

Competence Centre for Diversity & Inclusion (CCDI)
Diversity-Controlling

Advance Gender Intelligence Report Switzerland 2017

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1. Introduction

Goal: This is the first edition of the Advance Gender Intelligence Report, which encompasses an initial situation analysis. The goal of the report is to create transparency on gender diversity development for Advance Member Companies over time and to derive recommendations based on the results of the analysis. This study will be conducted every year and Advance member companies that have not participated this year are encouraged to join next year.

Sample: Twenty-four Swiss-based Advance member companies participated in the first Gender Intelligence Report and delivered the data. The sample consists of the anonymised data of about 127'000 employees. The size of the companies varies between a little more than 100 employees up to about 30'000 employees. The participating companies delivered two datasets for the end of 2015 and end of 2016. The 2016 data is the primary focus of this report.

Results: The results chiefly consist of the average of the 24 companies as well as the variation between the top and the lowest quartile. The goal was to get an average over all the companies and not to show results for single companies. In the future – when more companies are participating – results for the different industries could possibly also be shown. Companies that are interested in individualised results for their organisation can acquire a company report for a fee.

2. Results

The results of the Advance Gender Intelligence Report will be presented in the following sections. The first section shows the gender distribution on different management levels.

The next three sections focus on three critical phases in the employee's life cycle to get a better understanding of where the biggest challenges are: First, the applications and the recruiting process are analysed. The second part covers the success of retention and different turnover indicators, and the third part focuses on the promotion process.



Figure 1: Overview of the employee life cycle

2.1 Gender distribution in the sample

In the 24 Advance member companies, the average gender ratio among non-managerial employees is nearly 50:50. However, the gender gap already increases significantly at the lowest management level and widens even more with each higher management level. This result is a common one: The higher the hierarchical level, the smaller the proportion of women.

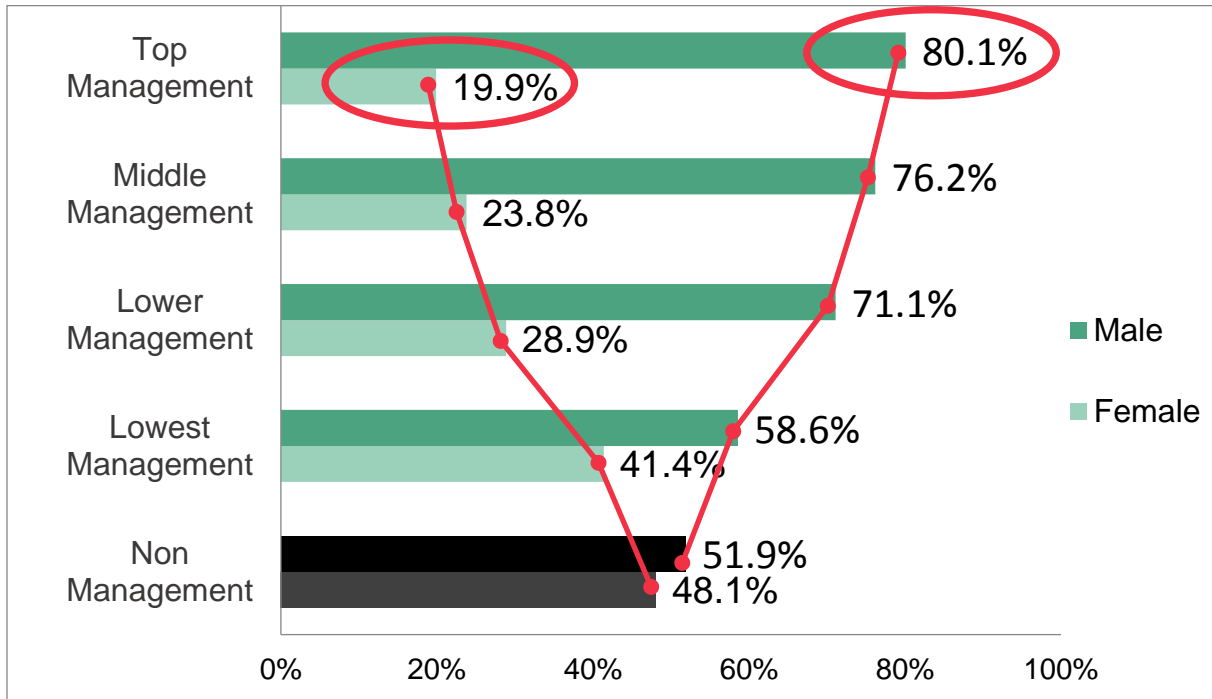


Figure 2: Gender distribution on different (management) levels

There is some variation between companies. The variation increases with each management level and is the highest in top management. In the following section, the range of the middle half of companies for different levels is indicated. The lowest quartile is below, the top quartile is above this range.

At **Top Management** level, the average proportion of women is 19.9%. The middle 50% of companies are in a range between 11.1% and 29.4%.

At **Middle Management** level, the average proportion of women is 23.8%. The middle 50% of companies are in a range between 13.4% and 28.7%.

At **all management levels**, the average proportion of women is 28.8%. The middle 50% of the companies are in a range between 23.1% and 34.9%.

In the **entire workforce**, the average proportion of women is 38.7%. The middle 50% of the companies are in a range between 33.1% and 42.9%.

