GETTING THE MOST FROM YOUR DIVERSITY DOLLARS
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GETTING THE MOST FROM YOUR DIVERSITY DOLLARS

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For senior executives, the main question about gender diversity is not whether but how. How can the company identify specific initiatives that offer the greatest payoff? How should the company allocate its resources—in time, managerial focus, and capital—to generate the biggest diversity gains? Unfortunately, many companies simply don’t know the answers to these questions, so they use a trial-and-error approach, trying a lot of things and hoping to see good results.

That approach leads to wasted resources, and it may even be counterproductive. Although more than 90% of companies have some sort of gender-diversity program in place, our research findings indicate that only one in four women feel that they have personally benefited from such programs. When companies generate a lot of activity but little progress toward gender diversity, leaders begin to feel that interventions don’t work. Meanwhile, women grow frustrated, morale sinks, and company performance suffers.

Companies need to understand which initiatives are worth pursuing and which are not. With that objective in mind, we surveyed roughly 17,500 employees and interviewed more than 200 senior executives at companies in various industries across 21 countries, seeking their perspective on 39 specific diversity initiatives. (See the sidebar “Key Findings.” For a detailed description of our methodology, see the appendix.) This report discusses global findings; BCG is also publishing a series of market-specific reports that discuss the findings for individual countries in more detail.

For companies seeking to stretch their diversity spending and generate a higher ROI, our findings point to three clear imperatives:

- Companies need to understand their particular underlying issues. Do middle managers not support company-wide measures to increase gender diversity? Do aspects of the company culture implicitly favor men? In many cases, senior leaders (particularly men) and the women who work for them have dramatically different perspectives on these issues.

- Companies need to know which measures are the most effective in addressing these problems. Our findings show that some common measures—such as one-time training sessions—are less effective than many people imagine. Conversely, other measures—such as interventions that target key points in women’s career paths (when they take parental leave or consider an international posting, for example)—tend to be underestimated but often lead to significant results. We call these measures hidden gems.
Companies should thoughtfully and deliberately implement the programs they introduce, testing the ROI of interventions and imposing a minimum bar for new ideas. Implementation is critical. Issuing a new policy on paper is all too easy. It is much harder to follow through and continually refine programs over time based on real-world experience. This report is a call to action for companies to run diversity programs with the same rigor that they would apply to any other major commercial priority.
Many companies are investing heavily in improving the gender balance of their workplaces. On average, our survey respondents are aware of 11 gender-diversity initiatives underway at their company, out of 39 total in our analysis. In the countries we studied, societal attitudes toward working women have improved, and the aggregate share of women in the workforce is growing in most markets.

Yet women remain underrepresented—often woefully so—on most leadership teams and boards. (See Exhibit 1.) And gender-diversity programs aren’t helping as much as they should.

**Exhibit 1 | The Percentage of Women at Companies Declines with Rising Seniority**

*Sources: University graduates, UNESCO Institute for Statistics; total workforce, World Bank; managers, Women in Business and Management Gaining Momentum, ILO 2015; executives and CEOs, The CS Gender 3000: Women in Senior Management, Credit Suisse Research Institute, September 2014; board members, Catalyst.*

*Note: Data shows averages for 30 countries.*
For company leaders, the first step in improving gender diversity involves accurately understanding the current situation at their organization. This may entail overcoming some initial misperceptions. Often, senior leaders—typically men—don’t grasp the scope of the problem or recognize the circumstances in which women experience the effects of gender imbalance most directly. For example, when asked if their company offers support for women from executives and middle managers, 72% of male respondents say yes, compared with only 54% of women.

Similarly, men often have different ideas about where things go wrong. They tend to identify recruitment as the biggest challenge in gender diversity. Women, by contrast, think that advancement and retention are the biggest challenges. (See Exhibit 2.) These misperceptions matter because they shape companies’ investments in diversity initiatives. Our data shows that companies tend to spread their diversity investments evenly across the five categories we tracked: recruitment, culture, leadership, retention, and advancement. That amounts to taking an all-of-the-above approach to the issue, rather than allocating investments in a way that emphasizes the areas that women see as the biggest problems: retention and advancement.

