

Who holds the key to closing the skills gap?

Explore how corporates, entrepreneurs and governments can collectively harness the power of the female wave in the workplace.

HOW LONG UNTIL GENDER PARITY? PUT GENDER ON YOUR AGENDA.

YEARS MONTHS WEEKS DAYS HOURS MINUTES SECONDS

17 11 03 04 19 59 34

Let's speed up the clock #WomenFastForward

■ ■ ■
The better the question. The better the answer.
The better the world works.



Building a better working world



Acknowledgments

This paper, and the work of the Women³. The Power of Three forum in 2015, would not have been possible without the support of many committed individuals and organizations and our writer, Sally Percy. A heartfelt thank you goes to all of them for their energy, enthusiasm and time.



EY Women. Fast forward

Accelerating achievement of gender parity – within EY and in business at large – is not just a fairness argument but an economic imperative. It is key to building a better world.

Through Women. Fast forward, our global platform for women in business, and investments such as Women³. The Power of Three forum, we strive to improve the working world for women and call on others to put gender on their agendas. Through personal commitment and purposeful action, we can create a ripple effect that not only advances women in the workplace today but also redefines opportunities for future generations of women. Together, we can forge a lasting legacy of growth, increased prosperity and stronger communities throughout the world.

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Introduction



The World Economic Forum (WEF) predicts that it will take 117 years to close the global gender gap as it currently stands.¹ While the gaps between men and women in terms of health and educational attainment are narrowing, the gaps in terms of economic empowerment and political

participation are actually getting larger.

As the mother of four – I have a daughter and three sons – I feel frustrated that none of my children, my grandchildren or great-grandchildren will live to see gender parity. But let's go beyond the personal level. A study of 95 countries conducted by the McKinsey Global Institute² has found that the opportunity cost of gender inequality is \$28 trillion in terms of lost global GDP, or 26% growth, by 2025. We can't afford to wait.

In April 2015, EY launched the Women³. The Power of Three forum, part of our Women. Fast forward platform, to bring together leaders from corporate, entrepreneurial and government organizations from across Europe, the Middle East, India and Africa (EMEIA) and to leverage their differing perspectives to accelerate gender parity.

After examining a number of different challenges to women in professional roles, Women³. The Power of Three focused the last 12 months on how we could better leverage the skills of women throughout their entire career to close the global skills gap and support economic growth. Through 10 Regional roundtables with more than 150 leaders and surveys of over a further 1,000 organizations across EMEIA, Women³. The Power of Three developed a set of recommended actions on how corporate, entrepreneurial and government organizations could better support women.

At the Istanbul Summit in November 2015 over 100 delegates from 23 countries prioritized five critical actions to hasten change. These actions complement many of the policy recommendations that the W20 made to the G20 in support of gender parity. But they are clear actions that governments, corporates and entrepreneurs can bring forward. They address the three stages of a woman's career, the power of the media and the potential of digital.

This was just the start of our journey. Women³. The Power of Three will reconvene in 2016 with corporate, entrepreneurial and government leaders across EMEIA, and for the first time, with leaders in key locations in Asia-Pacific and North America. These sessions will be focused on implementing our actions at the local level, where The Power of Three (corporates, entrepreneurs and governments) are most impactful. The time for action is now.

A handwritten signature in white ink, appearing to read 'Julie Teigland', written in a cursive style.

Julie Linn Teigland

Managing Partner, EMEIA Accounts, EY

¹ "The Global Gender Gap Report 2014," © 2014 World Economic Forum.

² "The power of parity: how advancing women's equality can add \$12 trillion to global growth", McKinsey Global Institute (accessed via http://www.mckinsey.com/insights/growth/how_advancing_womens_equality_can_add_12_trillion_to_global_growth, September 2015).

Laura Liswood,
Secretary General, Council of Women
World Leaders

It isn't hard to see the economic potential of women – there are over 3.5 billion of them in the world. They are already the world's greatest consumer market since they make 70% of purchases of discretionary consumer goods³ and their financial clout is increasing all the time, especially in developed markets. In one in three families in the US, the wife is the main earner, according to data from the Bureau of Labor Statistics.⁴

Despite their apparent influence on the world economy, nearly half (45%) of women still don't participate in the formal workforce.⁵ Therefore, one of the big questions of our time has to be: where would we be, economically and socially, if women participated in the workforce in greater numbers than they do now and at levels that do justice to their true ability and potential?

