

CONTENTS

2

HEALTHCARE:
**WHERE DO ALL THE
WOMEN GO?**

19

CAN YOU HEAR ME NOW?
**THE COMMUNICATION
DIVIDE**

6

THE INVISIBLE BARRIERS:
**REMOVING WHAT IS
GETTING IN OUR WAY**

22

DEBUNKING THE MYTH:
**IT'S NOT ABOUT
CONFIDENCE**

14

RESULTS:
**THEY DON'T JUST SPEAK
FOR THEMSELVES**

24

THE NARROW PATH:
**PROVING LEADERSHIP
POTENTIAL**

16

TUNNEL VISION:
**THE PROBLEM SOLVER'S
DILEMMA**

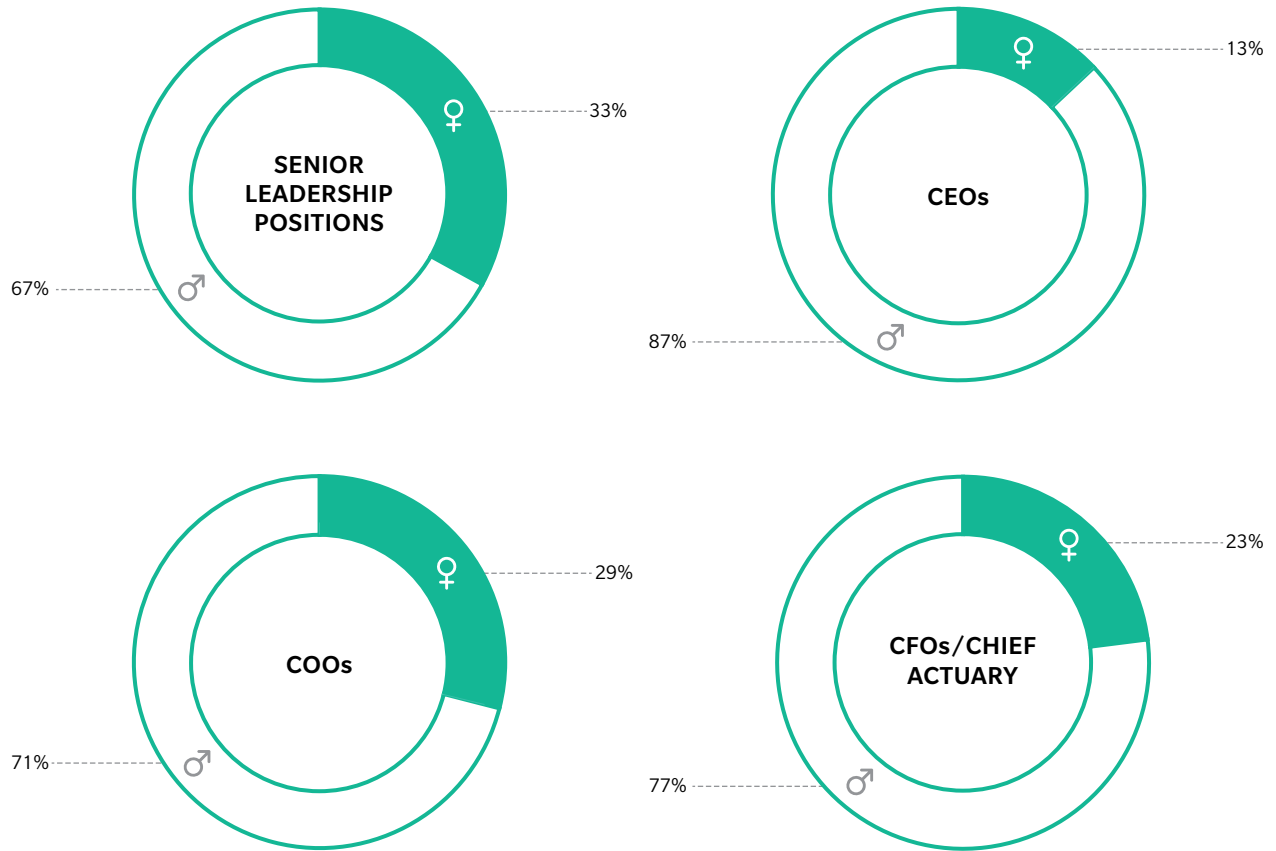
27

CONCLUSION:
THE PATH FORWARD

HEALTHCARE: WHERE DO ALL THE WOMEN GO?

Healthcare is an industry where women consumers make 80 percent of buying and usage decisions and represent 65 percent of the workforce – a relatively high share compared to other industries such as financial services (46 percent) or tech (26 percent). Yet despite their influence as customers and the core workforce, they are notably under-represented in the industry's leadership – making up approximately 30 percent of C-suite teams and 13 percent of CEOs. Healthcare, unlike other industries, does not have a “women in healthcare” problem, but a “women in healthcare leadership” problem.

HOW DO WOMEN FARE IN THE HEALTHCARE INDUSTRY TODAY



It takes women on average
3-5 years longer
to reach CEO
(depending of type of organization)

The healthcare industry faces changes that are pushing incumbent players to radically transform their business models. Given the lack of diversity in their C-suites, healthcare incumbents may not be able to keep up with the shifts already underway. Studies have shown that [diversity makes teams question their default assumptions](#) in a way that produces [better outcomes – more innovation](#), more creative solutions to intractable problems, and ultimately better financial outcomes. Women are just one type of diversity, but an especially critical one in healthcare because they make the majority of buying and usage decisions. How can an organization (and more broadly, the industry) move towards becoming consumer-oriented when it lacks a leadership team that reflects and relates to its primary customer? On top of this, disruptive innovation and merger and acquisition (M&A) activity is shattering the status quo (like the Amazon-Chase-Berkshire trifecta or CVS-Aetna, for starters), making any competitive edge all the more important.

▲ WHAT'S HOLDING BACK PROGRESS? THE ANSWER IS SUBTLE

The gender gap in business is well documented, as are some commonly cited contributors to this gap (such as the pay gap, the good ole' boys club, unconscious bias, micro-aggressions, and childbearing). Many of these commonly cited impediments came up in our talks with men and women healthcare leaders. Yet many women we spoke to faced and were able to overcome these challenges to reach the C-suite. For example, most cite experiencing some micro-aggression, whether a man's misattribution of an idea, assumptions about work versus family priorities, or erroneous assumptions of someone's career ambitions. This suggests focusing solely on these well-known components may be too simplistic.

