

2016 WHEN WOMEN THRIVE GLOBAL CONFERENCE OUR INSIGHTS



AMPLIFYING THE CONVERSATION

On June 1-2 2016, Mercer gathered more than 200 business and policy leaders for our 3rd annual When Women Thrive Conference. We discussed what matters most in moving the needle on advancing women in the workforce.

Here are the key insights and specific ways to address issues affecting roles, data, pay, wellness, recruitment, governance and involving men to drive business growth by engaging women.

“You have to aspire to greatness, but you have to be pragmatic and purposeful— set your internal targets and do the math .”



“Whatever diversity strategy you choose for your organization, develop a compelling point of view and be truly authentic.”

- **Pat Milligan**, Senior Partner, Mercer

BE A PART OF IT

- Learn more about our research: whenwomenthrive.net
- Participate in the survey. Participants get the full report and an opportunity to benchmark your company against our database of 600 organizations.
Get started: whenwomenthrive.net/survey
- Follow @WhenWomenThrive for the latest insights.

Have questions?

Get in touch: wwt@mercer.com

INSIGHTS FROM OUR SPEAKERS

“Not only are women leading change, they are leading transformational change. Women are making their mark by building cultures of innovation in their organizations—sustainable cultures of innovation.”



Pamela Carlton, Co-Founder, The Everest Project, and President, Springboard

“The only way to break the gender barriers down is to treat them like they are: a workforce issue and an economic issue.”



Julio Portalatin, President and Chief Executive Officer, Mercer

“It is remarkable how quickly managers get on board when the board and CEO send out a clear directive. Managers get motivated from passionate leaders.”



Rasmani Bhattacharya, Executive VP and General Counsel, Gates Corporation

“We are working right now on what we can do to take some of the high potential women in the organization at that sensitive time in their careers, and accommodate them.”



Kevin Lord, Senior Vice President and Chief Human Resources Officer, TEGNA

“I tell every hiring manager: own your slate of candidates. Ensure that the slate is diverse and that it includes those who are truly best-suited for the position, whether they raised their hands or not. This may mean proactively adding women.”



Mike Kaufmann, Chief Financial Officer, Cardinal Health

“Why is pay equity not as important on the proxy statements as CEO pay? That is a very easy thing to change. It is an important issue for shareholders in terms of increasing shareholder value.”

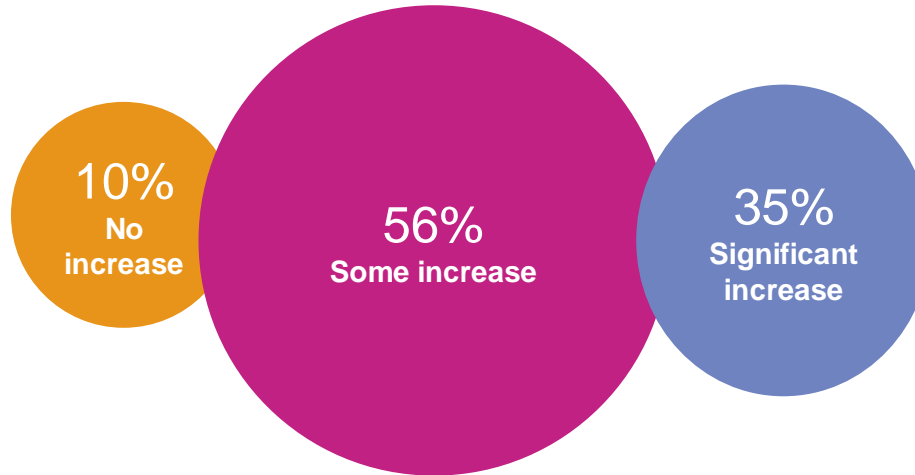


Elaine La Roche, Board Member, Marsh & McLennan Companies

FUTURE OF WORK: GLOBAL TALENT TRENDS

UNPRECEDENTED ERA OF TALENT SCARCITY

WHAT DOES YOUR ORGANIZATION ANTICIPATE WITH RESPECT TO THE COMPETITION FOR TALENT IN THE NEXT 12 MONTHS?