This difference between the entire workforce and the management levels shows, that men are overrepresented in management.

2.2 Applications and Recruitment

Only 8 of the 24 companies could provide data on applications (277'000 applications). Nonetheless, the results of the analysis will be presented below.

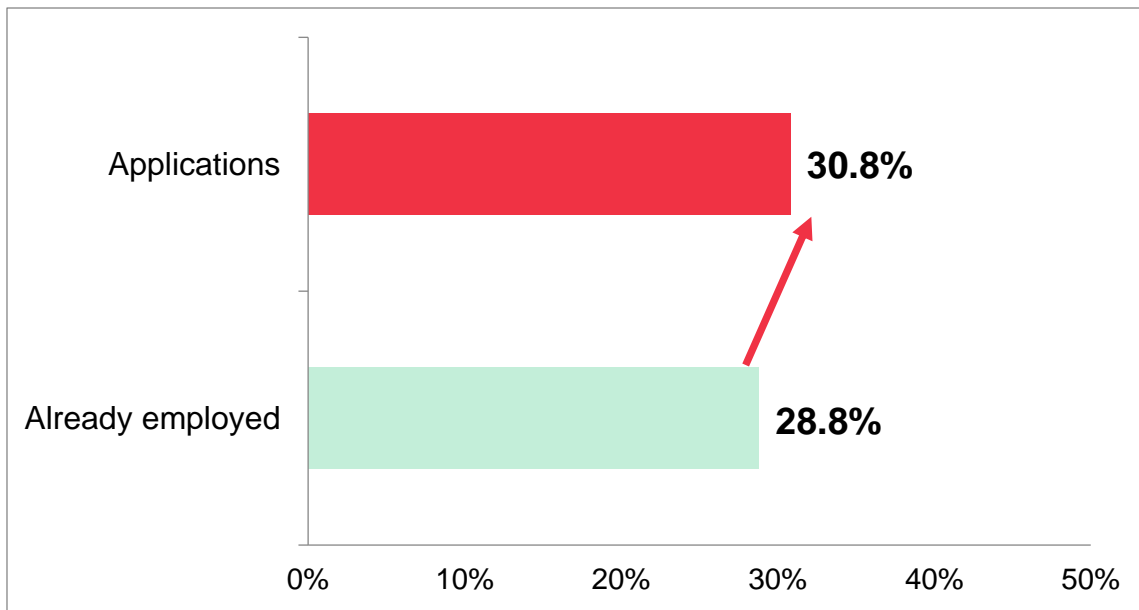


Figure 3: Percentage of female applications for management positions compared to female managers already employed

There are sufficient applications from women, especially **for management positions**. On average, the percentage of female applicants is higher than the percentage of female managers already working for the companies. Therefore, the companies receive a sufficient amount of applications from women to increase the firm's percentage of female managers.

The average percentage of female applicants overall (37.5%) is about the same as the percentage of women already employed (38.7%) in the companies.

In recruitment, it appears that the companies are attempting to increase the percentage of women: More women and more female managers are recruited than are already employed.

For the **total workforce**, on average 43.7% of the new hires are women, compared to an existing proportion of 38.7%. New female hires in the middle 50% of the companies range between 33.0% and 51.3%.

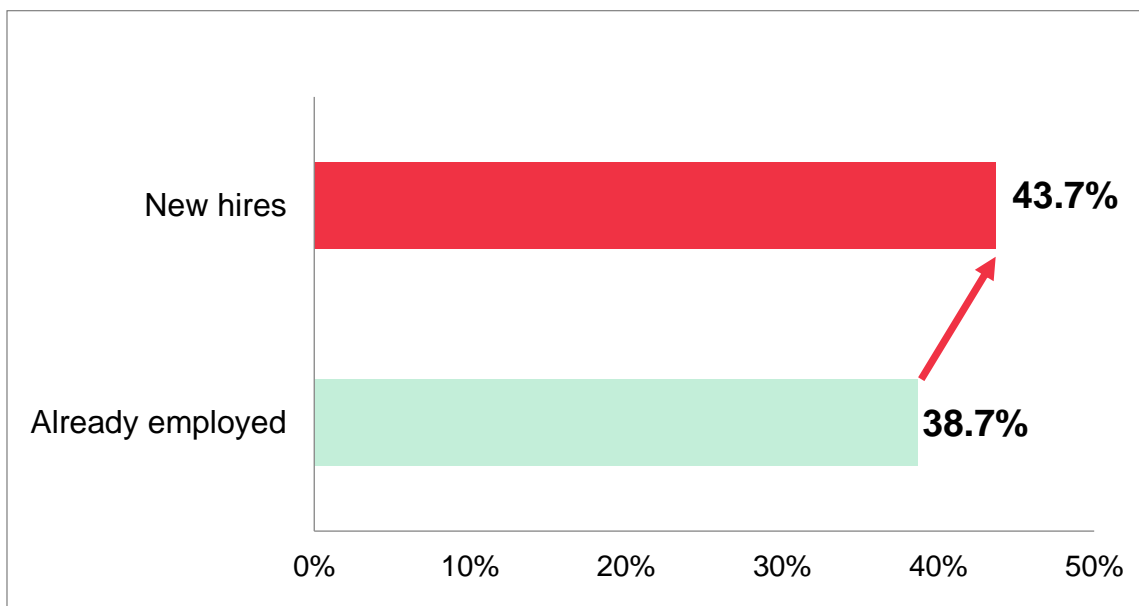


Figure 4: Percentage of new female hires compared to women already employed

Women made up 33.1% of all new hires for **managerial positions** in the participating Advance member companies. The proportion of new female hires for managerial positions ranges between 18.2% and 37.3% for the middle 50% of the participating companies.

