


Women in Business 2020: Putting the Blueprint into action





“Why does having more women in senior management matter? It matters because of the sheer value you get from diversity of thinking”

Francesca Lagerberg

Global leader – network capabilities, Grant Thornton International Ltd

Welcome

Grant Thornton's Women in Business report 2020: tracking the Blueprint for Action, in action

For more than 15 years, Grant Thornton has been reporting on gender diversity in senior management among the world's mid-market businesses – businesses which form the engine-house of the global economy. In 2019, we used that data, and knowledge gleaned from a global campaign, to set out the [Blueprint for Action](#). Composed of six pillars, the Blueprint is designed to give companies the tools to deliver positive change in creating gender parity.

Through the Blueprint, Grant Thornton aims to act as an agent for change in the drive for greater diversity and inclusion, highlighting the importance of taking action to increase the numbers of senior women in business – for their own benefit, and that of the sectors they work in.

In the words of Francesca Lagerberg, global leader – network capabilities for Grant Thornton International Ltd: “Why does having more women in senior management matter? It matters because of the sheer value you get from diversity of thinking. If you have a group of people leading a firm who come from a similar background, similar culture, the same gender, you're missing something in the market. You need diversity to look at the world through a broader lens that is also likely to be more reflective of the clients you have and the issues and opportunities they face.”

A model for success

For business culture to be both diverse and inclusive, we all need to take conscious action that is both deliberate and followed through. This action can be defined as the six pillars of purpose: the foundations of [Grant Thornton's Blueprint for Action](#).

Simply put, these pillars comprise: championing the business case; knowing your diversity data; identifying and sourcing talent; opening up development and enhancement opportunities; retaining diverse employees; and creating an inclusive culture.

This last element is one of the most important areas for action. Creating a truly inclusive culture is central to attracting, and getting the most from, diverse employees who feel free to express their differences. However, it is also one of the most difficult things for a business to achieve, and any cultural change will take time to filter through the organization. Following on from our 2020 Women in Business report, we aim to design a roadmap to an inclusive culture, to give organizations a deeper understanding of how they can progress in becoming a more diverse business.

“We have to do things within our business cultures to make sure that women and other underrepresented groups feel safe,” says Kim Schmidt, global leader – leadership, people and culture for Grant Thornton International Ltd.

“Not just safe from a physical point of view, but safe to speak out, safe to contribute, safe to have their voices heard, so that they can be seen and their full potential realized.”



Contents

Welcome	1
Global findings	3
The regional view	5
Senior positions held	7
Key pillars of action	8
The Blueprint in action	9

Putting intention into practice

Over the past 12 months, we have monitored where action is being taken, and with what success. For our 2020 Women in Business report, nearly 5,000 mid-market businesses were surveyed, giving a broad oversight of how the numbers are adding up, and whether, globally, these organizations are improving gender parity in senior management.

The Blueprint for Action lays out a clear path to increasing female representation at the top, but it is taking time and sustained effort to achieve results. The proportion of women in senior management within the mid-market businesses surveyed in our International Business Report (IBR) in 2020 is the same as the previous year. Standing at 29%, it matches our research's highest recorded proportion of women in senior management globally.

In addition, we have found that the proportion of companies with at least one woman in senior management around the world has remained steady, sitting at 87%; meanwhile some regions have seen notable improvements. While these figures may not appear to represent sustained progress, they should be viewed in the light of the positive gains seen in 2019, and as a cementing of that position.

“When you step back and you look at the results, we are getting some positive movement forward, but it is a bit glacial,” admits Francesca Lagerberg. “Time, unfortunately, does matter in this area. It takes time for actions to take effect and to see the results coming through. You can’t give up the good fight. You have to keep persevering and make sure that people don’t become oblivious to the issues or assume that just because there’s an initiative in place, that it’s all being sorted. It’s about momentum and keeping the issues at the forefront of people’s minds.”



