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WOMEN LEADERS: THE FACTS AND
FIGURES

HOW ARE WE DOING? NORDIC
BOSSES GIVE THEIR VIEWS

BOOK REVIEW: CONQUERING THE
MOUNTAIN WITHIN

HOW CAN WE GET
MORE
WOMEN
EXECUTIVES?





Magnus Tegborg

For all the talk of 'male' and 'female' leadership styles, I believe that the best leaders are those who, regardless of gender, combine both 'female' and 'male' leadership traits. But the more gender diversity we have on boards and in management generally, the more likely we are to create the kind of hybrid leaders that organisations need.

I personally am not in favour of gender quotas, either on boards or for any other role. They might be a way of promoting a lot of women very quickly, but there are many associated risks. For example, being known as someone who has been promoted because of the quota process does little for an individual's self-confidence.

Instead, leaders and influencers must strive to build cultures that are 'gender neutral' – where women and men are treated equally and where the need to put families first goes without saying. The more male and female leaders who can role-model such behaviour, the more quickly change will come about.

In Alumni and Harvey Nash, diversity has been the natural result of overcoming inherent biases and ensuring that we appoint the right person for the job. The results speak for themselves. Four out of five of our country managers are women, our three managing directors in Sweden are women and six of our eight first-line managers in Sweden are women.

As executive search consultants we also have a responsibility to support the promotion of women among our clients. We ensure there is always a mix of men and women on long- and shortlists, and we encourage clients to choose from a broader base of candidates than they have traditionally been wont to. Many talented women would remain undiscovered did we not seek to actively promote greater gender diversity.

As part of this, we have to see beyond the façade that many present at interview. It's a generalisation, of course, but women tend to underplay their skills – even to themselves – and set themselves insufficiently stretching targets. Men, on the other hand, tend to be more competitive, bolder and embrace challenges that equally talented women don't think they are equal to.

Regarding a 45 - or 55-year-old as 'over the hill' bodes ill for women's progression into management and, ultimately, board positions

We also need to start looking at careers differently, and challenge the truism that what you don't do before you reach the age of 40 you will never do. This is an old-fashioned way of looking at a career – and one that conspires against women taking top jobs, because, despite considerable progress, women continue to take the lion's share of responsibility for childcare.

Her caring responsibilities should not arrest a woman's career. Organisations

should support women with families so that they can continue to be effective at work. Eventually, when women can shift their focus again, organisations should not view them as having lost career development time, but as having gained valuable life experience. Regarding a 45- or 55-year-old as 'over the hill' bodes ill for women's progression into management and, ultimately, board positions.

All of us – men, women, consultants and clients – have to find ways to sustain and accelerate the momentum that has already gathered. In time that is bound to lead to gender parity on boards and in leadership positions, because, after all, women make just as good (if not better) leaders as men do.

Magnus Tegborg is managing director of Alumni and Harvey Nash Nordic.



About Alumni

Alumni is the largest and most innovative consultancy within executive search and leadership services in the Nordic region. For more than 20 years we have been developing tools and services designed to strengthen the organisations and teams of our clients throughout the public and private sectors.

Through a service offering ranging from executive search and leadership services to high-level board advisory services, we support our clients' business success.

We have offices in Copenhagen, Gothenburg, Helsinki, Malmö, Oslo, Stockholm and Warsaw. Internationally we operate through our owner Harvey Nash Group, with more than 40 offices in Europe, the US and Asia.

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Where are the women?

Despite voluntary and legislative measures to redress the gender balance on company boards, women still account for just under 14 per cent of directors in Europe's largest listed companies.

Despite calls for action from the European Commission and European Parliament, and concrete steps in some Member States and individual businesses to accelerate change, men still significantly outnumber women in the boardrooms of the largest listed companies in the EU. Women make up 45 per cent of the total workforce and 56 per cent of the people in tertiary education, yet they occupy just 13.7 per cent of board seats in the largest publicly listed companies.