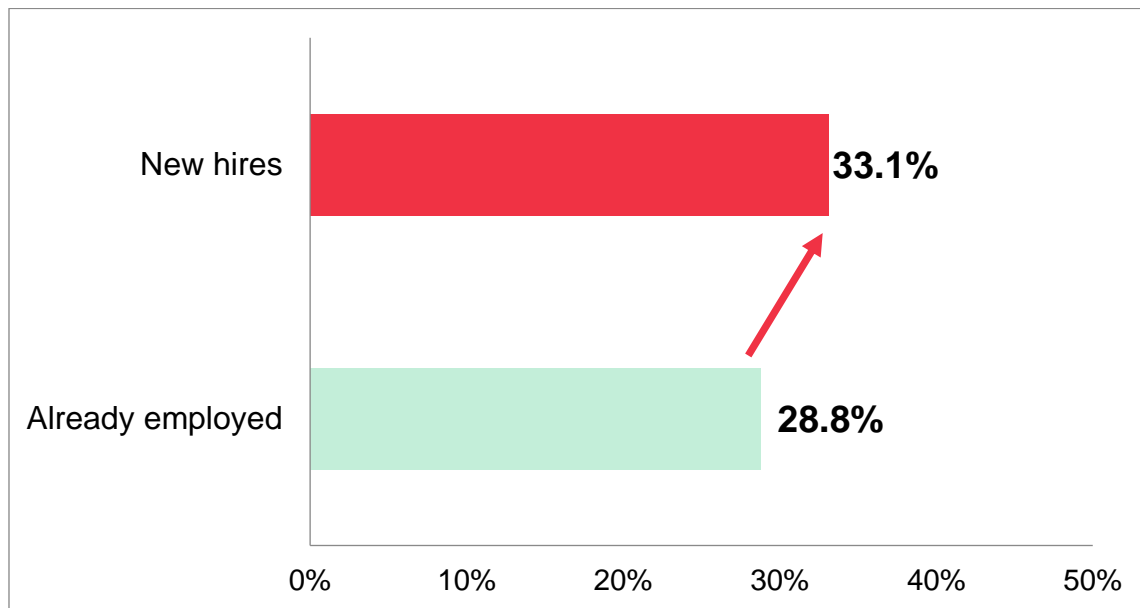


Figure 5: Percentage of new female hires for management positions compared to female managers already employed

It is important to note that there is some variation between companies, i.e. some companies recruit proportionally fewer women than they already have employed, and other companies hire proportionally more women than they already have. The variation for total new hires is smaller than for managerial hires. This means that there are larger upward and downward outliers in managerial recruitment among Advance member companies.

In sum, external recruitment provides companies with the opportunity to increase the proportion of women in their organisations, both in the overall workforce and in management.

Recommendations for applications and recruitment

The recruitment of women in the participating companies is quite successful on average. Therefore, the main recommendation is to keep the hiring efforts up. As a general guidance, the percentage of women hired on all management levels should be higher than the company's existing percentage of female employees on that level, if the ratio of women in management positions is to be increased.

2.3 Retention / Turnover

Once women in the 24 Advance member companies have reached a managerial position, they are very loyal. The turnover rate of women in management positions (10.3%) is lower than the turnover rate of men in management positions (11.6%).

Concerning all employees in the 24 companies, however, there is a slightly higher turnover rate among women (13.5% vs. 12.6% for men). This is also the case for all Swiss-based companies according to an analysis conducted by the Federal Statistical Office (BFS, 2017a). Yet there are also individual companies with very high turnover rates among women (large upward outliers).

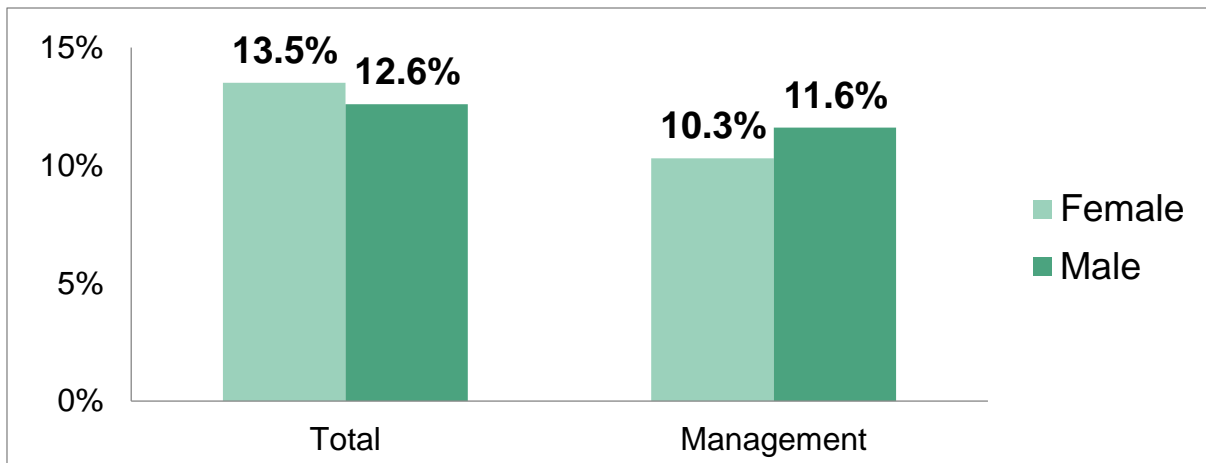


Figure 6: Percentage of employee turnover total and in management according to gender

