



KORN FERRY

The real gap: fixing the gender pay divide.

A gender pay gap exists — just not in the
way conventional wisdom holds.





It's time to see things differently.

It's time for a new approach.

For years, we've read screaming headlines about the gender pay gap—that around the world, men are paid an average of 20% more than women.

But thanks to Korn Ferry's extensive pay database and the firm's unique ability to use job evaluations to compare like with like, we can show that the gender pay gap **exists—but not for the reasons that many might presume.**

It is true that, as a demographic group, women get paid less than men. That's because they still aren't getting to the highest-paying jobs, functions, and industries, while men thrive in all three.

However, our data show that the gender pay gap differs from conventional wisdom. When we compare pay for men and women—first by job level; then by job level and company; and finally by job level, company, and function—the “gap” gets smaller and smaller until it all but disappears; in other words, a man and a woman doing the same job, in the same function and company, get paid almost exactly the same.

Still, organizations are under-using 50% of the workforce. They miss out on the opportunity to become more innovative, connect better with customers, and improve their bottom line.

It's time for a new approach. Organizations, managers, and women themselves need to share responsibility for removing the “headwinds” that hold women back. And they need to keep going until the other half gets in the game.

In this report, we answer three questions:

1. What's the reality of the pay gap, and why should we try to close it?
2. What caused this pay disparity, and why does it still exist?
3. How can organizations, line managers, and women level the playing field?

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A tale of two pay gaps.

Imagine you're in the headquarters of a retailer in Amsterdam. Lisa, a junior manager, storms in and thrusts a newspaper at Jan, her colleague and boyfriend. The headline? "Women still earn 20% less than men."

Jan's quick to point out that the headline isn't true of them; in fact, at this stage in their careers (they're both 26), Lisa is outearning him.

Fast-forward 10 years, and Lisa and Jan are married with a two-year-old daughter. But Lisa's a senior manager, and Jan works in a different division as an associate director. And now he really is earning 20% more than she is.

Lisa and Jan may be fictitious, but the scenario they face is real. Globally, more women than men earn university degrees, and women outearn men early in their careers. But the situation starts to reverse when people hit their mid-30s. From then on, women fall behind in pay, while men zoom ahead.

Sometimes, the pay gap appears because women take time off to have children. Sometimes, they get "stuck" at a particular level. (See Four Stages of Contribution.)

As a result, the higher up in organizations you look, the more men dominate—and the more the pay gap widens. In a 2013 analysis of 4,255 public companies around the world, only a fifth reported having more than 20% women on their boards (Chanavat and Ramsden 2014).

In the same year, women made up just 16.9% of board seats and 14.6% of executive officer positions at Fortune 500 companies (Catalyst 2013). If those numbers sound low, try these: In Chile, women hold just 4.7% of all board seats; in India, it's 6.7% (Deloitte 2015).

Women still earn 20% less than men. True or false?



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of 4,255 public companies



only **one fifth** reported having more than 20% women on their boards.¹

Overall, for Fortune 500 companies



women made up just **16.9%** of board seats

and **14.6%** of executive officer positions in 2013.²

And if these Fortune 500 numbers sound low...



In Chile, women hold just **4.7%** of all board seats;