Francesca Lagerberg

Global leader – network capabilities
Grant Thornton International Ltd



Kim Schmidt

Global leader – leadership, people
and culture
Grant Thornton International Ltd

Global findings

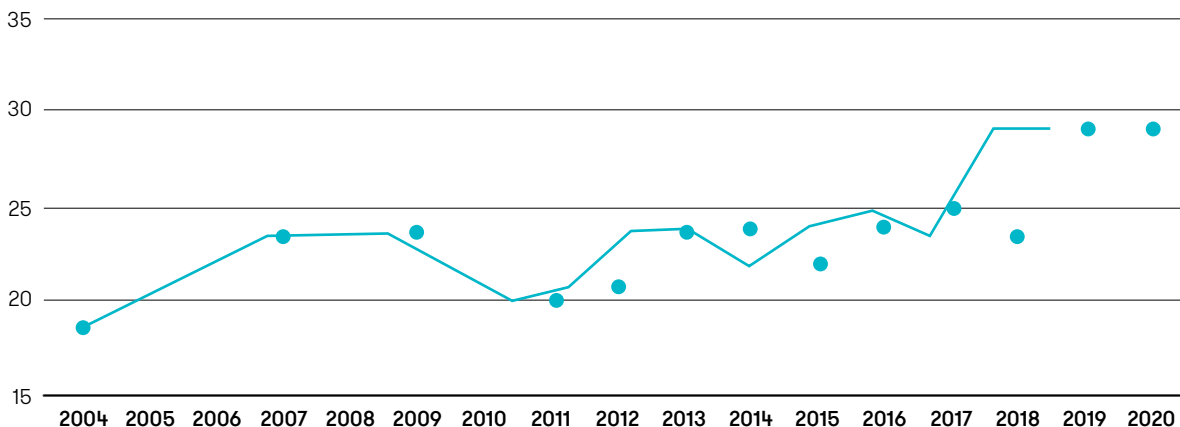
Levelling out

Our reporting for 2020 shows that among the almost 5,000 businesses surveyed in our International Business Report (IBR) research, the proportion of women in senior management is the same as the year before. As 2019 saw a jump of five percentage points on 2018, this represents a levelling off of prior progress. While these results could be interpreted as a lack of improvement, to fully understand them, we need to look at the factors behind the static figures.

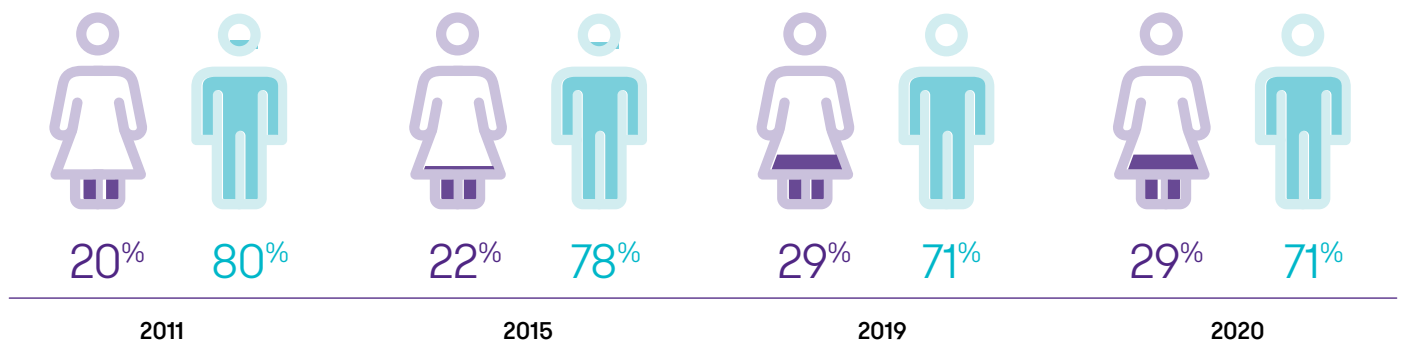
2019 saw the highest proportion of women in senior management ever reported in the IBR at 29%; 2020's result remains level with that figure. Both years fall marginally short of the 30% level which is seen as the tipping point for greater diversity at senior management level.

In our 15-plus years of reporting, the proportion of women in senior management has risen by ten percentage points

Proportion of women in senior management globally over the last 16 years

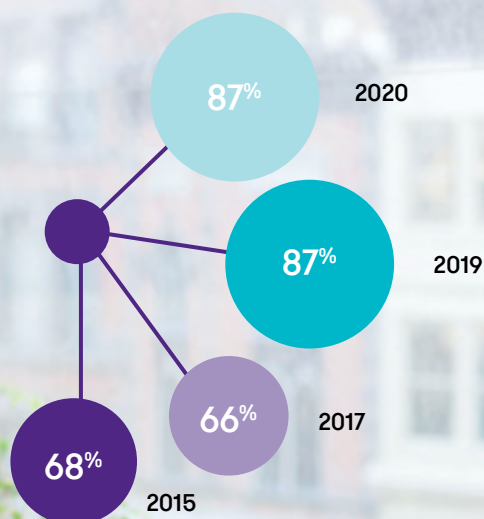


Proportion of women and men in senior management globally, 2011-2020



Positively, the proportion of mid-market companies with at least one woman in senior management around the world has held steady at 87%. Figures have risen by almost 20 percentage points over the last five years.