The turnover rate among young women is notably high. While employee turnover for men does not differ widely between the age groups (21-30 years, 31-40 years, 41-50 years, 51-60 years), it is significantly higher for young women (ages between 21 and 30) and also high for women in the rush hours of life until the age of 40. Afterwards it decreases with each higher age bracket.

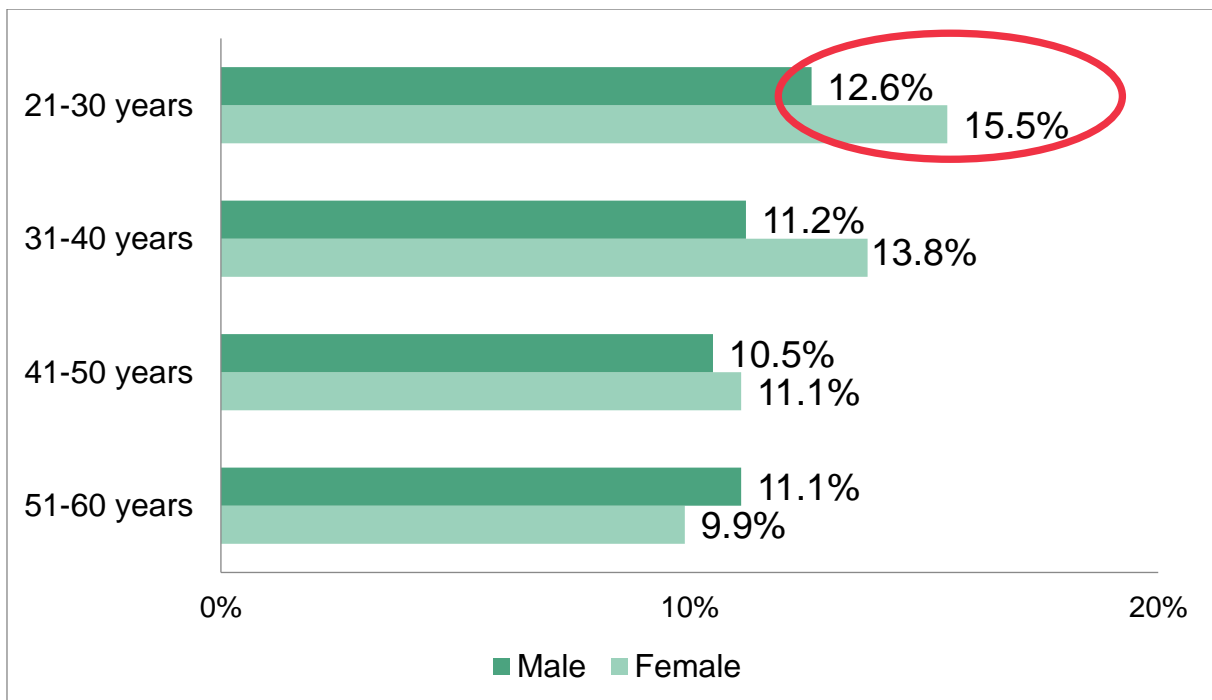


Figure 7: Percentage of employee turnover according to gender and age

Figure 7 shows that young women leave their jobs more often than young men when they are in their first professional years at the ages between 21 and 30. Other studies by CCDI have also shown similar results, so this is not a special problem of the participating Advance member companies. In Switzerland, a mother's average age at the birth of her first child is 30.7 years with an upward tendency (BFS, 2016). In the sample of the 24 Advance member companies, nearly 90% of the women return to work after maternity leave. The Advance member companies are doing far better here compared to the Swiss average, which is only 65% (BFS, 2017b). This suggests that the main reason why young women leave their employer is not because of maternity.

The authors suspect that gender role expectations and the lack of role models may play important roles here. On the one hand, supervisors assume that women will leave the workforce or reduce their employment percentage when they have children and therefore do not support them during their first professional years as actively as they support young men on their career paths. On the other hand,

young female talents themselves may perceive that they have lower chances for promotion – especially once they have children or reduce their employment percentage. They likely become aware of the full-time culture with part-time penalty and see other women in dead-end mommy tracks. This may be a reason why women leave their employers more frequently than men.

Recommendations for retention

The authors recommend paying attention to young female talents early on, giving them attractive perspectives, making sure they have role models and engaging in proactive career conversations with female employees. Another CCDI study with post docs of the ETH Zurich showed similar results (Sander/Dietsche/van Herck/van Dellen, 2015): If the topic of family planning becomes relevant during a woman’s career, she needs to receive concrete assistance for her continued career development. Priorities should be set (e.g. which projects are important, which further education should be attended). Substantial and binding discussions with one’s supervisor are often lacking in this area. Many decisions are left up to the women themselves, who find it difficult for the most part to formulate concrete needs. Advance member companies therefore should proactively talk to young women about their career plans and show interest in further developing them – also when they might have children.