We were struck by two things in our research: 1) despite these known obstacles, some women have made it through, and 2) even with increased awareness of these concepts, most businesses still struggle to surmount them and achieve gender parity at the top. That led us to ask: What are the less visible, less understood causes of these commonly cited impediments? If the industry understood the causes better, could more change happen?

Most women we spoke to felt like much of what they experienced was unintentional. Those in the C-suite, and one level below, did not feel men were directly obstructing them from reaching the top. Most men recognized the gap at the top leadership levels and believed it should be addressed.

Over a decade ago, less than 50 percent of the C-suite likely believed in egalitarianism at work and home. Now, we are approaching [70 percent](#). Leaders are aware of the challenge and intellectually recognize the need to change. Well-intended executive teams have hired Inclusion & Diversity Leads and set goals to attract and promote women and diverse populations, but the lack of results is real. Most leaders honestly struggle to understand why they are not making more progress.

As we analyzed the issue, our team at Oliver Wyman concluded the healthcare industry essentially has a massive “change management” problem. It is not enough to understand the impediments intellectually and agree something needs to change. Individuals (men and women) need to be more self-aware of what might be hidden and unconscious for them, but still gets in the way. People also have to be activated to want to change their own, well-established behaviors. They need to reshape their muscle memory and how they make decisions and perceive leadership if they want impact at the top.

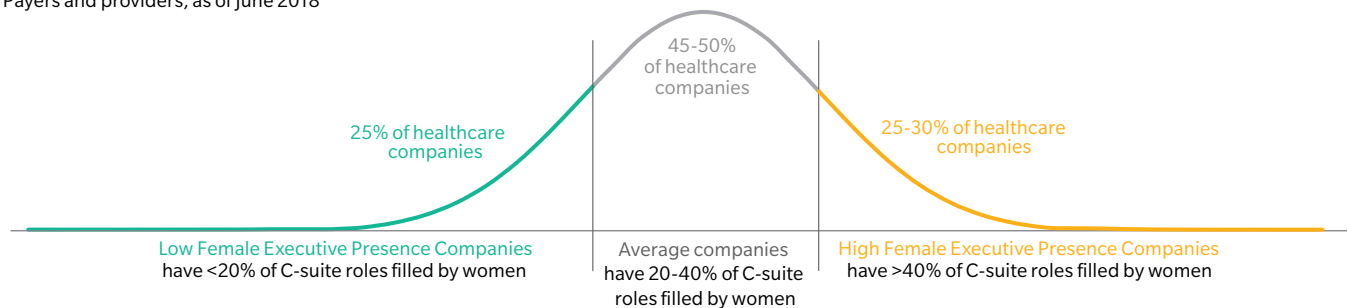
What are the less visible, less understood causes of these commonly cited impediments? If the industry understood the causes better, could more change happen?

To get underneath the surface of things, we undertook the following:

- **Developed profiles of C-suites and boards** of 134 payers and providers (more than 3,000 executives), accounting for 70 percent of the market based on revenue, to better understand differentiation in female leadership among organizations
- **Analyzed the paths of 112 payer and provider chief executive officers (CEOs)** to follow the route to leadership in traditional healthcare organizations
- **Spoke with more than 75 men and women in the industry** – from directors to CEOs – to understand the visible and invisible dynamics at play for men and women

PREVALENCE OF WOMEN IN C-SUITE ROLES AT HEALTHCARE COMPANIES

Payers and providers, as of June 2018



Source: Oliver Wyman analysis

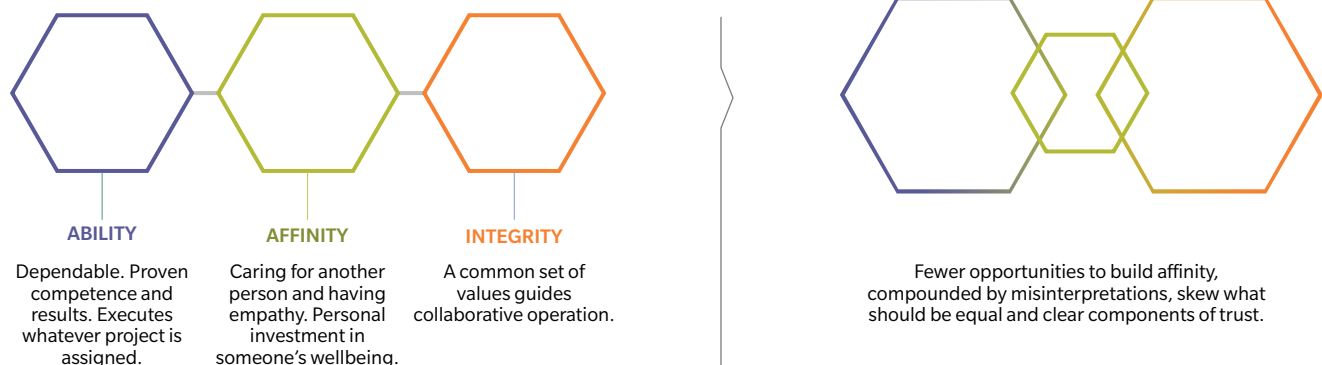
THE INVISIBLE BARRIERS: REMOVING WHAT IS GETTING IN OUR WAY

Based on our hypothesis that subtle, less tangible forces are obstructing progress, we explored three major themes:

- 1 What actually drives promotion to the C-suite, and how does that impact our “women in healthcare leadership” problem?
- 2 What is “hidden from view” that makes current diversity efforts less effective at the top?
- 3 How do we use new insights to develop practical, workable agendas?

WHAT ACTUALLY DRIVES PROMOTION TO THE C-SUITE AND HOW DOES THAT IMPACT OUR “WOMEN IN HEALTHCARE LEADERSHIP” PROBLEM?

