GENDER INTELLIGENCE REPORT 2021

HOW TO CHANGE THE FACE OF LEADERSHIP

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PREFACE – LET’S CHANGE THE RULES OF THE GAME

We proudly present the 5th edition of the Gender Intelligence Report (GIR). When we launched our first report in 2017, we expected to see substantial change in the representation of women in management five years down the line. Looking at this year’s results and the development over time, it becomes evident that something needs to change. Despite all diversity efforts we are only making progress in tiny steps. Could it be that all our measures to hire, promote and retain more women are not enough? What do we need to do differently to see real progress?

In this year’s analysis of over 320'000 employees from 90 companies, it becomes evident that in order to accelerate the achievement of gender equality, we need to change the rules of the game. We need to stop trying to make the women fit into the current system. Rather, we must consciously make the systemic changes required for all genders to feel included. And we need courageous leaders who will manage the journey to inclusivity like a business, by setting objectives, monitoring, and holding their managers accountable.

In this sense, the report outlines a novel and actionable path to unlock the power of diversity and make Swiss business future-proof. Curious? We wish you an insightful and inspiring read.

Alkistis Petropaki
General Manager
Advance

Prof. Dr. Gudrun Sander
Director Competence Centre for Diversity & Inclusion
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EXECUTIVE SUMMARY - WHY WE NEED TO CHANGE THE RULES OF THE GAME

The face of leadership is still very male
While the talent pool is gender diverse, the face of leadership is still very male. Women make up 50% of talent in non-management, but where power and money are concerned, women are still the big exception. Men comprise 83% of all top management positions and 74% of positions with personnel responsibility.

Gender parity will be achieved only in 2078
Women's share of promotions has slightly increased since 2019, yet not consistently so, and it's not enough to impact women's representation in management substantially. Here's why: Advances in promotions are eaten up by a decrease of new female hires into management and by a higher turnover rate of women compared to men in certain management levels. If we continue at the current rate, gender parity might become a reality only two to three generations from now in 2078.

Current system works like a big sieve
Our current gender diversity targets are focused on hiring, promoting and retaining more women. Even if we manage to do so, gender diversity in business will not increase substantially. Why not?

The prevailing system with its rules is wired for traditional gender roles with full-time (mostly) male breadwinners at work. Our standard career models are made with these 'ideal' employees in mind. Therefore, only they have a chance to make it to the top. In other words, structures, processes and culture work like a big sieve that efficiently eliminates (gender) diversity. And more strongly so, the higher up the ranks one goes.

Inclusivity as make-or-break factor
As systemic causes for inequality are deeply rooted in (non-inclusive) culture, inclusivity is a key part of the equation - the make-or-break factor. It requires conscious effort to rewire the business world, which starts with leaders who manage inclusivity like a business. This includes:

- Defining a vision for the inclusive culture you want to establish
- Defining inclusion KPIs for all key processes
- Holding managers accountable
- Leading from the top by being a role model for inclusion in daily practice

THE 5 KEY CHALLENGES WE NEED TO TACKLE FOR SYSTEMIC CHANGE

1. Promotion rungs for women break early
Women hardly make it past the lowest management level. Career rungs get increasingly weaker for women and decidedly stronger for men the higher up the career ladder one goes.

Key springboard positions are won by men: Only 36% of promotions into positions with personnel responsibility go to women, and the numbers are likely worse when it comes to profit-and-loss responsibility.

Heavy leaks in the female leadership pipeline: Women are leaving management at a higher rate and after a shorter time period, especially in the ‘rush hours of life’ between 31–40: at 9%, women's turnover rate in this age group is clearly higher than men's at 7%.
2. Hires into key positions are predominantly male

- 68% of all new hires into management roles are men.
- 79% of all new hires into top management are men as are 71% of all hires with personnel responsibility.

3. Window for career opportunities is decidedly smaller for women

- Roughly half of all promotions (47%) happen in the age bracket 31–40, which clashes with family primetime. Thus, the career window closes for women by age 40 as they tackle the rush hours of life, whereas the career window for men stays wide open between 31–50 and even beyond.
- The ‘maybe baby’ bias affects even women without children: Women in their early 30s are viewed as a riskier choice and a potential (pregnancy) ‘inconvenience’. Men are hired more often as the ‘safer option’ (Gloor et al., 2018; 2021).

4. Women are at a disadvantage because they work part-time

- Women’s employment percentages are substantially lower than men’s: women work on average 85%, men 96%. Yet for higher management levels, full-time is still king, putting women at a disadvantage.
- Women reduce their employment percentage during the rush hours of life because they still take on up to 77% of care responsibilities within families (Branger, 2019).
- Entrenched gender norms reinforce this inequality: Men who work part-time are discriminated against in recruitment and have a higher turnover rate than women who work part-time.

5. Salary and career inequality reinforce one another

- The gender pay gap is real: Women in Switzerland earn on average 19% less than men, and only about half of this difference can be explained by objective factors. Biases and discrimination play an important role.
- Parenthood amplifies the overall income inequality between men and women.
- Together with career inequality, wage and income inequality have long-lasting effects all the way to retirement, when women face a ‘gender pension gap’.

Find actionable recommendations on three key levers to fix these challenges in section V of this report.

Best Practices

Our 2021 selection of Best Practices from Advance member companies reveal that changes in structures, processes and culture drive inclusion and create systemic impact.

Find inspiration here: www.weadvance.ch/best-practices
Although some gender diversity progress has been made since we first launched the Gender Intelligence Report (GIR) in 2017, there hasn’t been the substantial change necessary to attain equitable leadership in Swiss business in the near future. Why not? Our current system is still wired for traditional gender roles with full-time (mostly male) breadwinners – it acts as a big sieve that efficiently eliminates gender diversity in Swiss business leadership. Today’s standard career paths, structures and processes are made with this prototypical (mostly male) employee in mind. So, it’s not surprising that only he will make it up the career ladder.

This 5th edition of the report presents new data that reveals the systemic causes of this stagnation, while pointing to new levers to effect real, lasting change. Before we dive into these results, let us look at the big picture of what the face of leadership looks like in Switzerland today.

The ‘face’ of leadership in Swiss business today

As the data shows, the face of leadership in Swiss business is still male. Today, men hold 83% of top management positions. While women comprise 40% of all management employees overall. The talent pool is literally brimming with highly qualified female talent.

In the Swiss economy, the talent pool is gender diverse: The majority of university graduates are female. In the age bracket 21-30, 43% of management employees are female, as are 50% of non-management employees overall. The talent pool is literally brimming with highly qualified female talent.

In contrast, the face of leadership is still very male: Men hold 83% of all top management positions and 81% of all board of directors’ seats. Women are massively underrepresented in influential roles with personnel and profit-and-loss responsibility. At the current rate of change, it will take two to three generations (57 years) until we reach gender parity.

50 years of women’s voting rights have left their mark on the Swiss political landscape, where we have come close to parity in the last few years: In the National Council, 42% are women, as are 3 out of the 7 Federal Executive Councilors.
Women are also underrepresented in boards of directors of listed Swiss companies. According to the 2021 report from GetDiversity, 81% of seats on board of directors are currently held by men, and there is a long way to go to comply with the new rule that 30% of directors be female – or else the company has to provide an explanation, a new law in force since the beginning of this year (Swiss Confederation, 2020). Switzerland lags behind OECD countries in this regard, where women hold 27% of board seats on average (OECD, 2021).

Gender representation by management level

- Women
- Men

![Figure 1: Gender representation by management level](image-url)
Very few female managers with profit-and-loss responsibility, plenty in services roles

A massive challenge poses itself when it comes to management positions with real influence, particularly those with profit-and-loss and personnel responsibility, often found in higher hierarchy levels. Women are much more likely to be in services and expert roles rather than strategic positions. It is the latter ones that lead to the top.