**EXHIBIT 2 | Men and Women Rank Obstacles to Gender Diversity Differently**

<table>
<thead>
<tr>
<th>Category</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td>27%</td>
<td>26%</td>
<td>1%</td>
</tr>
<tr>
<td>Culture</td>
<td>18%</td>
<td>30%</td>
<td>12%</td>
</tr>
<tr>
<td>Leadership</td>
<td>18%</td>
<td>33%</td>
<td>15%</td>
</tr>
<tr>
<td>Retention</td>
<td>20%</td>
<td>36%</td>
<td>16%</td>
</tr>
<tr>
<td>Advancement</td>
<td>21%</td>
<td>45%</td>
<td>24%</td>
</tr>
</tbody>
</table>

COMPANIES NEED TO FOCUS on efforts that generate the highest ROI. Our analysis indicates that gender diversity initiatives fall into four main clusters. (See Exhibit 3.)

Hidden Gems
These initiatives are highly effective, yet many companies don’t pursue them actively enough. The ROI on these measures tends to be very high—much higher than leaders typically believe.

Targeting Interventions to Moments of Truth in Women’s Careers: At several critical junctures in a woman’s career, companies can take measures that have a disproportionate effect on that career’s trajectory. These moments of truth include returning from parental leave, applying for an overseas position, and aiming for a promotion with much greater responsibility. (See the sidebar “GSK Provides Extra Support at Critical Career Junctures.”)

For example, women returning from maternity leave can benefit dramatically from measures such as flexible working models, additional administrative support, and more direct access to leadership. (See “Why Paid Family Leave Is Good Business,” BCG article, February 2017.) Similarly, when a woman considers taking an overseas position, clear communication and targeted logistical support—such as advice on housing, child care, schools, and taxes—can materially shift the likelihood of her moving, and thus her future career trajectory. (See “Women on the Move: Shaping Leaders Through Overseas Postings,” BCG article, May 2017.)

Addressing Unconscious Biases in Decisions About Recruitment, Evaluation, and Promotion: Periodically, companies make far-reaching decisions about employee recruitment, evaluation, and promotion. At these moments, managers can yield to unconscious biases that cause them to favor people from similar backgrounds. In addition, organizations’ assessment processes (for example, automated tests for job applicants, or mechanisms to provide feedback about superiors, subordinates, and peers) can incorporate systemic and hidden skews.

There are specific ways to avoid these biases, such as by rephrasing job descriptions to make them gender-neutral, requiring diverse short-lists of candidates for open positions, adjusting the parameters and wording of automated testing, and refining the language or questions asked on performance evaluation forms. Although such changes are inexpensive to make, they can have a significant positive impact, so their ROI is strong. For example, Kimberly-Clark in the US revamped its hiring processes by, among other things, changing job descriptions to include transferable skills and demanding diverse lists of can-
### Exhibit 3 | Gender Diversity Initiatives Fall into Four Clusters

#### Hidden Gems

*Highly valued by women on the ground, but underestimated by male senior leaders*

- Targeting interventions to moments of truth, such as returning from parental leave or taking an overseas position.
- Addressing unconscious bias in recruiting, evaluation, and promotion decision points.
- Increasing the visibility of role models in the organization.
- Supporting internal and external networks for women.
- Offering professional development, such as talent management programs and executive coaching.
- Engaging male employees to promote gender diversity.

#### Proven Measures

*Known measures with proven ROI—valued by women and known to be effective by leaders*

- Offering flexible working models such as part-time or flex-time options.
- Committing publicly to gender diversity, in combination with middle management support.
- Tracking performance through meaningful KPIs.
- Sponsoring women through a scalable program.
- Crafting antidiscrimination policies as a statement of organizational values.

