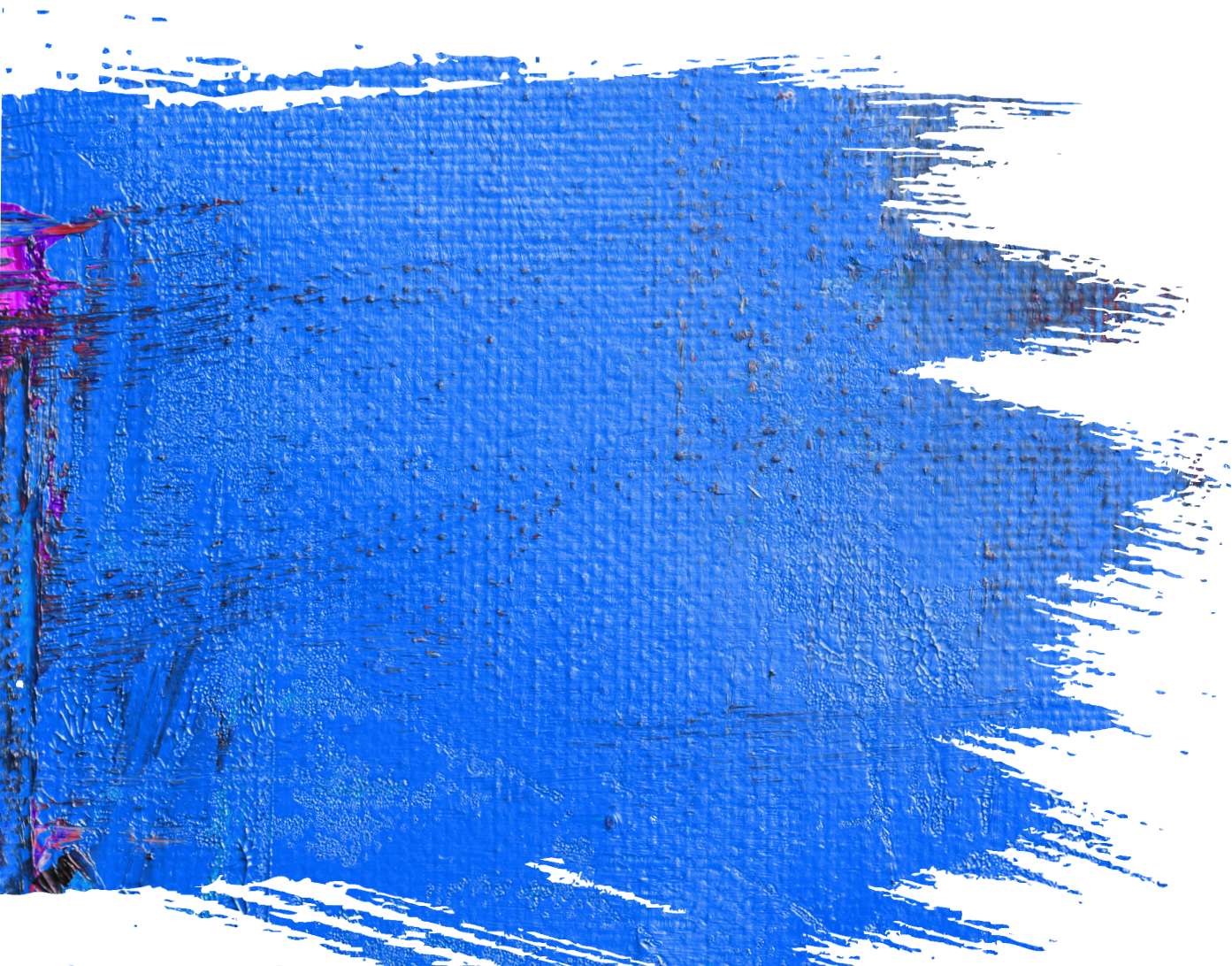


GENDER EQUALITY: MISSION ACCOMPLISHED?

UNDERSTANDING AND ADDRESSING
THE GENDER GAP IN NORTHERN
EUROPEAN ORGANISATIONS





1. INTRODUCTION

Northern European society has a well-deserved reputation for being at the forefront of gender equality initiatives. Fairness, equity and inclusion are important values in this society and have become focus areas for both legislation and business practices, moving women forward and making Northern Europe a model for many other regions around the world.

