

What Is Gender Intelligence?

For decades, IQ was the key measure of intelligence in people. We placed all our emphasis on certain elements of intelligence such as logical reasoning, math, spatial skills, understanding analogies, and verbal skills.

It was puzzling though. While IQ could forecast academic performance and professional success, there seemed to be something missing. Men and women with great IQ scores were not advancing in their careers. You could say that they were exhausting their potential by thinking, behaving, and communicating in ways that hindered their chances to succeed.

We believe Gender Intelligence is that missing element. By the end of this article, we hope you'll also begin to see what an *intelligence*, broader than IQ, is bringing to our professional and personal success.

Gender Intelligence is an understanding of and appreciation for the naturally occurring characteristics that distinguish men and women beyond the obvious biological and cultural, to include attitudinal and behavioral differences. Once we're aware of how and why men and women think and act as they do, we can begin to understand gender-related tendencies, even our own, and we can engage more effectively in the workplace and in so many other areas of life.

You'll find in this article that Gender Intelligence is not something arrived at by achieving a quota, ignoring or tolerating our differences, or becoming less authentic to ourselves, just to succeed. Gender Intelligence comes from understanding and appreciating the natural talents that men and women bring to the table.

As men and women come to understand each other's ways of thinking and acting, they step up to a new and powerful level of conversation. They begin to include each other more confidently and more willingly.

There are economic benefits to this level of intelligence. Organizations that practice Gender Intelligence and sustain a culture of inclusiveness grow in their global competitiveness. They secure and retain the best talent, make better strategic decisions, produce more relevant products and services that mirror the market, and, as a result, achieve superior financial results.

There are a number of highly successful organizations today instilling what we call a *culture of difference-thinking*. These companies are beacons for talented professionals. They're recruiting and retaining the best and brightest men and women. There are a number of companies today building such organizations and realizing the value of their efforts. They've taken the first step with leadership commitment and involvement.

Today's Gender-Intelligent Organizations

American Express

When American Express examined its workforce at the end of 2008, it discovered that, while women constituted more than half of its employee base and held one out of every three of the company's top 500 positions, they were still under represented at its senior-most levels.

Unsettled by the fact that the presence and voice of women were virtually absent at the very top of the organization, the company set out to find out why. Through focus groups, interviews of its women employees and outside research, the company took immediate and effective action on its findings, implementing a

structured women's sponsorship program at the top and empowering an American Express Women's Affinity Organization.

One finding across the studies was perplexing and its potential solution "elusive," according to Jennifer Christie, American Express's chief diversity officer. "The higher a woman rose in the organization, the more male-dominated the behavior around her—behaviors she was expected to assume as her own. We understood sponsorship and affinity communities," says Christie, "but we didn't feel expert in this."

Through our diagnostic process of validating attitudes and general beliefs among male and female managers and executives in focus groups and one-on-ones, American Express discovered that, after 15 years of driving for gender equality, the gender balance and culture of its senior-most levels had not changed. We made a detailed presentation of our findings to senior management and Gender Intelligence as a solution. The senior leadership immediately understood the impact and committed American Express to becoming a Gender-Intelligent Organization—starting with its executive committee.

After participating in one Gender Intelligence workshop, the senior leaders required every manager to commit to learning and leading gender-intelligent teams. Workshops were conducted within each line-of-business to get at issues specific to that business or group.

"It's safe to say," as Jennifer Christie puts it, "that there were varying levels of buy-in when the sessions were announced. It is equally safe to say that the skepticism—and in some cases resistance—turned into Aha! moments for many of those attending."

"Consciousness," says Christie, "was the first step. Senior leaders then had to model the behavior—taking charge of the follow-up dialogue as Gender Intelligence cascaded down the organization. Now that the conversation is out in the open, everyone is more comfortable communicating and not talking past one another anymore. Communication is more productive, and that includes leader-subordinate communications and performance reviews."

Within two years, it was commonplace during strategic planning sessions and team meetings to hear men and women confirm their decisions by asking, "Are we being gender-intelligent about this?" Both the men and women of American Express had learned a deeper and more generous style of listening than they had been accustomed to in the past.

