? The promotion gender gap primarily begins at age 31. This gap is particularly pronounced for lowest and lower management promotions, where more than half of all promotions fall into the "family primetime" between ages 31 and 40. For new hires, this is also the case, though to a slightly lesser extent. Broadening the conception of promotions and career steps to accommodate lifecycle-oriented steps may help more women advance.

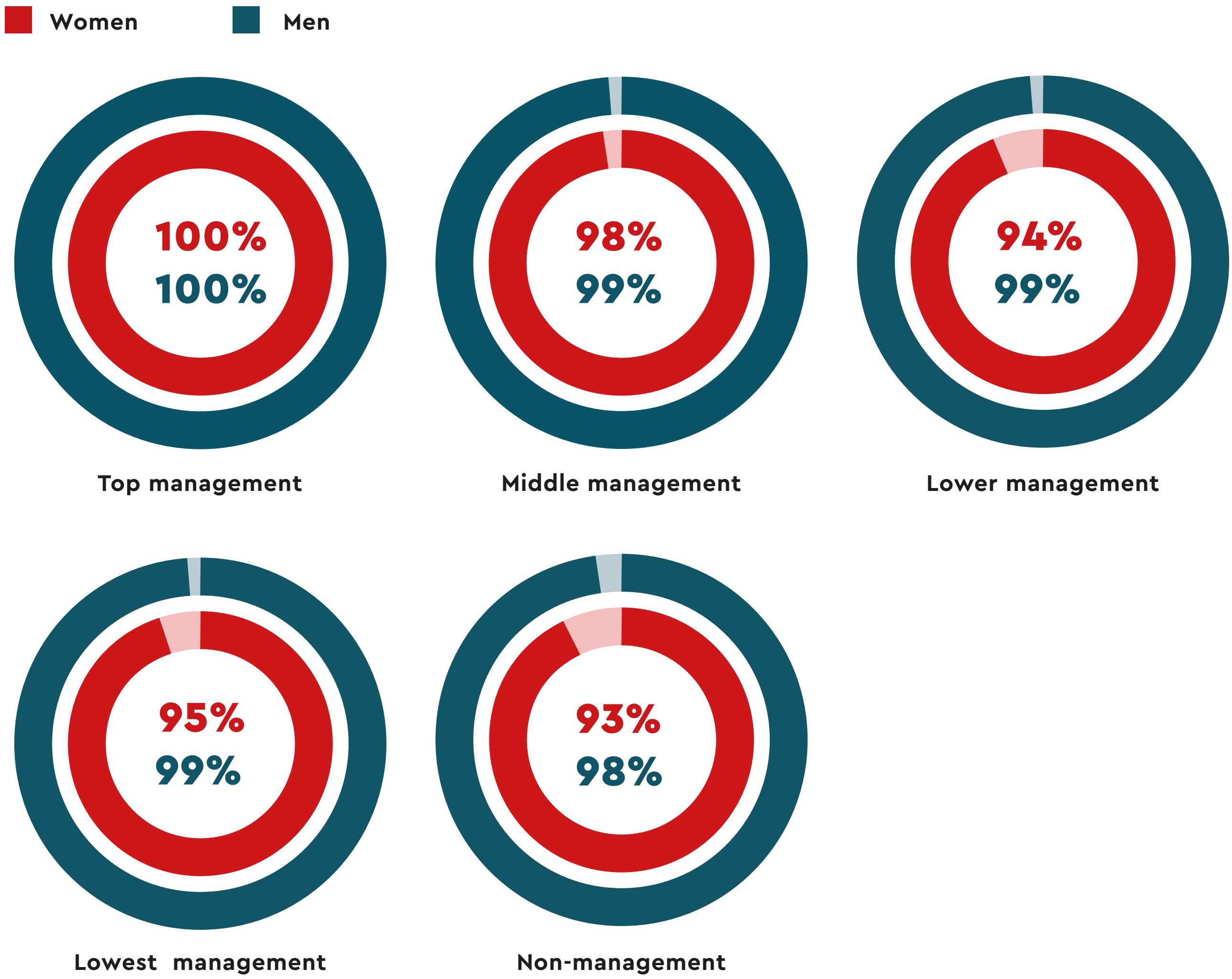
New management hires more "international"

Newly hired managers are less likely to be Swiss than managers already employed in the Pharma/Med-tech industry. 27% of newly hired female managers and 38% of newly hired male managers are Swiss. The share of newly hired female foreign managers is higher than that of foreign men, which is more pronounced for senior managers (where only 11% of newly hired women are Swiss). In addition, female managers already working in Pharma/Med-tech are more diverse regarding nationality than male managers.

A full-time culture persists

Employment percentages in Pharma/Med-tech are exceptionally high compared to the average of all industries. In this industry, there is no strong correlation between age and employment percentage, meaning that women (or men) between the ages of 30 and 45 do not reduce their employment percentage as much as in almost all other industries. This indicates a full-time working culture that may be unattractive to those who would like to reduce their employment percentage. In fact, the turnover rates of both men and women are higher in Pharma/Med-tech than in the full sample of all industries, which may point to some dissatisfaction.

Employment percentage by gender and management level – Pharma/Med-tech



Recommendations: Removing diversity obstacles in leadership

Although companies in the Pharma/Med-tech industry are already utilizing their diverse talent pipeline very well, certain obstacles remain for women and employees with diverse needs. How can companies address these?

> **"Diversifying" leadership pathways:** While women are represented in management, many of these positions seem to be unlikely to lead to the top (expert and admin roles). Detailed analyses of the gender breakdown by role type (back office, research, profit-and-loss responsibility, personnel responsibility, communications, and other corporate functions) may help pinpoint where women get stuck, and diversity goals for key roles can help.

> **Put mental health and flexibility front and center:** Very high employment percentages persist in the Pharma/Med-tech industry, and turnover rates are higher than in other industries. Therefore, we recommend focusing on nurturing the mental health and well-being of existing talents. Do they have the flexibility they need? Are there tools in place for mental health and stress management? Are managers sensitized to these issues?

Gender equality in the Public sector

The Public sector has more women overall than other industries, but the pipeline is still very leaky. There are 58% women in non-management vs. 23% in top management.

The typical promotion in the Public sector goes to employees who are Swiss, male, between the ages of 31 and 40, and have a tertiary degree. Female promotion rates are particularly scarce for lowest and lower management, though many external recruits for these positions are women in the 31 to 40 age group.

In the Public sector, women reduce their employment percentage more during "family primetime" than in other industries, all while a large share of promotions happens during ages 31 to 40. Part-time hinders the chance of being promoted. While only 45% of employees work full-time, 60% of all promotions go to full-time employees (though working 80%-99% poses almost no disadvantage).