That's why I congratulate EY on undertaking this important initiative that develops actionable solutions to accelerate gender parity so that women

can play a key part in plugging the skills gap, which in turn accelerates global economic growth.



This movement stands out for the way in which it has harnessed the views of leaders from corporate, entrepreneurial and government organizations across EMEIA to come up with practical actions to drive and measure change.

I therefore call on everyone, regardless of where they live and the type of organization that they work in, to get behind these actions. The economic empowerment of women is absolutely critical to business innovation and productivity, poverty eradication, the formation of progressive social policies and the creation of a world that is richer in every sense.

3 "Ten Mistakes Male Executives Make with Female Customers," *BCG perspectives* (accessed via bcgperspectives.com/content/commentary/consumer_products_ten_mistakes_male_executives_make_with_female_customers, 15 January 2010).

4 "Wives Earn More Than Husbands in 1 in 3 Families in U.S.," *CNS News*, (accessed via <http://www.cnsnews.com/news/article/ali-meyer/wives-earn-more-husbands-1-3-families-us>, 18 November 2014).

5 "Why aren't there more women in the workforce?," *Fortune* (accessed via fortune.com/2015/03/05/women-in-the-workforce/, 5 March 2015).

Executive summary



Can it be possible that women lost 30 years of progress toward equal economic and political participation with men in just 12 months?

Unfortunately, according to the WEF, that is precisely what happened in 2015.

In 2014, the WEF predicted that it would be 80 years before gender parity could be achieved, according to the economic, educational, health-based and political indicators at the time. Just a year later, in 2015, that forecast changed to 117 years.

So how can we achieve gender parity when “business as usual” is failing to close the gap both within individual organizations and across nations? At EY, we decided to drive change at the local level by bringing together committed leaders from corporates, entrepreneurship and government.

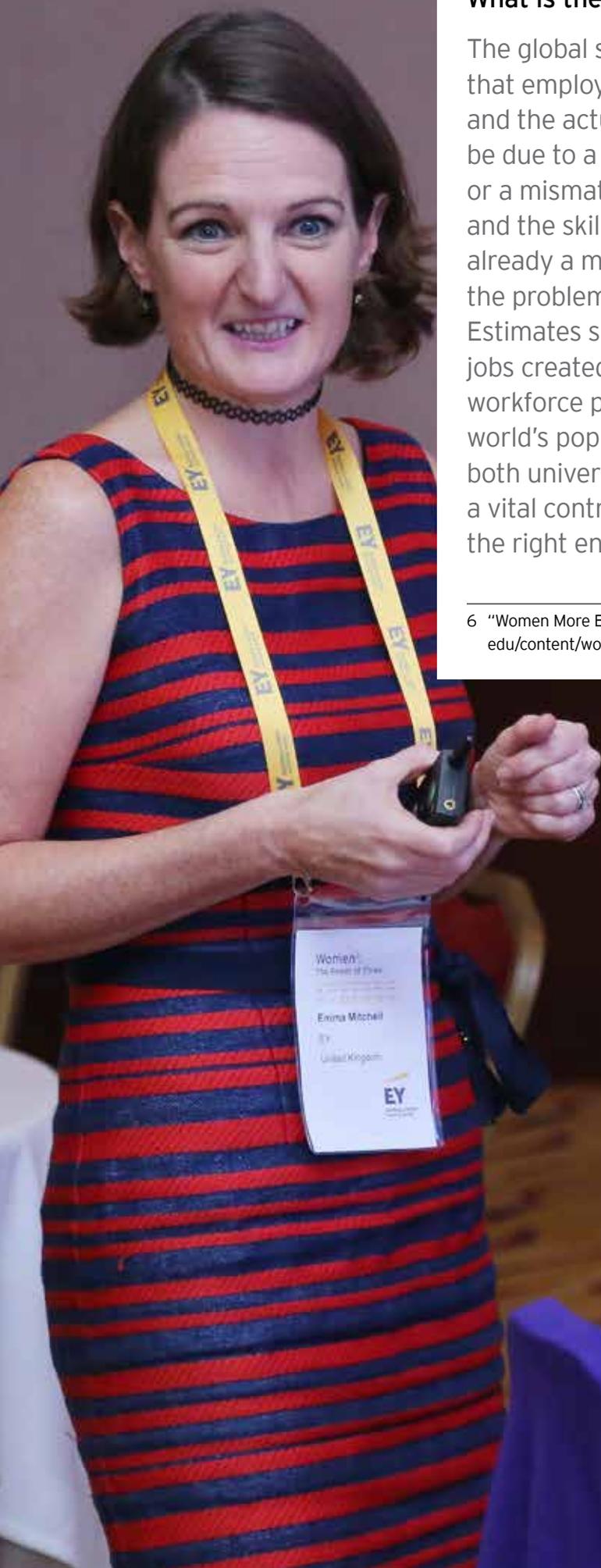
In 2015, EY established the Women³. The Power of Three, a forum for female and male leaders from corporate, entrepreneurial and government organizations across major markets in EMEIA. The forum first met in Brussels in April 2015 to explore practical recommendations for accelerating gender parity by better

