OliverWyman

MAKING THE
INVISIBLE VISIBLE

What's really preventing breakthrough progress on women in leadership

A business of Marsh McLennan

WE NO LONGER HAVE A WOMEN IN BUSINESS PROBLEM, BUT WE DO HAVE A WOMEN IN LEADERSHIP PROBLEM

44% of the workforce is female in the US

Only **23%** of executives are female

17% of profit-and-loss-focused roles such as chief operating officer or head of sales are filled by women

Less than 5% are led by a female CEO

Sources: Global figures from Catalyst, Mercer, International Labor Organization, MSCI ESG Research

WE ESPECIALLY HAVE A WOMEN IN TECH PROBLEM—BOTH LEADERS IN TECH AND TECH ROLES ACROSS INDUSTRIES

From analysis of US data and research

25% of the IT workforce across industries is female

Only **20%** of executives at tech companies are women

13% of C-suite IT strategy roles—Chiefs of Information, Technology, or Digital—are women at large firms

Less than 5% of large public and private tech firms are led by a female CEO

MAKING
THE INVISIBLE, VISIBLE

This report builds on foundation of research over the past decade on women in leadership
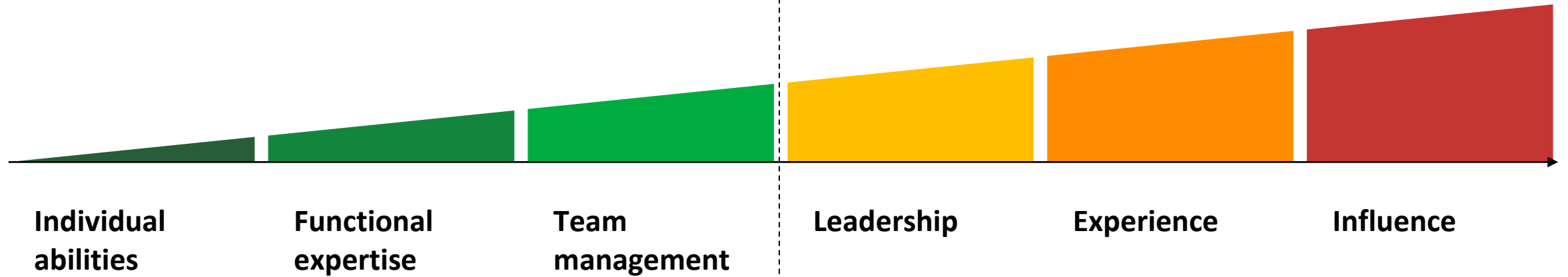
Oliver Wyman sought to identify

1 What's getting in the way?

2 How come some broke through?

3 What can be done to get better results?

WHY DO WOMEN GET "STUCK" IN THE MIDDLE?

- *Performance against discrete competencies*
- *Natural linear progression early in career*

Individual abilities · **Functional expertise** · **Team management** · **Leadership** · **Experience** · **Influence**

- *Subjectivity amplifies impact of unconscious bias*
- *Affinity and personal network play bigger role*
- *Path less direct*

KEY FINDINGS

FOUR CRITICAL BUT HIDDEN BARRIERS

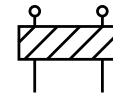Each directly affecting sustainable performance and requiring collective awareness across genders
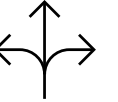
1

Leadership: Same game, different rules

2

Results don't speak for themselves

3
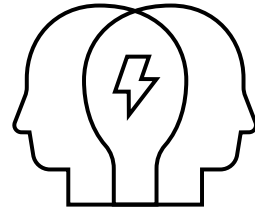
Qualified women left on the sideline

4

Implicit bias & microaggressions are exhausting

1

Leadership
Same game, different rules

Women value and espouse different leadership traits than men

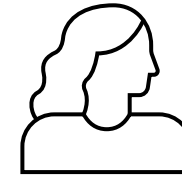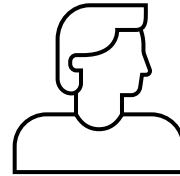… but women's leadership readiness is **judged by senior men** who put weight on traits *they* find important

…leaving women **to conform or opt out, frustrated**

1

Leadership
Same game, different rules

What three traits define an effective leader?