WOMEN IN MIDDLE AND TOP MANAGEMENT POSITIONS BY FUNCTION

The International Labour Organization (using data from across the globe) demonstrates that in middle and top management functions, women only hold 17% of positions with profit-and-loss responsibility, but 52% of human resource positions and 38% of marketing and sales functions (ILO, 2019). The underrepresentation in influential management positions explains in part why the face of leadership is still overwhelmingly male in Switzerland.

Figure 2: Women in middle and top management positions by function (ILO) ¹

¹ This figure compiled by the International Labour Organization is based on a survey of 13,000 companies in 70 countries across five continents (ILO, 2019)
COMPARISON OF FEMALE AND MALE MANAGERS WITH PERSONNEL RESPONSIBILITY

Female managers

- With personnel responsibility: 40%
- Without personnel responsibility: 60%

Male managers

- With personnel responsibility: 49%
- Without personnel responsibility: 51%

Figure 3: Comparison of female and male managers with personnel responsibility

Perceived inequalities at work

The hurdles women face on the career track are found not only in the numbers, but also in the lived experience of employees. In the CCDI Careers Survey (2021), female managers reported that they need to work more than their male peers for equal opportunities to reach management positions and salary increases. This was true for both lower and higher management levels.

CCDI Careers Survey (2021)
The talent pool already has the potential for gender equity at work

The Swiss economy is literally brimming with young female talent: Today, 52% of university master’s degrees and 54% of university of applied sciences master’s degrees in Switzerland go to women, compared to 40% and 30% respectively in 2005 (FSO, 2021). Further, almost half of all doctorates are awarded to women. In their choice of subjects, women are moving more and more into male-dominated disciplines: Already 36% of all graduates in business administration are women and 38% in natural sciences (only 27% in 2005). The steepest increase can be observed in technical fields where the share of female graduates has risen from 12% in 2005 to 32%! The often-heard argument that there are no women in the talent market continues to evaporate.

Particularly interesting: In the young generation of managers, the gender distribution is much more equal than in the older one. Between 21–30, male and female managers are almost equally represented at 43% women compared to 57% men (note: only 7% of all managers are 30 years or younger). Between 51–60 however, there are almost four times as many male managers than female ones (79% compared to 21%). A detailed view of key career steps by age follows in chapter IV, p. 26.

Gender-parity in Swiss business may be a reality in 2078

As we are now in the 5th year of this report, we can begin analyzing key performance indicators (KPIs) over time. In the Gender Intelligence Report 2018, women represented 15% of top managers compared to 17% today. Women are slightly better represented at lower management levels as well. In management overall, the share of women has increased by 1 percentage point since 2018. If we continue at this rate, gender parity might become a reality two to three generations from now in 2078.

Why has progress been so slow?

Some progress has been made when it comes to promotions. Looking at the development of female promotion shares from 2019–2021, we see +3 percentage points in-

Political progress far advanced compared to business

After 50 years of women’s voting rights in Switzerland, the share of women in the National Council has risen to 42%. While women are only represented at 26% in the Council of States, in the Federal Executive Council, three out of seven seats are held by women. This represents progress and puts Switzerland at a respectable 17th place worldwide for female representation in parliaments (Glatthard, 2021). Clearly, women’s influence in the political sphere has been growing. It will be interesting to observe the impact that a more female political scene will make on the business world in the years ahead.
crease in lowest management, +2 in lower management, -3 in middle management, and +11 in top management (note that only 5% of all promotions go to top management). Even with this increase, women’s representation by management level has not been impacted in a substantial way. Why not?

For one, new female hires into management decreased by 3–6 percentage points depending on the management level. In addition, at those levels where we see the most positive development in promotions (lowest and top management), the turnover rates of women are considerably higher than those of men. Thus, successes in promotions are levelled out by the decrease in new female hires and by women leaving management positions.

Can we really afford to wait until 2078 and lose out on tens of thousands of highly qualified women that get ‘sieved out’? An estimated 54'000 university-educated women in Switzerland do not bring their skills to the labor market, presumably due to family care (FSO, 2021). In terms of GDP, approximately 190 billion CHF could be gained in Switzerland if women’s participation would fully equal that of men by 2025 (CFR, 2021). This is not just a Swiss issue: According to the International Labour Organization, women’s labor force participation in the European Union is at only 52%, in Switzerland it is at 63% (ILO, 2020). Switzerland has the opportunity to set an example.

This report presents five key challenges that explain why the career ladder remains broken for women. Thanks to our granular lens, we now better understand the different variables in the complex system that lead to this broken career ladder. It allows us to see what has concretely improved to what extent along the employee life cycle, and where there is need for further action to prevent stagnation.

To make real progress, we need to shift the norms, break patterns, and work on levers that have a systemic impact. At the end of this report, we present a concrete checklist that provides a path to real (leadership) change (Chapter V, p. 39). – Let’s seriously pave the way for our next generation to thrive in an equal-opportunities workplace.

COVID-19 – A big opportunity for change?

The pandemic has impacted women’s careers more negatively than men’s: 37% percent of women with children felt they had significantly less capacity to focus on their career, compared to men in the same situation (25%) (Bütikofer et al., 2020). Unemployment in 2019–2020 went up by 2.5 percentage points for women aged 15–39, whereas for men in the same age group it increased only by 1.6 percentage points (FSO, 2021). The disruptions of COVID-19 have been severe, but they also show that a ‘new normal’ in how we work is possible. 80% of GIR companies have declared that they are planning to extend flexible work options for their employees post COVID-19. Companies find themselves at a critical junction: To build on the promising New Work learnings from the past 1.5 years without further disadvantaging women. This requires decisive action to make structural and cultural changes. – Let’s seize the opportunity to tackle this together – it’s about time!

² Note that Switzerland has a particularly high rate of part-time employment which might make the women’s labor force participation rate a bit higher.
SNAPSHOT OF I&D MATURITY

The Gender Maturity Compass is a unique model that measures and maps cross-company progress along the four stages that organizations typically undergo as they move towards building I&D maturity. It includes inclusion & diversity metrics (recruitment, retention and promotion rates) as well as inclusive HR practices along the employee life cycle. As such, the Gender Maturity Compass provides a more holistic snapshot of ‘lived’ I&D reality and culture underpinning the face of leadership.

STAGE I, WE COMMIT

The company has declared the intent to increase women’s representation in leadership.

- The company has performed an I&D-focused analysis by participating in the St. Gallen Diversity Benchmarking.
- The company has performed an equal salary analysis.
- The company has formulated a gender diversity strategy.
- The company has measurable I&D goals.
- Top-down support for gender diversity is strongly perceived in the organization.
- The company has publicly committed to gender diversity.

STAGE II, WE ACT

The company has started to take concrete actions and measures its progress. At this stage, it typically focuses on recruitment and developing inclusive mindsets.

- The company hires proportionally more women than are already employed, also for management positions.³
- There are no substantial differences between the turnover rates of men and women.
- There is I&D or unconscious bias training for employees and managers.
- The company offers at least three flexible working options.
- There is regular reporting on gender I&D.

STAGE III, WE PROMOTE

The company’s processes and interactions are starting to reflect its gender maturity. The value of I&D has become ingrained in talent development and promotion; men’s and women’s employment percentages converge.

- Women’s promotion rates reflect their share in the workforce.
- Women and men have similar employment rates.
- To reach management positions, women do not have to increase their employment percentage more than men.
- Diversity is a requirement in talent management and there are programs to support women’s careers such as empowerment trainings, coaching and mentoring.

STAGE IV, WE ADVANCE

The company is now a truly diverse and inclusive place of work. The gender distribution across all hierarchical levels resembles a cylinder rather than a pyramid: Men and women are represented at all hierarchical levels at similar rates.

- Women are represented at similar rates across all hierarchical levels.
- Women represent at least one third of the top management team.
- Managers have I&D goals. Ideally, this is reflected in performance evaluations and rewards programs.

³ Unless the company already has a gender-balanced workforce
Figure 4: Distribution of participating companies across the Gender Maturity Compass stages

Gender Maturity Compass shows little to no progress
As becomes clear at one glance, most companies in Switzerland still have a long way to go to reach gender maturity.