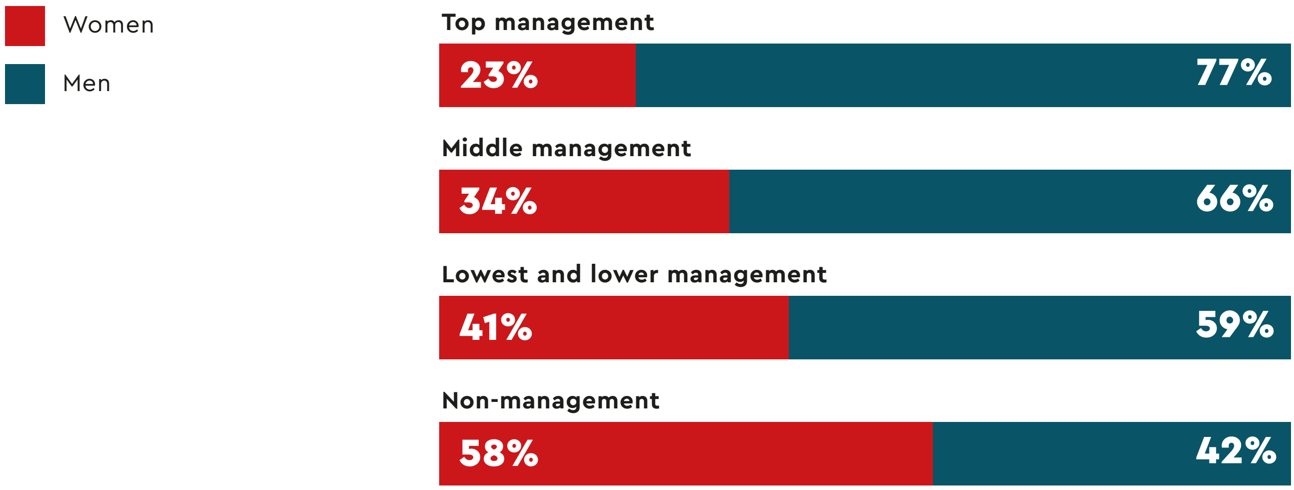
One reason women don't make it to the top is that these positions entail long tenures of incumbents (the vast majority are older and male). Over 60% of middle and top management men are over 50 years old, and more than 16% are over 60. This means that male senior managers are likely to retire soon, an opportunity to equalize the gender distribution.

Underutilized talent potential in the Public sector

Compared to all other industries, the Public sector has the highest share of women at every management level (as well as non-management). However, the percentage of women in top management for the Public sector is less than half of the percentage in non-management. Women are currently considerably underrepresented above the lower management.[5]

[5] Because several of the Public sector organizations do not differentiate between lowest and lower management in their HR data, these two levels were combined in this chapter.

Gender distribution by management level – Public sector



Do long-serving male incumbents "block" middle and top management positions?

One possible explanation is the combination of age and tenure time for those in top leadership positions. Over 60% of middle and top management men are over 50 years old, and more than 16% are over 60. These numbers are considerably higher than the average of all industries. The average tenures in leadership positions are also considerably longer, particularly for men. This length of tenure indicates that key leadership positions simply do not open up, representing a blockage in the talent pipeline. This presents a great opportunity, too. As these male leaders are going to retire soon, positions can be filled with diverse candidates (who champion inclusion).

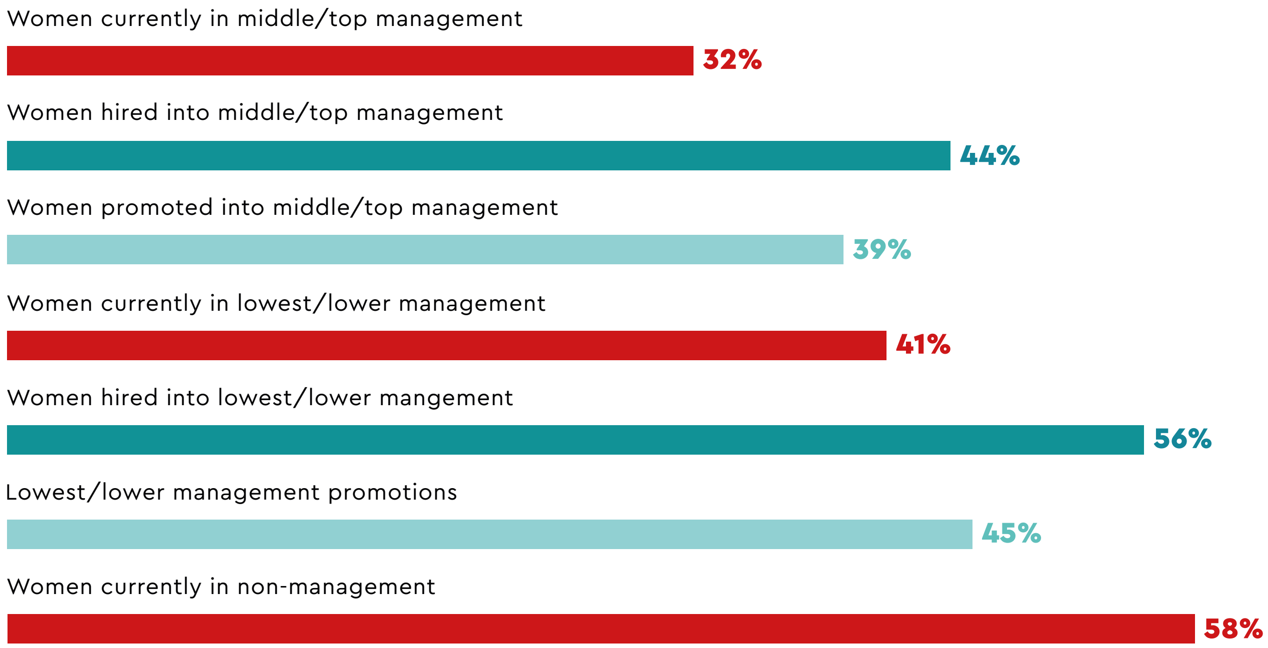
On the other hand, the most significant drop in women's representation happens between non-management and lowest or lower management, which means that women are already less likely to advance before the "blockage" in middle and top management.

Internal pipeline management favors men

Compared to the share of 58% in non-management, a share of 45% for women in promotions to lowest/lower management is low, though it slightly raises the percentage of women in springboard positions. The typical employee making a move into management in the Public sector is Swiss, male, between the ages of 31 and 40, and has a tertiary degree.

Conversely, women are more strongly represented in new hires into management.

Overview Public sector



The largest percentage of all management promotions is awarded to employees between 31 and 40 years old. In this age bracket, men are more than twice as likely to be promoted. Interestingly, the share of women and men promoted past the age of 40 is very balanced.

