

REALISING
THE POTENTIAL OF
WOMEN LEADERS

*a guide for companies
and individuals*

MANCHESTER SQUARE PARTNERS

Manchester Square Partners

MANCHESTER SQUARE PARTNERS is a trusted advisor to leaders in business.

We act as a sounding board, primarily to CEOs and Executive Directors, working with our clients in making good decisions about their business, which consequently protects and enhances their leadership reputation.

Alongside this, we offer advice and help on the management of careers to Chief Executives, Board and Executive team members and Partners of professional services firms, often at critical junctures.

We are a leader in gender diversity, and more than 30% of our clients are senior women.

In addition to our advisory services, we provide bespoke assessment of executives and leadership teams, across public quoted and private companies.

Our work is tailored to each client and our advice is wholly independent. We are pragmatic and practical in everything that we do.

Foreword

IN OUR WORK with organisations and senior executives, we are increasingly asked about ‘best practice’ in promoting gender diversity and realising the potential of women leaders. This guide is our response, drawing on decades of work with senior management teams on how to change culture and enable diversity to flourish.

My own interest in this crucial business issue goes back over 25 years, including my time as a senior executive, first at IBM and then at Deutsche Bank, where I was Chief Operating Officer for Global Banking in EMEA. In the latter role, I collaborated with senior colleagues to tackle organisational obstacles to women’s promotion. I also led programmes for women such as Taking Ownership of your Career, and chaired the annual Women in European Business conference.

Manchester Square Partners advises some of the most senior executives in the UK, and over 30% of our clients are female. In

addition, our *Innerforum* service provides comprehensive, individually tailored plans, including high-level mentoring, specifically to enable women who are one or two years away from the Executive Committee to achieve their ambitions. So our commitment to diversity has deep roots.

This guide is in two parts: Part 1 is about what leaders and organisations need to do to realise women’s potential, and its greater length reflects the weight we attach to this side of the equation. Part 2 is about what women can do as individuals to further their careers.

We are pleased that Alison Maitland, former *Financial Times* journalist and co-author of *Why Women Mean Business* and *Future Work*, has contributed her knowledge and brought her expertise to the writing of this guide with me. We hope that you find it valuable in your own efforts to realise the full potential of women in your organisation.

Elaine Sullivan

Part I What organisations need to do

ALL BUSINESS leaders with whom we speak agree that insufficient progress has been made in retaining and promoting women to senior roles, despite years of effort and increased commitment. Since the publication of the Davies report, and the launch of the 30% Club, there has been unprecedented change in the make-up of UK boardrooms, with a significant rise in women non-executive directors and a decline in all-male boards. However, this transformation has not been reflected in the number of women promoted to the top executive levels.

Sectors such as engineering and IT still struggle to attract women to work for them. In most sectors, however, women are being recruited in similar numbers to men. It is further on in their careers, typically in their thirties, or later, when they are just one or two steps away from the Executive Committee, that women leave. Those who do stay often find that they are not promoted at the same pace, or in the same numbers, as their male counterparts.

There is no silver bullet. The goal of gender balance, like any other business transformation, requires hard work on many fronts and serious commitment by executives at all levels over a sustained period.

The three key areas where organisations must concentrate to attract, retain, develop and promote female talent are:

- Leadership and culture
- Targets and transparency
- Objective talent management

I Leadership and culture

NO MAJOR cultural transformation can be achieved without the Chief Executive and his or her team believing in the need for change and leading from the front. They must be clear and open about the business rationale for better gender balance at all levels. They should set out their aims and how they intend to achieve them, track progress, and work hard to change attitudes.

Own gender balance as a key business issue, led with conviction by the board

To be convincing, senior leaders need to agree that there is a strong business case. Much research has been done on why gender diversity benefits corporate performance, innovation and governance (this is set out in detail in the book, *Why Women Mean Business*, while Credit Suisse Research Institute, Catalyst and McKinsey are among organisations that have produced financial studies).

