Big Money Consulting (BMC) Incorporated - Women Troubles.

Jeffrey Goodguy, the HR-director at BMC, stared at the report in disbelief. Despite a decade long effort to hire more women, of the 50 candidates considered for nomination to partner that year, only five were women. The conclusion from an analysis of the statistics (see exhibits B, C, & D) was clear: Despite the good in-flow of women at the bottom of the organization, only a small percentage made it to the top. Furthermore, a closer look revealed that they had a problem keeping the women they were able to hire – as shown by the substantial outflow of female employees. This did not bode well for future years either – the projection suggested a serious shortage in the future. Jeffrey couldn't make heads or tails of it: What was happening here?

As a large multinational consulting firm and one of the market leaders in strategic consulting, BMC has a traditional consulting hierarchy where the final prize (and key financial incentive) for every new hire is to climb the ranks and eventually make partner. Once you make partner, you are "set for life" as you now have a substantial share in the company profits. Yet not everyone makes it to partner. BMC makes use of a very competitive and strict 'up or out' rule. Either you make it up the hierarchical ladder in what is considered a "normal" trajectory: 5 years to become project leader and another 5 to make it to partner (see Exhibit A). Or, if you cannot make this, you have to seek your luck elsewhere. And to BMC's praise, this highly competitive process got them to the top of their industry, in part by attracting highly skilled and ambitious employees willing to do whatever it takes to compete for partnership. Unfortunately, that competitive edge seems unlikely to endure. In fact, for the past few years BMC's dominant position has been slowly declining. In an increasingly globally diverse, fast, and complex market, their competitors seem more flexible & innovative in responding to consumers' demands. In their own words: BMC was still speaking the "old language" and in urgent need of some "new lingo".

Turning back to his "Women Troubles", Jeffrey thought that these statistics shouldn't surprise him that much. The way he saw it, men only had two options: or you chose an ambitious career, implying you work hard and make a lot of money. Or you chose a more balanced, easy-going life, implying you work less and make less money; but have more free time. Women on the other hand - although he had no doubt they could have the ambition and even the skills needed to be successful at BMC - faced a third option that men did not have: "have kids". And let's be clear: the high demands and high pressure environment of a consulting firm are just not compatible with the 9-5 family life. Their competency model clearly reflected what they valued in newcomers (Exhibit E). Jeffrey concluded: "You can't have it all. No wonder that women dropped out as soon as things got 'serious'. In fact, he might have done the same if he was a woman. They just have more options in life – good for them, I guess!"

Despite his own, personal views on the matter, a few years ago, Jeffrey had followed the lead of competitors in starting to offer interesting programs to attract and retain more women. The first thing they did was build a pool of trusted nannies and baby sitters ready to jump in when mothers had to stay late at the office unexpectedly. Following the success of that program, they build an actual kindergarten right next to the BMC headquarters where female employees could just drop their kids off 24/7 if they needed it. They even hired a special nanny for newborns, to ensure the new mothers who did not want all the work piling up during their pregnancy leave, that their

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baby was given the best possible care. And they didn't stop there: they also started a cooking service, where women (and men) could pick up their meals, carefully prepared by their top chefs. But what Jeffrey was secretly most proud of was their most recent initiative: egg freezing. At little to no cost for women, the company offered to freeze the eggs of women in the company who wanted to postpone kids until a later point in their career. While Jeffrey thought this nailed the core of the problem, not everyone seemed so pleased with this initiative. After several angry e-mails back and forth, he had to stop this initiative – at least for now. He was confident however that this is because people were not "modern" enough to understand the idea. A few years down the line, everybody will be doing this and then he could reintroduce this.

Now this whole Women Troubles' situation may not have worried Jeffrey as much if a report about it hadn't found its way to the media (Exhibit F). The rather negative portrayal of BMC seemed to have a bad effect on their stock price and several clients had asked about this news report. As Jeffrey thought about this media-effect he couldn't help but smiling: "Give it some time and this will all blow over… if Volkswagen can do it ...". But still – his smile fading - truth be told: it was getting harder and harder to find talented individuals who were willing to make it to partner. The pool of capable men was only as large and –with a lot of their baby-boomers retiring- they urgently needed fresh blood in the higher ranks. Furthermore, losing women after a few years to competitors was a huge cost to the organization. It seemed like while BMC was growing the consulting-tree, others were picking the fruits by recruiting and further developing these talented individuals. This wasn't just a gender equality issue - this was a strategic issue.

