

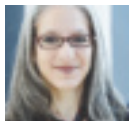


# Gender Equality in the Workplace:

## HOW MEN CAN MOVE THE NEEDLE

Good intentions are not enough to make a difference, say two veterans of the quest for equality. We need accountability for outcomes.

*Interview by Sarah Kaplan*



**Sarah Kaplan:** I wanted to have this conversation because I believe it's really important to have men directly involved in achieving gender equality. Both of you have long been champions of diversity, and I am curious as to why. A major survey of executives recently suggested that a substantial proportion of men believe there is too much attention placed on diversity in organizations. My question is, why would any organization want to invest in inclusion?



**Kevin Lobo:** Whenever I give a talk at my company, I start off with a business case for diversity and inclusion. To me, it seems so obvious, but I feel like I have to repeat it anyway. **Stryker** is a medical device company: We manufacture products. But essentially, every successful business is always about talent. The best talent and company culture wins. We have plenty of competitors making products similar to ours, yet we are outgrowing our competition — and I attribute that to our people.

If you look at the current list of **Fortune** 500 CEOs, there are still only 30 or so women on it. Some people just accept this and say to me, 'We can't move the needle'. But in our company,

over each of the last five years, we have increased the number of women in senior management, middle management and in our salesforce. Some men do complain and say, 'There is way too much focus on this'. But I say to them, 'We can never stop focusing on increasing diversity. As in sports, the team with the best talent wins, and that means continuing to look at *all* talent to hire the best.'

Already, within our company, our most diverse groups are getting better business results. We have earned recognition as a great place to work for many years, but in 2017, for the first time we were voted into the top 30 by **Fortune** as one of the 'best workplaces for women'. We are very proud of that.



**Richard Nesbitt:** As a former financial services executive [at **CIBC** and **TMX**], when I first started paying attention to these issues, I quickly decided I wasn't going to try to tell women what to do. But today, I am going to tell men what to do: It is in men's best interest to embrace gender diversity. Put simply, the teams you create with both men and women will perform better than those with men only.

# I have told my leadership team that if we don't see improvements, people will be held accountable.

Of course, in order to feed the pipeline for these groups, you need to start positioning women at all levels of your organization — from intake right up to the senior levels. I analyzed 60 research studies, and 58 of them found an association between financial performance and diverse management teams. And it's not just a marginal improvement: These studies cite a 15 per cent improvement in financial performance. So, my question to men is, Why aren't you already doing this?



**SK:** In your experience, in terms of 'moving the needle', what are the highest priority actions that need to be taken?



**RN:** When I wrote the book with **Barbara Annis** [*Results at the Top: Using Gender Intelligence to Create Breakthrough Growth*], I realized that if you want to make a difference in your organization, first and foremost, you have to go through all the 'plumbing' — your systems and procedures, the way you recruit, the way you promote people — and take steps to rid the system of bias. People have to understand that systemic bias is pervasive, and we have to take proactive steps to fight it.

One simple thing you can do is make sure that, when you go out to recruit at universities, you're not sending only men to represent your company, and you're not going to schools with only 20 per cent female students. If you do those things, you will not meet your gender-parity objective. We all know that within the next 10 years, 60 per cent of all university graduates will be women — so get your systems fixed in order to capitalize on that opportunity.



**KL:** I totally agree, and I would add that in big companies — Stryker has more than 30,000 employees — it can help to have an official women's network with an executive sponsor. This is not a social club; it has an important mandate. When I came to Stryker in 2012, I quickly realized that we didn't have enough diversity and inclusion within our ranks. We decided to start by focusing on women. I went to the first Women's Network meeting, and everyone there was well-intentioned; but it was clear to me that we had to get senior management more involved. Soon after, we placed one of

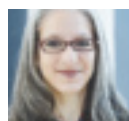
our group presidents in as an executive sponsor. I would advise people to put a thoughtful structure behind the initiative, give it a budget and empower people to run it effectively. Doing this changed the game materially for us.

Early on, I said to the Women's Network: 'At next year's annual general meeting, I want you to make a big ask of Stryker's senior management. You have my permission to tell us what we need to do to make this company more attractive for talented women like you'. At the next AGM, after my presentation, I said, 'So, where's the big ask?' Everyone just looked at me. No one said anything.

Clearly, they didn't think I was serious, so I repeated myself, and at the *next* AGM, I got three asks. They were really simple requests: People asked us to create more opportunities around mentoring; more clarity around flexible work practices and better maternity leave coverage; and a new parental-leave program was put in place. Next, we focused on building a diverse pipeline for our internal hiring, tracking metrics and holding managers accountable.

