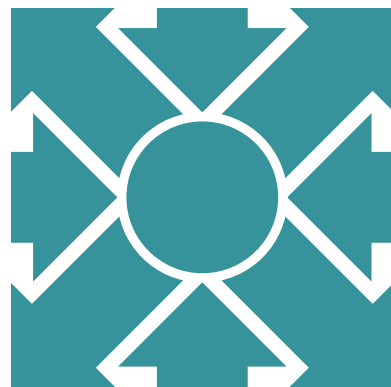


SEARCH



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Focus on Gender Balance: Thinking outside the box for recruitment strategies

Nordic countries are very well known for their successful policies in regards to gender balance. Norway, for example, is the world leader in gender equality at the board level, and it has the highest percentage of women at the top levels of its firms. Norway also recently passed a law making gender balance compulsory for management boards of Norwegian companies.

In other Nordic and Baltic countries, however, this system is mainly applied to the public sector. So far, the private sector in these countries has yet to see any significant change in the makeup of executive leadership when compared to other European countries.

The main reasons are always the same: executive leaders have other major priorities; N-1 people who can easily reach the level N are, in 95% of the cases, men. As a means to better deal with this and other diversity issues, more and more companies are looking to Executive Search as an efficient answer.

Search consultants have to be able to think outside the box and convince clients that this is an effective and complementary way to meet their recruitment needs. Simply put, we don't only recruit a candidate but also look to solve an existing problem. We have to take the initiative and propose a strategy; and the strategy that is decided upon must be shared between all assignment partners.

This issue of Search will look at the question of gender balance, focussing on the region that is most renowned for its progressive policies: the Nordic countries. What has really changed? How are these changes impacting the private sector? What does it take to implement an effective gender balanced recruitment programme?

I hope you enjoy this edition of Search.

Michel Garretta

President, Alexander Hughes Nordic Baltic

Alexander Hughes Nordic & Baltic continues its expansion

SINCE THE ESTABLISHMENT OF THE STOCKHOLM OFFICE IN LATE 2006 AND ITS SUBSEQUENT GROWTH DURING 2007, THREE ADDITIONAL OFFICES HAVE BEEN OPENED IN THE NORDIC COUNTRIES. ALEXANDER HUGHES NOW HAS A PRESENCE

IN COPENHAGEN, HELSINKI AND OSLO, AND AS A RESULT NOW COVERS A MARKET WITH A COMBINED POPULATION OF APPROXIMATELY 25 MILLION. THE TEAM HAS MADE SIGNIFICANT EFFORTS TO PENETRATE BUSINESSES IN MANY SECTORS, INCLUDING

TELECOM, LIFE SCIENCES AND FINANCIAL SERVICES. OTHER COMMERCIAL AND MARKETING ACTIVITIES ARE ALSO UNDERWAY IN ORDER TO ESTABLISH ALEXANDER HUGHES AS A TOP-TIER EXECUTIVE SEARCH FIRM IN THE NORDIC AND BALTIC MARKETS.

Equal Opportunities in Sweden? Women can have a job but forget the career.

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MONICA RENSTIG

Monica Renstig is the CEO and founder of Women's Business Research Institute (WOMBRI) that works with research and studies concerning women's working life, career opportunities, health and entrepreneurship. Having dedicated most of her working life to spreading the knowledge of women's careers, she is now considered one of Sweden's top experts on the topic. She was one of the researchers/authors in the Swedish Centre for Business and Policy Studies project "More women to the top". Besides her publications, Ms Renstig also offers a wide array of lectures and seminars for women that strive to have a career. She also runs a publishing house popularizing her research.

ARTICLE

Which country is most likely to foster female managers to reach the highest rungs of power? Would you say it is the US where new mothers are offered 12 weeks of maternity leave, almost no subsidized child care, no paid paternity leave and where there is a notoriously hard-driving business culture? Or Sweden, where new moms and dads have 14 months of fully paid time-off at their jobs?

The correct answer is the United States. Despite the fact that Sweden has put great effort into building up its welfare system in the hopes of providing women with more opportunity to have children and a career, in the private sector, few women are breaking the glass ceiling.

The Swedish Welfare state and the efforts that have been made to ensure greater equality between the sexes in Sweden has often attracted a lot of attention. The system, meant to promote women with equal opportunities in the workplace, however has not been as successful

as commonly thought. It has shaped a system that promotes women to work, but does not necessarily provide more opportunities to advance in the private system.

