

Women. Fast forward
The time for gender
parity is now

80 YEARS UNTIL GENDER PARITY? TIME TO FAST FORWARD.

YEARS

MONTHS

WEEKS

DAYS

HOURS

MINUTES

SECONDS

79

11

03

04

19

59

34



EY

Building a better
working world

Introducing **Women.** Fast forward

At EY, we are determined to do our part to accelerate women's progress in the workplace. We've worked hard for many years to create effective internal and external programs focused on women's advancement and leadership around the world – and we know there is more to do. Now, we've brought all our efforts together to create one unifying accelerator. Through **Women. Fast forward** we will use our collective knowledge, experiences and convening power to push ourselves further and to do our part to accelerate the global gender parity clock.

It's time.

Share your thoughts with us at:
ey.com/womenfastforward



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Hastening change

Time passes slowly when change is overdue. The World Economic Forum in its Global Gender Gap Report 2014 estimates it will take until 2095 to achieve global gender parity in the workplace. Eighty more years until companies and governments are equally led by men and women. And 80 more years of talent pipelines and professional promise not fully realized.

It's been more than 200 years since the Industrial Revolution sent Western women into the workforce in large numbers. It's been more than 150 years since women gained access to higher education in Western countries. It's been more than 90 years in parts of Asia and 80 years in parts of South America since women gained the right to vote. And there are still many places around the world where women do not have the right to vote or hold a job, attend college, create a business or rise to leadership positions in companies or countries.

Eighty more years – that's *four generations*¹ – before women achieve gender parity in the workforce, closing the 60% gender gap for economic participation and opportunity worldwide.² It's already been too long. Must we wait so much longer?

At EY, we say no.

Now is the time to accelerate. Our latest research, in which we surveyed 400 leaders of companies from a cross-section of industries in EMEIA, Asia-Pacific and North America, reaffirms a growing awareness worldwide: men and women need to work together to accelerate that timeline, and in the process create greater economic prosperity for everyone.

The most important determinant of a country's competitiveness is its human talent – the skills and productivity of its workforce.³

World Economic Forum

Optimized talent makes economic sense

Some may ask why we should act – is this just a “feel-good” exercise?

Absolutely not. **It's an economic imperative.** The world economy is driven by sustainable value and business growth, which depend upon attracting, optimizing and retaining all talent. It's in every organization's and every nation's best economic interest to fully utilize and optimize the talents of women.

A 2013 report by the World Economic Forum states, “The most important determinant of a country's competitiveness is its human talent – the skills and productivity of its workforce.”³ There's a large and growing body of research, including a new survey we commissioned from Longitude Research, delivering unassailable proof that accelerating women's advancement in the workplace and creating gender-balanced teams, boards and governments produce better outcomes and create prosperity. This should come as no surprise – that's half of the overall talent in the world that would become fully engaged and utilized, creating

and delivering products and services, while investing money back into the economy, families and savings.

Let's recap some of the highlights of recent research:

► **More equality → higher GDP.** There is a positive correlation between GDP per capita and gender equality. In fact, raising the female labor force participation rate to male participation rates would have a positive net impact on GDP in both developing and developed countries.^{4, 5, 6} For example, India's GDP would rise an estimated 27%.⁷

► **More equality → more productivity.** Worldwide, women in the workforce contribute both directly and indirectly to productivity gains. Indirect gains come from their greater investment in their children's health, education, welfare and other success drivers.⁸ The direct gains can be great as well. Male-dominated industries could increase their productivity in many countries by 3% to 25% through improved female labor force participation.⁹

► **Better gender balance on boards → better share price and financial performance.**

From 2005 to 2014, boards with a higher-than-average percentage of women outperformed those with fewer than average by 36%.¹⁰ Companies with women board members also outperform those without in return on equity, net income growth and price-to-book value.¹¹

► **More gender-balanced leadership → better all-around performance.** Companies with more women in leadership increase focus on corporate governance, corporate responsibility, talent dynamics and market acuity.¹²

► **More women political leaders → more prosperity.** When women are elected to office in countries with internal unrest, these economies can experience a significant boost compared with results under male leaders.¹³

We could fill many pages with research and statistics that prove the economic value of women's talent being fully engaged in the workplace. But more research alone won't shorten that 80-year timeline.