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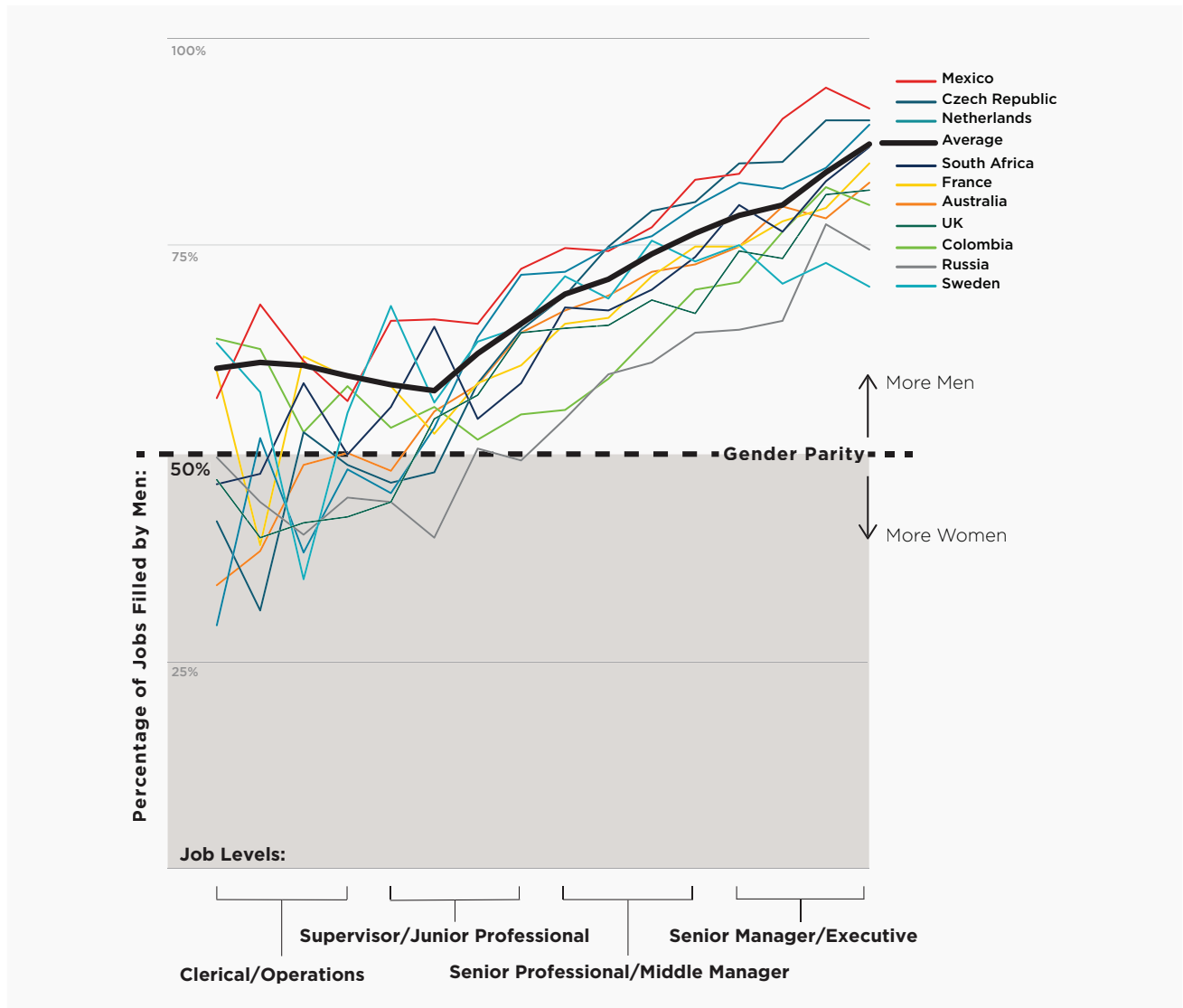
in India, it's 6.7%.³

¹ Chanavat and Ramsden 2014. ² Catalyst 2013.

³ Deloitte 2015.



Up, up, and away: How the percentage of men increase with job levels.



The unfortunate reality - it's still a "man's world".

This isn't just an issue of seniority. Men also dominate in highly paid functions and sectors, making up 90% to 95% of the global workforce in mining (Global Mining Standards 2014), and 85% of technical jobs in 11 of the world's largest tech companies (Cheng 2015).

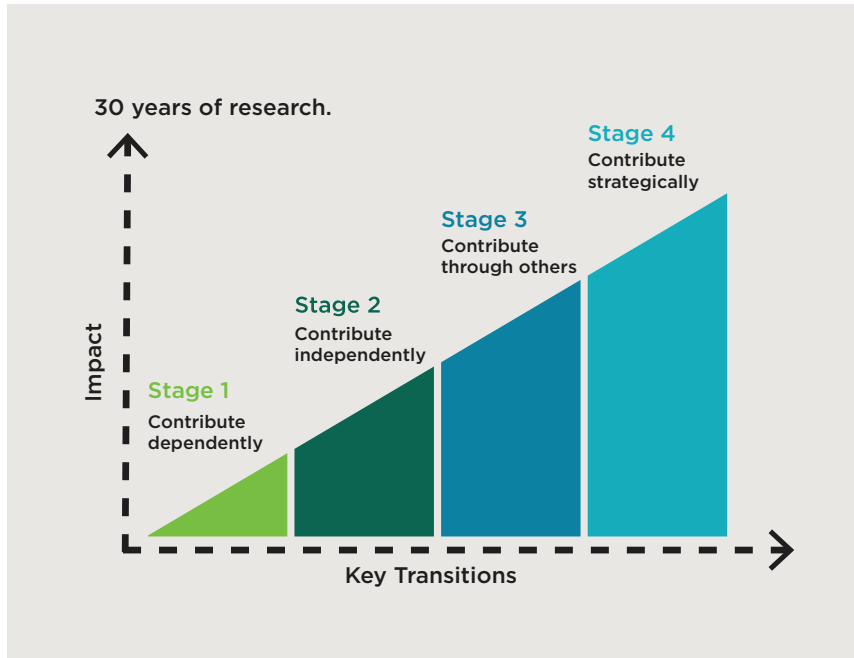
Meanwhile, women cluster in lower-paid functions and sectors: 80% of the world's garment workers (Nanda et al. 2013) and 70% of its hospitality and tourism workers (Baum and Chung 2015) are female. And even in these industries, men hold the vast majority of management and board roles.

These imbalances mean that if you compare the global average pay for men and women, you're bound to get a large gap: around 20% in 2014 (ILO 2015), dropping to 15% (OECD 2014) when you look at the median instead of the average.

