OLIVER WYMAN

LEADER/BALANCED/DI
MPOWERED/COMMITT
AVE/ACTIVE/DECISIVE

# NEEDED: MORE WOMEN WITH POWER

/DRIVEN/EDU
/CREATIVE
UCCESSFUL/ENERGETI
ER/ENTREPRENEUR/R
ENT/TALENTED/AUTHE
MMUNICATOR/SKILLE
ECTED/POWERFUL/UNSTO

# INTRODUCTION

Most business leaders support diversity and inclusion efforts. But while women have made great gains in the overall workforce, their representation in leadership roles continues to lag.

The World Economic Forum recently predicted it will take another century to close the gap, based on the results of its most recent Gender Gap Index. Not only are too few women in leadership roles, but too many are in jobs that are being automated away.

At Oliver Wyman, we strive to accelerate the race to gender parity. In 2019, we analyzed the profiles of 15,000 executives and conducted interviews with more than 500 senior leaders across dozens of industries and countries. We found even in industries such as healthcare and procurement, in which women make most of the purchasing decisions, females are few and far between in leadership ranks.

A lack of gender balance at the top harms not only companies' internal cultures but also their bottom lines, because firms are overlooking the needs of women as customers. For example, we estimate the financial services industry misses out on at least $700 billion in possible revenue opportunities every year because women are underserved.

In this collection of articles, we share the main findings from our research, including suggestions from senior business leaders for how companies can remedy leadership gender imbalances.

We hope you will find our ideas helpful and we look forward to hearing your perspective.
Please join us in encouraging diversity and inclusion.

**Jessica Clempner** **David Gillespie** **Ege Gürdeniz** **Deborah O'Neill**

**Terry Stone** **Elizabeth St-Onge** **Karina Swette** **Dominik Treeck**

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# WHY IGNORING WOMEN IS COSTING FINANCIAL SERVICES MONEY

**Better servicing women is a $700 billion opportunity**

By David Gillespie and Jessica Clempner

Over the past 10 years, achieving gender balance in financial services has remained a challenge across Europe and worldwide, with the industry still male-dominated, particularly at senior level. While there are now more women in senior leadership roles globally than ever before, progress has been incremental, and there is still a long way to go — something made clear by the new Women in Financial Services Report 2020 from management consultancy Oliver Wyman. Increasingly, this lack of gender balance is to the industry's commercial detriment.

## HALFWAY TO SUCCESS

Within Europe, we are used to seeing high-profile female leaders in the sector, perhaps best exemplified by Christine Lagarde, who is currently serving as President of the European Central Bank. In certain places, the situation on the surface appears positive. In the UK, for example, milestones such as Alison Rose's recent appointment as chief executive of RBS, and the 30% Club's role in achieving increased representation of women on FTSE 100 and FTSE 250 boards, have been profiled as heralding much-needed change.

However, the numbers tell a different story. Across Europe, representation on executive committees has increased, now standing at 20 percent and for boards at 29 percent, according to Oliver Wyman. But the range is broad: from 33 percent female representation in Sweden, to just 6 percent in Greece.