Barely any of the participating companies show a high degree of gender maturity (1% at stage IV, ‘we advance’).

Despite their best intentions, most organizations remain stuck in low maturity stages largely due to systemic reasons. Thus, structures, processes and inclusive culture necessary for a fully equal-opportunities workplace are not yet in place.

Many Swiss companies don’t even make it onto the compass as they have not declared a clear intent to embark on their inclusion & diversity journey.

Advance member companies do better than non-Advance members: All stage III and IV companies are members of Advance.
It is possible to fix the underlying structures, processes and culture that are holding women back. Many Advance member companies are forging ahead with best practices such as increased paternity leave and even equal parental leave, more inclusive flexible working options, and greater scrutiny of wages to ensure pay equity. Some are challenging the status quo of what ‘leadership’ looks like by re-writing leadership norms, re-defining traditional job descriptions and involving male leaders in the process. It’s through targeted measures like these and the alignment of core business activities with the I&D strategy that gender equality can increase in Swiss business. Explore best practices online here. This year the following Advance member companies (in alphabetical order) have shared a best practice:
- Accenture – Working Parents’ Network: How to Empower Parents So They Stay
- Bain & Company – Why Leading in Family Friendliness is Key to Gender Equality
- Citi – Integrating Top & Grassroots Actions to Drive Inclusive Culture
- DOW – Female Sponsorship Program: Who Says Women Aren’t Ambitious?
- EY – Re-Writing The Leadership Norms
- Helvetia Versicherungen – Getting Inside Men’s Heads on the Gender Topic
- Philip Morris International – How to Smash Gender Diversity Targets
- PwC – #FlexTheTransition – Retaining Talent During Parenthood
- Schneider Electric – Reducing the Pay Gap to Below 1% in a Male-Dominated Industry
- SIX – Business Growth Through Diversity
- Swiss Re Group – Winning the War for Talent with Inclusive Parental Benefits
- Syngenta – Addressing Pay Equity at Syngenta
- Syngenta – Listen Up: Putting Employees at the Center for Designing New Ways of Work
- UBS – Pay Equity: How to Take it Seriously
- Wüest Partner – The Salary Transparency Calculator: An Unbiased Tool for Equal Pay and Building Trust
Switzerland celebrates International Women’s Day in its inaugural year (FCWI, 2009).

Women receive the right to vote at the national level
123 years after the creation of the Swiss federal state, women in Switzerland receive the right to vote. The law is adopted with 66% in favor and 34% opposed – though not in all cantons at the municipal or the cantonal level. Women are now allowed to hold political office.

Gender equality is anchored in the federal constitution
In 1981, the constitution is amended with the article ‘Equal rights for men and women’. Equality is guaranteed in the areas of family, education and work, including the right to equal pay for equal work. (Fedlex, 1980).

First woman elected to the Federal Council
Elisabeth Kopp becomes the first woman to serve as a Federal Councillor (FCWI, 2021).

New Marital Law: Husbands are no longer the official heads of household
The matrimonial law established the legal equality of men and women in marriage, which includes, among other things, shared responsibility for childcare and upbringing as well as household income. Previously, the woman was officially responsible for the household (FCWI, 2009).

Women gain the right to vote in the last canton
Following the approval of an appeal by the Federal Supreme Court, the canton of Appenzell Innerrhoden is forced to introduce women’s suffrage, becoming the last canton in Switzerland to give women the right to vote (FCWI, 2009).
Gender Equality Act coming into force

The Gender Equality Act prohibits direct and indirect discrimination in all employment relationships and aims to ensure equal opportunities in the workplace (Fedlex, 1995).

Milestones in pension equality:

Individual pension and income splitting

The revision of Old Age and Survivor's Insurance (OASI) is an important step towards equality in terms of old-age provision: It introduces the individual pension (instead of the married couple's pension), income splitting, a child-raising and care credit (mostly benefiting women), the increase of the retirement age for women from 62 to 64, and the possibility of early retirement (FCWI, 2020).

Paid maternity leave introduced

After a popular vote, mothers are entitled to 14 weeks of paid maternity leave during which they receive 80% of their usual income (FCWI, 2021; FSIO, 2021).

Women make up the majority in the Federal Council

For the first time in history, the majority of Swiss Federal Councilors are women. For a period of 15 months, four women and three men serve together on the Federal Council.

Salary analyses become mandatory for larger companies

The Gender Equality Act of 1996 is amended: companies with more than 100 employees must carry out wage analyses to check whether wage discrimination exists in their organization on the basis of gender.

'Comply or explain'-gender quotas for executive and non-executive boards

Women's quotas for the top echelons: Large listed companies must have at least 30% women on their boards of directors and 20% on their executive boards. If they do not, the reasons must be stated in the remuneration report to shareholders (Müller & Forrer, 2020).
1. PROMOTION RUNGS FOR WOMEN BREAK EARLY

KEY INSIGHTS

The promotion gap is severe: Career rungs get increasingly weaker for women and decidedly stronger for men the higher up the ladder one goes.

Key springboard positions are won by men: Only 36% of promotions into positions with personnel responsibility go to women, and the numbers are likely worse when it comes to roles with profit-and-loss responsibility.

A mismatch of perceptions persists: Women perceive promotion practices as intransparent, whereas men see them as transparent and clear.

Women hardly get promoted past the lowest management level

While women are promoted into the lowest management level at nearly the same rate as men, this is not the case at higher management levels, where women make up less than a third of promotions.

Women get ‘left behind’ at the critical step from lowest to lower management level – and are unable to catch up. Women make up only 35% of all promotions to lower management. This is problematic: The biggest share of all promotions (41%) is awarded at this level of the hierarchy, which then forms the talent pool for promotions to higher management levels.

Comparison of female employees and women promoted

- Women promoted: 36%
- Female employees: 41%

Figure 6: Comparison of female employees and women promoted
Promotions move gender equity in the right direction – but progress is much too slow

While women’s total share of promotions (36%) is lower than their overall representation in the workforce, the current promotion rates still lead to a net increase in the representation of women in most management levels: For example, women make up 47% of promotions into the lowest management level, which is 7 percentage points higher than their current representation in that management level at 40%. This means that given the current rate of promotions, the share of women in lowest management will increase over time. The same is true for higher management levels, but to a smaller extent:

When it comes to promotions into lower and middle management levels, women’s representation is 4 and 6 percentage points respectively higher than their current share at these levels. In top management, it is 8 percentage points higher.

At this slow rate (and taking new management hires and turnover rates into consideration), it will still take decades to change the face of leadership. More importantly: The overall share of female promotions has not improved over the last few years. In 2018, 36% of promotions went to women – the same as now.

Key ‘springboard positions’ are won by men

36% of promotions into positions with personnel responsibility go to women. While that is higher than the current share of women already in positions with personnel responsibility (26%), it is still considerably lower than the share of women in non-management (50%).

This means that women are missing out on promotions into positions that would set them up to make it all the way to the top. Positions with personnel responsibility, like positions with profit-and-loss functions, are seen as the ‘real’ leadership positions, conferring visibility within the company. Thus, a ‘glass wall’ in middle and top management separates support management functions from strategic and operational management functions. In other words: Women might make it into management, but not into the positions that typically lead to the chief executive level.

Promotions by gender and management level

- Women
- Men

![Figure 7: Promotions by gender and management level](image-url)
Contrary to evidence, men feel disadvantaged – why?

As reported in the CCDI Careers Survey, men perceive women’s advancement opportunities as greater than theirs – despite the data showing the opposite. This is particularly pronounced among young, childless men. It is important for companies to understand where this mostly false perception comes from to combat potential bias and resentment among male employees. Companies should work to counter this mismatch, for example, through a demonstrated commitment to rewarding both excellence and diversity – which are not mutually exclusive criteria. Indeed, clear and transparent promotion and rewards practices benefit all employees (Castilla, 2015; Siman Tov-Nachlieli & Bamberger, 2021).