It's these numbers that you see all over the media. But our data show they can be misleading.



Four Stages[®] of Contribution.



Women typically get stuck at Stage 2 of the Four Stages[®] of Contribution.

For 30 years, we've studied how employees can increase their influence, impact, and value. We've used this knowledge to create a Four Stages of Contribution model.

Here's a brief description of how people contribute at each stage. In our experience, women get stuck at Stage 2; we'll talk more about why this is, and what can be done about it, later in the report.

STAGE 1

Contribute dependently: You're new to the job or in the workforce, so you need the help of others.

STAGE 2

Contribute independently: You've gained technical expertise and can get results with less supervision. You're building your credibility and networks.

STAGE 3

Contribute through others: You're a manager, team leader, or mentor, and use what you know to stimulate others. You have a broad business perspective.

STAGE 4

Contribute strategically: You're involved in setting the organization's direction, spotting and developing business opportunities and mentoring potential leaders.



The pay gap and why we should close it.

Institutions that crunch data on gender pay—such as the International Labour Organization, the Organization for Economic Co-operation and Development (OECD), and the World Economic Forum—don’t set out to create an inaccurate picture. They just can’t account for the biggest driver of pay: job level.

At Korn Ferry, we have a unique way of looking at this issue. Our pay database holds reward data for more than 20 million employees in more than 110 countries and across 25,000 organizations. This makes it the largest—and the most comprehensive—in the world. But as Korn Ferry invented (and still leads the field in) job evaluation, we also have the world’s best method of comparing like with like.

Our pay database holds reward data for more than 20 million employees in more than 110 countries and across 25,000 organizations.

That means that for every country where we have the data, we can compare pay for men and women.

- At the same job level.
- At the same job level and in the same company.
- At the same job level, in the same company, and in the same function.



Time to level with you: the gender pay gap.

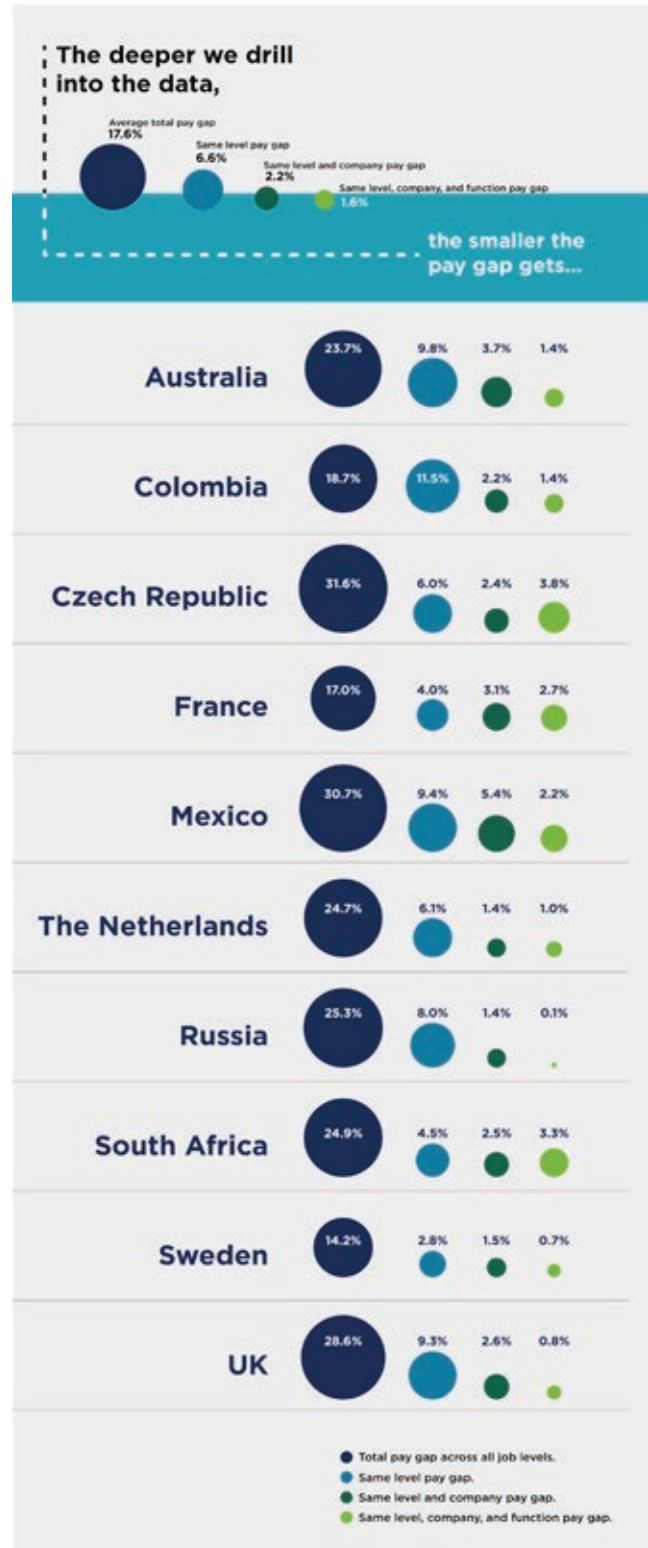
By isolating the main factors that influence pay—job level, company, and function—we’ve found that the gender pay gap exists—but not in line with conventional wisdom. Instead, the deeper we drill into the data, the smaller the pay gap gets. And when we compare like with like—same job, same function, same company—it becomes so small it’s statistically irrelevant. (In some countries, it disappears altogether.)