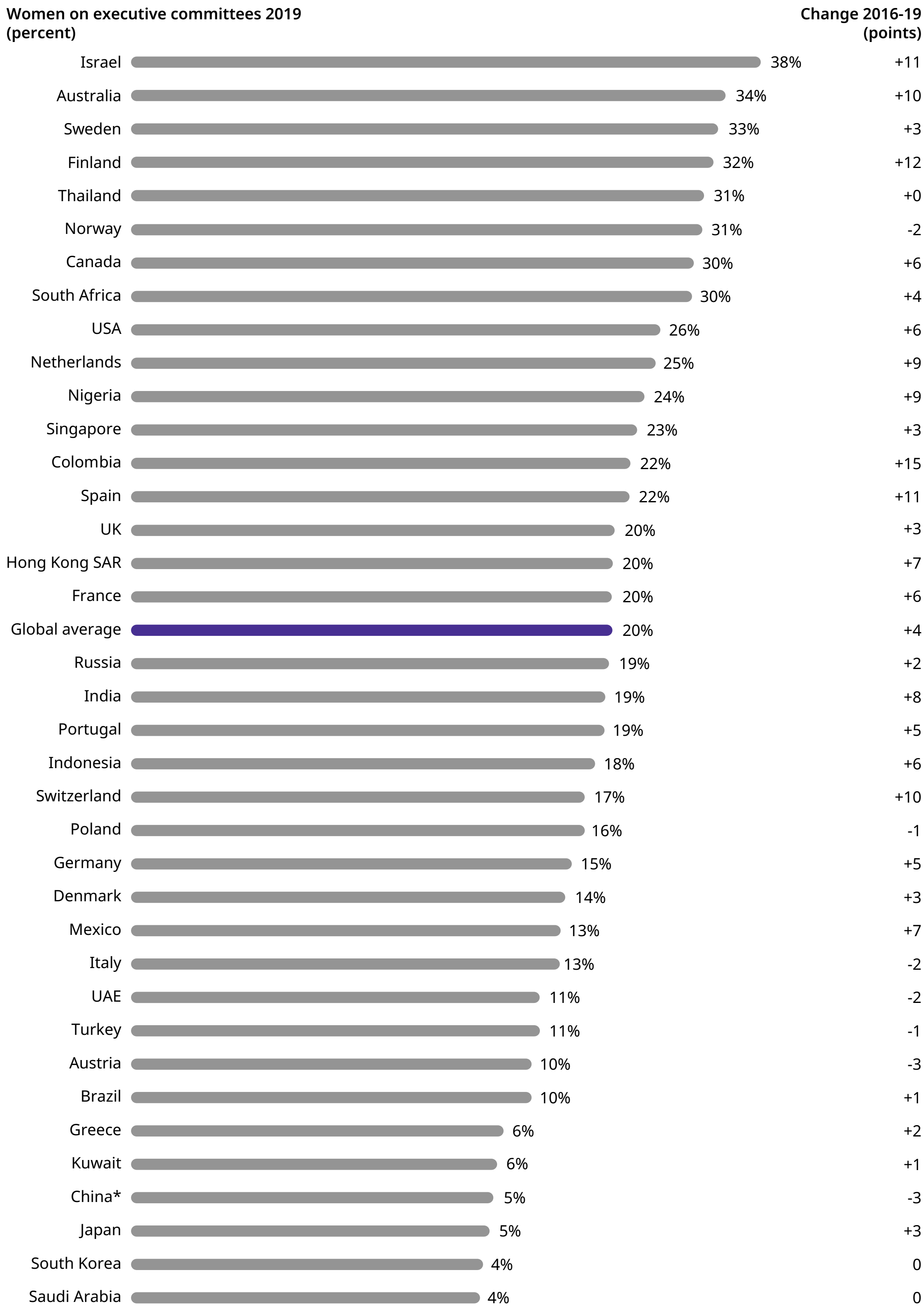
## A PANORAMIC APPROACH

It's clear that the work that got us this far is not going to take us to the next level. In the report we also find that, to deliver the next wave of change, the industry needs to recognize that the impact of gender balance goes beyond the workforce. There is at least a $700 billion global revenue opportunity in better serving women as customers.

In the context of a rapidly changing and highly uncertain political and economic landscape, it is not overstating things to describe the situation as critical. Gender balance is recognized as vital to success, but at this point for many organizations it is essential to a firm's survival.

To close the gap, capture revenue, and promote sustainable business, more needs to be done. This means taking a broader approach than has traditionally been the case and ensuring that the journey towards balance internally also extends externally to truly catering for women as customers.

**Exhibit 1. Representation of women on executive committees in major financial services firms by country/jurisdiction (%)**




* Excluding Hong Kong SAR

Source: Oliver Wyman analysis of organization disclosures

# THE REVENUE OPPORTUNITY

Women are arguably the single largest underserved group of customers in financial services. Despite playing increasingly influential roles as buyers of products and services, their needs are not consistently being met. As a result, firms are leaving money on the table by not listening to and understanding their women customers.

The scarce funding going to female-led companies in the small- to medium-enterprise (SME) space, and the historic bias toward a male career trajectory in wealth and asset management, have been well documented. But our research also shows gaps in the way insurers, retail banks, and corporate and institutional banks are serving women as customers.

Lack of flexibility, combined with products and services that appear gender-neutral, but that in fact default towards men, can result in a gap in the way retail banks are serving women.

At the global level, our analysis indicates that $65 billion could be generated for banks through mortgage and other credit approvals to existing retail customers, if women were approved at the same rate as men.

This is along with $30 billion in net interest income through loans for female-led SMEs. Similarly, today, women invest more of their wealth in cash than stocks and bonds, compared to men. Wealth and asset managers could see $25 billion in new fees by helping women manage their investments in the same way as they do for men.

Furthermore, if insurers sold life insurance to women at the same proportion of their income as men, an extra $500 billion in new written premiums could be generated. In corporate and institutional banking, $80 billion of existing revenue could be at play if banks better managed their relationships with women clients and won share from competitors.

Redressing the gender balance is not just good for society or a particular firm, it is good for business, full stop.

# CLOSING THE GENDER GAP ISN'T AN ADDED PLUS

Operating in such volatile and fast-changing times as they face today, financial services firms cannot afford to overlook women, in the workforce or as customers. In Europe, headwinds will only likely increase in the near term, with the possibility of recession all too real. Historically, when the economy takes a downturn, gender balance gets put on the backburner, seen as a "nice to do" rather than the "must do", as our analysis highlights.

