Organisational size of European respondents

- Fewer than 1,000 employees – 28%
- 1,000 to 4,999 employees – 18%
- 5,000 to 24,999 employees – 22%
- 25,000 or more employees – 32%

Most employers in Europe lack a strategy for developing women leaders, Mercer survey shows

Despite efforts among organisations in Europe to achieve a diverse workforce, the majority – 67% – do not have a clearly defined strategy or philosophy for the development of women into leadership roles, according to the Women’s Leadership Development Survey, conducted by Mercer in conjunction with Talent Management and Diversity Executive magazines.

The survey, which was conducted in December 2010, received responses from more than 450 human resource, talent management and diversity leaders at organisations across Europe. The survey included a broad cross section of industries, with durable manufacturing, high-tech/telecommunications, for-profit services and financial/banking organisations representing the largest segments. Responses, which addressed current commitment and support for women’s leadership, plans for the future and obstacles for success, were fairly consistent with those from Asia Pacific and North America – the other regions surveyed.

Results from Mercer’s survey show that organisations do not have sufficient programmes to maintain adequate levels of talented women in the leadership pipeline. More than two-fifths (41%) of the employers surveyed indicated that their organisations do not offer any activities or programmes targeted to the development needs of women leaders. While 21% of European organisations said they offer some activities or programmes, another 11% said they are planning to add programmes and activities in the future, which surpassed the survey’s global average of 6%. See Figure 1.

Although global organisations strongly believe in the value of gender diversity in leadership, women represent less than 14% of corporate executives at top publicly traded companies around the world, while they make up 40% of the global workforce, according to “Pipeline's Broken Promise”, a recent report by the research group Catalyst. The report also underscores how, starting from their first job placement, women lag behind men in career advancement and compensation, and pay a higher penalty for pursuing a nontraditional career pathway – trends that imperil the leadership pipeline for women.
Biggest challenge women face regarding development as leaders

- “There are simply not enough women in the talent pipeline, and none of our male leaders views this as critical!”

- “Defining a broader leadership style, empowering women to build their ambition and self-confidence.”

- “Balancing home life with work, especially when there are high travel demands.”

- “Cultural barriers ... where there is a national stereotype that women do not progress into management positions, and an industry that takes in predominantly engineering graduates, few of whom are women.”

- “Male networks that promote people similar to them ... women hardly get to be the subject of conversations about leadership development. This lack of executive sponsor has an impact for women.”

- “Convincing male managers that diversity is a strategic option and getting the women in the company interested in career development.”

Representative quotes from survey respondents

When asked how well the organisational climate supports the development of women, 48% of respondents said their organisations support development to a moderate extent and 14% said to a great extent. See Figure 2.

When asked about the types of programmes currently offered that are specifically targeted to the needs of women leaders, employers listed as top programmes flexible work arrangements, mentoring, coaching and diversity sourcing/recruiting. These same four programmes were identified by respondents as most effective in developing women leaders. See Figure 3.

“These results show a strong level of disconnect between efforts and effectiveness,” said Renato Dorrucci, Leader for Mercer’s Human Capital Talent Management Group in EMEA. “Organisations in Europe are more active in their women’s development efforts than the other regions, and their plans to offer development programmes tailored to the needs of women in the near future was nearly double the global average. Yet despite these efforts, organisations in Europe provide less-supportive climates for women than the rest of the world, with 11% of respondents saying that their organisational climate provides no support (compared to a global response of 9%), and only 14% provide a great extent of support (compared to a global response of 19%). For organisations in Europe that are committed to building a diverse leadership, there are definitely opportunities to do more for women’s leadership development,” said Mr. Dorrucci.
Figure 3: What’s offered, and what’s viewed as effective

Programmes considered most effective today and most frequently offered to support women’s leadership development
1. Flexible work arrangements/options
2. Mentoring
3. Coaching
4. Diversity sourcing and recruiting

"Mentoring and coaching continue to be instrumental in helping an individual woman’s development; however, they don’t have the broad impact necessary to create opportunity for women leaders throughout the organisation,” said Mr. Dorrucci. “Indeed, one-time or individual programmes are not the most effective, and the solution is not designing a specific leadership programme for women – it is integrating diversity at the core of an organisation’s leadership philosophy. It’s really about engaging the organisation to drive change by developing an integrated leadership development strategy that values gender, ethnic and cultural diversity. This broader approach is particularly valuable for global organisations as well as midsize companies that are expanding in the emerging markets.”

Additionally, the organisations surveyed were asked about their current level of concern regarding various aspects of women in leadership. The three leading issues that garnered a response of “very concerned” were having enough women in the leadership pipeline (30%), followed by retaining women once they reach leadership levels and having work-life programmes that attract and retain women (both at 23%). See Figure 4.