Five years ago, our leaders simply didn't have the right mindset; but we've improved. We also invited men to participate in the Women's Network — and they've started showing up, because they are eager to learn how to manage women for optimal performance. Some of them had never had a woman on their team until recently.

You might ask, Why are we doing all of this? The answer is simple: We are obsessed with attracting and retaining the best talent. We used to hire from the same schools every year, but if everyone is fishing in the same pond, you are not getting the best talent.



**SK:** Kevin, you alluded to the importance of metrics and accountability, and the research certainly backs that. Why are they important in making change? What are some examples of how they are used?



**KL:** When we looked closely, we found that many of our most talented women weren't sure about their career path because they didn't have enough role models. So, we started to pair up our executives with our high-potential employees. We started with women, and

the next step will be minorities. We paired these high-potentials with senior women in the organization, and in a couple of cases, with male mentors. The idea was to give them someone to talk to, who recognized their talent. We found that many of them had never even been told that they had high potential.

Previously, we had been hiring a lot of women who would leave after two to three years. It was that ‘leaky bucket’ syndrome you hear about. The biggest reason they left was that we weren’t engaging with them in the right ways. They were working in environments in which they didn’t feel comfortable. They felt like they had no one to talk to about their future. Nowadays, in our regular business reviews two or three times per year, we include engagement measures. We also make our division presidents literally *show us* their pipeline of diverse talent, and what is happening with that pipeline. If a high-potential woman leaves Stryker, the executive overseeing that area has to explain what happened. Without accountability, this will never work.



**RN:** I agree that measurement and accountability are key. Once you ‘fix the plumbing’, the next most important thing is to set hard targets — not just at the top, but right down through the organization. Leaders should have to report on those targets regularly. Trust me, if you want to get men engaged with something, give them a target to meet and tell them they are going to be held accountable. They will very quickly become engaged.

Perhaps we could extend that practice to all public companies. We would have to be very careful about what is asked for, because in my experience, the lawyers often take it over. Just try to read the compensation reports in a bank’s Annual Information Statement. I used to work for a bank, and even I didn’t understand how I got paid after reading that report. I don’t see anything wrong with complete transparency in reporting on your targets, and how you are progressing towards them. I think that would be a very positive move.



**KL:** I agree with everything you just said Richard, but at Stryker, we have not set hard targets. Instead, I have told my leadership team that if we don’t see improvements, people will be held accountable. It’s a tricky balance to strike, because we want to make progress

without facing the classic backlash: ‘She got promoted just because she’s a woman and there’s a quota to meet’. Intellectually, I love the idea of hard targets, but practically speaking, we’re not quite there yet.

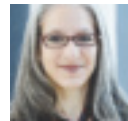


**RN:** I think that’s fair. Every company has to decide its own path. As indicated, I did set a hard target. I told our recruiters, ‘Don’t come back and tell me that we have anything less than 50/50 intake’. They tried to, a couple of times, but I told them to continue the search. They soon understood that these targets were serious.



**KL:** It’s also important to have women on boards. At Stryker, we have eight outside directors, plus me. We’ve hired a couple of new board members since I became CEO, and we’ll be hiring more over the next three years. For the first position, we really wanted to have a sitting CEO on our board. Let me tell you, finding a woman in that position was virtually impossible. There are so few of them out there that they are already spoken for. But the most recent director we added is a woman who ran a healthcare system in Minneapolis. I wanted someone from a hospital who had some background in insurance. Well, guess what? Plenty of women have that background, so I told the search firm, ‘If you can’t find a woman with this profile, we’ve got a problem’.

The woman we hired, **Mary K. Brainerd**, is fantastic. Three out of our nine directors are now women, so we’re closing in on our 50 per cent goal. But you have to be very intentional about it and patient, because positions might have to stay open longer.



**SK: What role do men throughout an organization have to play in making progress?**



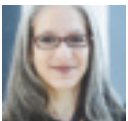
**KL:** First, they have to be role models in terms of the people they hire and the recruiting process they follow. And second, they really should start attending women’s leadership events. The power of ‘showing up’ is massive. When you attend a women’s leadership event, you learn about all sorts of issues that you never imagined existed in your own organization.