Promoting someone to a senior executive level means taking a chance on that person; essentially trusting they can do a job they have not done before. Simple, right? Not necessarily. Trust, and how it’s built, is a well-studied topic. Drawing on a [study](#) by Mayer et al (1995), trust can essentially be attributed to three dimensions:



While trust is key to getting promoted, most executives don’t consciously recognize how it is established and how it ultimately impacts promotion decisions. When asked how trust factors into decision making for promotion, people for the most part readily identify the first two dimensions. The functional or rational factors (“ability” and “integrity”) are what all people, men and women alike, believe we use in assessing for promotion. Few executives explicitly recognize or understand how the third dimension (“affinity”), impacts trust-based decision making.

We concluded it is much more difficult for women to achieve the same level of implicit trust in male-dominated workplaces. If we are not purposeful in understanding and addressing the subterranean barriers to building trust, we will not make meaningful progress.

▲ THE UNEVEN PLAYING FIELD IN BUILDING TRUST

We found three such barriers:

1. AFFINITY IS EMPATHY DRIVEN

It is much easier to build empathy with people of similar backgrounds, and men share many more life experiences with male executives than do their women colleagues.

Women typically have fewer opportunities to connect with men in informal, non-work settings after hours or on weekends. Social/work activities tend to be more aligned with male interests (like football and golf) that may not appeal to women who often shoulder more responsibilities at home than their male colleagues. It is also more culturally loaded for a man and woman to be connecting in an informal way outside work.

“Many men automatically give trust and respect to a man, then take it away. Women have to earn trust and respect to begin with. I don’t think it’s conscious.”

– Female, Chief Experience Officer

“When you’re looking about how people network and forge relationships, there is a huge problem because most of these activities are aligned with typical male interests – golfing, cigar bars. But it is in those settings that trust is established. It’s having a bigger impact than people think.”

– Female, CEO

“It’s male oriented and your networks drive the kinds of people you hire. Male networks tend to be gender focused. For white male CEOs, it’s natural you don’t have networks broader than your experience, so you will miss women and minorities.”

– Male, Former CEO

Women do form close mentor or sponsor relationships, but they often have fewer of those and they are not as readily made, given the limited opportunities and family obligations outside of work that vie for their time.

This intangible factor of “affinity” certainly influences decisions on hiring and promoting. It is challenging to address because it is rooted in innate instincts that shape our ability to trust someone. Too often, that affinity is generalized as an “old boys club” mentality. This oversimplification does a disservice to men and women because it makes it sound as if cronyism

is the driver, rather than the richer psychological concept of affinity and its importance in creating trust. To ignore this or to assume that promotion or hiring decisions are purely objective does not serve C-suite executives or women well. Leaders must find broader ways to create affinity across gender or race if they want to help diverse teams thrive. They can't expect the "in" group to simply ignore the influence of affinity bias. Instead, they need to be made self-aware of how such bias may color their assessment of candidates.

Leaders must find broader ways to create affinity across gender or race if they want to help diverse teams thrive.

2. PERCEPTION MEANS REALITY GETS IN THE WAY OF EVALUATING WOMEN'S ABILITIES

Our interviews showed that men and women often behave and perceive actions differently based on socialization and cultural norms about the roles of men and women.

For example, differences abound regarding how teams ought to be led. Women may view collaboratively driven discussions as a way to empower the team. Meanwhile, men may perceive a woman as being less in charge or unclear about her role in the results. These unconscious perceptions result in misinterpretations or skewed evaluations of women, by men.

"When you're interviewing, sometimes women's different approaches in senior level jobs are seen as different – meaning not as effective – by interviewers looking for people like themselves. There is not an appreciation for the approaches women have in senior-level jobs."

–Female, CEO

"A manager in a review told me, 'You need to find your leadership voice.' Had he not said that, I would not be where I am today. I don't think women are aware leadership's an issue. They think they're doing right by letting their team present information. They don't have someone tell them they don't see you as a leader, even though that's not the case at all."

–Female, Senior Director

Only by developing an explicit, shared view of what makes a leader and understanding pre-existing biases can we hope to read situations and evaluate talent more consistently.

3. HOW ABILITY IS DEFINED (AND DEMONSTRATED) CHANGES AS YOU GET CLOSE TO THE C-SUITE

We have already explained women end up overly relying on proven ability to get ahead due to the imbalance they experience with regards to affinity. Unfortunately, as one gets closer to the C-suite, there is a critical but subtle shift in how ability is defined and assessed. Executing tasks effectively is critical, but that will only get you so far. To make it to the C-suite, the subtle and more ambiguous qualities of leadership play a greater role. Yet when we asked C-suite executives what these characteristics were, they struggled to identify a consistent definition.

After interpreting the range of responses and perspectives we heard, it appeared that demonstrating leadership means having:

- The ability to motivate, inspire, and communicate effectively
- Passion and confidence
- A decisive nature
- A broader perspective on business that shapes your decisions
- Connections and influence – internally and externally

The fact that few executives were able to consistently define leadership suggests less explicit criteria are being applied to assess some of the above, and thus affinity and other hidden factors come into play. To identify the shortcuts leaders use to assess concepts of leadership and strategic thinking, we looked at what organizations value most in leadership. We traced the backgrounds of 112 payer and provider CEOs to see if there was a pattern. Unsurprisingly, we found 86 percent had prior profit-and-loss (P&L) experience – yet men are three times more likely to fill P&L positions. On top of this, most had also been in critical roles enabling them to network widely and broaden their exposure to all aspects of the business.

“It’s not enough to just deliver. You need to bring ideas, insights, and strategy. Execution only does not get you there.”

–Female, Vice President

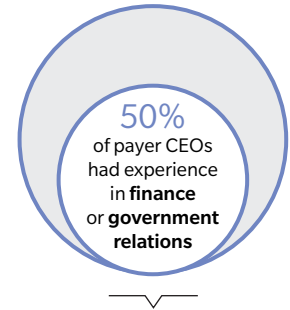
BACKGROUND OF CEOs AS ORGANIZATIONAL LEADERS

112
PAYER AND
PROVIDER CEOs



PAYER
CEOs

- Both requires working across functional areas to better understand the business
- Finance closely linked with payer’s function as a provider of financial products
- Government relations tied to highly regulated nature of the industry



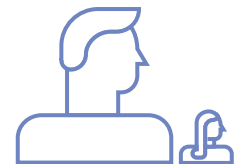
PROVIDER
CEOs

- Exposed to all aspects of the care delivery machine



HOWEVER...

