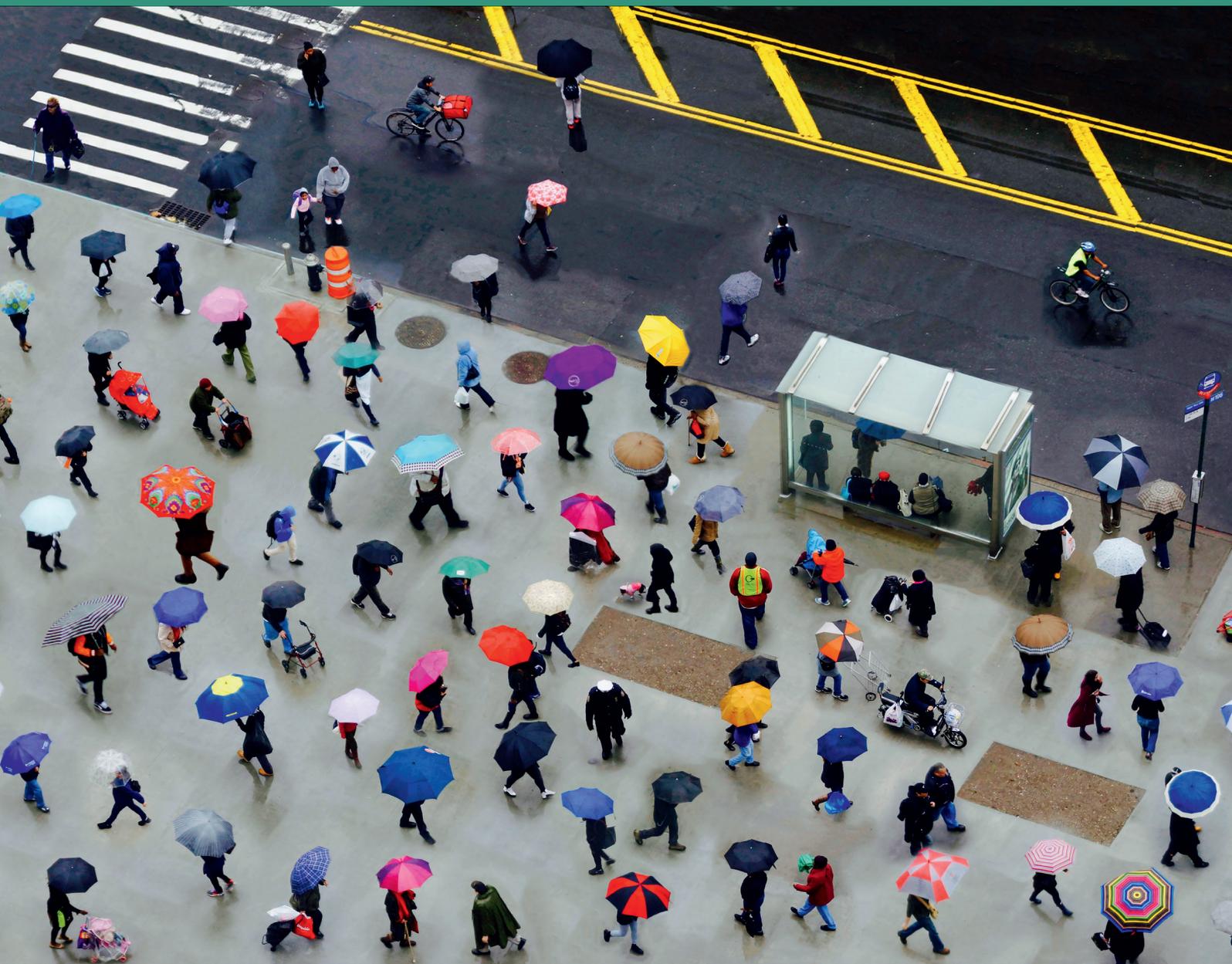


BCG

THE BOSTON CONSULTING GROUP

HOW LEADERS CAN ADVANCE GENDER DIVERSITY IN DENMARK



The Boston Consulting Group (BCG) is a global management consulting firm and the world's leading advisor on business strategy. We partner with clients from the private, public, and not-for-profit sectors in all regions to identify their highest-value opportunities, address their most critical challenges, and transform their enterprises. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization. This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. Founded in 1963, BCG is a private company with more than 90 offices in 50 countries. For more information, please visit bcg.com.



THE BOSTON CONSULTING GROUP

HOW LEADERS CAN ADVANCE GENDER DIVERSITY IN DENMARK

Mai-Britt Poulsen, Matias Pollmann-Larsen, Jakob Thiesson, and Jacob Hansen

November 2017

AT A GLANCE

Denmark is at a turning point for business leaders committed to changing the diversity agenda. Now is the time to break the cycle that limits companies and society from profiting from the larger talent pool of highly educated women and men. Companies building diverse leadership teams with an inclusive culture will be able to make better and more nuanced business decisions that will drive growth.