As we think about the keys to growth, we realize businesses, nations and economies cannot afford to wait another 80 years to fully engage the talent of the world's women. For EY, as for others, accelerating women's progress is essential not only to the creation of a better working world but also to our success as a business. We're focused on making a difference for women within EY and in the wider world – and we believe it's time to accelerate our efforts.

At the heart of EY's strategy are high-performing teams. Those teams have to be diverse and inclusive. As leaders, we're responsible for setting the right tone. We have to help people understand why diversity and inclusiveness are important, hold ourselves accountable, and expect the men and women on our teams to work together on solutions. For instance, diverse and inclusive teams are included in one of EY's six metrics for our 10,000 partners around the world. And behind that expectation is a comprehensive plan to drive accountability throughout EY.

As an organization that operates across 150 countries, with almost 200,000 people, we also use our influence to advance women and catalyze opportunities in the broader economy. We operate programs around the world, including EY Entrepreneurial Winning Women,[™] the Worldwide Women Public Sector Leaders Network and the Women Athletes Business Network, to promote women in business and government. We study this issue and share our findings and recommendations on a regular basis.

Please join us in finding and implementing ways to fast forward to a gender-balanced workplace.

Mark Weinberger, *Global Chairman & CEO*

Synchronizing our watches

We can accelerate the rate of change if we work together. Our recent study, in which we polled leaders from 400 companies around the world, can help illuminate the way forward. These are companies with at least US\$500m in revenue, representing a cross-section of industries, and the

respondents are an equal number of managerial men and women of various ethnicities, nationalities and ages.

Respondents answered a series of questions about their own experiences and the enablers and barriers for women

in the workplace. Their observations and recommendations are enlightening, as are the practices of the highest-performing companies in the study (those that have grown by more than 20% on an annualized basis over the past three years).¹⁴

Gender equality doesn't require trade-offs; it only has benefits. And the benefits accrue to everyone, not just women and girls. Societies benefit and, as even men are beginning to understand, economies benefit, too.¹⁵

Jim Yong Kim, World Bank Group President



Common ground

From our study, it turns out that men and women have similar perceptions regarding women's potential and the enablers and obstacles to women's success. That's great news, as it means that more time needn't be wasted convincing people this is a worthy cause. Instead, we can focus on educating men and women on the most effective ways to accelerate change and how to put them into practice in a focused, synchronized and deliberate way.

It also highlights the opportunity for men and women to work together to create a third culture – one that supports different

career paths, career paces and leadership styles for everyone.

For instance, a majority of both men and women believe that more female leadership leads to stronger companies (Fig. 1). Women's top accelerator, based on personal experience, is good opportunities for progression, followed by work/life balance and flexible work arrangements (Fig. 2). This suggests that what women need most to move forward is to be able to see a clear path to leadership, followed by the means to get there.

Men also see opportunities for progression as an important accelerator for women, followed by work/life balance and flexibility.

Their first choice of enabler, however, is a supportive organizational culture. Men listed unconscious bias (26%) as the top barrier they have witnessed affecting women's acceleration, with lack of support from male leaders (24%) a close second.

This may mean that men are even more aware than previously appreciated of how an inhospitable corporate culture affects the women working around them.

Fig. 1: Do companies with female leaders perform better?

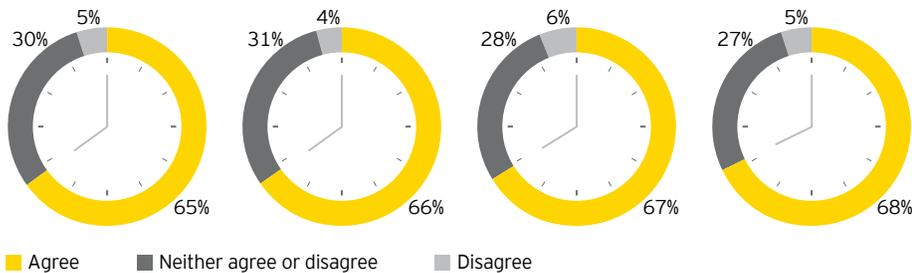
Please indicate whether you agree with the following statements.