Concerned with these results, Jeffrey brought them to the next executive meeting. After listening to Jeffrey expressing his concerns, the immediate reaction of most executives was clear – "This is a problem that needs to be dealt with!" At the same time however, they seemed rather dismissive of the fact that this was "their" problem. They suggested that HR needed to deal with this in a swift manner to make sure that this did not affect their stock price in the future. The CEO's (John Little) exact words were: "Well, let's even out the balance, Jeffrey. Let me know how much money you need and just make it happen. You have my full support for the necessary financial investments." Interestingly, one of the few female partners in the room (Sharon Stones) responded: "You know Mr. Little, I am not sure it's a matter of money – in fact if you look at one of our competitors, Argentum Unlimited, they have an equal amount of men and women in the senior management ranks, including some of our former colleagues, both men and women, and they pay less than us." After considerable silence in the room –few people had dared to directly oppose Mr. Little like that-: "Oh Sharon…" Mr. Little replied: "Trust me on this: I have been in this business long enough to know that when you throw enough money at people, they eventually cave in." Sharon took a deep breath – seemingly ready to react by bringing up the results of their recent satisfaction survey (see Exhibit G) - but then stopped in her actions: "I am sure you are right Mr. Little." John smiled at these words, happy with Sharon his agreement with his course of action: "Ok well that's settled then! Jeffrey please come back to my in two weeks with a plan to address this challenge in the next year, we can then talk about the budget we need to allocate. You have my full support to make this happen – whatever the cost."

Assignment:

Imagine that you are Jeffrey Goodguy's righthand in making this happen. In fact, he delegates this task to you personally because he is busy with more important HR-matters. Please focus both on analyzing the **problem** (identifying key points of information in the text as well as the exhibits) and on developing a concrete and specific **solution** to be implemented during the next year. In developing this solution, please consider: What **recruitment sources** are you going to rely on? Will you recruit **internally or externally**? Why (see textbook)? What will you **offer** candidates? How will you **brand yourself** as an employer? **Who** should do the recruiting? Also: think about what other changes in the organization might be necessary to make this work?

→ To provide a convincing solution, you need to use evidence as the basis of out argument (for starters see the 'additional reading list', Session 2).

Problem analysis:

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Suggested solution:

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Exhibit A: Career ladder at BMC

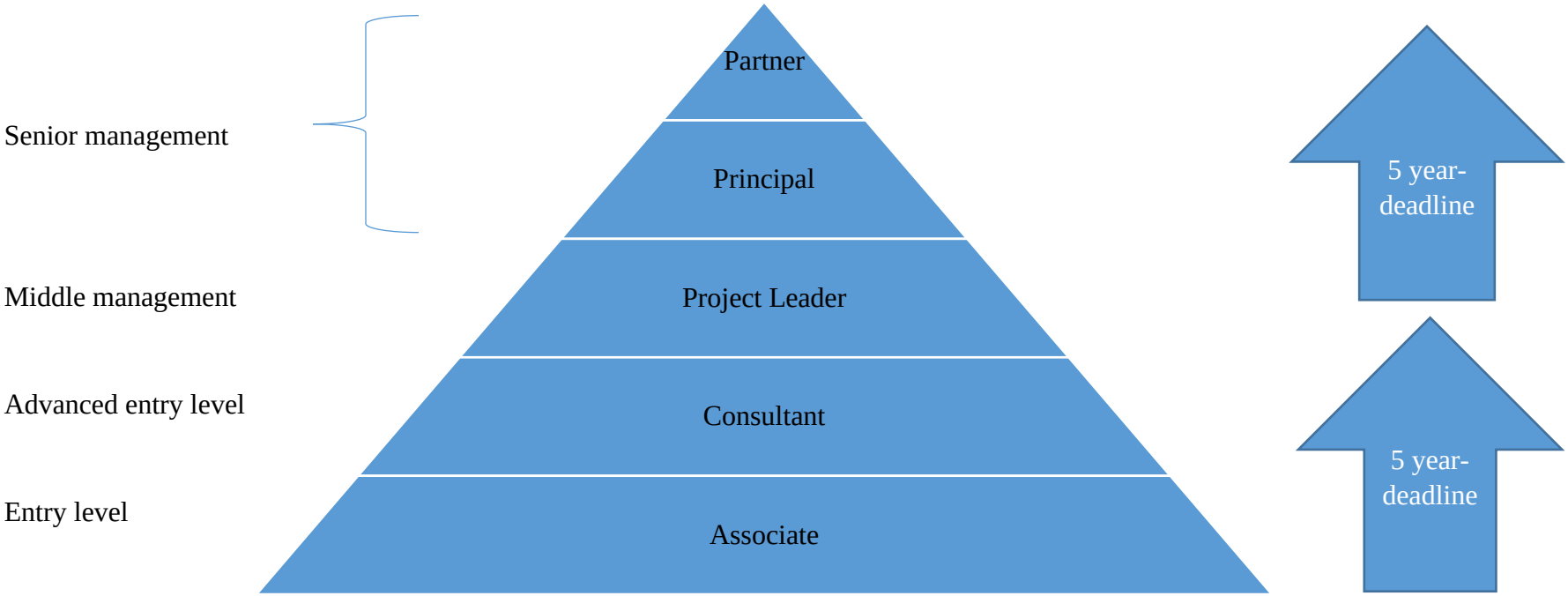


Exhibit B: Percentage of females across levels

Year	**Associate**		**Consultant**		**Project leader**		**Principal**		**Partner**	
	#	*% Fem.*	*#*	*% Fem.*	*#*	*% Fem.*	*#*	*% Fem.*	*#*	*% Fem.*
2009	700	41.4%	350	34.3%	150	26.7%	90	11.1%	34	2.9%
2010	720	41.7%	420	40.5%	158	24.1%	94	10.6%	37	8.1%
2011	730	42.5%	490	34.7%	152	26.3%	86	14.0%	35	8.6%
2012	840	44.0%	470	40.4%	146	27.4%	86	14.0%	36	8.3%
2013	830	44.6%	490	53.1%	140	28.6%	87	17.6%	35	8.6%
2014	910	47.3%	470	48.9%	146	32.9%	98	14.3%	32	6.3%
2015	910	60.4%	440	45.5%	144	33.3%	98	20.4%	34	5.9%