Source: Mercer Talent Trends Survey 2016



35% of core skills will change between 2015 and 2020



Skills instability will be high for all industries regardless of the employment outlook



Current stable jobs will require different skill sets in just a few years



Current roles are already hard to recruit for

Source: World Economic Forum: Future of Work and Jobs, 2016

YET WOMEN REMAIN AN UNDERUTILIZED RESOURCE

WHEN WOMEN THRIVE GLOBAL FINDINGS



Current hiring, promotion and retention rates are insufficient to create gender parity by 2025.



Increased focus on hiring and promoting women into executive ranks is not creating “pull-through” of next generation of leaders.



Organizations are failing to build and keep future pipelines of female talent.

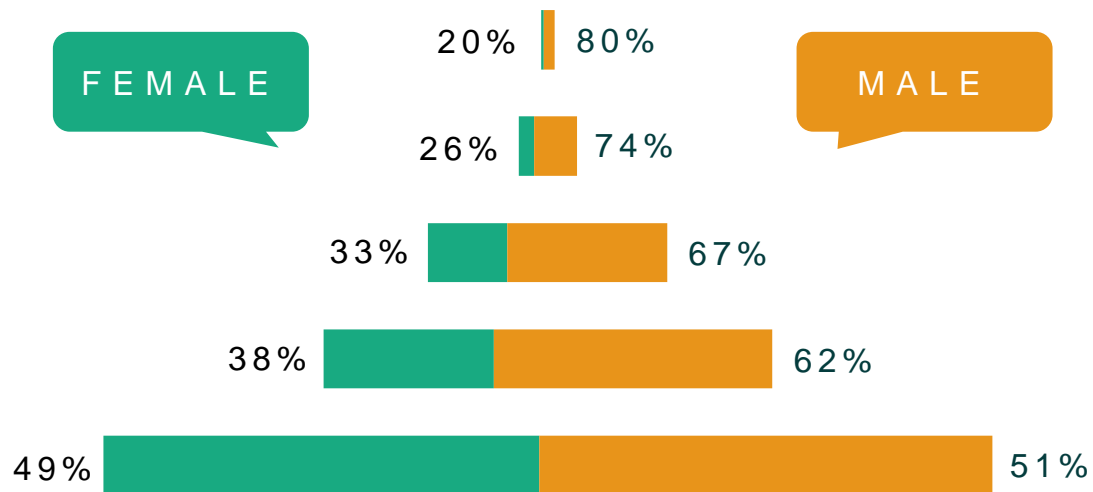
CAREER LEVEL

THE AVERAGE GLOBAL ORGANIZATION

Executives



Support staff



WHAT DOES IT TAKE TO KEEP WOMEN ACTIVE IN THE WORKFORCE?

CAREERS

Increase promotion rate and HR program support

FINANCIAL SECURITY

Address all stages of the lifecycle
Resolve pay inequities

HEALTH

Provide access to affordable healthcare
Recognize caregivers' needs
Implement gender-specific healthcare programs

BUSINESSES NEED
TO TAKE ACTION

THE TIME IS
NOW

BE DISRUPTIVE

MERCER'S 6Ps

BREAKING THROUGH INERTIA AND ADVANCING WOMEN IN THE WORKPLACE REQUIRES INDIVIDUAL AND ORGANIZATIONAL ACTION



INDIVIDUAL



ORGANIZATIONAL

What does
**WHEN WOMEN
THRIVE**
mean to you?

.....
 ARE YOUR LEADERS
PASSIONATE?

 IS ACHIEVING SUCCESS A
PERSONAL GOAL?

 DO YOU HAVE THE ADVOCATES,
CULTURE AND INFRASTRUCTURE
IN PLACE TO **PERSEVERE?**

.....
IS YOUR STRATEGY
ROOTED IN **PROOF?**

 ARE THE RIGHT **PROCESSES**
IN PLACE TO SUPPORT THE
STRATEGY?