Each leadership team must also articulate the business case for its own organisation. This may be more obvious for some companies than others, but it is becoming harder to claim that there is no business case, even in traditionally male-dominated industries. Customers are becoming more diverse, global competition for top talent remains strong, and there is powerful evidence that having different perspectives and backgrounds around the table makes for better decisions.

Ensure managers at every level understand and accept the business case

The business case must be understood and owned by managers throughout the organisation. This requires credible, fact-based communication and dialogue between senior leaders and line managers.

In 2003, Diageo recognised it had a strong business case for acting on diversity, particularly given women's increasing economic participation and share of the available talent pool. It started to address this as a business issue. In 2006, it went further, fully integrating diversity into a company-wide mission, 'Destination 2011', a demanding description of what the company aimed to achieve by 2011 and how it would be delivered. The executive committee reviews progress regularly, as with any other aspect of business performance. Women now account for 27% of leaders at all levels, compared with 22% in 2003. A target has been set for 30% in all countries and all business units by mid-2014.

Open discussion is an important way to dispel myths and assumptions about what women do or do not want in career terms, or why they leave. Leaders must enable managers to discuss these issues frankly under the Chatham House rule and avoid blame games.

Enable assumptions and concerns to be discussed and addressed without blame

Deutsche Bank has established small discussion groups involving an equal number of senior women and men, hosted by business leaders in different countries and business units, to unearth hidden assumptions. A facilitator interviews each participant beforehand to prepare them and to gather information. Participants are told they can speak only about their own experience and data and not resort to conjecture. Questions include: 'Do sponsors matter?' and 'Do you speak differently to a man versus a woman?' Most participants say the dialogues have caused them to re-examine their own attitudes and to resolve to tackle invisible barriers in their divisions.

Women and men should be recognised as being equal but not the same. Acknowledging that women may have different operational and leadership styles that are equally, or sometimes more, effective is a big step towards creating a culture in which women as well as men will thrive. (Read *Why Women Mean Business*, Chapter 7, for more on leadership styles).

Coach managers to value and harness different styles

Leadership coaching and management training will enable both men and women to understand gender differences and how to manage people better in the light of these. Companies can also learn by sharing challenges and successes with each other at workshops or round tables.

Vodafone focused on its culture, running a workshop on inclusive leadership for the top 250 leaders in each market to show them how to bring out the best in everyone in their teams, as Debbie Laybourn, head of diversity and inclusion, explained in an interview with Training Journal.

The Board, the CEO and the Executive Committee should act as they expect others to act. They will constantly question their own biases and assumptions to ensure that appointments and succession plans are decided in a truly meritocratic way.

They will visibly push to increase the percentage of women on their teams and regularly ask managers what progress they are making, requesting evidence to back this up. At one company, for example, the Executive Committee asks each senior manager at meetings to say which five women they are

looking out for, and what they are doing to enable them to flourish.

Expect suppliers and partners to adopt the same high standards on diversity

Once the organisation has put its own house in order, it should require the same commitment to diversity, and the same high standards, of its partners and suppliers. Leading organisations today are asking companies they work with to demonstrate how diverse they are and what their targets are, just as they do on quality standards. Several organisations have told us that clients have made it clear that it is no longer acceptable to pitch for business with 'a team of only middle-aged white males'!

IN SUM, senior executives need to own gender balance as a key business challenge, to drive cultural change by example, and to ensure that managers at every level appreciate the business rationale and the value of different leadership styles.

2 Targets and transparency

TARGETS are often confused with quotas and create controversy. They are not the same. Without established goals and targets, or at least clear and high expectations, gender balance will not be addressed as a serious business requirement.

Set clear targets for progress on gender

Setting targets and expectations does not mean compromising on quality in making appointments. Rather, it encourages a wider search for high-calibre candidates both internally and externally.