#### Baseline Measures

*Basic steps that have value but do not have a transformative effect on women’s daily experience*

- Mentoring women (often not enough to overcome systemic problems for women on the ground).
- Addressing the gender pay gap (differences in individuals’ pay aren’t usually public).
- Taking a public stance in female advocacy organizations (does not change the day-to-day experience).
- Launching disconnected cultural initiatives such as reducing face time (done in isolation, they often fail).
- Conducting employee surveys (typically lack follow-through from leaders).

#### Overrated Measures

*Seemingly promising initiatives that often do not lead to real cultural change*

- Holding one-time-only training sessions (too frequently outsourced and isolated events, and not enough to reshape an organizational culture).
- Establishing grievance systems (necessary for egregious actions but typically insufficient to change women’s daily experience).
- Incentivizing senior leaders (usually gets lost among a long list of leadership targets).
- Recruiting senior role models (not a quick fix for failure of the organic pyramid).

Effectiveness as perceived by women respondents

<table>
<thead>
<tr>
<th>High</th>
<th>Low</th>
</tr>
</thead>
</table>

Effectiveness as perceived by male senior leaders

| Low | High |

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**Source:** BCG Global Gender Diversity Survey 2017.

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### GSK Provides Extra Support at Critical Career Junctures

Global pharmaceutical company GSK gives additional support to women at crucial moments of truth in their careers. For example, GSK Spain gives women employees who are more than 28 weeks pregnant the opportunity to adjust their work schedule. The employee and her manager jointly agree on specific terms (such as working fewer hours or working from home on certain days), but there is no mandatory requirement. The goal is to give women the flexibility to work as long as possible before giving birth, at their discretion.

At the global level, GSK recognizes the importance of moments of truth in a career path. The company runs a coaching program for people joining the company, rejoining after an extended absence, or making a significant transition. The program lasts for four to five months and includes one-on-one coaching, virtual support, and 360-degree feedback sessions. Although the program is open to all, women have reported finding it particularly beneficial—especially women who received coaching during a move across business units or national markets within GSK. Since the program launched in 2015, the 12-months-later retention rate for program participants has been 100%.
didates for open positions. As a result, in four years, the company increased its share of women in leadership ranks from 17% to 30%.

Increasing the Visibility of Role Models in the Organization: Survey respondents ranked role-model visibility third among the 39 initiatives we looked at: 44% of respondents cited it as being among the most effective measures. (See Exhibit 4.) Moreover, companies that already have role models in place—such as women in senior positions and men who have taken unconventional paths to the top—have found that giving these people a higher profile requires very little additional investment. The hard work is already done. By profiling such role models in employee communications, putting them on panel discussions, and celebrating their accomplishments, organizations can inspire women at lower levels of the company.

Supporting Internal and External Networks for Women: Fostering professional networks for women can be a very inexpensive proposition. Yet they create a valuable alternative channel of information and support. They are particularly effective in male-dominated organizations and industries. (Notably, only 27% of men in senior management positions rank these networks among the top five most effective interventions, compared with 38% of all women respondents.)

Offering Professional Development, Such as Talent Management Programs and Executive Coaching: Training and professional development can improve specific capabilities and allow women to access the tools they need to build long-term careers at a company. These measures work best when they are tailored to an individual’s needs, rather than taking the form of a one-size-fits-all program for all women at a particular level. They are particularly effective if used to help women negotiate transition points in their career. Coaching and development programs can be expensive, but not when compared with the cost of replacing a promising woman on the executive track.