At the very least, organizations would do well to recognize that increasing the proportion of women on leadership teams is likely to be a major contributor to crisis resolution in terms of increased cognitive diversity and enhanced creativity.

Cultural changes brought about by greater gender balance can aid not just internal decision-making, but also customer product development as firms work to understand and reflect the needs of all stakeholder groups, including customers. This involves actively generating and looking at the data from a different perspective, then pulling this through into a reorientated proposition. This could be anything from life insurance that takes into account unpaid domestic work, flexible goal-based wealth advice or mortgages with payment holidays for parental leave. Ultimately, these propositions will be better for all customers, not just women.

Similarly, in acting more on gender balance and bias, firms are likely to see a positive impact on everything from staff morale and talent influx, to brand and reputation. Internally, a gender-balanced workforce makes for a more effective business. Externally, firms will help to promote equality in society overall.

Ultimately, in taking a more panoramic approach, gender balance will become central to each firm's purpose, customer service, business strategy, and brand. As result, it will no longer be a choice for the CEO, but a key part of their mandate.

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*This article first appeared on World Economic Forum Agenda.*

# FIXING THE PRIVATE-EQUITY GENDER IMBALANCE

## Four ways to improve the industry's diversity in emerging markets

By Dominik Treeck, Shruti Chandrasekhar, Heather Kipnis, and Alifia Doriwala

Investors are wagering on a new era of prosperity in emerging markets. The bet is that a budding group of middle-class consumers will buy more goods and services from private businesses over time, and companies will ramp up production to meet the growing demand. The problem? Women aren't playing a big enough role.

Roughly $850 billion poured into private equity and venture capital funds across Asia, Africa, the Middle East, and the Americas between 2008 and 2017. Yet women continue to be underrepresented, both in the management ranks of the companies being purchased and in the firms buying them.

According to a study by the International Finance Corporation (a member of the World Bank Group), Oliver Wyman, and RockCreek, the imbalance between male and female professionals in private-equity firms limits their ability to attract top talent, identify market opportunities, and improve returns. Gender balance sharpens firms' investment decision-making, expands their deal-sourcing and talent pipelines, and improves their understanding of consumers.

In all, just 11 percent of senior investment professionals in emerging markets are women, similar to the 10 percent observed in developed markets. If you exclude China, the figure for emerging markets drops to 8 percent.

Gender imbalances also extend to portfolio companies. This is partly because many investment firms rely on their professional networks, which are often male-dominated. Researchers recently noted in the Harvard Business Review that male and female entrepreneurs are asked different questions by venture-capital funds. Many private-equity firms fail to use their considerable oversight powers to improve diversity inside their portfolio companies.

Private-equity firms can take the following measures to improve gender balance:

## SET THE TONE

Establish a new tone at the very top for improving gender diversity. Few firms have strategies for achieving gender diversity, but it makes a big difference for those who do.

## SET CLEAR GOALS

Establish and communicate long and short-term goals to demonstrate commitment. Some five to 10-year goals include improving the gender mix of hires to 50 percent, equalizing retention rates of women in investment roles, and equalizing promotion rates.

## BECOME MORE FAMILY-FRIENDLY

Firms can create an environment that doesn't force tough choices between family and career. This gap can be closed by providing equal parental leave benefits, communicating support for parental leave breaks, and enabling managers to have better work-life balance upon return.

## EXPAND PERSONAL NETWORKS FOR TALENT AND DEALS

Male managers should look outside their professional networks by asking for connections from female investors, seeking out diverse candidates in recruitment activities, and requiring recruiting firms to provide a balanced mix of candidates. Firms can further improve their gender balance by looking externally at the portfolio companies in which they invest. To do that, they should: collect data and create portfolio-company targets to assess whether investors have any underlying biases; and change behavior through oversight, increasing diversity initiatives in portfolio companies.

Making it clear that gender balance is both necessary and advantageous sends a message to employees — and portfolio companies — that the vicious cycle of excluding women needs to be fixed.

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*This article first appeared in Forbes Middle East.*

# CLOSING THE GENDER GAP IN HEALTHCARE LEADERSHIP

## Three steps companies can take

By Terry Stone

Healthcare is one of the only industries where women have surpassed men both in terms of their influence as consumers and their share of the workforce. In the United States, women consumers make 80 percent of the healthcare decisions for their families. Women also make up more than 65 percent of the hospital workforce, a higher share than many other industries such as financial services — where women constitute 46 percent of the workforce — and technology — where they make up only 26 percent.

But despite this, women are under-represented in leadership roles and it takes women longer to get to top positions. Women account for only a third of executive teams and just 13 percent of chief executive officers in the healthcare industry. Furthermore, our research shows it can take women on average three to five years longer to reach the chief executive officer position — if at all.

