IBM **Institute for Business Value** × CHIEF

Women in leadership

Why perception outpaces the pipeline—and what to do about it

IBM

About IBM Consulting

IBM Consulting is a new partner for the new rules of modern business. We believe open ecosystems, open technologies, open innovation, and an inclusive culture with a diverse set of voices are the key to creating the way forward for modern business and for our world. We want to work together, create together, grow together, and rethink what's possible together. For more information, please visit: ibm.com/consulting

About Chief

Chief membership includes executive coaching, peer groups, workshops, and the ability to connect through a private network of 20,000 women executives across thousands of organizations. With Chief, members have secured raises, promotions, and board seats, while paving the way for the next generation. Chief Enterprise helps companies progress their gender diversity commitments by engaging, developing, and retaining their women executives. For more information, please visit chief.com.

Foreword

Kelly Chambliss
Senior Vice President and Chief Operating Officer, IBM Consulting

Kitty Chaney Reed
Vice President, Chief Leadership, Culture and Inclusion Officer, IBM

Carolyn Childers
Co-founder and CEO, Chief

Carla Grant-Pickens
Vice President, Human Resources, IBM Consulting, Global Operations, Platforms, and Delivery

Lindsay Kaplan
Co-founder, Chief

Nickle LaMoreaux
Senior Vice President and Chief Human Resources Officer, IBM

Salima Lin
Senior Partner and Vice President, Strategy, Transformation, and Thought Leadership, IBM Consulting

Lula Mohanty
Managing Partner, Asia Pacific, IBM Consulting

Paul Papas
Senior Vice President, IBM Consulting Americas

Joanne Wright
Senior Vice President, Transformation and Operations, Enterprise Operations and Services, IBM Finance and Operations

Today, more women are breaking through to the top of the leadership ranks. These are hard-won achievements, but they are overshadowed by the fact that women remain acutely underrepresented in the middle management tiers, jeopardizing the prospects for a healthy pipeline of future women leaders.

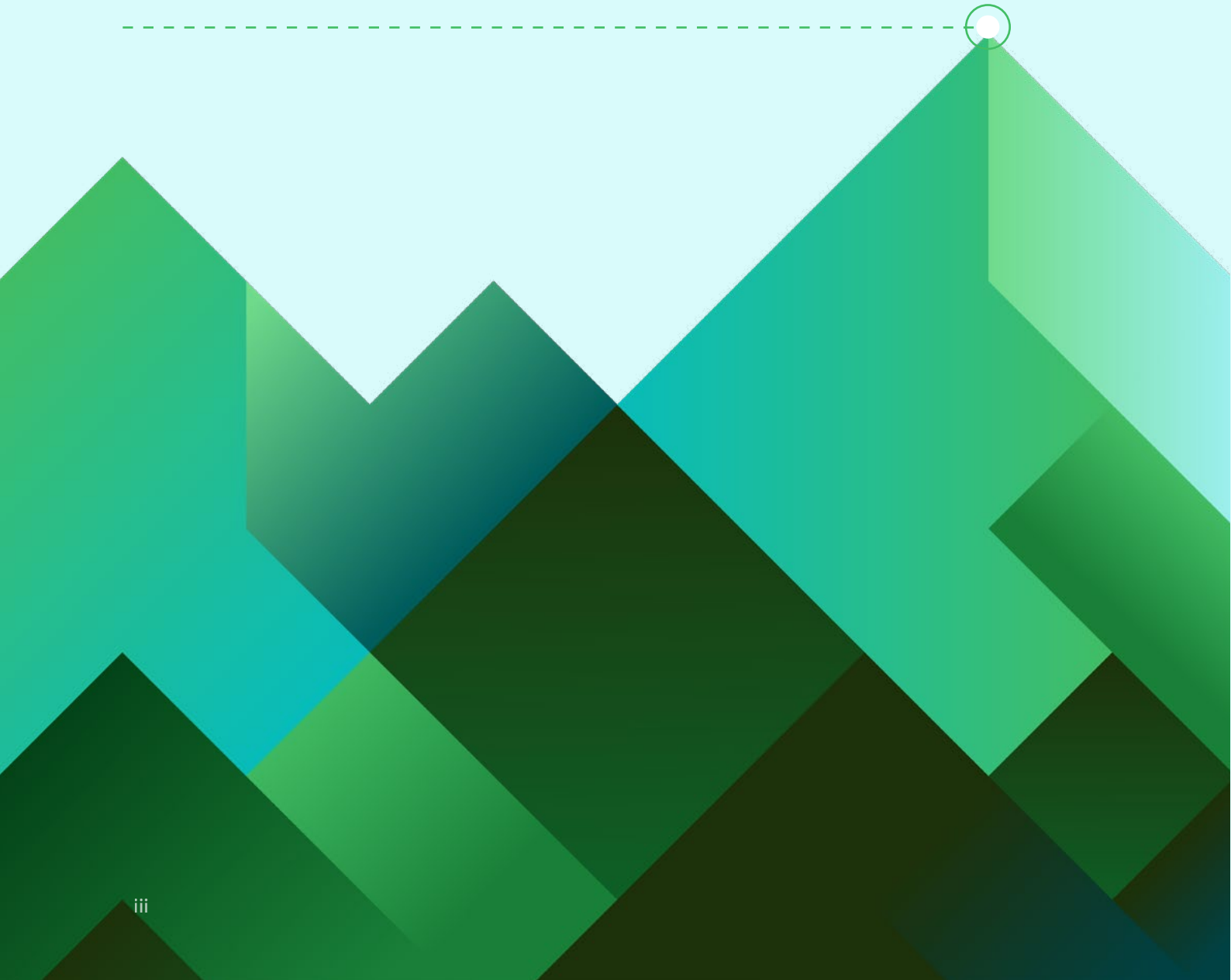
This is worrisome, and not just for women. When organizations create systems enabling individuals to thrive, the entire organization flourishes. Gender equity and inclusion are net gains for the business as a whole. It's not just the right thing to do—it's the smart thing to do. However, as our study finds, real change, and real benefits, only come when organizations build systems to embed and sustain necessary behaviors, accountability, and action.

And right now, our research suggests these systems are broken. To fix them, organizations need to be willing to go beyond well-intentioned but basic measures that aren't going deep enough, fast enough.

Now is the time to drive real progress by reimagining leadership tracks, improving pay transparency, and setting representation goals. Now is the time to challenge deeply entrenched biases and to ask women, specifically and directly, what they need to thrive as leaders.

Hope alone will not move the needle on women's advancement, but it can inspire the bold and decisive actions that do. With this in mind, we encourage readers to hold fast to their optimism even as the report reveals a multitude of barriers yet to be overcome. If we can capitalize on this moment, we can create a path for women in leadership that is forever brighter.

Gender equity is not a women's issue, it's an organizational one.



Executive summary

More people than ever before believe that women have an equal opportunity to attain leadership positions. But those sentiments haven't been enough to drive significant changes in actual advancement. Biases are still a barrier. To break them down, organizations need to mature their approach to gender parity and create structures and systems that work for women and men.

Parity "feels" close but is getting farther away.
In 2019, people across industries said it would take 54 years to achieve gender parity in leadership. Now, they say it's possible in 10 years, perhaps as a result of the greater emphasis on women-focused diversity, equity, and inclusion (DEI) initiatives. But the optimism is belied by the facts, which show a significant hollowing out of women in the middle-management tiers, putting future leadership attainment in peril. At the current rate of change, gender parity remains decades away.

The most destructive structural barriers are invisible.
Unconscious biases continue to permeate the workplace, with only 41% of male managers agreeing that their organizations' leadership believes that women with children are just as dedicated to their jobs as women without children. The attributes perceived as critical for leadership also remain gendered—men are expected to be results oriented, and women, people oriented.

The cost of doing nothing is getting more expensive.
More organizations recognize that enabling gender equity and inclusion is good for business. In fact, organizations identified as gender equity leaders report 19% higher revenue growth than others in our sample. But overall, not enough companies act as if their continued growth might depend on it. And, with nearly a third of women saying they may leave their jobs this year, attracting and retaining top female talent is only going to get harder.

Addressing these issues will require concerted and sustained engagement—and that work needs to start now. Our report lays out four actions, including rethinking the roles offered to leaders. Instead of slotting rising talent into predefined boxes, organizations need to design roles based on the strategic priorities of the business and the skills and aspirations of emerging leaders.

How gender equity is positioned must also change: It's not a women's issue, it's an organizational one. Leaders need to quantify the economic gains that accrue from righting gender imbalances and adjust strategy, moving from well-intentioned pronouncements to specific gender-representation goals, directives, and metrics. Sponsorship must also evolve—and quickly—so that emerging leaders can receive the coaching, opportunities, and support needed to let their talent shine.