Companies with women in senior executive leadership roles achieve better financial performance.

Companies with women on their board of directors achieve better financial performance.

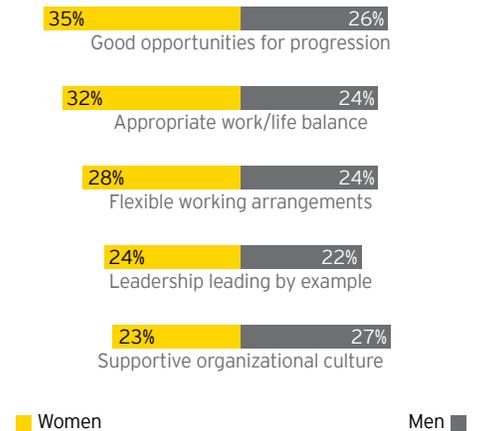
Companies with women in senior executive leadership roles achieve better non-financial performance (e.g., governance, corporate social responsibility, innovation, talent retention).

Companies with women on their board of directors achieve better non-financial performance (e.g., governance, corporate social responsibility, innovation, talent retention).



Note: Some charts may not sum to 100% due to rounding.

Fig. 2: What have you personally experienced or witnessed as the most important enablers to women's acceleration in the workplace?



High performers set the pace

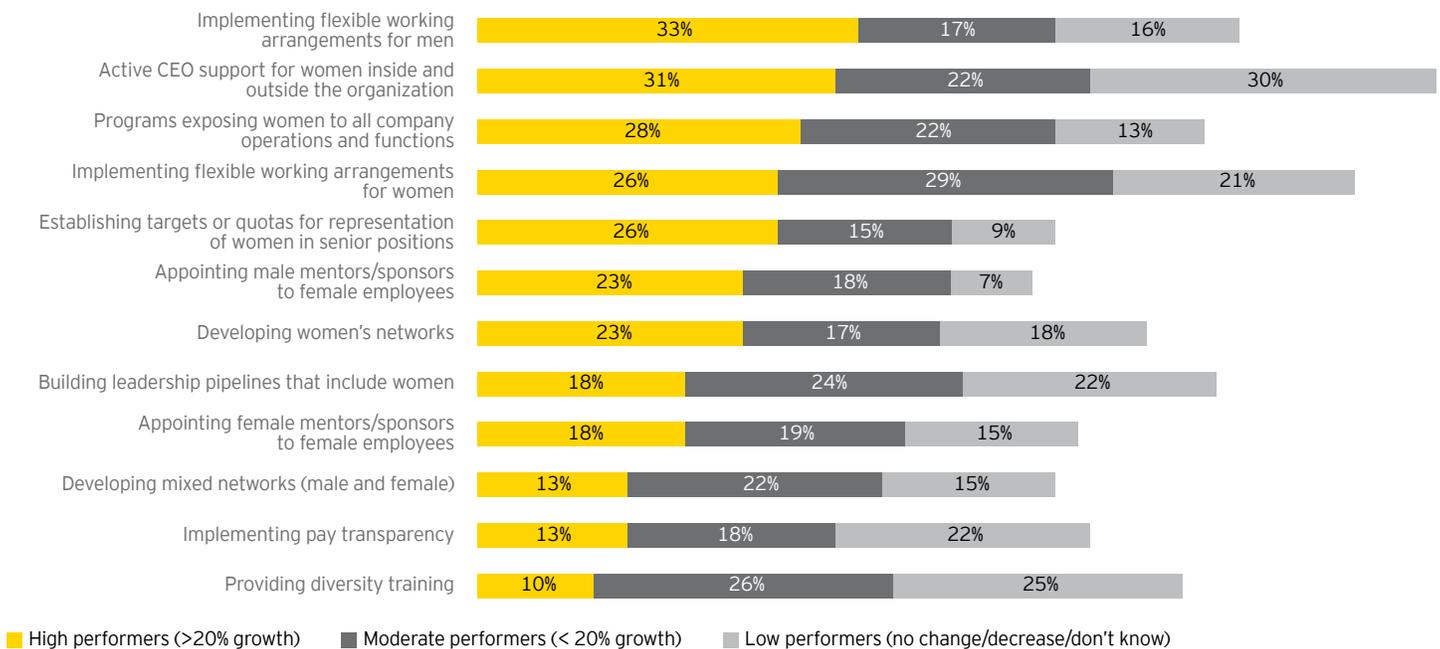
We also discovered that the highest-performing companies are doing much more to encourage the advancement of women than the lower-performing companies in our survey.