Northern European countries (Denmark, Finland, Norway, the Netherlands and Sweden) all score high on gender equality as well as diversity and inclusion (D&I) overall. In fact, the Nordic countries in this study (all of the above, excluding the Netherlands) can all be found among the top 15 of the best countries for gender equality, according to the World Economic Forum's *Global Gender Gap Report 2018*.¹

These pioneering D&I strides and the countries that prioritise them certainly deserve praise. But given the dismal state of the rest of the world with regard to equality, is being the best enough? The World Economic Forum has reported that, at the current rate of change, it will take at least 108 years for the global gender gap to close.² Every region still has progress it can make in this regard, and Northern Europe is no exception. Scoring comparatively high on the global list should not cause the region's businesses to rest on their laurels. There is still significant work to be done.

When we compare Northern Europe to the rest of the world, these countries do have reason to be proud. But when we set aside the rest of the world for a moment, and compare the practices

of Northern European organisations against the region's own values and standards for gender equality, are the survey results as impressive? When measured against the actual gender gap, how are organisations *really* doing when it comes to gender equality in Northern Europe?

With this survey we set out to better understand:

- How focused are Northern European organisations on actively driving gender equality?
- How do Northern European organisations assess their own maturity in D&I?
- Which D&I policies and practices do Northern European companies have in place today?
- How gender-balanced is the executive leadership of Northern European companies?

This report summarises the results from this survey of close to 250 companies and provides guidance on how organisations in Northern Europe can enhance their gender diversity and continue to make important strides towards closing their gender gap.

¹ World Economic Forum. *Global Gender Gap Report 2018*. 2018.

² Ibid.



2. ABOUT THE SURVEY

Between June and November 2018, Mercer conducted a pulse survey of 246 companies across Northern Europe.

The survey is closely aligned with Mercer's global *When Women Thrive*³ survey, which also asked survey participants to indicate the degree to which they agreed or disagreed with statements related to:

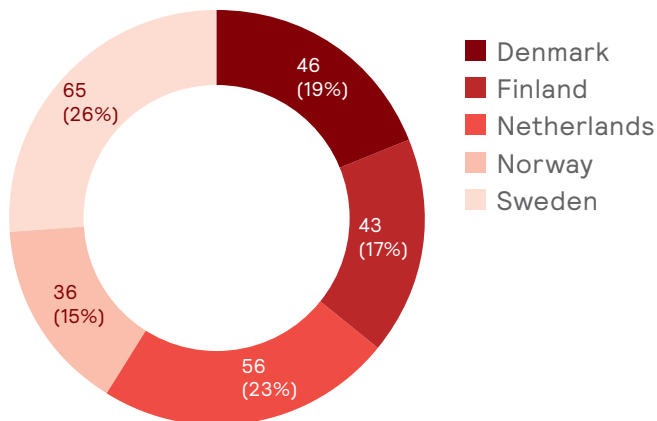
- Engagement, accountability and leadership
- Gender equality and pay equity commitments
- Organisational activities
- Retirement/savings and health and benefits programme design

Within the provided statements, we included those that were uncovered in Mercer's global gender diversity research to be the drivers of better female representation and advancement.

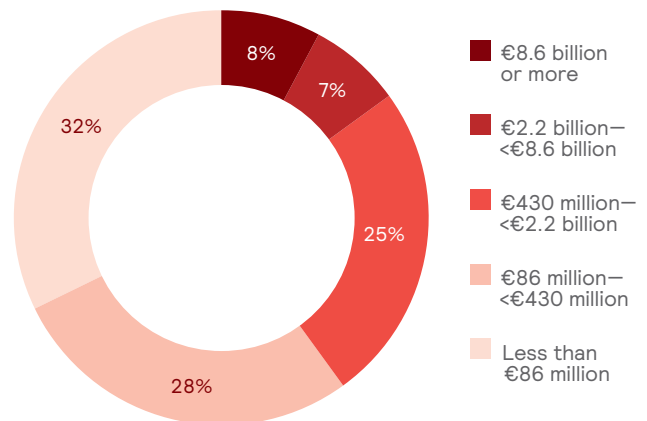
Additionally, we gathered information about the policies and programmes Northern European organisations offer above and beyond the government-provided or mandated levels, and what percentage of senior executive leadership roles within the companies are held by women. We also asked companies to assess their progress on a D&I maturity spectrum.