Proportion of businesses employing at least one woman in senior management globally



The lack of movement in the proportion of senior women between 2019 and 2020 does not necessarily reflect a failure of businesses to take positive action in this area. Last year's uplift rode the wave of attention generated by the #MeToo movement and gender pay gap reporting, and numbers have since steadied.

Another factor in the levelling off could be that the "easy" promotions have been made. Research from McKinsey¹ found that the biggest obstacle women face on the path to senior leadership is at the first step up to manager. For every 100 men promoted and hired to manager, only 72 women are promoted and hired. This "broken rung" results in more women getting

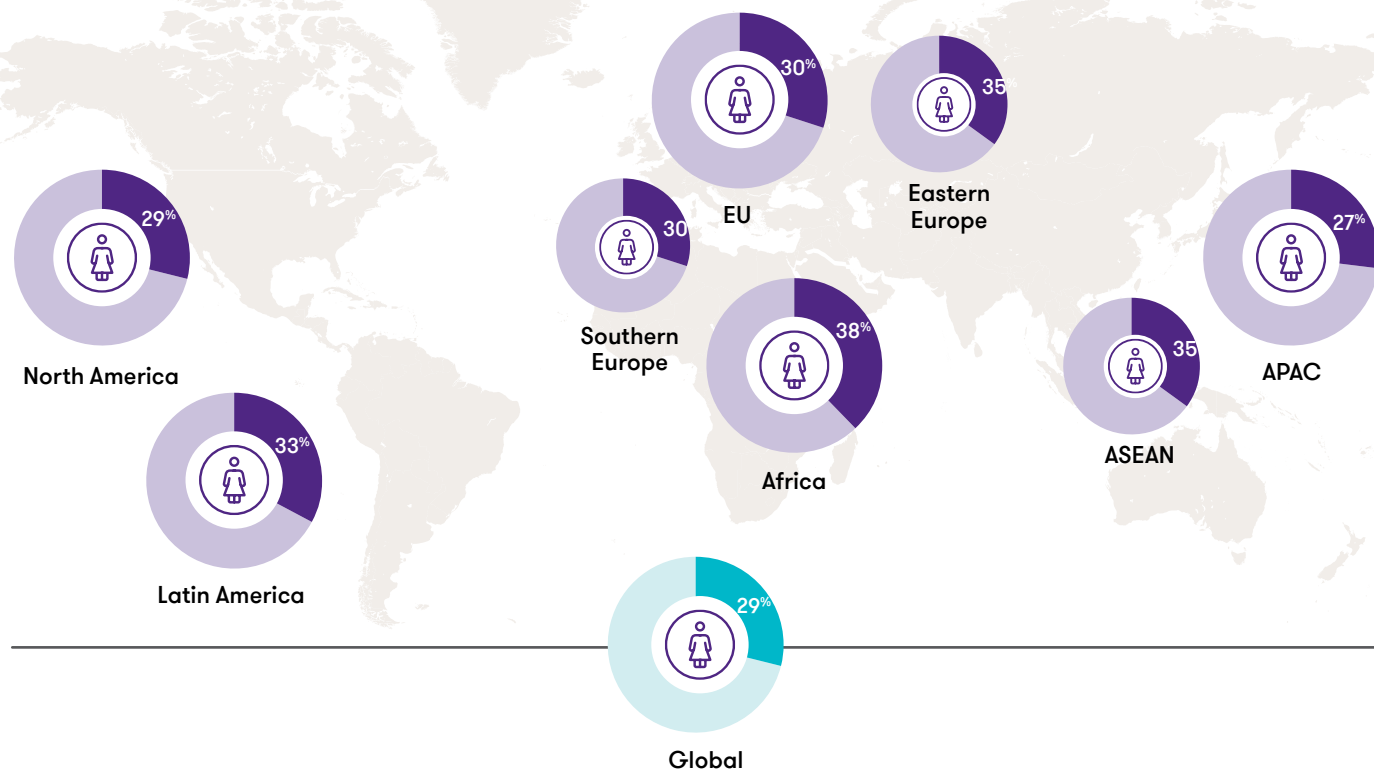
stuck at entry level. Unsurprisingly, men end up holding 62% of manager-level positions, while women hold just 38%.