When women are in leadership positions in healthcare, they help companies improve their bottom lines in two key ways. First, companies become more consumer-oriented more quickly when more members of their leadership team reflect and relate to more of their employees and customers. BlueCare Tennessee for instance, led by Amber Cambron and a team that's well over 50 percent female, has received national recognition for its ability to help its members live in their preferred setting and stay connected via text-based communication to their families and communities. Studies have also shown that diversity in companies across industries makes teams question their default assumptions in a way that produces more innovation, increases productivity, and ultimately creates better financial outcomes.

## SO, WHY AREN'T WOMEN MOVING UP IN HEALTHCARE?

To discover why so few women in healthcare reach the top and better understand the visible and invisible dynamics at play, Oliver Wyman analyzed the profiles of more than 3,000 healthcare executives at 134 US-based payers and providers, which account for more than 70 percent of the market based on revenue. We also examined the paths of 112 healthcare payer and provider chief executive officers to follow the route to leadership in traditional healthcare organizations. And, we spoke with over 75 men and women in healthcare, from directors to chief executive officers.

We found many organizations are well-aware of commonly cited obstacles such as gender pay gaps, the uneven burden on women due to more obligations at home, dynamics like "the imposter syndrome", and unconscious bias. Many companies have also already invested in hiring inclusion-and-diversity executives — in fact, 70 percent of organizations in our study had received some type of inclusion-and-diversity award.

Yet despite investments (that have the best of intentions) in inclusion and diversity, the industry has still struggled to achieve gender parity at the top. Why? Based on our research, we found the main impediments appear to be hidden influences and implicit assumptions. For instance, there's a general lack of awareness for how trust is formed and how that influences key decisions such as who to promote or hire into very senior roles. This lack of awareness is not limited to any one gender. Men and women also have different perceptions and assumptions of what makes a good leader. These beliefs likely stem from how many have been socialized and culturally influenced throughout their lives, long before they even get close to the C-suite.

That said, there are female and male leaders and organizations that have managed to overcome these hidden obstacles, often with the help of key sponsors. Based on insights from them and many others, we have identified three key ways companies can close the gender gap in healthcare leadership.

## 1. FIND WAYS FOR WOMEN TO MAKE CONNECTIONS AND FORGE RELATIONSHIPS

Trust is key to getting promoted to the most senior ranks.

Essentially, the chief executive officer or others in the C-suite need to trust that someone is "right for the job." Yet, most leaders don't fully understand how trust-based promotion decisions are made. When we asked executives how they evaluated someone for a senior leadership position, respondents identified "ability" and "integrity" as key components of building trust.

However, trust also has an important third, often overlooked, dimension: "affinity." As studies such as one in *The Academy of Management Review* describe, people trust those they can empathize with or are personally invested in.

Companies hoping to create a more inclusive leadership team must raise awareness of the role affinity plays in building trust and evaluating candidates for promotions. When executives understand affinity's role, they can proactively help foster it in situations where it doesn't occur as easily or quickly. Universally, those we spoke with who'd "made it" stressed the importance of a sponsor helping them navigate who they should get to know better and how to create opportunities to build these relationships. As one female chief executive officer we interviewed put it, "I thought everyone was getting things because of hard work, and then realized that is not how it happens. I saw my boss building personal relationships. As you move up into more senior roles, personal relationships are more important."

Being purposeful is critical. Women we interviewed, for instance, said they typically have fewer opportunities to create this affinity by connecting with men in informal, non-work settings after hours or on weekends. Furthermore, the traditional places where affinity develops may not attract women. As one female chief executive officer we interviewed described, "When you're looking at how people network or forge relationships, there's a huge problem. Most of these activities are aligned with typical male interests — golfing and cigar bars. But it's in those settings that trust is established. It's having a bigger impact than people think."

To remedy this issue, companies must be more creative in designing inclusive events to accelerate the rate of personal connection between all employees. For example, instead of a baseball game or happy hour at the local bar, companies can enlist employees in an ongoing community service project like mentoring high school students weekly or helping a local non-profit raise money. Whatever activity a company chooses, the goal is to find a non-work activity where employees can engage with those in the company with whom they don't already have a personal relationship. These events should be an inclusive alternative to networking events that tend to be more favorable of men's interests and schedules than women's. These events must also work on a collective goal to foster rapport and equalize the playing field in hierarchical organizations.

Companies can also educate their senior women on the importance of sponsorship to help them navigate their careers. One study found women value guidance less and would pay $197 monthly for advice, versus men who would pay $289. It takes an active experience with sponsorship to appreciate its impact. Companies should also require senior executives and C-suite leaders to assign accountable sponsors for high potential women.