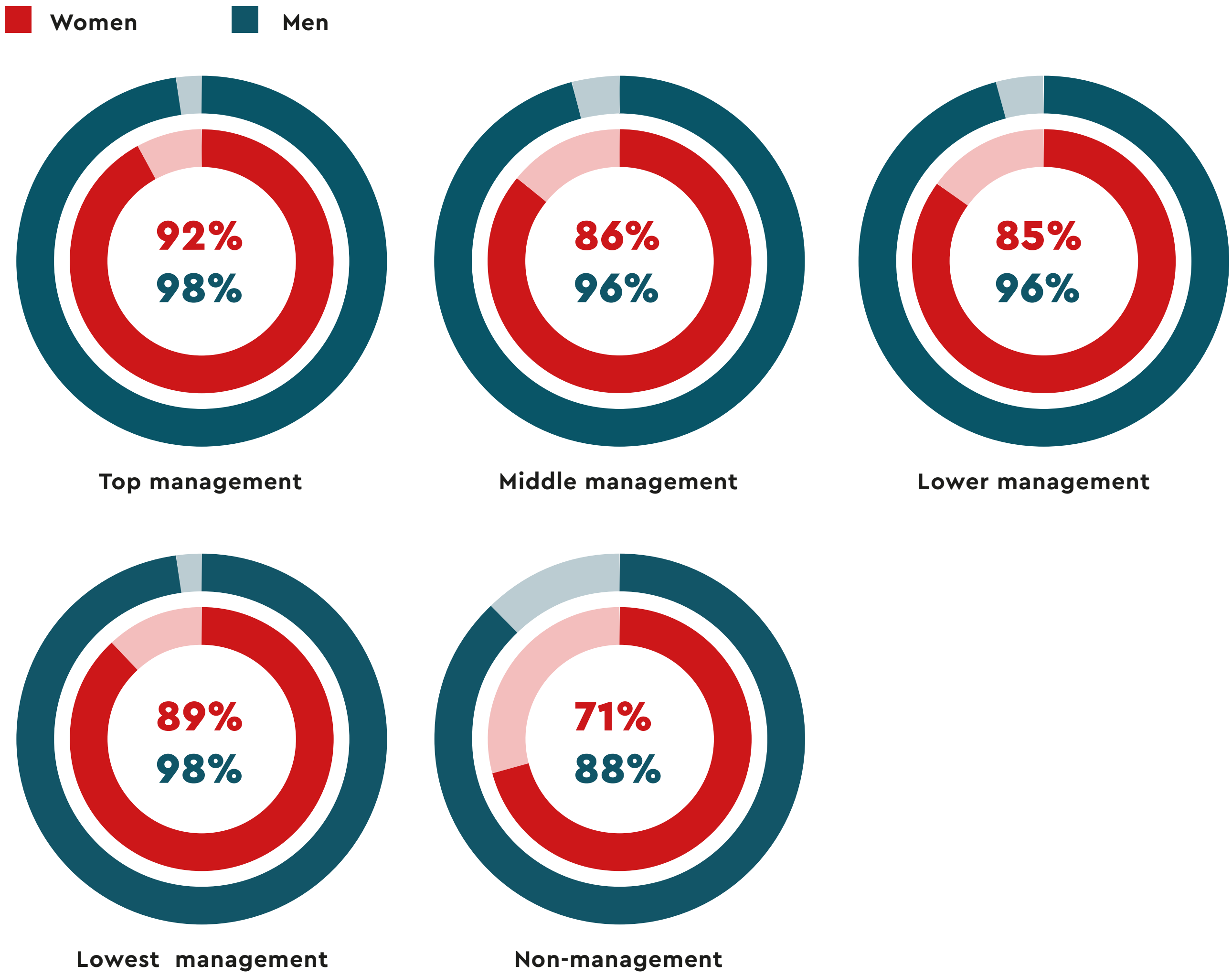
Regarding middle and top management, both internal development and external recruitment contribute to increasing the share of women.

So, why do lowest and lower management promotions stand out rather negatively?

"Family prime time" is holding women back

These promotions fall squarely into the "family prime time," when women in springboard positions (lowest and lower management) as well as non-management reduce their employment percentages considerably, while men's stay the same. The difference in employment percentage by gender around "family prime time" is particularly pronounced in the Public sector. Though family-friendly, life-cycle-oriented working models are attractive for diverse employees and especially those with care responsibilities, they can have a negative impact if part-time work is an obstacle to career progression – from a gender diversity perspective it is especially challenging if it is primarily women who work part-time.

Employment percentage by gender and management level – Public sector



Particularly striking: While only 45% of employees work full-time, 60% of all promotions go to full-time employees (though the disadvantage only occurs once employees work below 80%). Traditional conceptions of work and parenthood prevent women from advancing internally in the Public sector, more so than in other industries.

Recommendations: Rethinking future leadership

As 16% of male middle and top managers in the Public sector are over 60 years old, the time to plan what future leadership will look like (in terms of diversity and inclusion skills) is now. This planning is crucial as certain part-time penalties and a traditional conception of career seem to prevail. What can Public sector organizations do?

Rethink part-time and leadership: Consider why part-time seems difficult in higher management levels, even though it is common in lower management. What potential future leaders are you missing out on because of employment percentages?

Plan to build the leadership teams you want: Announcements for key positions should always be made internally first. In meetings, managers and HR discuss who could be considered for which key positions, based on transparent criteria, where diversity and inclusion are front and center. This planning is essential with the expected wave of baby boomer retirements. Strategic succession planning is particularly key as many incumbent leaders will likely retire in the next few years.

Train the next generation and lighten the load for leaders: Use leadership tandems to pair senior leaders with diverse junior talents. This allows a less experienced person to gain leadership experience and develop leadership skills while the more experienced expert is freed from leadership tasks. This way, you can also ensure that knowledge is shared NOW, so it won't be lost as baby boomer leaders retire in the coming years.

"Share the care" to change norms around leadership: Implement gender-equitable parental leave and support policies and encourage men to make use of them. Highlight male leaders who work less than full time and take on family care responsibilities as role models. This helps even the playing field in the key career years and shift perspective on who is considered a future leader.

NO REAL EVIDENCE OF "LIVED" I&D REALITY

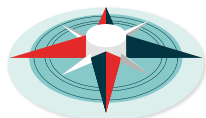
The Gender Maturity Compass is a unique model that measures and maps cross-company progress along the four stages that organizations typically undergo as they move towards building I&D maturity. It includes inclusion & diversity metrics (recruitment, retention and promotion rates) as well as inclusive HR practices along the employee lifecycle. As such, the Gender Maturity Compass provides a more holistic snapshot of 'lived' I&D reality and culture underpinning the face of leadership.

Distribution of participating companies across the Gender Maturity Compass stages

WE ADVANCE

3% of companies reach stage IV

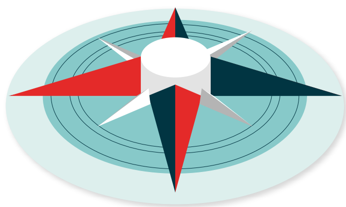
1% 2021



WE PROMOTE

7% of companies reach stage III

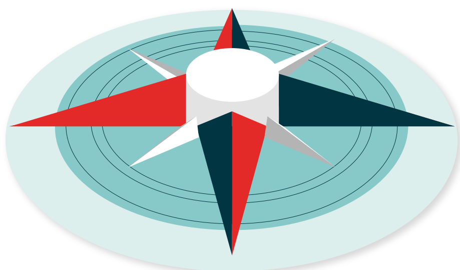
8% 2021



WE ACT

31% of companies reach stage II

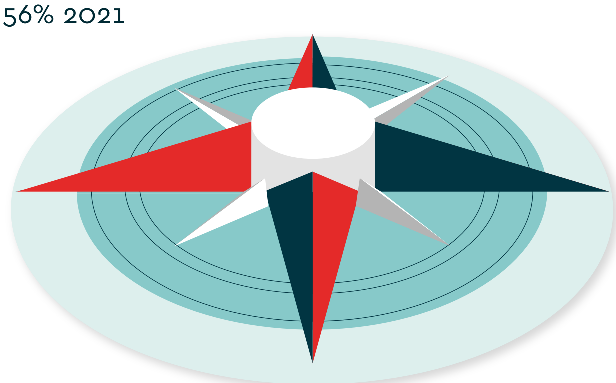
25% 2021



WE COMMIT

67% of companies reach stage I

56% 2021



Gender Maturity Compass shows: Inclusion and diversity are not lived values

As becomes clear at one glance, most companies in Switzerland still have a long way to go to reach gender maturity.