With further study, the actions of these high performers may prove to be leading practices to accelerate gender parity. The

high performers often offer flexible work arrangements for men and women, they have goals for representation of women in leadership, and they often offer programs that expose women to all company operations and functions. This helps women gain the experience and knowledge necessary to become CEO – a role that is still out of reach for many.

Placing such value on workplace equality suggests that, in and of itself, building bridges to leadership for women likely helps build a healthier company culture, which leads to better overall performance and improves the bottom line.

Fig. 3: In what ways does your company currently do the most to support women?



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 Building bridges to leadership for women likely helps build a healthier company culture, which leads to better performance and improves the bottom line.
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The experiences and knowledge we've gained in our own journey, combined with our survey results and other research, highlight some opportunities for accelerating women in the workforce:

1. Illuminate the path to leadership

There are precious few women role models at the upper echelons of leadership – just 5% of Fortune 500 CEOs are women, and a barely there 0.3% of FTSE 250 CEO slots are held by women.¹⁶ The next layer is better, but not by much. The percentage of women in senior management roles globally was 18.5% in 2013, and the majority of those were in shared services, not CFO or operational roles.¹⁷ Those roles tend to lack influence, strategy and P&L responsibility, so women miss out on the CEO training ground that the other senior roles provide. This makes the path to leadership uncertain for many women.

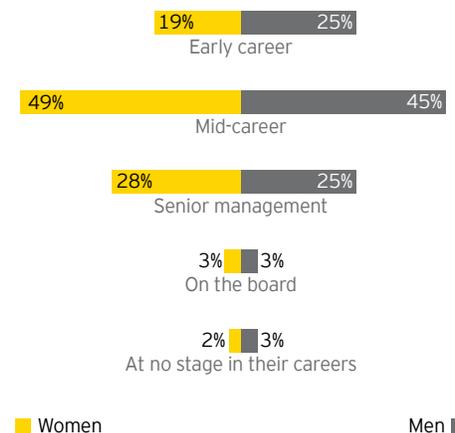
In our study, good opportunities for progression are considered a top enabler by both men (26%) and women (35%) (Fig. 2). That means two things. First, according to the experiences of women respondents, organizations must work to make the path to leadership clear to them. Both female and male respondents agree that women need to do a better job of advocating for themselves (68%), but women are also saying the organizations that employ them must illuminate what's possible and show them career opportunities that match their skills and ambition. Internal and external leadership programs can help women pursue top positions once they see the path forward.

“EY has proudly invested over the years in a number of initiatives that have meaningfully helped offer women the best opportunities and experiences to advance, and it's been better for our business,” says Karyn Twaronite, EY

Global Diversity & Inclusiveness Officer.
“We believe it's really important for any organization to be proactive in making sure women are not just sitting on slates. We may have women leaning in, but the reality is we also need companies to be there supporting and sponsoring them to do so. It's not about fixing the women – it's about fixing the environment.”

The highest-performing companies in our study help women navigate their careers in many different ways, including leadership pipeline programs, a supportive environment, measurable targets for leadership representation, appointing male sponsors to female employees and developing women's networks. These programs have an impact – 64% of high performers report that men and women have equal influence on strategy in their organizations, compared with only 43% of the lower-performing companies. This is particularly important for women in mid-career, which men and women agree is when the most intense career challenges occur (Fig. 4).

Fig. 4: At what stage do you think women are most likely to experience challenges in accelerating in their careers?



Note: Some charts may not sum to 100% due to rounding.

Knowing what top jobs are open to them, combined with an environment that expects women to occupy leadership roles, helps junior women see and believe in the path before them.