...men are
3 times
more likely to hold
P&L C-suite roles
than women



“I wanted P&L experience because I knew I couldn’t be CEO without it. It enabled me to learn how to run all aspects of the business in a protected environment. It gave me the proven track record.”

–Female, Vice President

“There are some roles that set people up for those broader networks you need to advance more than others. For instance, in insurance, it’s the sales, business development, or even CFO roles.”

–Female, Vice President

The closer you get to the top, the less diversity exists and the more dominant male perceptions and associated biases become. This may explain why when women do make it to roles reporting to the CEO, they tend to serve as technical experts (such as Chief Human Resources Officer, Chief Legal Officer, Chief Information Officer) where technical expertise supersedes intangible qualities. Some 65 percent of women in C-suite positions fill technical or influencer roles. Furthermore, when we analyzed healthcare organizations, we found that provider organizations with at least 40 percent of their C-suite positions held by women had 1.5 times larger C-suites than those with only 20 percent women in the C-suite – but most of these “additional” C-suite positions are technical roles.

If more women are to reach the top, then current leaders need to do a better job assessing ability and potential when hiring and promoting, versus using shortcuts such as a standard track and path through the organization. Interestingly, all of the CEOs we interviewed from organizations with at least 40 percent of their C-suite positions held by women had talent and promotion philosophies that prioritized ability and potential above a perfect resume of past experiences.

“I hire heavily on will. If we have to make sacrifices, I will go with younger tenure, high will, and less ‘proven’ if we can get it.”

–Male, CEO

“Relevant experience is important in some areas, but I am more focused on competency. I am looking for someone who is a good team member, collaborates, and is an effective listener.”

–Male, CEO

65%

Number of women in C-suite positions requiring specific technical expertise

WHAT IS “HIDDEN FROM VIEW” THAT MAKES CURRENT DIVERSITY EFFORTS LESS EFFECTIVE AT THE TOP?

Through our research, we saw that fundamentally different assumptions that men and women make about leadership and what constitutes impact influence how they behave. Because men and women have different assumptions, they tend to misinterpret intentions, and judge behaviors very differently. Because of “hidden” influences, men and women tend to be unaware and perpetuate much of the same ineffective behaviors and biases, making it hard to drive change. Here are some examples:

- **Results: They Don’t Just Speak for Themselves.** Many women we interviewed have a strong belief they should and will be judged solely by their results and impact. This influences how women think (or often don’t think) about career planning more broadly, and how much value and time they place on networks and building affinity.
- **Tunnel Vision: The Problem Solver’s Dilemma.** Women often build credibility early on as problem solvers. However, it can also unintentionally get them pegged as not strategic or too valuable in certain roles – undermining perception of their ability when it comes to leadership and taking them out of the running for roles on the path to senior leadership.
- **Can You Hear Me Now? The Communication Divide.** Men often focus on “the what” while women often focus on “the why.” This subtle difference can cause misinterpretation and misperception of someone’s intent and ability. If men and women cannot communicate effectively with each other, nobody is getting the full benefit of collaboration.
- **Debunking the Myth: It’s Not About Confidence.** The *confidence gap* and *imposter syndrome* are often cited as part of what may be holding women back in business. Among the women we spoke to, few seemed to lack confidence. Rather, they appear to simply have different views on what it means to be competent. Men see “winging it” as more acceptable than women. This isn’t surprising in a world where women overly rely on competence because the affinity bias is against them.
- **The Narrow Path: Proving Leadership Potential.** Given some other dynamics we’ve discussed – such as women being pigeonholed, high expectations regarding role qualifications, and limited P&L roles – it’s unsurprising women face challenges getting the right experiences to showcase their leadership and strategic bent. If we want to break the cycle, women need leaders willing to bet on competency and potential versus relying on a more narrowly defined “traditional path” to serve as the stamp of proven capability.

▲ DRIVING REAL CHANGE: HOW DO WE USE THESE NEW INSIGHTS TO DEVELOP PRACTICAL, WORKABLE AGENDAS?

It is as if men and women are playing a game that on the surface looks the same but has different “house rules” for the two sides: each keeps wondering if the other is cheating or simply does not know how to play the game.

Real change is elusive, because both genders do not spend time understanding why each behaves the way they do. In the following sections, we dive into some of these invisible barriers before we turn to some of the visible actions leaders can take to address them.



RESULTS:

THEY DON'T JUST SPEAK FOR THEMSELVES

Throughout our interviews, many women strongly believe “results speak for themselves.” However, when women over-rely on results, it unintentionally causes women to be less top-of-mind for promotions.

“I care about having impact and what matters is that I deliver results.”

–Female, Senior Vice President

Women recognize early on they’re less likely to get a boss’s invite to a lunchtime basketball game or the weekend golf outing to build relationships. As a result, women focus on and play the “results card” harder.

Women are less likely to...

- **Self-promote** – Many women we spoke to admitted their male colleagues are better at self-promoting. Most said that self-promotion felt arrogant, and we got the sense that some saw little value in it. Women’s lack of self-promotion leaves leaders (who they likely don’t have personal connections with) questioning their goals and intent.

“You want to think your work speaks for yourself. The notion of self-promotion is very challenging, yet, needed.”

–Female, Vice President

“If you aren’t willing to promote yourself, it’s harder to get someone else to promote for you. Women are not as self-promotional as men. There’s a huge awareness factor for women.”

–Female, Senior Director

- **Seek sponsors or mentors** – Women reportedly have fewer mentors than men (an average of 2.5 versus 3.7). Women also **value mentors less** (women would pay \$197 monthly for advice, versus \$289). Similarly, we found women may be less likely to proactively seek and cultivate mentoring and sponsorship relationships.

“I’ve been anti-networking most of my life. ‘Work hard, demonstrate results, get promoted’ worked – until director level. Then over the last two years, I started teaching myself to be aware of the full package.”