Vodafone established a 'plus one' female target for its top leaders. Each was asked to add one woman to the team reporting directly to them over a 12-month period. This is to oblige them to do all they can to include credible female as well as credible male candidates in the selection pool for recruitment or promotions, Debbie Laybourn told Training Journal. The percentage of women rose from 14% to 19% in top senior management (the top 200-250 employees) over the two years to 2011/2012 and from 18% to 21% in senior management (the top 1,100-1,600 employees). Vodafone publishes progress on its website.

As in all areas of business it is essential to track progress and base decisions on hard data. Leading organisations monitor and measure the number of women at every level and in every department, business unit and country. They also seek feedback on the organisational culture through employee surveys and carry out exit and subsequent follow-up interviews with

Measure progress with facts,
numbers and employee
feedback

women who leave to find out why. This information enables the Executive Committee to pinpoint strong and weak areas and where to invest for more rapid advances.

Senior leaders must hold themselves and other managers accountable for progress. The Executive Committee should formally review how the company is doing on both numbers and cultural shift. Sharing these data can drive healthy competition between business units.

BP's Executive Committee holds a quarterly discussion specifically about how well the energy group is achieving its diversity targets and which areas and new initiatives should be prioritised over the next quarter.

Managers who meet or exceed these targets or expectations should be recognised and rewarded. There should be consequences, including financial ones, for managers who fail to achieve the goals without a credible excuse, as there are in any other part of the business.

Require executives and their
teams to be accountable and to
publish progress

Senior management should report regularly, internally and in the annual report, on progress towards its stated targets or goals. Clients and regulatory authorities are increasingly interested in evidence demonstrating companies' gender diversity. Long-term fund managers are starting to ask questions in the context of effective performance. If companies are not transparent about their gender goals, and do not measure and publish progress, they risk falling behind their competitors on talent, reputation and ratings.

3 Objective talent management

Identify and actively develop
high-potential women

ORGANISATIONS that recognize the strategic importance of talent and actively manage people's development have stronger businesses because they enable high-potential women and men to rise through the ranks. This active management can be particularly beneficial to women who are less likely than their male counterparts to put themselves forward for opportunities.

In many organisations selection and promotion is unintentionally influenced by outdated assumptions and unconscious biases. There is a natural tendency for people to appoint those similar to them in style and attitude and with whom they feel comfortable. This can hold women back, especially if they are assessed on male-oriented criteria, such as the confident expression of one's personal achievements, rather than purely on their performance.

There is a common perception that women generally lack ambition. Research by the Center for Talent Innovation, found, however, that 91% of senior-level women surveyed in the UK wanted promotion, compared with 76% of men. Women often express their ambition differently from men. They may be extremely confident when talking about the business to clients or senior managers, but less comfortable when talking about themselves and their achievements.

Companies with a track record of retaining and promoting women have in many cases adapted their talent management

processes to ensure that they use objective, consistent and transparent measures of aptitude and performance. Applying performance-based criteria to everyone is essential to making progress on gender. It is notable that sales organisations and departments, which have very clear metrics for performance, often have higher populations of women.

Be consistent, objective and transparent in assessing performance and aptitude

To increase objectivity and improve the company's attraction and retention of female talent:

Ensure that team leaders consistently review and report on which people have the potential to assume a bigger role in the next two to three years – and that this includes the women in the team

Look for up-and-coming women within the organisation, and actively encourage them to take on stretching roles and gain broader experience – for example, moving them from functional to operational roles

Insist on having a number of capable women on candidate and promotion shortlists

Consider internal candidates from other functions and departments and seek out external candidates from other sectors

Provide interview panels with consistent questions and measures of capability and performance

Give women as much leadership development as their male counterparts, including interview and CV coaching, and opportunities for external appointments and secondments

The Bank of England established open advertising of senior roles, developed a prepared list of questions for the interview panel, and ensured all candidates were asked the same questions. Of the eight roles for which interviews were held in 2012, three went to women.

Research shows that women receive much less active sponsorship of their careers than men do. Recent studies by Catalyst and the Center for Talent Innovation examine the importance of active sponsorship, based on ability and potential, for rapid career progression.