2.4 Promotion

On average, proportionally more men are promoted than women. There are also greater outliers in the index to the advantage of men (total promotions and promotion from non-management to management level). This is already true for the first promotion to management. There is a nearly 50:50 gender ratio among non-managerial employees, but significantly more men are promoted to management (see figure 8 below).

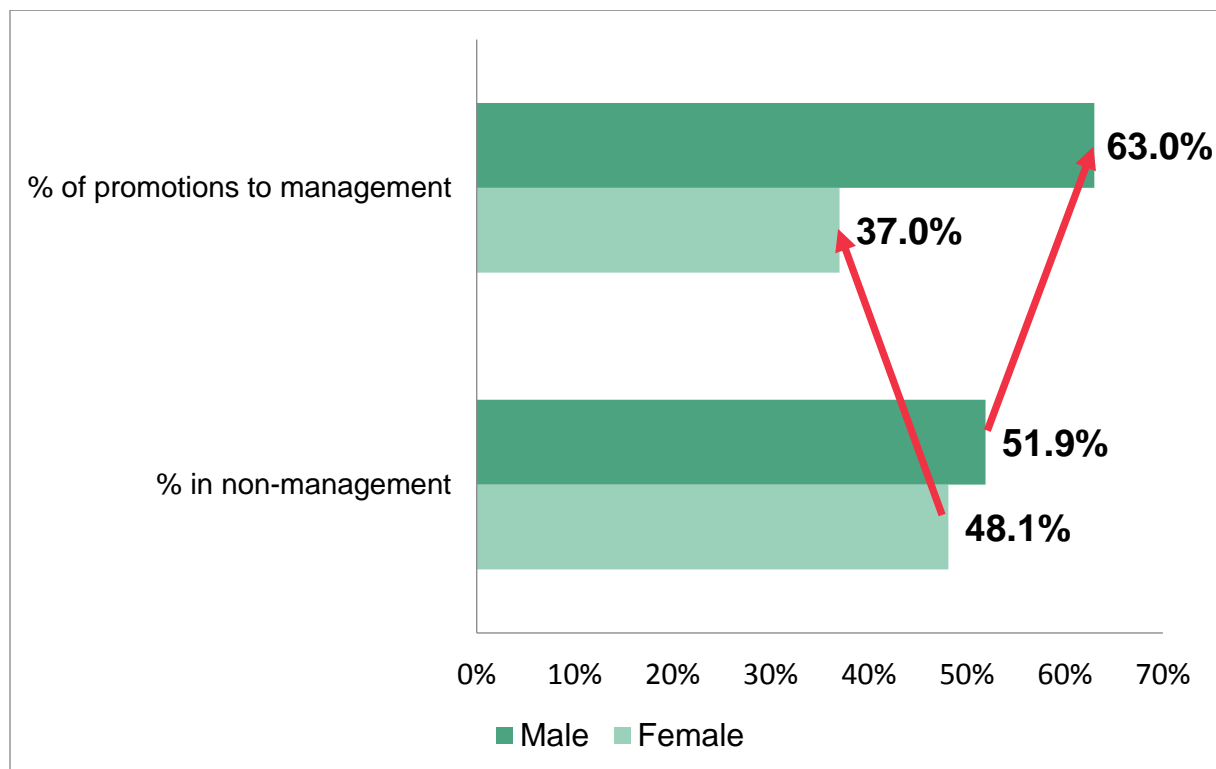


Figure 8: Percentage of promotions to management in comparison to gender distribution in non-management positions

The Glass Ceiling Index also shows that the hurdles for women are higher, the higher the management level (similar to the analyses at the beginning). The Glass Ceiling Index compares the gender ratio at each individual management level with the overall gender ratio. Therefore, it does not compare the promotions themselves, but the results of them.

Women are thus disadvantaged when it comes to promotions. One of the causes for this may be the dominant full-time work culture.

The average employment rate is high in the 24 Advance member companies. Among men, it is practically 100%. Among women in management (92.0%), it is higher than with the overall workforce (88.1%) or among non-managerial employees (86.5%) but (a little bit) lower than the corresponding employment rates of men.

The variation among women is also greater in the surveyed companies, i.e. there are larger downward outliers. There is also a wider range among the middle 50% of the companies (for women between 82.5% and 94.2%, for men between 96.9% and 99.1%).

This recurs in management, although here the variation across the companies is somewhat smaller (89.9% to 95.0% for women in the middle 50% of the companies), and there is hardly any variation at all for men (98.4% to 99.6% for the middle 50% of the companies). That means that managers effectively (must) work full-time.