Men perceive promotion practices as more transparent – women, less so. Although men report that women had better chances of promotion, the same survey study shows that men view promotion practices as more clear, transparent, and fair than women. This sentiment is particularly strong in the lower and middle management levels. While young women view promotion practices for top management more positively than men, perceptions reverse for employees in their mid-thirties – which is the age when promotions into upper management are predominantly awarded to men (see p. 26). Thus, the longer women are ‘in the game’, the less fair and transparent they view promotion practices, as they see more and more men promoted into key positions.

CCDI Careers Survey (2021)
Current system works like a big sieve

The prevailing system with its rules is wired for traditional gender roles with full-time (mostly) male breadwinners at work. Our standard career models are made with these ‘ideal’ employees in mind. Therefore, only they have a chance to make it to the top. In other words, structures, processes and culture work like a big sieve that efficiently eliminates (gender) diversity. And more strongly so, the higher up the ranks one goes.

CALL TO ACTION

Build gender-equal steps to leadership and profit-and-loss roles.

In order to truly open the path to leadership for women in Swiss business, don’t ‘just’ promote women to management – but also into ‘stepping-stone’ positions where they have a real say, visibility, and a path to the top.

Assess whether there are misconceptions or false beliefs that are creating a negative environment: Do men believe, for example, that women have better career chances?

Find concrete recommendations for creating systemic change in chapter V, pp. 39.
2. HIRES INTO KEY POSITIONS ARE PREDOMINANTLY MALE

KEY INSIGHTS

Men comprise 68% of all new hires into management and 71% of new hires into positions with personnel responsibility.

Not only do companies struggle to hire women – women also leave stepping-stone positions at higher rates than men.

Women are more likely to attain lower management positions through internal promotions rather than external hiring.

44% of all new hires are female, which is slightly higher than the share of women in the overall workforce. While little progress is being made among management hires, the talent pipeline is getting filled.

Comparison of female hires and female employees

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<th>Female hires</th>
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<td></td>
<td>44%</td>
<td>41%</td>
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Figure 9: Comparison of female hires and female employees
68% of management hires are still male

Fewer than one in three new management hires are women, which is considerably less than their share in the overall workforce and approximately corresponds to their current share in management.⁴ Management hires exemplify that we are making no progress: Since 2019, they decreased 3 to 6 percentage points, depending on the management level.

Comparison of female hires in management and female managers already employed

![Bar chart showing comparison of female hires in management and female managers already employed](image)

New hires by gender and management level

![Bar chart showing new hires by gender and management level](image)

**Not enough women hired for stepping-stone roles**

The number of new hires at the ‘stepping-stone’ lower management level is not big enough to substantially increase the share of women at this level. Women only constitute 30% of new hires for lower management, which is close to their current representation at this level (31%) – meaning that no progress can be expected.

Further increasing the problem: Lower management hires constitute 42% of all management hires and are thus the key entry point for leadership. Similar to promotions, the share of women among new management hires becomes smaller and the share of men larger, the higher up the ranks one goes. In other words: Women are far less likely than men to take key career steps through external hiring.

Women also only constitute 29% of all new hires for positions with personnel responsibility, which is at least slightly higher than their current share in these positions (26%).

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⁴ ‘New hires’ (also into management or a certain management level) always refer to external hires.
Comparison of women in positions with personnel responsibility and women hired into positions with personnel responsibility

![Comparison of women in positions with personnel responsibility and women hired into positions with personnel responsibility](image)

Figure 12: Comparison of women in positions with personnel responsibility and women hired into positions with personnel responsibility

**Women are more likely to advance their careers internally**

Women make up a considerably smaller share of external hires than promotions in the lowest management level (36% versus 47%) as well as lower management level (30% versus 35%). We can therefore conclude that women are more likely to accelerate their careers by climbing the ranks inside an organization rather than by 'moving out to move up', that is, by changing their employer.

This confirms for the Swiss business context what researchers have long known: Women are more likely to be promoted than hired into management positions. Why is this so? External hires tend to be more similar to the ’typical manager’ (i.e., often male, over 50, white etc.) in the hopes that the candidate will ‘fit in’ with the company culture (Lyness & Judiesch, 1999). At the same time, external recruitment for leadership positions also comes with higher risks because the person does not know the company. If diverse candidates are already with the company, ‘cultural fit’ is assumed and diversity becomes an asset (Georgakakis et al., 2021).

**Women’s retention rates are lower than men’s, especially at stepping-stone levels**

Not only do companies struggle to hire enough female managers – they also struggle to retain them. The turnover rate among women in management positions is higher than for men. This difference is particularly pronounced at the lowest management level, where women’s turnover rate is 11% and that of men only 9% – a considerable difference. This means that proportionately more women in management are leaving the company than men, particularly at key career junctures. For companies, it’s important to take a closer look: Retention is closely tied to inclusion culture. If women don’t feel valued and included, they are less likely to stay (Carr et al., 2019).

**CALL TO ACTION**

**Hire inclusive personalities – no matter what gender**

In order to become more diverse in the long run, hire diverse talents – at all management levels – and keep them. What helps? When hiring, don’t just consider diversity, hire the inclusive personalities you need to build an equal opportunities workplace. This is especially important when hiring for leadership positions: Leaders as the shapers of the company’s culture need to be the voice of the inclusive culture (Wasserman, Gallegos & Ferdman, 2008). Since many companies recruit significantly more men for leadership positions, hiring more (inclusive) women will lead to meaningful progress in both inclusion and diversity.

Find concrete recommendations for creating systemic change in chapter V, pp. 39.
Figure 13: Comparison of female promotions and new hires by management level
3. WINDOW FOR CAREER OPPORTUNITIES IS DECIDEDLY SMALLER FOR WOMEN

KEY INSIGHTS

Almost 50% of all promotions happen in the age bracket 31–40, which clashes with family primetime – a disadvantage to women who still shoulder up to 77% of care responsibilities.

The window of career opportunities closes for women at around age 40, whereas the career window for men stays wide open between 31–50 and beyond.

The ‘maybe baby’ bias affects women heavily: In their early 30s, women are viewed as a riskier choice and a potential (pregnancy) ‘inconvenience’ – men are hired more often as the ‘safer option’.

47% of all promotions go to employees between the ages of 31 and 40. The same is true for 40% of all new management hires. In summary, one’s 30s are the primary window of opportunity for advancing one’s career. This reflects a linear career ladder, on which decisive steps are made at the start of family primetime. The key career age bracket 31–40 is when most people in Switzerland start their families (in 2019, the average age of first-time mothers in Switzerland was 31; the average first-time father was 33 (Destatis, 2020)).

Key career steps by age

Management hires

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>21–30</td>
<td>15%</td>
</tr>
<tr>
<td>31–40</td>
<td>40%</td>
</tr>
<tr>
<td>41–50</td>
<td>30%</td>
</tr>
<tr>
<td>51–60</td>
<td>14%</td>
</tr>
<tr>
<td>60+</td>
<td>1%</td>
</tr>
</tbody>
</table>

Promotions

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>21–30</td>
<td>18%</td>
</tr>
<tr>
<td>31–40</td>
<td>47%</td>
</tr>
<tr>
<td>41–50</td>
<td>24%</td>
</tr>
<tr>
<td>51–60</td>
<td>10%</td>
</tr>
<tr>
<td>60+</td>
<td>1%</td>
</tr>
</tbody>
</table>

Figure 14: Key career steps by age

30s as ‘career killers’ for women, and ‘accelerators’ for men

At around age 30, men gain a striking advantage over women and maintain this lead throughout their careers. The rush hours of life can therefore be viewed as ‘career killers’ for women and ‘career accelerators’ for men.
Men move into stepping-stone positions in lowest and lower management during their 30s, while women are much less likely to do so. The advantage men aged 31 to 40 gain over women concerning promotions is striking: 30% of all promotions go to men aged 31-40, only 18% go to women. The gulf is even wider for new hires (30% vs. 15%). This gender gap stands out because men and women advance their careers at nearly identical rates in their twenties.