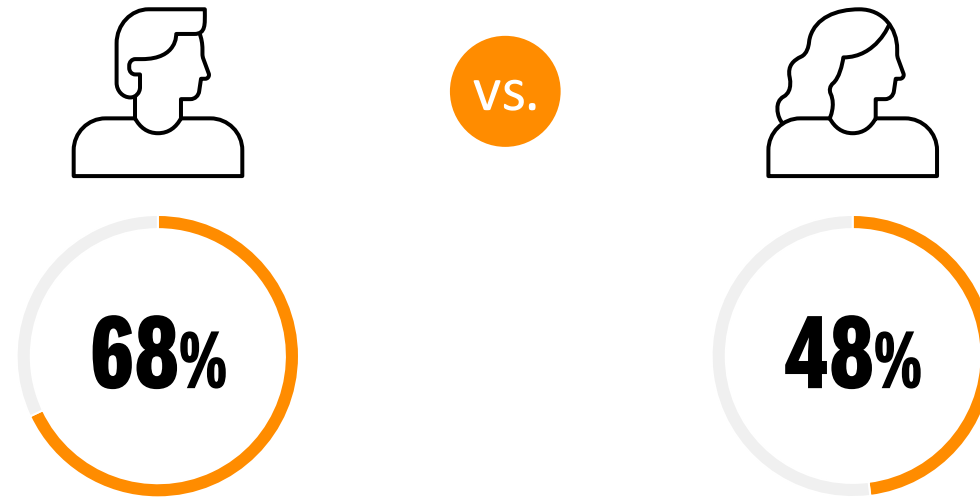|		
Direct	1	Empowers teams
Decisive	2	*Confident*
Confident	3	Collaborative

All 5 traits are key to best in class leadership but what we default value is different
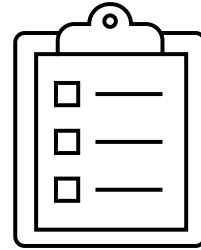
1

Leadership
Same game, different rules

Percentage of men and women who think their personal leadership style aligns with the dominant leadership style of the company

68% VS. **48%**

Machine learning can mitigate bias and surface objective evaluation criteria

2

Results don't speak for themselves

Women focus more time and energy on **driving results**

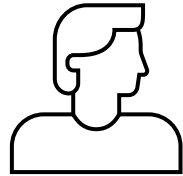…. less on **building relationships and natural affinity**

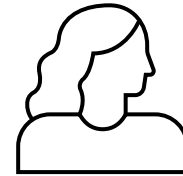…. but **picking senior leaders is high risk** were trust and therefore affinity influence decisions

2

Results don't speak for themselves

Leadership traits key to my success
Results-driven

#10   VS.   #3

These tendencies and blind spots define the status quo, but ML-driven recommendations can spur affinity-based relationships to build trust in women

"Women begin their careers with a mindset if we do the best job we can, keep our heads down, and have the right answers, someone will notice."

COO, Financial Services

3

Qualified women left on the sidelines
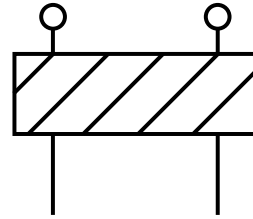
Women are **not top of mind for new roles** because they …

…are **less likely to self-advocate,** and **underestimate their own readiness**

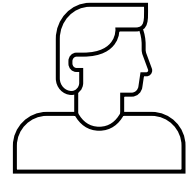…and are left off the list of candidates due to 'benevolent sexism' and assumptions of **too much burden at home**