What's more, just 3.2 per cent of board chairs were women in January 2012, down from 3.4 per cent in 2010. If progress continues at the same pace as in recent years, it will take more than 40 years to achieve gender-balanced boards.

The problem is, as the recent 'Women in Economic Decision-Making in the EU: Progress Report' from the European Commission highlights, while some Member States have made great strides, others are still not addressing the issue.

Those governments and businesses that have responded have done so swiftly and impressively, introducing a range of both voluntary and legislative measures over the past 18 months.

And, according to the report, the legislative measures have resulted in the greatest progress, especially where they are accompanied by sanctions. This is most clearly demonstrated by the impact of the now well-established legislation in Norway, where there has been comprehensive compliance with a 40 per cent quota law passed in 2003. Progress has accelerated considerably in France too after the introduction of a quota law in 2011, which set targets of 20 per cent by 2014 and 40 per cent by 2017.

France, Italy, Belgium and Iceland now have fully-fledged quota legislation for company boards, with punitive sanctions. The Netherlands and Spain have introduced legal quotas, but without sanctions. Denmark recently introduced a 'flexi-quota' whereby public and listed companies have to set their own targets and monitor progress against them, with fines for failing to meet targets. Several other countries – Finland, Greece, Austria and Slovenia – have prescribed gender requirements specifically for boards in state-controlled companies.

Elsewhere, a wide range of voluntary initiatives and tools have been introduced. In the UK, the Davies Report, published in February 2011, recommended that FTSE-100 companies should aim for at least 25 per cent female board member representation by 2015. According to the International Centre for Women Leaders at Cranfield School of Management,

women now make up 14.2 per cent of FTSE-100 directors, up from 12.5 per cent in 2010.

In Austria, Belgium, Denmark, Finland, France, Germany, Luxembourg, the Netherlands, Poland, Spain, Sweden and the UK, board gender diversity is encouraged by national corporate governance codes. Denmark revised its code in 2011 to encourage companies to set targets for more female managers, and amendments planned for the Austrian code this year are designed to increase the proportion of women on both executive and supervisory boards.

But while women make up one-quarter of board representation in Finland, Latvia and Sweden, and just over one-fifth in France, in Ireland, Greece, Estonia, Italy, Portugal, Luxembourg and Hungary they account for just one in ten board members, in Cyprus less than one in 20, and only around one in 30 in Malta.

And while the overall proportion of women on boards increased by 1.9 percentage points between October 2010 and January 2012 – an extra 1.5 women per board per year, which is above the long-term average of 0.6 people per year – that picture is distorted by France's progress. Here

female representation rose ten percentage points, from 12.3 per cent to 22.3 per cent over the period.

This discouraging picture is replicated around the world. Only the US performs better than Europe – with 15.7 per cent female representation on boards. In Australia the figure is 11 per cent and in Canada ten per cent, and Japan languishes at the bottom of the index with less than one per cent.

Also, most of the progress in Europe has been made on the non-executive front – a relatively easy nut to crack.

Ruth Sealy, senior research fellow and deputy director of the International Centre for Women Leaders, says: "There is a pipeline of women ready and available to take non-executive positions: all it takes to boost their numbers is the will from the chairman and chief executive. Building a bigger cadre of executive women, however, is a longer-term issue, given the still considerable barriers to their progress."

Building a bigger cadre of executive women is a long-term issue, given the still considerable barriers to their progress



The times they are a'changin'

Executive gender parity in the Nordics is improving, albeit slowly. AQ asked two senior women and one senior man about it.



Kristin Skogen Lund
EVP, Digital Services and
Broadcast, Telenor Group, Norway

‘There really is nothing stopping women, other than what’s in their heads,’

The number of female executives is growing very slowly, both at the top and further down the organisation, despite the legal quotas we have had in Norway for several years. And there is a dramatic difference between the public and private sectors. In the public sector women make up over half the managers. Of our seven political parties, five are led by women, and the cabinet is made up of 50 per cent women. In the private sector, however, women account for less than 20 per cent of top executives, and in listed companies it is even less – under five per cent.