leveraging professional female talent to plug the skills gap. These recommendations all required corporates, entrepreneurs and governments to work together. Crucially, the forum resolved to focus on exploring and refining the following hypothesis:

To effectively develop the critical skill sets women need to thrive in the changing workplace and to address the myths and assumptions that create barriers, the Power of Three must come together to:

- ▶ Examine how to create an ecosystem that supports women professionals throughout their careers
- ▶ Discuss the critical workplace skills and how they can be developed

This is where the Power of Three is at its most transformative.

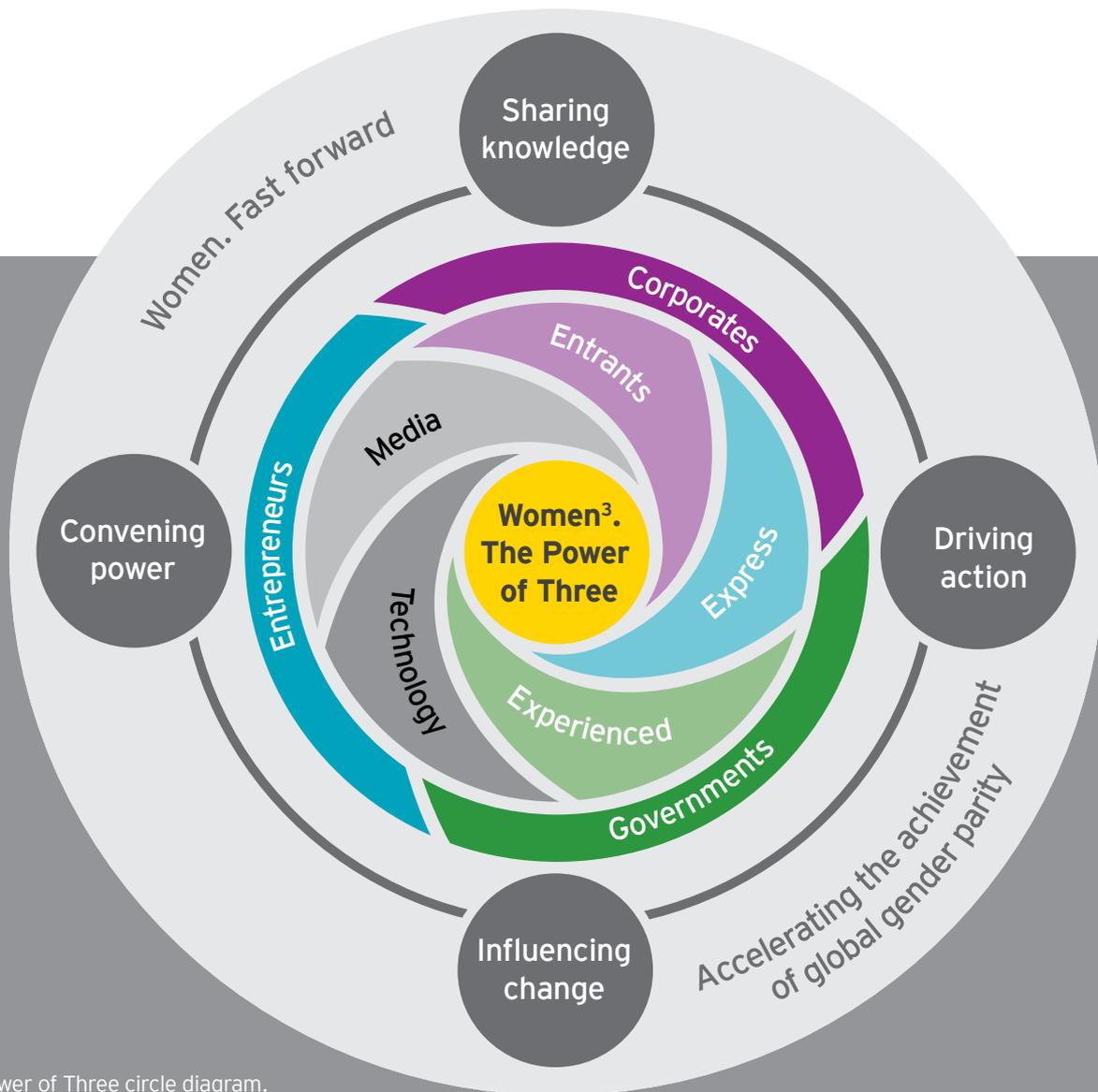


What is the skills gap and why does it matter to women?

The global skills gap is the difference between the skills that employers around the world want in the workforce and the actual skills that the workforce has. This could be due to a lack of education, a lack of appropriate skills, or a mismatch between the skills that the workforce has and the skills that it needs. The lack of skilled workers is already a major hindrance to growth in many markets, and the problem will become more severe in the near future. Estimates suggest that, by 2020, over 60% of the new jobs created will require skills that less than 20% of the workforce possesses. Since women make up half of the world's population, and they actually outnumber men in both university attendance and graduation,⁶ they can make a vital contribution to plugging the skills gap – but only if the right environment exists.

⁶ "Women More Educated Than Men But Still Paid Less," (accessed via <http://yaleglobal.yale.edu/content/women-more-educated-men-still-paid-less-men>, 6 March 2014).





Women³. Power of Three circle diagram.

Our Brussels working group session confirmed that the skills gap cannot be plugged simply by focusing on just one part of a woman's career. Women's careers typically have three stages – entrant, express and experienced – and women have different needs at each stage. We see women's careers as being similar to ocean waves – building, rising, cresting and even crashing to form new swells, with multiple forces affecting the crest height of a woman's career or the speed of each cycle of waves.