## 2. DEVELOP A MORE EXPLICIT SET OF LEADERSHIP CRITERIA, COMPETENCIES, AND INTERNAL LEADERSHIP DEVELOPMENT

Misinterpretation of what's considered effective leadership plays a larger role than most executives recognize in evaluating a person's potential. When we asked C-suite executives to define leadership, people said a leader must drive results and have a strategic, senior leadership presence.

Strategic skills, however, are often too narrowly defined and traditionally exclusive of women, or lack leadership acumen. For example, when we traced the backgrounds of 112 payer and provider chief executive officers, we found 86 percent had prior profit-and-loss experience, yet men are three times more likely to fill such positions.

Senior executives need to recognize this reality when comparing candidates and either consider a wider range of experiences or more explicitly place high-potential women candidates in these roles. The chief executive officers we interviewed from organizations where women held at least 40 percent of C-suite positions took the former path, prioritizing ability and potential above a perfect resume of past experiences.

In terms of what drives results, our interviews found men and women evaluate competency differently. For instance, we found women think job candidates should check all the boxes — but men disagree. This becomes an issue when women take themselves out of the running for roles their backgrounds don't perfectly align with. Here too, sponsors can make a huge difference. As one female senior vice president said, "Without sponsors, I would have fallen into the trap of, 'I don't know anything about medical plans, and not have taken over the product area. Men think you just need to surround yourself with the right people and don't need to be an expert."

Leaders also need to be more purposeful developing the many women they already have in lower and middle ranks, given that companies in healthcare tend to promote from within. In our research, 63 percent of the 112 payer and provider chief executive officers we analyzed were promoted from within. Yet since there are a limited number of senior executive positions in any given company, executives need to be more explicit about leadership criteria and plan ahead to develop high-potential female candidates so they are competitive for promotion opportunities. If companies look to hire from outside, it's more challenging to find female candidates. Healthcare is regional, so new talent comes from other geographies. Moving is more challenging for women because female executives are more often part of a dual-career household. A Harvard Business School study found 60 percent of male executives' spouses did not work full-time outside of the home compared to 10 percent of female executives.

## 3. IDENTIFY HOW MEN AND WOMEN LEAD AND COMMUNICATE DIFFERENTLY

Part of developing a common set of explicit leadership criteria involves uncovering the implicit ways that the different genders think teams should be led. In our research, we found senior women often favor a more collaborative approach, but that can lead to a lack of clarity about the leader's role in the results. As one senior director explained, "A manager in a review told me, 'You need to find your leadership voice.' Had he not said that, I wouldn't be where I am today. I don't think women are aware leadership's an issue. They think they're doing right by letting the team present information."

In addition, our research showed many women initially build their credibility as problem solvers, but this then causes them to be pigeonholed and limits their ability to lead and develop a broad strategy. As one female vice president put it, "It's not enough to just deliver. You need to bring ideas, insights and strategy. Execution alone does not get you there."

Not only do men and women build and evaluate leadership styles differently — they also communicate differently and react differently to leaders with contrasting communication styles. As research has shown, women are more likely to interject with small acknowledgements to show active listening. Men tend to find this disruptive, whereas women think men aren't listening if they don't do this. By contrast, men are reportedly twice as likely than women to interrupt a speaker, and three times more likely to interrupt a woman than a man.

The communication burden falls on women — it's commonly women who adapt their leadership and communication style to that of men, not the other way around. If companies want a better balance at the top, they need to help all employees get a better understanding of each other's leadership and communication styles and collectively understand destructive behaviors they are unaware of.

# THE PATH FORWARD

While the challenges are real, companies are increasingly committed to balancing the ranks of senior leadership in healthcare. But announcing your commitment is not enough, and simply adding women to leadership teams to meet a quota won't bring about real results. To change the composition of C-suites, companies should explicitly address misperceptions and hidden biases that impact promotion and embed diversity goals within the daily discussions of strategic objectives.

**Terry Stone** is a Dallas-based managing partner in Oliver Wyman's Health & Life Sciences, practice and the firm's global chair for inclusion and diversity.

# AI'S POWER TO SPREAD GENDER BIAS

## Here's how to combat discrimination

By Ege Gürdeniz and Elizabeth St-Onge

"Did you mean Stephen Williams?" In 2016, a *Seattle Times* article found that searching for a female contact on LinkedIn — in this case, Stephanie Williams — yielded a prompt that asked if you meant to search for a similar-sounding man's name, Stephen Williams.

In 2018, Amazon had to shut down an AI recruiting tool designed to screen applicant resumes because it was discriminating against women.

Another 2018 study on gender and race discrimination by machine-learning algorithms conducted by MIT and Microsoft researchers found that prominent facial recognition software had higher error rates when presented with pictures of women. Error rates were even higher when the subject was a woman with darker skin. Similarly, there are numerous use cases — such as voice and speech recognition — where AI applications have had worse performance for women.