–Female, Vice President

“I thought everyone was getting things because of hard work, and then realized that’s not how it happens. I saw my boss building personal relationships. As you move up into more senior roles, personal relationships are more important.”

–Female, CEO

Because they have a harder time expanding their networks and implicitly building more affinity – and because few executives truly appreciate the impact that affinity has on trust and decisions – women have essentially defaulted to over-relying on ability and delivering results to get ahead. Leaders need to reframe self-promotion from being perceived by women as boastful to helpful in enabling leaders to understand the results they drive.

TUNNEL VISION: THE PROBLEM SOLVER'S DILEMMA

Many women we spoke to commonly identified themselves as workplace “problem solvers” who made it up the corporate ladder by taking on problems few wanted to tackle. The experience and sponsors that they gained in the process helped them advance to senior levels.

“Men may think women are always bringing up problems. Of course, they are. They are brought in to solve them. I never applied for a job. I was always asked to solve a problem because of my reputation.”

–Female, CEO

“I was brought in to work on the hard stuff. It was as if they said, ‘We have a clean up on aisle seven, bring her in.’”

–Female, President

Why do women find themselves problem solving so often?

- **Comfort in the execution role** – Historically, women have been concentrated in execution roles focused on running processes critical to an organization’s day-to-day success rather than developing a unit’s strategy or analyzing its performance. It can feel like a natural place to fit in, maybe even harkening back to the traditional doctor-nurse dynamic where the doctor makes the decisions, but the nurse gets things done. Women also get big kudos and reinforcement for their drive and tenacity.

“Bosses told me, ‘We like hiring women because they are work horses.’”

–Female, President

“Women are so used to being #2. It’s psychosocial. We’re used to pleasing.”

–Female, CEO

- **An impact-focused career philosophy** – Many women seem to associate their job satisfaction with their ability to have immediate and tangible impact. Rather than achieve impact through moving up or evolving their role, women we spoke with sought opportunities to tackle the hairiest problems. Surprisingly, 76 percent of women we interviewed said they did NOT plan their career, even short term – perhaps indicative of their laser focus on getting things done and impact.

“Across my career, I don’t pay attention to titling. Tell me what the work is and what I can do. I thoroughly enjoy creating teams of people and driving improvements.”

–Female, President

“I get to fix stuff and make it better. I won’t sacrifice this. It’s part of my personal fulfillment. If the next role allows me to do that, that’s what I want.”

–Female, Vice President

Identifying as “problem solvers” can unintentionally lead to misperceptions about women’s ability and career ambitions. Women (and men) we spoke with cited managers likely to:

- **Perceive women as non-strategic** – There’s uncertainty about how women in technical roles get “out of the weeds.”

“If you want a project done and to handle an issue, my female colleague’s the one. I want to promote her and prepare her for a Vice President role. I had to convince Human Resources, who believes she’s a doer, not a strategic thinker. How do you transition – while not stalling out?”

–Female, Chief of Staff

“Those obsessed with operational details of their current role because they’re afraid they’ll be less than perfect often get stuck. They’re seen as less strategic or so good people get nervous about working without them.”

– Male, CEO

- **Pigeonhole women into execution roles** – This *could* be a natural consequence of perceiving women as not strategic. Or, when women get too good at execution, it feels too risky to promote them out of their role.

“A woman who’s really good – typically in nursing or human resources – is seen as, ‘She’s really good at this job,’ without strategic positioning. Her job is perceived as an end, in and of itself. This doesn’t happen as much for men.”

–Female, Former CEO

“As women, we get good at solving problems. Then we get piled on heavier. I found that out when one of my former coworkers said about me, ‘Oh she won’t work for anyone else in the company.’ I had told him for two years I wanted something new!”

–Female, President

As you get higher in the pyramid, it becomes more about proving you’re strategic enough to take a leading organizational role. To be fair, men get pigeonholed too, but it is more likely to occur with women who are associated with being problem solvers and less likely to have sponsors championing them. This can block them from higher, more impactful positions. Imagine if we could help systematically break this cycle for *more* women.

CAN YOU HEAR ME NOW? THE COMMUNICATION DIVIDE

It's well-documented that men and women differ in their approaches to communication and listening skills. Men are action-oriented speakers and listeners, while women are people-oriented speakers and listeners. We even see these differences physiologically – an Indiana University School of Medicine study found one hemisphere of men's brains activated while listening, whereas both hemispheres activated for women.

As one interviewee summed it up, women tend to care more about the "why" and enrolling an audience. Men care more about the "what." Both approaches are valid. Women's communication style may be why they're perceived as more supportive and encouraging than men. Men's decisiveness can empower teams to drive quick action.

WOMEN ARE MORE LIKELY TO...

- **Interject with small acknowledgements** to show active listening. However, men tend to find this disruptive, thinking women “over listen.” (Meanwhile, women **think** men aren’t listening if they *don’t* do this.)
- **Focus on the rationale behind an argument** to explain and enroll audiences. Men find focusing on “the why” makes “the what” unclear.

“In the boardroom, men communicate in three-word sentences. They won’t want to hear my paragraph explanations. Women communicate in longer sentences because we feel we need to better explain concepts.”

–Female, Chief Strategy Officer

MEN ARE MORE LIKELY TO...

- **Interrupt speakers**, particularly women, to encourage quick decisions, which women can find disrespectful and demoralizing. Men are **reportedly** twice as likely than women to interrupt a speaker, and three times more likely to interrupt a woman than a man – presumably because men “speak the same language.”
- **Quickly propose solutions** when problems are raised, **avoiding discussion** of the problem. However, women can interpret this as too quickly jumping to conclusions without collectively understanding the problem and potential solutions.

THESE COMMUNICATION DIFFERENCES CAN MEAN MEN AND WOMEN:

Talk past each other – Men can give up trying to follow what a woman says (causing misattribution). Similarly, a woman may discount what a man says when he interrupts her to say it.

“I made an effective point in a meeting and no one touched it, but when a guy repeated it, everyone said, ‘That’s a great idea.’ I was very aware maybe I can say it differently or more forcefully.”

