CONVENING LEADERS TO FIND SOLUTIONS AND TAKE ACTION

For organizations that drive our economy, improving women's opportunities to advance to leadership roles is a key priority. Massachusetts has a diverse base of both emerging and established technology enterprises that form one of the highest concentrations of technology companies in the U.S. However, the tech workforce needs more gender diversity. The 2019 Census of Women Directors and Executive Officers of Massachusetts Public Companies, which analyzes women representation at the 100 largest Massachusetts public companies, shows that the Massachusetts technology industry lags all other industries, with only 6.9% of executive officers and 19% of board members being women. In 2019 the percentage of women in c-suite roles fell 0.7%, the only industry to decline.

A team of Massachusetts High Technology Council (MHTC) directors developed the Women in Leadership Initiative to encourage more women to pursue careers in technology and guide the advancement of women to leadership positions in the technology sector. On October 3, 2019, the MHTC, together with reacHIRE and knowledge partner McKinsey & Company, held a roundtable to discuss the importance of accountability in the success of gender-diversity initiatives – particularly, the role that executives play in championing change. This was the third in a series of gatherings of Massachusetts leaders across the private, public and social sectors to find solutions and take action. Exhibit 1 illustrates the gender-diversity framework used to focus the roundtable discussions, with this paper focused specifically on executive and organizational accountability. We share what works in building a culture of accountability and how executives lead the way by modeling commitment to equality. These ideas, based on the roundtable and on findings from the McKinsey and LeanIn.org Women in the Workplace (WIW) 2018 study, can be applied well beyond high tech.

Exhibit 1: Gender diversity framework

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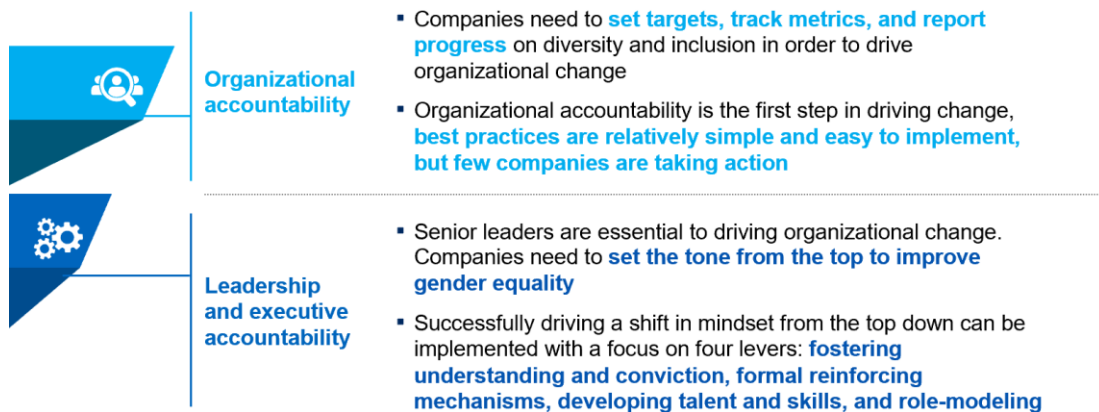
THE STATE OF ACCOUNTABILITY

Accountability is an important part of any business initiative, but, startlingly, few companies hold themselves or their leaders accountable for gender-diversity progress. According to the 2018 WIW study, only 38 percent of companies set targets for gender representation, and just 10 percent set representation targets for women of color. Senior leaders are responsible for driving change, but only 42 percent of companies hold these senior leaders accountable through metrics that measure progress toward gender parity. Only 39 percent of women and 47 percent of men think that gender diversity is a high priority for their manager. This lack of accountability is felt across the workforce.

In order to build accountability around gender diversity, companies need to address both organizational and individual executive accountability (Exhibit 2).