The breakdown of participating organizations per country, annual revenue, industry and (self-assessed) D&I Maturity is shown below.

COUNTRY BREAKDOWN



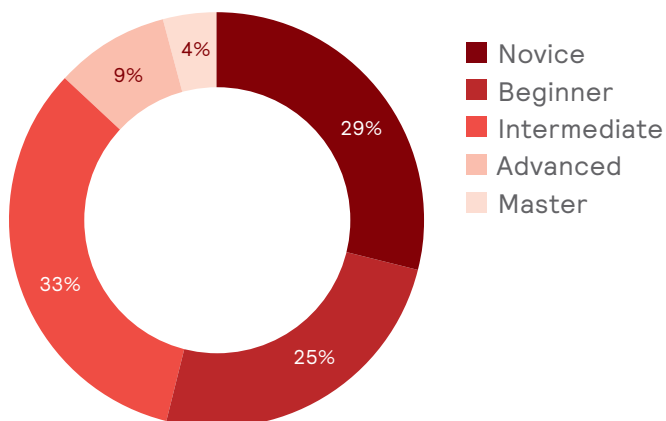
REVENUE BREAKDOWN



INDUSTRY BREAKDOWN



D&I MATURITY (SELF-ASSESSED) BREAKDOWN



3. KEY FINDINGS

This survey uncovered some successes in the gender equality story for Northern European organisations, but it also revealed many opportunities for improvement, particularly in the areas of alignment, measurement and analytics. Organisations in the Northern European region recognise a shortfall of support and analysis that is affecting their ability to gauge the impact of their policies. A majority of companies also say they are not offering the type of supplemental health, financial wellness and pay equity programmes that have proven to advance gender equality. However, it is clear that Northern European companies themselves seem to recognise that they fall short of their own expectations for awareness and action. This is likely a reflection of the high bar Northern European society has set for its own D&I.

Here is a summary of some of our top findings from the research:

1. Northern European organisations are seeing mixed results in terms of executive gender balance.

Northern European senior executive leadership teams tend to be more gender-balanced compared to Europe overall, and exceed global rates. Sweden, Denmark and Finland are at the forefront, with just over one-third of their executive leaders being women. However, only half of the organisations say that women are equally represented in profit and loss (P&L) roles, as they are in non-P&L positions.

2. Regional organisations rate themselves as relative beginners in their D&I efforts and still lack full engagement from leadership.

Only half of the Northern European companies agree that their senior executives (51%)* and men (47%) are actively involved/engaged in D&I programmes/initiatives.

**CEO plus direct reports*



3. Organisations are not conducting the robust data analysis needed to adequately measure pay equity.

In Northern Europe, only 54% of organisations base their pay equity analysis on a robust statistical approach, and 46% have a team that is formally responsible for conducting pay equity analysis.

4. A majority of organisations in Northern Europe are not addressing women's unique financial needs.

Even though women have unique financial needs, mainly due to part time work and/or maternity leave, only half of the organisations in Northern Europe (49%) have retirement/savings programmes that address different work arrangements (that is, part-time, service breaks, parental leave), and only one-third (34%) have retirement/savings and education/training programmes customised to different gender behaviours.

5. Organisations in Northern Europe have not yet fully evaluated gender-specific health needs.

Fewer than half of regional organisations (39%) have conducted analyses to identify gender-specific health needs, and 42% of companies provide their managers with training to effectively support employees through the maternity/paternity leave and return-to-work processes.



4. METHODOLOGY AND FRAMEWORK

The framework we used to conduct this survey and construct this analysis is derived from Mercer's own proven methodology for improving gender diversity within organisations. It is the same methodology that guides our global report. This structure was developed through years of research and experience working with hundreds of organisations across industries and geographies and breaks down into five areas that we find helpful for benchmarking, measuring and analysing progress, and guiding recommendations for further action.



In order to accelerate progress, organisations must first **ALIGN** on why gender diversity is critical for their business, then **DIAGNOSE** what is helping and what is impeding their efforts, **ENGAGE** their stakeholders to champion progress and **TAKE**

ACTION to ensure the right practices, programmes and processes are in place to support their female employees. Finally, they need to regularly **MEASURE** and **REFINE** their efforts, and keep stakeholders accountable to ensure they persevere over time.