Engaging Male Employees: A strong correlation exists between male support for gender diversity and reported progress over the past three years. (See Exhibit 5.) After all, many of the interventions described here benefit both

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**EXHIBIT 4 | Survey Respondents Consider Role Model Visibility Very Effective**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Formal Flexible Work Policies</td>
<td>51%</td>
</tr>
<tr>
<td>#2</td>
<td>Antidiscrimination Policies</td>
<td>48%</td>
</tr>
<tr>
<td>#3</td>
<td>Role Model Visibility</td>
<td>44%</td>
</tr>
<tr>
<td>#4</td>
<td>Public Commitment</td>
<td>42%</td>
</tr>
<tr>
<td>#5</td>
<td>Informal Flexibility</td>
<td>35%</td>
</tr>
</tbody>
</table>

Note: Percentages reflect the proportion of survey respondents who ranked each measure among the top 5 (among 39 total options) most effective interventions. Rank numbers refer to overall position among the 39 intervention options.
men and women: improving diversity is in everyone’s interest. Moreover, when men participate in gender-diversity policies and programs, the programs become normalized and any stigma that might be associated with them fades. Companies can celebrate men who actively model key behaviors (such as taking their full paternity leave) and who actively sponsor women; involve men in designing and implementing key diversity policies; and set up a network of men interested in acting as champions.

Proven Measures
Proven measures deliver a high ROI, and leaders rightly believe in them.

Offering Flexible Work Models: Companies worldwide recognize flexible work policies as an effective way to improve gender diversity: 51% of respondents rank it among the most effective measures (more than any other). This is true across countries, genders, and leadership levels. Yet implementing flex-work policies poses some clear challenges. For example, women are more likely than men to fear that adopting such a model will limit their future career opportunities.

Leadership teams should therefore keep a few things in mind. First, flex-work should apply to both men and women and be visibly used by successful role models of both genders. Otherwise, there is a risk that it will lead to negative stereotypes (for example, “Only moms use those policies”). Companies must also make sure that the policy works on a day-to-day basis—and improves rather than diminishes productivity—by thinking through the details in advance, leveraging technology, continually assessing how and where to get work done most effectively, and fine-tuning the program over time. (See the sidebar “Commonwealth Bank of Australia Creates a Customer-Centric Model for Flexible Work.”)

Committing Publicly to Gender Diversity: Public commitment to improving an organization’s gender diversity is crucial. The CEO and the entire leadership team must explicitly identify diversity as being among the company’s top priorities because of its importance to the firm’s strategic commercial agenda—and they need to back up that position with action, including in all of their interactions with middle management. (See the sidebar “Unilever Launches a Multifront Campaign to Boost Gender Diversity.”)

EXHIBIT 5 | Male Involvement Correlates Strongly With Progress Toward Gender Diversity

At companies where men are involved in gender diversity, 96% of respondents report progress

At companies where men are not involved in gender diversity, only 30% of respondents report progress

COMMONWEALTH BANK OF AUSTRALIA CREATES A CUSTOMER-CENTRIC MODEL FOR FLEXIBLE WORK

Commonwealth Bank of Australia (CBA), one of the world’s largest banks by market capitalization, gives managers and employees significant latitude in setting the terms for how they will get their work done—while still ensuring that the company meets its business objectives. Elizabeth Griffin, CBA’s head of diversity and inclusion, says the company recognized that flexibility was a key factor in boosting engagement, productivity, and retention among employees. “We devised a ‘reason-neutral’ and non-gender-specific approach,” Griffin says. “Our starting point is a ‘yes’ on the basis that each employee and manager agrees to an arrangement that suits them and the business.”

In 2016, CBA’s Group Lending Services team engaged its employees in a flexible working test-and-learn pilot, encouraging employees to periodically work from home. After the four-month trial, 90% of participants said they felt more engaged, while customer outputs increased by 12%, thanks to fewer interruptions, better concentration, and increased commitment.

By the end of 2016, more than half of CBA’s 52,000 employees were working under some type of flexible arrangement.

UNILEVER LAUNCHES A MULTIFRONT CAMPAIGN TO BOOST GENDER DIVERSITY

Unilever recognizes that it is in a strong position to help empower women in its workforce and among its customers (more than 70% of whom are women) and supply-chain partners. The company is convinced that boosting gender equality is not just the right thing to do but also a clear business opportunity that is vital for future growth.