 DOES YOUR COMPANY
OFFER THE RIGHT
PROGRAMS?

Passion: #RolesMatter

Build your talent pipeline from the bottom up

Our Roles Experts



Linda Chen
Principal, Talent
Linda.Chen@mercer.com



Leslie Mays
Partner, Talent
Leslie.Mays@mercer.com

WHAT WE ARE SEEING IN THE MARKET:

- How talent advances, develops and connects matters.
- The roles women are in and how they move through the talent pipeline key for diversity.
- Women are best represented at the support staff level, at roughly 50%. But rate drops to only 20% of women in executive roles.
- Analyzing social networks can uncover hidden roles and highlight how employees work to get work done, beyond organizational hierarchy. For example, in a recent case study, we observed high-performing women tend to be in more central roles than other women and high-performing men.

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Utilize data and analytics to understand current talent flows - rates of hire, promotion and exit.
- Identify, within their talent pipelines, areas of risk (e.g., bottlenecks and “choke points”), as well as opportunity (e.g., critical levels and/or roles that accelerate careers).
- Analyze the drivers of retention, promotion, and performance to develop “success profiles” and align what people SAY with what they actually DO.
- Track competencies and training history to ensure the right skills are being measured and the right developmental opportunities are being provided.

Women make up only 20% of the average participating organization’s workforce at the executive level.*

Personal: #MenMatter

Generate awareness and engagement on gender diversity's impact on financials and innovation

Our Men Matter Experts



Marcelo Modica
Senior Partner, Chief People Officer
Marcelo.Modica@mercer.com



Ilya Bonic
Senior Partner, President of Talent
Ilya.Bonic@mercer.com

WHAT WE ARE SEEING IN THE MARKET:

- Organizations in which male workers support D&I initiatives have higher female representation.
- Barriers undermining men's support for change include apathy, lack of awareness, and fear of other men's disapproval.
- Critical future job families like management and STEM have the lowest participation of women.
- Sponsorship programs are more effective than mentoring programs at getting women promoted. For sponsorship programs to succeed, they have to be institutionalized, not ad hoc, and men in leadership positions have to actively participate.

Only 38% organizations agree men are actively engaged in gender diversity efforts.*

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Build awareness of the impact gender diversity has on financials and innovation.
- Ensure transparency around their organization's workforce and engagement data — from overall gender representation across levels to yearly promotion and retention data by gender.
- Implement unconscious bias training linked to key talent decision points.
- Invite men to participate in these programs — not just the champions or leaders.
- Engage in dialogue around the specific road blocks and biases that exist in the organization.

Perseverance: #GovernanceMatters

Connect D&I strategies with those of the business and talent with measurable goals

Our Governance Experts



Deirdre Golden
Principal, Talent
Deirdre.Golden@mercer.com



Alina Polonskaia
Principal, D&I
Alina.Polonskaia@mercer.com



Fiona Webster
Principal,
Washington Resource Group
Fiona.Webster@mercer.com

WHAT WE ARE SEEING IN THE MARKET:

- Increasing regulatory pressure – quotas in some European, Asian countries; pay transparency initiatives in EU, United States.
- Increasing voluntary initiatives – companies pledge to raise women's representation due to benefits of diversity, investor pressure.
- Women on boards is main focus of regulations—promoting women into top jobs is key, but there is a lack of regulation throughout the pipeline.
- Parental leave policies– increase in availability globally, take-up by men still low when available.
- Risk management – Organizations protected from litigation by attorney-client privilege when examining diversity in the workforce. Knowing where gaps are will help reduce regulatory risk.

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Link their business, talent, and D&I strategies and clearly define measurable D&I goals.
- Cascade accountability to implement these goals from global leadership to business unit and regional management to middle managers to employees.
- Actively monitor the effectiveness of their D&I councils.
- Clearly define roles and responsibilities of key stakeholders' implementation of D&I strategies - business, HR, D&I, Legal, CSR, etc.