Digital technologies and the media are important enablers and influencers of change. Growth in the use of digital applications and approaches provides women with the opportunity to develop essential skills and career paths while the media has the power to overcome cultural assumptions and present visible role models.



The recommendations outlined below came from:

- ▶ A series of 10 Regional roundtables where local leaders from corporate, entrepreneurial and government organizations came together to discuss recommended actions to accelerate gender parity
- ▶ A survey of over 1,000 corporate leaders and entrepreneurs
- ▶ In-depth interviews with selected government leaders

Through our activities, we have discovered that women in different countries have very similar issues. Therefore, it is possible to tackle those issues in a consistent way while allowing for specific cultural variations.

In November 2015, Women³. The Power of Three brought together over 100 delegates from 23 countries who met to strengthen and prioritize the recommendations developed in the roundtables. The group prioritized five specific actions – from a selection of around 20 – and identified these as the actions that Women³. The Power of Three should take to drive the change needed to plug the skills gap and thereby accelerate gender parity. While we met in Istanbul, the W20 was also finalizing its policy recommendations for the G20 Antalya Summit. Our prioritized actions align with and complement the W20 recommendations.

The W20

EY is a founding supporter of the W20, a G20 engagement group designed to help achieve global growth through the economic empowerment of women. Formed under the auspices of the Turkish presidency of the G20 in 2015, the W20 will create policy recommendations for the G20 countries to adopt, policies that will promote gender inclusiveness and gender equality.

