

Moving the Needle on Gender Balance

GLOBAL WORKPLACE TRENDS 2018



sodexo
QUALITY OF LIFE SERVICES



A WORD FROM OUR CEO

Most companies recognize that their success depends not only on attracting the “best and the brightest” talent, but also on retaining, motivating and engaging employees through a workplace experience and culture that allows them to thrive. However, this does not always translate into the realities routinely experienced by millions of employees across the globe.

At Sodexo, we are passionate believers in the human-centered and experience-based workplace, where individual talents are released, where people can invent, inspire, lead, learn—and create a better tomorrow. This is why Sodexo’s business is focused on improving Quality of Life—a key factor in shaping the employee experience, increasing levels of engagement and realizing human potential.

Yet we live in a world in which organizations seem in perpetual motion, influenced by global shifts in technology, the rise of automation, changing expectations of the role and purpose of business, and evolving lifestyle aspirations. Every forward-looking organization will have to challenge its own received wisdoms and come to terms with the trends that are shaping both the nature of the enterprise and the future of work.

Since 2012, Sodexo has scanned the horizon in its annual Global Workplace Trends Report. By understanding key trends and their implications, we’ve been able to more effectively help our clients plan for the future that lies ahead. In the 2018 iteration of the Global Workplace Trends, our 7th edition, we look at seven trends driving organizational change:

- Getting Ready for Gen Z
- The Internet of Things: Shaping the Future Workplace
- Creating the Emotionally Intelligent Workplace
- Re-imagining Resources in the Sharing Economy
- Moving the Needle on Gender Balance
- Human Capital Management 3.0:
Transforming the Employee Experience
- Employees: New Change Agents for Corporate Responsibility

In examining these trends, we owe a wealth of insights to the 20 future thinkers and strategists we consulted. These experts hail from around the globe, and include young entrepreneurs, established business leaders, distinguished organizational psychologists, leading technologists and well-recognized social and generational researchers. We are grateful for their contributions.

While these trends cover a broad range of topics, they are deeply interconnected and possess a clear unifying theme: the need for collective intelligence across all workplace domains. And every organization, including Sodexo, has the responsibility and the privilege to nurture this intelligence to the fullest. Only by delivering our promise to the workforce and by investing in the boundless human capacity to learn and grow can organizations succeed in an ever-changing world.

SYLVIA METAYER
CEO, Sodexo Corporate Services Worldwide

ABOUT SODEXO

Sodexo is the only company in the world that offers integrated Quality of Life Services to its clients—through On-site Services, Benefits & Rewards Services and Personal & Home Services. For over 50 years, we have developed unique expertise, backed by nearly 450,000 employees serving 100 million customers each day in 80 countries across the globe.

THIS GLOBAL WORKPLACE TREND IS PART OF A SERIES OF SEVEN.

Please visit
[sodexo.com/2018-workplace-trends](https://www.sodexo.com/2018-workplace-trends)
for further information.

MOVING THE NEEDLE ON GENDER BALANCE

GLOBAL WORKPLACE TRENDS 2018

For much of the recent past, business has taken a more direct approach to improving diversity in the workforce, particularly when it comes to addressing gender imbalances on teams. Now, with a growing awareness around the unique challenges faced by women in the workplace—and because of the significant value generated by improved diversity—it's clear that the focus of diversity needs to include not only making the numbers add up but also instilling a true feeling of belonging and inclusion.

For companies that want to overcome gender imbalances, the first step is to examine the barriers that are holding women back—from biases and double standards to a lack of sponsorship support. Only then can they take steps toward creating a gender intelligent workplace, one in which employees feel that their uniqueness is valued and that they belong.

The way forward will ultimately require a cultural transformation, which isn't easy—but inclusive leaders can help drive change. In this article, we explore why this issue matters now more than ever, with new perspectives and research from the Center for Talent Innovation's CEO, Sylvia Ann Hewlett; Catalyst President and CEO, Deborah Gillis; and Sodexo's Senior Vice President Corporate Responsibility and Global Chief Diversity Officer, Dr. Rohini Anand.





A BETTER BUSINESS CASE

Research shows that gender-balanced teams create companies that are stronger, smarter and more innovative.¹ Creativity is enhanced and performance increases, with businesses becoming notably more profitable. Sodexo's 2015 Gender Balance study showed that teams with optimal gender-balanced management achieve 5% higher brand awareness, 12% higher client retention, 13% higher organic growth and 23% higher gross profits. Follow-up research in 2017 confirmed these findings and found a lower incidence of work accidents in entities with gender-balanced management.