And given the persistence of unconscious bias, organizations must adapt training, going beyond static approaches to embed experiential learning and allyship at all levels.

"In the companies that I work with, I see gender equity is on the agenda. But, it does require a lot of maintenance. And it requires a continuous showing of good faith and examples."

Petri Hofsté
Member of the Supervisory Board, Rabobank

PART I

The past two years showed that organizations *can* reinvent how they work

The IBM Institute for Business Value conducts a global survey every other year to assess the opportunities and barriers for women's advancement at work. For 2023—our third survey in the series—2,500 organizations participated, making this longitudinal study one of the largest of its kind, encompassing 12 countries and 10 industries.

Our 2019 report confirmed that women remained significantly under-represented in leadership positions at work—despite economic opportunities fueled by the longest running bull market in history.[1] Our 2021 study launched as many communities around the world were emerging from their COVID-19 lockdowns.[2] During the months that followed, record numbers of women left the workplace. The soaring mental, physical, and emotional load of the pandemic prompted many women to reflect on their careers—were the pressures worth it, or should they be doing something else—a stocktaking that contributed to the departure of professional women in the Great Resignation.

Competitive organizations responded by adjusting work practices, enabling flexible and remote work where conditions allowed and creating special return-to-work programs to ease reentry for those who took leaves of absence from their careers. While not exclusively intended for women, these measures helped many continue working. More organizations have embraced these practices over the past two years (see Figure 1).

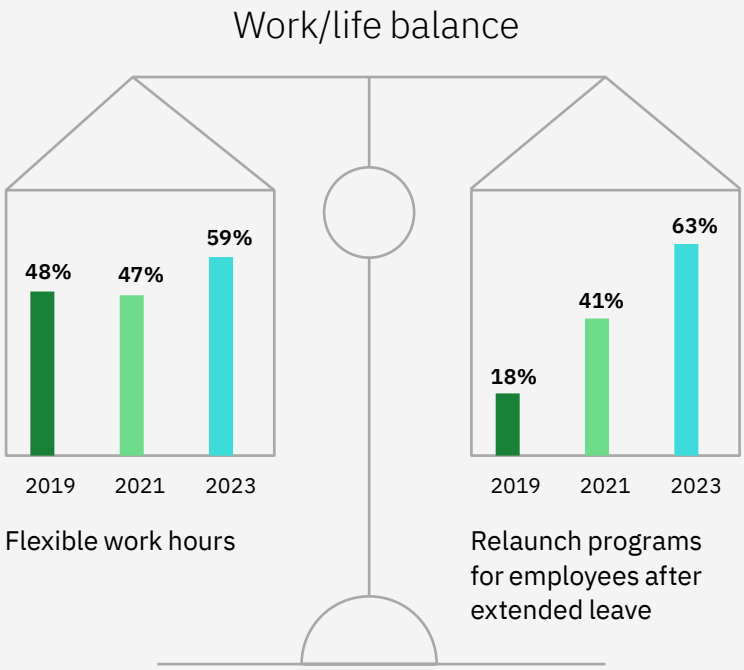
The additional stressors affecting women became impossible to ignore

More than any other event in our lifetime, the pandemic fostered a growing awareness of the unique challenges that women face in advancing their professional careers.

Over the course of 2020, women left—or were forced to leave—their jobs in record numbers. The figures were breathtaking. In the US alone, 5 million women, a generation of talent, were suddenly sidelined.[3] The fear was that it might take decades for women to recover what they had lost.

FIGURE 1

The percentage of organizations supporting key work/life balance initiatives for employees has grown since 2019.



Perspective

Video meetings—the great equalizer

"When one of my colleagues entered into a team chat that they had to tend to a child, we all commented that it was so refreshing to not have to hide that."

Cathy Yum

Head of Marketing for Zoom in Asia Pacific and Japan

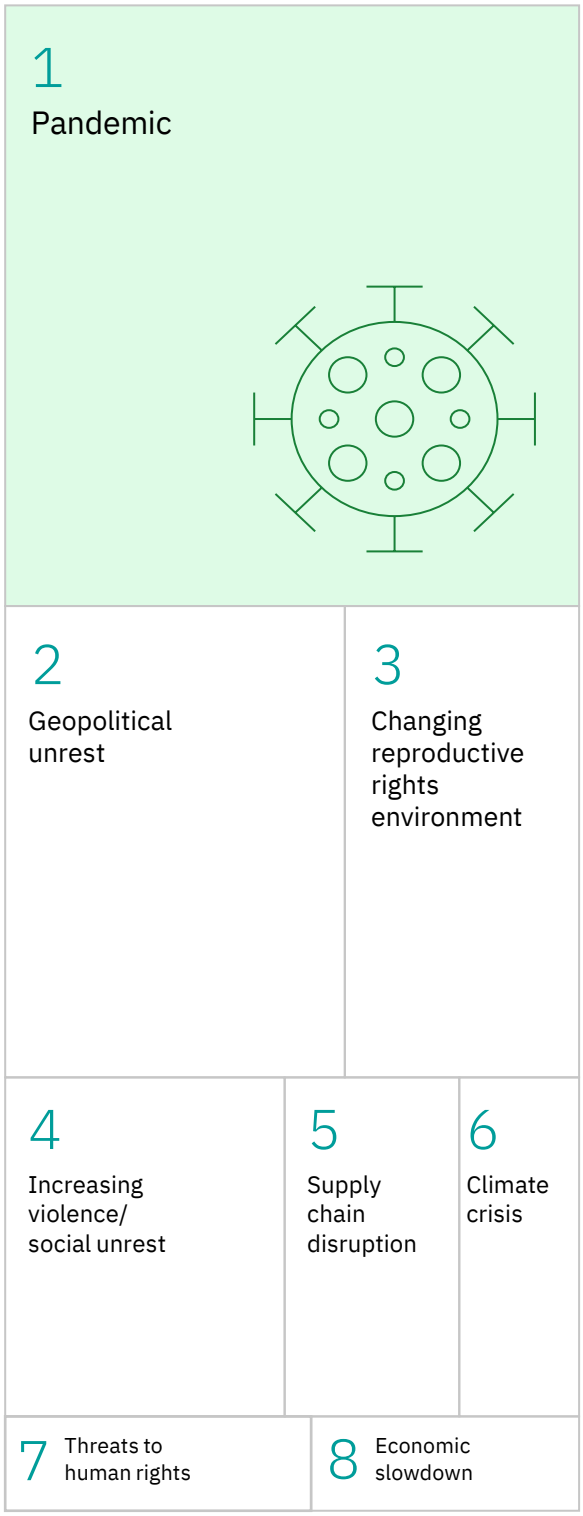
The shift to remote work helped mitigate some of the subtle power dynamics of business meetings. Suddenly, everyone was rendered as a little box on a screen and the realities of home life were visible. People became more accepting. As Cathy Yum, Head of Marketing for Zoom in Asia Pacific and Japan, explains, "When one of my colleagues entered into a team chat that they had to tend to a child, we all commented that it was so refreshing to not have to hide that. An older team member added that during her entire career, she had to pretend she was childless between 8:30 and 5:30. Now, you can put 'kid pick-up' on the calendar and we respect that. It's normal to see that now, and before COVID-19, we didn't talk about this so much."

As more companies consider how best to transition from fully remote work to hybrid work or in-office requirements, they are challenged to maintain the same esprit de corps. "Everybody's really struggling with this," says Yum.

Zoom is experimenting with ways to help preserve the healthy, level-playing-field vibe and make hybrid work feel more seamless and inclusive. Yum says, "We created a technology that, even if you have five people in a meeting room and five people at home, the AI picks up the faces in the meeting room and turns everybody into a box on the screen. We think that will help people feel more comfortable continuing to speak up in meetings."

FIGURE 2

The pandemic still ranks #1 among the many disruptions that affect working women.



Even in 2023, survey respondents rank the pandemic as the most serious disruption facing women at work, recognition of the disproportionate and persistent toll it has taken on them. Furthermore, factors having a significant impact on women's sense of health, safety, and personal agency were more troublesome than the very real dollars-and-cents concerns of an economic downturn (see Figure 2).

This attention on women in the workplace has had a halo effect on gender equity. Since 2021, more organizations have implemented initiatives specifically geared toward the advancement of women. Today, 61% of organizations have established formal networking groups for women, compared to just 46% two years ago. More businesses are also offering career development planning geared toward women (78% today versus 56% in 2021). And 65% of organizations are requiring diversity training for managers that includes gender topics, compared to 52% in 2021 and just 28% in 2019.