Following the W20's first-ever summit in October 2015, it issued a set of 10 policy recommendations.⁷ They are:

1. Address women's economic empowerment through strengthening linkages between education, employment and entrepreneurship.
2. Support work and life balance by developing and improving infrastructural mechanisms for social care (child, elderly, sick and disabled care).
3. Increase the number of women both in public and private sector leadership positions.
4. Ensure women's access to financial and productive assets as well as to markets.
5. Eliminate workplace discrimination, enforce legal rights and promote equal opportunities.
6. Strengthen women's economic, social and political networks.
7. Support women-owned enterprises and innovation.
8. Promote women's leadership in creating sustainable consumption patterns and green growth.
9. Deliver adequate social protection and improve working conditions for women.
10. In order to develop a monitoring framework, on the basis of available data sets and empirical studies, the G20 should develop a scorecard using a set of key indicators.

⁷ "W20 Summit Communiqué," W20 Turkey (accessed via w20turkey.org/event/october-16-17-w20-summit, 16 October 2015).

Five recommended actions

We present five actions for driving change to accelerate gender parity. Three actions are aligned with each of the main stages of a woman's career – entrant, express and experienced – and two actions are aligned with the key forces influencing women's careers – digital technology and the media.

Entrants

Women entering the workforce are typically in their 20s. They have completed tertiary education, and they have set goals in a similar way to their male counterparts. Research shows that while 43% of women aspire to hold top management positions during their first two years in the workforce, this figure drops to 16% by the time they have been employed for five to seven years.⁸ While the technical skills learned in tertiary education are sufficient for both men and women to succeed in these formative years of their careers, the lack of role models within organizations and the absence of a supportive environment are among the major barriers hindering women's success, just as their wave should be building momentum.

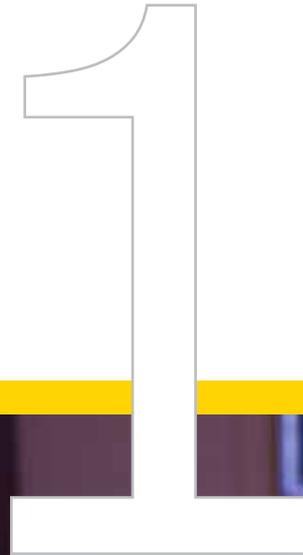
The concept of the environment includes not only the entrants' workplace but also the broader economic and social context that surrounds them. National and organizational cultures often influence decisions about career paths and opportunities, although line managers and supervisors rarely give this conscious thought. Research suggests that the most influential force in an individual's career, especially for women, is their first manager or supervisor.⁹

Men in corporate organizations are tuned in to the importance of the environment for entrants. Our survey found that 44% of male respondents thought that the supportive environment and infrastructure were most important to address to help plug the skills gap for entrant women. In our roundtables, participants reinforced the need for more champions for women at the beginning of their careers, and emphasized that these champions could be women as well as men.

Our discussions also highlighted the need to identify and celebrate the efforts of those individuals and organizations that are committed to female talent development. Without a critical mass of identified leaders and role models, as well as champions focused on gender parity and developing women in professional roles, the pace of change will not accelerate.

8 "Everyday moments of truth," © 2014 Bain & Company.

9 "Companies Drain Women's Ambition After Only 2 Years," *Harvard Business Review* (accessed via <https://hbr.org/2010/03/women-in-management-delusions-of-progress/ar/1>, 18 May 2015).



Our recommended action

Creating an "employer of choice award" to recognize organizations with women advancement and supportive environment programs is our top choice for enabling entrant women. Unlike other award programs, which may be seen as superficial or based on policies, this program is focused on the progress women are making in the organization, and the active participation and encouragement of line managers to champion and support women throughout their careers.

To have the greatest impact, the award needs to be global and linked to a quality accreditation that measures performance. It should also have a media program built around it to showcase examples of women who have succeeded as a result of their organization creating a supportive environment rather than just drawing up policies.



Express

Express women are advancing rapidly through their organizations, moving along the swell of the wave, and are typically in their 30s and 40s. At the same time, many of them are rising to the challenges of being caregivers while dealing with cultural myths and assumptions about such roles. The currents in the wave create counterforces that push and pull express women in different directions.

While the environment is important for entrant women, it is even more critical for express women. This was highlighted by our survey, where 42.1% of respondents considered the supportive environment the most important factor for allowing women to plug the skills gap. Since both women and men at this career stage are likely to have parental or other caregiving responsibilities, they need organizations to recognize their various roles and provide them with appropriate support. They also need positive reinforcement from line managers and to see male and female role models who demonstrate that the organization will support them to balance all their responsibilities effectively.