Exhibit 2: Accountability framework

Leading organizations focus on organizational and individual accountability

Organizational accountability
- Companies need to **set targets, track metrics, and report progress** on diversity and inclusion in order to drive organizational change
- Organizational accountability is the first step in driving change, **best practices are relatively simple and easy to implement, but few companies are taking action**

Leadership and executive accountability
- Senior leaders are essential to driving organizational change. Companies need to **set the tone from the top to improve gender equality**
- Successfully driving a shift in mindset from the top down can be implemented with a focus on four levers: **fostering understanding and conviction, formal reinforcing mechanisms, developing talent and skills, and role-modeling**

ORGANIZATIONAL ACCOUNTABILITY

Effective accountability across the organization requires transparency. Organizations need to be clear about what the goals are and track metrics to ensure commitment toward these goals.

What works

Assess the baseline

- **Evaluate existing gender-diversity levels:** Establish a baseline for existing diversity levels. Track representation by race and gender across all levels of the organization. Representation should be tracked for race and gender individually as well as combined.
- **Share the current state performance:** Share the data on diversity at all levels, including promotion rates by gender and race, as well as combined (for example, women of color).

Set targets

- **Establish goals for gender representation:** Setting goals is the first step toward achieving any business priority. Organizations need measurable goals around achieving gender parity to hold themselves accountable.
- **Integrate diversity and business goals:** Business units should address diversity targets together with business targets to make the importance of diversity goals clear.
- **Share goals with employees:** Publicizing goals and targets around gender and diversity signals commitment to change. Organizations need to be vocal about these commitments and make them part of an open discussion that involves everyone across levels and divisions.

Track metrics

- **Measure impact:** Track metrics using diversity dashboards that provide real-time metrics around representation, hiring, promotion, and retention to allow leaders to visualize progress toward targets.
- **Solicit feedback:** Get perspectives on progress from women in the company by regularly reaching out and discussing the impact of initiatives to date.

EXECUTIVE ACCOUNTABILITY

Leaders inspire action from others. A culture valuing gender diversity comes from the top down, and leaders need to take action to shape progress.

What works

Foster understanding and conviction

- **Ensure that gender diversity is an executive priority:** Connect with senior leaders individually to ensure that they align on having gender diversity as a priority. Share relevant data and perspectives to motivate each leader (for example, values may work for one, while being competitive may work for another).
- **Articulate executive-specific change stories:** Not everyone is motivated by the same story, so leaders need to craft a variety of change stories that speak to different sources of meaning. Leaders should develop their own versions of why the change is important (for example, an engineer may emphasize how diversity improves problem solving) so they can share their vision in an authentic way.
- **Have executives spend "a day in the life":** Put leaders in situations where they spend a day in the shoes of someone of a different background (for example, a mother of two, who may have commitments at early-morning or evening meeting times). Consider implementing reverse mentoring to ensure regular connections with lower-tenured employees and those with diverse backgrounds.

Reinforce with formal mechanisms
- **Hold leaders accountable:** Link individual leaders' evaluations with progress toward diversity targets and review the progress at regular intervals.
- **Tie compensation to diversity:** Link a portion of variable compensation to achievement of or progress toward diversity goals.
- **Recognize diversity champions**: To avoid diffusing responsibility, approach leaders individually and encourage them to commit publicly to being diversity champions. Involve them in shaping diversity and inclusion strategy to provide a sense of ownership.
- **Require leaders to undergo unconscious bias training:** Ensure that leaders are aware of the pitfalls of unconscious bias and provide them tools to combat biases.

Role model
- **Set the tone from the top:** Executives should make commitments to stakeholders and employees to focus on diversity. Male leaders being vocal and authentic champions of diversity is critical to setting the right tone.
- **Showcase narratives:** Share stories of company leaders demonstrating visible commitments to women to inspire others to help champion gender diversity.
- **"Walk the talk":** Organizations where leaders model the desired changes are approximately four times more likely to succeed. Make it clear to employees that senior leaders value diversity by volunteering with not for profits and other community organizations focused on diversity. Consider offering matching-donation options to employees to support organizations that focus on diversity and/or endowing scholarships for first-generation female college students.

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