5. SURVEY RESULTS

With this framework to guide us, let’s now take a closer look at the results of this survey.

Align:

Nearly half of organisations are still struggling to define the business case.

The first step in pursuing gender balance is to understand and agree on goals and to align on the underlying reasons for them. We pursue gender equality because it is the right thing to do – and this is particularly true in Northern European society – but for organisations, it is also important to articulate and understand how gender equality benefits your organisation – aligning on the business imperative. According to a 2015 McKinsey⁴ study, there is a “clear positive correlation between gender diversity and better business performance”. This includes better financial performance such as a higher return on sales, equity and invested capital; higher operating results and greater stock price appreciation. It enhances your employer brand and increases employee engagement. And it

helps to build the workforce of the future, in which you as an employer will need to attract and retain the best talent.

In our survey, 52% of participating companies in Northern Europe believe there is a clear business case for improving gender diversity.

COUNTRY BREAKDOWN

In Finland, 30% of the respondents agree there is a clear business case for improving gender diversity within their organisation. For the Netherlands and Sweden, this percentage is markedly higher (61% and 62%, respectively).

	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
My organisation believes there is a clear business case for improving gender diversity.	66%	52%	52%	30%	61%	47%	62%

4 Hunt V, Layton D, Prince S. *Diversity Matters*, McKinsey & Company, 2015.

Diagnose:

Inclusion beats global averages, but women hold only one-third of executive roles.

Organisations that understand the business case for gender equality and commit to improving the diversity of their workforce and inclusivity of their culture will need access to robust workforce data and conduct data analysis to understand where to focus their efforts. For this reason, the second parameter we looked at is how companies are collecting and analysing that data to adequately evaluate their progress and objectives.

Leading companies that have figured out how to implement effective customised gender-diversity strategies are seeing positive results. An example of such a success is Kimberly-Clark Corporation, which has undertaken a very focused and aggressive approach to increasing diversity in its leadership ranks. Through a combination of

hands-on leader engagement, statistical analysis and formal commitments in procedures and documentation, the company has moved the needle dramatically towards becoming a master in the D&I spectrum.

Kimberly-Clark's achievements with respect to gender diversity earned the company the 2014 Catalyst award, and it's named as one of the best places to work in terms of LGBTQ equality (2018) and one of the best employers for diversity.⁵

The Northern European leadership teams surveyed tend to be more gender-balanced compared to Europe overall as well as globally. Sweden, Denmark and Finland are at the forefront with just over one-third of their executive leaders being women.

	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
% of women in the executive leadership roles	20%	33%	36%	35%	28%	30%	36%

■ Above global results ■ Below or in line with global results

In addition to examining executive leadership, it is necessary to look holistically at the entire talent pipeline, analysing the representation at all career levels, as well as the hire, promotion and turnover rates at each career level. It is also critical to examine representation in business-critical roles.

Overall, women are equally represented in P&L roles, as they are in non-P&L positions in half of Northern European organisations, whereas our global research found that equal representation in P&L roles is also linked to better female representation.

5 Gerut A. "Choke Points' Keep Women From Advancing," *Agenda* (April 21, 2014), and <https://www.kimberly-clark.com/en-us/responsibility/diversity-and-inclusion>.

	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
Women are equally represented in profit and loss (P&L) roles as they are in non-P&L positions.	32%	50%	43%	56%	57%	42%	49%

■ Above global results ■ Below or in line with global results

In Northern Europe, we still see companies that are not paying attention to pay equity analysis.

Approximately half (54%) of the surveyed organisations base their pay equity analysis on a robust statistical approach, and 46% of organisations have a team that is formally responsible for conducting pay equity analysis.

Furthermore, about half of organisations state gender equality is a core part of their compensation and benefits strategy and that their commitments to gender equality are publicly documented (for example, in annual reports, on websites, etc.).

COUNTRY BREAKDOWN

Danes are most likely to agree that their organisation's commitments to gender equality are publicly documented (63%), and most Dutch respondents (61%) believe gender equality is a core part of their organisation's compensation and benefits strategy. Norwegians are the least likely to have gender equality and pay equity commitments as formal responsibilities or strategy embedded within their organisations. One-third of organisations in Norway have a formalised process to address pay equity risk or have a team in place to conduct pay equity analysis.