Here’s what happens when we carry out this analysis on all the relevant records in our global database.*

Headline average pay gap	18%
After we’ve controlled for job level	7%
After we’ve controlled for job level and company	2%–3%
After we’ve controlled for job level, company, and function	Under 2%

*We’ve based the numbers in this table on data we hold for more than 8 million employees in 33 countries.

You can see the data in full at <http://bit.ly/26wArc0>



What’s more, as this graphic of 10 of the 33 countries shows, the data tell the same story around the world.



5 reasons to close the pay gap.

Because sticking with the status quo ignores the real issue: as a demographic group, women earn less than men.

That's partly because they're more likely than men to work part time. But it's also because they still aren't making it into the most senior roles, the highest-paying companies and industries, and the best-paying job functions. And this state of affairs seems well and truly stuck. So organizations around the world are realizing the potential of only 50%, not 100%, of their workforce.

Championing women's equality at work leads to...

Better corporate performance and stability.

Companies in the top quartile for gender diversity are 15% more likely to have financial returns above the median for their respective national industry.

Going from 0% to 30% women in corporate leadership is associated with a 15% increase in profitability. And companies with more diverse boards perform better during economic stress while female bosses make banks more stable.

A more innovative working culture.

Studies show that the most innovative ideas come from teams with a 50:50 male/female split. Gender diversity in research teams leads to radical innovation.

Helping to close the growing skills gap.

The world could have 40 million too few college-educated workers by 2016. This will put even more upward pressure on pay for jobs for which there's already a shortage of qualified candidates, such as roles in STEM (science, technology, engineering, and math) and leadership positions.

Making the pool of suitable people bigger would ease some of the pressure and help cut the cost of filling these roles.

Better connecting organizations to their customers.

Women control about \$20 trillion—or 70%—of consumer spending globally. So having gender-diverse boards is vital for staying on top of trends.

One report found that teams with more than one member who represented target customers were up to 158% more likely to understand customers' needs.

Improving the image of the brand.

Consumers increasingly expect the companies they buy from to be both fair and transparent.

So making a clear and sustained effort to do the right thing (what Warren Buffett called "getting the other half in the game") will improve the way consumers perceive brands.



Besides these many benefits to businesses, there's an important positive impact on society, too.

Female breadwinners are on the rise in all developed countries. But because women get stuck at a particular level, or in a low-paying industry or sector, they and their families miss out on bigger pay packages. If women realized their full potential and got paid accordingly, millions of families around the world would benefit.

Women and STEM

{ the story in stats.

Governments and businesses have seen good results from programs to advance women. The task is now to extend these efforts more widely and sustain them for long enough to level the playing field.

The number of women in over 100 countries to have benefited from a joint Fondation L'Oréal/UNESCO program to promote women in science and support female researchers at every stage of their careers.⁴

2,000+

40% } **The target for how much R&D will contribute to the South Korean economy by 2017, as a result of the government's STEM industrial strategy.⁵**

⁴ Kramer et al. 2015.

⁵ Kramer et al. 2015.



Women and STEM

{ the story
in stats.

Fewer than 3 in 10

of the world's science researchers are women.⁶

Even when women do join STEM professions, they're more likely than men are to leave:

{ 53 percent

of women chose to leave high-tech professions for other roles, compared to 31% of men.⁷

Taking steps to encourage more women to enter (and stay in) STEM jobs will benefit them as well as the global economy.



⁶ Kramer et al. 2015. ⁷ Catalyst 2014. ⁸ US Department of Commerce 2011. ⁹ McKinsey Global Institute 2015.



Women and STEM

the story
in stats.

17%

The world needs people with skills in science, technology, engineering, and math (STEM) to take advantage of technological advances. And it needs them to find solutions to global problems such as climate change and pandemics.

The predicted growth in STEM jobs in the United States between 2014 and 2024, compared to 12% for non-STEM jobs.¹⁰

But STEM skills are in short supply...

For a little context, 2.5 million

engineers are needed to address the severest development problems in sub-Saharan Africa alone.¹²

900,000

The predicted shortage of ICT professionals in Europe by 2020, thanks to a lack of basic coding skills.¹¹

0

The number of girls

taking A-level Physics in nearly half the state schools in the United Kingdom in 2013.¹³

The problem starts when fewer women than men opt to study these subjects at school, university, or a post-graduate level—partly because many education systems still steer boys and girls in “traditional” directions.