IN THE PAST DECADE, DENMARK HAS FALLEN BEHIND PEERS

Despite many policies in Denmark being on par with Nordic peers, and gender diversity being high on companies' strategic agendas, the share of females in leadership teams barely increased over the last ten years. Denmark is falling behind globally and is far behind its Nordic peers. We need to strengthen the gender diversity talent pipeline, from education to executive management, by acting on both the organizational and societal level to enable gender diversity.

LEADERS MUST ACT TO RETAIN AND PROMOTE WOMEN THROUGHOUT PIPELINE

Danish companies must learn which initiatives can help drive gender diversity and how to successfully implement them. They must offer flexible careers and career support, while creating an inclusive culture to tackle unconscious bias. To ensure sustainable results, companies need a rigorous implementation approach.

DANISH BUSINESS LEADERS MUST tackle an increasingly complex and changing environment, while steering their businesses in an increasingly multicultural society and dealing with a new digital-native millennial generation with new values and behaviors. Four imperatives are at the forefront of the CEO agenda today: 1) win the fight for talent, 2) engage in customers' journeys, 3) embrace industry 4.0, and 4) stay ahead of the innovation curve. To tackle these four imperatives and succeed in today's environment, leadership teams must be composed of people with a wider set of competencies and personality traits. This means leaders at all levels must build diverse teams to ensure the best performance today and in the future.

For Denmark, where women make up only about 15%¹ of companies' leadership teams today and the country lags behind its European and Nordic peers, achieving gender diversity is paramount. Driving the agenda forward requires leaders across society to work together advancing gender diversity up the career ladder from the school level to executive management. It requires universities to succeed in achieving gender diversity in leader-generating study programs. Companies must at the same time realize gender diversity in their recruiting pipeline of future leaders while ensuring females are retained and promoted up the ranks. The underlying enabler of diversity is cultural change, in both society and companies, to ensure cultural norms and behaviors do not hamper but rather foster gender diversity. In this regard, policymakers play a critical role in establishing an environment that fosters gender diversity in society through gender-neutral family-friendly policies².

METHODOLOGY

We surveyed more than 2,500 students across 6 universities and 400 top leaders across 15 major organizations in Denmark (five companies, five universities, and five societal organizations) to understand their perspectives on gender diversity. The leader survey provided insights on current initiatives, gender diversity in the respective organizations, the requirements for reaching executive management today (both personally and

professionally), and leaders' personal lifestyle (household work, parental leave split, etc.). The student survey sought to analyze how students chose their study program, their ambition levels, and their perception of leaders today. In addition to the two surveys, the 15 organizations filled out a questionnaire describing their current initiatives to advance gender diversity, including potential challenges and areas for improvement.

This is the second article in a series of three BCG articles on how leaders in Denmark can advance diversity. This article focuses on what leaders in companies can do to retain and promote women from entry level jobs to executive management.

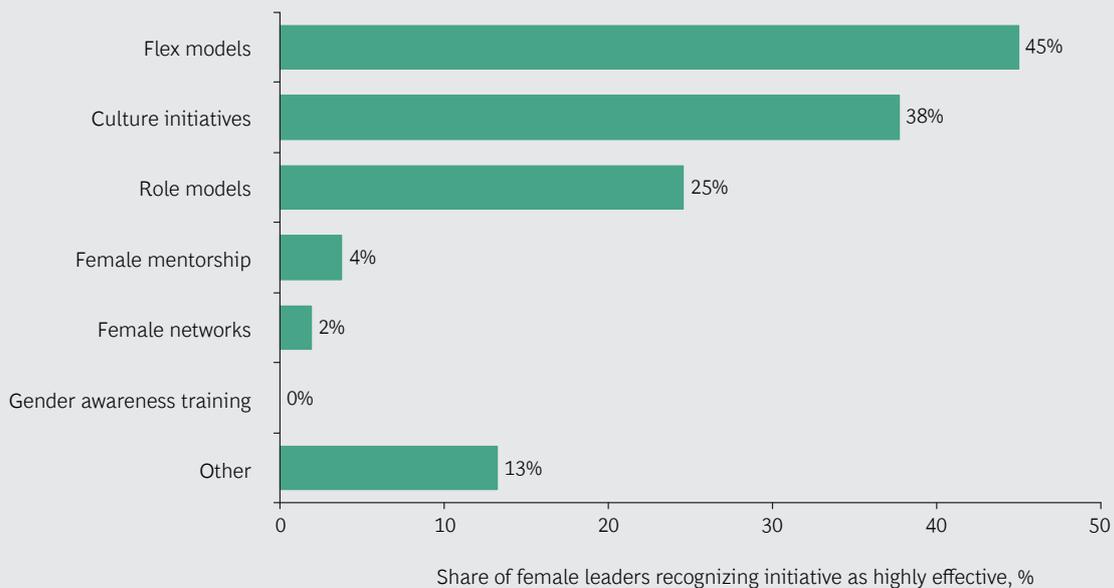
The Most Effective Initiatives to Drive Gender Diversity

Unconscious bias is always present even when it seems not to be. A lack of awareness of unconscious bias is a key barrier to gender diversity. In a study in the US, 130 identical job applications were submitted for a lab manager position—the only difference was the applicant’s name—some were Jennifer and some were John. The study showed that the male applicants were judged to be significantly more competent, and deserving of a higher salary. In fact, the male applicants were judged to be about 30% more hireable than the female applicants³.