WHILE THE SHARE OF WOMEN IN HIGH LEVEL POSITIONS COUNTS FOR 45 PERCENT IN THE US, THE FIGURE IS JUST 29 PERCENT IN SWEDEN (ILO, 2005).

part of the explanation behind this. As seen here, US companies are clearly better in advancing women into middle management levels. The relatively high figure in women's share in seats of boards is the result of a threat that was made from the Government a number of years ago, increasing the share of women from 6 to 18 percent in a few years time.

Figure 1 Is Sweden doing better?

	USA	EU	SWEDEN
Female Managers	40%	...	26%
Top Executives Big Companies*	6%	11%	6%
CEO, Big Companies*	2%	4%	2%
Seats of boards, big companies	15%	4%	18%

Source: Harvard Business Review & for Sweden, Wombri*) Fortune 500-list in USA. In EU the 50 largest companies in each state, average. Top Executives are CEOs, COO, President, Chairman.

Given its welfare system (combined with the fact that women tend to be more highly educated than men in Sweden), one would assume Sweden should be best in its class in fostering women to the top, yet it is not. Why? Figure 1 provides us with some insight into

► One would assume Sweden should be best in its class in fostering women to the top, yet it is not. Why?

Part of the explanation as to why the women of Sweden are not climbing the career stairs as much as one may believe ●●●

●●● is firstly, (although Sweden has the largest population of women working outside their home), about one-third of them are working part-time, while just 11 percent of Swedish men do. Secondly, almost half of Sweden's female population is working for the public sector, where career paths usually are limited. Numerous women work in hospitals, schools, publicly financed day-care centres, or they are taking care of elderly people. A closer look at the Swedish labour market gives us more insight.

paradoxically, all the security and rights accumulated over the years now seem to be the biggest barrier for women's advancement in being able to launch themselves in high levels in the private sector or their own businesses.

One reason for the lack of female advancement could be that companies are calculating with an extra risk hiring and investing in women's advancement. Companies don't know how many children women want to have, the amount of time that they will take off-work, or if the

down from 33 percents share to 28 percent in the companies in the Swedish Stock market. Yet, some things have changed for the better. Since 1990, Swedish companies have seen a rise in the number of women employed, from 9 % to 26 %, in all private companies. But since 2000, this number seems to be stagnating.

As in so many other countries, women are getting caught in mid-level staff positions. They hold positions as HR Managers (representing 59 % of all positions of stock market companies), or Information Managers (48 %), but rarely in more operative positions. Careers that lead to the top seldom start from a staff position; more often, it begins with a sales position with a direct responsibility for revenues.

The challenge therefore, is in part hiring more women for sales positions from the start. Some studies indicate that it is the lack of good training in strategic business issues that is the real problem. Big consulting firms report that even if they recruit men and women with the same education from start, after only one year men have advanced longer and have higher salaries. The reason for this is that men are better at getting the right kind of work. That is, they take advanced responsibilities or riskier work. Older men more often tend to give younger men this kind of work as they still seem to regard younger men as their natural adepts.

Conclusions

So what should be done to increase gender balance within the top levels of private companies? It seems obvious that not using well-educated Swedish women for strategic positions is a big waste ●●●

Women in the Swedish Workforce – a segregated labour market.

- 47 % work for the public sector
- 65 % of all women work in a sector financed by taxes but driven by private entrepreneurs; such as nurses and teachers
- only 15 % of Swedish men are working in the public sector
- 36 % of all working Swedish women work part time; just 11 % of all men do
- women earn 83 % of what men earn
- only 5 % of working women are self employed – compared to 14 % of men
- women own and run about 25 % of all private companies

Source: Statistics Sweden, 2nd the quarter 2007, Calculations and processing: Wombri

As can be seen from the above chart, few Swedish women are business owners compared to Swedish men. It is hard to start and run private companies in healthcare, education and elderly care, the sectors where most women have built up their competencies. These traditionally public-driven sectors are still unwilling to let operations be driven by private companies.

Another reason Swedish women are not running their own businesses as often as men, is because few are willing to leave the security system for an unsure life as self-employed. This was shown in a study made recently by The Swedish Confederation of Swedish enterprises.