The rung is broken by a lack of focus on gender parity at lower levels. The same McKinsey research found that businesses are more likely to have effective gender diversity measures in place for higher level roles compared to entry-level and more junior positions; but if the issues at the lower end of the scale are not addressed, there will not be enough women available within an organization to move up the ladder.

The regional view

Gender diversity leaders around the globe

Proportion of women in senior management by region



Our research shows that Africa has the highest proportion of women in senior management, with almost two fifths (38%) of executive roles in the region held by females. Conversely, APAC has the lowest figure, with 27% of senior managers in the region being female.

The story at the top end of the scale is positive, with Africa, ASEAN, Eastern Europe, Latin America and Southern Europe all increasing the proportion of women in senior management roles, and all exceeding or equalling the 30% tipping point. Africa, the region with the highest levels of female executives, has increased the proportion of women in senior management positions by seven percentage points since last year.

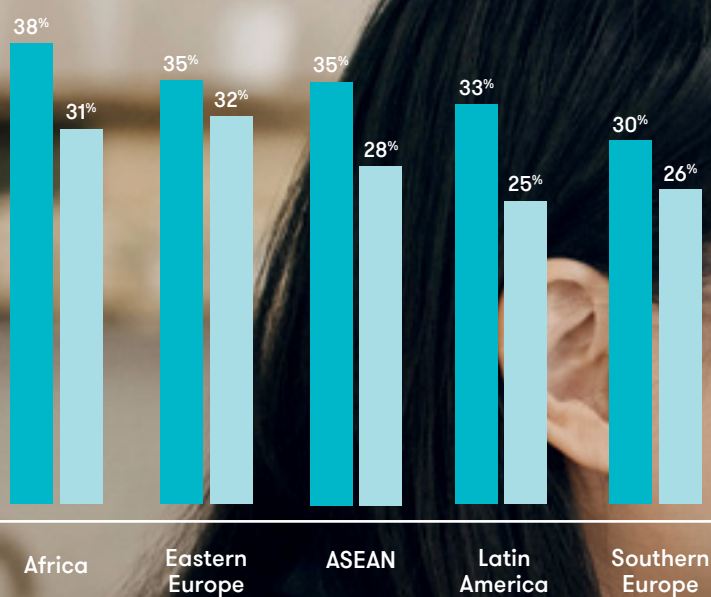
Africa's success is explained in part by research from the World Bank², which highlighted reforms promoting gender equality over the last decade, including laws on both workplace sexual harassment and domestic violence. In addition, research from

McKinsey³ found that Rwanda and South Africa have increased women's representation in middle-management roles by 27% and 15% respectively.

ASEAN has also seen impressive gains, from 28% to 35%, thanks to a range of initiatives⁴. Malaysia has set an ambitious target of 30% female board representation in the top 100 publicly-listed companies in 2020, "naming and shaming" those which fail to appoint more women to their boards. The Philippines Securities and Exchange Commission (SEC) revised its code of corporate governance for listed firms, recommending an increase in the number of female directors. Singapore also adopted a gender perspective in the 2019 revision of its corporate governance code, requiring listed companies to publicly disclose their board diversity policy in their annual reports, and describe their progress in attaining targets. Thailand, meanwhile, is one of the few East Asian countries that is part of the Equal Futures Partnership.

Top five regions by proportion of women in senior management, 2020 versus 2019

● 2020 ● 2019



Latin America experienced the biggest increase in the proportion of women in senior management, climbing by eight percentage points.

Family businesses in Latin America have typically been run by men, with the board filled by male colleagues, friends and relatives. There has, however, been a recent drive to get these businesses to employ more independent directors⁵, opening up opportunities for women. For example, to be part of the top governance levels at the Brazilian stock exchange, publicly traded companies must have independent directors.

#MeToo and similar movements have also helped to spur action in Latin America; not only to protect women, but also to raise awareness in society at large about the different treatment received by men and women. In Chile there have been massive feminist protests on the streets; in Colombia, a no-tolerance policy for abuse is gaining strong momentum.

Senior positions held

The roles filled by women executives are shifting

Our 2020 data sees an encouraging uptick in women at CEO/MD level, with an increase of five percentage points; but a decline at CFO level, a position in which women have traditionally been well represented.