- Barely any of the participating companies show a high degree of gender maturity (3% at stage IV, 'we advance').
- Despite their best intentions, most organizations remain stuck in low maturity stages largely due to systemic reasons. Thus, structures, processes and inclusive culture necessary for a fully equal opportunities workplace are not yet in place.
- Many Swiss companies don't even make it onto the compass as they have not declared a clear intent to actively embark on their inclusion & diversity journey.
- Advance member companies do better than non-Advance members: Almost all stage III companies and all IV companies are members of Advance.

Evidence-based model along 4 stages of progress

Stage I – WE COMMIT

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

- The company has performed an I&D-focused analysis by participating in the St. Gallen Diversity Benchmarking.
- The company has performed an equal salary analysis.
- The company has formulated a gender diversity strategy.
- The company has measurable I&D goals.
- Top-down support for gender diversity is strongly perceived in the organization.
- The company has publicly committed to gender diversity.

Stage II – WE ACT

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

- The company hires proportionally more women than are already employed, also for management positions.[6]
- There are no substantial differences between the turnover rates of men and women.
- There is I&D or unconscious bias training for employees and managers.
- The company offers at least three flexible working options.
- There is regular reporting on gender I&D.

[6] Unless the company already has a gender-balanced workforce

Stage III – WE PROMOTE

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

- Women's promotion rates reflect their share in the workforce.
- Women and men have similar employment rates. To reach management positions, women do not have to increase their employment percentage more than men.
- Diversity is a requirement in talent management and there are programs to support women's careers such as empowerment trainings, coaching and mentoring.

Stage IV – WE ADVANCE

The company is now a truly diverse and inclusive place of work. The gender distribution across all hierarchical levels resembles a cylinder rather than a pyramid: Men and women are represented at all hierarchical levels at similar rates.

- Women are represented at similar rates across all hierarchical levels.
- Women represent at least one third of the top management team.
- Managers have I&D goals. Ideally, this is reflected in performance evaluations and rewards programs.
- I&D is part of the core business strategy.
- The company offers parental leave beyond the federal mandate.
- The company uses gender-inclusive language.

HOW TO CHAMPION INCLUSIVE LEADERSHIP

Inclusive leadership is one of the keys to sustainable talent management. Only through inclusive leadership can diverse talents truly thrive and become empowered. The path to inclusive leadership takes two things: 1. Organizational structures and policies that prioritize and reward inclusive leadership 2. Leaders who take ownership of building an inclusive culture. These are two sides of the same coin and reinforce one another.

Championing inclusive leadership at the organizational level

READ MORE

Championing inclusive leadership at the individual level

READ MORE

CHAMPIONING INCLUSIVE LEADERSHIP AT THE ORGANIZATIO-NAL LEVEL

For organizations to harness the benefits of inclusive leadership, formal processes and programs must be in place that enable and champion inclusive leadership in a psychologically safe environment. The key is unwavering organizational support, transparency, and documentation around critical mechanisms.

Empower managers to be inclusive leaders ...

To reach organizational goals and KPIs regarding inclusion, the organization must create the conditions for leaders to be empowered with the knowledge of inclusion. This empowerment enables all employees to work towards the company's shared vision of an inclusive culture.

Teach leaders what it means to be inclusive

Utilize (internal or external) experts to empower leaders to understand what inclusion means, in a setting where they can ask questions and learn without the fear of repercussions.

> Set a minimum requirement that all leaders receive basic training on diversity and inclusion. Focus training on key themes of inclusion: to recognize the diverse needs of employees, how to create psychologically safe environments, value employees, and facilitate belongingness (Perry et al., 2021).

Tie inclusion indicators into performance criteria, reviews, and rewards

Inclusion indicators should be known and agreed to by all managers, so leaders fully understand what is expected of them. Goals should be specific and measurable.

> Use inclusion indicators in performance reviews. Reviews should measure how well a team trusts their manager, whether the manager creates a climate of psychological safety, if the manager treats everyone fairly, and how valued employees feel.

> Utilize 360° performance reviews (or similar) that allow for feedback from supervisors, peers, and employees.

> Link inclusion KPIs to tenable and transparent rewards for promotions and bonuses, which further ties inclusion into important HR processes and normalizes it.

... and hold "excluders" accountable

Organizations need to hold leaders who consciously choose to exclude others accountable. Excluders may create more inequality through disadvantages in hiring and promotions and workplace policies (Gloor et al., 2021). What can organizations do about these managers?

Establish a clear and transparent definition of inclusion and exclusion

While creating an inclusive environment, let employees know what actions are inclusive and not inclusive. This means explaining clearly what is not acceptable. For example, such actions as inviting only certain team members to after-work drinks or ignoring certain religious holidays to schedule work events can result in employees feeling ostracized and undervalued.

Take employees by their word – if an employee mentions exclusionary behavior by their supervisor (i.e., my boss only has lunch with the men on our team), this is cause for concern and an indicator that the leader is not meeting the inclusive standards of the organization.

Derive clearly stated actions, policies, and consequences for exclusive behavior commensurate with the type of offense and whether it constitutes a pattern of behavior. All managers and employees should know these. Ignorance should never be an excuse!

Use an intersectional focus in your gender equality efforts

Keep in mind that excluders can be other women as well, who are in key management or token positions (Derks et al., 2016). They may purposefully and unconsciously prevent other women from getting hired. For example, in Switzerland, a common excuse used by excluders to avoid hiring women of color is, "there just aren't enough of them who speak German." This statement shows the ignorance that comes with the assumption that there are not enough women of color who speak German. The dismissal of women of color, even if the assumption is correct, precludes excluders from taking action. That is: make the effort to look for women of color who speak German or creating a pathway (i.e., German classes) for non-German speakers to enter the organization successfully.

Invite the participation of women of color and other minority groups, either from an internal team or external organization, in relevant policymaking. This ensures the same strategy focused on gender equality is not simultaneously perpetuating racism or homophobia.

Create a zero-tolerance policy for non-intersectional, exclusionary excuses when looking to create inclusive environments.

Enact policies that immediately address overt discrimination

For inclusive organizations, it is vital to immediately handle overt acts of discrimination in a way that ensures victims know they are valued. Have a proper reporting procedure for the victim, either anonymously or not, to raise the issue (Sue et al., 2007).