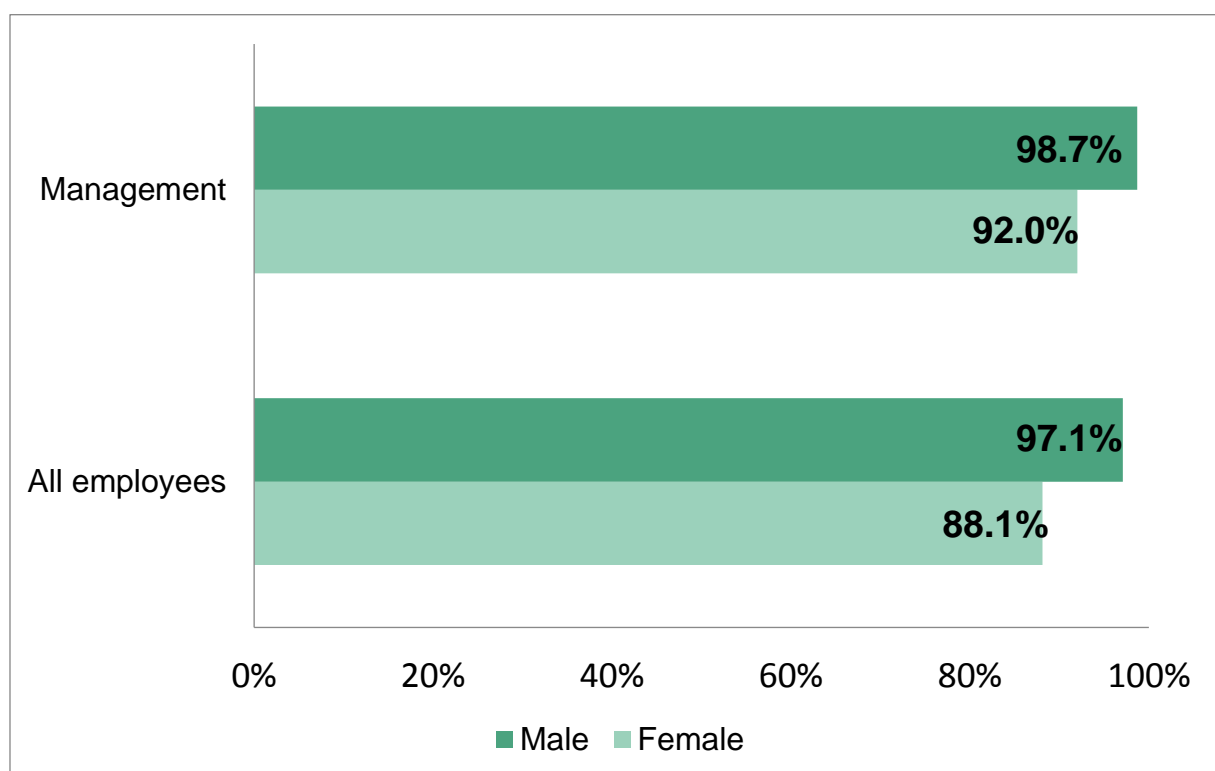


Figure 9: Average employment rate according to gender

In 2016, CCDI conducted a survey that asked managers at 8 Advance member companies about their experiences regarding the impact of flexible working arrangements and part-time work on career advancement (Sander/Georgakakis/van Dellen/Maier, 2016). This study showed a pronounced part-time penalty. The respondents had the feeling and also experienced that even a small reduction of the employment rate to 90% or 80% already has a significantly negative effect on career advancement.

The Advance Gender Intelligence Report confirms the perceptions of the survey participants: Part-time employees are promoted significantly less often, even when they work 80% to 90%. This difference is even more pronounced than the promotion difference between men and women. Therefore, the full-time culture and the part-time penalty are (still) unbroken, also in the participating Advance member companies.

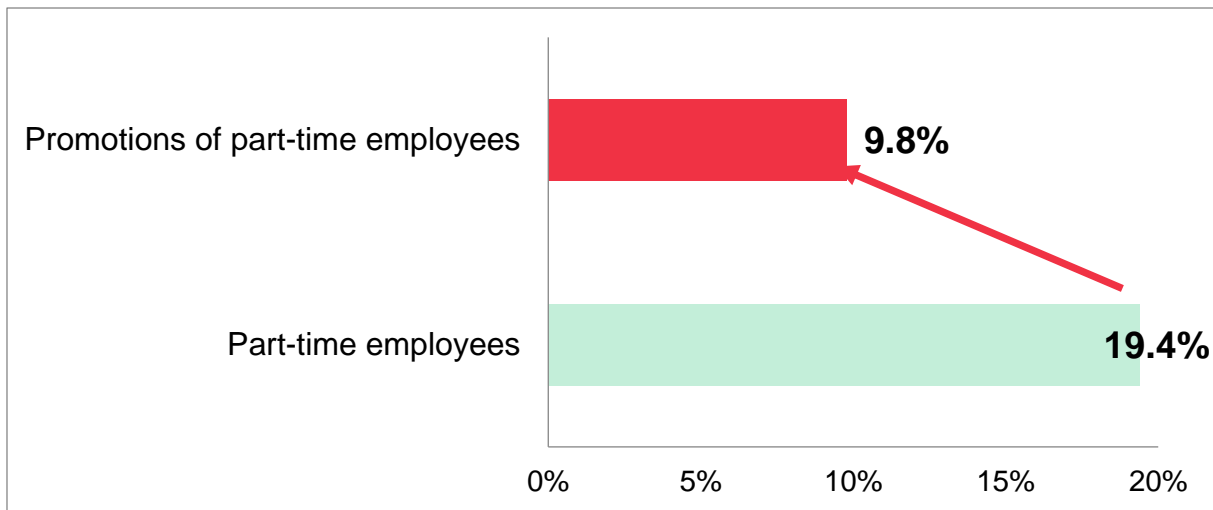


Figure 10: Percentage of part-time employees in comparison to promotions of part-time employees

A reduction in employment percentage leads to disadvantages when it comes to promotions. Consequently, women are more often affected than men, since men are working almost full-time, no matter what age they are or what hierarchical level they are in.