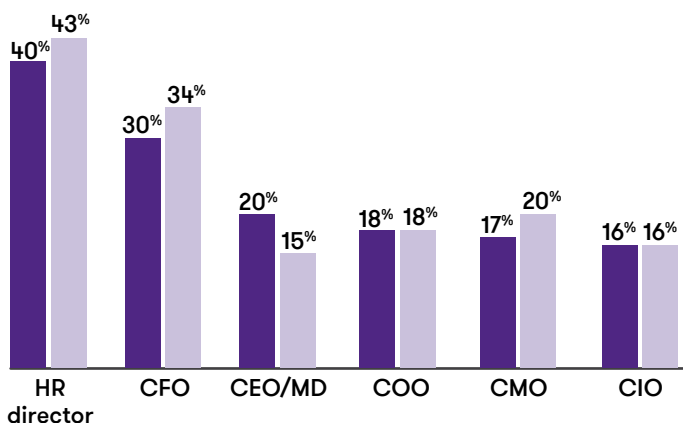
Women are most likely to work as an HR director, a role traditionally strong in female employment – yet the proportion of these roles filled by women has fallen by three percentage points.

It is possible that the shifts reflect a movement within the same sub-set of female directors, gaining promotions and moving role from CFO to CEO, without seeing progress in the total number of women holding C-suite positions.

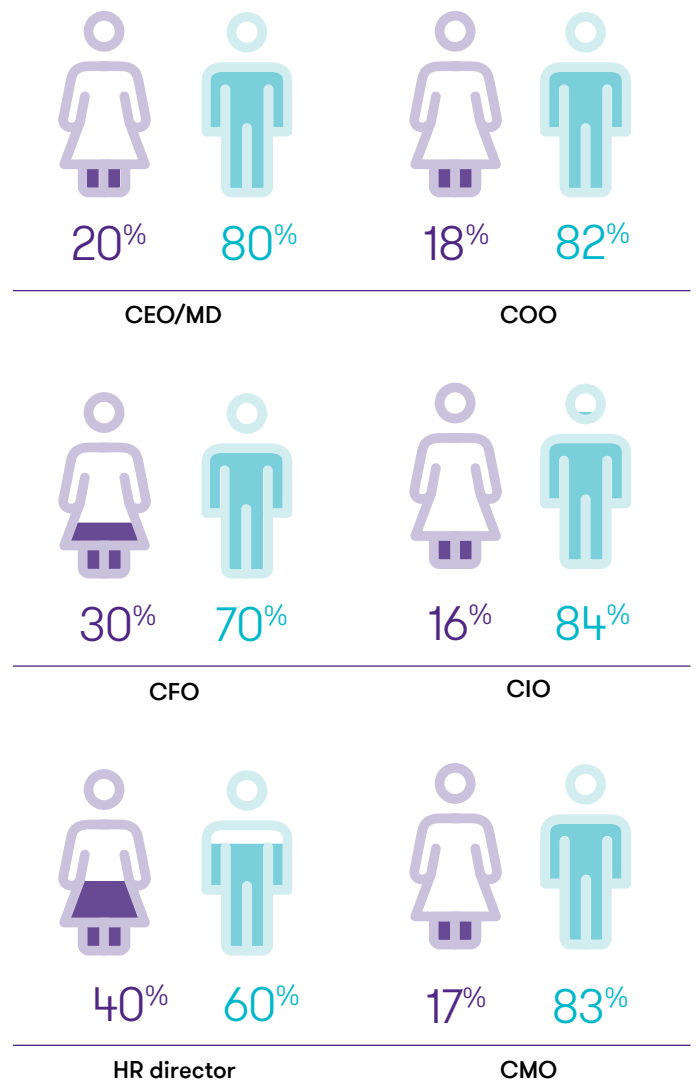
Despite the shift in roles held, there is still a gender bias across all senior roles. While senior women are most likely to work as HR director, they are still heavily out-represented by men, who make up 60% of HR directors.