So what constitutes a supportive environment? Our Regional roundtables emphasized that women and men need governments and organizations to enforce policies that give all professionals greater flexibility with regard to when, where and how they work. These policies could, for example, provide for on-site day care or, in the case of private day care, align the timing of day care with the actual hours that professionals work. They could also ensure that women at every level of the organization are treated equally with men in terms of pay, performance appraisal and opportunities for promotion.

Monitoring is necessary to ensure that good policies are put in place and enforced. It also provides transparency and ensures that gender parity is accurately measured. Recognizing the significance of monitoring, our roundtables recommended that organizations should be obliged to disclose information on the gender balance at every level of their workforce.

Creating a supportive environment for express women also entails ensuring that more senior women are visible within organizations. Most organizations have too few senior female leaders at present, and, even where women do hold high-level roles, they are not



always sufficiently visible to their male and female colleagues. Organizations need to support female leaders so that they can become noticeable role models for junior professionals. Male leaders also need to act as role models by accelerating entrant and express women and championing women at every career stage.

Our recommended action

It is crucial to enhance the number and the visibility of both senior female and senior male role models within organizations. While many governments and organizations have policies that promote supportive working environments – and thereby the creation of role models – they often do not enforce these policies effectively. As a result, forum participants argued that governments should insist on adherence to all relevant policies.

To monitor progress, governments are advised to require organizations to include the growth and advancement of women among their indicators of success and to report on the progress that they have made. The remuneration of executives and other leaders should also be linked to how the organization performs in this respect.

3

Experienced

As women reach the crest of their careers, they have a number of options, including holding further senior management positions or developing “encore” careers such as starting an entrepreneurial venture or becoming a board member. Yet, in practice, organizations tend to place limited value on the knowledge and skills that experienced women bring. Meanwhile, our forum participants agreed that women themselves often struggle to understand how they should address this stage of their career.

Neglecting the economic potential of experienced women is not something that most of the world can afford to do, especially in developed markets where populations are aging. In emerging markets such as India and Africa, where a high percentage of the population is young, it is also critical to engage and involve experienced talent in new initiatives and programs within organizations, and in actively mentoring younger workers – both men and women.

Fortunately, today’s increasingly flexible economy presents a host of opportunities for experienced women. Nevertheless, they need support to attain the digital skills – and other critical insights, such as how to build a portfolio career – that will enable them to succeed, regardless of whether they are still pursuing a first career or have moved on to a second or third career.

Experienced women are keen to participate in the economy, and they constitute a huge pool of untapped talent. If this talent is properly harnessed, our forum participants felt, they have the potential to unleash a huge amount of know-how and experience in the same way that a wave exerts its force when it hits the shore.



Our recommended action

During our discussions, we explored the notion of capitalizing on experienced women’s knowledge in more detail. We also examined how we could unlock capacity for growth for both experienced women as well as for women across the express and entrant career stages. As a result, we identified the potential for an intergenerational hub or an accelerator. This is where the digital and social media experiences of entrants can be combined with the life and work experiences of experienced women to the benefit of both parties in a commercial context.

Knowledge exchange formed the basis of our recommended action because participants felt that it could ignite positive change within the workplace in all organizational contexts – corporate, entrepreneurial and government. To date, this opportunity has not been readily available since we are only witnessing the first wave of senior women progressing through the workplace in major numbers across geographies. So forum participants felt that we should harness this opportunity.

4

Digital technology as an enabler

The potential for digital technology to be a powerful enabler for women at every career stage was one of the forum's most significant findings. This is because digital technology is one of the external forces that can help a woman's career wave to build momentum. Women consumers are great users of social and mobile technologies globally. The number of women studying technology or working in technology-specific roles is small, however, and in some locations it is declining.

The majority of the new roles that will be created between now and 2020 will have a technological component – but this technological component will not necessarily entail coding or other technology-specific skills. Instead, the roles will focus on using technologies to enable processes. There is clearly an opportunity for women to create new career paths and to differentiate themselves within their organizations by incorporating digital skills into their existing skill sets and roles. Yet this is not happening at present, so forum participants believed this was a large opportunity that is being missed.