"The results," says Christie, "is an environment that's inclusive, that's not making anyone feel stifled or as if she has to be someone totally different in order to succeed." That is the only way the organization as a whole can succeed. We have a lot of smart people here, but if we don't have an environment that lets them bring to the table what they specifically have to offer, we won't be successful."

BMO Financial Group

BMO Financial Group got wise to that reality in the 1990s. In 1992, then-CEO Tony Comper formed a task force to look at how the North America-based financial services provider—Canada's second largest bank and a powerhouse in the American Midwest as well as in Asia—could more effectively advance its women employees into leadership roles. The result has been a multi-pronged and ongoing set of initiatives aimed not just at aggressive numerical targets—like the goal of 40 percent female representation in the executive ranks by 2016—but also at shifting the current mindset and company culture.

Those initiatives have worked, according to current CEO Bill Downe, not just in achieving what he describes as "better financial performance," but also in keeping the organization working "continually" to "address the underlying attitudes that get in the way of progress."

"It doesn't happen by itself," says the Group's chief talent officer, Lynn Roger. To make it happen, BMO has laid out what Roger calls "an aggressive diversity agenda," described by Sonya Kunkel, managing director for diversity and inclusion, as "applying business discipline to the practice of talent management to ensure that diverse talent rises to the top." The agenda focuses equally on accelerating the development of high-potential women and holding leaders accountable for finding and advancing those women in their own talent pools.

The latter function “used to be HR’s role,” says Roger. “Over the past 24 months in particular, a push to develop the “talent mindset” of leaders so they can do the finding and advancing more effectively has paid off in what Roger calls “substantive progress.” An enterprise-wide Diversity Renewal Council comprises representatives from all businesses and all functional groups and creates action plans to integrate diversity more deeply into the talent pools of each.

A notable case in point is the capital markets area, where the senior ranks at BMO, as throughout the financial world, have typically been an exclusive men’s club. CEO, Tom Milroy and President Eric Tripp committed to conducting a root cause diagnostic on Gender Intelligence and discovered that their highly-skilled men and women were viewing the world at BMO Capital Market quite differently. They soon thereafter committed to rolling out Gender Intelligence Sessions throughout North America.

Chief administrative officer Valerie Sorbie’s research suggested that Gender Intelligent sponsorship had a lot to do with who is selected and groomed to enter senior management ranks. Sponsor-to-protégé relations are a natural occurrence between men so it at first seemed awkward when senior managers were asked to support male-sponsor-to-female-protégé relations, but Sorbie persisted.

“The program prescribes sponsorship of women at the middle level,” says Sorbie, “the place from which leaders emerge. Women are selected from across geographies, levels, and business groups to be sponsored by both men and women from our Executive Committee. The result has been a stunning shift in mindset for both men and women—a shift in culture. The sponsored women have found the program particularly positive and believe it has offered them the needed support plus advocacy and exposure.”

Deloitte

Since the late 1990s, the accounting division of Deloitte Canada had experienced an average turnover rate of 27 percent among senior women and 10 percent among senior men. This continuous turnover in women was costing Deloitte Canada over \$40 million a year. The company needed a breakthrough solution.

Post-exit interviews were conducted with a number of the women six months after their departure to uncover the real reasons behind their leaving Deloitte. We discovered that the majority of women who left the accounting division didn’t quit for work-life balance issues but to accept positions with Deloitte’s competitors, find accounting work in other industries, or begin their own practice.

Through the interviews, it became abundantly clear that women didn’t feel they were valued at Deloitte, regardless of their level of commitment and quality of work. They felt excluded in what they described as a “masculine-dominated culture” that too often dismissed their ideas and undervalued their contribution. One question added to an employee engagement survey shed a bright light on the issue: When senior personnel was asked if they expected to make partner, only 8 percent of women thought they had a chance while 68 percent of men checked “yes.”

The post-exit interviews sent shock waves through Deloitte Canada—Deloitte was losing talented women and, along with them, the span of ideas needed to compete in an increasingly diverse marketplace.