	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
Gender equality is a core part of my organisation's compensation and benefits philosophy/strategy.	N/A	53%	52%	44%	61%	36%	62%
My organisation's commitments to gender equality are publicly documented (e.g. in annual reports, on websites, etc.).	49%	54%	63%	51%	57%	47%	52%
My organisation's pay equity analysis relies on a robust statistical approach.	36%	54%	57%	56%	48%	39%	63%
My organisation has a formalised remediation process to address any pay equity risks identified.	34%	44%	37%	37%	52%	33%	54%
My organisation has a team that is formally responsible for conducting pay equity analysis.	46%	46%	39%	53%	46%	31%	54%

■ Above global results ■ Below or in line with global results

Engage:

Only half of executives and men are actively involved in D&I.

Every change, behaviour or value in an organisation starts with executive leadership making it a core part of the business goals. Of course, initiatives do originate from all places within an organisation, but without leadership involvement and commitment, it's harder to make such a change successful.

Our global research found that organisations with senior executives and men actively engaged in D&I efforts have better female representation and advancement than those lacking such engagement. The results of this Northern European survey show a mixed picture. Compared to the global average, the region is ahead on bonuses/incentives for senior executives being tied to D&I goals, and on the involvement of men in D&I programmes/initiatives, but interestingly it is falling behind in senior executive engagement. Only half of the Northern European companies in this study agree that senior executives (CEO plus direct reports) in their organisation are actively involved and engaged in D&I programmes

or initiatives. Less than half (47%) of respondents agree that men are actively involved/engaged in D&I programmes/initiatives within their organisation.

Helping organisations understand the business imperative for improving gender diversity and involving leaders at all levels (both men and women) are critical steps to a more gender-diverse organisation. A broad, wide focus is critical for change.

COUNTRY BREAKDOWN

Taking a closer look at the engagement and accountability around gender diversity per country, we see some interesting results. Another interesting outcome is that only one-third (36%) of companies in Norway agree men are actively involved or engaged in D&I programmes and initiatives.

	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
Senior executives (i.e. CEO plus direct reports) are actively involved/engaged in D&I programmes/initiatives.	58%	51%	52%	49%	52%	44%	54%
Men are actively involved/engaged in D&I programmes/initiatives.	37%	47%	43%	42%	50%	36%	57%
Bonuses/incentives for senior executives (i.e. CEO plus direct reports) are linked to the achievement of D&I goals.	15%	40%	46%	28%	48%	39%	38%

■ Above global results ■ Below or in line with global results

Take Action:

Regional employers lead in programme design but lag in offering optional benefits that fuel gender equality.

Incorporate gender equality in your employee benefits design.

Our global When Women Thrive research shows that innovative benefits, as well as retirement and savings programmes, customised to gender specific requirements, are clear drivers for a more gender-diverse organisation.

In addition, companies that identify gender-specific health needs and provide training to their managers to support employees through leave and return-to-work processes experience better representation and advancement of women.

Even though men and women tend to have varying needs for health and financial benefits, only half of Northern European organisations (49%) address different work arrangements (for example, adapted to part-timers, service breaks) in main retirement/savings programmes, and only one-third (34%) of the survey participants have retirement/savings and education/training programmes customised to different gender behaviours.

Again, the Northern European countries on average score higher than the global survey results; however, there is still room for improvement and opportunities for Northern European businesses to take additional action.

Less than half of the organisations (39%) have conducted analyses to identify gender-specific health needs, and only 42% of companies provide

their managers with training to effectively support employees through the maternity/paternity leave and return-to-work processes. On a positive note, most organisations (almost 7 out of 10) in Northern Europe agree their organisation's culture is equally supportive of men utilising family leave and time-off options as women.

Looking at the overall picture, however, it is clear that organisations have not yet begun to determine how to accommodate and support how men and women may have varying needs for health and financial wellness during their working life. This presents a great opportunity for organisations across Northern Europe when looking to improve gender equality and establish a more diverse workforce — a workforce equipped for the future, in which you as an employer will need to attract and retain the best talent you can get.