Today, 65% of organizations require diversity training for managers.

These programs are necessary first steps to change mindsets and attitudes. But in 2023, they have become basic expectations for any organization serious about improving gender parity.

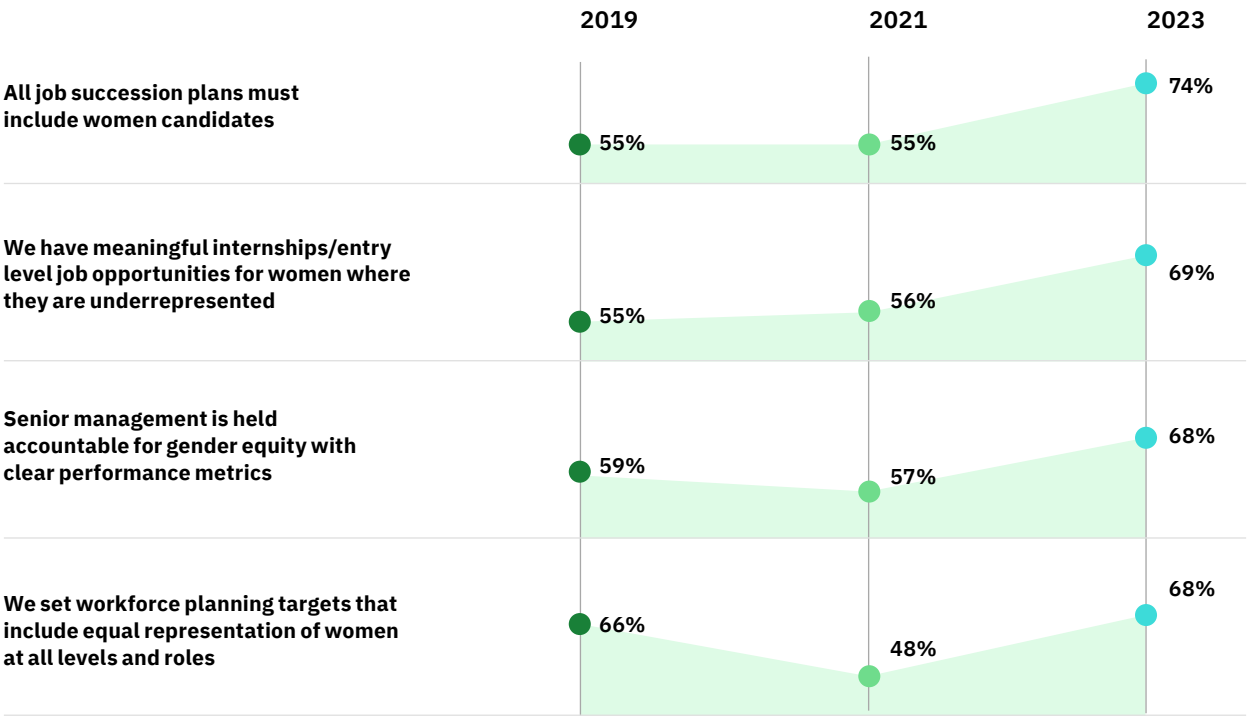
There has also been a rise in other gender parity practices that are more difficult to implement and carry more business and personal risk. It is a safe bet to offer training and support—there's little downside in that. Much bolder steps? They include requiring that female candidates be included in job succession plans, intentionally making room for women in areas where they are under-represented, and holding management accountable for progress.

Importantly, when the pandemic was at its peak, the number of organizations setting targets for equal representation of women tumbled from 66% to 48%. Reinstating this very measurable practice is gaining more favor in 2023, but the percentage of organizations doing it today is only two percentage points higher than as it was four years ago, indicating that hard-won gains requiring focus and commitment are not easy to claw back and grow (see Figure 3).

Setting representation goals for women can be controversial, which may account for some organizations' reluctance to adopt them. Complacency could be setting in. Or it could be a fear of backlash. Yes, organizations have done a lot to raise gender equity awareness in the last two years, but that alone is not enough when it comes to meaningful progress. As Cynthia Chu, Chief Financial & Growth Officer of Audible, says, "If you don't have a systematic way from the ground up to develop the next generation of leaders, it's not going to get there." And goals need to consider if women are sufficiently represented in organizational power centers. Judith Curr, President and Publisher of the HarperOne Group at Harper Collins, says, "If you want to know where the money is in a company, find out where the men are. That's where you can see the power."

FIGURE 3

More organizations are taking bold actions to advance women in 2023—but target setting hovers at 2019 levels.



Optimism is real, but unrealistic

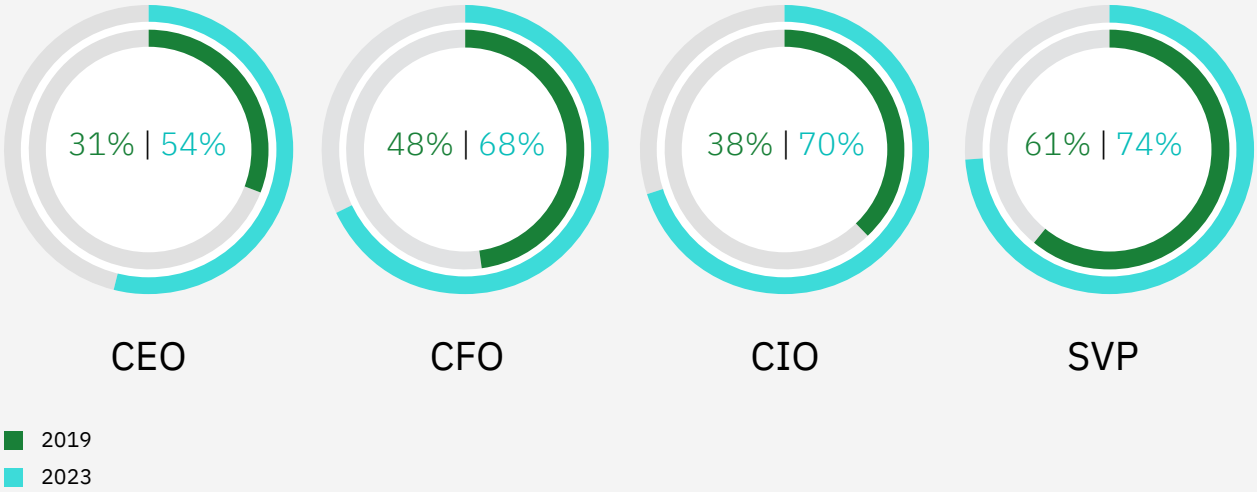
Efforts to make workplaces more inclusive have had a powerful impact on men's perception of gender parity. For the first time ever, the majority of men don't see gender as a barrier to joining their organizations' highest ranks. For example, in 2019, less than one-third of men thought a woman could just as likely be CEO as a man. Four years later, that percentage has jumped to 54%. And even though science, technology, engineering, and math (STEM) fields have long been male dominated, today 70% of men say the CIO role is equally available to women. Only 38% of men thought this was possible in 2019 (see Figure 4).

"Leaders need to get retooled on how to lead today, because it's different."

Doreen Sebben
Executive Director, The WIT Network

FIGURE 4

Today, far more men think that women in their organizations have an equal shot at top leadership positions.



Notably, in earlier years, women were far less skeptical than their male counterparts that they could advance to these roles. Finally, in 2023, enough men have shifted to where the majority of women and men share the same optimism. Tammy Luke, Manager, Demand Research and Insights, Delta Air Lines, tells us, "We're seeing momentum. In some ways, it feels like there is light at the end of the tunnel."

Confidence that change is imminent has fueled one of our most curious findings for 2023. Four years ago, respondents said it would take more than 50 years before their industry would see equal representation of women in leadership roles. To our surprise, respondents in 2023 are decidedly more upbeat, estimating that parity is possible in just a decade.