Focus on what works. Gender diversity in Denmark is not a question of whether, but of how. Danish companies must learn what initiatives can help drive gender diversity and how to successfully implement them. Our study of leaders in Denmark showed that the two most effective initiatives are flexible models and cultural initiatives. (See Exhibit 1.)

Leaders must take four types of action to advance gender diversity in middle management and beyond. Companies must offer flexible career models to the whole workforce (both women and men), allowing employees to manage work-life balance. Companies must create female networks and role models, and sponsor programs and shortlists to offer a ladder for female talent. They must tackle unconscious biases by neutralizing out-of-balance incentives and foster a culture change

EXHIBIT 1 | Flex models and inclusive culture are most effective initiatives



Source: BCG analysis

Note: Only female leaders were asked this question. Each respondent was allowed to choose more than one initiative

EXHIBIT 2 | Overview of key initiatives

Flexible career models to manage work-life balance	Design flexible career journey
	Enable flexible workdays
Support to climb the career ladder	Increase role model visibility
	Institute female sponsor programs
	Foster internal and external networks
	Establish talent shortlist
Inclusive culture to enable diversity	Tackle unconscious bias
	Promote male diversity champions
	Broaden perception of leadership traits
Rigorous implementation approach	Listen to organization for pain points
	Plan and prioritize initiatives
	Execute with rigorous tracking

Source: BCG expertise.

in the whole organization. Finally, companies need a rigorous implementation approach to ensure sustainable results. (See Exhibit 2.)

Flexible Career Models to Succeed at Work and at Home

Fully 70% of Danish leaders feel they made a significant sacrifice to achieve their current position. This is a critical point for both the leaders and their organizations. However, the rationale for this sacrifice differs between men and women. For men, 72% felt they made a major sacrifice compared with 66% of women. This could indicate that female leaders more actively choose to pursue a career, while males may feel more pressure to enter the career track because of social expectations that males must provide for the family. As a consequence, men tend to sacrifice time with family more than women, which is reflected by males taking only around 8% of the total parental leave taken in 2016⁴. On the other hand, health (such as stress) is two times more often a sacrifice that female leaders make as a result of having larger family responsibilities to be managed along with their careers.

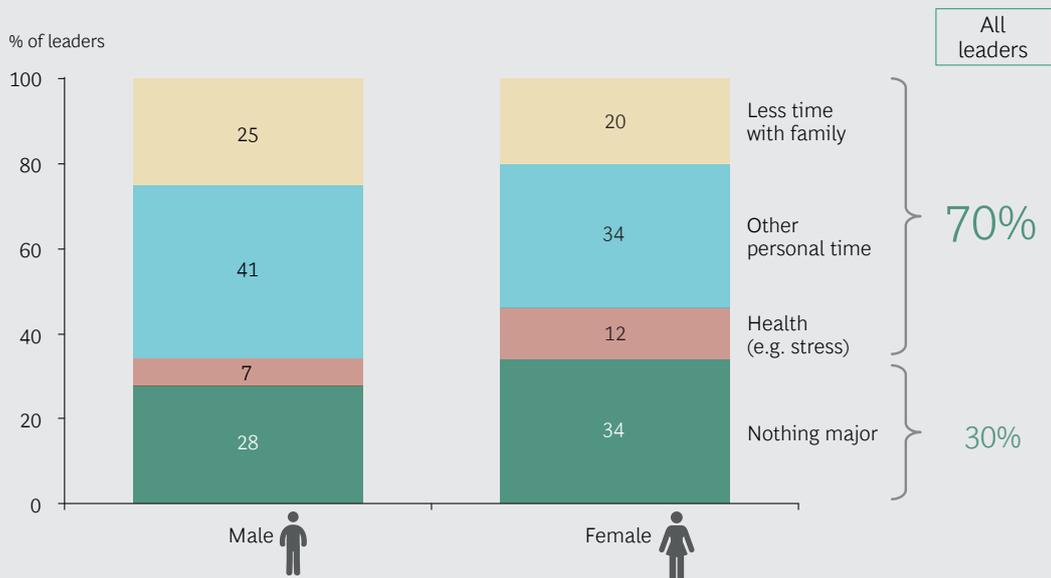
This all suggest that additional flexibility—both over the length of a career and within the working day—will positively affect both male and female leaders in Denmark.

Design a Flexible Career Journey. Several companies have instituted flexible job models as an initiative to both improve adaptability and the work-life balance of their employees. However, these initiatives are often not embraced by the entire organization, and that leads to flex model employees being singled out and perceived as less ambitious. Leaders report they have had difficulties transitioning back to a career track following a reduced-time flex model or periods of leave. This outcome leads ambitious employees to shy away from flex models, and companies to lose potential future leaders.

Career journeys must have different phases tailored to different periods of life. They must allow employees to juggle their personal and professional lives.