¹⁰ CTEQ 2015. ¹¹ European Commission 2014. ¹² Kramer et al. 2015. ¹³ Titley 2014.



Time for a new approach.

Let's return briefly to our opening scenario. You might assume that Lisa's pay fell behind because her company isn't family-friendly—it doesn't help with childcare costs and offers limited opportunities for flexible work. But we know that getting stuck at a particular level is a common complaint among all women, not just mothers.

The stereotype is that Lisa decided to let her husband's career take precedence because she's less ambitious or confident than he is or because women in senior roles in her company got there by grinding away 24/7 and joining the CEO at the golf club bar.

There's evidence that, as a woman, she might be less likely than a man to go for a promotion she doesn't feel 100% qualified for as well as wary about negotiating her salary. And with good reason: Researchers have found that women who ask for more money are seen as demanding, and men who do this are seen as strong (Kray 2015).

But according to a recent study (McKinsey Global Institute 2015), motherhood can make women more, not less, ambitious. And overall, mothers feel that they can tackle big jobs.

**Motherhood
can make
women
more,
not less,
ambitious.**

**(McKinsey Global
Institute 2015)**



Just as good—but different.

Korn Ferry research proves that this confidence is well-founded. It shows that women can be as effective as men as senior leaders—their strengths are often just in different but complementary areas

Women score highly in areas that bolster a strong company culture, such as building talent, engaging employees, and collaborating. Men score highly in things like financials and strategy, which become more important as people move up the corporate ladder.

This leads to the real problem in women getting “stuck.” Women who rise to the mid-levels are less likely than men to accept, or actively seek, assignments or activities that equip them for senior leadership. They need to take on projects involving strategy, business growth, and finance. And they need challenging and visible roles, like turning around a failing unit. Women must gain this kind of experience if they’re going to stop banging their heads on the glass ceiling.

It’s tough, though, because the structures, rules, and systems for how companies work date to the 1950s, when men were often the only breadwinners and working women were parked in typing pools and other administrative roles. Helping women progress means dismantling or adjusting these structures—and the cultures that constrain them.

Why diversity programs have only nibbled at the pay gap.

Organizations have known they need to fix this issue since the women’s equality movement in the 1960s. Many have tried through diversity programs.

But in our experience, these programs make four key mistakes:

1. They focus on the wrong things—for example, they use the number of women at senior job levels as the only measure of success.
2. They implement initiatives before anyone has worked out what the problem is.
3. They expect women to be just like men.
4. They try to fix women, not the organization.

As a result, they’ve taken only a nibble, not a chunk, out of the pay gap.

Women score highly in areas that bolster a strong company culture, such as building talent, engaging employees, and collaborating.



Think big.

Korn Ferry knows that the lack of women in senior and well-paid roles is a big problem that demands big solutions. And we believe that organizations, line managers, and women themselves all have a role to play in fixing it.

Organizations need to determine which “headwinds” hamper the growth of women’s careers (see box, Seven headwinds) and how they can address them. Line managers and women need to do the same—it’s a shared responsibility.

In the next section, we’ve made recommendations for what each group can do to help women realize their full potential in the workforce—and reap the benefits. But first, two things need noting:

1. The advice offered here isn’t a silver bullet. It will take years of sustained effort by all parties to get the other half in the game. But the benefits to women, organizations, society, and the global economy will be significant and demonstrable.
2. Much of what the firm recommends would apply to any diverse group in your organization—not just women. But we know that women face some unique challenges—and this report tackles them.



Seven headwinds.

We know from our client work that anyone who differs from the norm can face “headwinds”—invisible forces that arise from a working culture and setup that favors a particular group (in this case, men).

As long as women and other diverse groups must waste energy fighting these forces, they can’t achieve their full potential. And organizations can’t use difference to excel, innovate, and grow.

The most common headwinds include:

Traditions

Organizations get used to whoever is in power and start to favor those who look and act like them. So if those in charge are men with unbroken career paths, who work online at midnight, and who can relocate to Dubai at the drop of a hat, the top jobs will go to others like them. And those who don’t, which could be anyone who wants work-life balance, may decide to opt out of the game.

Reference groups

Those who fit the organizational norm will see others like themselves wherever they look—and can ride in their tailwind. But if there aren’t many, or any, people like them, they won’t have access to networks or sponsors who could help them progress. They’ll also lack role models.

Cultural norms

With men still holding most senior roles, it’s unsurprising that organizations prefer masculine leadership styles and behaviors. But when women use these, they’re seen as demanding, not assertive. So they get caught in a double bind.

Pushback

Many organizations roll out diversity programs without also changing culture and management to bring about results. Unsurprisingly, this can lead to pushback, as it can seem as if under-represented groups are getting special treatment. This undermines the credibility of the very people whom the programs are trying to help.

