



Diversity



Global



Data

# Women in business: building a blueprint for action

March 2019



# Welcome

## Grant Thornton's Women in business report 2019: building a blueprint for action

This year marks a shift in our reporting on gender diversity in senior management. Beyond publishing the figures and discussing associated recommendations, in 2019 we're taking a step forward in outlining the conscious and deliberate action businesses can take – practical steps to increase the number of women in senior management, across all job roles, industries and regions.

As leaders of the world's dynamic businesses, you hold the power to drive change. The last 12 months have seen positive progress, but few of us, Grant Thornton included, can put up our hands and say we are winning at gender diversity; that business culture, recruitment policies and staff retention schemes have created gender parity at senior level. "We know this, because for 15 years we've crunched the global business numbers on thousands of businesses around the world," says Francesca Lagerberg, Grant Thornton International's global leader - network capabilities.

"At the beginning of 2018, we looked at what we had achieved in this space. We, like many other organisations, had just not progressed far enough," recognises Kim Schmidt, global leader - leadership, people and culture at Grant Thornton International. "We saw that we were a perfect mirror reflection of what was happening in the external market."

### Doing the right thing

Gender diversity isn't just the right thing from a social standpoint; it's the best thing for business. "There is a significant research base demonstrating a strong correlation between diversity at a leadership level and business results," says Kim. "In today's complex, volatile environment, organisations need to be responsive and innovative. And we know there is a direct link between innovation and diversity. Lasting diversity can only be achieved by committed action to promote women, through sponsorship and support, by creating opportunities, removing biases and shaping an inclusive culture."



Encouragingly, our 2019 research reveals the highest recorded proportion of women in senior management globally at 29% – an increase of five percentage points over the last year, suggesting a more active, targeted approach to improving the situation.

Nonetheless, this falls short of ensuring long-term gender parity. Businesses still need to take deliberate, ongoing action for sustainable change. "Targeted initiatives kick-start activity, but where you see a difference is when they are rigorously followed through, and where there's real commitment from the senior leadership," says Francesca. "It filters through an organisation so everybody knows: this is how we do things."

Some regions are doing better than others and there are lessons to be learned from them: Eastern Europe has the highest percentage of women in top roles, with 32% of senior management in the region made up of females, compared with Latin America, the worst performing at just 25%. "In countries that already have great diversity,

# Contents

**05** Global findings

**06** Drilling down

**08** Regional snapshots

**12** Barriers to progress

**13** Positive actions

**14** Designing the  
blueprint for action

**16** Methodology



**Peter Bodin**  
Global CEO



**Francesca Lagerberg**  
Global leader -  
network capabilities



**Kim Schmidt**  
Global leader -  
leadership, people  
and culture

“To survive and thrive in today’s complex global environment, organisations must **drive culture change, embracing innovation and inclusion.** Diversity is fundamental to the future-fit business.”

**Peter Bodin, global CEO,  
Grant Thornton International Ltd**

they are surprised that all businesses aren’t pushing for balance,” says Francesca. “It’s refreshing to see businesses that have really embraced gender diversity, and it’s a wake-up call to parts of the world where diversity is regarded as radical.”

### **Taking the next step**

What this year’s research shows is that momentum is starting to build. Now, on the foundations of our reporting, and first-hand experience of the market, we want to design an actionable blueprint for progress. “The time for deliberate action is right now,” states Kim – and that’s why in 2019 we’re aiming to identify the concrete ways in which businesses can move towards gender parity.

By engaging the global business community on this issue, we hope to help enable positive, lasting change. “I look to the future and ask, why would you want an approach that didn’t embrace diversity? It’s the only way to build a team that can succeed,” says Francesca.