2. Speed up company culture change with progressive corporate policy

In our survey, the twin enablers of work/life balance and flexibility are second and third on the women's list of accelerators, and tied for third on men's (Fig. 2). There's good reason for that. Although rates vary by country, women around the world tend to devote more of their time to housework and caretaking of children and the elderly than men. Due to these constraints, women often take jobs with greater flexibility, which tend to be of lower quality, according to the International Labour Organization.¹⁸

But even those in the C-suite and those without caregiving tasks value flexibility. Lack of flexibility stalls careers and can cause women on the fast track to drop out or drop back. This impacts women in their 30s and 40s particularly hard – just as they should be hitting their stride at work, they are often met with challenging concurrent time demands such as young children, aging parents and increasing career and community engagement opportunities.

To combat the scarcity of time women face, the highest-performing companies in our study support flexible work arrangements for men and women. When men have more flexibility, they can devote more time to child care and household responsibilities as well as other interests. That can help free women to spend more time on their careers.



Fig. 5: What more can men do to support the advancement of women in their careers, in order to promote gender equality?

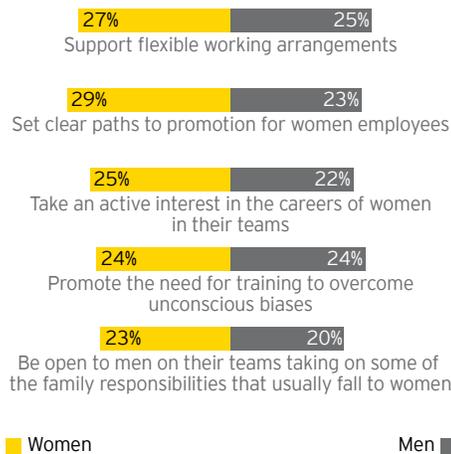


Fig. 6: What more can women do to support the advancement of women in their careers, in order to promote gender equality?



Global approaches to advancing board diversity

Based on our observation of global trends, we believe that three mutually reinforcing factors accelerate progress on increasing female representation on corporate boards: focused public sector attention, committed private sector leadership and corporate transparency to meet growing public demand for change.

As our survey indicated, gender-balancing measures in the private sector must be fully supported by senior leaders and implemented across the whole organization, with key performance measures and HR policies to help ensure that women are systematically included in recruitment and promotion pipelines.

Increased attention from public officials keeps pressure on the private sector and results in faster change. While approaches differ from one country to another – and quotas are by no means the only option – the common factor is that public officials use their platform to advocate for change. Investors can apply pressure as well when they have the information they need to hold companies accountable. Several countries have adopted disclosure standards for listed companies that include requirements to report on gender diversity policies.

What success looks like in any particular country depends on political realities and cultural norms, but it's clear that the attention of public officials and investors as well as both male and female CEOs of publicly held companies makes a difference. Collaboration and mutually reinforcing initiatives can lead to real and measurable results that will benefit companies and investors everywhere.

(For more information, read our July 2014 EY Point of View: [Women on boards: global approaches to advancing diversity.](#))

The most difficult thing is the decision to act.
The rest is merely tenacity.

Amelia Earhart, *aviation pioneer*

In recent years, we have shifted the focus at EY from effective work/life balance to effective work/life integration. Integration goes beyond formal flexible work arrangements, encouraging and supporting informal flexibility in where, when and how men and women work. Today, all of our people work flexibly, and flexibility is not limited to working parents.

Informal flexibility might mean working from home to facilitate getting to a doctor's appointment, starting work a little earlier to volunteer at a community event or leaving at a specific time to attend a school play or a family function. While the vast majority of our people work flexibly on a day-to-day basis, a number benefit from a formal flexible working arrangement regarding hours, schedules and availability.

To encourage cultural progress, flexibility must be seen as a benefit for all, not an accommodation for women. Encouragement for men and women to visibly integrate flexibility into their working lives needs to come from the top. As **EY Global Chairman & CEO Mark Weinberger** told *Time* magazine, **"You can have all the initiatives you want saying you can have flexibility, but until some of the real leaders make the choice to choose family, I don't think people feel like they have real permission to do it."**¹⁹

3. Build supportive environments and work to eliminate conscious and unconscious bias

A supportive culture throughout the organization is the top enabler of women's acceleration in their companies, according to men in our survey (27%). Moreover, companies need an active CEO who visibly supports the advancement of women. That attitude cascades throughout and manifests in a myriad of programs that support women and help combat unconscious bias (which men in our study cited as the number one barrier for women in the workplace, and women ranked as number two).