## There is simply no excuse for boards to be 86 per cent male in this country.



**RN:** The main problem today is a conspiracy of silence. Many times, I would be leading a table discussion at a senior executive meeting, talking about how we've got to do something about this problem, because it's in our best interest as a company. A couple of people would support me, but some of the men would just be staring at their shoes. Then, someone would say 'Are you finished yet? Because we'd like to get on with real business.'

Currently, 86 per cent of board members of public companies in Canada are men, and that is not a huge surprise. Think about it: Who proposes the slate of new directors to be elected by shareholders at the AGM? *The existing directors.* We did some research on the correlation between the number of female board members and senior management team members, and there is a direct correlation with a one-year lag: Increase the number of female directors on your board, and one year later, you will start to see more women on the senior management team. There is simply no excuse for boards to be 86 per cent male in this country.



**SK:** It is clear from this conversation that there is no magic bullet. Can you share some of the lessons you've learned along the way?



**KL:** One of the worst things I've experienced in a couple of places is what they call 'mandatory diversity and inclusion training'. If you pick the wrong facilitator, these sessions can be too militant and scary, and you can actually set the cause back several notches. We did that in my previous company by having mandatory training that included an element of sexual harassment. It became a sort of 'check the box', legal-compliance type of thing that people had to 'get through'. It actually caused a lot of negative reverberations.

I would also say that mandating employee resource groups like our Women's Network is not advisable. We don't require that every division of Stryker have such a network, because anytime you try to force things, it fails. Instead we said, 'We've created this forum, and we have these sponsors; if you want to get involved, let us know and we will support you'. If you do it in that way, people will jump on board with the right intent.



**SK:** There's a lot of research showing that even if you were to deliver diversity training with the right trainer, if you don't couple it with things like accountability and incentives, it can still backfire.



**RN:** Very true. One thing I learned — which is still a problem — is that we lose a lot of women at the three- to 10-year tenure level, because we think it's good enough to treat men and women exactly the same. Studies show that in the capital markets, women and men start off with relatively equal levels of engagement; but for women, within three years, their level of commitment drops like a stone, while men's remains constant. When you ask these men, 'Do you feel valued by your supervisor?', most say 'Yes'; but women usually say 'No'. As a result, when they go on maternity leave, they see no reason to come back. Most of the women who do return to work don't go back to the same company.

We need to train men that men and women need to be managed differently. I was never given the tools to do that. In one case, I gave what I felt was a very fair bonus to a senior woman who worked for me — and she didn't speak to me for the next three days. Usually, we talked several times a day, so I thought, 'What the heck is going on?' If you give a man a bonus and he doesn't like it, he will call you a jerk, and the next day everything will be back to normal. I just didn't understand.

When I finally sat down with this woman, her attitude was, 'That's what you get when you work with women; we react differently than men'. I realized at that moment that I didn't really know what I was doing, and I began seeking guidance from my female colleagues.



**KL:** It took me three or four years in this job before something hit me. We would hire these really great salesmen, and before we knew it, they would bring in their friends to work at Stryker. But this was not happening at all with our female employees. So, I stood up at the Stryker Women's Network meeting one time and said, 'How many of you love working at Stryker?' All of the hands went up. 'Great,' I said, 'How many of you have asked your friends to consider joining our company?' Not a single hand went up. I said, 'Please, start doing this!'

Pretty soon, we had women calling their friends and encouraging them to apply for jobs; it was amazing. When someone who believes strongly in your company can bring someone in that they know will be a great fit, the hit rate is huge. We tell people repeatedly, 'Bring your family and friends to Stryker!'



**SK:** I have to say, except for the childbearing part, I don't think women and men are fundamentally that different. But they are operating in different social systems within our society. For example, in an environment that is male dominated, there is always a concern that women will receive extra scrutiny, so, maybe they don't *want* to refer their friends.

I would put a caveat on Richard's idea that 'you have to treat men and women differently'. That may be true in part, but we have to appreciate that it's because our social structure creates different behaviours that lead to different responses and outcomes. In academia, there's a concept called 'belonging uncertainty': If you're in an environment where you're not sure that you belong — for example, if you're a woman working in capital

markets — you're constantly looking for signals that you *do* belong. If that bonus wasn't what Richard's colleague thought she deserved, she was probably thinking to herself, 'Maybe I just don't belong here, after all' — whereas a male employee would never think that. We need to keep in mind that our social structures produce many of these behaviours, in both directions. **RM**

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This conversation took place at the third annual Reunite@Rotman alumni homecoming celebration. The 2018 event will be held on October 19-20, 2018.

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