Proportion of women in specific roles, 2020 versus 2019

● 2020 ● 2019



Roles by gender in 2020



Key pillars of action

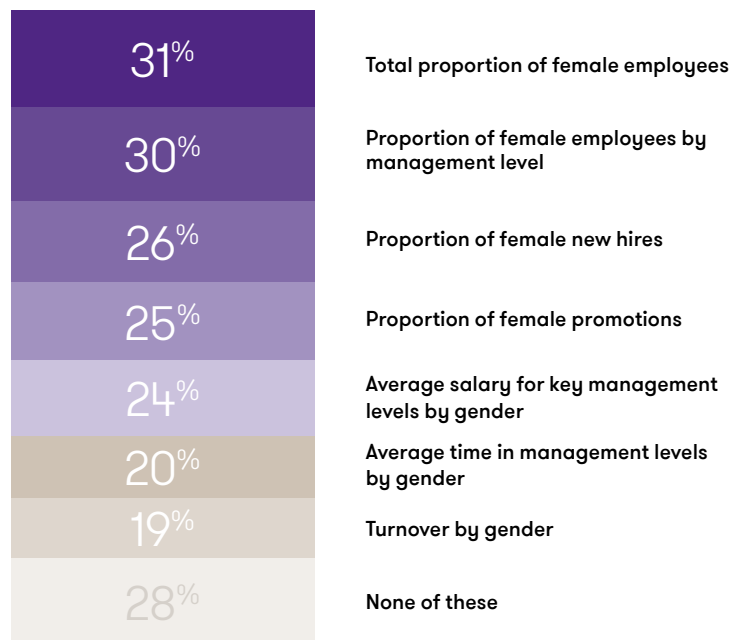
Measuring diversity data and creating an inclusive, safe culture are central to the Blueprint for Action

What diversity data do businesses measure?

In the sphere of women in business, measuring diversity data is one of the central pillars of the Blueprint for Action: businesses need to know where they stand before they can implement appropriate gender initiatives. In this sphere, our research shows that measuring the total proportion of female employees is the most common metric tracked by mid-market businesses at 31%, closely followed by the proportion of females by management level at 30%. Turnover by gender is the least tracked statistic among respondents, at 19%.

Businesses need to know where they stand before they can implement appropriate gender initiatives

Diversity metrics tracked by businesses in 2020



*Respondents selected all that were applicable

Do businesses create safe environments for diverse thinking?

Building an inclusive environment is essential to attracting and retaining the best talent – including female talent. A key component of creating such a culture is making people feel that they are able to freely express differing opinions, make mistakes without censure, and that their seniors will be open to their ideas. A state where all these elements exist in the workplace is one of psychological safety for all employees.

Of the business leaders responding to our survey, 33% believe that different points of view are always encouraged in meetings. Being able to always speak up about concerns or mistakes is slightly lower at 30%. The most positive response was that candid communication was always possible, at 35%.

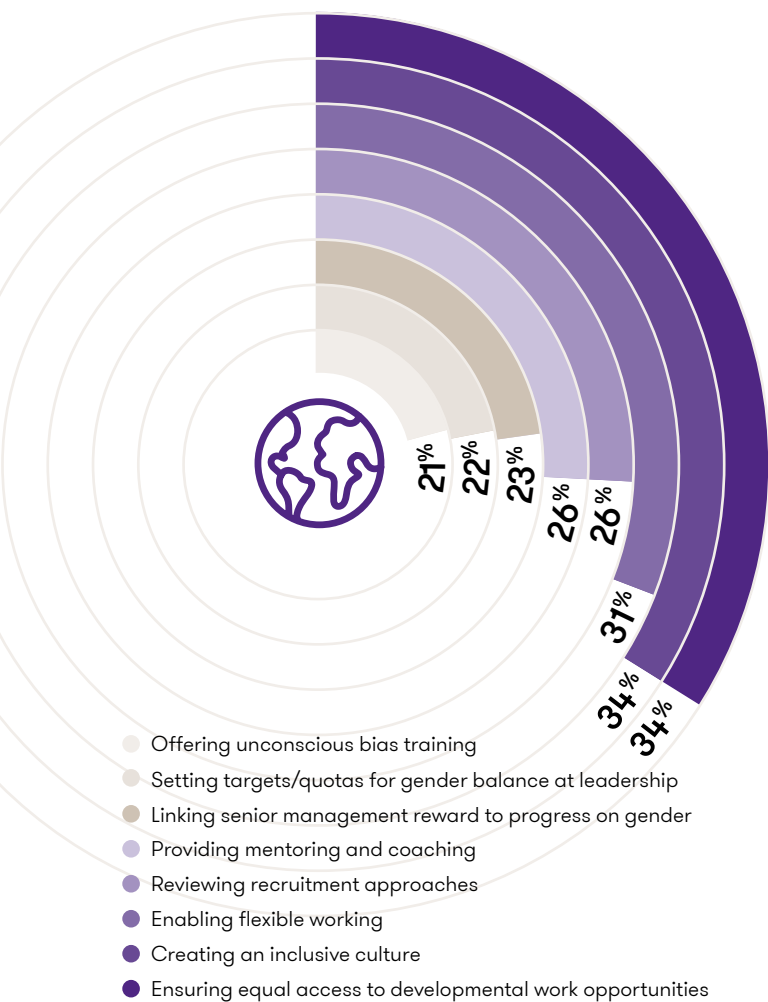
Our research shows that things are moving in the right direction when it comes to creating a sense of psychological safety. Approximately a third of senior leaders around the world believe their staff always feel confident in speaking up, showing their differences and expressing alternative points of view.