Twenty-five to 30 years ago when these women made their career choices they may have been more attracted to ‘values-oriented’ professions such as healthcare and education. Also, the public sector was (and, to a large extent, still is) perceived to be more secure, flexible, family-friendly and less competitive than the private sector. But then again, the problem isn’t over at the point when women reach the top of private sector businesses: Telenor has had some very senior and high-profile female managers in the past, but they left. For a while I was the only woman on the executive management team, though we now have two more. Also, two of the chief executives of Telenor’s 12 business units globally are women.

Public pressure has been a factor in the change, not least because we are 53 per cent owned by the government. But there is also a genuine will and

desire to have more executive women in private companies in Norway. It is seen as a business issue and the most vocal proponents are men. What holds things back is the small candidate pool. We need a healthier pipeline of good and willing women to feed it.

The work environment at Telenor is very encouraging of women: it allows flexible working, it is taken for granted that men and women have obligations outside work that often have to take priority, and old-fashioned notions like staying in the office until the boss has gone home are long gone. We also have a mentoring scheme aimed at getting more women to want to take on these top jobs and to want to give what it takes. There really is nothing stopping them, other than what’s in their heads.

I think the thing that needs to change is people’s personal lives. Even in a very modern country like Norway, women still take far more responsibility for the home, for the children, for sick parents and so on, and they are also expected to work. So they have a very tough twin role.

I have only managed with the help of an extremely supportive husband. He has his own very successful career, but he takes far more responsibility for things at home than I do and when I have had to make difficult decisions over whether to take on more responsibility, he has always encouraged me. So we make those choices together, and there are no cat fights about the fall-out. Without him I wouldn’t have had the guts to do it.



Sweden hasn’t introduced legal quotas on gender parity, but I don’t think they are ideal – for men, women or organisations. They would be a short-term ‘fix’ – they would bring about rapid and dramatic change – but there could be unintended negative consequences too, not least putting pressure on women to take on more responsibility before they are ready, which could lead to failure, and an inevitable backlash.

Also, quotas only address the problem at the very top level in the organisation, when what we really need is organisation-wide culture change.

SEB has a female president and CEO, Annika Falkengren, who is a great role model. Even so, we all work tirelessly at getting diversity throughout the organisation, and have to keep reminding ourselves why it is so important and what we need to do to find, keep and promote good women. We are much better at it than we used to be, but we are by no means perfect.

Why this doesn’t come more naturally, even at an enlightened organisation like SEB, is the \$10,000 question. We know we should be better, so why aren’t we? Some of the factors are men being more accustomed to working with men, men feeling more comfortable communicating with men, the prevalence of male-oriented networks, and men’s sense that when they appoint a man they know what they’re getting rather than taking a recruitment ‘risk’.

aging – but not fast enough

n and one senior man from three different countries how they think change could be accelerated.

Mats Torstendahl

Executive Vice-President, Head of Retail Banking, SEB, Sweden

‘To do a very senior job successfully, you have to make sacrifices. You can’t have it all,’

It’s true that women tend to undersell their skills, while men tend to oversell theirs. But women should definitely not try to behave more like men. They need to be exactly who they are, or organisations miss out on the very diversity that they need. The onus is on the recruiter to see beyond the façade to each candidate’s intrinsic ability.

Nevertheless, I think there is a fundamental contradiction between the desire for a top management post and the desire for more freedom and flexibility, less responsibility and so on. You have to travel, entertain and work extraordinarily long hours. It goes with the territory. To do a very senior job successfully, whether you are a man or a woman, you have to make sacrifices. You can’t have it all.