Deloitte began to view partnership in a new light and was the first organization in its industry to focus on retaining women and men partners with less than full-time work commitments. In a little over two years, the turnover rate of women in the accounting division dropped from 27 to 11 percent.

“At Deloitte today, almost 22 percent of our leaders are women and our new Executive Team has a higher percentage of women in key roles than ever before, including two of our five national service leaders,” says Jane Allen, Partner, and Chief Diversity Officer for Deloitte Canada.

eBay

John Donahoe was named CEO of eBay in 2008, and at the end of 2010, in the midst of pulling the organization out of its global-recession doldrums, he committed the company to a multi-year strategic initiative to increase

women's share in eBay's leadership and to ensure a competitive advantage in the industry. This was considered a radical move in Silicon Valley, well known for a lack of diversity in executive ranks.

Donahoe backed his commitment with behavior that set the example and ignited the forward motion by exemplifying the commitment to the women's initiative in word, deed, and behavior. Says human resources chief Beth Axelrod, "Granted, he is a man who is a gender-intelligent leader;" and he's comfortable being the company's most forceful advocate and most visible spokesperson for the initiative, but it is clear he has taken on the role on his own at no one else's prodding. With John, it's authentic."

The prime example of this is in the performance objectives. Donahoe has committed to being judged on by the Board of Directors: accountability for achieving the strategic goals of the corporate women's initiative, putting place the programs that develop sustainable careers for women at eBay, and personally mentoring five individual women leaders.

That example was enough to prompt the company's 25 senior vice presidents to commit to similar performance goals in 2012, and that in turn spearheaded the cascading of the commitment throughout the leadership ranks of the company that same year, ensuring that all eBay vice presidents and above took ownership of the initiative.

Each vice president was tasked to either mentor or sponsor five women and to "invite the conversation" with women teammates or subordinates. That conversation, says Axelrod, was aimed at "legitimizing the naming of whatever it is that will enable that woman to thrive within the organization."

If that resulted in an uncomfortable conversation, eBay was prepared to help people journey from less to more comfort. Months into the initiative, "the thrive conversation" had entered the lexicon and culture of eBay. And in the words of Alan Marks, responsible for corporate communications across eBay, "The power of making it okay to have these conversations is where we really see the impact of our CEO leadership."

The essential catalyst that continues to nurture the change remains the leadership example. "Nothing is possible without the top-down leadership," says Axelrod. "Having it doesn't necessarily mean you will make progress, but in the absence of it, it's pretty clear that you won't."

"Aha!" Moments that Change Cultures

Companies such as those featured in this article are leading the way to Gender Intelligence. The path takes them through a series of discoveries, any one of which can be their moment of insight that sparks a revolutionary re-thinking about gender, leadership, and daily life in the organization. The work we do as part of our Gender Intelligence training process often helps ignite these paradigm-shifting insights.

Here are four examples of powerful "Aha!" moments:

#1: "Great minds think unlike..."

Great minds don't always think alike. In fact, great minds tend to think *unlike!* Tapping into what is dissimilar in men's and women's brains and then putting those differences together to solve problems and make decisions can be a powerful resource. A number of studies have shown that gender blended teams achieve higher results in innovation and effectiveness than groups in which one gender predominates. The studies show that teams in which everyone feels comfortable and all opinions are heard, are more likely to challenge established norms—which in turn are more likely to get the best ideas out on the table.¹

That's what American Express learned, and it is why vice chairman, Ed Gilligan often asks himself, "Are my behaviors encouraging everyone in the room to express their opinions and viewpoints? We need to hold a high bar for ourselves and make sure we are walking the talk as senior leaders."

#2: "It's the culture that needs to change..."

The workplace culture, the model for conducting business, was essentially written from a mindset that makes sense to most all men with rules of engagement that feel natural and comfortable. This often makes it difficult for men to recognize how that same workplace tends to undervalue women who often struggle with male hierarchies and embedded rules. It doesn't often relate to the way women think and act.