Build structures for leaders to directly impact inclusion and retain talent

As seen in the Big Picture results, organizations have more diversity than inclusion initiatives. While there may be programs that focus on increasing diversity, there is a lack of those that directly impact inclusion. So, what do programs that champion inclusion look like in practice?

Incorporate traditional mentorship to enhance inclusive individual development

For leadership and talent retention of women, utilize a formal traditional mentorship program that specifically targets them. A company which is using mentoring strategically is KPMG, whose cross-divisional program targets mentees to build the senior female leadership pipeline. For inspiration click here.

Define a minimum number of hours/meetings for senior leaders to spend as mentors to ensure they take the time to develop female employees. Mentees should be able to drive the topic selection during sessions.

If possible, match mentors with mentees who can identify with them, as representation does have a significant positive impact in traditional mentorship programs (Ijoma et al., 2022).

Ensure mentors are appropriately trained to empathize with mentees from underrepresented groups (click here to read more). If not, mentors may perpetuate the same systems of inequality the organization is looking to stop (Janssens & Steyeart, 2020).

Leverage reverse mentorship to live inclusion in practice

Reverse mentorship uses the perspective of an employee from an underrepresented group (i.e., gender, race/ethnicity, disability, or an intersectional approach) to help a senior leader (the mentee) gain a deeper understanding of their employees' experiences. The knowledge from these experiences enhances the mentee's decision-making, allowing them to be more inclusive and equitable.

> Emphasize that reverse mentorship provides benefits for mentors too. For mentors, benefits come from an increased network (this does benefit mentees as well) and a feeling of affirmation and encouragement (Murphy, 2012).

> Set up your reverse mentorship program so that topics discussed are chosen by the mentor (unlike with traditional mentorship programs).

Support diverse employees through ERGs – with leaders on board

Through ERGs, the organization formally acknowledges underrepresented groups and values the uniqueness of those employees. Inclusive organizations can leverage the collective voices from an ERG to improve the work environment and experience for those people (Green, 2018).

> Require senior leaders to give a platform for these voices. This involvement can come from an executive sponsor, a senior leader who may not be a member of the underrepresented group but has a complete buy-in for the mission and vision of the ERG.

> Leverage and advertise ERGs as a community of learning for your organization. Though the burden should not be placed on employees in the ERG to educate others obligatorily, learning may occur through sharing experiences (Green, 2018).

Make inclusive leadership the cornerstone in hiring diverse talent

Once a culture of inclusion is established, potential employees should notice this culture upon seeing the company website, advertisements, or job postings. This external display of championing inclusion will help attract and hire inclusive candidates who will become the leaders that sustain this culture. What comprises this inclusion when hiring diverse talent?

Make gender-inclusive language the norm

Gender-inclusive language goes beyond the use of pronouns and word endings (though this is crucial). It's about communicating your company's inclusion values and addressing a vast, diverse candidate pool. How the role and ideal candidate are described can communicate unconscious biases and inadvertently address only a small segment of the diverse candidate pool (Walters, 2017).

> Avoid focusing on phrases such as "ambitious leader," "headstrong communicator," "marketing rockstar," and "coding ninja." These adjectives carry masculine connotations and can discourage women from applying to roles.

Focus on (inclusion) skills, not proxies

Focus on the actual skills your ideal candidate would bring to the table to fill the role rather than proxies, such as a specific type of education or years of experience, which says little about an employee's actual skillset.

> Skills-based advertising allows you to consider candidates with diverse backgrounds (i.e., non-traditional schooling) and experiences who may have the skillset you need (Walters, 2017).

> List the inclusion skills you want and need in future leaders and team members.

Interviews as "make or break" for inclusion

Interviews are the first face-to-face contact your diverse candidates have with your company, so it is the "make or break moment" where diverse candidates can be shown that they are valued and heard. Through listening, you may find in a non-traditional candidate an even more qualified candidate than one who seemed to "check the boxes." These interviews are also an opportunity for your organization to see how inclusive candidates are. Notice what behaviors (inclusive or exclusive) candidates exhibit during the interview.

- Train interviewers to conduct inclusive interviews. Criteria must be pre-determined before the interview, so interviewers do not fall prey to biases (Uhlman & Cohen, 2005).
- Design interview processes that allow diverse candidates to show their full potential. Rather than focusing on the candidate's physical appearance, focus on their qualifications and potential. If items from their CV seem unique (work gaps or non-traditional roles), allow them to explain themselves and their situation thoroughly.
- Communicate clearly how your organization champions inclusion and how you support different minority groups.

Emphasize representation

Can future employees see themselves in your organization? Even if there is a balance between men and women in company pictures, are these people all White? If so, you may be excluding potential talent without realizing it.

- Create an organizational vision for the culture and employee makeup you would like for the future and normalize that in the present. Include not just women but women from an intersectional view (women of color, with disabilities, from the LGBTQ+ community, different religions, etc.).
- Allow potential employees to speak with employees from the same underrepresented group during a visit. If this is not possible because of the current lack of diversity, explain to incoming candidates how the organization will support them without them becoming token hires.
- Be authentic in showing the organization. Do not have stock photos of non-employees just to "check the box." If the representation is not currently in the organization, be transparent about how the company plans to increase the representation of underrepresented groups.

CHAMPIONING INCLUSIVE LEADERSHIP AT THE INDIVIDUAL LEVEL

Though organizations may put in formal processes to drive inclusion, the catalyst for this cultural shift comes from leaders who choose to be inclusive and become multipliers of inclusion. By providing an inclusive and psychologically safe space, leaders create the conditions for more employee benefits (psychological safety is wh en employees know there is safety when taking risks in a business setting (Javed et al., 2019)). When employees trust their leadership, they are more willing to voice their opinion.

We propose to become a more inclusive leader by utilizing the **CCDI's House of Inclusive Leadership** framework. The framework consists of four dimensions that allow leaders to understand the steps to become inclusive. These are: 1. Become Informed 2. Gain Insight 3. Mitigate Issues 4. Create Inspiration.

Become Informed

An inclusive leader values their employees. This value is derived from an understanding of individual employees and what those individuals may experience in professional and personal settings. It is essential to become more informed on past and present systemic and institutional injustices to create a better future for all.

Read and educate yourself

The key is *yourself*. Being an inclusive leader means taking the initiative to learn more on your own. Read literature written (or other media created) from the perspective of people from marginalized groups. Reading these perspectives allows empathetic employers to understand a topic's history and context better without putting the burden on employees to educate their leadership about embodied experiences.

> Read a book (and reflect on it!) such as *So You Want to Talk About Race* by Ijeoma Oluo (a Black woman with the lived experience and expertise to discuss racism).

> Podcasts such as #Our_racism allow leaders to hear directly from diverse voices without pressuring their employees to share experiences.

Gain Insight

In knowing the experiences faced by their employees, inclusive leaders gain fundamental insights into the experiences in their team and potential issues in the workplace. To gain insight, leaders need to become active listeners. Yet, upon listening to their employees, how may leaders best communicate their understanding, so employees know they are valued?