Finding sponsors is a dual responsibility of the organisation and the individual but women may need more intervention to obtain sponsors. Mentoring is also very valuable, although mentors do not have to be from the same organisation, whereas sponsors do.

The ATLAS programme at Deutsche Bank was established in 2009 to increase the pool of women eligible for the most senior positions in the company. This contributed to a 31% increase over three years in the number of female managing directors. In 2012, 22% of people promoted to MD were women.

Appoint sponsors and mentors
for high-potential women

When recruiting to senior roles it is important to recognise that women often have diverse, non-linear careers and progress by

lateral moves – or leave mainstream corporate life – having gained broad and deep experience. Searches must look beyond the usual boundaries if they are to find this talent and experience.

Objective talent management must also take account of the way business models and career patterns are changing in the 21st century. Technology, demographic shifts, and economic and environmental pressures are driving a transformation in the way people work, with potentially great benefits for businesses and people. Managers need to keep up with these trends to attract and motivate talented people.

For most roles it should no longer matter how, where and when people work, as long as they are delivering what is required. For more on this, see *Future Work: How Businesses Can Adapt and Thrive in the New World of Work*.

BT has long pioneered flexible working and now has 40 different types available to men and women. This works because it is driven by senior executives who have created a culture of relationships founded on trust. They also have a strong system of management by objectives, with clear performance goals and accountability.

Review business models and
create flexibility

Assumptions need to change with the times. Restrictive age criteria should be avoided when selecting high-potential candidates. As working lives extend, why should it matter if people embark on their first managerial role in their forties—after a career break, for example – rather than in their early thirties? Similarly, why not give people in their twenties

opportunities for international experience, which may be more difficult for them later when combined with family needs?

Some people want to relocate when they have young children. Others do not. People should not be discounted for subsequent international assignments just because they turn one down. If you value their skills and talent, it is better to respect their decision and not close the door on them. Lives change.

Above all it is essential to talk to women about their careers and opportunities, rather than to make assumptions about what will or will not work for them at a particular stage.

Consult women about their careers rather than making assumptions

If women – and indeed men – need more space for personal responsibilities, find ways to keep them involved and feeling valued during this time. Women can be particularly disconnected from their organisation during maternity leave. Maternity coaching, not only for them but also for their managers, helps to establish how best to keep in touch during their absence and how best to handle their return.

A senior woman in the financial services sector said she did not want work requests during her maternity leave, but she did want her company to stay in regular touch and keep her up to date. This did not happen. 'I got more calls from head-hunters while I was on maternity leave than when I was in the office, and more than I got from my own company, at a time when I was able to consider the approaches.'

Encourage and highlight
successful new working styles
and career paths

If people are concerned about combining a demanding operational role with family commitments, look at ways of redistributing some of the tasks or redesigning the role to make it work. Investigate other fulfilling options, such as working on high-profile, strategic, projects and mentoring newer employees.

Finally, recognise and share examples of senior men and women who have achieved success with innovative working patterns and career paths. They are not only achieving extraordinary things themselves but also acting as ambassadors for the organisation and role models for the next generation of talent.

Part 2 What women can do

WOMEN who succeed have a relentless focus on performance and results, but they also invest time in managing their careers and their reputation. In general, women have a greater tendency than men to prioritise performance, along with external demands on their time, at the expense of career and reputation management. To fulfil your potential you need to pay attention to all three.

I Performance

THE NEED for excellent performance will come as no surprise to most able, ambitious women and we start here because it is the sine qua non for career success. It is not just a matter of doing the job extremely well, but also of knowing how to make the most of those achievements.

Obtain a clear definition of goals and expectations from the start so that you can demonstrate objective evidence of how well you have met them.

Seek to gain a broad range of experience and expertise, moving across functions and acquiring general management as well as technical skills.

Volunteer for special projects or change initiatives within the company to increase your experience, credibility and visibility.