Men are also three times as likely as women to be hired for positions at the lowest and lower management levels even in their 40s, as well as more likely to be promoted to these positions.

Percentage of lowest and lower management promotions by gender and age

Figure 15: Percentage of lowest and lower management promotions by gender and age
**Percentage of lowest and lower management hires by gender and age**

![Bar chart showing percentage of lowest and lower management hires by gender and age](chart)

Figure 16: Percentage of lowest and lower management hires by gender and age

**Women in their 30s leave stepping-stone positions while men move up**

The turnover rate of women in stepping-stone positions is higher during the rush hours of life. This puts women at a significant disadvantage once again, since – as we have seen – this is the most important period for taking key career steps. In other words: Too many women are leaving the talent pipeline before they can advance through it.

This may provide a partial explanation for the large promotion gap: Women are less likely to be promoted into middle/top management because they leave their springboard positions at critical moments. This is confirmed by the average tenure of men and women in lowest and lower management positions: Women stay in companies in these positions on average for 7.7 years, men for 9.3 years before leaving.

**Turnover rate by age – lowest and lower management**

![Bar chart showing turnover rate by age](chart)

Figure 17: Turnover rate by age – lowest and lower management
Figure 18: Percentage of middle and top management promotions by gender and age

Figure 19: Percentage of middle and top management hires by gender and age
Between the ages of 41 and 50, the turnover rate of men in lower and lowest management exceeds that of women, who have the lowest turnover rate here of all age groups. This might point to men having more opportunities to move their careers forward not only through promotions but also by ‘moving out to move up’ – as shown by men’s significant lead in new middle and senior management hires in the same age group.

**While women’s careers stagnate, men’s push ahead**

After reaching lower management positions in their 30s, men are well-positioned to rise further to the top – while women’s window of opportunity has closed during the rush hours of life, when they didn’t move through the lower hierarchical levels in time. This becomes clear when looking at career steps into middle and top management.

When it comes to career moves into middle and top management, men aged 41 to 50 clearly dominate the field. Men in this age group win well over twice as many promotions to middle and top management positions as women in the same age group. The figures on recruits are even more striking. While men aged 41 to 50 make up 37% of all new hires at these levels, women in this age bracket only make up 14%.

Does the ‘maybe baby’ bias explain why women fall behind?

Why does family primetime derail women’s careers – but not men’s? In Switzerland, women take on the lion’s share of care responsibilities. Among couples in Switzerland with children, women take on between 71% and 77% of the household and care work (Branger, 2019). Yet that is not the whole story. Even before motherhood – and regardless of women’s actual plans for motherhood – women in their early 30s are viewed as a riskier choice (Gloor et al., 2021) and more of a pregnancy inconvenience than men (Gloor et al., 2018). The result is the so-called ‘maybe baby’ bias: Childless women between the ages of 25–39 are more likely to receive temporary contracts, shorter job tenure, and / or rejections for long-term, permanent positions with good benefits.

‘Maybe baby’ bias puts women at a huge disadvantage – even if childfree

The CCDI Careers Survey shows that caregiving responsibilities affect women’s careers very differently than men’s – the latter of which seem to be unaffected in terms of promotions. Yet even women without caregiving responsibilities experience a dip in promotions around age 40. This further solidifies that women experience disadvantages in their careers even if they are childfree – often because they are simply expected to have children soon combined with the assumption that this may interfere with women’s commitment to their job and therefore inconvenience companies (Gloor et al., 2018; 2021).
Ensure equal opportunities for all age groups & redefine ‘career’ inclusively

Companies that offer only traditional career opportunities tend to exclude women during the rush hours of life, thereby losing invaluable talent and making themselves a less attractive employer for diverse talent. If you want to be a truly inclusive employer, make sure that it is possible for everyone – no matter what phase of life – to have a career at your company.

Find concrete recommendations for creating systemic change in chapter V, pp. 39.

Position parenthood as a normal part of men’s and women’s careers.
Women’s employment percentages are substantially lower than men’s: women work on average 85%, men 96%. Yet for higher management levels, full-time is still king, putting women at a disadvantage.

Women reduce their employment percentage during the rush hours of life because they still take on the lion’s share of care responsibilities within families.

Entrenched gender norms reinforce this inequality: Men who work part-time are discriminated against in recruitment and have a higher turnover rate than women who work part-time.

Working full-time in Switzerland still seems to be a requirement to make it to the top. In middle and top management, men work on average 98% or 99%, and women 95% and more. Yet, while men work full-time at almost every management level, women in lowest and lower management as well as non-management work at considerably lower employment percentages than men.

**Employment percentage by gender and management level**

- **Top Management**
  - Women: 97%
  - Men: 99%
- **Middle Management**
  - Women: 95%
  - Men: 98%
- **Lower Management**
  - Women: 91%
  - Men: 98%
- **Lowest Management**
  - Women: 89%
  - Men: 97%
- **Non-Management**
  - Women: 84%
  - Men: 94%

*Figure 20: Employment percentage by gender and management level*
Women are at a disadvantage because they work part-time

Employees who work full-time are more likely to take key career steps. Their chances of being promoted or recruited for management positions are higher than those of part-time employees. For example: While only 57% of all female employees work full-time, 67% of women who get promoted and 72% of women hired for management positions work full-time. By contrast, 85% of all men work full-time, as do 89% of all men who are promoted.

The fact that more women work part-time than men explains at least in part why they are not advancing at the same rate: A study by ETH Zurich concludes that one third of women’s underrepresentation in executive jobs is explained by their high proportion in part-time employment (Kopp, 2017).

Biggest employment rate gap between 36–45

Men’s and women’s employment rates most strongly diverge during the rush hours of life. Starting at around age 35, women in lower and lowest management work at employment rates that are on average more than 10 percentage points lower than those of men who work full-time throughout. This severely reduces the likelihood of women making it further up the career ladder. Starting at middle management, employment percentages over 95% are the norm for both women and men.

Employment percentage by age and gender
- lowest and lower management

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 – 30</td>
<td>86%</td>
<td>98%</td>
</tr>
<tr>
<td>31 – 35</td>
<td>93%</td>
<td>98%</td>
</tr>
<tr>
<td>36 – 40</td>
<td>96%</td>
<td>98%</td>
</tr>
<tr>
<td>41 – 45</td>
<td>88%</td>
<td>98%</td>
</tr>
<tr>
<td>46 – 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 – 55</td>
<td></td>
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</tr>
</tbody>
</table>

Figure 21: Employment percentage by age and gender – lowest and lower management
It’s not the women – it’s the norms

Employers play a critical role in leveling the playing field around care responsibilities, work-life balance and employment percentages. Men and women both struggle to balance work and family around the rush hours of life, but companies and line managers are more likely to encourage women to reduce their employment percentage and take on internally-oriented roles with less visibility, while men’s careers – whether they are fathers or not – keep progressing (Padavic et al., 2019).

Furthermore, it is still not widely accepted for men to work part-time. If men apply for a part-time position, they are less likely to be hired than women. Men who indicate in their job application that they would like to work with an employment percentage of 90% are 16% less likely to be contacted than men who desire to work full-time. For women, this disadvantage is less than half as pronounced (Graff & Kopp, 2021). Moreover, men who have successfully entered part-time employment (an employment percentage below 80%) leave companies relatively more often than men working full-time or almost full-time (80%-99%). For full-time employees, it is vice versa: here, the turnover rate of women is two percentage points higher than that of men.

Turnover rate by employment percentage and gender

Figure 22: Turnover rate by employment percentage and gender

Care work inequality explains differences in employment rates

Not new, but still true: Norms around full-time work and inequitable splits in care responsibilities are holding women back from the top. The CCDI Careers Survey results further confirm the link between lower employment rates and care work. The average gender difference in employment percentages is largely due to caregiving women because there are no differences in employment percentages between non-caregiving women and men.