Figure 4: Organisations’ current level of concern regarding various aspects of women in leadership

- Having enough women in the leadership pipeline
- Accelerating the development of women with early-career high potential
- Women in leadership not advancing at the same rate as men
- Retaining women so that they reach leadership levels
- Retaining women once they reach leadership levels
- Having women develop the full range of skills necessary for a senior leadership position
- Having work-life programmes that attract and retain women

"Although the majority of respondents indicated that their organisations were somewhat or not at all concerned about most aspects of women’s leadership development, I think this is changing,” said Dagmar Wilbs, a Senior Partner in Mercer’s Human Capital business and a leadership and talent management expert in Europe. “Women’s leadership is increasingly

One wish for improving the development of women

- “Top management having the vision to value the differences of style often portrayed by female managers and executives.”
- “Women evaluated on their competencies, skills and potential, and not on their sponsor network.”
- “Identify a larger pool of potential future leaders as early as possible, with a plan to move them around to develop leadership skills and a broad knowledge base.”
- “Raise awareness across the board (line management, CEO and HR) for the ‘business case’, which makes diversity and inclusion not only socially responsible but also effective as a potential value creator.”
- “More tailored development to the needs of women supervisors and managers. Opportunities to be mentored by other female leaders, perhaps external to the organisation, to understand how they have overcome the obstacles that women face in senior positions.”
- “More acceptance of work-life balance. Women can be good managers, even if they stay at home on Wednesday afternoon.”

Representative quotes from survey respondents
being discussed throughout the business world and starting to gain a foothold on CEOs’ strategic agendas. At the same time, many countries are considering establishing requirements for female representation in senior management as part of a larger diversity goal. And while, thus far, diversity goals have not been included in business performance criteria for senior leaders – nor have companies been required to provide metrics on women’s development and placement in top leadership positions – for those companies with an intense commitment to a strong leadership, such factors are part of their balance scorecard and their efforts will be measured.”

“Women Matter”, a recent report by McKinsey & Company based on four years of research about gender diversity in top management and corporate performance, underscores the bottom-line rationale for women in leadership. The study suggests that the companies where women are most strongly represented at board or top-management levels are also the companies that perform best. In addition, the report maintains that preparing women for the executive ranks is an imperative for competitiveness, particularly as companies around the world vie to attract talented leaders who can take their business forward.

**Identifying the obstacles**

Survey respondents were asked to identify the top three factors preventing women in their organisations’ leadership talent pools from advancing to the next level. The leading responses, from among 13 choices, were work-life balance (52%), followed by lack of executive sponsor (43%) and willingness to relocate (27%). See Figure 5.

**Figure 5: Factors most likely to prevent women from advancing**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-life balance</td>
<td>1</td>
</tr>
<tr>
<td>Lack of executive sponsor</td>
<td>2</td>
</tr>
<tr>
<td>Willingness to relocate</td>
<td>3</td>
</tr>
<tr>
<td>Limited social network and connections</td>
<td>4</td>
</tr>
<tr>
<td>Confidence</td>
<td>5</td>
</tr>
</tbody>
</table>

Similarly, respondents said that the biggest challenges women face regarding their development as leaders within the organisation pertain to work-life balance, lack of role models, lack of opportunities for career advancement and lack of support from upper management. And while their organisations may not have expressed significant concern about women’s leadership development, many respondents indicated their own desire to improve the effectiveness of their programmes through actions such as establishing formal programmes for women leaders (coaching, mentoring), promoting development for all potential leaders, placing emphasis on younger generation leaders and launching affinity groups.

“The survey points out women’s lack – or perceived lack – of confidence as a significant obstacle for promotion to leadership level. Several respondents commented on the outdated definitions of leadership profiles and how they convey behaviours that sometimes reflect a male bias,” explained Eric Sarrazin, a Mercer consultant in France with talent management expertise. “These notions continue to perpetuate because there is no strategy or support for women leaders from the top. Rather, men simply replicate their own experiences by graduating more leaders like themselves into the senior ranks.”
“If organisations want to break this cycle and create a leadership profile that truly reflects their current business context and requirements, they need to do a better job of identifying high-potential women in the pipeline, investing in their development and moving them into high-level roles,” added Mr. Sarrazin.

Assessing women’s perceptions

Survey respondents said the women in their organisations believe the organisation provides only moderate (39%) or minimal (27%) support for women leaders. Just 7% said women perceived the organisational support to be strong. See Figure 6.

![Figure 6: Women’s perceptions of organisational support for women leaders](image)

Of the 163 respondents (38% of the total) who said their organisations provided some type of gender-specific development or leadership programmes, slightly less than one-half (or 18%) reported that the programmes were moderately utilised by women in the organisation. Far fewer said the programmes were extensively utilised. Some said the programmes were not utilised at all or were minimally utilised. See Figure 7.

“Many companies already offer virtual training, peer coaching, intercultural programmes or business simulations,” said Ms. Wilbs. “Talented women seek challenges and a role in business opportunities to drive results. The companies that offer real opportunities and recognition will be the ones that keep the talent.”

![Figure 7: Current utilisation of gender-specific development or leadership programmes](image)

To learn more about Mercer’s depth and breadth of talent management solutions – including leadership assessment, development and succession planning – please contact your local Mercer office or visit us at www.mercer.com/leadership.

About Mercer

Mercer is a leading global provider of consulting, outsourcing and investment services, with more than 25,000 clients worldwide. Mercer consultants help clients design and manage health, retirement and other benefits and optimize human capital. The firm also provides customized administration, technology and total benefit outsourcing solutions. Mercer’s investment services include global leadership in investment consulting and multimanager investment management.

Mercer’s global network of more than 20,000 employees, based in over 40 countries, helps ensure integrated, worldwide solutions. Our consultants work with clients to develop solutions that address global and country-specific challenges and opportunities. Mercer is experienced in assisting both major and growing, midsize companies.

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