Similarly, a McKinsey study of 350 large public companies in the U.S., Latin America and the U.K. showed that organizations in the top 25% for gender diversity were also 15% more likely to generate higher returns than regional peers.²

HOLDING A MIRROR UP TO MARKETS

The reason for these desirable outcomes is twofold. First, organizations can only reach their full potential when their leadership team—and their workforce—reflects the diversity of their customers, more than half of which are women. Companies that fail to diversify the gender structure of their leadership simply cannot have the insight into their markets that teams with a better balance do. Second, all forms of diversity within an organization blend unique perspectives, experiences and skill sets that help solve problems more effectively.

Consider the Center for Talent Innovation's global survey of thousands of women with a personal income of at least \$100,000 or investable assets of at least \$500,000. The research showed that over half of the women didn't have a financial advisor. In the U.S., these women without advisors keep around 20% of their assets in cash, which amounts to a significant missed opportunity and revenue loss for the financial services industry.³

The economic benefits are clear, but the benefits to employees are also compelling, with impacts beyond the obvious. Teams at Sodexo with optimum gender balance have improved their global engagement rate by an average of four points, versus the single point gain made by other teams. Better engagement promotes a better quality of life for employees, particularly when it comes to the social connections and personal growth that create a rewarding workplace environment.

"The biggest emerging market in the world is not China—it's women, and to understand a \$20 trillion marketplace, you've got to have a lot of informed empathy."

Sylvia Ann Hewlett

FACING UP TO WORKPLACE BIAS

Despite these benefits, women still only occupy under a quarter (24%) of all senior roles globally. This amounts to an increase of just 3% since 2011.⁴ When it comes to board roles occupied by women, the global quotient falls to 15%.⁵

Yet most Americans believe in the capability of women to be good leaders. A Pew Research Center survey on women and leadership in the U.S. shows most participants thought women were indistinguishable from men on key leadership traits such as intelligence and capacity for innovation.⁶ Many also said that women are stronger leaders than men with regards to compassion and organization.

So why are top-tier women still in such short supply? One reason is the unconscious bias within companies themselves. The Pew Research Center survey also shows that four in 10 Americans perceive a double standard for women seeking to climb to the top tier of business, and believe that they have to work harder than their male peers to prove themselves. This reflects the public perception that corporate America isn't ready to put more women in top leadership positions.

4 in 10

perceive a double standard for women seeking to climb to the top tier of business.

The Unseen Obstacles

These biases go beyond perception. Recent lawsuits clearly show that women still face very real obstacles when it comes to being accepted in the workplace. For example, multiple companies have come under fire for pervasively biased cultures, with female employees reporting sustained sexual harassment, being overlooked for promotions against lower-performing male colleagues and systematic disparities in compensation.⁷

Research confirms not only that these biases exist, but that they are significantly limiting women in the workplace:

- A Korn Ferry survey of 786 male and female senior executives showed that 43% believe a continued bias against women in chief executive roles was the main reason more women did not rise to top positions. A further 33% thought female colleagues weren't given enough opportunity to progress to leadership.⁸
- In a 2016 report, researchers at Utah State University found that women were more likely to be promoted to the top position of a company facing difficulties. This was followed by a lack of "support or authority" to make the kind of changes the company required, resulting in much shorter tenures.

Companies that want to address and overcome gender imbalances need to understand the barriers and biases that are holding women back. Only then can they take steps toward creating an inclusive workplace where women at all levels of the organization feel that they truly belong.





LACKING SUPPORT

Sylvia Ann Hewlett, founder and CEO of the Center for Talent Innovation, emphasizes that a lack of access to comprehensive sponsorship is a key barrier for women. Although mentoring programs abound, fewer women can find sponsors willing to commit investments of time and money to their careers. And yet, sponsorship is a powerful mechanism that provides a fast track to essential networks and exposure to key business influencers.

However, Hewlett says it's worth noting that 64% of senior men will avoid having one-on-one meetings with junior women, while half of junior women likewise avoid such contact. This endemic culture of isolation can prevent colleagues from interacting with each other and deny women important opportunities for sponsorship.



“We’ve done five studies on sponsorship and what we see is if a woman is truly sponsored, she is 22% more likely to ask her manager for that next stretch assignment and 19% more likely to be satisfied with her rate of advancement.”