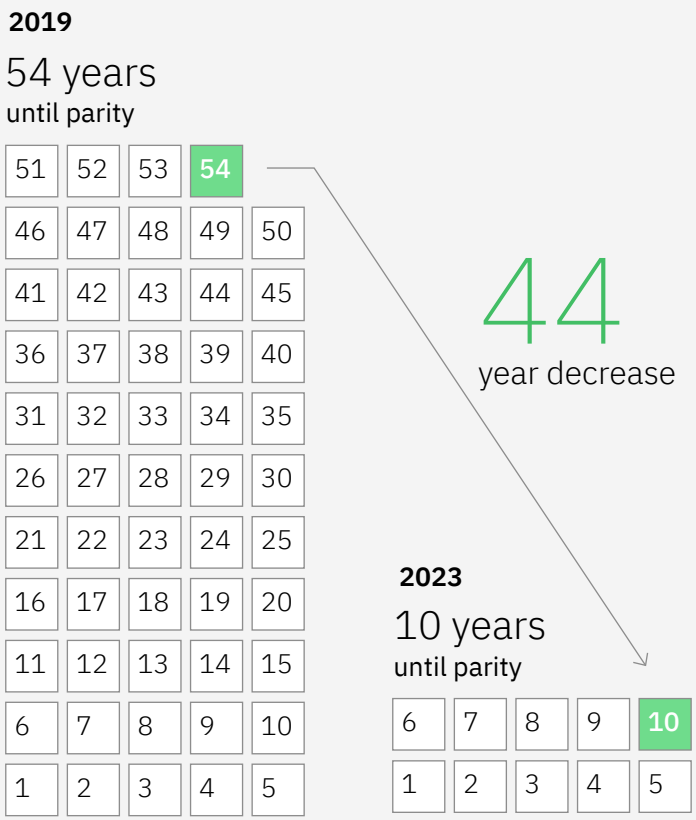
This stunning decline of 44 years tells us today's respondents believe gender parity is not for future generations to solve, but is, in fact, attainable on their watch (see Figure 5).

The gender-focused interventions that corporations have adopted are clearly resonating. In 2023, the percentage of organizations that have made advancing more women into leadership roles a top formal business priority has nearly doubled, from 25% in 2021 up to 45% in 2023. And as many as 72% say they their organizations consistently promote women to top leadership positions.

But, here's the rub: If these perceptions of progress reflected real change, we would see a significant increase of women filling leadership roles today. Unfortunately, the pipeline tells a more complex story.

FIGURE 5

This year's respondents are much more optimistic about the time it will take before their industries see gender parity in leadership.



"Changing mindsets is important, but not enough. We need specific KPIs and commitments set by the company, respective departments, the president, and executives to make change happen."

Jun Taneie

Chief Diversity, Equity & Inclusion Officer at ANA Holdings, Inc.

PART II

Historic wins at the top are threatened by stagnation in the middle

First, the good news. Finally, in 2023, there are more women in the C-suite and sitting on executive boards. Representation has inched up to 12% for both. These are incremental increases and still nowhere close to parity. But after years of inertia, they signal positive momentum (see Figure 6).

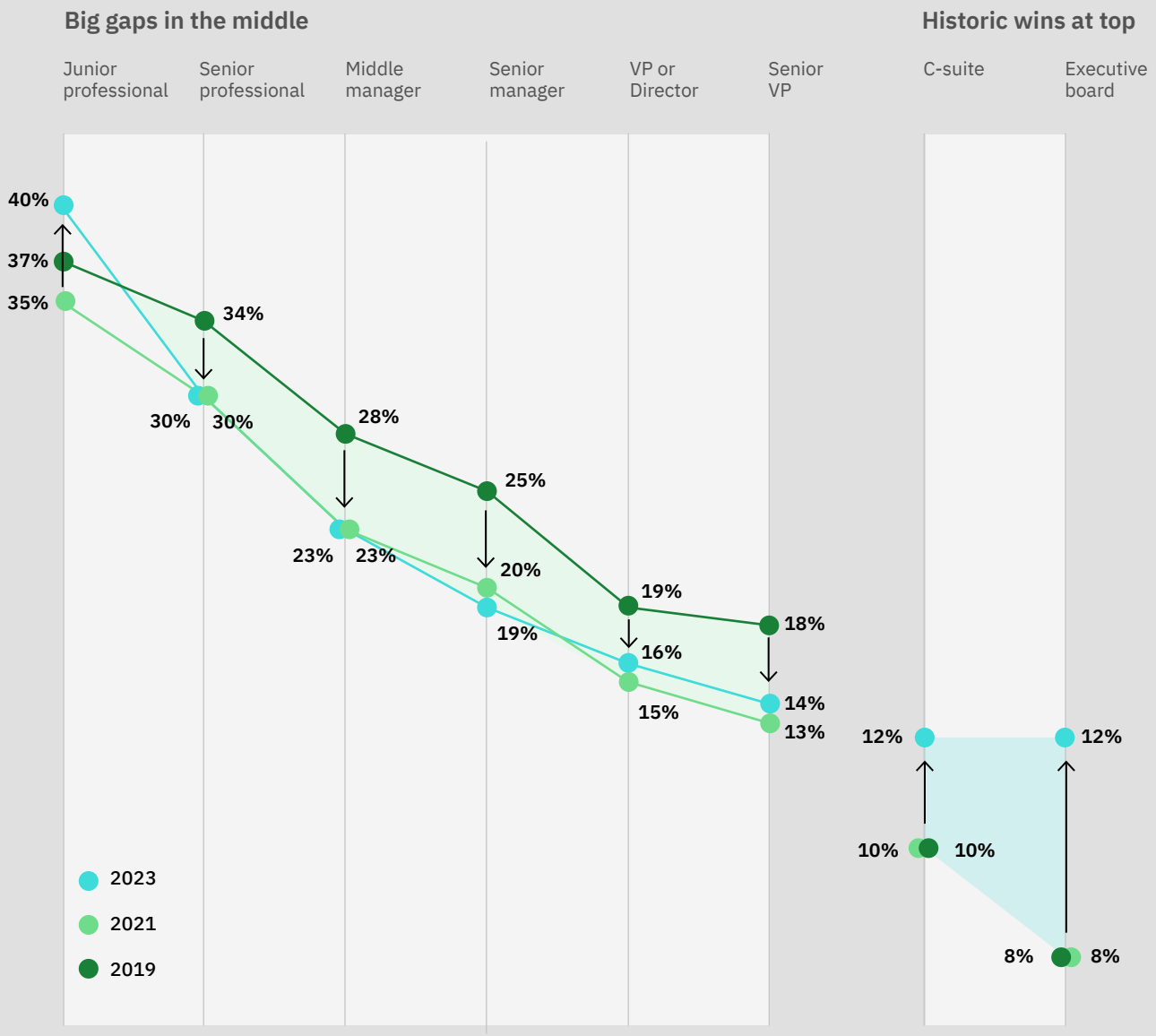
Petri Hofsté, Member of the Supervisory Board of Rabobank, says, "I see a few women getting into the chair position, and they're not there because they are women. They're there because they've done a remarkable job."

Executive roles are also slowly becoming more racially and ethnically diverse—even though representation is still woefully insufficient. The percentage of women serving on boards and in the C-suite who identify as a minority increased by three percentage points, from 6% in 2021 to 9% today, and the role of senior vice president also bumped three percentage points, from 7% to 10%.

The other bright spot for women in 2023 is at the start of the leadership pipeline—junior professionals/specialists. After a small decrease of women in 2021, this role has surpassed 2019's numbers, and today, 40% are women, making it by far the role closest to gender parity.

FIGURE 6

The 2023 leadership pipeline of women: Historic percentages in the most senior roles, but a stubborn stagnation of women in roles between junior professional and the C-suite.



"There can be a presumption that when women reach upper management, they have already demonstrated 'drive' and don't need executive sponsorship. But that's not true."

Ling Yang

Managing Director, The Carlyle Group

The leadership pipeline is hollowing out

Now, the bad news. Not enough of these talented, skilled, early career professional women are making it to the next level. 2023 saw the largest drop in percentage of women from junior professional to senior professional (10 percentage points). Not only is this the most substantial drop from one role to the next—it is the largest drop we have seen in our surveys.

We are seeing a worrisome hollowing out of women in middle management. Since 2019, the decline has been profound, affecting nearly all mid-level leadership tiers. 2023 shows a slight uptick from 2021's precipitous, pandemic-driven fall of female senior vice presidents, vice presidents, and directors. These roles act as feeders for the C-suite and executive boards. If organizations are making significant progress in the advancement of women to top leadership positions, the percentage of female executives should be higher. At a minimum, we should have seen a rebound to 2019 levels, yet that hasn't happened.

Role design is also an issue, notes Lisa Shalett, Co-Founder, Extraordinary Women on Boards (EWOB). "Just because a woman can advance into a leadership role doesn't mean that role is attractive or fits into her life. I mean, we can't even get the room temperature of a building to suit a woman's body. You can make the case that roles and workplaces were created as male-centric and haven't ever been redesigned to be more inclusive."

There is even more stagnation in senior professional and non-executive managerial positions, where the percentage of women hasn't budged since the pandemic—or, for senior managers, has even declined somewhat. The cliche of the glass ceiling isn't just a C-suite phenomenon. It starts much earlier with the first opportunities for promotion to senior professional and managerial roles.