However, the fact that nearly a fifth of respondents cite each of the polled options as only occasionally true reveals that there is a long way to go to ensure a universal culture of inclusion.

The Blueprint in action

The actions businesses are taking to get more women into senior management

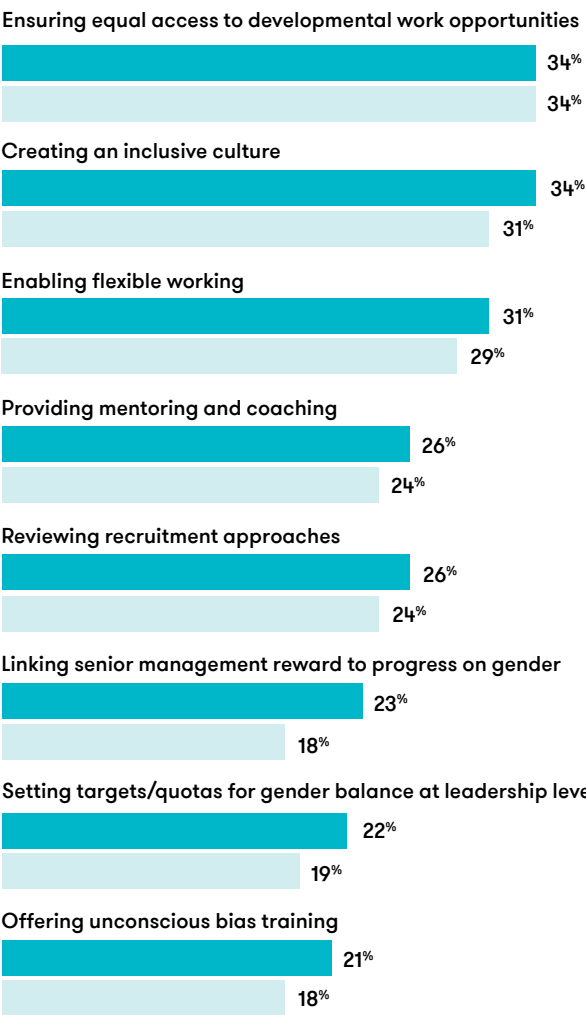
Most common actions being taken by businesses around the world to achieve gender parity



Ensuring equal access to developmental work opportunities and creating an inclusive culture are the most common initiatives aimed at improving gender diversity, both at 34%. Meanwhile, offering unconscious bias training is the least common initiative. All actions have increased in popularity since 2019, with linking senior management reward to progress on gender diversity rising the most in the last year, climbing by five percentage points. Nonetheless, 22% of businesses globally still take no action to ensure gender diversity.

The actions for gender parity being taken globally, 2020 versus 2019

2020 2019



We know that taking action now will result in increased numbers of senior women in the future: work towards diversity in all areas is challenging, but worthwhile. Learning alongside our clients, Grant Thornton member firms are committed to sustained action to effect positive change. Here are a few examples:



In 2016, **Grant Thornton UK LLP** set gender diversity targets for 2023, including reduction of the gender pay gap to 20%, an increase in the proportion of female and non-binary partners to 25% and an increase in the number of female and non-binary directors to 30%. In addition:

- agile working and a robust family care policy are enabling balanced work and life commitments
- the firm has committed to the Women in Finance charter, appointing a senior executive for gender and supporting women into senior roles.



In 2019, **Grant Thornton France** launched its two-pronged Women Experience to improve the firm's diversity and inclusion (D&I) position:

- it includes Women in Leadership, an internal training and mentoring program for female executives, and Women in Business, an external program to grow women's business networks
- the firm also hosts four Women's Experience events per year, with attendees so far totalling 400.