Assumptions or stereotypes

People tend to assume that men and women want, and don’t want, certain things. A manager might assume that a high-potential woman doesn’t want to relocate because she just got married, for example. Or that a woman is better suited to a support role than a man is.

Internal debate

People have this dispute with themselves when they differ from the norm; they doubt their fit and ability because they don’t see anyone like them as leaders. Women can question if they want to be trailblazers, expending great energy to put themselves out there.

Outright bias

It’s uncommon now for organizations to display overt bias in hiring, developing, and promoting employees. And when it occurs, most companies stamp it out quickly. But subtle bias can be harder to deal with. Robin Ely, a Harvard Business School professor, calls this “second-generation gender bias.” It helps explain why our research finds that some leaders set the bar higher for women when rating executives’ skills and performance.



Women face other unique challenges, including three we hear about often:

“As a woman, I feel guilty.”

Female executives tell us they feel guilty about balancing work and family life—an issue that’s more problematic in some cultures than in others. They also feel guilty about pushing work down the chain.

“My perfectionism holds me back.”

Perfectionism causes women to doubt their own ability (“I won’t seek a promotion until I’m 100% ready”) and that of others (“I don’t delegate because no one else will do it as well as me”). Although it’s tied to taking pride in their work, women’s perfectionism also can make it hard for them to let go of what they’re best at—being skilled, independent contributors (Stage 2).

“If that’s what power is, I don’t want it.”

Women can feel ambivalent about power. They don’t want it if it comes at too high a price or if it means having to act like a man.



Leveling the playing field: What organizations can do.

“Change starts at the top, with leaders and HR diagnosing headwinds in the system and putting initiatives in place to address them.”

Benjamin Frost, Korn Ferry

Rethink how you recruit, develop, promote, and reward women.

Start by looking at your organization's design—the jobs in it, its career ladders, and typical paths up and through it. Now, how could the design change to fix known issues? If fewer women than men put themselves up for promotions, can job designs change so promotions are a step up one job level, not two?

Next, look at your job designs.

How well are roles defined, and what's the pay at each level? Are people clear about what they need to do to move up?

How do these processes affect recruiting?

Do newcomers, especially men who negotiate aggressively, get paid more? If it's clear what each job involves—the skills, experience, and competencies it requires—you can prevent the starting-salary negotiations that can put men ahead of women from the outset. (You may need a policy of ignoring past salaries to make this feasible.)

Organizations do their best to eliminate bias in recruitment processes. But, as with diversity policies, there can be big gaps between theory and practice. Check in regularly to make sure the right things are happening—are people using objective selection criteria and “name-blind” processes? Are diverse teams interviewing candidates, and are psychometric tests in place to measure potential and soft skills? Has your organization eliminated subtle bias, such as job descriptions that unnecessarily demand foreign travel or overseas placement? Or ones with such unrealistic lists of expectations that they cry out, “Unicorn wanted”?

Actively approach good internal candidates before advertising a job externally; don't just post openings on the intranet and hope the best people will come forward.

Finally, forensically examine your organization's reward strategy—particularly how it links pay to performance. When awarding bonuses and salary increases for promotions and otherwise, what does it base those on? Can line managers make subjective pay decisions? Or are your measures bias-free? (They measure productivity instead of time spent in the office for example.) Some more innovative organizations tap big data to find and map network “hubs,” then adapt their performance metrics to recognize the influencers (often women) who sit in the heart of these hubs.



Getting women into your pipeline (and keeping them there).

Succession planning helps organizations identify and develop people with the potential to step into current leaders' shoes. But rather than relying on women to put themselves forward, develop a high-potentials program, with clear and objective criteria, to guide leaders and line managers. And offer the people in the program opportunities to fast-track their development, such as by working on high-profile projects.

Champion female role models, but be careful about whom you choose: A board member who hasn't taken a holiday with her family for years isn't going to be a great role model. Find women who are relatable and realistic.

Diversity programs work best when both men and women champion the cause. Offer opportunities for mentoring and sponsoring to both men and women. Sponsoring can be particularly useful: Having someone else sing a woman's praises can mean she doesn't have to self-promote, which is seen by many as unappealing.

Look at your organization's mobility strategy. Is spending time overseas an expected part of a leader's development? Can that requirement (which is stressful for families) change? Can leaders get a global perspective in other ways that don't uproot them and their families for years?

Hunt out and challenge assumptions about fit—especially when it comes to leadership styles.

Don't restrict onboarding to people who are new to the organization or a role. Offer a re-familiarization program to anyone who's had time away, such as women or men who've been on maternity or paternity leave.

Finally, remember that not all women seek leadership roles immediately. Some may want to gather valuable experience by moving sideways before moving up (a career lattice); others may want to become "high professionals"—chief engineers or top-flight software developers. Organizations need to support these career paths, too—otherwise, women who take them may find that the playing field still favors men.



Create the right kind of culture.