These results are also supported by the Swiss Labor Force Survey, which found that women’s employment levels are similar to men’s until the birth of their first child. While mothers reduce their employment percentages, the employment percentage of new fathers remains constant (Kopp, 2017). This provides important context for why the gender gap is particularly large in lower and lowest management levels – i.e. the exact career levels that many women don’t exceed because they reduce their employment percentage.

CCDI Careers Survey (2021)
The vicious cycle and how to break it

Part-time employees are less likely to be promoted than full-time employees—and women are more likely to work part-time. The reason why women are more likely to work part-time is because of family-related care responsibilities. Exacerbating this is the fact that mothers— and women at the typical family age via the ‘maybe baby’ bias—are penalized in promotion processes and management hiring (Gloor et al., 2018; Heilman & Okimoto, 2008). In turn, this promotion gap leads to women more often holding positions with a lower salary, which again increases the likelihood that it will be the women who step down from career advancement in favor of family care.

Clearly, employment percentage differences, parenthood, and promotion / hiring practices reinforce each other to hold women back. All of this leads to a compelling conclusion: The system with its current norms is the problem, not the women and not the employees with diverse needs.

To remedy this, motherhood should not be seen as an inconvenience. Rather, parenthood should be seen as a normal part of a person’s career, men’s and women’s. Companies and society at large are called upon to define new ways and mindsets of how we can integrate professional life with other essential parts of life.

Social norms on gender roles
(ex. Maybe Baby Bias)

Smaller salaries

Part-time work

Care work gap

Less likely to take key career steps

Figure 23: The vicious cycle of women’s careers

CALL TO ACTION

Rethink part-time and leadership

To have more (gender-)diverse leadership, revise your requirements list for a good leader. Is full-time employment really necessary or is a leadership position also possible with 80%? Without better supporting women and men with care responsibilities and reconceptualizing ‘parenthood’ and ‘career’ as mutually reinforcing, it is impossible to have diverse, inclusive leaders in the future. Ask your diverse leaders what they need to be able to successfully balance all of their life spheres.

Find concrete recommendations for creating systemic change in chapter V, pp. 39.
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IV – FIVE KEY CHALLENGES

5. SALARY AND CAREER INEQUALITY REINFORCE ONE ANOTHER

KEY INSIGHTS

The gender pay gap is real: Women in Switzerland earn on average 19% less than men, and only some of this difference can be explained by objective factors. Biases and discrimination play an important role.

Parenthood amplifies the overall income inequality between men and women.

Together with career inequality, wage and income inequality have long-lasting effects right down to retirement where there is a ‘gender pension gap’.

Women not only lag behind men when it comes to careers, they also earn 19% less than men. Since the passage of the new law in 2020, the term ‘wage inequality’ has been everywhere. But what is the gender pay gap really and what does it mean for women and their careers?

Gender pay gap in Switzerland at 19%

Statistical models such as the widely used LOGIB can account for some of the factors that explain this difference (such as hierarchical position or years of education), while other factors either cannot be easily measured or are intangible, such as personal factors, biases or discrimination. Roughly 45% of the gender pay gap cannot be explained by measurable factors (FSO, 2021). This ‘unexplained’ part of the gender pay gap is relevant for companies when controlling for potential discrimination in their employees’ wages. On a national level, it can be useful to instead look at what drives the gender pay gap as a whole (i.e. the unexplained and the explained part). What are some important key facts to help us understand the 19% difference in Switzerland?

It is misleading to speak of ‘the’ gender wage gap in Switzerland. For example, the wage gap differs greatly by industry: The wage gap is greatest in the financial services sector at 33% (about a third of which is unexplained), and smallest in the hospitality industry at 8% (half of which is unexplained) (FSO, 2021). Additionally, the gender pay gap for Switzerland as a whole is different from the gender pay gap within companies. The vast majority of companies and organizations that analyze their payroll data (using LOGIB or a comparable method) find an unexplained pay gap below the threshold of 5%. The national statistics are not directly comparable with wage gaps from individual companies. In-house analyses allow for a more tailored classification of hierarchy levels and skill levels by function.

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⁵ This finding is based on internal sources and estimates of the CCDI. For a broader overview one is advised to await the public communication of the individual wage analysis results by the companies themselves that are expected within the next 1–2 years. The Gender Equality Act of 1996 was amended in 2020 to include a requirement that companies with more than 100 employees must carry out wage analyses to check whether wage discrimination exists in their organization on the basis of gender. The unexplained difference cannot exceed 5%.
Hierarchical or vertical gender segregation: Men make more money because they are more likely to be in leadership and management positions, which pay more. Thus, career inequality reinforces salary inequality in a very direct way. This raises the question: Do men and women earn the same if they are in the same hierarchical level / in comparable functions?

Occupational or horizontal segregation: Societal norms and expectations about gender roles and work-family balance shape women’s occupational and career choices, leading them to disproportionately enter lower-paid, female-dominated occupations (Schneider & Gould, 2016). Women make up only 19% of all engineering graduates and 16% in IT, where wages are comparatively high (FSO, 2019). At the same time, fields seen as ‘typically female’ such as healthcare or teaching tend to be associated with lower salaries (Liner, 2016). In fact, the study finds that of the 30 highest-paying jobs, including chief executive and computer engineer, 26 are male-dominated. Of the 30 lowest-paying ones, including food server, housekeeper and child-care worker, 23 are female dominated. What’s more: when women move into occupations in large numbers, those jobs begin paying less (Levanon et al., 2009).

Performance and remuneration: The performance ratings underlying key salary decisions e.g. for variable wage components have the potential to be biased. Research consistently shows that people give men higher performance ratings than women, even when their qualifications and behaviors are identical (Rivera & Tilcsik, 2019). Over time, such biases contribute to the underrepresentation of women in top-level positions – and the gender pay gap.

Parenthood: Parenthood amplifies the salary differences between men and women. Research shows that women suffer a ‘motherhood penalty’ in the form of wage decreases after having their first child, while men are actually given a ‘fatherhood bonus’ – i.e. higher wages (FOGE, 2018). Why? As shown in the previous chapter, many women reduce their workload dramatically after the arrival of the first child, while men don’t (Kleven et al., 2019; Schranz, 2020). Additionally, mothers are more likely to exit the labor market, switch jobs from one company to another (but not with the results of ‘moving out to move up’), and/or reject a promotion or better pay to take on care responsibilities. Data shows that these career breaks or downshifts in employment percentages lead to reduced wages. Yet in Switzerland, the wage penalty for mothers that can’t be explained by factors such as employment percentage, education or experience is between 4 and 8% per child (Oesch et al., 2017).

Biases may help explain this: Women with children are often seen as less committed to their work than childless women, whereas fathers are actually seen as more committed than childless men (Correll et al., 2007). These findings suggest that mothers face biases with real monetary consequences – while fathers do not.

* This question is answered by the unexplained wage gap which companies compute via models like LOGIB.
Women are paid less from the start – and expect to be

Upon entering their first job, the unexplained wage difference between men and women is already between 4 and 5%, even if they have similar academic backgrounds, employment percentages, positions, etc. (Combet & Oesch, 2019). Unequal wages emerge before care responsibilities derail the careers of women – indicating that gender-based biases and discrimination likely do still play a role. Studies confirm that given the exact same resume, men are offered a higher base salary than women (Jann, 2003; Auspurg et al., 2017).

Salary inequality has become a norm that women have internalized. A study among Swiss university students shows that female graduates expect salaries roughly 19% lower than male graduates (Fernandes et al., 2021). Women are thus more likely to accept a smaller salary and negotiate less aggressively than men for the same job (Combet & Oesch, 2019).

The pension gap: long-lasting consequences of differences in income

The differences in career progression and gender wage inequality have long-lasting effects, as they contribute to a gender pension gap and to uneven wealth distribution even after retirement. In Switzerland, the gender pension gap in second-pillar retirement plans in 2015 was estimated at 37% (Ravanzzini & Chesters, 2018). Besides career gaps, the Swiss pension system also punishes part-time employment, as savings contributions fall disproportionally when employment percentages are reduced (Mueller, 2020). Thus, the cultural and structural factors which lead to wage and pension gaps increase female vulnerability.

