

20-first's 2011

GLOBAL GENDER BALANCE SCORECARD

Where the World's Top Companies Stand

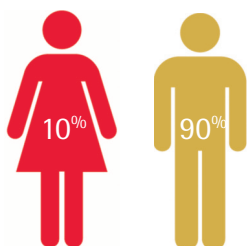
THIRD ANNUAL SURVEY

November 2011

THE CORE METRIC

Every year, the 20-first Global Gender Balance Scorecard looks at a single measure of progress: the gender balance of the Executive Committee of the TOP 100 companies in three key regions of the globe.

Executive Committee Members Globally



A growing number of studies, from McKinsey, Catalyst and a range of universities show the correlation between gender balance in leadership and improved corporate performance. The complementary skills and styles of men and women have a positive impact on business. Not surprising, when most of the educated talent in the world and a majority of the consumer market is female.

Today, more and more companies are waking up to this 21st century reality and have begun to make gender balance in leadership a strategy priority. Let's take a look at what the top companies around the world have achieved to date.

THE GENDER JOURNEY



So... the good news first. Almost all of the world's top companies have embraced the idea that corporate governance through all-male boards is a thing of the past.

That is to be celebrated. Our 2011 survey finds that 74% of companies in the US and 68% in Europe now have at least two women at board level, as many have progressed beyond the token 'one'.

However, as we have long argued, boards are not the best metric for evaluating the actual gender balance inside companies. Executive Committees are a much better indicator of corporate progress in managing and developing talent in a truly meritocratic and gender 'bilingual' way.

Our survey shows that companies have done the easy part- appointing non-executive female directors to their boards. The next phase is to actually develop executive talent from within. And there the data reveals a slightly different story. Globally, 90% of Executive Committee positions in our survey sample are filled by men, with only 10% filled by women.

Our 2011 Global Gender Balance Scorecard evaluates where companies are on their gender journeys by focusing on the core metric of the balance between men and women on the executive team actually running the business.

The scorecard segments companies into one of 6 categories, from Asleep to Balanced. There are few companies who have reached the end of the spectrum, so most are somewhere on the journey to more 21st century forms of leadership and more accurate reflections of their customers.

Avivah Wittenberg-Cox

PROGRESSING BEYOND TOKENISM

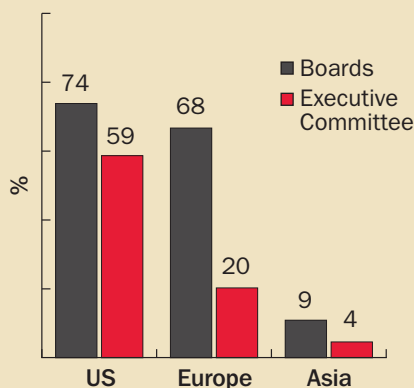
Last year we looked at the companies who had been able to get at least one woman on their Boards and Executive Committees. This year we decided to up the ante and look at what percentage of companies had been able to get at least two women on their top team in each region.

Interestingly, today the US and Europe are almost at par in getting women on Boards. 74% of companies in the US have at least two women on their Board; 68% of European companies do. However, the picture looks quite different when it comes to the Executive Committee numbers in these two regions. A clear majority of US companies have at least two women on their Executive Committee, with (59%). Europe is far behind with only (20%).

The focus on government quotas on corporate boards in several European countries (Norway, Spain, France, Italy and the Netherlands to date, with heated discussions in the UK and Germany) may have taken the pressure off the crucial roles in operational leadership at the Executive Committee level for European companies. It's critical to ensure that there is not an unintended consequence of plucking a generation of European female leaders from hands-on operational jobs to fill the Board positions that are in today's media spotlight.

Turning to Asia, the region continues to lag far behind, with only 9% of companies with at least two women on their Board and a mere 4% of companies with at least two women on their Executive Committee. Despite a strong tradition of women in management in many countries in the region, the largest Asian companies are still struggling to get significant numbers of women in top positions.

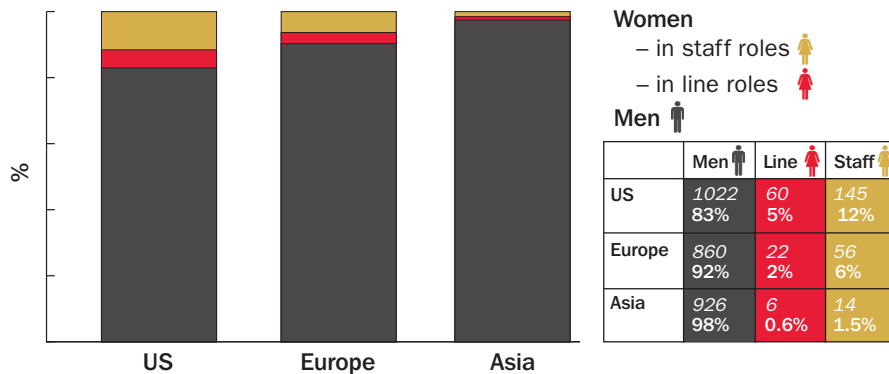
% of Companies with at least 2 women on their Board or Executive Committee