## THE DANGERS OF LEARNING FROM HUMANS

AI represents algorithms that learn to make logical connections between input data and outputs. For example, if you feed a company's historical recruiting data (such as applications submitted by candidates) and the outputs (such as the job offer decision made by the company for each application) through an AI algorithm, the AI can deduce what factors (whether conscious or not) led to job offers. The AI can then use these learned connections and factors to make decisions when a new application is presented in the future.

Through this process, AI algorithms, in essence, learn from the historical behavior and decisions of humans, in which biases, stereotypes, and assumptions are ingrained.

For example, if a company historically hired significantly more men than women, the AI will likely learn to associate candidate attractiveness with factors found in male applicants — or reject applications that have factors associated with female applicants. This is what happened in the case of Amazon's recruiting tool. AI bias is generally a manifestation of humans' historical behavior rather than a purely technical issue.

## WHY ARE SO MANY VIRTUAL ASSISTANTS FEMALE?

Gender bias in AI not only reflects the gender stereotypes and biases that exist in society (and in all humans) — it also reinforces them through design and marketing decisions.

Today, almost all of the AI-powered virtual assistants in our lives — Alexa, Siri, Cortana — have female-sounding voices. A whole generation of children is growing up shouting commands at women in digital boxes. AI-based meeting assistants that take care of tasks, such as meeting assistants that take care of tasks, such as meeting notes, also generally have female names. For example, Sonia is an "AI-based assistant that joins meetings to help take notes, summarize, and handle follow-ups."

On the other hand, one of the most publicly visible supercomputers is male — Watson — and it "helps you unlock the value of your data in entirely new, profound ways." This stark contrast is a representation of the gender bias that has been present in the corporate workplace for many decades.

## INGRAINING GENDER BIAS IN ALGORITHMS

Humans are filled with bias and prejudice — all decisions and actions we take are subject to our imperfect view of the world we live in. As a result, bias in corporate decisions, product development, and marketing is nothing new.

So why is gender bias in AI such a great concern? There are three key reasons: While we generally recognize that humans are flawed and biased, there is a commonly held assumption that machines are impartial and rational. Because of this assumption, we may not question the decision-making logic of an AI application the way we would challenge a human.

The logic of many AI applications is difficult to understand — "explainability" is a real challenge, especially with more complex algorithms. This can make AI bias more deeply ingrained and difficult to identify compared to the bias present in humans, which manifests itself in daily behavior and interactions that are more readily observable by other humans.

A human's bias can only spread and impact others at the speed and scale at which that person can operate, make decisions and take actions. Since AI is a digital phenomenon, its bias can spread instantly and create damage on a scale and at a speed that would be unthinkable in human terms.

As a result of these factors, with gender bias in AI, there is a risk of significant harm to customers, employees, and/or society that could be done before the issue is identified and resolved.

## WHAT CAN COMPANIES DO TO AVOID IT?

AI has already profoundly transformed society at large, as many of the key moments in our daily lives are enabled by AI: the virtual assistants that simplify our routines, the search engines that help us find what we are looking for, the movie, product, and other content recommendations that influence our consumption behavior, the way we unlock and access our devices and accounts, how we save and invest, the way we find our way home, the list goes on. AI's influence on society and our lives will only increase going forward as innovation and technological breakthroughs continue.

As a result, it is crucial that companies develop and deploy AI applications in a responsible manner that proactively seeks to identify and eliminate existing societal biases so they are not encoded and amplified in the digital world.

Toward this goal, we recommend companies take action now in four categories:

- **Data testing:** Put in place AI development standards, testing procedures, controls, and other technical governance elements designed to make sure the data used in training AI applications are thoroughly vetted and certified against a bias perspective before the application goes into production.
- **Output testing:** Establish testing requirements and controls around the outputs produced or decisions made by the AI. Review and challenge these outputs and decisions against a bias perspective to make sure they represent fair and positive outcomes that are in line with expectations and do not adversely and unfairly impact any group of people.
- **Development teams:** Make sure AI design and development teams are diverse and include female data scientists, programmers, designers, and other key team members who influence how an AI application is developed. Set targets and put in place training, recruiting, and rotation programs to move toward this target.
- **AI I&D:** Similar to existing inclusion and diversity (I&D) teams whose mandate is to make sure a psychologically safe, inclusive, and diverse workplace is maintained, create AI I&D teams whose mandate is to independently review and challenge AI applications against a gender-bias perspective. This team would supplement development teams that conduct technical testing.

It is important to note that, even though the focus of this article is gender bias, AI applications can and often do suffer from different types of societal biases, for example, around race, ethnicity, and religion. As a result, companies should expand the above efforts and measures to make sure the AI applications they put in place do not have an adverse impact on any group of people.

