

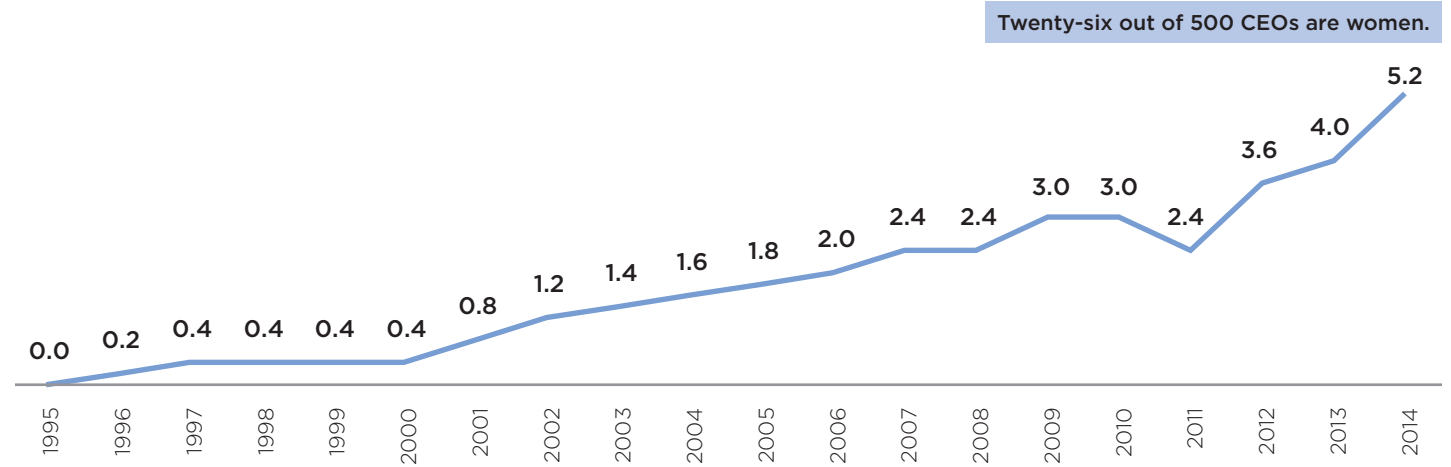
Four Imperatives to Increase Representation of Women in Leadership Positions

November 2014

Gender balance within the leadership ranks has only incrementally increased in the past decade despite continued focus on it.