The intricate link between salary and career inequality

It is not only the case that women's underrepresentation in leadership positions or their lower employment percentages lead to lower average salary. Salary inequality also reinforces career inequality. Studies show that women's lower wages in a family unit create incentives to put their careers on the back burner. The family actively promotes the career of the member who already earns more (usually the man), or is expected to do so in the future, at the expense of the other family member's career – likely the woman's (Averkamp et al., 2020).

The link between salary and career inequality then becomes a vicious cycle as mentioned in Challenge 4: If a woman has reduced her employment percentage or left the workforce for a few years and then later returns to the workforce, she is penalized in multiple ways: She has 'lost ground' during her career break with regard to years of experience and to recently acquired expertise – both of which are rewarded monetarily on the job market. This depreciation of human capital leads to lower wages and denied access to career opportunities available to her peers who have not taken a break (BMFSFJ, 2009). And so the cycle continues.

CALL TO ACTION

Close the gender pay gap

Closing the pay gap is not only the fair thing to do, it's also good business: Employees who know they are being paid fairly are more motivated and committed to their work (Cloninger et al., 2011). Conduct a thorough analysis of your wage structure with the proper tools. Practice salary transparency and communicate the salary band for a position when recruiting. Check your salary system for unconscious biases. Are you doing enough at your company to pay women what they deserve?

Find concrete recommendations for creating systemic change in chapter V, pp. 39.
This report shows clearly that we need to shift the norms to make real progress in leadership (gender) equity. How? ‘Just’ hiring and promoting more women won’t do the job. Rather, we need to change the system currently wired for traditional gender roles with full-time (mostly male) breadwinners.

Efforts to build a gender-inclusive business world should start with leadership – leaders who manage inclusivity like a business. This not only means approaching inclusivity with vision and strategy, but also rethinking the norms of how we work and develop careers, how we develop future-proof talent and truly create equal opportunities.

The following guide is recommended for leaders who want to transform how their company does business. It can be used by HR in leadership training, as a reference for managers, or by employee resource groups as a tool for holding stakeholders accountable. In this way, the report outlines a novel and actionable leadership development path. What action can you take to build a (more) inclusive company?
LEVER 1: MANAGE INCLUSIVITY LIKE A BUSINESS

If you have a business case for diversity, then manage it like a business, too. As systemic causes for inequality are deeply rooted in (non-inclusive) culture, inclusivity is a key part of the equation – the make-or-break factor.

1. DEFINE A VISION FOR THE INCLUSIVE CULTURE
YOU NEED TO ENABLE ALL YOUR DIVERSE TALENTS TO CONTRIBUTE, INNOVATE, AND THRIVE

Why? A shared vision powerfully conveys internally and externally what I&D values are important to your company, and why. If there is no vision championed by top leadership, implementation will fail from the very beginning, as managers will not understand why I&D should be a priority among their many other responsibilities. Showing commitment to a more diverse and inclusive environment is best done by linking I&D to the company’s business strategy and telling the compelling story of why this is important for the company (Sander & Hartmann, 2020).

- Involve leaders and employees from all organizational levels in co-creating your inclusion & diversity vision.
- Paint a shared picture of what an inclusive workplace looks like at your company in terms of lived values: Feeling valued, a sense of belonging, having a voice, access to learning and development opportunities, collaboration, access to support and resources, to name only a few.
- Identify what inclusion means in terms of expected behaviors in the workplace – of both leaders and employees. E.g.: Active listening, empathy, non-violent communication, feedback skills, awareness of privilege, empowerment, conflict resolution, etc.
- As leaders, champion and model inclusive behaviors for your employees whenever possible, be it in townhalls, on panels, in internal blogs or, most importantly, in all day-to-day communications with employees and peers.

2. DEFINE YOUR INCLUSION AND DIVERSITY STRATEGY WITH MEASURABLE GOALS; DEFINING KPIs FOR ALL KEY PROCESSES

Why? Having an I&D strategy with clear and concrete goals allows you to continuously evaluate your progress (Sander et al., 2020). A strategy also focuses resources more efficiently on what is really important.

- Analyze your HR data to pinpoint your biggest diversity challenges. Tip: The St.Gallen Diversity Benchmarking allows you to compare yourself directly with your peers.
- Just as important: Assess your biggest inclusion ‘pain points’ (as well as opportunities) at your company. Surveys or focus group discussions allow you to hear your employees’ direct perspective.
- Devise an I&D strategy with clear, concise goals tailored to your biggest I&D pain points that allows you to continuously evaluate your progress. E.g.: Increase share of women in profit-and-loss roles to 30% by 2026.
- Tie your I&D strategy to your business strategy: I&D is far more than an ‘HR issue’ and should be embedded in all of the organization’s activities day in, day out.
- Put in place meaningful inclusion and diversity KPIs for all key processes – and for all organizational levels and divisions – such as recruitment, talent development, promotions, performance reviews, and retention. For example: 50% of candidates for any position should be women; at least three women have to make the short list, etc.
3. HOLD MANAGERS ACCOUNTABLE FOR IMPLEMENTING YOUR I&D VISION AND REACHING THE RESPECTIVE GOALS

Why? Leaders as the shapers of the company’s culture need to be the voice and example of an inclusive culture (Wasserman et al., 2008). Hold leaders at all levels accountable for making your I&D vision a reality. Without buy-in and commitment at every level, you run the risk of not engaging all stakeholders – and not achieving your I&D goals.

- Set measurable inclusion objectives with your managers, as you do for other business-relevant aspects. E.g.: Participating in a reverse mentoring relationship for x hours; improving perceptions of inclusive culture in a ‘team pulse’ survey; etc. Anchor these objectives in performance reviews and tie them to rewards.

- Train managers in inclusion skills for team leadership such as active listening, gender-inclusive and non-violent communication, and conflict resolution. Regularly assess managers on their inclusion skills, especially as of middle management upwards.

- Be prepared to make hard decisions in cases of non-compliance and uncooperative behavior, and communicate this to your management.
LEVER 2: REDEFINE THE NORMS AROUND CAREER AND WORK

Everyday practices need to be set up for inclusion. Rethink and change ‘how things are done’ in your company and create a new normal. This means reinventing key processes and practices from the ground up. The current opportunity for real change is unique: COVID-19 has demonstrated that a new normal around how we work is possible.

1. CREATE FLEXIBLE, AGILE AND INCLUSIVE CAREER PATHS FOR ALL GENDERS

Why? The current career system where key steps happen during family primetime only works for a small subset of employees. To best support your diverse talents – and get the most out of them – career paths need to be flexible and agile, too.

- Offer flexible, lifecycle-oriented career paths and utilize all possible communication platforms to make them visible, e.g.: opportunities for sabbaticals, learning opportunities, temporary reductions in employment percentage, lateral internal moves, etc.
- Allow – and encourage! – employees to adapt their roles and responsibilities to different stages of their life, irrespective of age and hierarchy. For example: Introduce a ‘rainbow career’ model where employees 50+ can relinquish some management responsibilities to focus on project work in their area of expertise.
- Normalize career steps outside the ‘traditional career window’. Set diversity targets for promotions that go beyond gender – for example, promoting women over 40.
- Offer women and men in the rush hours of life the chance to keep key positions in job-sharing models or to remain in the company with a lower employment percentage for a time, while still remaining in the talent pool.

2. POSITION PARENTHOOD AS A NORMAL PART OF MEN’S AND WOMEN’S CAREERS

Why? Parenthood derails the careers of women. Re-position parental leave as part of anyone’s career rather than an inconvenience. Expect women to return to work after maternity leave and make it worth it. Expect men to do their part: Extending paternity leave has a staggering effect on employee perception of work-life balance (Rudat, 2021).