Listen to lived experiences

Personal stories allow leaders who actively listen to gain insight and better empathize with employees from under-represented groups.

Build trust with your employees to create a comfortable climate where they are willing to share experiences. Actively listen to these stories and take in the words without looking to respond immediately.
A company where listening is crucial to the success of their gender equality agenda is MSD. "Listening circles" have been established across hierarchies and divisions to really hear what employees need to feel fulfilled in their careers. For inspiration click here.

Be patient and respectful as employees share their experiences, especially when these experiences deal with past trauma. Provide safe spaces where employees can volunteer their stories, such as reverse mentorship or ERG meetings.

Practice nonviolent communication
Nonviolent communication assumes that all of us as individuals are inherently nonviolent and can communicate as such (Rosenberg, 1999). This type of communication is incredibly helpful in gaining insight into employees' lives because it allows them to express a need and find a solution to that need.

When an employee experiences or is involved in a conflict or issue, keep an objective view rather than draw conclusions about who is at fault.

When speaking with the employee about the situation, be mindful of how the employee may feel. This does not need to be a complicated question – a simple "How are you feeling about what happened?" may suffice.

Listen and recognize which employee needs may not be met, given the situation.

Mitigate Issues

Listening and talking aren't enough – action is needed. After gaining insight into the lives of marginalized team members, mitigate the specific issues they may face. Mitigating these issues requires persistent action to achieve long-term cultural change.

Address your and your employees' unconscious biases
Unconscious biases are often seen in the stereotypes people have about others who are either similar or dissimilar to themselves or in the stereotypes people have about groups of people (Sander et al., 2020). These biases can then manifest through discrimination in many ways.

Before responding to someone from an underrepresented group, take the time to pause and reflect to see if your words or decisions may be coming from a biased perspective. Ask yourself, "If the person in that situation was switched with someone of a different gender or racial group, would the treatment be the same?"

Stop microaggressions when they manifest
An example of a microaggression is when a White woman clutches her purse tightly when a Black woman enters the elevator. The negative and incorrect stereotype the White woman has (that Black people are criminals) creates the microaggression. These types of actions come from unconscious biases and are displayed through subtle actions.

While simultaneously working on their unconscious biases, leaders need to recognize (in themselves and employees) microaggressions and train themselves and their team members to stop them.

Don't gaslight
Gaslighting often occurs when a person or the validity of their experience is questioned in a way that creates doubt in their reality (Abramson, 2014). A typical example of gaslighting in organizations is the question, "Are you really sure?" However, another question that gaslights people of color, yet may be initially seen as innocent, is "Where are you originally from?" This statement questions the person's "Swissness," making them question their level of belonging and inclusion.

> Let all employees know that claims of discrimination will be taken seriously and seen as valid.

> Empathize with victims of gaslighting, as without empathy, you may fall prey to your privilege and end up gaslighting as well.

Be an inclusive reviewer

Word performance criteria and reviews in a way that emphasizes non-discrimination and encourages inclusion (encouraging good behavior). A positive example is, "Employee exceeds the standard by including voices of all team members during meetings" (i.e., fair treatment of everyone).

Create Inspiration

The final key to being an inclusive leader is to create inspiration and be a role model. This inspiration is done through two inclusive avenues, valuing the uniqueness of each employee, and fostering a sense of belonging (Shore et al., 2011).

Be an ally

Allyship is a phenomenal way to demonstrate care, concern, and value for employees. To be an ally means that a leader is using their position of privilege to be an advocate for employees of marginalized or underrepresented groups. A company which offers a best practice on allyship and how to engage men in gender equality is UBS, through their All Bar None Male Allies program. For inspiration click here.

> In team meetings, ask or direct questions to those from underrepresented groups to ensure they can share their perspective. Allies do not need to be the voice for these employees. Instead, they create the space to empower employees to speak for themselves.

> Be an ally by supporting company inclusion initiatives. For example, attend ERG meetings and events to listen to and show support for their employees.

Step up to sponsorship

Sponsorship is the next level of allyship. Sponsors not only open the door to opportunities for employees, but they also pull employees up to opportunities not previously afforded. By being an ally or sponsor, a leader can create a more inclusive environment.

> As a sponsor, push for promotions. Recommend employees who have been traditionally overlooked for promotions and give those employees a voice where they may not have had one. A company who believes Sponsorship is the key to open the door to the next generation of female leaders is Bain & Company. For inspiration click here.

WHAT'S UNDER WAY IN ADVANCE MEMBER COMPANIES?

Learn from what works and take a read of the game changing practices and initiatives that Swiss companies are investing in for better and gender inclusive business. – Together we #advance faster!

Accenture – Recruiting Women for Cloud Infrastructure Engineering From speaker to role model – discover how to narrow the tech gap and attract more women to the industry. read more

Bain & Company – Why Sponsorship Is Our Key for the Next Generation of Female Leaders How can you push gender equality in the right direction at a faster pace? At Bain, a sponsorship program is key for ensuring the top management pipeline and retaining female leaders. read more

EY – Can Storytelling Build Psychological Safety? From storytelling to a real culture shift – learn how to use an impactful tool to change leadership behavior. read more

KPMG Switzerland – How Cross-Divisional Mentoring Positively Impacts the Senior Female Leadership Pipeline What happens if you put mentees in the driver's seat? Discover KPMG's tailored mentoring program's recipe for success. read more

MSD Switzerland (Merck, Sharp & Dohme) – How an Employee-Led Workstream Can Drive Gender Parity Involving employees pays off – learn what happens when the entire workforce sets the agenda for gender parity. read more

PWC – How to Develop an Inclusive Mindset Join the ride: Along a compelling learning journey, PWC teaches the human skills needed to develop an inclusive mindset. read more

SIX – Culture Change via the 'SIX Spirit' Trainer Community Find out how SIX takes every employee on a shared journey towards an open, inclusive and growth-oriented culture. read more

Swisscom – Ownership of Targets Drives Success How to engage divisions in owning their diversity targets? Let them set their own! read more

UBS – Fostering a Gender-Equal Workforce at UBS Find out how UBS harnesses the power of their people and cultivates collaboration between the women's employee network, the business and DE&I. read more

Vontobel – An Impactful Program for Working Parents The transition to parenthood is a high-risk time for employees. Read how Vontobel supports and retains female leaders in the ‚rush hours' of life. read more

WHAT'S UNDER WAY IN ADVANCE MEMBER COMPANIES?

LAW ON GENDER QUOTAS: SMART MEASURES REQUIRE SYSTEMATICAL MEASURE-TAKING

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For almost two years now, a law has been in effect in Switzerland that imposes gender quotas on the e-boards and boards of directors of listed companies. Companies that fall short of the set standards will soon have to explain publicly why they are not complying with them and announce measures to remedy the situation.

Do measures have to be effective?

It seems self-evident that measures must also be effective, because *"a measure is an action with the intention of achieving a certain goal."* But this definition – and one can also replace the term "intention" by "purpose" – leaves the question of effectiveness or its verification open.

