

Six practical actions for organisations to achieve gender balance

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We know that if a certain behaviour is not delivering a desired result, people will usually change this behaviour. If a marketing program is not effective, you do not continue to run it, you change it. If a part on a machine keeps failing, you do not keep using it, you replace it.

Sometimes, however, people do not alter their behaviour, and thus continue to experience the same failing result repeatedly. Every one of you will have seen this happen in your lives: in your family, your business or your country. Why do people act this way? Undoubtedly, human nature bears some responsibility. This pattern of what could be called “failed behaviour” plays a major role in the lack of advancement of women at many organizations.

Women have changed their behaviour a great deal to achieve what they seek. So why do we continue to believe that women can be CEO only 6 per cent of the time (CEOs of S&P 500 companies)? Not all men believe this and many men today are strong proponents of change. Yet it is this “failed behaviour” that leads to inferior corporate performance.

Our book makes the case that it is time for men and women to learn from fact-based research and take action to improve their company’s performance. There are several conclusions from this research that you can take to the bank:

- The addition of one female member to a board that is currently all male will result in superior performance for the organization concerned;
- Companies with more women in management perform better financially than companies without women in management.
- The improvement in performance from adding women to management teams

continues to grow at least until the team is relatively balanced between men and women.

- The benefits of gender diversity in management may increase proportionately for firms in which corporate strategy is more dependent on innovation.
- The benefits arise from women working together with men on boards and in management and not from the substitution of women for men.

So what can you do to start the process of change at your organisation? Our book has shown the following actions will improve a company's performance through gender diverse leadership and governance.

1. Support diversity publicly

The CEO and top management adopt a publicly visible, supportive and comprehensive statement regarding the company's approach to diversity at all levels within the organization.

This expectation must be permeated through all levels of the company. It must be repeated regularly.

2. Fix the "plumbing"

Ensure the "plumbing" of the company has eliminated systemic bias. "Plumbing" refers to the processes within the company that affect the intake, evaluation, promotion and ultimate retention of employees. Look for the following:

- Systemic bias in benefits programs.
- Uncompetitive or unacceptable maternity leave benefits and practices.
- Incorrect mandate and lop-sided gender composition of graduate intake teams.
- New hires from both outside the firm and promotions to new roles within the firm must formally document the candidates considered including by gender.
- Broaden the source of new graduates and other new employees
- Incorrect mandate and lop-sided gender composition of promotion committees.
- Conduct of management must show the appropriate respect for all employees.
- Celebrate role models on a gender diverse basis.
- Succession planning must be conducted in a gender diverse environment

3. Bring gender balance to the board of directors

The Board of Directors should adopt a gender diverse composition that is balanced within a reasonable time. We use the word 'balance' here because boards themselves can choose how they achieve this composition.

4. Appoint a gender diversity officer with real power

Appoint a very senior individual as the Gender Diversity Officer and provide them with the power and resources to change the company. This person could be a man or woman as long as they have a record of success in getting the job done. They should report directly to the CEO and should not be part of the Human Resources department of the

firm.

5. Measure company performance and take action where needed

Companies should create a comprehensive gender diversity management information system. Stakeholders will use this information for a variety of purposes.

6. Publicly report progress at all levels

Publicly report your progress on gender diversity at all levels of the management structure. Companies need to measure their performance at all levels of management, and strategies need to be introduced to prevent systemic bias in employee hiring, the existence of glass ceilings, and the loss of women employees at each level of management.

No one says it will be easy. No one says it will be without conflict. If it was easy it would already have been done. However, if a few more men shift from believers to sponsors they could change their firm dramatically. If more men throughout our communities make this same shift we will change the world.



Notes:

- *This blog post is based on the authors' book Results at the Top: Using Gender Intelligence to Create Breakthrough Growth (Wiley, 2017).*
- *Richard Nesbitt spoke at the LSE event Results at the Top: using gender intelligence to create breakthrough growth, hosted by the Financial Markets Group (FMG).*
- *The post gives the views of its authors, not the position of LSE Business Review or the London School of Economics.*
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