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*This article first appeared on BRINK.*

# THE VALUE OF WOMEN AND DIVERSITY IN GLOBAL PROCUREMENT

**Why more women should be in management roles**

By Karina Swette

If there's a part of any company that ought to understand the value — the business value — of diversity, it's procurement. Buyers have to build relationships with a cast of characters, both suppliers and internal clients, who have very different objectives, vision, culture, and modes of communication. And that cast seems to get bigger and more diverse all the time. It's more than any one person, or any one kind of person, can handle.

You would expect procurement organizations to be further along the path to inclusion than other functions. But a recent survey I helped conduct for my firm, Oliver Wyman, suggests that's not necessarily the case. The study looked at gender parity — just one element of diversity, but a significant one. More than 300 chief procurement officers at American, European and Asian companies responded. Their answers tell us that 38 percent of the procurement workforce is female (comparable to the 35 percent figure our sister company Mercer found in a similar survey of the overall workforce). There were, predictably, big variations by industry and geography, with aeronautics and construction employing fewer women and financial and public institutions employing more, and Asia lagging far behind the US and Europe. An incremental issue is that across the board women make up a smaller percentage of the upper ranks, filling only 25 percent of procurement management roles.

But change is coming. Sixty percent of the chief procurement officers in the survey said they employed more women than they did three years ago, and they were happy with the results. CPOs of organizations where women made up 40 percent or more of the procurement function were more likely to report positive economic performance than those that employed 20 percent or fewer women. And the 65 percent of CPOs who said they had increased the number of women in their teams said that performance had improved, with creativity and innovation driving new partnerships and greater efficiency.

Those findings were no surprise to me. I've been living them for the past 15 years. I do a great deal of work with private equity (PE) firms. You know the drill: A PE firm buys a business, concludes that its cost structure is out of line, and brings us in to improve processes and boost performance. I lead the team that works with the procurement departments. It's rarely an easy experience. The existing procurement team is under stress, vendors are confused and apprehensive, and my own team is under immense pressure to deliver results and do so quickly. It's a challenge all around.

You might expect that the way for me to succeed here would be to pack my team with big guns — aggressive, confident dudes who exude authority. Don't get me wrong. Those folks are great, and I'm careful to include them in the mix when I'm pulling together a project team. But if they make up the whole team, they can inadvertently send the message that we're coming in armed with a set of stock answers and don't intend to listen to what the existing team and vendors have to say. And that's a guaranteed disaster.

Look, I'm good at my job, and I'm sure you're good at yours. But we have to accept that, no matter how much we know and how smart we are, when things get tough (and they're getting tougher all the time) we're going to need more — more insight, more knowledge, more perspectives, and more ideas. We always talk about being on the same page, and of course coordination is vital. But to really address complex problems, you need people to be reading from a whole bunch of pages, and you have to pay attention to what they're finding there.

That means you need diversity of skills, background, experience, and mindset. You need people who deeply understand the standard approach to a given task, and you need people who will look at that same approach and ask why it's not something different. Above all, you need people who can connect with your whole array of stakeholders, internal and external, to understand what they need and what they know, and to get them to buy in when you come up with a strategy. The results can be surprising. I remember a project during which one of the youngest, least-experienced members of my team — Emilie Tremblay, a consultant from our Montreal office — took a leading role. She was a brilliant connector who combined solid traditional research with extraordinary "people research" to come up with some unexpected opportunities for us. We didn't know it when we added her to the team, but without her we would have had a blind spot.

Today, when I think about diversity, I think about dozens of instances like that. It's not that I am indifferent to social justice and fairness. I care deeply about both. But I've realized that I do a better job for both fairness and the effectiveness of my team when I stay up nights worrying about what my team is missing and what individual people — not just categories of people — can bring me. I know I don't have all the answers. But I know I can have the answers if I can just create a team that goes beyond what I myself know how to contribute.

You don't create that kind of team with a check-the-box approach to diversity and you can't hire yourself a solution. Of course, you should aim to have a diverse and balanced team. But as you go through the process of hiring and reshaping it, remember that the people you hire aren't tokens in a game. They are not just about scoring diversity points. You need to open your mind (and, yes, your heart) to who your team members are and what they bring to the table. You need to develop, coach and sponsor them until they can take your team to places you may not currently expect or understand.

Sound complicated? Here's a way to start. You're probably already mentoring junior people who work with you. Take it further. Become a sponsor, not just dispensing advice, but providing access to the kind of experience that grows careers. Then go one step further: Make sure your protégés include a few people utterly unlike you. (We all tend to favor junior versions of ourselves.) And — the hardest part — don't try to turn them into you. Help them become something beyond your wildest expectations.

