

## **12 Gender Diversity Management in Consulting Companies**

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### **12.1 Introduction**

According to research on diversity in organizational contexts, the mix of female and male employees in organizations and especially in management ranks is seen as an inherent source of innovation and hence as a value driver for companies. It is seen as a key factor in achieving a competitive advantage and in realizing strategic goals in a better way (Andresen, Hristozova and Lieberum 2005; Thomas and Ely 1996). However, when analyzing the proportion of women in management positions in companies it becomes obvious that they represent only a very low percentage, and that companies are still far from realizing and profiting from a gender mix in many countries. This result does not only apply to those companies which have a very low proportion of women but also to those that have an almost equal distribution of men and women in their overall workforce. In the case of consulting companies we can assume that there is a moderate number of female employees in general.

On the basis of various investigations it may be assumed that around 20-30% of the total numbers of those working in consulting companies are female and that this proportion is increasing (Rudolph, Theobald and Quack 2001; Hördt 2002; Okech and Rudolf 2003). One effective solution to solve the problem of female under-representation and to achieve a better gender mix within management is to eliminate all discriminatory features within company policy and to actively promote women's careers.

These activities will be investigated in this paper, with the focus being on whether within consulting companies such policies are communicated internally or externally, together with the nature of the methods of implementation. First of all the terms Gender Diversity and Diversity Management will be analyzed with regard to their terminology and meaning. Following this, the significance of corresponding measures will be categorized so that they can be used as reference points in a survey which we carried out on the 25 largest German consulting companies.

## 12.2 Gender Diversity

The motives encouraging firms to consider supporting more women in management ranks should include the achievement of the following (Andresen, Hristozova and Lieberum 2005):

- *Affirmative action* with respect to women. The focus of this strategy is to create an even playing field regarding their access to national as well as international management positions; this is to be achieved by a favorable treatment of women which might imply a temporary discrimination of men. Affirmative action is aimed at satisfying legal requirements and to remedy abuses (e.g. Kovach, Kravitz and Hughes 2004; Wright et al. 1995).
- *Equal opportunities* for domestic management positions. Equal opportunity activities seek to eliminate discrimination in the workplace by removing / overcoming structural and procedural barriers preventing women from taking advantage of opportunities regarding jobs, development, promotions, compensation and so on (e.g. Pérotin, Robinson and Loundes 2003; Whitehead 2001). This aim is consistent with the corporate values of many companies. The extremely competitive economic environment forces companies to select the very best people available, irrespective of their gender.
- *Gender diversity* related to the combination of female and male employees in such a way as is apt to create more value for the firm than would be the case with homogeneous groups. Well-managed diversity, including gender diversity, is seen as an inherent source of innovation which is a key factor in achieving a competitive advantage and in realizing strategic goals in a better way.

Whereas affirmative action and equal opportunity initiatives will lead to a balanced proportion of women and men on an organizational level (quantitative approach), gender diversity aims at a mixture of women and men on a team, departmental or hierarchical level in such a way as to maximize the potential advantages of diversity in the sense of, for example, innovativeness or effectiveness (qualitative approach). Hence, diversity does not necessarily lead to an equal proportion of women and men in a team or at other levels. In other words, the diversity approach shifts the focus from eliminating difference (due to structural and procedural barriers) to valuing similarities as well as differences between men and women that can be traced back to socialization. Managing diversity is more strategically than legally driven.

The investigation of the initiatives taken in order to achieve affirmative action, equal opportunities and/or gender diversity was the starting point of the empirical study, and this will be described in the next part. Although the focus is on gender diversity, affirmative action and equal opportunity activities were also analyzed; this is because the initiatives taken by companies regarding these goals are similar