The new digital landscape also provides female entrepreneurs with the flexibility to start businesses with a relatively small amount of investment and to sell their goods or services across geographies. Furthermore, since the mainstream workplace continues to provide challenges to women who want to build their careers, they are instead increasingly choosing to advance as entrepreneurs. Many are building digital businesses – an opportunity that did not exist in the past. Women don't need to be technological experts to build great digital businesses – they just need to be able to work with the experts. It is essential, however, that they know where to find the right technical resources and support to be able to scale their businesses and develop their businesses into market leaders.

Forum participants concluded that digital technology could be both an opportunity and a threat. Unless women succeed in understanding the opportunities and how to position themselves as leaders with digital skills and knowledge, or as digital entrepreneurs, men will continue to dominate in this space. At the same time, governments and organizations have a responsibility to ensure that women are neither intentionally nor unintentionally excluded from becoming digital leaders. Inherent bias and issues



such as male-oriented industry jargon continue to act as barriers to attracting female talent to the opportunities offered by digital technology, and this needs to be addressed.

Our recommended action

The forum identified a clear need to work with governments to promote awareness of existing funds among female entrepreneurs, to explain to investors why women-led businesses are good investment opportunities, and to match female entrepreneurs with potential funders as well as with coaches, mentors and other entrepreneurs. We propose the need for a digital platform to address this globally and locally and would look to governments to develop, host and promote such a platform.

While some social platforms for female entrepreneurs already exist, there is an absence of official mechanisms connecting them to each other and to other programs supporting female digital entrepreneurs around the world. Many female entrepreneurs are not aware of the financial, operational and personal support available to them, particularly in the digital space, which can empower them to build and scale their businesses.

5

Media as an enabler

Like digital technology, the media can have both a positive and a negative influence on women's career waves. Unfortunately, at present the media in their broadest sense play a major role in perpetuating female stereotypes and myths about women in the workplace. The forum discussed how they tend to take a very different approach to portraying or reporting on female leadership compared with male leadership. Stories about men focus on their actions, policies and statements, reinforcing how men should be successful, assertive and outspoken. In comparison, stories about women tend to focus on women's appearance and family status and reinforce how society does not support women who are assertive and outspoken.

The barriers that the media present to women are also inherent within the media industry itself. Women are less likely than men to both write the news and present the news. Furthermore, while the media feature men of all ages who are in varying physical condition, they typically feature women who are young and in peak physical condition. Indeed, besides a few notable exceptions, older women are largely excluded from broadcast media of all kinds. This invariably has a significant impact on how women are portrayed by the media.

The media need to take the lead in giving visibility to women in business. They need to realize that they have a role in changing mindsets and actively address this by flagging the broad range of achievements of women in business on a consistent (daily) basis – achievements that go largely unreported at present.



Our recommended action

At our Istanbul forum, we discussed a number of possible options for addressing how the media can be transformed from being a barrier to women's progress in the workplace into being an enabler of it.

As our recommended action, we identified the creation of a digital platform that ranks the media according to the level of gender parity that exists within their reporting. The platform, which could be a website or another tool, such as a database, would use a set of key performance indicators (KPIs) to rank the different media channels. An example of a KPI would be the number of women who are featured in the business section of a newspaper on a regular basis. The platform would also have a "call out" function that allows individuals to participate in the discussion using social media.

Five recommended actions

- 1 Entrants:** Develop and roll out an employer of choice awards scheme to recognize companies with women advancement and supportive environment programs.
- 2 Express:** Increase the number of visible role models (including women and men) by developing and then applying organizational standards/certification of processes and procedures supporting women's promotion to senior levels.
- 3 Experienced:** Establish intergenerational hubs to incubate experience.
- 4 Digital technology as an enabler:** Create a digital platform that links female entrepreneurs with funding, mentors, coaches and other enablers.
- 5 Media as an enabler:** Create a digital platform that ranks the media on the level of gender parity in their reporting, with KPIs and a "call out" function.

Call to action

Following the in-depth deliberations that took place over the course of 2015, Women³. The Power of Three asks you to support these five actions to better harness women's talent in order to close the skills gap and thereby accelerate gender parity. It is a huge economic opportunity that the world cannot afford to miss out on.

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