COUNTRY BREAKDOWN

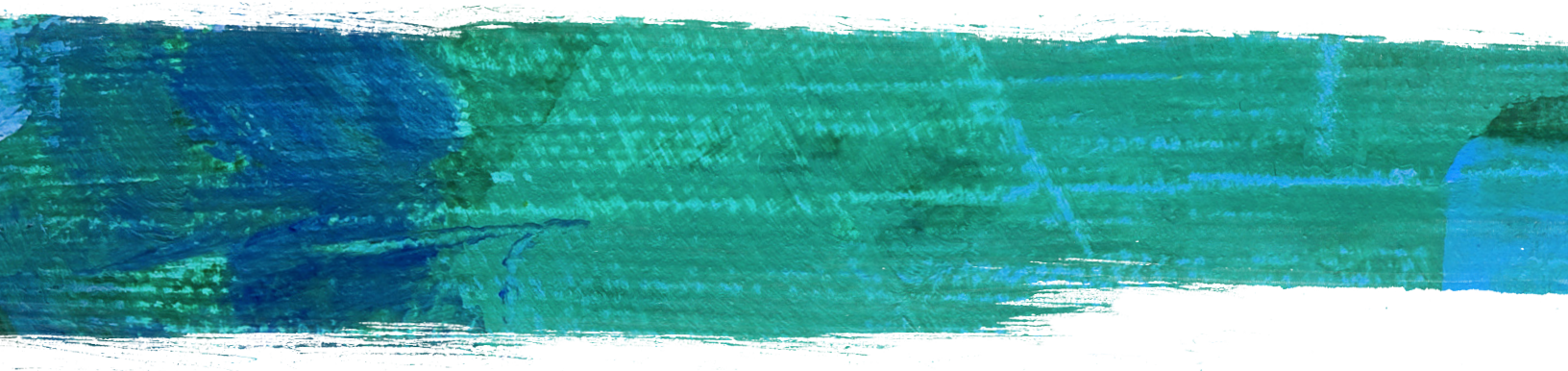
Whereas across Northern Europe, only one-third of organisations agree the main retirement/savings and training programmes are customised to different gender behaviours, half of Dutch organisations agree that this is the case in their organisation.

Norwegians are the least positive about having retirement, health and benefits programmes customised to different gender behaviours. Only one-quarter agree their organisation offers gender-customised programmes.



	Global	Northern Europe	Denmark	Finland	Netherlands	Norway	Sweden
My organisation's main retirement/savings programme addresses different work arrangements (e.g. adapted to part-timers, service breaks).	26%	49%	48%	49%	57%	42%	46%
My organisation's main retirement/savings and education/training programmes are customised to different gender behaviours.	8%	34%	33%	30%	50%	25%	28%
Supporting women's unique relationship with healthcare – as patients and as decision-makers – is important for attracting and retaining female talent.	45%	47%	61%	42%	46%	36%	48%
My organisation's culture is equally supportive of men utilising family leave and time-off options as women.	65%	67%	78%	67%	59%	69%	63%
My organisation has conducted analyses to identify gender-specific health needs in our workforce.	22%	39%	37%	37%	46%	33%	38%
Managers in my company receive training to effectively support employees through the maternity/paternity leave and return-to-work processes.	29%	42%	42%	42%	52%	25%	38%

■ Above global results
 ■ Below or in line with global results



Measure & Refine:

Conclusions and Recommendations

As we lay out recommendations for the region, we suggest that, in general, Northern Europe is on the right track. It would be unfair not to acknowledge the hard work the countries have put in to make strides towards gender equality. As a result, these countries have seen significant progress towards closing the gender gap, as compared to the global landscape.

However, it is clear from our survey findings that businesses still have much ground to cover. More than half, across the region, are not seeing consistent progress towards gender equality — and are still considering themselves in the early stages of D&I maturity.

The solution to this can be found in the framework we laid out in the methodology for this report. Companies must align on the business imperative, diagnose their current state, create a strategy rooted in proof points, engage everyone in the organisation (in particular, leadership and men) and take action to ensure they have the right programmes, processes and practices in place to support the women in their workforce.

Finally, as they begin to see additional success, it's critical that organisations do not fall back and wait for the rest of the world to catch up, but continue to forge ahead and provide a strong example for other regions/countries of what gender equality looks like and the benefits it has for businesses, communities and society as a whole.