Sweden has built a Welfare System that was meant to make it possible for women to combine children with a career. But,

dad will take off all the potential days they have the right to (up to 14 months). Most often employers guess that a woman will take off nearly all the days she is allowed for parental leave.

► What are companies doing today to increase the number of women in high level management positions in the private sector?

Although many large companies talk about their willingness to do something to increase the number of women going to the top, the reality of making it happen is quite different. Even in the face of a threat from the former socialist government to force private companies to implement quotas for women in the biggest companies' boards – nothing happens. Or even worse – it seems as we are having a backlash. During the last two years female managers were

... of talent resources. And Swedish women, having invested a lot of time and money for a good education, are frustrated. Of course they want to have a great career. A survey we made some years ago showed that there were no differences between male and female middle managers' willingness to reach the top. In addition, the barriers women found were largely not family-related, instead they consisted of adherence to ideas like "the boys club", problems related to accessing men's networks, or not being taken seriously enough. The lack of formal recruitment processes also exacerbates the problem. Most management jobs are still not announced but are often directly given from one man to another. In order to make a difference it takes transparent recruitment processes. ■

INTERVIEW WITH

Karin Reuterskiöld

Senior Relationship Manager,
Danske Bank

IS GENDER BALANCE ACHIEVED IN NORDIC COUNTRIES?

No, gender balance is unfortunately not a sensitive issue anymore. People are not speaking about this in the same manner as fifteen or twenty years ago. Most companies are occupied by other matters (i.e. how to increase their presence globally, etc.).

Granted, the question of how to pick the right person is a complex one, with many ingredients: social and technical skills, knowledge, education, etc. But it's a mismanagement not to not take 50% of the population into account. And it's more or less the same in all Nordic countries.

But the situation is different in the public sector. When people are hiring in the private sector, they consider the most important skills to be their own, and therefore they choose people like themselves. And in 90% of the cases, they are men. Being a man is not a requirement to obtain a good job but you know what you get. It's a kind of IBM syndrome. If you choose a man and fail, you will not be questioned. In this respect, the public sector is in a better position.

There are very few women in the top management and even in the level below. Gender issues are currently not on the top priority list but as Danske is very active in management and CSR issues it should be more relevant soon.

There is no difference between Sweden and Denmark. Norway has had a law for 3 years stipulating that there should be 40% of women in the boards of public companies, and it's a huge success.

WHAT ARE THE PRIVATE SOLUTIONS YOU CAN THINK OF?

I have been very active in Q80, an independent association for working career women. It works to improve the conditions for women at work, providing a network and a common platform for its members and helps provide information in general on the role of women in working life. Currently it has about 110 members from all sectors of business and public activity.

It involves mentorship programs, which are very good tools. We can really help but quota programmes would provide additional support.

TO WHAT EXTENT IS THE RECRUITMENT PROCESS IMPORTANT IN THAT MATTER?

You have to look outside the box in order to increase the universe from which these women can come. In each shortlist, you should have at least one woman. But I understand it's a question of discussion between a client and an executive search consultant. They have to agree on what they want and the way they are going to get it. It's the same story about diversity on a general point of view. ■



KARIN REUTERSKIÖLD

WHAT IS THE CURRENT SITUATION IN DANSKE BANK?

The Danske Bank Group is the one of the largest Nordic banking groups and is, of course, focused on the Nordic markets. It has grown considerably during the last few years, mainly through acquisitions. It comprises Danske Bank, Danica Pension, Realkredit Danmark, and associated subsidiaries as well as banks in northern Europe.

FOR MORE INFORMATION

PLEASE CONTACT THE ALEXANDER HUGHES

OFFICE NEAREST YOU.

www.alexanderhughes.com

Maria Curman

ARE THERE MANY TOP EXECUTIVE WOMEN IN SWEDEN?

Swedish people tend to be the best in everything, including gender balance. And actually we don't want to talk about it because we know in the bottom of our hearts that it's not the truth. We don't have this balance at all even if our results are better than many other European countries.

A woman always has to be at the top of her abilities. This is difficult to combine with the traditional agreement between husband and wife. With our family politics, it's very difficult for a woman to be 100% devoted to her work during her entire career. And you have to be inside the game if you want to play! Today, obviously, we often have to go abroad to find these top executive women.

WHAT IS THE CURRENT SITUATION?