Only 24% of leading global organizations believe their Diversity and Inclusion governance is effective.*

Proof: #DataMatters

Implement an evidenced-based pay equity process, benchmark policies

Our Data Experts



Linda Chen
Principal, Talent
Linda.Chen@mercer.com



Carole Jackson
Principal, When Women Thrive
Carole.Jackson@mercer.com



Min Park
Principal, Talent
Min.Park@mercer.com

WHAT WE ARE SEEING IN THE MARKET:

- Gender diversity strategies are holistic, focusing on career engagement, as well as health and wellness.
- “Big Data” is allowing organizations to leverage statistical data alongside anecdotes (which play a role in validating data evidence) and to use predictive modeling to understand the key levers of how their talent develops and to forecast the future.
- Diversity is an outcome to be managed, like any other data-based goal
- Roles matter: in a recent case, employees in supervisory and sales roles were more likely to stay, be promoted, and perform well – but more men were represented in these roles.

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Conduct sophisticated internal labor market analysis.
- Project workforce representation over a 10-year period.
- Analyze total hires as well as promotion and retention talent flows across all levels.
- Build evidence-based business case and talent strategy to address targeted gaps.
- Benchmark their programs and policies.
- Prioritize proof and effectiveness of programs before implementing new or one-off benefits.

Only 10% of organizations have the ability to leverage predictive analytics.*

Process: #RecruitmentMatters

Leverage next-gen tools and predictive analytics
for bias-free hiring practices

WHAT WE ARE SEEING IN THE MARKET:

- Gender diversity is part of the employee value proposition and inaction can hurt employer branding and recruiting.
- A skills shortage is looming – employers expect that 35% of core skills needed will change between 2015 and 2020.**
- Cognitive profiling is at the forefront of hiring – women's competencies like relationship-building are increasingly important.***
- Using algorithms results in greater recruiting efficiencies and eliminates gender bias. Screen in more diverse talent and predict "best fit" candidates.***

52% of hiring managers say differentiating the right candidate is the most difficult part of the hiring process.*

Our Recruitment Experts



Leslie Mays
Partner, Talent
Leslie.Mays@mercer.com



Barb Marder
Senior Partner, Innovation Leader
Barbara.Marder@mercer.com

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Implement next-generation assessment tools and predictive analytics that support bias-free hiring practices.
- Value emotional and relational intelligence as much as financial and organizational acumen.
- Monitor metrics and effectiveness of their diversity and inclusion hiring practices.
- Expand the talent criteria spectrum to identify and attract non-traditional candidates.
- Commit to inclusion of diverse candidate slates as a fundamental part of the recruitment process.
- Invest in people managers training to improve hiring and recruitment procedures.

Process: #PayMatters

Assess pay equity at least annually using a robust statistical approach

WHAT WE ARE SEEING IN THE MARKET:

- Pay equity drives diversity and is one of the key levers organizations can pull to increase inclusion.
- New reporting requirements and initiatives have been introduced in US and UK.
- Activist investors are driving transparency on pay, along with competitors—it's becoming part of an organization's value proposition.
- Relying on salary history/negotiation to set pay can lead to inequities as women move through the pipeline.
- Taking a leave of absence often negatively impacts pay and promotion, and can have ramifications for years after the leave (women take more leaves, primarily due to caregiving).
- How you communicate your pay equity process can determine how successful your efforts are.

Only 35% of organizations report having a pay-equity-analysis process built on a statistical approach.*

Our Pay Equity Experts



Gail Greenfield
Principal, Talent
Gail.Greenfield@mercer.com



Brian Levine
PhD, Partner, Talent
Brian.Levine@mercer.com

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Establish a team that is responsible for assessing pay equity and implementing formal remediation process.
- Assess pay equity on a regular basis—at least annually—using a robust statistical approach such as multiple regression.
- Group employees into meaningful pools for comparison purposes—not too narrow and not too broad.
- Integrate a remediation process into the year-end compensation process.
- Correct practices that drive inequities—e.g., reliance on salary history/expectation and negotiation in setting pay for new hires.
- Consider bias more broadly than just pay—e.g., evaluating equity in performance evaluation processes and career opportunities.
- Communicate to internal and external constituents on their efforts to drive pay equity and differentiate themselves in the talent and investor markets.

