

A Wake-Up Call for Female Leadership in Europe

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The higher the share of women as a proportion of total hours worked, the better their chances of promotion to leadership positions. The study “A Wake-Up Call for Female Leadership in Europe” conducted by McKinsey provides evidence of this for the first time. It is based on analyses in 23 European countries.

Total working hours is defined as the total of all the hours worked by the population over a specific time period. The study showed that more leadership positions are filled by women only when women account for a higher share of total working hours, using the example of Norway. Women account for 43 percent of total hours worked in Norway, and accordingly occupy one in three top management positions – the highest of all the countries analyzed. Germany’s results were no match to this when compared with Europe. Women make up only 38 percent of total hours worked in Germany – and occupy only one leadership position in ten.

How can the percentage of women in overall working hours be increased? The McKinsey study highlights three factors in particular. The first is more flexible working arrangements for men and women. More day care facilities should be also provided for children. The third is that ensuring targeted talent management for women should be a top management responsibility.

It is important that flexible work models are not restricted to offering staff part-time work. This can actually be a career killer for women over the long term if only female staff take advantage of these opportunities. Companies often do not consider women who work part time full-fledged staff, and do not take them into account for vacant leadership positions as a result. Bulgaria is a good example of how these circumstances are interlinked. In Bulgaria, men and women generally work the same hours. Overall, 21 percent of senior leadership positions in Bulgaria are held by women – almost double the figure for Germany. If an increasing number of men also take up part-time positions, the working hours of men and women automatically begin to balance out – a key prerequisite for equal promotion opportunities.

Flexible working arrangements therefore mean offering both men and women a wide variety of career paths, and providing targeted support. One aspect is that parents require more independence in shaping their daily working hours, and greater freedom in deciding where they work: four days in the office, for example, and one day at home. Attractive work models should also make it easier to return to work after maternity or paternity leave. It is crucial that parental leave and phases of part-time work are possible, but staff should not remain in them on a permanent basis.

Better child care opportunities are a prerequisite for increasing the share of women in the workforce. Children still represent a career risk for women. Women who pursue a career also pay a higher price for this than men. The study revealed that 54 percent of the women in leadership positions surveyed had no children (compared to only 29 percent of the men), and 33 percent were single (versus 18 percent of the men).

The potential of many highly qualified women remains untapped because there are too few nursery school places in several countries (e.g., Germany) leaving these mothers with no

alternative but to stay at home to look after their children. This is a scandal from both an economic as well as a sociopolitical perspective, because the demand for specialists and managers in Europe is spiraling. In Germany alone, the demand for graduates from colleges of higher education and universities will rise by two million by 2020. This increase will be impossible to cover if the share of women in the workforce does not rise proportionally/overproportionally. Lack of diversity is also a competitive disadvantage for companies. The McKinsey study "Women Matter" analyzed 89 listed European corporations, and proved that companies with a higher share of women on the relevant decision-making committees achieved better operational results and higher growth in shareholder value.

Business still does not make sufficient effort to attract and develop female talent. Managing female talent should be a top-management priority. The board itself should set specific targets for increasing the share of female hires, for example. Regularly announcing current figures can also help to drive corporate cultural change. Objective and transparent promotion criteria as well as mentoring and coaching programs on all leadership levels also make a vital contribution.

Increasing the share of women in the key decision-making committees of the economy is not just a question of justice. For Germany – as for Europe as a whole – this is an integral component of remaining competitive. In view of the demographic transformation underway in Europe, no country can afford to do without its highly qualified women long term.