–Female, CEO

Get frustrated, at times – These “disconnects” disproportionately affect women who are more likely to be not heard, interrupted, or misinterpreted since most leaders are men. And understandably, sometimes this frustration shows. Women can double down and become

more insistent on explaining, which can lead to perceptions of being too “emotional”. On the other hand, these behaviors can also chip away at women’s confidence in their abilities. Small frustrations can build over time, causing some women to disengage.

“As a woman, you must contain emotionality because emotionality sways the room – whether you want it to or not.”

–Female, Vice President

“Women take things more personally. They have tendency to retreat. Men yell and blow up, then laugh it off 10 minutes later. Women don’t do that.”

–Female, Vice President

Ultimately, the burden of adapting their communication style falls on the speaker. Men and women in senior leadership positions recognize that to succeed in the industry, women often need to communicate more like men. However, this can lead to a double standard – an expectation of a leader, but not an expectation of a woman who’s called “aggressive” instead.

“I’m not sure my firmness always gets listened to in the way a man’s firmness gets listened to.”

–Female, CEO

“I self-edit more than my male peers. I know if I’m not measured and using data in an opinion, it can get stereotyped and perceived differently. Men can offer an opinion with less substance and they’re just viewed as passionate.”

–Female, Chief Experience Officer

Given the composition of most leadership teams in healthcare today, the burden of adapting is falling on women more than men. This added effort just to be heard is often invisible to those who think, listen, and speak like the majority. Not only does it affect how individuals are perceived (and potentially promoted), it also means that organizations are losing the value of bringing diverse teams together. What if men and women were to be open and honest about streamlining these differences? Would male leaders be able to then expand the range of their communications, employing more “why” and enhancing their perceived empathy with others, as well as finding a way for women to be heard more in male-dominated conversations?

DEBUNKING THE MYTH: IT'S NOT ABOUT CONFIDENCE

Women at the director level (or who are approaching that stage) are hardly lacking in confidence. However, we suspect that they experience other factors that are common to women in general.

- **Having different qualification expectations.** Women tend to value competency more highly than men. Women think job candidates should “check all the boxes.” But men tend to disagree. For example, in a review of Hewlett-Packard’s personnel records, women didn’t apply for promotions unless they felt they met 100 percent of the job listing’s qualifications. However, men applied if they believed they met 60 percent. Examples like these may mean women unconsciously “fly under the radar.”

“Women want to dot our ‘i’s’ and cross our ‘t’s’ and then some before we put ourselves as a candidate for anything. Guys think about it less in terms of building credentials and more in terms of capabilities and aptitude.”

–Female, Senior Government Executive

“I never felt ready for the next job. I was coached into it.”

–Female, CEO

“So many women we have dialogues about opportunities with aren’t ready. They have this checklist in their head about being good enough. Men with equal qualifications come to me with all the reasons they’re smart enough.”

–Female, Chief Strategy Officer

- **Wanting to avoid self-aggrandizement.** One possible outgrowth of a philosophy that sees teamwork and consensus building as key ingredients of leadership may be a reticence on the part of women toward self-promotion, as it implies abrasiveness and self-centeredness. Some women we spoke with find self-promotion distasteful because it draws attention to them instead of the team.

“You feel you’re being arrogant or obnoxious when calling attention to yourself. You have to use the word ‘I’ and that’s hard for women. We tend to function in a team, working collaboratively.”

–Female, Executive Director

These tendencies take women out of the running for roles their backgrounds don’t perfectly align with. This is where mentors become critical. When asked about their key to success, women in the C-suite and the level below consistently cited having visionary sponsors and mentors who helped them take on positions they felt unprepared for.

“Without mentors, I would have fallen into the trap of, ‘I don’t know anything about medical plans,’ and not have taken over the product area. Men think you just need to surround yourself with the right people and don’t need to be an expert.”

–Female, Senior Vice President

THE NARROW PATH: PROVING LEADERSHIP POTENTIAL

As we mentioned earlier, when you rise to the upper echelons of management, the yardstick against which you are measured becomes less clear. It is no longer just about driving results – such as saving millions of dollars with an initiative – but about having a strategic, senior leadership presence. Because these types of qualities are hard to measure, leaders use shortcuts – and specifically certain roles – as a proxy for these qualities. Being a P&L owner where stakes are higher, and you have to understand all aspects of the business, is one. Additionally, roles in finance or government relations on the payer side or medical leadership or serving as the Chief Operating Officer on the provider side are considered good testing grounds for proving you have a broad perspective of the business and a correspondingly broad network.

However, these types of roles are few and far between. On top of this, women seem to be particularly under-represented in them. Why might that be?

We broke the issue down into two situations:

Promotion from within: Healthcare has a bias toward promoting from within. In fact, 63 percent of the 112 payer-and-provider CEOs we analyzed were promoted to CEO after having held a different position in the organization. This is not surprising, given that many healthcare organizations are not in high-talent pool locations such as New York, Boston, Los Angeles, or San Francisco. However, within a single organization, these roles are limited, and so personal relationships – that affinity factor – come more into play, versus an external hire situation when no candidate has close ties.

External promotion: Several leaders we spoke with talked about purposefully leaving a large organization for a bigger role with P&L experience at a small organization, aiming to eventually return to a larger organization.

“Large companies peg you and decide if you’re fast track. I fast tracked for a while, but they liked me in my role. I left. It was a huge jump in responsibility and learnings. Then I came back at that higher level.”

–Female, Vice President

“I needed to come to terms with the fact that I loved my life and community and that would be as far as my career would go – or I had to give that up and go to another market.”

–Female, Senior Vice President

The traditional healthcare universe is made up of many small, regional players, not nationals (by numbers, at least). This means there are few P&L roles with a meaningful budget in any single geography. To move for an opportunity more often means making a significant geographic move.

However, the decision to move typically carries more complications for women than for men. Women executives typically are part of dual-career households more than male executives. In a Harvard Business School [study](#), 60 percent of male executives' spouses do not work full-time outside the home compared to 10 percent of women executives. In addition, many women identify as the family caregiver, which can make uprooting children or a long commute less tolerable. On the flip side, men continue to face societal pressure to be the "breadwinner," and make personal sacrifices (such as moving or commuting long distances) for career advancement and salary.