"Without a little nudge, it's easy to gravitate towards colleagues and leaders who think, look and act like we do," says Beth Brooke-Marciniak, EY Global Vice Chair - Public Policy. "Unconscious bias on the part of those in power is undoubtedly behind the glacial pace of change. In fact, I've found this same dynamic to be true in discussions of women's advancement initiatives – it's too often women only talking to other women about what needs to change."²⁰

Enlightening all men and women and educating management about conscious and unconscious bias and inclusive leadership can be done directly through management training programs. But training isn't everything. Leaders must spread an organization-wide message that

bias is unacceptable. Inclusive leadership, in which each person takes responsibility for learning about their own bias and adjusting their behavior, is what's expected.

"We have seen how truly diverse and inclusive teams – which include a balance of men and women as well as people with many other differences – stimulate innovation and generate new ways of problem-solving, all of which lead to better decision-making and results," says Uschi Schreiber, EY Chair, Global Accounts Committee & EY Vice Chair, Global Markets.

At EY, we've found one of the most effective ways to support women is through sponsorship. A sponsor's ability to help move a person to the next level is powerful. It can very quickly impact the careers of individuals and over time transform the culture of an organization.

We make sure sponsorship stays high on the agenda through a variety of informal and formal sponsorship programs and by making sponsorship, particularly of women and other underrepresented groups, part of our senior leaders' goals. Sponsorship and many other programs aimed at building a supportive environment have helped accelerate progress at EY: In 1996, women made up only 4%-6% of the partnership. Now, women comprise 20% of partners.

Taking concrete steps to create a workplace that is more supportive of women with less conscious and unconscious bias would help and encourage more women to move up the ranks.

Women. Fast forward

We recognize that we are all on a journey, and it will take time for every leader in every business in every country to embrace the full potential of women in the workforce. However, we can help accelerate that change by working together to reinvent gender roles, reset norms and provide equal opportunities for all.

The ideas presented in this report are recommended accelerators, but they are not the only ones. More work and more ideas are surely needed.

Everyone will benefit if women stay engaged in their careers and contribute their full economic value to the companies

that employ them and the nations where they live and work. Women are eager for these opportunities, and companies and countries around the world need the economic prosperity they can provide through increased productivity, better financial and all-around performance, GDP gains and more.

Let's ask ourselves what we will do to accelerate women's progress in the workplace. Eighty years – or four generations – is far too long to wait to achieve workplace gender parity and enjoy the enrichment it will offer all of us.

Great decisions shouldn't take 80 years to implement. Why wait?

ey.com/womenfastforward

**Better parity.
Better working world.**

¹ World Economic Forum, *Global Gender Gap Report 2014*.

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¹¹ Ibid.

¹² *The Business Case for Women on Boards*, Conference Board of Canada, 2012.

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¹⁴ High performers represented 10% of the study participants.

¹⁵ Jim Yong Kim, *Remarks by World Bank Group President Jim Yong Kim at CARE Conference on Gender Equality*, 5 March 2014.

¹⁶ *The CS Gender 3000: Women in Senior Management*, Credit Suisse Research Institute, September 2014; Catalyst censuses (Fortune 500 and FTSE 250), 2014.

¹⁷ Ibid.

¹⁸ *Global Employment Trends for Women*, International Labour Organization, 2012.

¹⁹ Laura Stampler, "CEO Dads Open Up About Balancing Fatherhood and Work," *TIME*, 15 September 2014.

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About our survey

General

- ▶ 400 responses
- ▶ Cross-section of industries

Regions

- ▶ 40% EMEIA
- ▶ 30% North America
- ▶ 30% Asia-Pacific

Gender

- ▶ 50% male
- ▶ 50% female

Seniority

- ▶ 100% management level
- ▶ 50% C-suite

Company size

- ▶ Minimum revenue US\$500m
- ▶ 50% over US\$1b

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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