Among young women, the average employment percentage is equally high (94-95%) compared to young men. Many women reduce their employment percentage after the age of 30, often because of family commitments. And they do not usually return to full-time later on: Once part-time, always part-time. As part-time employees are promoted significantly less often, this leads to the so-called dead-end mommy tracks. When a full-time culture is the norm, men pursue their careers that are the “normal ones” in this culture, and women – who more often work part-time – are limited to less attractive career paths, even when they work 80% or 90%.

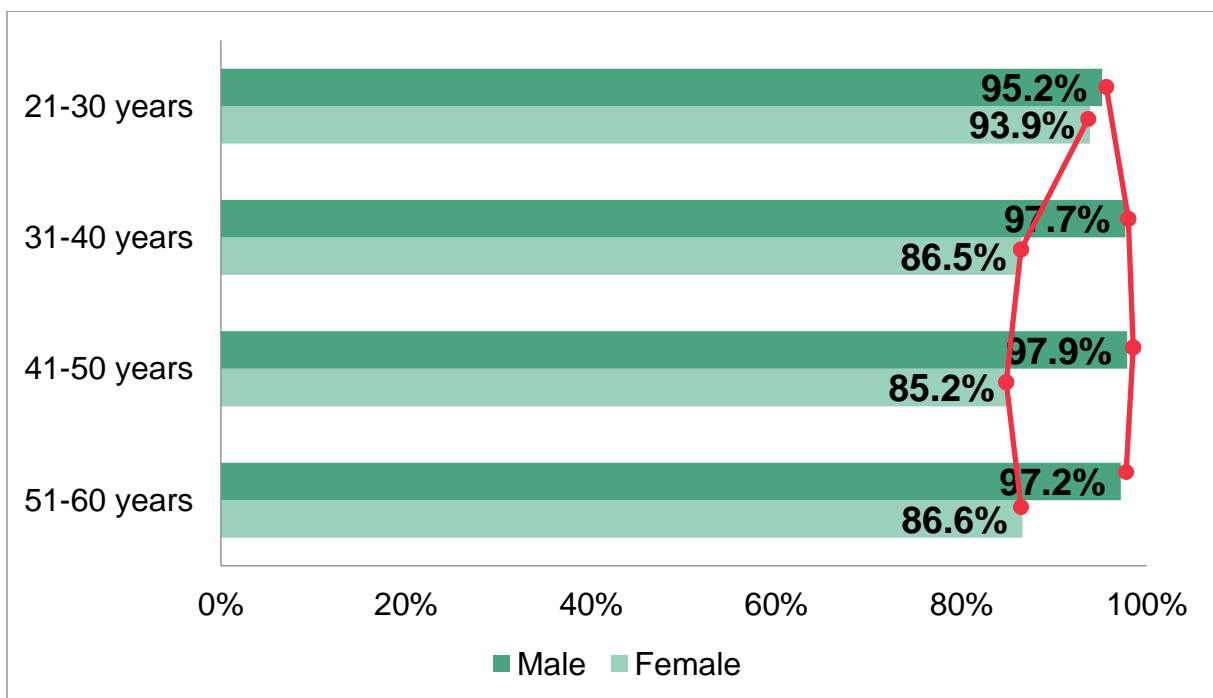


Figure 11: Average employment percentage according to age and gender

Recommendations for promotions

Based on these results, the authors of the study strongly recommend the companies to review their promotion processes and design fair and transparent promotions. Since up to 80% of recruitment for management positions happens internally in the sense of real promotions or jobs changes within the

company, promotions are the most effective leverage to increase the number of women in management positions.

Steps in designing a fair promotion process:

- Set targets for promotions, for talent pools and for high potentials: One target could be to have a higher proportion of women in talent pools and among high potentials than in the company's management levels, in order to increase the pipeline.
- Integrate all 80% positions in the pool for promotions: There is no rationale why this group should be consciously or unconsciously excluded.
- Track the investments in leadership development by gender: A further recommendation is to backtrack in order to determine if participants of a high potentials programme are still with the company 5 years later, for example, and to analyse these numbers separately by gender.
- Give women visibility through projects, exposure and P&L responsibility: When making promotion decisions, companies should take particular care to place women in positions with P&L responsibility and strategically important projects, rather than in „typical female positions“ such as HR (female niche positions), (see also Sander/Georgakakis/van Dellen/Maier, 2016).
- Introduce a dual or triple control system for promotions: From several scientific studies we know that as soon as more than one person is responsible for a decision - like a promotion - the probability of biases decreases and the processes and decisions become fairer. What is very often the case for external recruitment is not so common for internal promotions. Therefore the decision for a promotion should no longer be the sole responsibility of the direct supervisor.

Flexible careers and a results-oriented culture instead of a presence-oriented culture will additionally support fair promotions. Promotion decisions are then made based on motivation, performance and goal attainment rather than (unconsciously) on employment rate.