At this pace, how long will it take before organizations achieve gender parity in leadership? It's certainly not 10 years, as our respondents hope. At the current rate of change for the C-suite, we calculate it will be more like *three decades*. And, for the leadership roles where growth has been flat, or even dipped? Sadly, the answer is *never*.

Why is the path to advancement still so difficult for women despite so much attention to this issue? Our research and interviews offer some clues.

"Managers may worry that female subordinates with children won't be able to focus enough energy toward their work."

Qi Shu Guang

Vice Chief Engineer, CTTL System Laboratory, China Academy of Information and Communications Technology

Attitude alone is not enough

The mindset shifts that we have observed are important. However, the idea that hard work and the right attitude alone can overcome structural barriers to advancement is, as President Crystal Williams of Rhode Island School of Design observed, "a dangerous mythology."

Women's advancement is not a women's issue. It's an organizational issue. But many organizations are leaving it to employees and their managers—both women and men—to work through the tensions of change on their own.

Doubt that women have what it takes

Even though globally more women are enrolled in second- and third-level education than men,[4] only about half of managers—male and female—are confident that the leaders in their organizations believe women have the education to advance.

But some of the most revealing findings focus on factors far more subjective—women's dedication and overall effectiveness.

When asked if women with dependent children are as dedicated to their jobs as women without children, the majority of respondents say yes, this is what leaders in their organization believe, except for male managers—only about 40% agreed. This point is particularly telling, considering that many women early in the pipeline are also starting families and taking leaves precisely when they could be tapped for promotion.

If there are questions about a mom's ability to balance work and family, that doubt can be enough for management to select a different candidate. Equally concerning, when asked if women are as effective at supervising as men, a similar pattern emerged. Here again, male managers are the outliers, with fewer than half (48%) saying their leadership believes this is true for their organization.

"Unconscious biases are sticky," says Terry Fry, Senior Vice President, Energy Services at Cadmus. Despite the very real shifts in attitudes suggesting that men and women value and want to create equitable workplaces, regressive viewpoints still persist. Unlike tangible barriers such as overtly discriminatory hiring practices, biases are still holding women back.

Perspective

Go beyond ticking boxes on a ledger

"We don't have to consider ourselves activists or even feminists to be able to work for a more equitable world."

Eliza Reid
Author and First Lady of Iceland

Eliza Reid is a Canadian, writer, entrepreneur, mother of four, and First Lady of Iceland. Although Iceland is regularly ranked the most gender-equal country in the world, topping the World Economic Forum's Global Gender Gap list for 13 years running,[5] Reid points out that much work remains.

There's an expression in Iceland that says, "A guest's eyes see more clearly." One thing Reid is clear about is the importance of data. "There's an incredible need for quantitative information. Some people may believe that equity will inherently right itself, but there's nothing like hard data to make the case that gender equity needs persistent and active intervention."

She's also adamant on this point: "We don't have to consider ourselves activists or even feminists to be able to work for a more equitable world." In fact, she argues that change is most likely to come when we all take personal ownership. "Our ability to make progress isn't just about electing officials who will pass laws. That way of thinking keeps us a few degrees away from feeling like we can have a meaningful role individually."

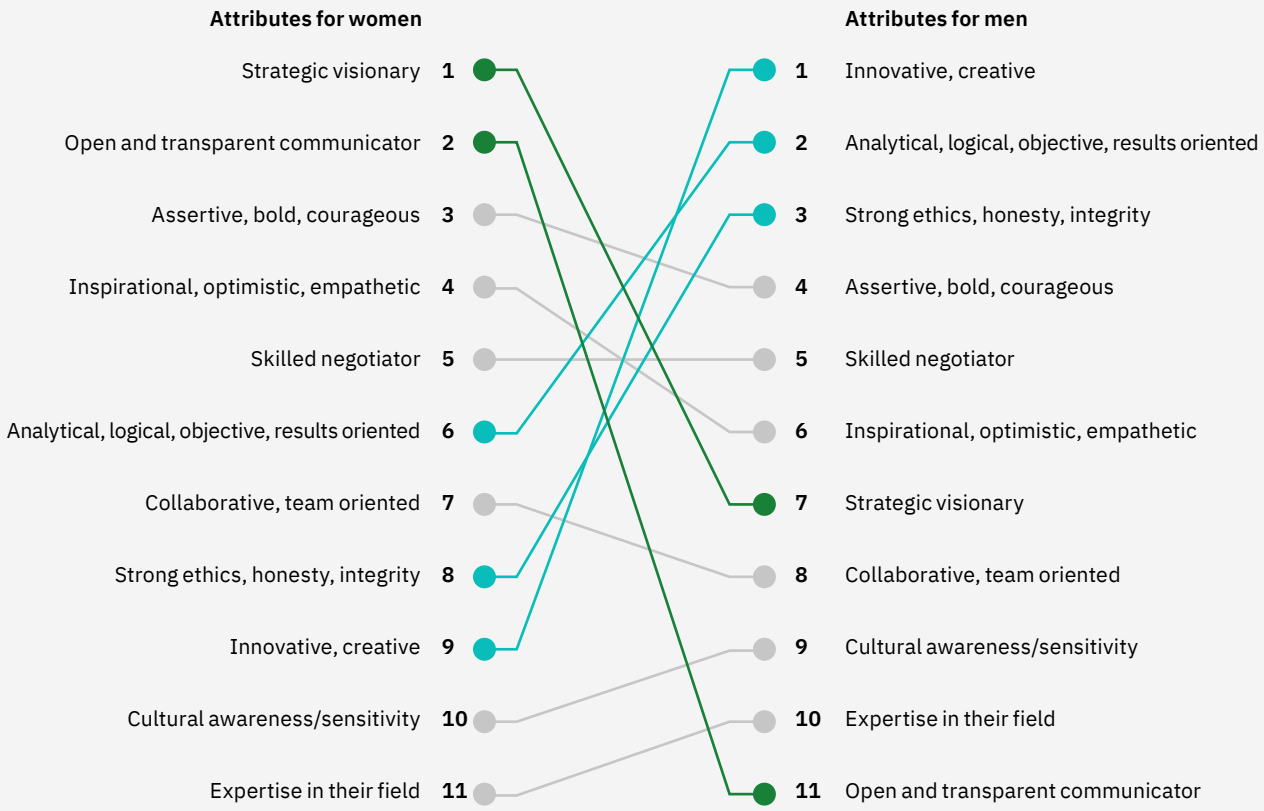
To improve representation, Reid says that definitions of success "must go beyond ticking boxes on a ledger." She adds, "There will be groups that say, 'Look, we have 50-50 representation, so I don't know what the problem is.'" But those numbers can be misleading, since women and men can be interviewed in equal numbers, but questions and advancement criteria can still be gendered. To get at these biases, Reid believes organizations need to check their assumptions and conduct follow-ups and evaluations to see what is happening up close. "You can't tackle biases until you acknowledge that you have them."

Women are expected to shine in areas that remain undervalued

People still harbor deep-seated expectations about leadership that differ for women and men. Our data reveals little agreement on the prioritized list of attributes women and men need to be considered for promotion to a leadership role. Men are primarily valued for creativity, being results oriented, and for having integrity—more so than women. And women, more so than men, need to be strategic and bold, but also people oriented. Essentially, respondents want women to help them feel good at work and want men to deliver business results, which unconsciously or not, falls into the trap of stereotyped gender models (see Figure 7).

FIGURE 7

The prioritized attributes needed for promotion to a leadership role differ for women and men.



The conventional notion of good leadership has been informed by a workplace culture long designed primarily for men. So, it's no surprise that when people think of strong leadership attributes, they prize the ones typically nurtured in men; it becomes a self-perpetuating loop. As Florence Chua, Managing Director, APAC at PCMA, says, "Even now, there is the expectation that women should just be a lot more empathetic, a lot more cuddly, a lot more emotional. Personally, I'm very results focused, and sometimes I'll get feedback from friends who say, 'You work like a man.'" Managers need to acknowledge these types of inherent institutional biases and recognize that leadership can look different and still be highly effective.

The qualities that have traditionally been seen as "soft" and more aligned with women—high emotional intelligence, transparency, communication, and empathy—are perceived as helpful, but not essential, and regarded as easier to attain than the "hard" skills that men are often assumed to have. Ana Cristina Lopez, Citi Country Officer & CEO, El Salvador, shakes her head at this notion. "Soft skills. I dislike that term. These are hard skills. Super, super hard."