Sylvia Ann Hewlett

Dealing with Double Standards

On the whole, biases appear to be most entrenched based on how we are socialized to perceive leadership—and this in turn is influenced by gender. A joint Lean In and McKinsey study surveyed 222 companies and 70,000 employees in 2017. It found that if women acted forcefully, men were more likely to react negatively. More specifically, women who petitioned for their promotions were more often viewed (or even labeled) as bossy, intimidating or aggressive, compared with male counterparts who did the same or women who did not petition for a promotion or raise.⁹

Research from the Organisation for Economic Co-operation and Development (OECD) also supports the idea that one of the primary barriers to women's success is cultural. Its gender policy reports suggest that managerial positions are still generally perceived to be in the "male domain," and that leadership is most often described as requiring strength, decisiveness and ambition—attributes that are still more usually ascribed to men. Clearly this description has nothing to do with the skills of the candidate, but it does go a long way toward creating the idea that workplace leadership "belongs" to one type of personality and it is most likely to be male.

This double standard, when seen as pervasive by women, becomes a significant obstacle to personal development and career growth. Sustained bias stops women from feeling as though they truly belong in the workplace—particularly in leadership positions. They do not see themselves as valued and feel discouraged from bringing their authentic selves to their role.

“There is a deeply held view that women’s strength lies in ‘taking care’ and men’s strength lies in ‘taking charge’, and there is still a stereotypically defined male default for what leadership looks like.”

Deborah Gillis



THE WAY FORWARD

Targets alone won't lead to the optimum results that research has proved is possible. Rather, a new way of thinking about gender has to be embedded in the business itself. Sodexo's research shows there is an optimal demographic for teams that corresponds to a male-to-female ratio of between 40% and 60%,¹⁰ but gender balance can be enhanced by leadership and organizational change underpinned by inclusive behaviors.

Strategically speaking, rethinking diversity requires moving past the dominant thinking that diversity means simply tolerating or ignoring differences. Instead, diversity is about creating a workplace that recognizes, embraces and blends differences. This is where gender intelligence and belonging come in.

Gender intelligence helps companies benefit from the idea that "Great minds think *unlike*."



Gender Intelligence Matters

Gender intelligence expert Barbara Annis defines gender intelligence as the ability to "understand the differences between men and women, not only in how we're hard-wired, but in how we make decisions, problem-solve, and communicate." This is how companies benefit from the idea that "Great minds think *unlike*."¹¹

Of course, this doesn't mean that being gender intelligent involves pandering to stereotypes. There are so many myths around gendered behavior that they are often taken as fact. For example, flexible work arrangements and family-friendly policies are certainly important for retaining female employees. However, failing to provide these options does not explain why women statistically leave their jobs earlier than men or why they're not promoted.

A gender intelligent workplace understands that the real key to addressing female participation and success within the organization depends on tangible appreciation of the *different* ways in which men and women perceive and engage with their work environments. This needs to be supported by a culture that empowers men and women to work together in productive and fulfilling ways.

Ultimately, gender intelligence is about appreciating and leveraging differences. As Deborah Gillis says, "The irony is that most organizations have really focused on diversity; yet once we have diversity, we've been afraid to talk about differences and how they can also help us achieve better business outcomes."

Belonging Is Key

Part of creating a gender intelligent workplace relies on making the groups that are not part of the dominant culture (including women and minorities) feel that they truly “belong” in their company. This becomes increasingly crucial for women who rise to the executive or C-Suite level, where they may find themselves performing as the single female on a team. At this level, exclusion can take on slightly more subtle forms, such as not being invited to team events where the activity is seen as “typically male” (for example, playing golf).

This behavior shuts women out of networks and prevents them from learning about opportunities that could help them get promoted or improve their performance. Consider a Stanford study of women in male-dominated fields (such as STEM occupations), which found that if women were marginalized in their work environment and didn’t feel like they were part of the larger group demographic, they experienced an increase in negative performance issues.¹²

In fact, a sense of belonging has been shown to profoundly affect employee quality of life. Stanford University psychologist Greg Walton found that feelings of belonging can significantly reduce stress levels and improve physical health, emotional well-being and performance.¹³

For employees to feel that they belong, they need to experience an organizational culture that creates a sense of true inclusion. Research from Catalyst shows that this means a workplace that does not consciously or unconsciously make employees feel singled out on the basis of their gender, ethnicity or orientation.

However, this does not mean organizations should behave as though they are “blind” to difference. In fact, the same studies found that employees felt included when they believed they were both similar to and distinct from their co-workers; specifically, feelings of uniqueness and belonging contributed more than 20% to employees’ perceptions of inclusion.¹⁴ In other words, for employees to feel included, they need to feel that they belong *and* that their uniqueness is recognized and valued.

Inclusive Leaders Drive Change

While this may sound complicated, studies have identified several success factors for organizations that demonstrate their understanding of employees’ dual need for belonging and individuality. As with most aspects of business, the key is in leadership. In this case, what matters is ensuring that there is inclusive leadership. A comprehensive Chartered Institute of Personnel and Development research study¹⁵ defines Inclusive Leadership as:

“Leaders who are aware of their own biases and preferences actively seek out and consider different views and perspectives to inform better decision-making. They see diverse talent as a source of competitive advantage and inspire diverse people to drive organizational and individual performance towards a shared vision.”