Within its own workforce, Unilever has applied a range of policies and practices to improve gender diversity. The CEO and executive team have been extremely active in the program, setting a clear tone from the top. The company also created a diversity board (led by the CEO), which provided critical oversight while pushing responsibility for action to all levels of the organization. In addition, Unilever established a small set of clear KPIs, including female representation. All leaders are held accountable for the gender balance on their teams. The targets vary by geography, but every team has to show improvement, and monthly executive meetings include updates of the metric. In addition, the company publishes this information, along with other KPIs, on its website.

Through this approach—and related policies, such as enforcing equal pay for women and establishing a progressive parental leave program—the company has improved its gender balance and increased its share of women in leadership roles from 38% four years ago to 46% today. Women make up 50% of the board.

Now the company is extending its focus to improving gender diversity beyond its own boundaries—through its supply chain, wider ecosystem, and advertising practices. For example, the company launched a program for 730,000 women in Kenya and India who supply tea to Unilever. The company found that providing women farmers access to training programs led to a 30% increase in crop yields.
Tracking Performance Through Meaningful KPIs: There is nearly universal awareness that tracking performance through metrics and key performance indicators is highly effective. For example, General Mills USA has increased its focus on diversity KPIs, with senior leaders accountable to the CEO for specific metrics. Thanks to this and other initiatives, the share of women in the company’s senior management team increased from 9% in 2013 to 33% in 2016. KPIs should be practical, meaningful, and limited to a critical few.

Sponsoring Women Through a Scalable Program: A good sponsor, with the appropriate supporting infrastructure, can help women navigate inflection points in their careers and lobby for them to receive promotions, training, and key assignments. However, the program needs to be wide reaching and consistent. C-suite executives at many organizations consider sponsorship to be more effective than it actually is, primarily because they experience it first-hand when working on diversity issues. Yet a large corporation will have far more women who would benefit from sponsors than it has senior executives who can fill the role. It is important that the company identify and sponsor talented women at scale.

Crafting Antidiscrimination Policies: Around the world, respondents cited antidiscrimination policies as the second-most-effective measure. Most companies—especially in developed markets—have these policies in place and may consider this type of initiative a given. But our respondents told us that a smart antidiscrimination policy can make a significant difference, by giving executives a means to explicitly define and communicate the company’s values, and perhaps even differentiating it from competitors by using strong statements of zero tolerance.

Overrated Measures

The third category consists of overrated measures. These initiatives appear promising on paper, tend to be fairly easy to launch, and often involve short-term bouts of focused effort. Unfortunately, in many instances they don’t lead to real change.

Holding One-Time Training Sessions: Many companies invest heavily in professional training sessions—for example, to eliminate unconscious biases among managers. Yet even though many senior managers favor these initiatives, our female survey respondents tell us that the sessions are generally not effective. A single event—often led by expensive outside vendors—is not enough to change deeply ingrained behaviors.

Establishing Grievance Systems: Grievance systems are a necessary element at any company, and senior managers tend to feel they create a safety net, but women do not generally perceive them to be effective in changing an organizational culture. We believe that women tend to use grievance systems only for extreme situations and not for milder day-to-day negative interactions that our respondents tell us wear women down and affect their career paths.

It is important that the company identify and sponsor talented women at scale.

Adding Gender Diversity to a Long List of Leadership Compensation Targets: Linking executive compensation to diversity sounds like an important step, but respondents did not rate it highly in our survey. Why? C-suite executives have so many measures in their scorecards these days that one more doesn’t carry enough weight to change their day-to-day behaviors.