They are also power skills. Anyone could benefit from acquiring them. However, making them accessible means dispelling the myth that they are innate. As a recent article from Chief makes clear, "Women aren't born with empathy, just as men aren't born to be leaders."[6]

*"One day at a time,
one foot in front of the other,
you show up."*

Shelley Diamond
Chief Marketing Officer, UNICEF USA

PART III

When women succeed, everyone wins

Gender equity is often painted as a women's issue. But numerous studies—including our own—have shown that diverse organizations perform better in many core competitive metrics.

Every two years, we analyze our sample to reveal a subset of outperforming organizations we call "First Movers." First Movers share these three key characteristics:

- They have made the advancement of women a top formal business priority.
- They view gender inclusivity as a driver of financial performance.
- They believe that businesses need to continue making changes if they are to achieve gender parity.

"At the end of the day, diverse teams are more innovative. The only way parity will increase is if we talk about diversity as a business problem and give it the same rigor and cadence that we do for other business problems."

Doreen Sebben
Executive Director, The WIT Network

"Diversity makes all of us better. We hear customers better, we hear requirements better, and we learn about our gaps better. Diversity is not a boat anchor that we're trying to drag along."

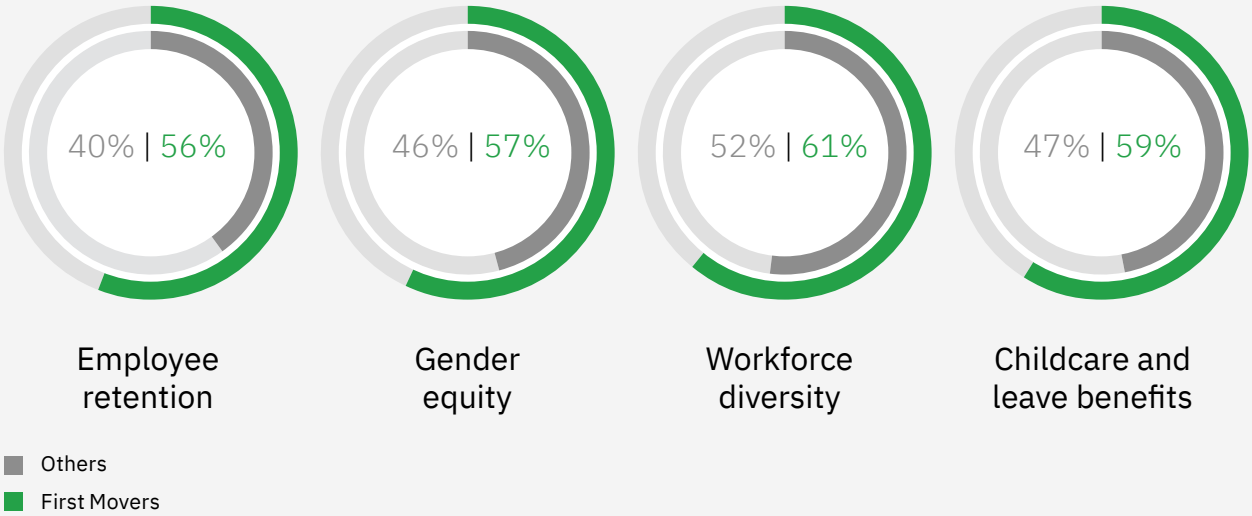
Bob Thompson
Regional Vice President of Zscaler

In past years, First Movers have set the pace. 2023 is no different. Not only do First Movers have more women in leadership roles, they also enjoy demonstrably better financial performance. Compared to other organizations in our survey sample, First Movers report 19% higher revenue growth over the past two years, a resilient figure despite the economic downturn during the pandemic. And, First Movers still outdistance others in many important performance measures related to the workplace (see Figure 8).

While First Movers have yet to see gender parity across all roles, today they have 2% more women than others in our sample for the most senior positions.

FIGURE 8

More First Movers are outperforming their competition on key workplace metrics and initiatives.



Act now or risk losing women

Even though our data corroborates what other studies have shown—that gender equity can be a performance enhancer—organizations have not taken the difficult steps to enable inclusivity in leadership. By dragging their feet, they risk eroding the progress made over the last few years, as evidenced by the dips in the pipeline of female talent.

These dips are destined to get deeper. In just the next 12 months, as many as 30% of women say they plan to actively seek a new job. 30% expect to leave their jobs temporarily to care for family. Nearly as many, 27%, anticipate having to resign for physical or mental health reasons. And 24% simply say they plan to leave the workforce permanently.

For some women, sticking it out so they can—maybe, someday—land a senior leadership role is just not worth the price. Shari Aaron, Executive Vice President of Growth and Innovation at Radius, says, "In the old model, you move up the ladder in increments."

But, Aaron believes younger women are less interested in that approach. For them, she says, "The focus is on 'how do I want to live?' It's career purpose over this idea of equality." Rather than fighting for an equal shot, Aaron believes young women may be more apt to say, "I'll leave the ball in that field, and I'll go start in a new field."

As a way to test women's work priorities, we asked our female survey respondents how much of a salary cut—if any—they'd be willing to take if they found a position with another company that better suited their needs and values. By no means are we suggesting women should make less money than they do now, nor should such a trade-off be necessary. But, when women say they would take a 10% pay cut to get a job that offered greater flexibility, or purpose, or more supportive management, their answers convey yet another sobering signal that coveted female talent could be easily lured away if companies don't act with urgency to address their concerns (see Figure 9).

FIGURE 9

Almost half of women would take up to a 10% salary cut for a job that offered any one of these advantages.

More supportive management

More flexible work locations

A stronger environmental, social, and governance (ESG) profile

Better daycare or care facilities for children

More flexible work schedules

Perspective

When individuals thrive, so does the collective whole

"It's easier to imagine equity when you understand how inequities persist right next to you."

Crystal Williams

President, Rhode Island School of Design

Crystal Williams is an award-winning poet who has founded and led diversity and inclusion programs at Reed College, Bates College, and Boston University. Now President of Rhode Island School of Design, she says, "What has kept me so engaged in the work of diversity, inclusion, equity, and justice is the deep belief that your ability to thrive and my ability to thrive, different as we are, impacts the collective whole."

She notes that a key reason barriers to inclusion remain entrenched is because investments to knock them down are seen as benefitting just a few and take a long time to pay off. "I think that we haven't as a society gotten to the understanding that the most disadvantaged populations are canaries in coal mines." She gives an example of curb cuts in sidewalks. "These came about to help people who have physical impairments. Yet, if you stand on the corner now and look at who's using a curb cut, what you see are parents with strollers, older people who don't have to worry about falling, and students with their zippy doos. The universal design benefits the whole."

It's the same with gender equity. And one of the most effective ways to compel action, she says, is through proximity and community. "It's easier to imagine equity when you understand how inequities persist right next to you."

Action guide

It's time for leaders to get serious about achieving gender equity.

This is the time for leaders to go from "first-gen" to "next-gen" and stop treating women as one monolithic block. Progress toward creating inclusive environments is a journey. Getting to great, however, requires going beyond broad-brush programs and enabling individualized moments of truth for women—and men—so they can get the support they need to navigate their personal career paths and achieve their goals.

These four steps and supporting actions can point the way.

Action guide

01

Design roles at the top that work for top talent.

Advancement is not just about having more seats at the table for women. It's about thoughtfully reexamining leadership positions and the systems that support them. This allows individuals to give full expression to their talent in ways that work for them, are fair and equitable, and in tune with their needs and aspirations of the business.

Actions to take:

- *Break the mold on historically defined roles.* Rather than pigeonholing gifted leaders into predefined boxes, organizations should sculpt leadership roles based on the strategic priorities of the business and the skills and aspirations of their top talent. Shelley Diamond, the Chief Marketing Officer at UNICEF USA, says, "I've worked with Women in America where the mission is to help women fulfill their highest potential and move the needle of the proportion of women in the C-suite. Many of these women have left the corporate track because they want fulfillment and to have more control over their destiny." Women aren't looking for a leg up. They're looking for organizations that recognize their value and are excited to create tracks that challenge and inspire them.
- *Trim hiring criteria to a core set of gender-neutral requirements.* Search criteria for top roles often contain as many as 15-20 requirements—a laundry list that few candidates can fully satisfy. This can result in a subjective, inconsistent cherry-picking of "must-have" qualifications, which enables unconscious biases to seep into the selection process. To counter this, organizations should cut criteria to a short list of five or six essentials, with gender-neutral attributes that focus on the subject-matter expertise, skills, and experience needed for success.
- *End the pay gap.* There is no excuse for gender pay discrepancies to persist, and yet they do. Aside from the flagrant inequity of placing more value on work done by men, organizations will lose the female talent they sorely need to sustain high performance. Management and boards of directors must be held accountable for ensuring that top talent receives top pay—regardless of gender.