- Male leader

EXHIBIT 3 | 70% of leaders make major sacrifice of personal time



Source: BCG analysis

Companies must employ multi-speed and multi-phase career tracks that lead to executive management. Flex models should be offered to everyone in the organization, not just women. This will allow every employee to design and adapt his or her own career model to fit different phases of life. For instance, employees are typically eager to prioritize their career during early years of apprenticeship or later when their children have grown up, but the same employees would benefit from a slower pace of work around the births of children or during periods of hardship, perhaps due to illness or other personal or family crises.

It must be possible to take “slower” career path to top management. It seems like there is only the “full speed ahead” track.
- Female leader

Leading companies have successfully rolled out keep-in-touch initiatives that ensure employees on leave are invited to participate in key meetings and receive critical updates. The same companies often have return-to-same-seat policies so as not to discourage leaves. Some even offer promotions to employees while they are on leave. Structured on- and off-ramping processes are important to support leave transitions and ensure employees quickly return to speed upon return.

Allowing job sharing, where two people share the responsibilities of one position, allows reduced and flexible working hours for even the most demanding and senior positions. This is a critical part of flex models as it supports employees with flexibility all the way to top management.

To engage with employees, companies should prepare personalized career plans for all flex participants to align expectations and allow tracking of progress. CEOs can benefit from being bold in making flexible careers the norm for both male and female employees and by ensuring that role models, high-performing employees, and male employees in general, embrace flex models.

EXAMPLES FROM DANISH ORGANIZATIONS – FLEXIBILITY MODELS

TDC employs flexible workdays, allowing employees to work outside the office. It has launched “The Good Work” program, where employees can find advice and inspiration to manage everyday life. The program also offers clear guidelines on the responsibilities and expectations for both the manager and the employee. To better plan for flexibility, TDC has improved its career planning process with the concept “My Plan.” Once a year, all employees review expectations on goals, KPIs, work-life balance, and projects with their immediate manager and follow up through short “Pit Talks” so the employee and manager can continuously adjust.

Google employs flexible working as core to its culture through part-time

and job-sharing programs. Every situation is different, so employees work with their managers to determine a customized solution that works for them and for Google as a business. Google shares best practices and resources on an internal site to facilitate the process, including conversation guides and checklists.

Niels Brock offers a flexibility model to mothers and fathers until their children turn two, which entails working a 90% schedule without a reduction in salary. Both male and female employees have made use of the offer, and the program has not had a negative effect on performance.

Enable flexible workdays. Flexible workdays are a daily solution to making life work. Companies must provide employees with the flexibility to accommodate their family responsibilities while they pursue a career. This usually entails a flexible work location and work hours; something that many companies promote—but with limited success. The leadership culture and ways of working often obstruct working flexible hours, especially the culture of meetings and face-time expectations. Similarly, flex locations limits career progression due to reduced presence and networking opportunities. Additionally, the IT infrastructure often does not sufficiently support working away from the office.

Companies should eliminate the expectation of face time by putting more emphasis on the value of results than on the value of presence. Reducing the number and length of meetings while requiring key meetings to be scheduled for early in the day will increase productivity and provide flexibility. Seamless IT with audio and video functions is critical to enable working from home. Companies must introduce flexible and trust-based working hours and improve the long-term planning of working assignments on both department and team levels to provide flexibility. In summary, companies must provide clear guidelines on ways-of-working to ensure that structures, communication, teaming, and planning support flexible workdays across the organization.

Empower Females to Climb the Career Ladder

Our study of Danish leaders clearly concluded that an ambition gap between males and females is not the cause of the underrepresentation of women among top leaders. While 72% of male leaders in Denmark sought a promotion, an almost equal number of female leaders, 69%, did the same. Giving women the power to climb the career ladder and live up to their ambitions is critical to advancing gender diversity in leadership.

Identify and highlight larger pool of role models with a variety of skills to promote.
- Male leader

Increase role model visibility. While female role models exist today, there are often too few of them to appeal to the widely diverse women in a typical organization. The women who makes it to the top often exhibit what are seen as traditionally masculine leadership traits, and that leads to only a narrow set of leadership traits being promoted.

Companies must develop variety in their role models in order to resonate with the full spectrum of females and males in the organization in terms of career journey, personal lifestyle, and professional behavior. Role models are not limited by gender, and promoting both females and males with different personality traits will ensure the broadest appeal to the organization. At the same time, companies must leverage role models to shape the values and norms of the culture. By ensuring role models are continually visible in the company, they will harvest their full potential as catalysts for change.

Institute female sponsorship programs. Our study highlighted the fact that while female sponsorship programs are perceived to be a great idea, they often lack a clear structure and expectation-setting for the sponsor and the sponsored employee. Additionally, there is a suboptimal matching process leading to a loss of commitment by the participants.

An effective and thorough matching process will ensure a good personal fit between the sponsor and the sponsored employee to create a strong foundation for long-term relationships. Clear guidelines and a structured process will help the sponsor deliver the best possible support to the sponsored employee. It is critical that the sponsor take an active role to coach the sponsored employee in navigating the corporate culture and dynamics while taking accountability for the employee's achieving promotions according to the career plan.

Foster internal and external networks. Female networks can facilitate discussions about professional challenges and help employees share best practices, but they often fail to reach those ambitions due to a lack of structure, quality content, and talent in networks. Limited investment and engagement from management is also a limiting factor.