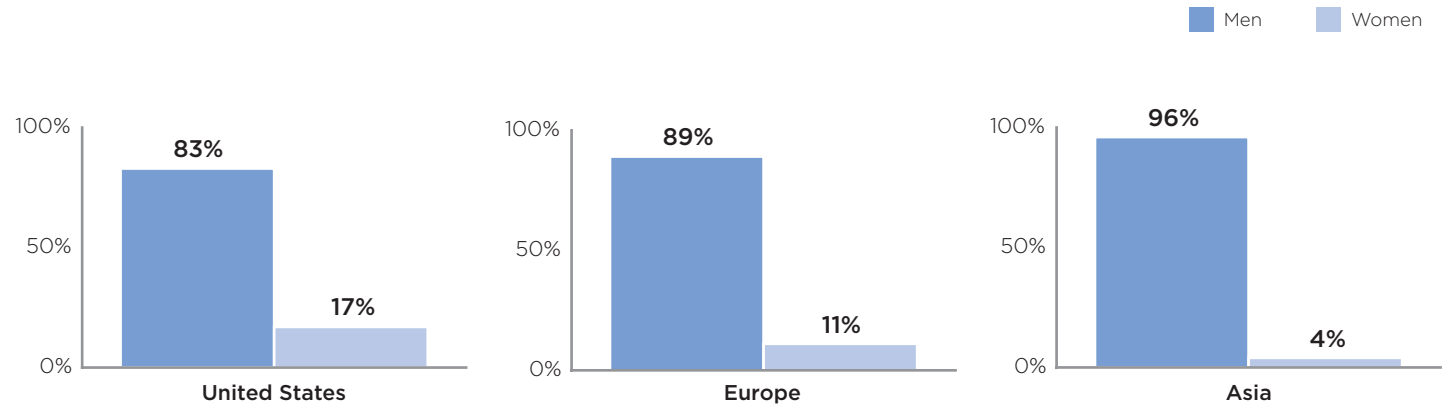
GENDER-BALANCED LEADERSHIP IS STILL AN ELUSIVE QUEST

Slow Increases in Female CEOs Over Time
Percentage of Fortune 500 Women CEOs




Source: "Women CEOs of the Fortune 1000," Catalyst.org, 7 November 2014, <http://www.catalyst.org/knowledge/women-ceos-fortune-1000>; "Fortune 500 CEO Positions Held By Women," Catalyst.org, 23 June 2014, <http://www.catalyst.org/knowledge/fortune-500-ceo-positions-held-women>.

Executive Teams Dominated by Men Across Regions
Percentage of Men Versus Women on Executive Teams, Regional Fortune 100



Source: "20-First's 2014 Global Gender Balance Scorecard: Where the World's Top Companies Stand," 20-first, March 2014, <http://20-first.com/wp-content/uploads/20-first-2014-Global-Gender-Balance-Scorecard.pdf>

Note: "Executive team" is defined as the group of executives who reports directly to the CEO.

 "While women continue to outpace men in educational achievements, we have ceased making real progress at the top of any industry."

Source: Sheryl Sandberg, *Lean In: Women, Work, and the Will to Lead* (New York: Knopf, 2014).

Women make up an increasing share of the highly educated workforce.

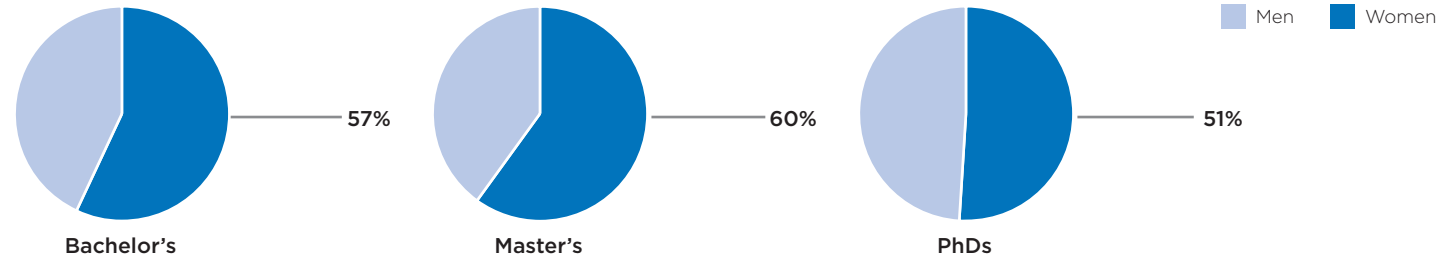
- Missing out on the upcoming talent pool of female graduates as potential employees puts organizations at a significant disadvantage.
- Losing women who are already in the workforce would result in a significant loss of leadership competence.

A STRONG WORKFORCE REQUIRES MORE WOMEN

The Emerging Talent Pool Is Increasingly Female

Women Already Make up More Than Half of College Graduates in United States

Percentage of Graduates by Gender

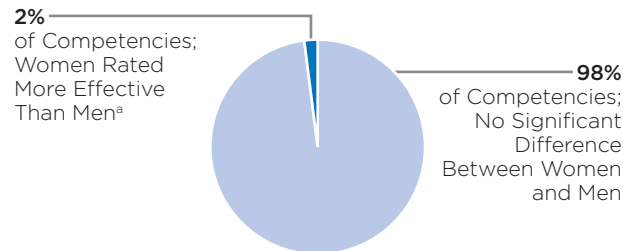


Source: National Center for Educational Statistics, 2013.