“For any organisation to be able to make an impact on the critical yet neglected issue of gender diversity, it is imperative to get a complete handle on what the gender parity data is telling us – which in itself will create the case for action”

**Kavita Mathur, people and culture leader,  
Grant Thornton India**

# Global findings

## Maintaining momentum

Globally, progress on gender diversity in business is being made. In the wake of the #MeToo movement and heightened scrutiny of the gender pay gap, 2019 sees the highest percentage of women in senior management on record, at 29%. This year also marks the biggest increase in the proportion of women in executive roles around the world, rising five percentage points from 24% in 2018, and making

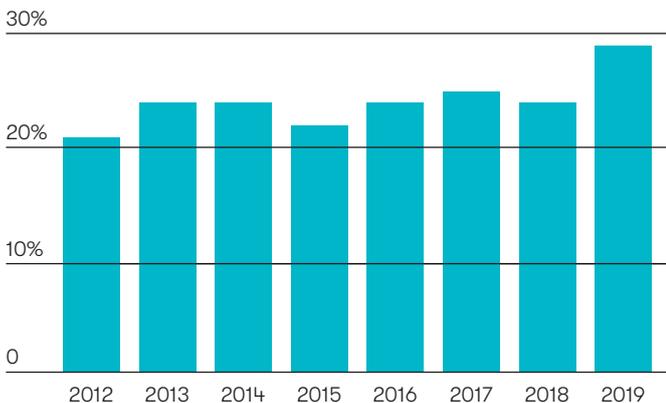
it the first time the proportion of women in senior leadership has exceeded one in four.

However, positive progress has been slow in coming: improvements stand at only 10 percentage points since our reporting began in 2004, while, by 2018, we saw that numbers had remained static from those recorded a decade ago in 2009.

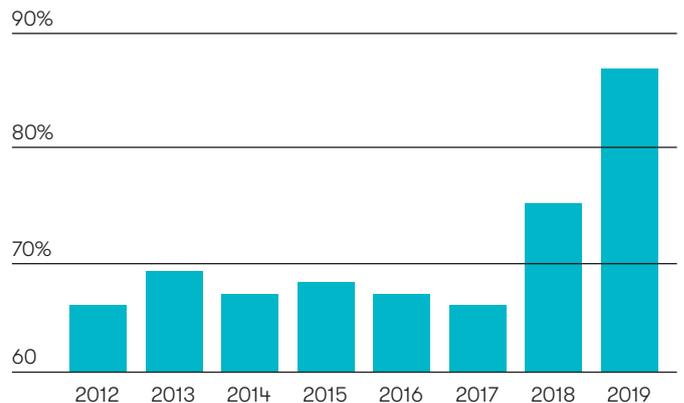


Encouragingly, over the last five years, the proportion of global businesses employing at least one woman in senior management has risen by 20 percentage points – 12 points in the last year alone. However, globally the proportion of women in senior roles is still lying short of the 30% tipping point that is expected to open the gates to gender parity.

**Proportion of women in senior management**



**Businesses employing at least one woman in senior management**



Source: Grant Thornton IBR 2019

# Drilling down

This year, we asked senior executives to identify the major barriers they had overcome on their way to the top. While women reported that they lacked access to networking and development opportunities, both genders felt their key job function left them too little time to focus on promotion.

Our 2019 research also shows that women still find it easier to progress in certain roles. Human resources far outweighs all other departments for female leadership, while of the C-suite, the top finance position has twice as many female appointees as any other role.

## Leadership roles held by women

Human resources director

43%

Chief finance officer (CFO)

34%

Chief marketing officer (CMO)

20%

Chief operating officer (COO)

18%

Sales director

17%

Chief information officer (CIO)

16%

Chief executive officer (CEO)/managing director

15%

Corporate controller

14%

Partner

7%

Other

3%

Source: Grant Thornton IBR 2019

“I know from my own personal experience that gender diversity leads to higher performance, a more inclusive culture, more balanced decisions. I believe a business that is not gender balanced is not going to be sustainable. The responsibility to build that inclusive culture is in the hands of us as leaders.”

**Peter Bodin, global CEO,  
Grant Thornton International Ltd**

“One action we can take to create an inclusive culture is to raise awareness on an ongoing basis. It’s not about ticking the box and making sure we’re doing all the right things; it’s about doing them every day. And it’s talking about it every day, on every occasion that arises.”

**Macha Pohu, vice president of talent and culture, Raymond Chabot Grant Thornton, Canada**



# Regional snapshots

Our 2019 research reveals marked regional differences in gender diversity among senior leadership, often rooted in country-specific cultural, economic and political factors. Leading the way is Eastern Europe with almost a third (32%) of senior management in the region made up of women,

outperforming the global figure by three percentage points. Conversely, Latin America has the lowest figure, with just 25% of senior managers being women; while failing to achieve significant movement in the middle ground are the EU, Asia Pacific (APAC) and North America, among others.