Programs: #WellnessMatters

Conduct regular analysis of benefit data to understand behaviors, opportunities

Our Wellness Experts



Angela Berg
Partner, Communication
Angela.Berg@mercer.com



Gillian Printon
Sr Partner, Health & Benefits
Gillian.Printon@mercer.com



Renya Spak
Partner, Health Innovation
Renya.Spak@mercer.com

WHAT WE ARE SEEING IN THE MARKET:

- Physical and financial wellness are closely related. Financial stress has significant effects on health and results in lost productivity and can lead to time away from the workforce.**
- Women have more chronic conditions, receive and provide more care than men.
- Women have to do more with less: they make 80% of healthcare purchases, earn 24% less and have lower savings, and longer life expectancy than men.***
- Women spend an average of 12 years out of the workforce for caregiving (in the US).
- Health and financial wellness needs change with age and career steps, can be clustered using data analytics.

WHAT WE ARE SEEING LEADING COMPANIES DO:

- Understand and appreciate the unique relationship of women as consumer, patient, and caretaker.
- Inventory the health and financial benefit offerings and programs available that support women and their families.
- Conduct regular analysis of benefit data and claims to understand or target certain at-risk conditions and behaviors of employees.
- Target engagement efforts to address specific health and financial needs of women.
- Implement new and innovative health and financial wellness products to support wellness.

Only 22% of organizations identify gender-specific health and retirement needs.*

FOR REAL CHANGE, ADDRESS THE WHOLE SYSTEM

KNOW FEMALE JOB FAMILIES IN PATH OF DESTRUCTION

FOCUS ON CULTURE & SOCIETAL NORMS – THEY TRUMP LEGISLATION

FIND LEADERS (MEN & WOMEN) TO MANAGE DISRUPTION

EXPLORE YOUR ORGANIZATION'S UNCONSCIOUS & CONSCIOUS BIASES

PREPARE WOMEN TO HAVE SKILLS & EXPERIENCES FOR TOMORROW'S HIGH DEMAND JOBS

MERCER CAN HELP

GET RESULTS FROM YOUR GENDER DIVERSITY STRATEGY

INNOVATION AND GROWTH

ALIGN YOUR GENDER DIVERSITY EFFORTS WITH YOUR BUSINESS STRATEGY

DIAGNOSTICS

ANALYZE AND UNDERSTAND YOUR DATA TO PINPOINT STRENGTHS, GAPS AND OPPORTUNITIES

PLANNING FOR SUCCESS

DEVELOP HOLISTIC SOLUTIONS AND STRATEGIES THAT IMPROVE ATTRACTION, RETENTION, DEVELOPMENT AND ADVANCEMENT OF WOMEN

MEASUREMENT AND IMPACT

IDENTIFY KEY MEASURES, TRACK PROGRESS AND EVALUATE RESULTS

CONTACTS

NORTH AMERICA

Pam Jeffords, Partner
pam.jeffords@mercer.com
+1 303 376 5838

EUROPE

Mandy Schreuder, Principal
mandy.schreuder@mercer.com
+33 155 213 649

ASIA, MIDDLE EAST & AFRICA

Susan Haberman, Senior Partner
susan.haberman@mercer.com
+1 312 917 9610

LATIN AMERICA

Ana Maria Weisz, Principal
anamaria.weisz@mercer.com
+54 11 4000 0942

HEALTH WEALTH CAREER

2016 WHEN WOMEN THRIVE GLOBAL CONFERENCE



MAKE TOMORROW, TODAY  MERCER