When it comes to engagement, the same things motivate most people, such as inspiring leadership, a great work climate, and opportunities to develop. But many organizations assume that women just want flexible work and day care in the office. Ask the women in your organization which benefits appeal to them most. Must your company offer full family health insurance, giving families double coverage when both parents work? Might a pick-and-mix approach work better so everyone can choose the best options for their situation?

Keep track of the latest research on which benefits work best for women. A recent study found a strong correlation between paid paternity leave and having more women on boards, for example—while mandated maternity leave showed no correlation (Noland et al. 2016).

Often, though, women leave because they don't want to work in a toxic culture. When this happens, the women who stay will develop coping strategies, such as behaving like men; but these behaviors don't work in their favor. If your organization has cultural issues, it needs to go back to what it exists to do; if an inclusive, meritocratic, and collaborative working culture helps the organization achieve its goals, then it's in the interests of everyone concerned to build it.

Once a positive culture exists, make it part of the employee value proposition. Then use it to a) make sure the organization hires managers whose values reflect it, and b) forge strong connections among women's groups and online communities.

Champion inclusivity, lead by example.

Organizations, line managers, and women themselves share the responsibility for tackling the headwinds that hold women back. But for diversity programs to work, senior leaders need to champion them openly and take responsibility for their success. Otherwise, the initiatives will start with a bang and end with a fizzle.

First, set internal targets—for example, having a certain percentage of women at each level of management by a specified year. Analyze and simulate the implications of your targets. For example, if you aim for 40% of your top leaders to be women in five years, you may need to hire a 60:40 mix of women and men at the next level down. This will compensate for a lack of women now, and account for things like turnover or maternity leave. Analysis will help you assess the feasibility of your targets and will help gather support across the organization for changes.

Once you've got targets in place, work with internal communications to share what's changing, why, when, and how progress will be measured. Share updates regularly so people don't slip back into old habits.

As part of that regular communication, be clear with all employees—especially line managers—about the business benefits of advancing women and how these efforts fit into the organization's strategy to become diverse and inclusive. This helps counter pushback that women are getting special treatment.



Leveling the playing field: What line managers can do.

“To drive true change and optimize performance, line managers have to recognize and help proactively tackle diversity headwinds for their talent.”

Peggy Hazard, Korn Ferry

Build trust from the beginning.

Sit down with each female newcomer to discuss potential headwinds in the organization. Then draw up a plan together to tackle barriers and review it in your regular development conversations.

Introduce her to the movers and shakers in the organization—those with the power and influence who can be her advocates. Make sure she knows about relevant groups she could join and networking events she could attend.

Encourage women new to your team to take on projects that are visible, important, and complex—even (or especially) if they're not sure they're ready. Keep checking in with them and offering encouragement. Taking risks early on is a great way to build confidence.

Offer ongoing support and development.

Don't rely on female team members to say what they're doing well; proactively observe and note this for yourself all year round. Make sure this information gets into the annual performance review.

Success at work means developing three kinds of confidence: technical, relational, and influential.

The latter two grow more important as individuals rise. Yet line managers often feel uncomfortable about giving women feedback on anything other than technical aspects of their jobs. This can prevent women from getting promoted. To avoid this trap, discuss the behaviors you've observed and how these affect her and others. Then create a plan for change—along with opportunities to put it into practice.

Suggest opportunities she should go after in the organization, whether they are projects or promotions. Counter her arguments about not being ready or able.

Promote different leadership styles in your team; don't let one dominate the others.

Keep checking for conscious and subconscious bias in your own approach and others'—and empower people to challenge it when they find it.

If anyone pushes back, explain how your approach fits with the organization's diversity and inclusivity plans. Keep reinforcing the financial and reputational benefits to your business.



Leveling the playing field: What women can do.

“Unless women are proactive about tackling their own headwinds and managing their own careers, even the best top-down initiatives will fail.”

Déisi Kimmins, Korn Ferry

Work out not just where you are now, but also where you want to go.

Women can invest so much time and effort in excelling at the technical parts of their jobs that they make themselves indispensable. But that can make them un-promotable too. If they're not delivering all that great work, who will? This focus on technical skills also means that women don't invest enough time and effort in developing the relational and influential skills that are crucial at more senior levels.

So first, work out where you want to be.

Seek out people who are doing the job you want; get them to talk you through what's key for the role. Then determine where you are now versus where you want to be. Look at not just technical skills but also how well you influence, deal with politics, and build relationships. What holds you back? If you can't judge this, ask your line manager and colleagues for feedback.

Next, look at your experience and current role.

Have your projects required you to use financial acumen, create a strategy, or grow part of the business? If not, which areas must you build most? Will your current approach get you where you want to go? If not, how can you do work that has a greater impact?



Be strategic: Live by design, not default.

Explain to the bosses what you hope to do; ask them to put you on projects that will give you the experience you need and build soft skills. Seek out important projects that get you noticed, such as responsibility for a work stream on a major change program, or assignments where you empower others to deliver.