Catalyst has identified four key traits that are part of an inclusive leadership style.¹⁶

These are:

- Empowerment that enables team members to develop and excel.
- Humility to admit mistakes, which entails the ability to learn and seek the contributions of others.
- Accountability that demonstrates confidence in teammates.
- Courage to put personal interests aside to achieve what needs to be done, even if it entails personal risk-taking.

“In order for women to advance in the workplace, we need men and women working together to address the barriers that prevent women from advancing. Inclusive leaders exhibit a combination of transformational and servant leadership. The outcomes are an enhanced sense of belonging, resulting in engagement, productivity and ultimately greater gender diversity.”

Dr. Rohini Anand

These traits are also an important part of being a gender intelligent leader who can ascertain what employees are seeking from their workplace experience. For example, gender intelligent leaders empower employees to maintain a dialogue that encourages authentic debate. They will also initiate and support meaningful engagement around challenges women face in a work environment. These leaders know how to analyze the unique talents and core skills of each employee to create accountable and representative teams with effective and complementary skill sets.

With this in mind, before playing a numbers game with team demographics, companies should look at the core competencies of those in the pipeline for senior management. If more inclusive leaders are promoted—and if inclusive leadership skills are taught to those who are promoted—this demonstrates an important change in organizational strategy and thinking from the top down. With this shift in culture, the outcome will be the desired shift in numbers. Without a fundamental cultural shift, retention and advancement of women will remain a challenge.

Why does this matter? Because having inclusive leaders is a key way companies can begin to disrupt the bias and exclusion that is holding women back. Empowered, inclusive leaders are the start of remodeling the workforce to truly diverse standards from the bottom up, creating the long-term change, enhanced performance and sustained benefits that targets alone simply can't achieve.

Gender Balance at Sodexo

WHAT WE KNOW

BETWEEN
40–60%
MALE-TO-FEMALE
RATIO

Sodexo's research¹⁷ has found this to be the **ideal gender demographic for teams**

GENDER-BALANCED TEAMS SCORE HIGHER ON: 

ENGAGEMENT	+4 points
BRAND AWARENESS	+5%
CLIENT RETENTION	+12%
ORGANIC GROWTH	+13%
GROSS PROFITS	+23%

WHERE WE ARE

TEAMS

 **59%** HAVE GENDER-BALANCED MANAGEMENT

BOARD

 **50% FEMALE**

SENIOR EXECUTIVES

 **32% FEMALE**

GLOBAL EXECUTIVE COMMITTEE

 **25% FEMALE**

WHERE WE'RE GOING

Committed to ensuring that
by 2025: 

100% of employees work for optimally balanced teams

40% of senior leaders are women

10% of annual executive incentives will be linked to these targets

SODEXO'S COMMITMENT TO DIVERSE AND INCLUSIVE WORKPLACES

Sodexo is leading the movement toward inclusive workspaces. As a result of the intentional work to transform our culture to make it more inclusive, Sodexo has seen strong results in gender diversity, which in turn has led to greater gender balance: globally, 50% of our Board and more than 32% of the Group's senior executives are women.

As part of Sodexo's Better Tomorrow 2025 corporate responsibility roadmap, we are committed to ensuring that 100% of our employees work for management teams with an optimal gender balance (40%–60%) by 2025. Sodexo's CEO has also committed to reach a global representation of 40% women in senior leadership by 2025.

THE EXPERTS WE CONSULTED



Sylvia Ann Hewlett is the founder and CEO of the Center for Talent Innovation, and the founder of Hewlett Consulting Partners LLC. An economist with 20 years' experience in global talent management, Hewlett has particularly focused on the "power of difference" and the challenges and opportunities faced by women, minorities and other previously excluded groups.



Dr. Rohini Anand is the Senior Vice President Corporate Responsibility and Global Chief Diversity Officer for Sodexo. In her role, she oversees the strategy, implementation and business alignment of the company's integrated global diversity and inclusion initiatives, as well as Sodexo USA's sustainable development, wellness and corporate responsibility strategies. She leads the culture change initiatives and their integration in business growth strategy.



Deborah Gillis is the President and CEO of Catalyst, a global nonprofit working with some of the world's most powerful CEOs and leading companies to help build workplaces that work for women. Joining in 2006 as Executive Director of Catalyst Canada, she led Catalyst's expansion in the Asia-Pacific region, then became Chief Operating Officer in 2012, and President and CEO in 2014.

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