Action guide

02

Change the dialogue around gender.

Reframe women's leadership advancement in the language that compels action: business results.

Actions to take:

- *Show how gender equity and inclusion can build financial performance.* Move beyond well-meaning but vague requests for action by quantifying the concrete economic gains that accrue from righting gender imbalances. Our study findings suggest there is a strong correlation between gender equity and performance. Organizations should benchmark themselves and measure their own journey. Track the specific ways that inclusive teams provide a competitive edge by documenting, for example, improvements in product development and customer acceptance, sales volume and deal size, and innovation cycle times.
- *Demonstrate that advancement is not a zero-sum game.* Even among open-minded professionals, there can be a nagging notion that if a woman "wins" a seat, a man loses. It's not uncommon for people to feel this way if gender equity is positioned as a woman's issue and men are the problem. Reframe how gender equity is discussed throughout the organization, not just at executive levels, and demonstrate—clearly and assertively—that when women or other minorities succeed, all benefit.
- *Engage men.* The most effective gender equity initiatives involve men and women as equal partners, overseeing strategic, enterprise-wide efforts to improve representation, model desired behaviors, and conduct interventions in language geared to men and women. Assert frequently that the success of the business relies on actively and intentionally making space for underrepresented talent.

Action guide

03

Don't just set strategy, give it teeth.

Many organizations today claim advancing women is part of their strategic agenda. But without directives and metrics, it's just words.

Actions to take:

- *Create appropriate goals for representation despite the risk of backlash.* Organizations may worry that setting goals for women's advancement could invite unnecessary risk, for example, disgruntled employees or legal exposure. But a number of governing bodies and countries are making goal-setting easier by mandating it. The European Union now requires listed companies in all 27 member countries to have women hold at least 40% of non-executive board seats or 33% of all board director roles by 2026.[7] In the US, Nasdaq introduced requirements that require listed companies to have at least one woman on their board.[8] Momentum is growing—aided in part by a wave of posted workforce diversity data—and by the fact that setting specific goals works.
- *Back up those goals with a specific plan of action.* Many executives and managers want to advocate for women and support their advancement. But as Deirdre Drake, Board Director, US Cellular, says, "You can't expect centuries-old institutions to suddenly shift. You must create the intervention points that improve your probability of success and hold people accountable." For that to happen, action plans must address specific pipeline blockers.
- *Scout and sponsor actively.* Executive sponsorship, not just mentorship, is essential to help improve women's representation. Mitsuru Claire Chino, Audit and Supervisory Board Member, ITOCHU Corporation, states, "It's extremely important for those in senior positions—both men and women—to sponsor younger women." Leaders need to actively scout for up-and-coming female talent and ensure they get the opportunities and exposure needed to compete for top roles. Representation begets representation. Women leaders will be less isolated and younger women will see evidence that it's possible to successfully rise through the organization. Citi's Ana Cristina Lopez says, "As more women come into leadership roles, we make ourselves visible. I think that speaks louder than a thousand words."
- *Commit to openness.* Excellence in gender equity is a journey filled with opportunities to learn and grow—and even make mistakes. The more transparent organizations are about their actions, results, and how they intend to accelerate progress, the more permission they give managers and others to do the same. Regular communication in formal channels such as diversity disclosure reporting and informal channels such as team huddles and meetings help generate trust and, importantly, a sense of togetherness, enabling the hard work of change to occur.

Action guide

04

Detangle the messy middle.

When we talk about gender parity in leadership, it's common to focus on the most senior roles. There are fewer of them, they are visible, and easy to quantify. It's no wonder that we saw a bump of women on executive boards and in the C-suite—if representation is mandated, it's usually for these top positions. It's much more challenging to enact measures that tackle gender parity across the full leadership pipeline.

Actions to take:

- *Ask women what they need.* Organizations need to gather much richer intelligence on the experience of work for women in the early and middle career stages. This can take multiple forms—from regular pulse surveys and periodic interviews or check-ins to sentiment analysis of employee posts on social media. Leaders can use this data to design the types of support that can be the most helpful. This way, funding and resources won't be wasted on initiatives that miss the mark.
- *Shift biases with experiential learning.* Beliefs are changing, but behaviors, not so much. Awareness training is a first step, but for many, it is a check-the-box exercise. What can be far more impactful is experiential learning. This can include shadowing, role playing, one-on-one coaching, and reverse mentoring to show employees and especially managers the many ways gender biases present. Walking in someone else's shoes often triggers the empathy needed to motivate different responses.
- *Ask why, then ask why again and again, until you uncover the root cause for inaction.* Commit to the journey. There may be a variety of reasons why an organization hasn't made much progress advancing women. By engaging in an honest accounting of the barriers, organizations can go beyond surface answers and keep the focus on change. Terry Fry at Cadmus says companies should ask themselves a simple question: "why"—and keep pressing. "By about the fourth or fifth 'why,' we usually get at the real root cause." It's these "aha moments" that can help teams conclude it's worth the investment in time, effort, and resources to alleviate barriers and biases with a sense of urgency—and resolve to take the actions that can make a real difference, such as setting representation goals, establishing meaningful metrics, promoting sponsorship, and holding managers and executives accountable.

Perspective

The power of allyship

At IBM Consulting, we recognized that there was more we could do to accelerate gender parity among our leadership ranks. Allyship is one pathway, but building and scaling allyship is a process. So, we recently initiated a 10-month pilot program where we asked male leaders to pair with female leaders to work together on the males' journey to allyship. There are 10 defined steps in this journey, each with a simple exercise to perform, such as, "Count the number of women versus men on group calls and in meetings. Note the percentage of majority women versus majority men." Pairs meet once a month to discuss their experience with each step. Then, once a quarter, everyone gathers to share with the broader group.

The work in this pilot extends beyond diversity policies for hiring and promoting employees. It incorporates everyday intentional actions and acknowledgments. It invites a variety of opinions and ideas in meetings, presentations, speaking engagements, and decision making, because an authentic approach to diversity requires a conscious choice to include, to advocate for, and to welcome. Early indications are that this pilot has been transformational for the participants.

Study approach and methodology

For this 2023 report, the third in our IBV Women in Leadership study series, we worked with Oxford Economics to conduct a double-blind survey of 2,500 executives, managers, and professionals—an equal number of women and men—from organizations worldwide across multiple industries to better understand why the gender gap in leadership continues and what can be done to ignite real change. These individuals included C-suite officers (CEOs, CIOs, CFOs, CMOs, COOs, CHROs, and others) as well as senior VPs, VPs, directors, middle managers, and non-managerial professionals. Our goal was to capture assessments from current leaders and from those who could be future leaders.

The 10 industries represented included banking, consumer products, education, government, healthcare, insurance, manufacturing, retail, technology, and telecommunications. They each comprise 10% of our total sample. The countries/regions in our survey represent a mix of areas where the gender equity gap ranges from small to large, according to the World Economic Forum's Global Gender Gap Report 2017.[9] Since our first report in this series, we have used this resource to enable a balanced, longitudinal analysis of progress over the years. Each country (or Nordics region) comprises 11 percent of the total sample:

- *Small gap.* Germany, Nordics (Iceland, Norway, Finland, Sweden), UK
- *Medium gap.* Brazil, Kenya, US
- *Large gap.* China, India, Japan

In addition to our quantitative survey, we conducted a series of one-on-one interviews with executives and managers in Canada, Greater China, El Salvador, Iceland, Japan, Netherlands, Singapore, UK, and US. And, in collaboration with our partner, Chief, a network for senior executive women leaders, we gathered insights from its members—female executives representing a variety of industries—who participated in group discussions on data findings from the survey. All data is self-reported.

The authors

Kelly Chambliss

Senior Vice President and Chief Operating Officer, IBM Consulting
linkedin.com/in/kelly-chambliss-7472201

"We all play an instrumental role in building a culture where everyone is heard, seen, valued, and supported. I have a daughter and hope the work we are doing now creates an even better future for her and all women."

Kitty Chaney Reed

Vice President, Chief Leadership, Culture and Inclusion Officer, IBM
linkedin.com/in/kitty-chaney-reed-1643081

"Delighted to contribute to this important study. A diverse workforce is the key to unlocking higher performance and impact in corporate America, government, and the world as a whole."

Carolyn Childers

Co-founder and CEO, Chief
linkedin.com/in/carolyn-childers-55b2642

"There is so much pressure on women in leadership beyond the job, with an outsized portion of unpaid labor in and out of the office. That's why I founded Chief: to support these women and corral their power to change not just their future but that of the next generation."