## Leading the way

Eastern European women's ongoing success (in our 2015 'Women in business' report, the region accounted for seven of the top 10 countries for female senior executives) has been shaped by social and political factors. Modern Eastern Europe has offered opportunities for women to gain technical skills and move into male-dominated industries, with many women leading in the workplace. Government policies aimed at full employment and entrepreneurialism have also inspired and supported women.

Meanwhile, our 2018 report 'Diversity snapshot: ethnicity, age and gender' showed African businesses leading the way in both prioritising, and taking action on, gender diversity. Interviews by McKinsey & Company<sup>1</sup> of 35 female business leaders identified a universal and robust work ethic because they "felt they had to work twice as hard as their male peers". At the same time, mobile payment technology has helped female business owners, particularly in rural areas, by opening up access to financial services.

### Eastern Europe



**85%**  
proportion of  
businesses with at  
least one woman in  
senior management



**32%**  
proportion of senior  
roles held by women

### Africa



**94%**  
proportion of  
businesses with at  
least one woman in  
senior management



**31%**  
proportion of senior  
roles held by women

A photograph of two industrial workers, a woman and a man, walking on a gravel path in an industrial facility. They are both wearing blue work uniforms with reflective yellow-green stripes and white hard hats. The woman is on the left, smiling, and holding a rolled-up document. The man is on the right, wearing glasses and holding a clipboard. In the background, there are large white cylindrical tanks and industrial structures under a bright sky.

“In our firm, we started measuring leadership skills on assignments and that has shifted our culture journey to a more inclusive environment. We had a lot of strong female leaders who were not appreciated for their leadership skills, and now we have identified those skills, we also have more female partners.”

**Karitha Ericson, chief operating officer,  
Grant Thornton Sweden**

## The middle ground

With the exception of North America, which has breached the 30% mark, the middle-placed regions all sit just below the global average for the proportion of women in senior management, at 28%. With the exception of ASEAN (Association of Southeast Asian Nations), which has dropped from 39% in 2018, all of these regions have made a degree of improvement in this area.

There is more variation regarding the number of

businesses with at least one woman at executive level: ASEAN leads the way in this group with 94%, followed by North America with 92%, APAC with 85% and the EU with 84%. All of these regions have seen a significant improvement in the proportion of businesses with at least one female senior leader, with APAC seeing the greatest change for the better, rising 14 percentage points from 71% in 2018 to 85% in 2019.

### North America



92%

proportion of businesses with at least one woman in senior management



31%

proportion of senior roles held by women

### The EU



84%

proportion of businesses with at least one woman in senior management



28%

proportion of senior roles held by women

### APAC



85%

proportion of businesses with at least one woman in senior management



28%

proportion of senior roles held by women

### ASEAN



94%

proportion of businesses with at least one woman in senior management



28%

proportion of senior roles held by women

## Behind the curve

Southern Europe and Latin America both face cultural barriers to the promotion of women within businesses.

There remains a strong tradition in many Southern European countries that it is a woman's responsibility to care for the family, as highlighted by María José González, Teresa Jurado and Manuela Naldini in the journal 'South European Society and Politics'<sup>2</sup>. Our research backs this up, revealing that 27% of female leaders in the region find that

caring responsibilities outside work act as a barrier to their advancement. Likewise, despite the region's predilection for female presidents, many Latin American cultures still believe women should focus on family life, creating the "iron ceiling" identified by Angélica Fuentes, former CEO of Omniflife<sup>3</sup>. Our research shows that caregiving is a major issue for women in the regions, with 24% of female managers citing it as a hurdle to progression.

### Latin America



83%

proportion of businesses with at least one woman in senior management



25%

proportion of senior roles held by women

### Southern Europe



83%

proportion of businesses with at least one woman in senior management



26%

proportion of senior roles held by women



# Barriers to progress

Our research questioned those who have already made the leap into senior management roles about any barriers they had found it necessary to overcome on their road to promotion. The biggest barrier for both men and women had been the difficulty of finding time to improve their employment skills alongside core job responsibilities, with men identifying this as an issue more frequently than women. In four of the seven main categories highlighted, women were more likely to say they had faced some barrier, and faced more barriers overall.