Exhibit C. Transitional Matrices 2012-2015, split by gender (see also page 135 of Noe).

Men in BMC	**2015**					
2012	1	2	3	4	5	6 (exits)
1.Partner	**.85**					**.15**
2.Principal	**.10**	**.70**				**.20**
3.Project leader		**.30**	**.50**			**.20**
4.Consultant			**.30**	**.60**		**.10**
5.Associate				**.10**	**.75**	**.15**
6. Not in organization (external hire)	**.05**	**.00**	**.20**	**.30**	**.25**	

Women in BMC	**2015**					
2012	1	2	3	4	5	6 (exits)
1.Partner	**.50**					**.50**
2.Principal	**.05**	**.50**				**.45**
3.Project leader		**.20**	**.70**			**.10**
4.Consultant			**.10**	**.70**		**.20**
5.Associate				**.10**	**.80**	**.10**
6. Not in organization (external hire)	**.45**	**.30**	**.20**	**.20**	**.20**	

Exhibit D. Workforce utilization review (see also page 145 of Noe).

	Associate		**Consultant**		**Project leader**		**Principal**		**Partner**	
	Industry Average	BMC	Industry Average	BMC	Industry Average	BMC	Industry Average	BMC	Industry Average	BMC
% Female per level	40%	60.4%	45%	45.5%	40%	33.3%	30%	20.4%	23%	5.9%

Exihibit E. Competency profile used by BMC.

- **Achievement of goals**

The commitment and motivation to succeed and meet objectives, both personal and business related, is hugely important within the firm. This competency assesses drive and determination. We look for individuals who can demonstrate examples of persistence and energy when required to meet or exceed objectives or well-defined goals and also who respond well to pressure.

- **Commercial awareness**

This is the ability to demonstrate an interest in business and knowledge of any current issues that may be impacting your chosen field.

- **Career motivation**

This competency is assessed throughout our recruitment process, from application to final assessment. We are looking for individuals who demonstrate knowledge of what a career in a professional services firm involves, particularly in your chosen field. We also look for individuals who are able to explain why they have an interest in these areas.

- **Flexibility**

The ability to adapt to change is hugely important in any organisation. This competency assesses an individual's ability to be positive in the face of change and resourceful in responding to major changes.

- **Problem solving.**

We are looking for individuals who can analyse, distil and solve practical problems, generate new ideas and make sound judgements in complex situations. We also look for individuals who can demonstrate examples of motivating others towards a particular course of action.

Exhibit F: Newspaper article (appeared on Forpes.com, in December 2015)

Helping clients survive the brave new world, BMC still governed by old boys' network…

Standing in front of the flashy glass-covered office tower that houses BMC you feel like you are already part of the future. Yet when you enter and make your way to the top floor where the executive suite resides, you feel like your time machine changed its course and took you back to the 1960s. Much like in the famed TV series 'Mad Men', women are largely to be found in the assistant chairs in the ante-chambers of the big partner and principal offices which remain the habitat of predominantly white and predominantly white-haired men.

While not entirely surprising for an industry that some insiders concede is typically not doing more than the bare minimum required by law to enhance diversity, BMC stands out for its persistent old boys' network culture. In fact, compared to the already somewhat dismal industry average of 23% female partners, BMC wins the diversity dinosaur award with less than 10% female partners. And one has to wonder, what BMC's inability to change in the face of undeniable societal trends says about its ability to live up to what clients are promised: "With us, you are always ahead of the curve".

Exhibit G. Survey results - % of BMC employees indicating agreement.

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WHAT WOULD I VALUE IN MY WORK?		
Challenging work	75%	55%
Competitive base pay	70%	60%
Career advancement opportunities	70%	50%
Flexible schedule***	20%	60%
Learning & development opportunities***	30%	50%
Reasonable workload***	30%	70%
CAN I DO MY JOB PROPERLY?		
I know that I have "what it takes" ***	60%	30%
I need more training and development ***	30%	50%
I receive enough "opportunities from management"	50%	40%
I have the way paved for me.	50%	40%
DO I HAVE ENOUGH SUPPORT?		
I have strong role models ***	60%	30%
There are people who can mentor me ***	60%	30%
I have a big network of people	40%	50%
I know many people in the organization	45%	50%

*** Significant differences between men and women.