Recruiting Senior Women Role Models from Outside the Organization: Senior role models hired externally can be effective—especially for companies that need to rapidly improve their gender diversity. But external hires are no substitute for an organic pipeline of talent, and they can give the C-suite a false impression of progress. Although such hires put women at the highest levels of the company, they do not show a clear pathway to the top, through the layers of middle management, which is the biggest challenge that many women face. Junior women replying to our
survey could clearly recognize the practical difference between women hired externally at senior levels and internally successful role models who showed that it was possible to rise through the ranks.

Baseline Measures
The fourth category consists of basic measures that all companies should have. These initiatives do have merit, but they are either baseline factors that do not make a meaningful difference in women’s day-to-day experiences or insufficient measures when launched in isolation. In addition, too frequently, companies do a poor job of implementing them.

Mentoring Women: Mentoring is the first step many organizations take to promote gender diversity. The concept is valid: executives meet one-on-one with high-potential women to offer general career guidance and advice, but the arrangement is generally less formal and structured than a typical executive sponsorship. The impact of mentorship hinges on the relationship and commitment between the mentor and mentee, and unfortunately these variables are difficult to engineer. For most women, mentorship may create some helpful support but does not alter the course of their careers.

Addressing the Gender Pay Gap: A baseline measure of equity consists in paying men and women equally for the same work. Clearly, companies need to understand whether they have a gender gap—and if so, they should take urgent steps to reduce it. But unless the pay gap is extreme, it may not be noticeable to individuals, particularly since most people don’t know what their colleagues earn. Also, companies may have valid reasons (such as performance and tenure in a given role) for salary differences in some individual cases. Fixing the gender pay gap alone is unlikely to significantly improve the advancement situation for women.

Company Engagement in Public Debates and Membership in Female Advocacy Organizations: Giving the company a public platform from which to lobby for gender diversity is an outward-facing measure that rarely changes the way individual women on the inside look at their careers. Many women are often not even aware that their organization is involved in such efforts unless it heavily promotes its participation. The most suitable participants are companies that already rank among the global leaders in diversity and can use their public profile as a differentiator in trying to attract female talent.

Disconnected Cultural Initiatives: Isolated, superficial initiatives to change an organization’s culture—such as a policy to reduce the importance of face time in the office—often fail to yield real results. Although the ideas themselves have value, they need to be part of a wider, more concerted effort or employees will perceive them as mere lip service. For example, rather than simply issuing a policy about face time, companies might create a formal flexible work policy.

Employee Surveys to Generate Feedback: Employee surveys are popular at many companies, but respondents give them low marks for effectiveness, primarily because companies rarely seem to do anything with the results. Among respondents who rank employee surveys among the five least-effective measures at their company, more than half point to poor implementation. Surveys can be useful, but only if leaders take visible action to address employee issues head-on.

Aside from these elements, one other initiative is worth mentioning: quotas for women in leadership positions. Quotas can be effective in generating momentum for companies that face large challenges and need to show rapid progress. But they are highly market-specific; not surprisingly, they generated the most mixed reaction of all the initiatives we looked at. Some respondents hate them and believe they can be counterproductive (in that they stigmatize women as quota hires, unable to earn a position on their own merits). Others believe that they are a reasonable
starting point for companies that need to generate immediate progress. Among survey respondents who are aware of the presence of such quotas at their organization, 26% rank them among the most effective measures, and approximately the same number rank them among the least effective. On the other hand, some companies have succeeded in building a gender-balanced workforce without instituting a quota system. (See the sidebar “Bank Muscat Creates a Balanced Workforce Without Resorting to Quotas.”)

BANK MUSCAT CREATES A BALANCED WORKFORCE WITHOUT RESORTING TO QUOTAS

Gender diversity quotas are controversial in the Middle East. Some companies see them as a way to generate rapid progress, while others consider them a form of “positive discrimination” that hurts women in the long run. Bank Muscat, a leading financial-services firm in Oman, serves as a role model for how to create a balanced workforce without relying on quotas.