- Men tend to be more *transactional* in their interactions—to give something in order to receive something in return. Women tend more toward *interactive*, to keep alliances and relations extended and vital.
- Women tend more toward *participative* teamwork—to collaborate, share information, and find the connectivity in their ideas. Men tend more toward *competitive* teamwork—to test and often challenge each other's ideas to find, with efficiency, the best course of action.
- Men tend more toward the *deductive* style in their problem solving. This involves more risk-taking guesses, but it also relies on more linear data and proof. Men will often see a solution and act on it. Women are more *inductive* in their reasoning. They may see the solution, but, more often than men, will encourage different viewpoints to arrive at a best decision before acting.

There are situations in business where the male-model works very well, where hierarchical, centralized decision-making is very effective. But there are also many situations in which the female-model is more appropriate and more successful. The best culture is one that blends the strengths of men and women.

#3: “A blend of women and men creates competitive advantage...”

Each of our client companies have discovered that a true cultural shift toward gender diversity and inclusiveness is best achieved when their diversity initiatives have a deeper agenda and greater strategic value to the organization than meeting quotas alone.

The German software company, SAP, has taken Gender Intelligence further than anyone else in the technology industry. Their “Aha!” moment came during a Gender Intelligence pilot workshop in Waldorf Germany where senior leadership quickly discovered that the insights needed to expand globally. According to Anka Wittenberg, chief diversity officer, “the company made a commitment to rolling out 200 workshops for all managers to participate globally, and we are now seeing tremendous progress. Leaders and managers are returning from the Gender Intelligence sessions and imbedding their learning into how they manage people, work in teams, and deal with clients.”

Recruiting, developing, and advancing women and men in unison sustain cultures conducive to gender diversity and inclusiveness and allow companies to grow in their global competitiveness. Product and marketing teams with a better balance of men and women are far more likely to make better decisions, produce more innovation solutions, and achieve substantially greater market and financial results.

#4: “Being gender-intelligent accelerates inclusiveness...”

As we mentioned at the onset, the progression of Gender Intelligence begins with understanding the nature of our gender differences, appreciating those differences, and valuing the other gender for their unique contribution.

The “Aha!” moment for BMO, whose goal was to accelerate diversity and inclusiveness through their North American operations, was that progressing through the stages of awareness, appreciation, and valuing gender differences creates and sustains an atmosphere of cultural inclusiveness.

Companies must apply a gender lens when advancing diversity and inclusiveness so they don't overlook the gender behavior patterns and issues that are consistent across race and ethnicity. Studies show that companies that have a better balance of women and men at all managerial levels foster an environment where broader diversity efforts can take root and an inclusive culture can and will grow.

BMO employees stepped up to a new level of conversation and began to include each other and participate with each other with better understanding. The result today is a greater sense of accomplishment, achievement, and satisfaction in BMO's working and personal lives.

The Science that Underlies Our Gender Differences

What is it that influences our gender differences and creates virtually the same miscommunications and misunderstandings between men and women, regardless of where you are in the world?

Discoveries by neuroscientists over the past 30 years involving millions of test subjects in countries across the globe have illuminated biological sex differences in brain structure, chemistry, and function. These variations

occur throughout the brain, in regions involved in language, memory, emotion, vision, hearing, and navigation. These variations influence the different ways men and women communicate, listen, solve problems, make decisions, lead teams, and manage stress.

Although nurture, training, and education importantly shape the male and female brain, the presence or absence of hormones is as important as XY or XX chromosomes in determining the sex of a fetus. Sex hormones working on the embryonic brain and nervous system cause the structure or "wiring" to develop differently in males and females and bear the ultimate biochemical responsibility for producing our gender-related differences.²

Men's brains tend to be more specialized than that of women. Generally, men's abilities are those centered in the right hemisphere of the brain—understanding spatial relationships and abstractions, seeing shapes and patterns, and grasping the big picture. While men tend to be more sequential in their use of their right brain or left brain, women's abilities source from both hemispheres simultaneously as there tends to be more neural connections linking both hemispheres of the female brain. Women's abilities though, lie in the left hemisphere—developing verbal and linguistic skills, assimilating practical, concrete information, and storing and recalling details.³

The most dramatic difference between the sexes is how they process thought. When women think, they collect more information from their environment and arrange their thoughts into more complex patterns. They see more relationships between them and weigh more variations before they make their decisions.⁴

As cultural anthropologist, Dr. Helen Fisher observes, "Women tend to think contextually and holistically. They tend to think in webs of factors, not straight lines. Men are more likely to engage in step thinking. They will tend to focus on a particular issue, omit extraneous data, and move in a more step-like fashion towards the goal.