Keeping Existing Female Talent Strengthens the Workforce

Women and Men Equally Rated at Leadership Competencies

Manager Rating of Leader's Core 30 Competencies



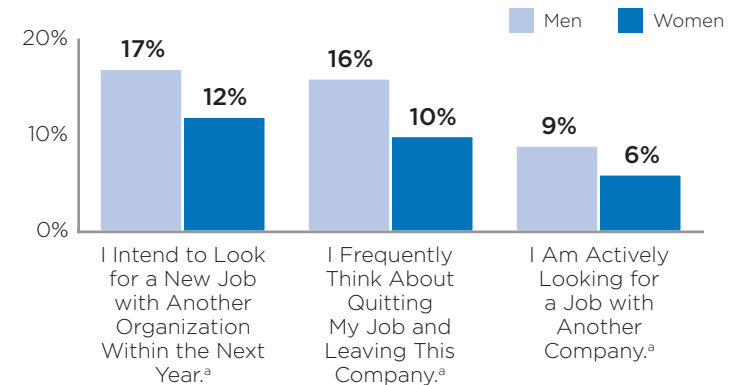
n = 908 leaders.

Source: CEB 2014 Enterprise Leadership Survey.

^a Statistically significant difference (p value ≤ 0.05).

Investing in Women Leaders May Stabilize the Workforce

Percentage of Leaders Who Agree



n = 908.

Source: CEB 2014 Enterprise Leadership Survey.

^a Statistically significant difference (p value ≤ 0.05).

Organizations with more women in the leadership ranks experience better financial results.

- Having female leaders' perspectives can also prove highly valuable in anticipating customer demands and avoiding blind spots when it comes to understanding customer profiles.

Implications in Financial Markets

Barclays launched the **Women in Leadership (WIL) exchange traded note (ETN) listed at the NYSE Arca**, linked to the Barclays Women in Leadership Total Return Index targeting US-listed firms that either **have female CEOs or have women comprising at least 25% of their board of directors**.

WOMEN IN LEADERSHIP POSITIONS IMPROVE THE BOTTOM LINE

Mounting Evidence on Improved Financial Results

Companies receive an 103.4% average return during women CEO tenures (Fortune 1000) compared to a 69.5% average return for the S&P500 Index over the same period.

Fortune, July 2014

Companies with **top-quartile representation of women in executive committees** have, on average, **47% higher ROE** and **55% higher EBIT**.

McKinsey, 2010

Companies with one or more women on the board see a 16% average ROE compared to a 12% average ROE for companies without female board members (2005-2011).

Credit Suisse, 2013

"We see that a [startup] company's **odds for success (versus unsuccess) increase with more female executives** at the VP and director levels."

Dow Jones and Company Inc., 2012

Source: CEB analysis.