The bank has a clear and strong antidiscrimination policy that the entire organization respects. It invests in developing its women employees—offering them a wide range of educational and training opportunities inside and outside Oman—and it fosters a good work-life balance for both men and women. (A portion of each work day, from 8 a.m. to 2 p.m., is fixed, but the remaining hour is flexible and set at the employee’s discretion. Maintaining a significant period of overlap, when the entire staff is working, helps the program succeed.) The bank also develops specific financial products and services for its women customers, reinforcing the company’s brand image as a model for gender equality, emphasizing to all staff that internal diversity can improve business performance, and helping to attract and retain women employees.

Women account for 48% of the company’s total workforce, including 28% of department managers and 12% of senior leaders. They also constitute 51% of all participants in learning and development programs.

Building on this momentum, the company actively seeks feedback from younger employees to gauge their perceptions of specific initiatives and to refine those initiatives over time. It measures progress through KPIs—such as promotion rates for women—as part of its regular executive monitoring regime. And it holds a meeting each January to determine changes to specific initiatives based on the previous year’s progress.
WHAT SHOULD CEOs DO to create a step-change in gender diversity within their organization? Each company is at a different stage in its journey and will have its own challenges. Nevertheless, all companies can benefit from reviewing their current diversity initiatives and levels of investment and comparing these with our findings of what works. Companies at an advanced stage of gender diversity may already be pursuing some of our proven measures, but they can invest in additional hidden gems as well. Conversely, companies that are just starting their journey might choose to focus on a small number of proven measures to get those steps right and build momentum.

Leaders also need to pay close attention to how the company implements its diversity program. Mere activity—however well intentioned it may be—is no substitute for progress. In fact, CEOs need to apply the same rigor to diversity initiatives that they would to any large-scale change, setting strategic goals, measuring progress in terms of quantifiable outcomes, and refining over time.

Fundamentally, achieving success in gender diversity requires that leaders, managers, and employees change the way they behave, and this kind of change is hard. The process will likely take longer than many executives anticipate, and it will entail working in ways that feel unfamiliar and even uncomfortable.

During the implementation phase, several principles are crucial:

- **Establish a clear business case at all levels.** The argument in favor of gender diversity should be quantitative and unequivocal. Further, executives should communicate that case to midlevel managers, to ensure that everyone understands the rationale for diversity and is taking the necessary steps—large and small—to make it happen.

- **Get men involved.** The group responsible for change should not consist of women alone. Otherwise, the program risks isolation from the company’s core operations as a special-interest “women’s program.” When men are active members of the diversity leadership team, companies make faster progress.

- **Think through the details.** When companies fail to consider seemingly minor issues on the front end—and don’t continually monitor and refine policies after implementation—initiatives fail to deliver. Employees often see a wide gap between the formal policy and the way it works (or doesn’t) in the real world. Flex-time is a good example. Giving employees the flexibility to work on alternate schedules is easy—but it raises a host of follow-on questions. If a woman...
wants to work longer hours four days a week and take Wednesdays off, will she still have to come to the office for important meetings on her day off? Will someone be explicitly responsible for covering for her on Wednesdays? Will she ultimately be held responsible if her team makes a misstep when she isn’t there? Is she alone responsible for explaining her schedule to clients and colleagues?

• Tailor interventions to individual sites and markets. Even the most effective measures are not universally applicable.

PEPSICO TAILORS A GLOBAL DIVERSITY PROGRAM TO THE NEEDS OF LOCAL MARKETS

PepsiCo has adopted a strategy for gender diversity across the entire organization. For example, it has a target in place for gender parity at the management level by 2025, and it celebrates role models within the company in a book highlighting the journeys of senior women executives. (Notably, PepsiCo is one of only a few dozen Fortune 500 companies that have a female CEO.) “For PepsiCo, this is a business imperative given our consumer base,” says Cynthia Trudell, the company’s chief human resources officer.