Carla Grant-Pickens

Vice President, Human Resources, IBM Consulting, Global Operations, Platforms, and Delivery
linkedin.com/in/cgrantpickens

"This requires a collective team effort to set goals, be accountable, and be transparent around progress. Ask yourself, 'Is my leadership team inclusive? What actions do I need to take to ensure all voices are at the table?' Be intentional. This requires thinking inclusively around who leaders hire, promote, develop, and retain for the future leadership pipeline across all roles in your organization."

Lindsay Kaplan

Co-founder, Chief
linkedin.com/in/lindsaykap

"As a working mom, I'm deeply invested in creating actionable steps now so that we can achieve gender parity not in 135 years but in our lifetime. At Chief, we're committed to changing the future for not just the women at the top, but for everyone across the pipeline."

Nickle LaMoreaux

Senior Vice President and Chief Human Resources Officer, IBM
linkedin.com/in/nickle-lamoreaux

"For more than 100 years, diversity, equity, and inclusion have been part of IBM's DNA. As I reflect on the fearless women in our past, I am honored to be part of this study, which looks ahead to the new generation of women leaders who will fuel our future with their vision, creativity, and innovation."

The authors

Salima Lin

Senior Partner and Vice President, Strategy, Transformation, and Thought Leadership, IBM Consulting
linkedin.com/in/salima-lin-b17bb71

"A daughter of Indian immigrants, born in Kenya, and now a business executive in the US, I appreciate the efforts of those who have gone before me and am passionate about doing my part for those who will follow."

Lula Mohanty

Managing Partner, Asia Pacific, IBM Consulting
linkedin.com/in/lula-mohanty

"We need to move quickly from 'diversity' and representation to 'inclusiveness' so that every person who wants to has the opportunity to reach the highest levels of leadership. Inclusion has to be deliberate and interventional from people who have the ability to influence. Inclusion is informed by 'lived experiences.' The more we seek to understand, share experiences, and act visibly and timely, the faster will be the progress."

Paul Papas

Senior Vice President, IBM Consulting Americas
linkedin.com/in/paul-papas-b3780330

"We'll never make real progress until all men are allies and allyship is an expectation not an exception. My experience has shown that going on an allyship journey will open your heart and mind, while also making you a better and more inclusive leader that unlocks everyone's full potential."

Joanne Wright

Senior Vice President, Transformation and Operations, Enterprise Operations and Services, IBM Finance and Operations
linkedin.com/in/joanne-wright4

"The power of 'we' is greater than the power of 'me.' A diverse workforce allows for the best collection of viewpoints, ideals, and ultimately business outcomes. All of us benefit from an inclusive environment."

Carolyn Heller Baird

Global Research Leader, Customer Experience and Design, IBM Institute for Business Value
www.linkedin.com/in/carolyn-heller-baird

"This is one of my favorite topics to research and track over time. It's been fascinating to see the shift in attitudes in just four years. There is so much momentum, so much opportunity to enact real change."

Cindy Anderson

Global Lead for Engagement and Eminence, IBM Institute for Business Value
linkedin.com/in/clwanderson480/

"Ruth Bader Ginsburg said, 'Whatever you choose to do, leave tracks. That means don't do it just for yourself. You will want to leave the world a little better for your having lived.' Words are my life—and reports like these are my tracks."

Contributors

Many thanks to the many people whose invaluable insights, expertise, and support helped make this study possible:

Lea Armstrong, Kira Arnise, Rachel Athwal, Stephen Ballou, Madhuri Banda, Libi Bhaskaran, Kristin Biron, Brandie Brooks, William Chamberlin, Jana Chan, Liam Cleaver, Simone Consigliere, Marisa Conway, Jon Correnti, Wei Ding, Yuriko Furunaga, Marie Glenn, Mercy Harper, Amy Hutchins, Yuko Kawakami, Nisha Kohli, Nancy Kramer, Rachel Larkin, Kristine Lawas, Charu Mahajan, Anthony Marshall, Kathleen Martin, Michelle Mattelson, Julie McDougal, Alise McNeill, Rakesh Mistry, Hebattallah Nashaat, Toshiyuki Ohoka, Stephen Ollice, Lily Patel, Daritza Perez, Wendy Roth, Bob Safian, Lucy Sieger, Christine Selph, Yan Xia Shi, Mya Singleton, Smith College Office of Alumnae Relations and Development, Chikara Takani, Molly Vannucci, Li Wang, Hannah Wharam, Andrew Womack, Sharon Yi, and Katsumi Yokoyama.

Related Reports

5 trends for 2023

"5 trends for 2023: Embracing chaos, taking charge." IBM Institute for Business Value. January 2023. https://ibm.co//business-trends-2023

Black leaders in business

"Black leaders in business: Hope, anti-racism, and the struggle for equity." IBM Institute for Business Value. February 2021. https://ibm.co/black-leaders-equity

Striving for authenticity

"Striving for authenticity: LGBT+ views on enduring discrimination and expanding inclusion." IBM Institute for Business Value. August 2021. https://ibm.co/lgbt-inclusion

IBM Institute for Business Value

For two decades, the IBM Institute for Business Value has served as the thought leadership think tank for IBM. What inspires us is producing research-backed, technology-informed strategic insights that help leaders make smarter business decisions.

From our unique position at the intersection of business, technology, and society, we survey, interview, and engage with thousands of executives, consumers, and experts each year, synthesizing their perspectives into credible, inspiring, and actionable insights.

To stay connected and informed, sign up to receive IBV's email newsletter at ibm.com/ibv. You can also follow @IBMIBV on Twitter or find us on LinkedIn at https://ibm.co/ibv-linkedin.

Chief

Chief is a private network for the most powerful women in leadership. Launched in 2019 by CEO Carolyn Childers and Chief Brand Officer Lindsay Kaplan, Chief's mission is to drive more women into power and keep them there. Chief members across the US and UK manage $800 billion of the economy and sit on the leadership teams of 77% of Fortune 100 companies.

To stay connected and informed, explore Chief membership, follow Chief on LinkedIn, or listen to Chief's podcast, The New Rules of Business.

Notes and sources

1 Peluso, Michelle, Carolyn Heller Baird, and Lynn Kesterson-Townes. "Women, leadership, and the priority paradox: Why so few organizations are getting this right—but those that do are outperforming." IBM Institute for Business Value. March 2019. https://www. ibm.com/thought-leadership/institute-business-value/report/womeninleadership

2 van Kralingen, Bridget. "Women, leadership, and missed opportunities: Why organizations' good intentions are not good enough." IBM Institute for Business Value. March 2021. https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/women-leadership-2021

3 McGrath, Maggie. "American Women Lost More Than 5 Million Jobs in 2020." *Forbes*. January 12, 2021. https://www.forbes.com/sites/maggiemcgrath/2021/01/12/american-women-lost-more-than-5-million-jobs-in-2020/?sh=6fc38b252857

4 UNESCO. "Higher education figures at a glance," UNESCO Institute for Statistics. 2022. https://uis.unesco.org/sites/default/files/documents/f_unesco1015_brochure_web_en.pdf

5 "The Global Gender Gap Report 2022." World Economic Forum. July 13, 2022. https://www.weforum.org/agenda/2022/07/gender-equal-countries-gender-gap/

6 "Stop Calling Them Soft: Why Today's Essential Skills Are Anything But." Chief.com. November 7, 2022. https://chief.com/articles/soft-skills-at-work?utm_campaign=NL-US-2022-11-11-CIB&utm_medium=newsletter&utm_source=marketo&utm_content=hero-cta-button

7 "Parliament approves landmark rule to boost gender equality on corporate boards." *European Parliament News*. November 22, 2022. https://www.europarl.europa.eu/news/en/press-room/20221118IPR55706/parliament-approves-landmark-rules-to-boost-gender-equality-on-corporate-boards

8 "Nasdaq's Board Diversity Rule: What Companies Should Know." Nasdaq. Updated January 26, 2023. https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Five%20Things.pdf

9 "The Global Gender Gap Report 2017." World Economic Forum. 2017. http://www3.weforum.org/docs/WEF_GGGR_2017.pdf

© Copyright IBM Corporation 2023

IBM Corporation
New Orchard Road
Armonk, NY 10504

Produced in the United States of America | March 2023

IBM, the IBM logo, ibm.com and Watson are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at: ibm.com/legal/copytrade.shtml.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

This report is intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. IBM shall not be responsible for any loss whatsoever sustained by any organization or person who relies on this publication.

The data used in this report may be derived from third-party sources and IBM does not independently verify, validate or audit such data. The results from the use of such data are provided on an "as is" basis and IBM makes no representations or warranties, express or implied.

8VNKABWPUSEN-05