After job responsibilities, women cite being held back by a lack of access to developmental work opportunities – the factor showing the biggest imbalance between the genders. Restricted networking opportunities and caring responsibilities outside work are the next most likely hurdles for women to have overcome on their route to executive roles.

Meanwhile, among those who felt they faced no barriers to progression, there is surprisingly little difference in percentage between men and women. In 2019, our research shows that the regions with the most leaders, both male and female, saying they perceive no barriers to promotion are Africa at 42% and North America at 34%.

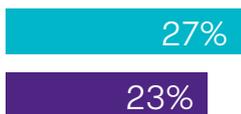


## The barriers facing senior leaders

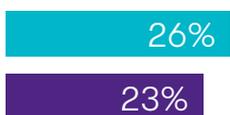
Finding the time alongside core job responsibilities



Lack of access to developmental work opportunities

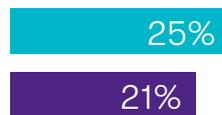


Access to networking opportunities

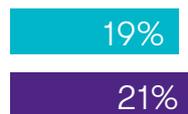


Women Men

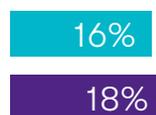
Caring responsibilities outside of work



Employers not willing to invest in education and skills development



Not having the money to invest in education and skills development



Source: Grant Thornton IBR 2019



“Diversity is not a women’s issue. Women get it. They live with it every day. **Change happens when leaders take action.** So I want to have a conversation with the men in the room. Embrace it and own it.”

**Greg Keith, CEO,  
Grant Thornton Australia**

# Positive actions

The business case for diversity in leadership is clear. If every country were to match the progress of the nation in their region with the fastest improvement towards gender parity, up to USD12 trillion could be added to annual global GDP growth in 2025, according to McKinsey & Company<sup>4</sup>.

When businesses understand their own position on the gender parity scale, and how men and women move through their promotion pipeline, they are in a position to take specific, appropriate action. In 2019, we looked at the most common ways companies are attempting to gain business advantage by having more female leaders.

Our reporting shows that, in line with the positive overall progress recorded, 75% of businesses are taking deliberate action to improve gender diversity.

## Actions to promote gender diversity being taken globally

Ensuring equal access to developmental work opportunities

34%

Creating an inclusive culture

31%

Enabling flexible working

29%

Providing mentoring and coaching

24%

Reviewing recruitment approaches

24%

Setting targets/quotas for gender balance at leadership levels

19%

Introducing unconscious bias training

18%

Linking senior management rewards to progress on gender balance targets

18%

Source: Grant Thornton IBR 2019

# Designing the blueprint for action

Our 2019 women in business data clearly shows that, despite the powerful business case in favour of gender diversity, change at the top has been too slow in coming.

At Grant Thornton, our years of reporting on women in business, our experience as a global network of firms, and our own efforts to achieve gender balance at executive level have shown us that progress comes through deliberate action in targeted areas. By committing to these actions, all businesses can drive positive change.

## The business case for diversity is strong

Our research on the value of diversity estimates the opportunity cost (in terms of lower returns on assets) for companies with male-only executive boards was a staggering USD655 billion in 2014. Meanwhile, a study by Boston Consulting Group (BCG) of 171 German, Swiss and Austrian businesses<sup>5</sup> showed a clear relationship between diverse management teams and revenues from innovative products and services. It also showed that innovation performance only increased significantly when more than 20% of management positions were held by women.

## We can't benefit from diverse leadership until gender bias in recruitment and development is eliminated

Women are still experiencing gender discrimination when applying or interviewing for a job. Add to this bias in talent identification and hiring sources, and it's little surprise that in our research, 26% of women cited access to both internal and external networking as a barrier to advancement. But bias can be overcome: when a multinational consumer products company revamped recruitment by demanding diverse lists of candidates, the proportion of women in its leadership increased from 17% to 30% over four years.

## Once female talent is recruited, it needs to be retained

When we asked business leaders for our 2018 report why they had gender equality policies, the most common response, at 65%, was to attract and keep employees. Among the most popular policies were paid parental leave (59%), flexible hours (57%), part-time working (54%) and remote working (40%). The importance of these policies is shown in research by Catalyst<sup>6</sup>, which revealed that 83% of women with access to flexible working arrangements aspired to the C-suite level, versus 54% of those without.