The most important “side effect” is that also men who are willing to decrease their employment percentage to 80% or 80% could experience that despite working part-time, they are also promoted and can develop their careers. In the long run this could then contribute to a result-oriented culture with more flexibility.

3. Conclusion

In non-managerial positions, the gender distribution is almost equal. Men are overrepresented on management levels.

There are sufficient applications from women, especially for management positions. The 24 Advance member companies seem to be attractive employers for women. The companies are also quite successful in recruitment: More women and more female managers are hired than are already employed. So the companies are able to fill the pipeline with female talents.

The employee turnover for young women aged 21 to 30 is very high and also higher for women in the rush hours of life compared to men, who show a stable turnover in all age groups. This means a loss of female talents for the companies.

Since women are more likely to work part-time and part-time employees are promoted significantly less often (even when they work close to full-time and regardless of their gender), this means that women are disadvantaged in promotions. Anticipating this could be one of the reasons why young women leave their employer more often than young men.

The study concludes with the following recommendations in order to increase the number of women in management positions and to accelerate the process of attaining gender equality in management in the Advance member companies:

- Focus on promotions: It is important to keep up the hiring efforts. However, as there is a big loss of young female talents early on, we recommend shifting the focus more to the promotion processes.

- Stay agile: Advance member companies should reflect on their career paths, challenge the full-time culture and focus on results instead of presence.
- Accelerate your progress: Set clear targets to build up the pipeline of female talents more quickly.

A 50:50 gender ratio in management can be attained much more quickly by clearly focusing on these recommended measures rather than continuing the status quo. To calculate this, a forecast for the average of the 24 participating companies was conducted.

Line 1 (dark blue): A continuation of the status quo will lead to a 50:50 gender ratio in management by approximately 2040.

Line 2 (red): If women and men are promoted equally (with the same amount of promotions, but a 50:50 ratio for men and women within this pool), this could happen 10 years faster (by 2030). This is very realistic because the gender distribution in non-managerial levels is around 50:50.

Line 3 (green): If the promotion rates for women and men would be reversed (i.e. women would be promoted at the same rate as men are promoted today and vice versa), a 50:50 ratio would be reached by 2025.

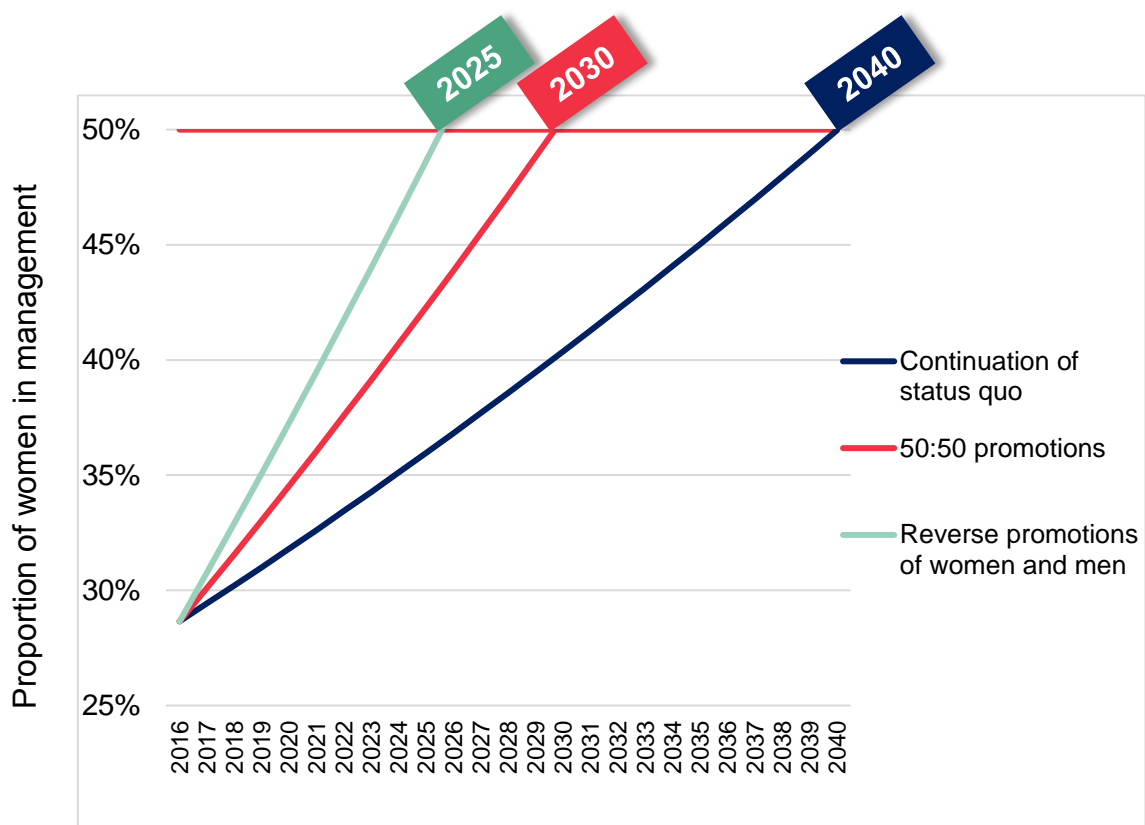


Figure 11: Forecasting gender equality in management in the Advance member companies

4. Sources

Anonymised data from 24 Advance member companies from 31 December 2015 and 31 December 2016

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