But many women are not prepared to make those sacrifices, which is why so many leave. Research suggests that women are every bit as ambitious as men, but I believe that women reflect more than men about what is important in life, and make conscious choices accordingly. That fundamental contradiction is at the root of the problem, and business has to find a way of squaring that circle. If it doesn’t, it will have failed to keep up with important societal shifts too. These days I think both men and women are more interested in self-fulfilment than they were 25 years ago. The prospect of climbing onto and staying on the corporate treadmill is less and less appealing to more and more people.



Jaana Tuominen

CEO Paulig Group, Finland

‘Women need to take top jobs and change perceptions of leadership through demonstrating that there is another way,’

We need more heterogeneity within organisations generally, and gender parity is part of that. We are definitely moving in the right direction, but not at the pace that everyone might like, and certainly more slowly than I would have expected.

I’ve never personally been aware of any specific gender barriers. I had the right qualifications, I’ve always been very enthusiastic and I’ve never been afraid of a challenge. But you also need a good boss who trusts you enough to ask you if you will take something on. And part of that is about making yourself visible.

The problem is that our role models are principally round-the-clock-working men who admit they wish they had spent more time with their children. It doesn’t have to be like that. I leave the office first so that everyone else feels they can leave. I have a family and friends and a life outside work. Women need to take top jobs and change perceptions of leadership through demonstrating that there is another way.

But you also have to be disciplined about not taking on too much. For example, I am very selective about the non-executive positions I accept. You don’t have to do all the networking and socialising that many assume is an essential part of the job either.

Finland does not have legal quotas, but often the threat of quotas is in itself sufficient catalyst for change. But quotas are not sufficient on their own to fill the pipeline of strong women, which is

where the biggest problem lies.

A good HR policy that focuses on talent, potential and track record, rather than which university you went to or club you belong to, is very important. You have to build in diverse thinking at every stage of the recruitment process. How often does Alumni put women on shortlists, for example, and how many women? Executive search consultants are as guilty as anyone of perpetuating the gender imbalance – and part of the problem is that they don’t have many women headhunters themselves.

I’m guardedly optimistic about change. The climate is very positive – at both company and country level. At Paulig Group we always start our recruitment processes with an individual rather than gender focus, and Finland makes good provision for both maternity and paternity leave. But without mandatory quotas gender parity will be a long time coming, because most men still feel uncomfortable in the role of house-husband and because fathers tend to earn more money than mothers.

However, things will have to change, because the dearth of female executives is already damaging business, and as demographic shifts make good people increasingly hard to find, the damage will get worse. Women – and men – need to feel they can work in an environment where they can be themselves and do the best job they possibly can. That’s in everyone’s interests – men, women, the organisation and the country.

Learning to see the barriers

Cultural obstacles to gender parity on boards are much more difficult to overcome than the structural ones, underpinned as these are by beliefs and values that are often unconscious.

Progress towards greater female representation on company boards remains frustratingly slow, despite the incontrovertible business case and the huge will of both organisations and governments to improve the situation. Women and men start their careers in more or less equal numbers, but the ratio of women to men dwindles the higher up the corporate ladder you go. This happens, according to Bain and Company, because of two significant corporate 'blind spots' – motherhood and poorly implemented gender-parity initiatives.

But behind these two blind spots lie a complex array of structural and cultural barriers to women's progress. Structural issues, such as policies and work practices, should, in theory, be relatively easy to tackle – but they are underpinned by cultural issues, including beliefs, stereotypes and values, which are more insidious because they are often unconscious.

It's interesting, for example, to note men and women's very different perceptions about gender diversity. McKinsey's 'Women Matter 2012' survey, published in March, showed that while 64 per cent of women strongly agree that gender diversity is an important driver of company performance, only 40 per cent of men feel the same way. Likewise, just 25 per cent of women believe that their CEO is committed to gender diversity, compared with 40 per cent of men. And 65 per cent of men believe that the evaluation system in their company treats men and women equally, compared to only 30 per cent of women.

