

Gender Diversity: Demand, Supply and the Environment

A question that we are getting asked more and more at Innovative Thought and Penn State is how to help clients build more gender diversity at the top of their organization. The initial issue we have come across is how to position the problem. In many organizations they talk about the “women problem” and this is itself a challenge. Labelling it a gender issue not only reduces the options that leaders have to solve the problem, but it also allows it to be pushed to the side and to place the responsibility on perceived deficiencies of women leaders. Fundamentally this is a talent problem, and organizations are losing some of their best people (male and female) because of the environment that their organizations provide, and their top talent is often choosing to leave and do something else.

The Gender Gap

It is now well understood that even though there are more women entering organizations, and they are almost as likely to be promoted to middle manager as men, women are 50% less likely to become senior managers². Women hold fewer than 15% of Executive Committee members in Fortune 500 companies¹ and the vast majority of those roles are non-P&L such as Human Resources, Legal etc². This is supported by anecdotal evidence in our executive coaching practice, where women are often in senior strategic leadership roles, but not in general manager roles with P&L responsibility.

When we consider the gender gap we need to think about the two factors that are in play:

- Demand – This is how organizations decide to identify, develop and promote women within their organization. While overt sexism is rare, there are subconscious attitudes that still permeate hiring and promotion decision⁶. There are companies, like DuPont, that are dealing with this demand issue setting targets for hiring and promotions³.
- Supply – This is how many women are interested in becoming senior leaders within the organization. Johnson and Johnson are recognized as being an organization that fosters senior women leadership. They provide support and development opportunities for leaders in their organization³.

Of course these two factors are related and if an organization focuses on one then they effect the other. Generally making the “gender gap” a firm-wide initiative will help the organization. However, neither DuPont or J&J made the issue a women’s problem. They have made it an organizational imperative to find ways to keep and promote their best talent.

The Personal Environment

Organizational environments were built over 100 years ago when the modern business was being developed. The 9-5 work day and the focus on the employees input has taken hold and is now the way we think about “hard work”. There are progressive organizations that are beginning to focus on what their people produce and you will find these organizations providing unlimited vacation days, flexible work hours etc. The more flexibility an organization gives their employees, the greater the chance that they will meet their employees needs and the greater retention they will have of their best people⁴.

At Innovative Thought, our executive coaching practice has been working with senior leaders for years and have identified some approaches that made these executives successful, including the approach of building their own “personal environment”. This has been critical for many of our clients to remain with their organizations, even when the organizational environment has not been positive for them. We believe that this can be used by female leaders to be able to progress through their organizations even when the organizational environment is challenging.

The “Personal Environment” is a model that helps leaders look at their relationships and how it impacts what they do and how they feel at work. The idea of relationships building social capital for people within organizations has been around for a long time, however much of that focus was on career development and mentoring. In fact, the relationships we build both within and outside of our organization are impactful in how your *personal environment* feels.

The latest research has identified 2 factors in the relationships that you build⁵:

- Type of relationship
- Content conveyed within the relationship

The type of relationship can be defined by where the relationship is based in the person’s life. The content conveyed is about the exchange of value that happens within the interaction, in other words what do they talk about. Using these two factors we have created a model that our executive coaching clients have used to help them build their own environment with an example below:

