

# Companies must work harder at creating an environment for women leaders to rise to the top

*Grant Thornton Women in Business research shows almost no improvement since 2004*

As South Africa celebrates Women's month in August this year, the importance of gender equality is arguably more prominent on the corporate agenda today than it has ever been, yet this does not seem to have made a meaningful difference in the growth of female leadership in South Africa, or in the world for that matter.

According to Grant Thornton's International Business Report entitled *Women in Business: New perspectives on risk and reward*, which is based on its annual survey of 5,500 businesses in 36 economies, 28% of senior management roles in South African businesses are held by women in 2017.

"While this is an improvement from last year's level of 23%, it is concerning that this number has not improved beyond 29% (IBR Women in Business survey 2007 – 29%) in all the 13 years since we started doing this survey in 2004," says Christelle Grohmann, Director: Advisory Services at Grant Thornton. "This proves that companies still have not succeeded in creating an environment that is conducive to growing – and keeping - a sufficient crop of strong female leaders."

The Women in Business research also shows that this is a global phenomenon, with developed economies in particular performing poorly. Female representation in senior management has a long way to go in regions such as North America (23%), the G7 economies\* (22%) and developed economies in Asia Pacific (13%).

Grant Thornton's survey also analyses the number of companies which have absolutely no women in senior leadership positions. It is concerning to note that the 2017 survey reveals the proportion of companies with no women in senior leadership has not changed in the past year for the G7 (39%), as well as in North America (31%), while developed economies in the Asia Pacific region has shown slight improvement to 54% compared to 57% in 2016.

"Ironically, these economies are the countries where issues relating to gender equality in the corporate environment are seemingly very topical, but it clearly fails to translate into tangible results," says Grohmann.

South Africa compares favourably with only 31% of businesses having no women in senior management, down from 39% last year. However, 2017's level is concerning against the 23% recorded in 2015, and 21% seen in 2014.

Grohmann believes there is a clear business case for having more women in leadership positions.

But she expresses concern that while women may start out equally ambitious compared to men, their experience in the workplace either deters them from aspiring to senior leadership roles, or prevents them from being promoted to an equal extent as their male counterparts.

"Bain and Company recently revealed research showing that women are often more ambitious than men at entry level, with 58% of women aspiring to reach senior management, compared to only 48% of men, while their confidence in this aspiration is broadly similar. However, by junior or middle management level, women's confidence levels trend lower relative to that of men." (Bain & Company Report – *Gender Disparity in South Africa* – May 2017).

Grohmann attributes this largely to the lack of support in the workplace environment.

“Practical factors such as flexible working conditions and childcare make a difference for working mothers, and while these have been advised as solutions for years, we are still not seeing enough of it in reality in our workplaces,” she says. “In some instances, senior women are viewed in a negative way if they actually opt to take advantage of these benefits.”

Grant Thornton’s report also shows that women are more likely to have mentors in the workplace, while men tend to have sponsors to support their career path.

“Mentors are valuable as a sounding board to talk about experiences, and for advice on the emotional aspects of work, but sponsors act as a ‘promoter’ of an individual’s ability and potential, which is incredibly powerful for career growth. We have found that women are less likely to have such support at senior level.”

Grohmann acknowledges that South Africa is doing a great deal to promote female leadership, including employment equity legislation and the JSE’s recently introduced listing requirement which encourages companies to disclose their gender equity policy – effective from the beginning of 2017.

“These are steps in the right direction, but having policies in place and agreement that gender equity is important is just not enough. When we look at the numbers it is evident that the policies do not automatically result in more women rising to the top. There is still a lot of work to be done. As a starting point, we need to keep the issue on the agenda until meaningful change has been effected. We also need actual, practical solutions which can be implemented and – more importantly – be used and taken up by the women in business,” she says.

She points to the UK as an example: “Only 19% of businesses in Britain have women in senior management, which is a decrease from 2016’s level of 21%. More alarmingly, 41% of businesses have no women in senior management, which is a deterioration from 36% last year.”

These and other similar statistics – showing little to no improvement over the years – have prompted the UK government to take a more proactive role in promoting gender equality in the workplace.

“One of the outcomes of this focus is that the UK became one of the first countries to introduce mandatory gender pay gap reporting, in an effort to come to grips with perceived gender bias.”

She concludes: “During Women’s Month in August we will undoubtedly hear much more about the importance of having women in business leadership, and while this is positive for creating awareness on the issue, we urgently need to see more action on how companies plan to achieve this. Small improvements, although welcomed, will not create the change that we really need. A true ‘ground swell’ is required – by that I mean that we urgently need women reaching the senior positions within business and then we require these women to remain there for longer periods of time so that they, too, can be joined by more senior women each year.”

*\*The Group of 7 (G7) is a forum of the world’s seven most industrialised economies. The G7 consists of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. The European Union is also represented within the G7.*