FOUR IMPERATIVES TO INCREASE REPRESENTATION OF WOMEN IN LEADERSHIP POSITIONS

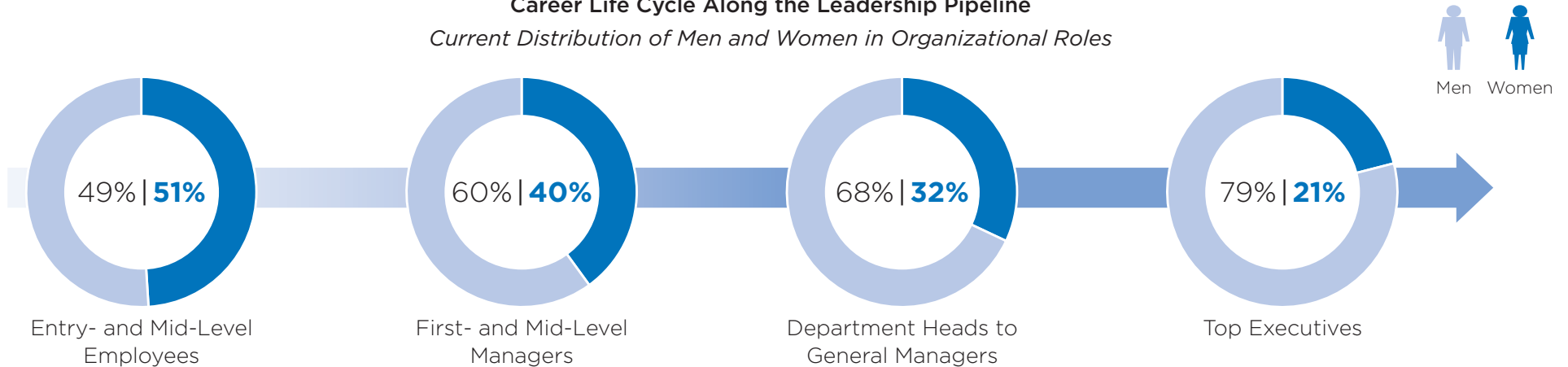
Imperative 1

Address **micro-challenges** throughout the career life cycle.

Imperative 2

Create **visibility into leadership opportunities** for women.

Career Life Cycle Along the Leadership Pipeline
Current Distribution of Men and Women in Organizational Roles



Imperative 3

Make **flexible work schedules the default** for all levels.




Imperative 4

Create **accelerated on-ramps** to reactivate women who temporarily opt out.

Source: CEB Q1-Q3 2014 Global Labor Market Survey.

Note: Using the methodology of Cappelli, Peter and Monika Hamori, "The New Road to the Top," *Harvard Business Review*, January 2005, pp. 25-32, we compiled information on 1,000 top executives at Fortune 100 organizations in 2012.

FOUR IMPERATIVES TO INCREASE REPRESENTATION OF WOMEN IN LEADERSHIP POSITIONS

Conventional Wisdom	Breaking the “Glass Ceiling” Is the Key Challenge for Women	Women Don’t Have the Same Level of Leadership Aspiration as Men	Flexible Work Schedules Are a Special Benefit	Opting Out Means Permanently Resigning from the Leadership Track
Reality	It’s About Micro-Challenges, Not a “Glass Ceiling”	It’s a Visibility Problem, Not a Lack of Aspiration	Flexible Schedules Are the Default, Not a Benefit	Opting Out Is Temporary, Not Permanent
Imperatives	<p>1</p> <p>Address micro-challenges throughout the career life cycle.</p> <p>strategy& <i>Formerly Booz & Company</i></p> <p>Strategy&’s “Broken Window” Approach to Retaining Women Leaders</p>	<p>2</p> <p>Create visibility into leadership opportunities for women.</p> <p> Cochlear™</p> <p>Cochlear’s Leadership Presence Program</p>	<p>3</p> <p>Make flexible work schedules the default for all levels.</p> <p> Telstra</p> <p>Telstra’s “All Roles Flex”</p>	<p>4</p> <p>Create accelerated on-ramps to reactivate women who temporarily opt out.</p> <p> Alpha¹</p> <p>Alpha Company’s Accelerated On-Ramp Program</p>