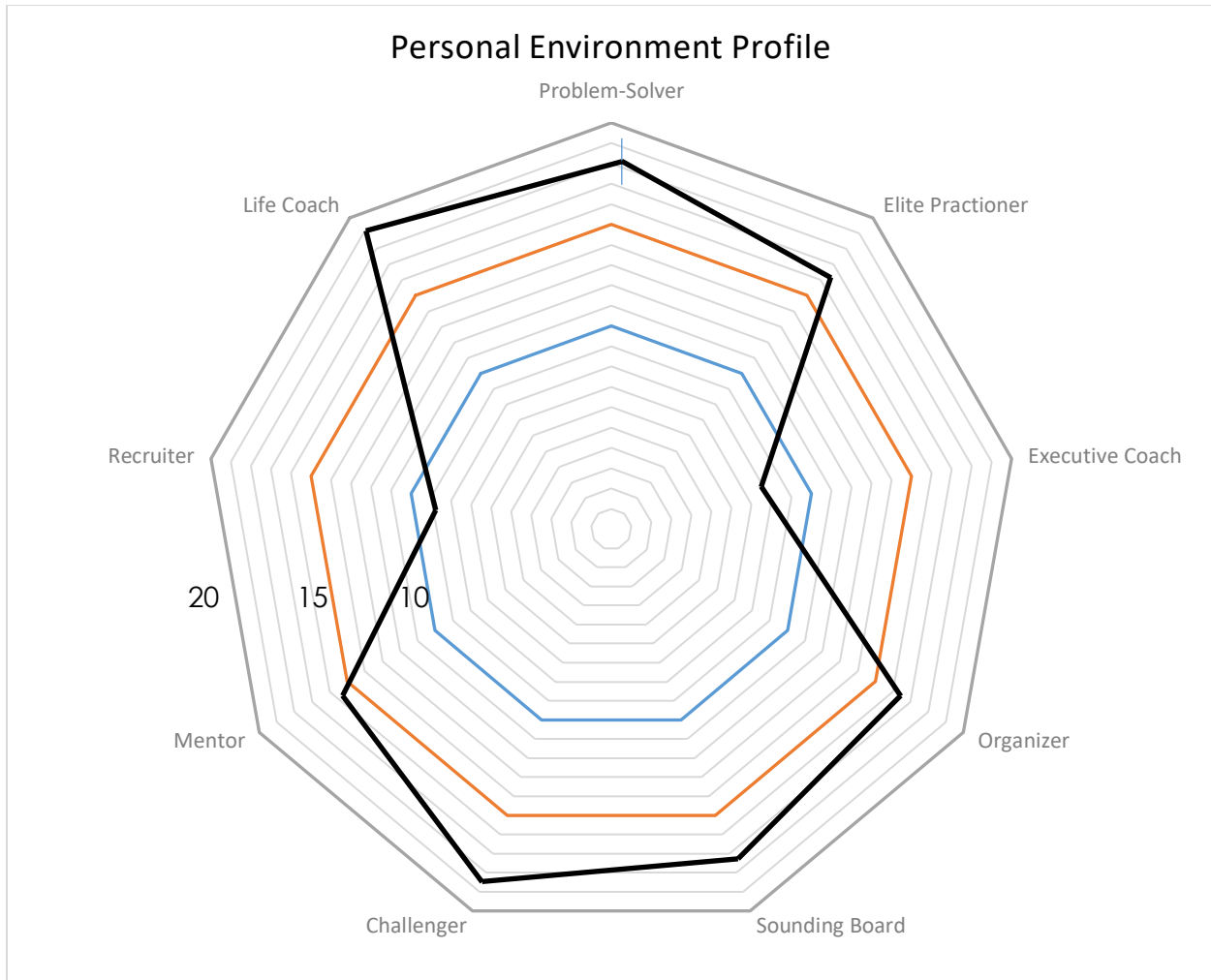
- Relationship type: Organization, Industry, Personal
- Content: Task advice, innovation and challenge, growth and career opportunities

Using these factors, we can build a 9-box that identifies 9 roles that can someone can play that impact a client’s personal environment

Type/Content	Task Advice	Innovation and Challenge	Growth and Development
Organization	Problem-Solver	Organizer	Mentor
Industry	Elite Practioner	Sounding Board	Recruiter
Personal	Executive Coach	Challenger	Life Coach

Each client is different and what we have found is that there are some roles that they can fulfill themselves. Someone who is a strong self-reflector and thinks deeply about what they do may not need a relationship that is a challenger. However, all these roles should be fulfilled for the environment to be complete.

At Innovative Thought we have developed a self-assessment tool that can identify the roles that are not currently being expressed in someone's personal environment. Our clients then use the tool to identify what relationships they need to either create or enhance to have their environment fully expressed. Using a spider graph it becomes obvious what the client needs. Below you can see the personal environment model shows that this person needs to enhance their recruiter role (job and developmental opportunities outside of their organization) and executive coach (someone that can help them with tasks from outside their industry).



The Environment Impact on Supply

As organizations struggle to solve the gender gap problem one of the consistent problems is that they lose so many women after middle manager roles. This means that there are already a smaller number of potential leaders and the lower supply makes improving diversity at the top more difficult. This supply challenge can be solved with a focus on creating a more positive environment. The Personal Environment model is a way of empowering people within the organization to manage their own environment and therefore enhancing retention.

We recognize that this approach is a coping mechanism and does not solve the culture and environmental problems that organizations have. However, those issues are significant and not easy to solve. The personal environment approach would allow the organization to help retain their best people, while continuing to work on their organization as a whole.

¹ "Statistical overview of women in the workplace," Catalyst, March 3, 2014

² "Women in Financial Services," Oliver Wyman, December 2014

³ "10 Great Companies for Women in 2015," Forbes, March 3, 2015

⁴ "Women at the Top; Powerful Leaders Define Success as Work+Family in a Culture of Gender." American Psychologist, April 2010

⁵ "Resources and Relationships: Social Networks and Mobility in the Workplace," American Sociological Review, July 1996

⁶ "The Leader-in-Social-Network Schema: Perceptions of Network Structure Affect Gendered Attributions of Charisma," Organization Science, August 2015

About Innovative Thought

Innovative Thought is a consultancy focused on developing smart and creative people. Innovative Thought designs and delivers unique, custom-built solutions for their clients. We work to identify the core organizational issues and find flexible and unique solutions including various interventions. Innovative Thought believes that working with smart and creative people requires a smart and creative approach. www.innovative-thought.com