"They're perfectly good ways of thinking, both of them. Men and women were built to put their heads together, not only in their professional lives, but in their personal relations as well. As the sexes come together to understand their different strengths, each has the opportunity to gain priceless insight into the other's world; both have the opportunity to achieve new empathy and rapport."⁵

When men and women understand the nature of their gender differences, their lens broadens. They gain greater appreciation for each other's behavior and actually learn more about their own. Gender Intelligence exposes and eliminates our blind spots. It lifts us to a new level of conversation and encourages us to include and work with each other more productively. Not by expecting each other to think and behave the same, but rather by finding and valuing the complement in our differences.

The Five Advantages of a Gender-Intelligent Organization

After thirty years of bringing the principles of Gender Intelligence to organizations worldwide, we find there are five advantages that come to Gender-Intelligent Organizations.

1. Improved Decision-Making and Innovativeness

Teams that contain a better balance of men and women achieve higher results in innovation and effectiveness. Behavioral studies show that in gender-blended groups in which everyone feels comfortable and all opinions are heard, participants are more likely to challenge established norms and get the best ideas on the table.

This isn't because men and women are so basically different or that women would be more clever, more empathetic, or better than men. It is because women and men bring different viewpoints and experiences to the table and therefore add a richer collection of perspectives and values to the decision-making process.

Research from London Business School, MIT, and Carnegie Mellon University document the existence of "collective intelligence" among groups of people who cooperate well, showing that such intelligence extends beyond the cognitive abilities of the groups' individual members.

That collective intelligence stems from how well the group works together. For instance, groups whose members had higher levels of social sensitivity were more collectively intelligent. Social sensitivity has to do with how well group members perceive each other's emotions. The study also showed that, in teams where one person dominated the discussion and direction, the group was less creative and productive than in groups where the conversational turns were more evenly distributed. Teams containing a better balance of women to men demonstrated greater social sensitivity and in turn greater collective intelligence compared to teams containing fewer women.⁶

2. Responsiveness to Customers and Markets

Women have an important role as consumers and economic decision-makers. Companies that employ a gender-blended workforce are better able to identify with and understand the demographics of the marketplace they serve and are better equipped to thrive in that marketplace compared to companies that have a limited range of employee demographics.

According to a 2010 study by the Alliance of Communication Agencies sponsored by the Marketing to Women Conference, women spend more than \$5 trillion annually (half the U.S. GDP) and account for 83 percent of all consumer spending decisions.⁷

Globally, women control over \$20 trillion in consumer spending, almost 67 percent of total global spending. Their \$13 trillion in total yearly earnings could reach \$18 trillion by 2014, a growth market almost twice as large as the combined GDPs of China and India.⁸

When it comes to marketing and advertising, women process information and make purchasing decisions differently than men. With the majority of consumer purchase decisions made by women, surveys indicate that products and services are not being marketed optimally to women:

- > 59% of women feel misunderstood by food marketers
- > 66% feel misunderstood by health care marketers
- > 74% feel misunderstood by automotive marketers
- > 84% feel misunderstood by investment marketers

Even in companies whose products and services are marketed *exclusively* to women, very few hold any positions of power or, at the very least, influence over product design or marketing. Amazingly, only three percent of advertising agency creative directors are women.

Mixed teams of men and women at all management levels are important for producing goods and services that satisfy the needs and expectations of both men and women. In consumer businesses, the more a company mirrors its markets demographically, the better positioned it is to sense and respond to evolving market needs.