6. NEXT STEPS: ACCELERATE YOUR JOURNEY TO GENDER EQUALITY WITH MERCER | EDGE

As you move forward with the insights in this report, remember that you are not alone on your journey. Mercer's global D&I consultants help clients build diverse workforces and inclusive workplaces through data and insights; world-class expertise in leadership and executive development; and effective D&I strategies. Our distinctive approach aligns an organisation's D&I strategy with its business goals and integrates with the organisation's talent, health and financial wellness strategies.

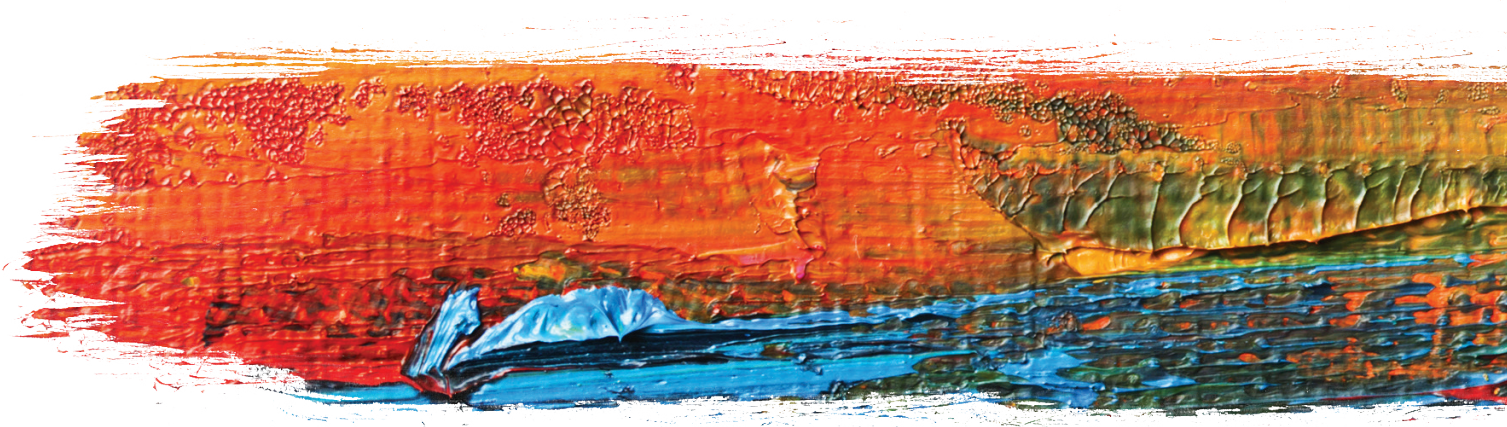
We also prepare our clients to get their EDGE certification. Mercer | EDGE is an end-to-end strategic framework for accelerating organisational gender equality that helps companies identify their gender gaps and then develop and implement a plan to close those gaps. Mercer | EDGE enables companies to make progress towards gender equality by leveraging Mercer's global research and consulting expertise and EDGE Certification's leading global assessment methodology and certification standard.

We help organisations achieve:

- A statistically strong gender balance at all levels of the organisation
- A statistically insignificant gender pay gap

- A solid framework of effective policies and practices to ensure equitable career flows for both women and men when it comes to pay equity; recruitment and promotions; leadership development training and mentoring; flexible working; and organisational culture
- An inclusive culture, as reflected in employees' high ratings in terms of career development opportunities

To learn more about how we can help your organisation accelerate progress towards gender equality, please contact us at wwt@mercer.com or visit www.mercer.com/EDGE.



ABOUT MERCER

At Mercer, we make a difference in the lives of more than 115 million people every day by advancing their health, wealth and careers. We're in the business of creating more secure and rewarding futures for our clients and their employees — whether we're designing affordable health plans, assuring income for retirement or aligning workers with workforce needs. Using analysis and insights as catalysts for change, we anticipate and understand the individual impact of business decisions, now and in the future. We see people's current and future needs through a lens of innovation, and our holistic view, specialised expertise and deep analytical rigour underpin each and every idea and solution we offer. For more than 80 years, we've turned our insights into actions, enabling people around the globe to live, work and retire well.

6009815-WW

Copyright 2019 Mercer LLC. All rights reserved. [mercerv.com](https://www.mercer.com)