And Ruth Sealy, senior research fellow and deputy director of the International Centre for Women Leaders at Cranfield School of Management, says that despite widespread flexible working policies, flexible working is still perceived as "a mummy thing" and, largely, career death." Cranfield research shows that as many men work flexibly as women do, but whereas women do so contractually, men do it unofficially.

"Unless we get senior men working flexibly officially, things won't change," she says.

Norway is in the vanguard. The country's 'father quota'

obliges men to take three months' paternity leave. The right to take the leave was introduced in the 1970s, but only four per cent of men took it up, so the government mandated it in the 1990s. "It has transformed the notion of parenting in Norwegian companies," says Sealy.

A survey from Bain and Chief Executive Women in Australia last year found that while women are just as ambitious as men, two big issues hold them back. One is

the perception about the challenges associated with competing work-life priorities; the other is the fact that women's leadership style (they collaborate more) is less valued than men's (who promote their point of view more directly). Men prefer working with people whose style is similar to their own, and even women themselves tend to undersell their experience and capabilities.

Creating environments that value and promote a spectrum of styles and create flexible working options for both men and women requires systemic change and strong leadership from the top. Organisations can take a number of steps to this end. From the companies that have increased diversity, McKinsey has identified a number of factors that stand out as having the biggest impact.

- Visible monitoring of gender-diversity programmes by the CEO and executive team.
- Flexible working conditions and locations.
- Programmes designed to reconcile work and family.
- Senior executives mentoring junior women.
- Programmes encouraging female networking and role models.
- Measuring executives against specified gender-diversity indicators.

Awareness among CEOs and senior executives of the barriers to gender balance, and commitment to systematically removing them, gets organisations a long way down the path. But, as the European Commission's recent 'Women in Economic Decision-

Making in the EU: Progress Report' suggests, fundamental whole-scale change may only come about as a result of mandatory quotas. Some female appointments may be seen as – and may even be – tokenism, but is that any worse than men being appointed on the strength of being in the right male networks, as so many still are?



“Flexible working is still perceived as ‘a mummy thing’ and, largely, career death,”

Climb every mountain?

The lessons Herta von Stiegel draws from her charity assault on Mount Kilimanjaro make compelling reading. Perhaps the biggest of all is that the journey itself is more important than reaching the summit.

In July 2008 global business executive Herta von Stiegel led a group of 28 multinational climbers, seven of them disabled, to the top of Mount Kilimanjaro for charity. Against incredible odds, 60 per cent of the group made it to the summit – a feat all the more remarkable given that only 35 per cent of climbers typically achieve it.

The Mountain Within – also the title of von Stiegel's award-winning documentary – tells the emotionally charged story not just of the week-long climb itself, but also of the difficult months and years of preparation leading up to it. Von Stiegel first clapped eyes on the mountain that was to haunt her for the next 13 years in 1995. On safari with her husband she set herself what she thought was the simple goal of conquering it to celebrate her fortieth birthday two years later.

"Of course," she recalls, "it wasn't so simple. Identifying a vision and realizing you have a calling are just the initial steps of a long journey." She was defeated on that occasion – by bad weather and bad organisation. But she was determined to succeed one day, and the 13-year preparation was, in reality, the bigger mountain she had to scale – 'the mountain within'.

The parallels with business are obvious, but von Stiegel, the consummate business woman, draws the two worlds skilfully together. You're with her (nearly) every painful step of the physical and metaphorical climb, willing her to succeed, and at the same time identifying with the leadership lessons such an experience teaches you. Those lessons will be familiar to most business folk: prepare ruthlessly, use failure as a stepping stone to success, hang on to your vision, and know when it's time to come down from the mountain. But von Stiegel makes them seem more tangible, more meaningful, because of the way she relates them through the very physical experience of the climb.

Where the book jars a little is in the author's assumption that everyone is – or should be – quite as driven and obsessive as she is. Her fear of failure stems from her background as an ethnic German in Communist Romania – she and her family escaped poverty and the secret police when they emigrated to America. She saw academic achievement as a way out of the family's difficulties: she would get up at 5am to complete her schoolwork to the highest possible standard, even if it meant plunging her feet in cold water to keep her awake.