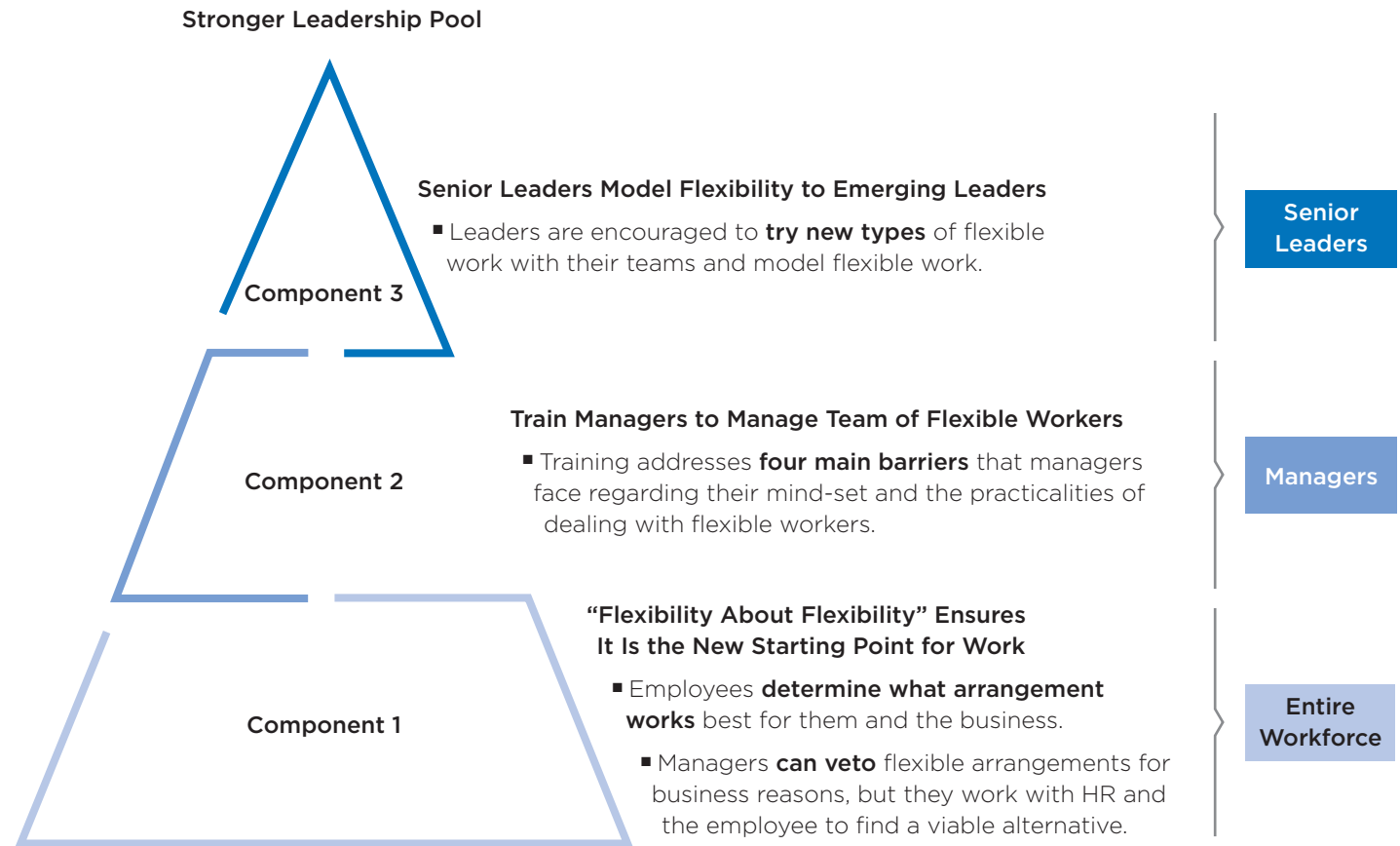
¹ Pseudonym.

“All Roles Flex” targets all aspects of creating a flexible workforce to strengthen the leadership pool and include more female leaders.

“ALL ROLES FLEX” MAKES FLEXIBLE WORK THE DEFAULT ACROSS ALL LEVELS



Three Components, Across All Levels, Make “All Roles Flex” Successful at Telstra



Source: Telstra Corporation Limited; CEB analysis.

SITUATION	PRACTICE OVERVIEW	COMPONENT 1	COMPONENT 2	COMPONENT 3	RESULTS
-----------	-------------------	-------------	-------------	-------------	---------