Ask your manager for honest, regular feedback on how well you're developing the influencing and relational ability you'll need in more senior positions. Don't take criticism personally. You may need to open feedback discussions with how you think you're doing and where you think you need to improve; that's easier than asking bosses to give you feedback in a vacuum.

Think carefully about work that doesn't help you make an impact. Learn to delegate and to let go of perfectionism. You're trying to develop confidence in three areas, not just in your ability to do the nuts and bolts of the job well.

Note your progress; let it build your confidence about moving to the next stage. Take that evidence into performance discussions with the boss. Keep doing work that stretches you and takes you out of your comfort zone; don't wait until you feel 100% ready. No risks, no advancement.

If you fail, know it happens to everyone. See failures as ways to help you grow.

Build strong, strategic networks.

Think about not only who you know but also who you need to know—or to build stronger relationships with—to achieve your goals.

Ask your line manager to set you up with a mentor or sponsor, and to introduce you to the key people who can help you. Seek those people out yourself too: Have coffee with senior leaders, meet heads of departments other than your own, and identify and approach key stakeholders.

See these relationships as mutually beneficial. Determine what you can bring to the table, and make sure you return favors—for example, by introducing a contact to someone in your network.

Use this group to help you build your influencing skills. Ask these people to help you establish any weaknesses in how you sell ideas at various levels. Are you missing “executive presence”?

Develop gravitas, not guilt.

Gravitas, or “executive presence,” comes from having emotional intelligence and showing grace under fire. It means you communicate brilliantly, read an audience, and project a vision. To develop this intangible quality, stand tall, project your voice, speak clearly, and dress like an executive—even before you are one.

Leave the guilt behind. You have as much potential as any man to excel at work. But you need the right support at home too. Don't be afraid to tackle difficult conversations about whose career should come first or how you can support each other by working as a partnership.



The outside world.

Women haven't advanced in organizations just through luck. Governments around the world have made pledges, set targets, and rolled out programs to close the gender pay gap. These efforts have included:

Mandatory quotas:

In 2008, a law came into force in Norway for 40% of boards to be female. With 35.5% now female, Norway is the highest-ranking among 20 countries in the Catalyst Census. The countries at No. 2 and No. 3—Finland and France—also have mandatory quotas. But this approach hasn't worked everywhere: At 6%, Italy's representation is Europe's lowest, despite a 33% target. And Kenya has achieved 15% against its own 33% quota (Catalyst 2015). Meanwhile, FTSE 100 companies in the United Kingdom have hit a target of at least 25% women on boards by 2015, which was a voluntary goal (Women on Boards Davies, Review 2015).

Other government initiatives:

Although many US officials have resisted mandatory quotas, President Obama recently announced plans to collect annual summary pay data on race, gender, and ethnicity in the United States (White House 2016). In a similar move, the UK government will make it mandatory for companies to publish the gap between average earnings for men and women, as well as the number of men and women in each pay range (UK Government Equalities Office 2016). And the “comply or complain” approach, adopted by the Australian Stock Exchange in January 2011, requires listed companies to disclose their objectives for achieving gender diversity (Australian Stock Exchange 2012).

Encouraging more women into STEM:

Due to efforts to reduce social inequalities and increase women's rights—together with a big training program called Science Without Borders—Brazil leads the world in the number of women participating in the knowledge economy, science, technology, and innovation (Huyer and Halfkin 2013). And through its Office of Science and Technology Policy, the US government hopes to increase the number of women and girls studying in STEM (White House 2013).

Getting more women into politics:

Until 1989, the European Commission's College of Commissioners was 100% men. In 2009, then-president José Manuel Barroso insisted on female candidates—and 33% are now women (European Commission 2013). The share of women in national governments (European Commission 2010) has also gone up from 16% in 1994/1995 (EU-15) to 26% in 2009 (EU-27).



Conclusion

Although the gender pay gap isn't all it seems, there's a significant business case for getting the other half in the game: more innovative, productive, and profitable businesses; a more equitable society; and a healthier global economy. This report has set out what organizations, line managers, and women can do to achieve it.

But taking bold steps to advance women isn't just good practice from a diversity and inclusion perspective—it's good people management. Just examine the FORTUNE World's Most Admired companies. These organizations do many of the things we've discussed here, and their efforts pay off. Our research shows that the top 50 World's Most Admired Companies have achieved more than five times as much shareholder value as the S&P 500 (Hay Group 2012).

So organizations that advance women outperform, and organizations that manage all their people brilliantly outperform. That makes sense. But there's another dimension to consider, too.

In the medium to long term, advancing women won't just spell the difference between performing well and excelling. It could spell the difference between performing well and falling behind altogether. So organizations that don't do it gamble with their future success.

Our research shows that the top 50 World's Most Admired Companies have achieved more than five times as much shareholder value as the S&P 500.

(Hay Group 2012)



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