Grant Thornton Australia celebrates the breadth and diversity of experiences and perspectives among its workforce. Initiatives include:

- DAWN (Diversity at Work Now committee), which builds awareness, headlines and celebrates diversity, and creates an inclusive environment
- PRISM, the LGBTI+ & Allies Network, which provides a platform of support for LGBTI+⁶ employees and their allies with the aim of creating a workplace where people can bring their whole selves to work
- Champions for Action: Australian business figures who share practical solutions for gender parity.



At **Grant Thornton Ireland** policy focus, initiatives around role models, and tracking gender parity data are driving change:

- the EMBRACE program covers six key pillars of D&I and includes diversity led events, advancement of HR policies, delivery of D&I focused training at all levels, membership of key alliance groups including the 30% Club and Professional Women's Network, Outstanding and the Open Doors Alliance.
- advancement of gender equality is supported by a bespoke female leadership development series which includes the Aspire and Accelerate management programs.



Grant Thornton India is eradicating unconscious bias in hiring and in the office, and making the working environment more female-friendly, through:

- the "ABC of Bias" training module for diversity and inclusion ambassadors
- "Celebrating Parenthood," an initiative which helps people achieve better work-life balance
- policy interventions such as flexi-work, working from home, and part-time working arrangements
- the "Women Safety Policy" to make females working late in the office feel secure
- the "one rank, one pay" policy offering equal remuneration for staff at the same level
- quarterly campaigns highlighting female achievers both in and outside the firm.

Conclusion

Although many of the Blueprint for Action pillars are being enacted by businesses around the world, and positive change is occurring, there is no denying that the pace of change is slow, and more needs to be done. "You have to keep making sure that things are being tracked and followed through," says Grant Thornton's Francesca Lagerberg. "That's why I really value this annual report, because you have a checkpoint to see what's working, and what isn't."

And it is clear that change in gender parity will come hand in hand with greater inclusion across all areas of diversity.

"It's not just about gender: women in business is just one element," states Grant Thornton's Kim Schmidt. "Focusing on creating an inclusive environment actually benefits all levels and all types of diversity so it becomes more of a comprehensive conversation."

To help inspire this change, Grant Thornton is creating a roadmap to an inclusive business culture in 2020, bringing together the views of the most influential activists in this area.

Follow the conversation at granthornton.global/Womeninbusiness2020.

#WomenInBusiness #BlueprintForAction

About Grant Thornton

Grant Thornton is an award-winning, globally recognized professional services network and is one of the world's leading organizations of independent assurance, tax and advisory firms. Grant Thornton is a leading business adviser that helps dynamic organizations to unlock their potential for growth.

Our brand is respected globally, as one of the major global accounting organizations recognized by capital markets, regulators and international standards-setting bodies. Our global scale across more than 140 countries with over 53,000 people means we can meet your changing needs and provide you with the insight and agility to help you stay one step ahead.

Privately owned, publicly listed and public sector clients come to Grant Thornton because of our technical skills and our industry capabilities, but also for our different way of working. Our member firm partners and teams invest the time to truly understand your business, provide you with real insight and a fresh perspective to keep you moving. Whether a business has domestic or international aspirations, Grant Thornton can help you to unlock your potential for growth.

Visit **grantthornton.global** today to find out how we can help you.

Methodology

The Grant Thornton International Business Report (IBR) is the world's leading mid-market business survey, interviewing approximately 5,000 senior executives biannually in listed and privately held companies all over the world. Launched in 1992 in nine European countries, the report now surveys around 10,000 businesses leaders in 32 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 October and November 2019 with chief executive officers, managing directors, chairs, and other senior decision-makers from all industry sectors in mid-market businesses in 32 countries. The definition of mid-market varies across the world: in mainland China, we interview businesses with USD 5 million to USD 500 million in revenue; in the United States, those with USD 100 million to USD 4 billion in annual revenues; in Europe, it is commonly 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.

Footnotes

1. ['Women in the Workplace 2019'](#), McKinsey & Company, 2019
2. ['Women Business and the Law'](#), International Bank for Reconstruction and Development / The World Bank, 2019
3. ['The power of parity: Advancing women's equality in Africa'](#), McKinsey & Company, 2019
4. ['Board Gender Diversity in ASEAN'](#), International Finance Corporation, 2019
5. ['Reinforcing the Need for Diversity in Latin America's Boardrooms'](#), Egon Zehnder, 2019
6. Lesbian, gay, bisexual, transgender, questioning and plus (other sexual identities including pansexual, asexual and omnisexual)