Things are changing. For example, nobody today will contest the qualities and the skills of a female Minister, which was not the case several years ago when the political decision was made to create equilibrium between genders in the Government. They have succeeded in the public sector by similar decisions. I don't think it's possible to do the same in the private sector.



MARIA CURMAN

WHY?

It's a question for the owners. Most public companies are owned by institutions or public funds whereas in the private sector the power to change is vested in the executive management. We should have a clear commitment from them, let say for the next five or ten years, to reach a gender balance. But it's not possible to achieve such a decision in the short term, just as it's not a good reason to ask someone to leave only based on the fact that the person is a man!

WHAT IS THE SITUATION IN YOUR GROUP?

We have a very good balance between men and women in general. But, of course, at the top there are a lot of men and I was the only woman until last year. There are two of us now, but if you go to the next level, we have a lot of women editors, publishers, etc. in this kind of media business. In these departments, we try to find men.

Otherwise, we have had a mentoring program for many years and we try to clearly support young high potential women to take on more responsibility in the group. In general, we promote internal people due to the relationship issues in our very diverse business. But these women also have to fight and make their own decisions. If you have reached a management position as a woman, you have to prove yourself each and every time. If you are a woman, you don't become a manager by accident.

TO WHAT EXTENT IS THE RECRUITMENT PROCESS IMPORTANT IN THAT REGARD?

It's mandatory to have a media experience. In our case, you may go outside the box but in a restricted area. Otherwise it would be very difficult. But I agree with you, the question is: Which is the problem to be solved? And this is clearly a situation where an executive search company like yours can play a major role. ■

**President Bonnier Books,
Sweden**

Kirsi Nuotto

IS GENDER BALANCE A SENSITIVE ISSUE IN FINLAND?

This is certainly a very important discussion topic in our society and much discussed for example in the newspapers: equality of employing opportunities promoted by law, political and public opinion. It's not especially sensitive but it's good that this is openly discussed. Rather than only talking about gender balance, we should put more emphasis on a wider perspective in Finland: diversity.

HOW DO YOU WORK WITH IT WITHIN YOUR COMPANY?

Cargotec is a global company as we do have employees in 160 countries. We are a very global employer also. The Board of Directors consists of Finnish members, and we have a Dutch person in the Executive Board. However, all of the members have a wide international background, having worked many years abroad and having led international teams. It's not about nationalities but rather about right talent and competence in the right places.

Currently 16% of our total personnel are women. We have women in many top positions: two members of the Executive Committee are women, which means 20% and for example our CIO and Legal counsel are women. Also, in the Cargotec corporate functions the number of women is slightly higher than in the areas.

ALEXANDER HUGHES EUROPEAN NEWSLETTER

Editor in Chief. Maurice Rozet

Editorial Committee. Richard Aeschmann, Robert Baldwin, Essaid Bellal, Gavan Burden, Benoît Chaignon, Miguel Codina, Christian Coffinet, Michel Garretta, Richard Hes, Fivos Kiousopoulos, Nadia Laleej, Marc Lucchini, Steven Maisel, Michael Neumann, Irem Onen, Dana Patrichi, Bert-Jan Pit, Julien Rozet, Gianluigi Russo, Elizabeth Thomas-Gache, Patricia Zahr.

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INTERVIEW WITH



KIRSI NUOTTO

Senior Vice President,
Human Resources Cargotec, Finland

On a general point of view, we promote both men and women equally for any position but depending on the type of work we may get different amount of applications from women or men.

TO WHAT EXTENT IS THE RECRUITMENT PROCESS IMPORTANT IN THAT MATTER?

There have been a lot of discussions about head-hunting companies and short-lists of candidates and gender balance. We don't have a specific policy as we focus on diversity already.

Our recruitment managers just want the best talents, right people to the right places at the right time. It's also important to think about team dynamics, what kind of teams work best together? Ideally, diversity including gender balance is what we are looking for and this is what we request from companies like yours.

WHAT ABOUT YOUR OWN EXPERIENCE?

I personally feel I have never been treated in a different way due to the fact that I am a woman. In order to succeed, you have to take new challenges when they arise, have willingness to learn new things and ability to change. You don't just wait for opportunities but you have to be proactive. And, as always, it helps if you have good a sponsor, someone who believes in you and will support your personal and professional growth. ■