3. Balanced Leadership for Improved Organizational Performance

Women and men share a different though complementary set of leadership behaviors that are crucial to overall organizational performance. McKinsey & Company's 2009 study surveyed 9,000 leaders and managers from around the world to measure the frequency of use of nine leadership behaviors that tend to improve organization performance.⁹

Their study revealed that women and men frequently apply a specific though complementary set of strengths:

Women tend to apply more	People development Expectations and rewards Role modeling
Women tend to apply slightly more	Inspiration Participative decision making
Women and men tend to apply equally	Intellectual stimulation Efficient communication
Men tend to apply more than women	Individualistic decision making Corrective action and control

Women and men—working in unison—bring these leadership behaviors together, enabling an enterprise to perform well across all of the organizational dimensions of favorable work environment, ethical values, motivation, accountability, and innovation.

McKinsey's survey also discovered that, although the five behaviors of Participative Decision Making, Role Modeling, Inspiration, Expectations and Rewards, and People Development have become increasingly critical in addressing future global challenges, 70 percent of senior leaders admit that their companies' top executives lack those specific leadership traits.

4. Minimized Risks and Costs

Companies will never grow by acting only out of defense. Nevertheless, there is the risk of litigation that companies face when failing to meet legal requirements. Discrimination, in all its forms, is a factor that is part of a company's risk assessment. It is becoming more common for stakeholders and other external communities to request more information in annual reports about "equality work" in corporations and the specific programs that are undertaken. Apart from direct costs including legal fees and potential fines, there are significant indirect costs such as bad publicity, loss of market share, and damage to the trademark.

Every aspect of how a company manages its business is under scrutiny. Every time companies are seen as doing the right thing - and that includes creating opportunities for people from all backgrounds to thrive within the organization - they add to their credibility with key stakeholders.

On the other hand, companies that become known as bad employers for women risk a crisis of confidence for their brand name. This can have a negative effect on their survival in an increasingly competitive global economy. Apart from direct costs including legal fees and potential fines, there are significant indirect costs such as bad publicity, loss of market share, and damage to the trademark.

5. Superior Financial Performance

As a result of improved decision making and innovativeness, responsiveness to customers and markets, balanced leadership, and minimized risks and costs, companies that practice Gender Intelligence and inclusiveness realize superior financial performance, and there is an increasing number of studies suggesting a strong link between gender balance and bottom line results.

The longest study to date was a 19-year examination of 215 Fortune 500 companies, showing strong correlations between a better balance of men and women in leadership positions and higher profitability.⁹

The 25 best firms for women out-performed the industry medians on all three measures of profitability:

- 34% higher profit margin
- 18% higher asset value
- 69% higher stockholder equity

The 10 firms with the very best balance of men and women showed greater profit results than the firms that were merely very good.

Similar findings come from the McKinsey Report, which has found that companies with the highest percentage of women show the best performance. In comparing the top-quartile of companies in terms of share of women in executive committees against companies that have all-male executive committees, McKinsey found that the former companies out-performed the latter by 41 percent in return on equity and by 56 percent in operating results.¹⁰

Sustaining Success

The companies presented in this article, and a growing list of others, are the leading organizations practicing Gender Intelligence today, though they acknowledge that true, sustainable change will require more than personal practice alone. They recognize that changing the mindset of leaders and the culture of the organization is the right start. They also realize that what is required next is actual systemic change, though organizations aren't clear where to look and what to do.

To complete their transformation to thinking and functioning fully as a Gender-Intelligent Organization, companies must adjust their policies, procedures, and marketplace practices to reflect Gender Intelligence, including:

- Hiring practices
- Talent management
- Performance evaluations
- Product design and development
- Marketing and sales plans
- Customer service practices

Gender Intelligence is a success factor for both women and men. When diverse talents and perspectives are merged into a culture that puts skills, professionalism, and profitability first, the result need not be a redistribution of power and resources. Instead, women and men working together can improve competitiveness, customer focus, and bottom-line results through the blending of their different strengths.

Women in unity with men are a powerful and complementary strategic force available to every organization. This blending of diversity of thought, leadership, and decision-making can change the work environment for the better, drive retention and productivity, and most importantly, deliver results.

Gender Intelligence is not about women or men; it's about women *and* men. The final and most profound leg of our journey to genuine gender equality is for women and men to embrace each other's authenticity and strive to work and succeed together, not as equals in numbers alone, but as equals in value.

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