Companies should identify a network lead who is responsible for preparing and structuring meetings with a clear agenda, quality content, and concrete outcomes. The network should focus on empowering females to climb the career ladder by sharing experiences, best practices, and tools, and exploring such topics as personal branding, getting exposure, and navigating cultural dynamics. Networks should leverage external experts as speakers to fuel meetings with external insights and

best practices. Finally, the presence of role models and top management with an active role in meetings is critical for success.

Establish a talent shortlist. When filling a vacancy in the organization, having a shortlist of female talent for promotion is a simple and high-value tool to leverage the existing female talent pool. Many companies, however, tend to struggle with maintaining and updating the shortlist and don't use it consistently prior to promotions.

With little investment, companies can develop a structured process to ensure the female talent list is updated and applied prior to every promotion. This entails creating a policy to review the shortlist preceding every management promotion and ensuring the list is easily accessible online with links to résumés and references.

Actively search for appropriate candidates leveraging a shortlist. There are many internal talents just waiting for a chance. - *Male leader*

EXAMPLES FROM DANISH ORGANIZATIONS – PROMOTION SUPPORT

Copenhagen Business School has, since 2012, employed a cross-departmental mentoring program. The program offers cross-organizational mentoring for faculty members, supporting both personal and professional development. The aim of the program is to establish a framework for conversation-based development for both mentors and mentees in order to support personal effectiveness, self-management, and career development.

Google's Women Techmakers is a global program for women in technology to drive innovation and participation in the industry. This women's network is a program that operates in three key areas:

- It showcases the work and passions of women in the technology industry by providing a platform to celebrate talents and highlight role models.
- It creates a supportive global community, in which women can connect, be inspired by, and

encourage each other to realize their passions.

- It provides opportunities to develop specific skill sets, aids career development, and supports women in becoming industry leaders in all phases of their careers

The program offers access to events, opportunities, and information relevant for women across roles in the technology industry at every phase of their career journey.

BCG has a mentorship and career-planning program called "Career Development." Every employee at BCG has a Career Development Advisor, who assists in planning his or her career journey at BCG, using flex models and office transfers, and sharpening professional goals. This includes professional guidance and mentoring, but also personal guidance such as managing work-life balance during periods of travel.

Male-oriented culture is an issue in Danish companies according to around 40% of today's leaders in the country. Values, norms, and traditions are stuck in the past. Legacy communication and decision-making processes drive unconscious behaviors and expectations favoring masculinity. Research shows that males tend to promote males with similar profiles and behavior (sometimes known as self-cloning), hampering cultural changes. In addition, clear gender roles remain in companies, magnifying these cultural issues by keeping a male majority in core functions (sales and operations) while women are the majority in HR and communications functions⁵.

Tackle unconscious bias

Tackling unconscious bias requires values and norms to be made explicit across the organization. Cultural surveys and tailored trainings can be utilized to prove that

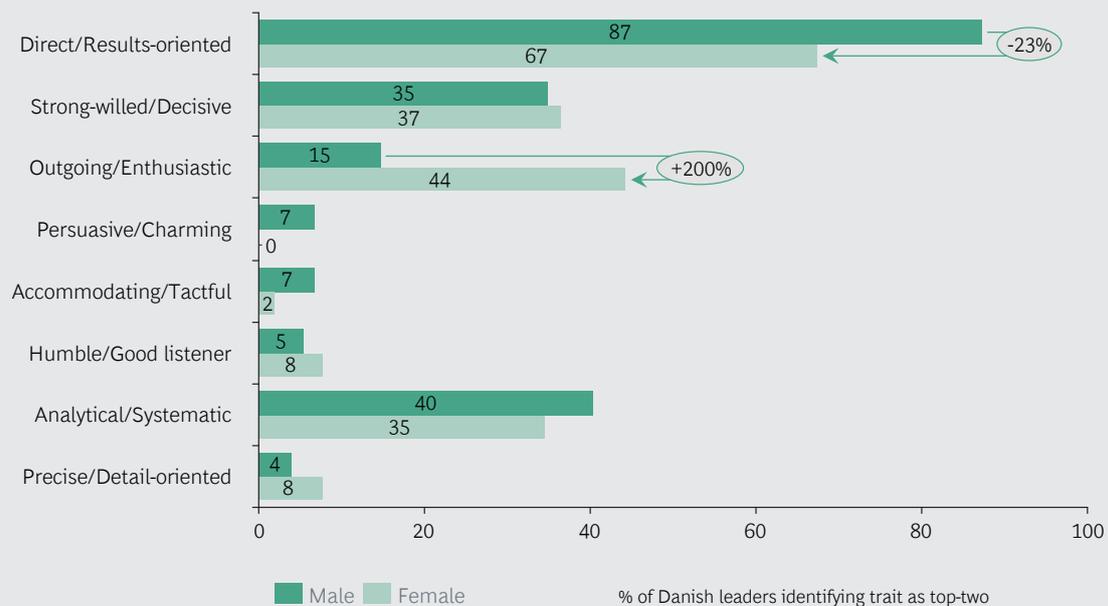
INCLUSIVE CULTURE TO ENABLE DIVERSITY

“We should clean out the locker room mentality and demonstrate inclusiveness. Previously, we used to team-build with bike races across Denmark. Now, as an example, we organize shorter bike

tours and invite the whole family. I believe this appeals more to women than the 180 km races do!”