## Opening up development opportunities will keep the best people moving up

When women see other women in top roles, they are more likely to aspire to them: a recent study by American Express



# 25%

proportion of women in management positions, despite women making up 50% of the world's higher education graduates<sup>5</sup>



# 17%

proportion of women in positions on corporate boards within the G20 (women make up 12% of executive committees)

Source: 'Women matter: Time to accelerate – 10 years of insights into gender diversity', McKinsey & Company, 2017

Canada and Women of Influence<sup>7</sup> found that although only 32% of female respondents believed that reaching the C-suite was an achievable goal, this increased to 49% if they had a mentor, and 61% with a sponsor. It's equally telling that organisations ranked highly on Fortune's World's Most Admired Companies list<sup>8</sup> have twice as many women in senior management as those at the bottom.

## If these policies are promoted, we can create an openly inclusive, supportive business culture

Research from BCG<sup>9</sup> shows that men often overestimate the support women have in the workplace. When asked if their company offered support for women from executives and middle managers, 72% of male respondents said yes, compared with only 54% of women. And it has an effect: a Goldman Sachs study<sup>10</sup> found that 49% of Japanese women resigned because they felt stalled in their careers.

## Aspiring to an inclusive culture includes recognising where you stand right now, through data analysis

Only by knowing your own situation can you take appropriate action. One quantifiable success story is General Mills USA<sup>11</sup>, which has increased its focus on diversity KPIs, with senior leaders accountable to the CEO for specific metrics. The proportion of women in the company's senior management team increased from 9% in 2013 to 33% in 2016.



**We believe the power to create change lies within all of us, and want you to join the conversation on how to design a business culture that supports true gender diversity.**

#### **Follow our campaign**

At [grantthornton.global/women-in-business-2019](https://grantthornton.global/women-in-business-2019), you can read our champions for action Q&As, connect to social media and add your voice to help forge the future of balanced business.

#### **Join the conversation**

#WomenInBusiness  
#BlueprintForAction

#### **The conversation for change**

By discussing these areas of focus, the 2019 ‘Women in business: building a blueprint for action’ report aims to guide senior business leaders in bringing more women into leadership roles. “We are working on a blueprint that can be implemented by any business to progress and sustain gender diversity, so we can face the future with leadership teams that are fit for purpose,” says Kim Schmidt.

With this report, we’re highlighting the realities of the global situation – that despite recent progress, over two decades of initiatives in this space, change is too slow. And we are inviting business leaders from across the globe to contribute to the conversation on how to effect lasting change. Our champions for action are global business figures leading the charge for gender diversity. They will share success stories, advice and practical solutions.

And from these challenging discussions we will create a practical blueprint for boosting more women into senior leadership roles.

## Methodology

The Grant Thornton International Business Report (IBR) is the world's leading mid-market business survey, interviewing approximately 4,000 senior executives biannually in listed and privately held companies all over the world. Launched in 1992 in nine European countries, the report now surveys more than 8,000 business leaders in 35 countries on an annual basis, providing insights on the economic and commercial issues affecting the growth prospects of companies globally.

The findings in this report are drawn from 4,900 interviews and surveys conducted in November and December 2018 with chief executive officers, managing directors, chairs, and other senior decision-makers from all industry sectors in mid-market businesses in 35 countries.

The definition of mid-market varies across the world: in mainland China, we interview businesses with 100 to 1,000 employees; in the United States, those with USD20 million to USD2 billion in annual revenues; in Europe, those with 50 to 499 employees. For the purposes of this research, senior management is defined as those holding C-suite jobs, such as chief executive officer (CEO), chief operating officer (COO) or chief finance officer (CFO), managing directors or partners.

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## Footnotes

1. 'Women matter Africa', McKinsey & Company, 2016
2. 'Introduction: Interpreting the transformation of gender inequalities in Southern Europe', María José González, Teresa Jurado and Manuela Naldini in 'South European Society and Politics', Routledge, 2009
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7. 'Women's Leadership Study', Nielsen for American Express and Women of Influence, 2015
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