Proportionality requires knowledge of key performance indicators

Our legal system recognizes the principle of proportionality. The law can therefore only require companies to take measures that enable them to achieve their goals at a reasonable cost. This is certainly reasonable in order to maintain focus. But in order to assess proportionality, one must know about effectiveness, i.e. know about what is happening exactly. But how?

A "measure" is not only an undertaking, but it can also mean "assessment". Annual studies such as this very "Gender Intelligence Report" by Advance and the Competence Centre for Diversity & Inclusion at the University of St. Gallen and the "Diversity Report Switzerland" by GetDiversity provide an important basis for determining and verifying the effectiveness of measures.

If you see year after year that Advance member firms achieve better results in terms of diversity than the non-member peer group, then the priority that member companies give to the issue of diversity, as well as the money and time they spend on it, are arguably effective.

Systematic measurement and comparison are key

If we see year after year that companies that have to adhere to quotas in laws and ratings from institutional investors have a much better mix of diverse people in their boardrooms than those that do not, then quotas are probably effective. Still: 35% of all listed companies in Switzerland still have ZERO women on their boards of directors and 58% do not have any women at all on their executive boards. Only 19% have already achieved the gender benchmark on the board of directors – 26% on the executive boards. Only 6% achieve the legally required mix in both the board of directors and the executive management. There is still a long way to go.

Investing smartly in the future

Companies that systematically diversify their talent pipeline and develop their culture of collaboration toward inclusion so that diversity can take effect at all levels within the company already have an advantage in the tight labor market. Finding and retaining good specialists and managers is becoming a strategic advantage for companies. Those who systematically invest in diversity and the culture of inclusion today will be rewarded with compound interest in the labor market and in company value.

COURAGE: RIGHT AT THE HEART OF THE MATTER

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What does gender-inclusion require? When it comes to mind-set, it certainly requires courageous leaders. Leaders who will challenge the status quo, be open to question their own biases and are willing to provide safe spaces for leaders different to themselves to develop and demonstrate their capabilities. Yet, how prevalent is courage in leadership today?

In 2021, the management consulting firm Kienbaum did a study investigating courage at the workplace. Their research led them to define leaders as courageous when they demonstrated both determination and value orientation. The report confirmed a positive correlation of courage with business performance. However, they found that only 12% of participants in their study displayed courage as measured by their definition. This amounts to little more than 1 in 10 leaders. Why is courage rare?

Corporate culture – stifling or fostering courage?

The same study by Kienbaum linked courageous behaviors with companies' corporate culture and particularly with having a clear purpose, encouraging trust, feedback, accountability and having the ability to handle setbacks. This aligns with the concept of psychological safety as studied by Dr. Amy Edmondson as well as with the findings by Dr. Brené Brown, published in her book «Dare to Lead». Yet, a 2017 Gallup study found that only 3 out of 10 US workers strongly agree that their opinions seem to count at their jobs. Corporate culture will have often stifled courage in the past. To turn this around, it is key to consciously invest into corporate cultures to encourage courageous behaviors.

Hot to fix the courage gap?

We have not been developing (enough) the skill sets associated with courage. In 2021, The McKinsey Global Institute published a study into the required top future skills for leaders and to what degree these are associated with different levels of education. The study results showed that the skills required to develop the above-mentioned culture have low or even negative association with higher education levels: these include 'courage and risk-taking', 'inspiring trust' and 'coping with uncertainty'. Our business education systems have not been developing these leadership skills adequately. This leads us to where to put our focus if we want to build courage and courageous cultures. We need to invest in building up courageous leadership skills. The good news is that these skills can be learned, measured, and observed. Dare to Lead TM is one approach to do so.

"Courage is contagious. A critical mass of brave leaders is the foundation of an intentionally courageous culture." – Brené Brown

Let's be bold – together!

Going back to the above, courage links with better financial performance. So, under a traditional investment rationale, there is already a clear reason why organizations would want to invest in these skills. Similarly, the global challenges regarding climate change, the human challenges regarding wellbeing, plus the need for ensuring financial and political stability, highlight the need to be bold(er) in our societies and businesses to find new solutions in a collaborative manner. This requires courageous cultures, curiosity and (gender) diverse thought-leadership. – We are on the way. Let's speed up together!

DEI: IT'S ABOUT TIME (BEFORE WE'RE OUT OF TIME)

Organizations' lack of progress on Diversity, Equity, and Inclusion (DEI) is often attributed to "unconscious bias" or "pipeline problems". These DEI buzzwords have gained traction over the last decades, likely because they're easily addressed with a quick training and they place the onus of solving the problem elsewhere. But, as we've seen in recent years—even in the 2021 Gender Intelligence Report's (GIR's) sadly stagnant share of women in leadership—this isn't enough. And perhaps more importantly: this isn't sustainable.

"Grand challenges like climate change are knocking at our door, but to accelerate progress here, too, we need to make the most of our trained (female) talents' input, creativity, and innovation."

Prof. Dr. Jamie L. Gloor
Assistant Professor

Read more:
We Can't Fight Climate Change Without Fighting for Gender Equity
What to Do About Employees Who Consciously Exclude Women
Diversity dos and don'ts: Gender equality by design

Indeed, women might be more affected by climate change and related phenomena, but women might also be uniquely positioned to proactively address the **climate and related crises**. For example, on average, women have smaller **carbon footprints** than men, **more-responsible attitudes** towards climate change, and greater interest in protecting the environment. So, paired with their more compassionate, collaborative, and communicative **leadership**, female leaders may be **well-positioned** to lead effectively in such crises.

To do so will require bold leadership, accurate evidence, and a dash of humility to find and fix the problematic people, practices, and even **"myths"** that mire organizations in the past, perpetuate inequalities, and constrain our future. For example, women should be able to pursue diversity and sustainability strategies and initiatives without backlash – but of course these issues are so critical and pressing, requiring **men's care**, concern, and involvement as well. But evidence is needed to facilitate effectiveness in these areas, and we often lack even **basic data**. Thus, we need coordinated, data-informed **efforts** from leaders and employees, finance, D&I, and sustainability teams, because input from various stakeholders is the best recipe for long-term progress and success.

With *your* motivation and partnership, paired with the consistent, close monitoring of the annual GIR, we at the CCDI and at Advance, can make measurable and meaningful progress together. After all, it's about time for leaders to step up their sincere, evidence-informed DEI efforts before we're all out of time.

WOMEN & FINANCES – CLOSE THE GAPS!

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What's the difference between female and male "money biographies"? The "money life" of a man is sketched quickly: One straight line, pointing up. The typical man steadily accumulates more money in his life, increasing what he makes and invests.

A woman's financial life, on the other hand, resembles a tangled curve with some ups, but mostly downs. It is marked by interruptions, gaps, phases without money full of part-time work or unpaid care work for children, parents or dependents. The financial life of the average woman is at a lower level early on and never swings back up to the heights of a man's, ending up in a "pension gap" of 37 percent.