CEO, Novozymes

EXHIBIT 4 | Perception that only a specific set of personality traits makes a leader



Source: BCG analysis

Note: Leaders were asked to split 100% across eight personality traits to characterize a successful leader. These eight traits are based on the DISC personality test. Adds up to 200%, as it illustrates the top two leadership traits necessary to become successful according to Danish leaders

unconscious bias exists and then to train employees to reduce its impact on behavior and decision-making. It is critical to neutralize incentives that favor one gender over the other for different positions. In regard to parental leave, creating a central budget to compensate any department or team for parental-leave-related budget loss is effective. Companies should ensure both men and women have equal opportunity to take parental leave, in order to counter unconscious biases.

Promote male diversity champions. Masculine-oriented culture and unconscious bias are issues across organizational layers, therefore engaging and empowering middle management is critical for change. Our study also showed the importance of engaging male employees to drive the change, in other words, promoting male diversity champions who embrace diversity. Change agents should be celebrated and leadership should cement their commitment by showcasing their progress and promoting champions on intranet pages or in annual diversity reports.

We should work on an inclusive culture promoting the values and capabilities of women. - *Male leader*

EXAMPLES FROM DANISH ORGANIZATIONS – CULTURAL ENABLERS

DONG Energy has both a company-wide diversity policy and targets for female share in management positions. This is reflected in the approach to marketing that focuses on diversity in the workplace as well as promoting an inclusive culture in recruitment and talent development. A key measure for Dong Energy is countering unconscious bias by ensuring an objective and competence-based evaluation of candidates in hiring and promotions processes. Manager onboarding training and recruitment training have modules focusing on countering unconscious biases.

Google has developed an extensive unconscious bias training based on a multi-year journey to understand how decisions are made at work; how inclusive organizational cultures are built and sustained; and how individuals can take conscious control of their actions, behaviors, and cultural contributions. One of the first steps toward eliminating bias is education. Google's training has five steps to eliminate bias: 1) Raise awareness

about unconscious bias, 2) Gather data and measure decisions, 3) Use structure and criteria, 4) Evaluate subtle messages, and, 5) Hold everyone accountable.

The trainings present research and data as well as offer interactive role-play with scenarios to practice speaking up to counter bias. Unconscious bias training material are publically available to help teams create trainings across borders and industries

Copenhagen Business School tracks gender diversity performance across all roles, teaching positions, and faculties, including gender split among new PhD students. Gender diversity performance is monitored in four key areas: recruitment, research shortlists, pay statistics, and leadership positions. The gender diversity statistics have been published annually on the CBS homepage since 2016.

We need general acceptance that leaders don't all have to be the same. - Female leader

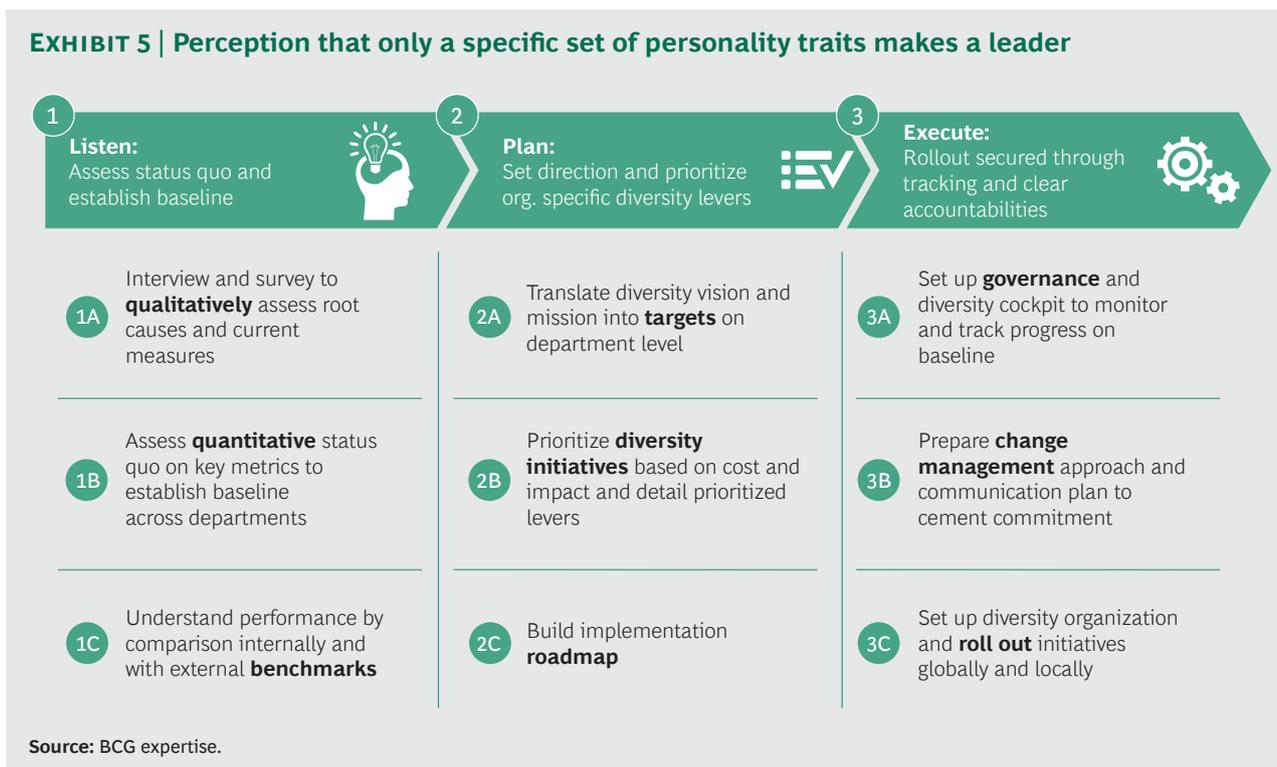
Broaden perception of leader traits. Danish leaders today have a very narrow view of leader personality traits, and that can limit diversity. (See Exhibit 3.) There is a strong perception that a leader must possess only dominant personality traits, such as being direct and results-oriented or strong-willed and decisive. This perception is based on a legacy leadership culture and strongly limits diversity in the leadership team. It also hampers the performance of the individual and the team, as leaders with different traits are forced to adapt their own style in order to seem to be a good leader.