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EXECUTIVE COMMITTEE MEMBERS OF EACH REGION'S TOP 100 COMPANIES



KEY FINDINGS

- US Leads.** As we saw on the first page, the US leads the way with 59% of companies having at least two women on their Executive Committees. However, upon closer inspection the picture is not quite so rosy. Of the 1,227 Executive Committee members of America's Top 100 companies, only 205 (or 17%) are women and 1022 (or 83%) are men. The majority of these female Executive Committee members are in staff or support positions (145, or 12% of total) such as HR, Communications or Legal, whereas only 60 women (or 5% of total) are in line or operational roles.
- Europe Struggles.** With only 20% of companies having at least two women on their Executive Committees, the overall picture shows that European companies are still struggling to make progress in gender balancing their top teams. Of the 938 Executive Committee members of Europe's Top 100 companies, only 78 (or 8%) are women and 860 (or 92%) are men. Again most of these women (56, or 6% of total) are in staff or support roles. Only 22 women (or 2% of total) are in line or operational roles.
- Asia Lags.** With only 4% of companies having at least two women on their Executive Committee, the overall picture is one of significant imbalance. Indeed, compared to the 926 men (98%) on Executive Committees in Asia, there are only 14 women in staff roles (1.5% of total) and a mere 6 women in line or operational roles (0.6% of total).

WHY LOOK AT STAFF VS LINE?

Companies that only manage to promote women into leadership through staff roles demonstrate that they have not yet worked out how to gender balance their leadership development systems and their talent pipelines. We would assume this also has consequences on their ability to understand the gender opportunities in their markets and among their customers. This does not bode well for the future sustainability of the gender balance in these organizations.

Examples of staff or support roles include Communications, HR, Legal, IT, Strategy, Public Policy, etc. Examples of line or operational roles include CEO, CFO, Country Head, Business Unit Head, etc.

SURVEY METHODOLOGY

The data for this survey is based on publically available information provided by the top Fortune 100 companies in each region (United States, Europe and Asia) on their websites as of September 2011. The list of companies was drawn from the Fortune 500 Global rankings published in July 2011. When necessary, we confirmed details by telephone or e-mail. 11 companies in Asia were excluded because information on the Executive Committee was not provided. All percentages referred to in this document for Asia are based on the 89 companies retained.

The Executive Committee is defined as the group of executives who report directly to the CEO.

THE SIX PHASES

ASLEEP

Some companies haven't even started the journey; we put them in our 'Asleep' category. These companies are still, in 2011, run by an exclusively male team.

TOKEN

Many companies have appointed a 'Token' woman to the team, or sometimes two, but in any case less than 15% of the Executive Team. And in this category, she is in a staff or support function rather than a line or operational role. This is a key distinction for companies interested in creating sustainable and effective role models.

STARTING SMART

Next are the 'Starting Smart' companies. They also only have a single woman, or less than 15%, but she is in a central core or operational role, or is even CEO, and so offers a better role model to get companies started on the journey.

PROGRESSING

Moving right along, are companies that have progressed beyond a single representative of the female sex, and have achieved a male / female balance between 85/15 and 75/24. These companies are beginning to render visible at senior levels the investment they have made in building their talent pipelines over the previous decade.

CRITICAL MASS

These are companies that have achieved a male/female ratio of at least 75/25. This is the level at which the women on the team - and their views - are no longer seen as minority representatives, but as integral parts of the talent and executive pool.

BALANCED

Is for the extremely rare companies that have achieved gender balance, with a minimum 40% of either gender on the Executive Team. This is where the gender journey ends, and where balance at the top begins to reflect the reality of 21st century customers, leadership and talent and gives companies the competitive edge to innovate and deliver value sustainably and globally.

THE GENDER JOURNEY

	ASLEEP	TOKEN	STARTING SMART	PROGRESSING	CRITICAL MASS	BALANCED
Number of Companies	12	26	14	22	23	3
UNITED STATES						
	ASLEEP	TOKEN	STARTING SMART	PROGRESSING	CRITICAL MASS	BALANCED
Number of Companies	56	20	8	18	4	0
EUROPE						
	ASLEEP	TOKEN	STARTING SMART	PROGRESSING	CRITICAL MASS	BALANCED
Number of Companies	73	8	5	3	0	0
ASIA						

11 companies from Asia were excluded from the survey as information was unavailable.

20-first works with progressive companies around the world interested in optimizing both halves of the market and both halves of the talent pool – the male and female halves.

Avivah Wittenberg-Cox, ground-breaking author of HOW WOMEN MEAN BUSINESS (2010) and co-author of WHY WOMEN MEAN BUSINESS (2008), and a network of international experts work with CEOs, Executive Committees and managers to build 21st century gender ‘bilingual’ organisations.

WHY OUR APPROACH IS DIFFERENT

20-first innovates in the area of gender by focusing on leaders rather than on women. We seek to promote ‘gender balance’ (a balance of men and women) rather than ‘women in leadership’.

Gender balance is above all a business issue. In a constructive and optimistic way, 20-first helps companies unlock the market and talent potential – and reap the considerable economic benefits – that gender balance brings.

ROLL-OUT: HOW WE CAN HELP

Our experience has shown that companies need help at different levels of their organisation and at different stages of implementation.

Building buy-in among the leadership team is critical. So is the challenge of cascading a gender balance initiative across geographies, business lines and functions, and then to all managers and eventually, to all employees.

20-first has developed a suite of services to help companies design and implement a successful gender balance initiative – at every level, at every stage.

20first CONSULTING

- **Gender Quickscan** – Snapshot of how gender balanced your company and culture are today
- **Awareness Sessions** – WHY gender is a business opportunity and HOW to seize it

20first ON-LINE

- **Toolkits** – Everything that managers need to know about gender balance - at the click of a mouse
- **e-Learning Courses** – Cascading gender awareness to all the managers in your organisation

20first KNOWLEDGE

- **Train the Trainers** – Equipping your internal team to deliver 20-first Awareness Sessions
- **Content** – Specialised content integrated into your environment

CONTACTS

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