Financial self-sufficiency must become the norm

The money "gaps" in women's lives start with pocket money, continue through wages and investments, among other things, and end with lower retirement benefits. The gaps are numerous and reinforce each other throughout women's lives. With which result? 56 percent of women in Switzerland cannot keep one's head above water financially, and this in the second richest country in the world. This hinders independence and leads to dependency on men – making money the last front line in terms of equality.

> **"Women know a lot more about money than they think and should take financial matters into their own hands."**

Who wants to wait for system change?

Both the tax and social security systems in Switzerland contribute significantly to these money gaps. The problems are well known: For example, an initiative for individual taxation is underway. On the other hand, the abolition of the coordination deduction, which deprives part-time workers and poorly paid women of their pension money, was defeated despite 35 years of fight. The parental leave initiative was also rejected. Parliament is still male dominated. Political system change takes time – time that women do not have. That's why knowledge and education about the gaps – and how to close them in your own life – are enormously important.

Close the gaps – now!

Women know a lot more about money than they think and should take financial matters into their own hands. Waiting for the system to change is not going to help anyone. Only those who know the money gaps can close them or, better yet, avoid them. "Know the gaps, mind the gaps, and close the gaps!"

UNDERSTAND THE IMPACT OF COLORISM

Colorism is a form of discrimination that occurs due to people from the same racial group having different skin tones. This type of discrimination is rooted in racism. Those from a racial group who have lighter skin tones are perceived to be more privileged as their looks are more accepting in places that are White controlled. From an intersectional point, colorism is more injurious to women of color than men. In the workplace this is, for example, evident in the bias of management against Black women with natural hair compared to those with straight hair (Koval & Rosette, 2021). Due to increased privilege, lighter skin toned people may treat those who have darker skin tones worse than their White counterparts. There is an incentive for lighter skin toned members of a racial group to adopt styles that make them even more "White passing" in many academic or professional environments. The treatment of Black girls in high school demonstrates the impact of colorism. Hannon, De Fina, and Bruch (2013) showed that among these girls, those who were darker skin toned were three times more likely to be suspended than their light-skinned peers.

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"An organization that is anti-colorist nullifies the traditional (White) European ethnocentric standards that cause the marginalization of people of color, and embraces a true intersectional approach to inclusion."

Understanding colorism is essential for inclusive leaders in Swiss businesses. Leaders need to recognize when they may be complicit in colorism, and create the environment to overcome it. This mitigation of colorism will allow women of color the psychological safety to be themselves without fear of discrimination due to their skin tone or hairstyle.

One last point on the topic of hair – if you are an ally never ask a Black person if you can touch their hair (yes it happens).

MALE LEADERS AND THEIR ESSENTIAL CONTRIBUTION TO GENDER EQUALITY IN BUSINESS

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Male managers shape equality! Does that sound utopian to you? Or provocative? Or even laughable? In any case – hardly realistic? Then it's time to think again. There is no question that the role of men in discussions about equality has been limited to being part of the problem. But they are an important part of the solution!

It is important to have male managers on board, because the majority of managers are still male. And the much-needed organizational change requires the commitment of executives. Without them, sustainable change is unthinkable. In addition, equality of opportunity has been commonly understood to mean that only women need to make changes. With this limiting focus, however, cultural change or a transformation of corporate structures are hardly possible. With this kind of approach, equality work remains a "women's issue" that has nothing to do with men (and can have nothing to do with them!).

Male leaders champion equality!

If you ask the executives directly – and this is what we have done with our project "Leaders for Equality: Managers Taking Opportunities" – a fascinating picture emerges: Men in executive positions consider the topic to be very important, are motivated and in many cases are already active! Male executives see the business case, the economic advantages that arise for the company from strengthening equal opportunities. And they see it as an imperative of fairness to work for equal opportunities. The status quo of underrepresentation of women is perceived as unfair by 90% of the men we surveyed.

However, often there is (for now) a lack of concrete knowledge about what exactly should or could be done. Men are often unsure whether they are doing the right thing. The comparison with their female colleagues also shows that they overestimate their commitment.

Knowledge of gender-inclusive leadership practices is an important lever here for making male managers fit for the current challenges of equal opportunity work.

Where in their companies are the managers already taking concrete steps? And how can that commitment be strengthened and expanded? The answers to these questions can be found and developed with an organizational diagnostics and professionally moderated dialogues.

APPROACH FOR ANALYSIS

Sample

We analyzed the HR data of 385'000 employees from 104 companies and organizations in Switzerland, of which 132'000 employees are in management positions. 67 organizations are Advance member companies, of which 35 also participated in the St.Gallen Diversity Benchmarking, meaning that they invest in an annual detailed analysis of their HR data and compare their results with those of their peers. 32 organizations participated in the St.Gallen Diversity Benchmarking only and are not Advance member companies.

Unique data set

The Advance & HSG Gender Intelligence Report is the only report in Switzerland that is based on anonymized raw data provided by participating companies on a yearly basis. Consistent key performance indicators (KPIs) using the same formula and the same type of data for all companies have been calculated, which provide transparency on the progress of gender diversity in the Swiss workplace. The methodology allows for an objective, transparent comparison of results between companies. For companies interested in a more detailed analysis of their performance on such KPIs, the St. Gallen Diversity Benchmarking allows deeper in-company analysis and cross-company comparison.

Hierarchical levels

The analysis is based on five hierarchical levels: nonmanagement, lowest management, lower management, middle management and top management. They are defined according to the Swiss Earnings Structure Survey of the Federal Statistical Office and are also used by Logib, the Federal Government's equal pay self-test tool.

How to interpret your company's metrics

To illustrate progress or setbacks, we work with indices which we also recommend using when you interpret your own company's diversity KPIs. We are often asked how to interpret results, set internal diversity benchmarks or how to evaluate HR numbers. Here is how we do it in this report:

We compare the gender distribution at every step along the employee life cycle (i.e. new hires, departures, promotions etc.) with the existing gender distribution in the relevant group. For instance, to assess whether women are hired for management positions at an adequate rate, we compare the gender ratio of newly hired female managers with the gender ratio of the female managers already working in the company. For example: Today, a company has a 23% share of women in middle management.

This rate could be improved if more than 23% of new hires for this level were women. This practice establishes how results from recruitment, promotions and turnover impact the existing gender distributions in the companies. Thus, you can see at one glance whether a result has a positive or negative effect on women's representation.

Industry analyses

The Gender Intelligence Report 2022 includes analyses by industry. To do this, participating companies were sorted into 7 industries: banking, consulting, insurance, media, MEM, pharma/med-tech and Public sector. Organizations were sorted into the industry that fit best. A handful of companies could not be assigned to any industry because there were not enough participating companies from their industry to build a sample of sufficient size.

A note on nomenclature: "MEM" industries, as used in this report, includes not only the "typical" machine, electrical, and mechanical engineering companies but also other companies with similar structures and in related fields.

I&D Questionnaire

This year's Gender Intelligence Report also includes metrics derived from an organization-level questionnaire. The questions aim to reveal implemented I&D measures (such as diversity and inclusion goals or I&D or unconscious bias trainings) and policies (such as a sexual harassment policy). One representative (usually placed in an I&D and / or HR function) filled out the questionnaire per organization.

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