The company also uses data-driven insights to tailor its strategy to the needs of the 200 individual markets where PepsiCo operates. Among its country-specific initiatives are the following:

• In Mexico, the company has a production line at its Vallejo biscuit plant that is staffed entirely by women. The initiative—called La Linea Rosa (“The Pink Line”)—started in 2013, with the objective of putting women into production jobs they might not have held in the past, including physically intense work such as stacking cartons or moving pallets. The company actively engaged employees’ families during the transition to provide encouragement and support. Today, the Pink Line packages and ships about 75 tons of baked goods each week, with zero quality complaints and outstanding completion rates on job orders.

• In Saudi Arabia, PepsiCo had just one female employee in 2009. Over the following three years, the company hired 25 more women, in both management and front-line roles. More recently, the Saudi team has successfully recruited, trained, and retained more than 140 female associates for its food operations in Riyadh. To do so, the company had to work with government authorities to accommodate both the cultural change of having women in the workplace and appropriate renovations to comply with local laws. (For example, the facility has women-only workspaces, and PepsiCo provides transportation for women employees, who are not allowed to drive.)

• In the US, PepsiCo launched the Pinnacle Program in 2011. Designed to increase retention among high-potential women, the program identifies female sales associates who have strong performance records and provides them with additional career development, leadership training, and direct access to senior sales leaders. In its first five years, the program has led to an improved retention of the company’s best female sales talent.

Pain points and cultural barriers can differ at the level of departments and business units in the same company. (See the sidebar “PepsiCo Tailors a Global Diversity Program to the Needs of Local Markets.”) For example, in India and Brazil, close to 50% of respondents rated on-site childcare as among the most effective interventions, compared with fewer than 30% of respondents in the US and the UK.

• Make sure that the first interventions succeed. Quick wins can generate momentum for a broader program, just as
early failures can make people skeptical. For example, if a company rolls out a flexible working policy without devoting proper thought to the practical details, the first people to try it (likely women) may end up leaving—discouraging any further applicants and reinforcing stigmas regarding flex-work.

- **Be relentless in measuring outcomes, not just activity.** Rather than measuring inputs, executives need to gauge performance based on changes in the career trajectories of women. This will require careful program design, to ensure the company has the right KPIs. (See Changing Change Management: A Blueprint That Takes Hold, BCG report, December 2012.)

**Gender diversity is a critical opportunity for companies.** Most leadership teams understand the stakes, and many have taken action to improve the balance in their workforces and executive suites. Now they need to make sure that those actions lead to real results. How? By treating gender diversity initiatives the same way they would any other strategically important business imperative.

Doing so entails accurately diagnosing the root causes of imbalance at the organization, identifying a small number of measures to address those problems head-on, tracking progress, ruthlessly culling initiatives that are not working, and focusing at a granular level on implementation details.
We interviewed CEOs and top executives (both men and women) from more than 200 companies in 21 countries and surveyed about 17,500 of their employees to understand their perspectives on diversity, the obstacles companies have faced, and the effectiveness of the initiatives they have launched to strengthen female leadership.

Executives and employees considered 39 discrete diversity interventions to determine which are the most and least effective, and which should be priorities in the near-term. We also gathered data on the organizations’ commitment in terms of time and resources dedicated to the different types of interventions.

Participating organizations spanned a broad cross-section of industries, including financial services, consumer goods, energy, industrial goods, retail, and the public sector.

To correct for any skewing in the survey data caused by large samples for specific companies or countries, we weighted the survey data first by company and then by country to obtain global values.
The Boston Consulting Group has published other articles and reports on the topic of gender diversity. Examples include those listed here:

**The Rewards of an Engaged Female Workforce**  
A report by The Boston Consulting Group, October 2016.

**Dispelling the Myths of the Gender “Ambition Gap”**  
An article by The Boston Consulting Group, April 2017.

**Women on the Move: Shaping Leaders Through Overseas Postings**  
An article by The Boston Consulting Group, May 2017.

**Digitally Driven Gender Diversity**  
A report by The Boston Consulting Group, June 2017.
NOTE TO THE READER

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