Companies must educate employees on the benefits of different leadership styles and personality traits while highlighting the value of the diversity in teams that comes from increased creativity, innovation, and decision-making style. Companies should raise awareness throughout the organization and emphasize the significance of diversity for the company's future success.

Fact-Based Approach to Ensure Lasting Impact

Companies cannot expect to make progress by sporadically issuing policies and directives. Implementation is critical. There are three fundamental steps—listen, plan, and execute—to ensuring a systematic and fact-based quantitative and qualitative approach to track progress, build the business case for change, and ensure a lasting impact.

Listen to organization for pain points. The first step is listening to the organization to assess the status quo and establishing a baseline. Cultural diversity health-checks across the organization, including surveys and belief audits, can help leaders to

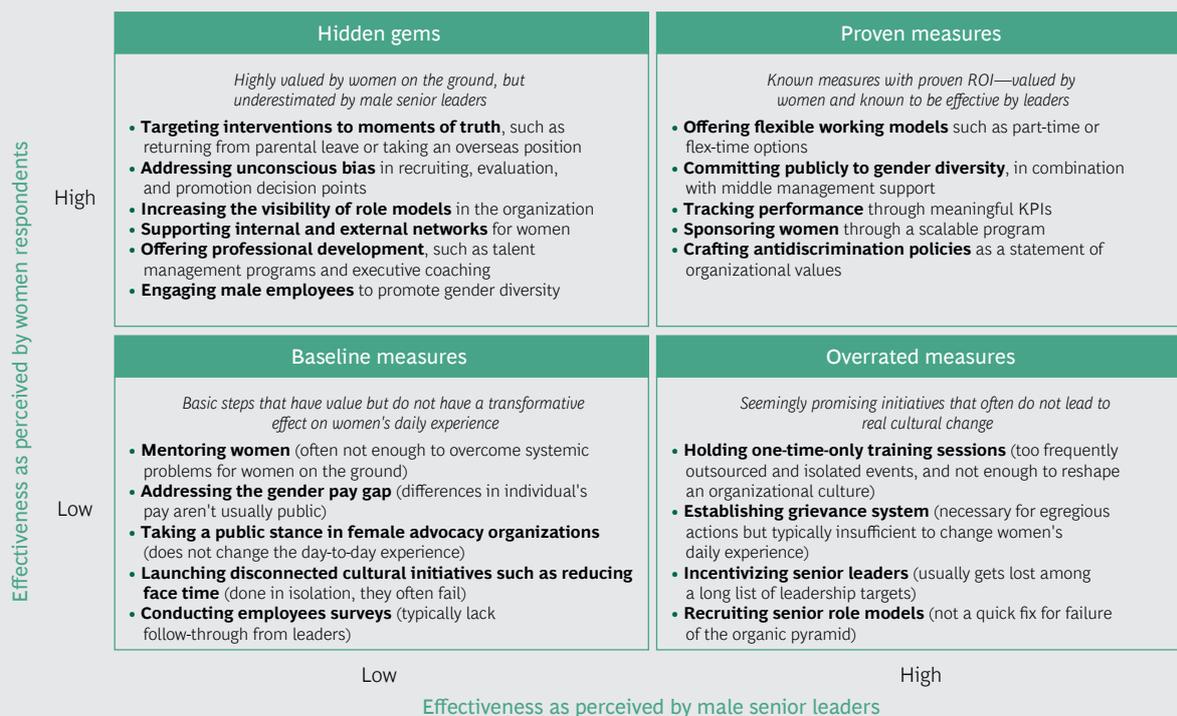


understand the organization’s specific pain points and their root causes, as well as gather internal experiences and best practices. Workshops at different levels of the organization can help test hypotheses, prioritize initiatives, and tailor solutions. External advisors are useful to help avoid inherent unconscious bias of interviewers and facilitators.