She talks with relish of the enormous bonuses she earned at companies such as AIG – bonuses that most

business people would find difficult to relate to. And few will empathise with "the significant financial setback" she experienced as a result of losing "part of my deferred bonuses as a result of the AIG meltdown."

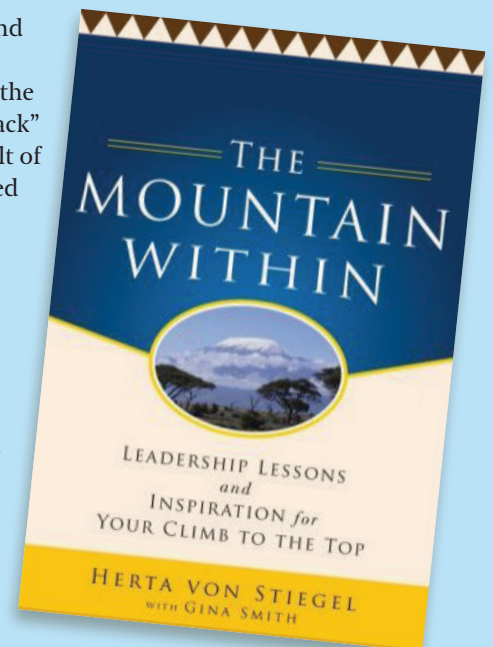
On her first attempt at Kilimanjaro she recalls: "The beautiful surroundings reminded me how much more there is to the world than money and business and climbing the corporate ladder. No one cared about my title or bonus on this mountain." Well, duh, as Homer Simpson might say.

Nor does she make any secret of her political or religious persuasions. Meeting former UK Conservative Prime Minister Margaret Thatcher is "a privilege," while in a gratuitously unpleasant sideswipe she dismisses Gordon Brown, the more recent UK Labour Prime Minister, as "unpopular." And the book is peppered with references to 'prayers' and 'faith'.

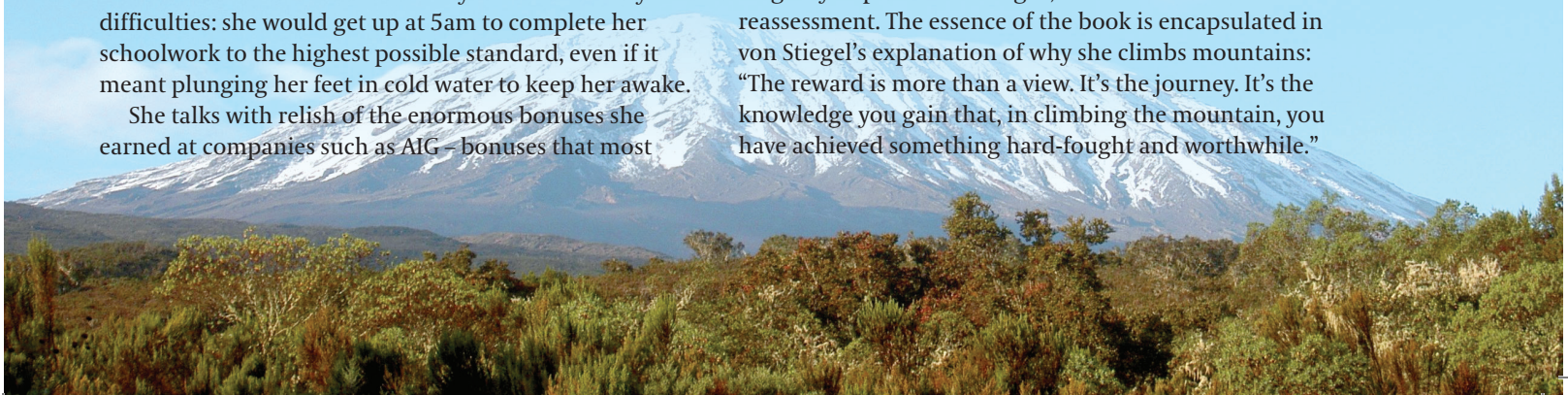
Some of her leadership lessons are unoriginal – "the quality of your team... will, in the end, determine your success." Some are also a bit preachy. For example: "It's not all about you. It really isn't," and "You may learn... that when you are engaged in giving back to the community in a way that doesn't appear to benefit you directly, you are at your happiest."