**Karina Swette** is a Houston-based partner in Oliver Wyman's Operations practice.

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# SEVEN TIPS ON BEING A TECHNOLOGY LEADER

**Bridge the skills gap to create diverse, high performing teams**

By Deborah O’Neill

On my five-year anniversary of joining Oliver Wyman Digital, the business I now head up in the UK and Ireland. When I think about career progression, mine has been like a level in the Chuckie Egg video game — there are long ladders, but also places to hop off and sidestep onto another route. In my case, this was moving from working exclusively with financial services companies for six years into helping businesses across all industries deliver technology transformations.

I started late in technology, but that has not hampered my move into such an exciting and growing sector. I'm now keen to show others — women, non-binary, BAME, LGBTQ+, or any combination of minorities — how they can develop into technology leadership positions.

Here are my top tips for success:

## TIP #1: DON'T THINK YOU HAVE TO HAVE A BACKGROUND IN TECHNOLOGY

Whether you're in tech or any other sector, being a leader doesn't mean you need to be the smartest person in the room or the best coder on the team. Sincerity, trust, communication, decisiveness, and an ability to empower others are far more important. With more tech jobs out there than there are qualified candidates, take your existing skills and an inquisitive mind and apply them to a role you're interested in, preparing to learn the rest along the way.

When you come to manage others, stay focused on leadership and empathy, not developing your tech skills to an expert level.

Think of your team as a car with many moving parts and yourself as the driver behind the wheel. In this analogy, you don't have to be a mechanic to set the direction and speed. It's useful if you can learn how to change a tire, but you must trust the experts on your team to corner balance the suspension or change the transmission fluid.

## TIP #2: USE A BROAD RANGE OF RECRUITMENT CRITERIA

I frequently hear about a skills gap and a lack of diversity in the tech sector. Tech Nation, the UK network for tech entrepreneurs, reports that overall only 17 percent are women and 15 percent from an ethnic minority — both far below what is representative of the wider UK population.

To address this, consider using a broad range of recruitment criteria. For example, don't put too much emphasis on an Oxbridge education or the number of years' experience required from candidates. Also, learn from how other companies are doing things: the Tech Talent Charter collates best practice for recruitment from its signatories.

Having a flexible recruitment policy for tech roles has the added benefit of reducing the barriers preventing existing employees from moving into tech roles. At Oliver Wyman, we're planning to use the UK government's Apprenticeship Levy funding to offer training in data analytics to our existing employees already in the business.

## TIP #3: CHALLENGE YOURSELF TO MAKE UNCOMFORTABLE HIRING DECISIONS

A candidate who agrees with everything you say may not be as helpful in the long run as one who challenges the status quo and changes it for the better. Disruptive, tenacious, and talented people can bring unexpected new ways to solve a problem.

With my teams, I want to do as much as possible to keep them. Oliver Wyman research shows that while women begin their careers with ambitions equal to those of men, between the ages of 30-50 they become less willing than men to make sacrifices in their personal lives, and between 40 and 50 the proportion of women with ambitions to reach senior management drops below that for men. To keep women in our teams, I make it my business to find out if our policies on issues such as parental leave and flexible working meet the industry standards and there is no stigma attached to taking advantage of them. Again, the Tech Talent Charter provides a best practice guide to retention.

## TIP #4: KEEP HOLD OF THE GREAT PEOPLE YOU HIRE

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## TIP #5: MAKE MENTORING A KEY ELEMENT OF YOUR ROLE

Consider helping to set up mentoring relationships, making yourself available as a mentor, and showcasing role models those in the minority can identify with. Don't underestimate the power you have as a leader to act as a sponsor. Use your connections to advance the careers of those on your team by endorsing and guiding them.

## TIP #6: CREATE A WORKPLACE WHERE TALENTED TECHIES WANT TO WORK

The number of technologists in our UK and Ireland Digital team has grown from 15 in 2014 to more than 100 today. This expansion has only been successful because we made a change to internal culture to create the kind of workplace where technologists with cutting-edge skills want to work. For example, we have done away with the assumption that work is best done in the office: Working from home is part of a normal week for our data engineers. We curate our office social calendar around multiple interests, and prioritize family events held to mark Pride and Christmas.

This culture shift has included some physical transformations in the office. For example, our head office in London was redesigned to create more collaborative working spaces and quiet working pods. Our in-house IT team now provides high-spec Macs for our digital and design teams, and our London Bridge office even has an office dog (his name's Angus). While we still lack the slides and beach volleyball court of the hallowed Googleplex, our sites enable both co-creation and hard coding.

## TIP #7: PREPARE TO BE AMAZED

My final piece of advice is be prepared to be amazed when the team you're leading delivers something way beyond your expectations. And, of course, let them know how much you appreciate all their hard work!

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