⌄

The **impact** is women lose out on **diversity of experience and exposure**, which are critical to rise to the top
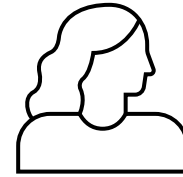
3

Qualified women left on the sidelines

Perceived qualifications needed to apply for job

60% VS. 100%

Need better balance in business:
- Healthy dose of humility and seeking input enhances collaboration & learning culture while lowering risk
- Current system biases against these traits
- Women could recalibrate their definitions of "ready"

"Early on, I didn't have the confidence to put my hand up. My path would have been different and easier in some ways if I had."

COO, Financial Services

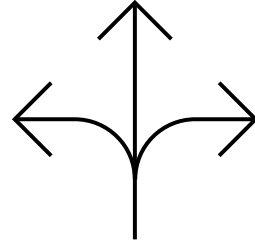*"There was a regional opening and I said, 'What about me?' My boss asked, 'You would travel?' And I said, 'Of course. Why would you think I wouldn't?"*

Senior Vice President, CHRO, Financial Services

4

Implicit bias and microaggressions are exhausting

The women that do get ahead face **bias and microaggressions** every step of the way…

… it's a tiring road, and many choose to **opt out**

4

Implicit bias and microaggressions are exhausting

"If you're a man and you raise your voice or have a strong opinion, you're assertive. If you're a woman, you're over-passionate and aggressive."

Senior Vice President, Healthcare

"You need a reason to get up in the morning, believe your voice is heard, and your opinions matter."

CEO, Aviation

"I've seen people leave the company frustrated their ideas weren't being heard. I realized I can choose to leave, stay, or be the boss who controls people's decisions?"

Vice President, Rail Company

SOME WOMEN BREAK THROUGH, BUT IT IS NOT ENOUGH

Today
Too reliant on chance

Sponsors: The Great Equalizer

- Women are **over mentored** and under sponsored
- Sponsors lend personal credibility to **neutralize unconscious bias**
- Sponsors create opportunities to thrive by **increasing visibility and confidence**

Personality influences experience

- Some women can **thread the needle** between being direct and decisive but still "likable"
- **Curious problem solvers** unintentionally build, network, raise visibility, and broaden business understanding
- **High resilience** provides the fortitude and willingness to persist

The status quo cannot scale

Tomorrow
Time to get purposeful

Industrial grade sponsorship

- Shift from serendipity to intentional sponsorship
- Make it a core leadership competency, not a program
- Go beyond people like you; search for affinity

Mindset shift on inclusivity

- Inclusive leadership starts at the top
- Active curiosity about gaps and hidden biases
- Business leaders "own" I&D and lead by example

I&D is a business initiative

- You only get what you measure
- Progress needs a target, plan and consistent tracking
- I&D is everyone's responsibility

CREATING BREAKTHROUGHS ON I&D

I&D 1.0
Activity heavy, push approach

- **Policy and compliance heavy**
  – Equality, diversity and inclusion
  – Anti-harassment or discrimination
  – Basic education/training

- **Recruiting aspirations**
  – "Best-of" face to the market (websites with diverse imagery and best in front interviewing)

- **ERG driven initiatives dominate**
  – Bottom up and self-sponsored

- **Head of Inclusion and diversity reports to HC**
  – Drives all programming
  – May have designated Executive Level I&D lead

VS

I&D 2.0
Mindset shift, pull approach

- **Awareness and curiosity foster inclusive culture**
  – Become explicit vs implicit about norms
  – Question assumptions, seek to understand
  – Biases understood and actively challenged

- **Accountable and honest recruiting**
  – "What you see is what you get" vs recruiting "bait and switch"

- **Actively create "space" for everyone**
  – Make the most of diverse perspectives
  – Sense of belonging vs being special or different

- **Business leaders "own" I&D and lead by example**
  – Targets: get what you measure
  – Personal sponsorship from the top

THANK YOU