"If I move to another company, title would be nice, but I'd have to build relationships over. I would have to move the family. I have kids at different places in their education. To up and move them to a different area is difficult. And my family is here. Women have to weigh these trade-offs more than men."

–Female, Director

"My career goals are clear – I want to be Treasurer, and then maybe CFO. I love this organization. But if I couldn't meet my career expectations here, I wouldn't stay."

–Male, Director

We suspect the narrow set of roles leaders use as proxies for leadership and the structural constraints at play are likely influencing women's success in reaching the top. If leaders want more women at the top and they acknowledge that they are not likely to move as much, then leaders need to change their approach. That could range from changing the composition of the C-suite (like expanding it in numbers), to how candidates are assessed to ensure there is not an over reliance on affinity or a narrow set of previous roles.

"The top women in our company have less traditional paths."

–Female, Chief of Staff

"The best leaders rotate their people, invest, and stretch them, tolerating the learning curve."

–Female, Senior Vice President

CONCLUSION: THE PATH FORWARD

Smart people, both men and women, struggle to address these gaps. Indeed, there's more complexity than we realize driving people's perceptions and decisions. Based on our interviews, when men do marginalize women it's safe to say it's usually unintentional. But simply saying that it is not intentional does not change the fact that workplace bias exists.

To create transformation that lasts, organizations must go beyond activation and make new behaviors habitual. Creating nudges and a sense of collective endeavor will make for lasting change.

There's reason to be hopeful. A focus on those unconscious beliefs and perceptions that drive instinctive behavior can activate and change mindsets and actions.

For example: telling someone to stop interrupting (when they are unaware of what they are doing) or asking someone why they feel the need to interrupt won't stick. In fact, it may lead them to lash out defensively, for example claiming they're not interrupting. Helping such people recognize a behavior they may be unaware of, and collectively understanding its cause, may allow both parties to understand one another.

Healthcare needs to do better, but the size of the typical healthcare C-suite and the level just below it makes improvement manageable. By committing to impacting its top level, an organization can shrink the challenge from the abstract "more women in leadership" to specific names, faces, and roles.

CLOSING THE GAP: THREE CRITICAL ACTIONS FOR LEADERS TO MAKE SYSTEMATIC, MEANINGFUL PROGRESS:

1. Be bold. Step up your organization's commitment to the challenge.
2. Purposefully balance the uneven playing field when it comes to sponsorship and mentoring.
3. Explicitly address misperceptions. Change the behaviors that go along with them. Build new habits.

To create transformation that lasts, organizations must go beyond activation and make new behaviors habitual.

▲ BE BOLD AND STEP UP YOUR ORGANIZATION'S COMMITMENT

It's easy for leaders and organizations to express commitment to diversity – indeed, most organizations (70 percent) in our study received some sort of Inclusion & Diversity award, even those at the bottom in terms of female C-suite percentage.

Stepping up your organization's commitment to the challenge means:

LEADERS (BOTH MEN AND WOMEN) MUST CHALLENGE THEIR INDIVIDUAL CALL TO ACTION.

Be honest: Are you saying diversity is important because it's expected of you or do you truly believe it is a business imperative? It's okay if you're unsure, but you cannot be satisfied with a lack of clarity or conviction – this impedes progress. Diversity must be purposeful. Get smarter about diversity – read articles, bring in outside speakers, find what activates you. Talk to the women (and men) in your organization or networks outside of work to understand their experiences – their approaches, their obstacles, and their perceptions. A single person's experience is not representative of a whole group's experience. And tap into experts to help you better understand why diversity matters – what others have seen from having more diverse leadership teams. Not everyone who ends up being head of a business, for instance, had a single working mother, or an amazing first boss who was female. Those situations can make it instinctively easier for some more than others to understand challenges or have a different mental model of what executive traits look like. If you did not have that type of experience, work to create other triggers that can help activate you and your executive team personally.

SET GOALS. HOLD YOURSELF AND YOUR TEAM ACCOUNTABLE.

In talking with healthcare CEOs at organizations with over 40 percent female C-suite representation, there are various philosophies on how accountability is created. For example, some were firm believers in establishing hiring targets for diversity. Others were philosophically opposed to quotas. However, these leaders consistently made diversity part of both C-suite and board discussions – making it clear to executive teams that NOT being cognizant of diversity was not an option. These leaders are laser focused on hiring and succession planning as key opportunities to drive diversity – whether through strict targets, encouraging leaders to include diverse candidates in the process, and/or assessing prior experience AND potential.

Any strategic priority should have goals, senior level visibility, and be embedded in day-to-day discussion of strategic objectives.

- Benchmark your current state across C-suite and the next level down – how are you actually doing, and what are your promotion trends?
- Where’s your strength? Where are you short? Why?
- What should your targets for the next two to three years look like?

To make change happen, specific objectives are critical.

- Will you make a commitment to your Board?
- How much time and how frequently will you review high potential female talent for your executive team?
- How often will you discuss progress on promotion rates and hiring females at the C+1 or C+2 level?

In our experience, setting goals for a year or two and reviewing annually isn’t enough. The goal is to gently remind each other this matters and to use that nudge to change how leaders spend their marginal time and effort.

▲ PURPOSEFULLY BALANCE THE UNEVEN PLAYING FIELD WHEN IT COMES TO SPONSORSHIP

The higher up you go, the more intangible attributes about leadership potential and “fit” factor into promotion consideration. As we discussed, imbalance occurs for two reasons: Men tend to be slightly more proactive in seeking sponsors and mentors, while women tend to believe results speak for themselves and view seeking out sponsors as a form of nepotism. Second, this is more organic for most men, who have more in common with (predominately male) senior leaders and form personal connections over time, leading to greater affinity and sponsorship. Even if men aren’t actively trying to game the odds, they’re more likely to end up with sponsors in their corner.

To combat this imbalance, leaders need to do three things:

- Be aware of how the “affinity factor” and how affinity bias can unconsciously creep into how you perceive your team and high potential people in the organization.
- Be more explicit about what you and the organization mean when you say “leadership skills” or “strategic.” You will see better results, not only with women, but also in overall decision making.
- Create an effective way for men and women to develop connections that build affinity and improve sponsorship opportunities.