- Analyze what promising diverse talent you lose by restricting key career steps to employees in their 30s, in order to make the business case for change.
- Introduce equal parental leave for all employees, regardless of gender. Actively encourage men to take their full parental leave and to take on an equal share of care responsibilities.
- Actively ‘manage parenthood’, sensitizing and training your HR and line managers to support parents on their team. Make sure you know what parents need to successfully harmonize career and parenthood.
- Sensitize your managers to recognize and confront their own motherhood (and fatherhood) biases.
3. CHANGE THE NORM OF HOW AND WHEN WORK GETS DONE

Why? Diverse employees have diverse needs – and are different in how they get their best work done. Not only is there a clear link between flex work and productivity, it also signals trust and empowers employees (Hussain et al., 2014).

- Make flex and remote work the new norm for your employees at all hierarchical levels.
- Allow employees and managers to define their personal work schedules.
- Ensure that employees' performance gets measured based on output and meeting clearly defined goals – rather than physical presence and the number of hours worked.
- Put processes in place to track output, progress and performance when working remotely.
- Train your line managers in how to effectively communicate with employees working remotely or flexibly. Make sure that they 'check in' with employees rather than 'check up' on them.
LEVER 3: HIRE AND PROMOTE INCLUSIVE PERSONALITIES OF ALL GENDERS

Your employees are the face(s) of your company and define inclusion culture. Hire the inclusive talents you need to make your I&D vision a reality. Effect lasting change by placing minority talents, inclusive role models and change agents who exemplify your I&D vision front and center.

1. HIRE FOR INCLUSIVE CULTURE FIT

Why? You want your new hires on every level to bring an inclusive mindset to the table and apply this in everything they do. This is particularly important for leadership positions: Leaders are role models who shape the culture of their team, affecting inclusion every day.

- Reflect your I&D vision in job descriptions: Make desired inclusion competencies explicit. Limit job requirements to ‘must haves’. Highlight inclusive benefits like equitable parental leave and flexible work options.
- Review your candidate assessment processes to ensure inclusion competencies play a key part. Ask job candidates for concrete examples: How are their active listening or conflict resolution skills? How do they promote psychological safety in a team? Etc.
- Hire for potential, not only experience. Check how you can widen profile criteria meaningfully to attract more women.
- Use inclusive language in all your role descriptions and employer branding materials – in fact, in all your corporate and visual communication. This includes pronouns as well as gender-coded words (that might look innocuous at first glance) like ‘goal-oriented’, ‘assertive’, ‘ninja’ or ‘dominate’.
- Use gender-equal hiring slates.
- All of your hiring committees should be not just diverse, but also champions for inclusion.

2. MAKE INCLUSION COMPETENCIES CENTRAL TO KEY PROMOTIONS

Why? The people you are promoting are the key to your business and organizational culture. If gender diversity is a business case for you, inclusion competencies need to be central to promotions – and the structures and processes need to be set up to reward these skills.

- Make sure your criteria for making key career decisions are transparent and measurable to minimize unconscious bias.
- Use transparent and measurable criteria to assess inclusion skills in your evaluations and promotion decisions. To do so, use feedback tools that accurately measure inclusion skills, such as 360-degree feedback or team-level ‘pulse surveys’.
- Set a ‘comply or explain’ rule for promotion decisions, e.g. if a woman is not chosen for a key promotion, ask managers to explain why not.
3. PROVIDE VISIBILITY FOR DIVERSE TALENTS AND INCLUSIVE ROLE MODELS

Why? First, visibility is enormously important in career advancement (Fielding-Singh, Magliozzi, & Ballakrishnen, 2018). Second, role models and change agents also serve as I&D multipliers, so make these people visible. If you have managers who are job-sharing or doing an excellent job supporting and promoting female talents, consider giving them a platform in the company newsletter, for example.

- Make sure you know who the high-potential women are in your organization – and get to know them. Make sure they are getting the support they need to advance their careers.
- Give your diverse talents the opportunity to showcase their skills, voice their opinions and get a fair shot at promotions. Allow them to ‘take the stage’ at management meetings and key public events, and credit their contributions whenever possible.
- Go beyond mentoring programs and networks to in-company sponsorship and coaching, where leaders directly work with promising talents to craft their own development plans.
**APPROACH FOR ANALYSIS**

**Sample**

We analyzed the HR data of 320,000 employees from 90 companies and organizations in Switzerland, of which 122,000 employees are in management positions. 58 organizations are Advance member companies, of which 29 also participated in the St. Gallen Diversity Benchmarking, meaning that they invest in an annual detailed analysis of their HR data and compare their results with those of their peers. 32 organizations participated in the St. Gallen Diversity Benchmarking only and are not Advance member companies.

**Unique data set**

The Advance & HSG Gender Intelligence Report is the only report in Switzerland that is based on anonymized raw data provided by participating companies on a yearly basis. Consistent key performance indicators (KPIs) using the same formula and the same type of data for all companies have been calculated, which provide transparency on the progress of gender diversity in the Swiss workplace. The methodology allows for an objective, transparent comparison of results between companies. For companies interested in a more detailed analysis of their performance on such KPIs, the St. Gallen Diversity Benchmarking allows deeper in-company analysis and cross-company comparison.

**Hierarchical levels**

The analysis is based on five hierarchical levels: non-management, lowest management, lower management, middle management and top management. They are defined according to the Swiss Earnings Structure Survey of the Federal Statistical Office and are also used by Logib, the Federal Government’s equal pay self-test tool.

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7 Throughout the report, ‘management’ refers to all management levels (lowest, lower, middle and top management) unless specified otherwise.

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**How to interpret your company’s metrics**

To illustrate progress or setbacks, we work with indices which we also recommend using when you interpret your own company’s diversity KPIs. We are often asked how to interpret results, set internal diversity benchmarks or how to evaluate HR numbers. Here is how we do it in this report:

We compare the gender distribution at every step along the employee life cycle (i.e. new hires, departures, promotions etc.) with the existing gender distribution in the relevant group. For instance, to assess whether women are hired for management positions at an adequate rate, we compare the gender ratio of newly hired female managers with the gender ratio of the female managers already working in the company. For example: Today, a company has a 23% share of women in middle management.

This rate could be improved if more than 23% of new hires for this level were women. This practice establishes how results from recruitment, promotions and turnover impact the existing gender distributions in the companies. Thus, you can see at one glance whether a result has a positive or negative effect on women’s representation.

**CCDI Careers Survey**

For the first time, the Gender Intelligence Report also includes the employee perspective: The GIR 2021 presents the results of a brand-new survey of 509 men and women in managerial roles, thus incorporating the employee perspective on career obstacles and opportunities in Switzerland through a gender lens. 70% of participants were women, 30% men. Participants represent all the different language regions of Switzerland as well as a variety of educational backgrounds ranging from apprenticeship to doctorates. The survey was conducted between December 1, 2020 and February 8, 2021.
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CREDITS

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Issued by

Alkistis Petropaki
General Manager Advance
Advance – Gender Equality in Business
alkistis.petropaki@weadvance.ch
www.weadvance.ch

Alexandra Rutsch
Communication Manager & Project Lead
alexandra.rutsch@weadvance.ch

Faye Witteveen
Program Manager & Best Practices Lead
faye.witteveen@weadvance.ch

Visual illustrations & layout

Sandra Medeiros
Art Direction, Illustration
www.wildfactory.ch

Research

Prof. Dr. Gudrun Sander
Director Competence Centre for Diversity & Inclusion (CCDI)
Research Institute for International Management, University of St.Gallen
gudrun.sander@unisg.ch
www.ccdi-unisg.ch
www.diversitybenchmarking.ch

Dr. Ines Hartmann
Senior Project Manager CCDI
ines.hartmann@unisg.ch

Dr. Nora Keller
Senior Project Manager CCDI
nora.keller@unisg.ch

Prof. Dr. Jamie L. Gloor
Assistant Professor, University of St.Gallen
jamie.gloor@unisg.ch

Melissa Reynolds
Senior Project Manager CCDI
melissa.reynolds@unisg.ch