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# Addressing the Three Disconnects of Diversity

MAX LOH

Disruption and diversity are two issues that are most critical to the future of industries and organisations today. By treating these as separate, leaders often fail to realise the nexus between the two. Disruption demands innovation, and new ideas will more likely flourish in organisations with diversity of ideas and experiences borne from different perspectives.

Among the different types of diversity that corporations should seek, gender diversity is of contemporary interest and need. Situations abound of how greater gender diversity would have made a positive difference to projects and organisations. For example, when voice recognition software for the car industry was launched, it had a fundamental problem – the software barely recognised women's voices.

The male-dominated design team had calibrated the systems to their own voices and speech patterns. The value of their innovation was diminished as a result.

As Singapore gears itself up for the future economy backed by robust corporate capabilities, there is a growing urgency to promote diversity as an enabler of innovation and competitive growth.

Our local companies have made fairly good progress regarding women's representation on the boards of SGX-listed companies. As of June 2016, women held 9.7 per cent of the over 5,000 board seats, up from 8.8 per cent in 2014.

Small improvements were seen across many industry groups, where women's representation clustered between 6 per cent and 12 per cent. Yet, in many industries where women constitute a large proportion of customers, women's representation on boards is still below the market average of 9.5 per cent.

Unless boards place priority on this issue – and possibly as a result of greater shareholder pressure – progress will continue to be slow.

The gap in gender parity is not unique to Singapore. According to a new EY report, Navigating disruption without gender diversity? Think again, only one in 10 industry leaders worldwide expect a real increase in the number of women in leadership roles over the next five years.

The report also revealed several disconnects holding businesses back from achieving gender diversity. Overcoming these disconnects requires boards and senior executives to make a commitment to change and take tangible, measurable actions.

## THE REALITY DISCONNECT

It is easy to assume that gender diversity will simply take care of itself. In reality, it will not without conscious intervention.

Boards need to take a critical view of where their organisation is now and where they want it to be – and by when. Until that strategic vision is mapped to clear action pathways with key enablers, including increased and more inclusive networking opportunities, formal training, sponsorship and mentoring programmes for women, achieving gender diversity will remain wishful thinking.

## THE DATA DISCONNECT

Even with a strategy in place, companies may not effectively measure progress on this front, despite the availability of technology and analytics.

Many companies do not have clear metrics for gender diversity, and those who use gender metrics may simply be counting the number of female employees on the leadership team. For example, the measurement of the gender pipeline is often lacking.

Questions that boards need to ask include: What about women's progress through the business? Do we understand when and why they leave? Metrics are useful as the data can be used to identify obstacles and enablers to female career advancement.

Also, companies may not be measuring the impact of gender diversity on their bottom line, and without that, it can be less compelling for shareholders to support the investments made in driving gender diversity.

## THE PIPELINE DISCONNECT

Organisations that are good at recruiting women are not necessarily also good at promoting them. Boards should push for clarity on the organisation's plan to not just attract and recruit female talent, but also retain, develop and promote them to leadership positions.

Creating a culture of open dialogue is also important in realigning misperceptions between men and women on the issue. The EY report revealed that male respondents mostly point to a shortage of female candidates as the primary barrier to gender diversity.

Yet, only a small percentage of female respondents agreed, listing an unsupportive culture, organisational bias, and the conflicts of raising a family as prime concerns. Clearly, formal programmes that consider such a perception gap and address challenges from a women's perspective must be part of the solution.

## A HOLISTIC PERSPECTIVE

The EY report also found that different industries are making progress at different paces globally. There were some stark differences: For example, only 45 per cent of the respondents in the insurance sector say they are effective at promoting women to leadership, compared with 65 per cent in life sciences.

Given their influence and networks, boards can take a holistic, cross-sector view of what is possible in driving the female talent pipeline and progression, as well as how they and their organisations can play an active role in improving the sector's overall gender landscape.

Ultimately, advancing gender diversity for the good of business, and by that extension, greater economic good, is a shared responsibility that counts on each organisation's commitment to make a difference. ■