Leaders need to ask themselves: “How do I use my unstructured time?” Rather than reinforcing existing relationships, how might they make time and space for new ones? Men and women need to be proactive in finding a common ground with others who are not in their networks. Connect on a personal level – maybe your kids attend the same school, or you both majored in Engineering. Do you like the same movies? Ask about what the best advice was from your parents? Find simple things you DO have in common. It’s easy for men to make connections with each other based on discussing last night’s game or coaching their daughter’s soccer team. To bridge the gender gap, more active outreach is needed.

Also, as the more senior person, be honest and vulnerable. Ask a high potential female colleague for her advice and input. Once the barrier is broken of connecting about work, momentum can take over and a personal connection be established. Women wanting to crack the C-suite need to be willing – and possibly coached – on how to reach out and make more personal workplace connections, even if it initially feels awkward. Spending time building personal relationships matters; results are just a piece of the promotion equation.

Organizations should also create structures and environments that foster personal connections and, ultimately, sponsorship. The burden of initiating sponsorship should rest with the more senior executive, and C-suites should identify high potential women and assign accountability for fostering sponsorship. Organizations can also identify creative ways to help men and women connect outside of work, beyond traditional golf outings or sports events. As an example, many organizations spend time on community service, but tend to do so on ad hoc basis, with volunteer days consisting of large colleague groups. What if you combined efforts to do good in the community AND pair up very senior leaders to tackle a community issue, for example, by mentoring a high school student or helping a local not-for-profit raise money. By working closely beyond work on greater passions, you enable different levels of connection and appreciation of one another. You can accelerate the rate of personal connection by shaping the environment, versus assuming connections happen naturally. This purposeful engagement and sponsorship could also foster the personal connections needed to level the playing field for other diverse populations you

Leaders need to ask themselves: “How do I use my unstructured time?” Rather than reinforcing existing relationships, how might they make time and space for new ones?

may be struggling with, such as racial and ethnic diversity. Key questions to ask yourself and your senior leadership team:

- How do you and members of your leadership team spend unstructured time?
- Who on the leadership team is accountable for each of your high potential women at the C+1 or C+2 level?
- What other ways can you engage to establish a more personal connection with high potential women in your organization?
- How can you create environments where personal connections can be made that are not the default options of playing golf, grabbing a beer, or going to a baseball game?

This effort itself need not be overwhelming. Start with focus. Who are those most likely to have C-suite potential in the next two to three years? Your executive team will find they enjoy the process of learning about themselves and improving their leadership skills.

▲ EXPLICITLY ADDRESS MISPERCEPTIONS AND COMMIT TO WORKING TOGETHER TO CHANGE THE ENVIRONMENT

Once you've identified women to target for the C-suite and have committed to acting with purpose and developing stronger personal connections with them, start clearing out bias and leading more inclusively. This step is where you and your leadership team start to impact the organization more broadly.

As much of this report highlighted, the biggest challenge we face in leveling the playing field is gaining an understanding of the hindrances we face. Few people appreciate how hidden biases and differences in female versus male assumptions can create misperceptions. Make your leadership team, male and female, more consciously aware of implicit biases and perception differences and how they affect how they view men and women.

This cannot be a "name and blame" game. You cannot have women walk away feeling like their only answer is to change and comply with male default norms, nor should most men feel defensive or accused of being sexist or thoughtless. This is about creating a safe space to collectively develop a shared understanding of what happens, why it might happen, and how to unblock what's getting in the way. Done well, this is also an opportunity to actively engage your most senior women with the C-suite and further develop personal connections and empathy

between your senior males and females. A range of tactics can educate one another through systematic, day-to-day changes:

- Consider unconscious bias training or reverse mentoring to open dialogue and shine light on where gaps or misperceptions exist. It's a great opportunity to engage your senior women by asking them to share stories and examples.
- Create a safe space where women can share and men can ask questions, where no one feels defensive. Outside facilitation is advised. Consider male/female mentor pairings to act as peer executive advisors for one another – serving as a safe place to ask questions and get advice.

Once you have a sense of the issues and have mutual appreciation of how biases, misperceptions, and the resulting behaviors of men (and occasionally women) contribute to an uneven playing field, start making systematic changes and cascading impact throughout the organization. Change is usually most needed in the following areas:

Reviews and career development – ensuring no unconscious bias and that men provide women with honest, direct feedback:

- Nudge techniques, bias checklists, or peer review to help executives be more conscious of where they may unintentionally introduce bias.
- Introduce or enhance self-review inputs from women. Ask them to reflect on how their past accomplishments enhanced the business. This increases their comfort with self-promotion and ensures more accurate inputs for management to reflect on.

Hiring/interviewing – two main areas typically need addressing:

- Make sure criteria for leadership roles are consistently defined. Also ensure your executive team uses consistent, well-structured ways of evaluating more intangible skills.
 - This makes criteria clearer for women and coaches them on what they may be inadvertently dismissing or unaware of the importance. What is “enough” experience to raise your hand, or the importance of peer networks and influence, for example?
 - Identify “skills” that aren’t “skills” or competencies, but intuitions and judgement unintentionally applied as skills.

Where does diversity sit on your leadership team's priority list? With disruption to the status quo on the horizon, we argue it should be near the top.

- Cast a wide net for senior positions. Don't go to your default candidate pool without first asking, "Who else should we consider?" Change how you nominate or ask who's interested. Be purposeful about how you engage executive-search firms and direct them.

Changing the dynamic and being committed to coaching – this is where a shared sense of ownership for changing the workforce is needed.

- Being coached as a female implies being part of a team much greater and expansive than yourself (one comprised of just female colleagues). Coaching offers an opportunity to pinpoint subtle behaviors that may hinder career progress.

Working together to create solutions for how to systematically address key barriers

- Collaboration means listening to difficult questions posed from both genders. This listening is not always direct, such as someone physically posing a question during a meeting, but is also about reading someone's body language, or reading into the why behind someone declining a promotion.

Where does diversity sit on your leadership team's priority list? With disruption to the status quo on the horizon, we argue it should be near the top. Why not invest in talent, and maximize the strengths among your existing talent pool? Healthcare organizations that can tackle barriers and leverage their powerful untapped potential will gain a competitive edge.



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