Regularly seek feedback and understand potential Achilles heels as well as strengths. Continually work on areas which need development.

Communicate your progress and achievements throughout the year, not just at annual review time. Women are often reluctant to blow their own trumpet. But there are other ways to make management aware of good performance. You could ask for a conversation about next steps, in which you explain what you have already accomplished.

Make it clear in annual reviews – and in your CV – what you have achieved yourself, or led your team to achieve, giving specific outcomes or numbers such as increased revenue, profits, market share or cost savings.

2 Career management

IT IS YOUR career and only you can take charge of it. Remember that others need to know if you want to move in a new direction or take on more responsibility, so you must be explicit. Don't assume that even your immediate boss knows, just because she or he is familiar with your work. Tell your managers what your medium- and long-term goals are. This will help you to direct your own career rather than be directed by the views of others – or by the convention that reaching the top involves progressive steps up a hierarchy.

Similarly, only you can decide how best to integrate work with the other calls on your time and energy. Try to ensure that you have the right support in place at home, so that you have time both for your career and for your loved ones, friends and yourself and do not feel perpetually stressed and under pressure.

Formulate a clear, two-minute 'pitch' which you can use when opportunities present themselves.

Push your organisation to help you develop. Seek out sponsors and mentors. Senior people are often more willing than you might expect to be approached. If there is no sponsorship programme for senior women in your organisation, propose one.

Find an external mentor to help you with key decisions and relationships and keep you on track with what you want to achieve professionally and personally.

Look for opportunities to broaden yourself through external experience such as working as a trustee, advisor or non-executive, in organisations that do not conflict with your work.

Be willing to take calculated risks and move into areas with which you are not entirely comfortable. Go for a role even if you think you have only 70% of the qualifications. You will learn on the job.

Understand how to navigate the organisation and get things done. Build good connections and networks both inside and outside the organisation and do not restrict them to people with whom you instantly feel comfortable.

Demonstrate leadership, but make sure you are not indispensable by developing and nurturing your team and potential successors.

3 Reputation

WHILE performance is a basic requirement for advancement, many people pay too little attention to their reputation. How you are seen significantly affects which roles you will be considered for. The way you communicate your vision, values, and capabilities forms people's perception of you when they interact with you. Building and nurturing 'personal brand' does not come easily to many women, nor indeed to all men, yet it is necessary for advancement.

Start by considering your core skills and how you are known – for example, as a consummate marketer, a start-up specialist, a relationship developer, or a business builder. Include your personal values and attributes, such as honesty, integrity, intellectual strength, or directness.

Ask others to challenge or validate your view. This will help crystallise how you put yourself across to the world.

Look and sound the part – impressions, especially first impressions, matter and persist. Communicate clearly, avoiding unnecessary preambles or apologetic language, while also being a gracious listener. Be present and visible in meetings, including virtual meetings, making points strongly but succinctly.

Act with confidence in your ability to take something on even if you are not sure on the inside. Even senior women often struggle

with confidence, yet most manage to come across as highly self-assured.

Be authentic. Do not try to be something you are not, nor to 'do it like a man'.

At every step of your career, develop your leadership capability and look for opportunities to motivate others and create followers. Sponsor the next generation of women, actively encouraging and mentoring them. You may be surprised by how this will be repaid, sometimes when you least expect it.

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Summary of key advice for organisations

Own gender balance as a key business issue, led with conviction by the board	Require executives and their teams to be accountable and to publish progress
Ensure managers at every level understand and accept the business case	Identify and actively develop high-potential women
Enable assumptions and concerns to be discussed and addressed without blame	Be consistent, objective and transparent in assessing performance and aptitude
Coach managers to harness and value different styles	Appoint sponsors and mentors for high-potential women
Expect suppliers and partners to adopt the same high standards on diversity	Review business models and create flexibility
Set clear targets for progress on gender	Consult women about their careers rather than making assumptions
Measure progress with facts, numbers and feedback	Encourage and highlight successful new working styles and career paths