What's more, the conversations with leadership luminaries ranging from Nobel Peace Prize winner Al Gore to former Playboy boss Christie Hefner, which punctuate the book, don't add very much.

Yet, for all that, *The Mountain Within* is a cracking read, packed with observations on business and life that do give you pause for thought, for reflection and for reassessment. The essence of the book is encapsulated in von Stiegel's explanation of why she climbs mountains: "The reward is more than a view. It's the journey. It's the knowledge you gain that, in climbing the mountain, you have achieved something hard-fought and worthwhile."



"You're with her (nearly) every painful step of the physical and metaphorical climb,"



Inspiring connections

The Inspire board network allows top women leaders from around the world to connect, share experiences and learn from each other, explains Ulrica Falkenberg Markeborn.

Organisations need a diverse group of leaders, particularly at board level, in order to avoid tunnel vision, 'group-think' and nepotism. There is a healthy debate these days about how the composition of boards should reflect different competencies and experience, and the subject of gender balance has risen up corporate and political agendas.

Over recent years Europe has embarked on a number of initiatives designed to redress the gender balance in boardrooms. Norway was the first to legislate, in 2003, making 40 per cent female representation on boards mandatory by 2007, and many other countries have introduced or are planning to introduce either legal quotas or voluntary guidelines.

But the growing demand from business for a more even distribution of men and women on boards puts pressure on a system that has been poor at developing

To grow the candidate pool, companies are increasingly looking across country borders

women who are not just able, but, more critically, willing to take on top jobs. The dearth of suitable female candidates has led to the so-called 'golden skirt' phenomenon – a group of women who hold multiple directorships. To grow the candidate pool, companies are increasingly looking across country borders.

Networking increases diversity

Alumni Nordic, like our parent company Harvey Nash, is starting to play a more proactive role in increasing board diversity. In executive search assignments and board recruitments across our international businesses we are challenging our clients to promote more women into top positions. Our strength lies in the knowledge we have gained primarily through our wide network of business leaders, and we augment this knowledge through thought leadership studies such as the recent 'The Return on Diversity – a study of diversity in the boardroom 2012'.

This knowledge, combined with our experience of board evaluations, allows us to help companies to understand their current situation and improve their diversity.

We are now taking things one step further, with the introduction to the Nordics of the international board network 'Inspire'. An initiative launched by Harvey Nash in the UK, Inspire has already proved to be a valuable forum for top women business leaders in the UK and the US where, as an integrated part of the Harvey Nash

business, it has run board events since 2008. The Inspire board network provides a secure and informal environment within which senior business women from the private, public and not-for-profit sectors can exchange ideas, knowledge and experiences with their peers.

Inspire – a global board network

Inspire has nearly a thousand members in the UK and more than a thousand in the US. Branches are now being established in places like Hong Kong and Sydney, as well as in the Nordics and Central Europe.

We are aiming to recruit between 200 and 400 members in the Nordics and Central Europe, and we hope that a large proportion of these will attend our inaugural event, which will take place in Stockholm towards the end of the year. Subsequent events (we expect to run two every year within the region) will be held in different locations across the Nordics and Central Europe. Members from all over the world will also be invited – just as our regional members will be invited to events in other countries.

Ulrica Falkenberg Markeborn is lead consultant, Inspire, Alumni.

** To learn more about Inspire, please visit www.haveynash.com/inspire or contact the author: ulrica.markeborn@alumniglobal.com*

inspire
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