Quantitative baselining is vital to defining the starting point to track progress. Key diversity metrics should be collected on the department level to assess performance on recruiting, retention, and promotion, including gender split in applications, new hires’ management positions, length of employment, promotions, attrition, and employee satisfaction. This will allow departments’ performances to be benchmarked internally and externally.

Plan and prioritize initiatives. Based on the gender diversity status quo and baseline, the executive management team must set a corporate gender diversity ambition and update the company’s strategic guidelines accordingly. Targets must be set on the department level to be aligned with stakeholders across departments and geographies to ensure full commitment. A long list of gender diversity initiatives should then be identified to address the company-specific root causes. The initiatives must then be prioritized based on potential impact and cost of implementation. A BCG global study suggests an initial prioritization of initiatives. (See Exhibit 6.)

EXHIBIT 6 | Gender diversity initiatives fall into four clusters



Source: BCG Global Gender Diversity Survey 2017

The individual performance of departments will determine which initiatives should be implemented across the organization and which should be rolled out locally, adapting and detailing the initiatives accordingly.

A detailed implementation roadmap should include implications of the organizational setup, both centrally and in different regions, and identifications of interfaces with other HR processes (such as recruiting and career development). The implementation plan must be detailed and include specific activities, deliverables, and responsibilities.

Execute with rigorous tracking. To ensure follow-through, companies should set up governance and create a cockpit for tracking progress. The governance structure should be set up both centrally and locally. Creating a cockpit of key diversity metrics on the department level will require full transparency from management on the development, and ensure continued monitoring of progress according to a set timeline.

Change agents should be involved from day one. It is important for all leaders to “lean in” and model the right behavior. Communication plans should be developed for the company to ensure that progress is communicated, and that the best performing departments are celebrated to promote change.

Roles and responsibilities must be clearly defined across the organization with the departments being accountable for their own progress. A task force must be formed to lead the implementation globally and support implementation locally in collaboration with the HR function. They must ensure changes are made in accordance with key implementation principles, leveraging role model champions, engaging middle management, and ensuring equal engagement of men and women.

The Time to Act is Now

We believe Denmark is at a turning point if leaders in society are committed to changing the diversity agenda. It is possible to break a vicious cycle that hampers companies and society from capturing the value of a larger talent pool of highly educated women. Companies that can build diverse leadership teams with an inclusive culture will be able to make better and more nuanced business decisions and drive competitive advantage over their peers.

REFERENCES:

1. Institut for menneskerettigheder. Top leaders defined as board of directors and executive team as reported to CVR for approximately 1,200 largest Danish companies
2. Smith & Smith: Women in top management positions – Why so few? And does it matter? (2015)
3. Moss-Racusin, et al.: Science faculty’s subtle gender biases favor male students (2012)
4. Danmarks statistik
5. BCG Gender Diversity Survey 2017

About the Authors

Mai-Britt Poulsen is a Partner & Managing Director in the Copenhagen office of The Boston Consulting Group. You may contact her by e-mail at Poulsen.Mai-Britt@bcg.com

Matias Pollmann-Larsen is a Principal in the Copenhagen office of The Boston Consulting Group. You may contact him by e-mail at PollmannLarsen.Matias@bcg.com

Jakob Thiesson is a Consultant in the Copenhagen office of The Boston Consulting Group. You may contact him by e-mail at Thiesson.Jakob@bcg.com

Jacob Hansen is an Associate Consultant in the Copenhagen office of The Boston Consulting Group. You may contact him by e-mail at Hansen.Jacob@bcg.com

Acknowledgments

The authors are grateful for the support of many people who contributed their time and experience to provide input to the content of this report, including Nina Smith (Professor at the Department of Economics and Business Economics at Aarhus Universitet), Lisbeth Odgaard Madsen, Founder at PotentialCo, Asger Ryhl (Director at UN Women Nordic), Marie Aritz (UN Women), Jais Valeur (CEO Danish Crown), Thomas Thune Andersen (Chairman Dong Energy), Malou Aamund (CEO Google DK), Pernille Erenbjerg (CEO TDC), Peder Holk Nielsen (CEO Novozymes), Henrik C. Wegener (Rector University of Copenhagen), Per Holten-Andersen (President CBS), Hanne Leth Andersen (Rector RUC), Anders Bjarklev (Rector DTU), Anya Eskildsen (CEO Niels Brock), Henriette Laursen (CEO KVINFO), Lars Werge Andersen (President, Danish Journalist Union), Kasper Sand Kjær (Chair Danish Youth Council), and Morten M. Hansen (CEO DIF). The authors would also like to thank Katherine Andrews, Gary Callahan, Kim Friedman, and Katie Davis for their contributions to this report's editing, design, and production.

For Further Contact

If you would like to discuss this report, please contact one of the authors.

To find the latest BCG content and register to receive e-alerts on this topic or others, please visit bcg.com.

Follow The Boston Consulting Group on Facebook and Twitter.

© The Boston Consulting Group, Inc. 2017. All rights reserved.
11/17



BCG

THE BOSTON CONSULTING GROUP