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## Universities Are Key to Unlocking Diversity in Denmark



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# Universities Are Key to Unlocking Diversity in Denmark

**Mai-Britt Poulsen, Matias Pollmann-Larsen, Jakob Thiesson, and Jacob Hansen**

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## AT A GLANCE

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Denmark is at a turning point for business leaders committed to changing the diversity agenda. Now is the time to break the cycle that limits companies and society from profiting from the larger talent pool of highly educated females and males. Companies building diverse leadership teams with an inclusive culture will be able to make better and more nuanced business decisions that will drive growth.

### **IN THE PAST DECADE, DENMARK HAS FALLEN BEHIND PEERS**

Despite many policies in Denmark being on par with Nordic peers, and gender diversity being high on companies' strategic agendas, the share of females in leadership teams barely increased over the last ten years. Denmark is falling behind globally and is far behind its Nordic peers. We need to strengthen the female talent pipeline, from education to executive management, by acting on both the organizational and societal level to enable gender diversity.

### **STUDENT PIPELINE IS THE FOUNDATION OF GENDER DIVERSITY IN LEADERSHIP**

To advance gender diversity in Danish leadership, educational institutions and companies must work differently. Their focus should be on increasing the share of females in both leader-generating study programs and leader-generating entry-level jobs to strengthen the supply of future female leaders.

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**G**ROWTH IS THE TOP priority on the strategic agendas for most Danish companies, but Danish leaders are facing a complex, fast-changing, and increasingly multicultural society, which includes a digital-native millennial generation with new values and practices. As a result, four imperatives have emerged at the forefront of the CEO agenda:

- **Win the fight for talent:** Talent is at the core of competitive advantage. Companies must strengthen their employee value propositions and recruiting activities to win.
- **Engage in customers' journeys:** Consumers increasingly expect personalized products and services that function across digital devices and platforms. Big data analytics and behavior-mapping are an unprecedented opportunity to gain competitive advantage through consumer insights.
- **Embrace Industry 4.0:** Robotics, AI, digital, and automation lower costs and improve quality in operations, while fulfilling high CSR and sustainability expectations.
- **Stay ahead of the innovation curve:** Accelerated innovation and new business models require incumbents to be agile with short innovation cycles supported by strategic partnerships, M&A, and joint ventures.

Leadership teams must encompass a wide set of competencies and personality traits to succeed in this environment. Building diverse teams ensures the best performance today and in the future. In addition, leaders must build an inclusive culture to capitalize on their team's diverse strengths.

Ensuring that your team is composed of people with diverse capabilities is relatively easy. Competencies are visible and verifiable. On the other hand, curating a team with diverse personality traits is more challenging. Denmark has a leadership culture that favors a narrow set of personality profiles, typically exhibiting dominant and decisive behaviors, which further limit diversity and inclusion. As gender (along with age, and nationality/race) is one of the three core and most visible diversity drivers, the fact that women make up only 15%<sup>1</sup> of leadership teams today in Denmark, shows how vital working toward gender diversity is.

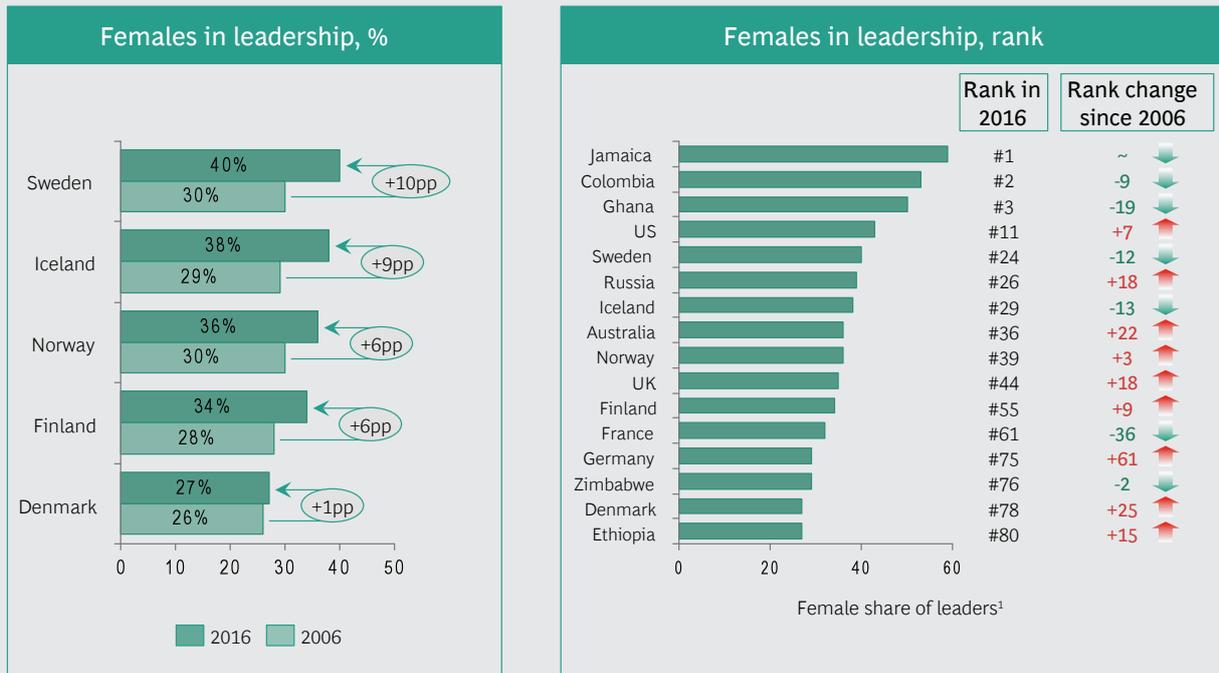
Over the past decade, gender diversity has progressed slowly in Denmark, falling behind peers. While many policies in Denmark are on par with Nordic peers, and gen-

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Denmark's leadership culture favors dominant and decisive behaviors.

der diversity is high on companies' strategic agendas, the share of females in leadership only increased 1 percentage point from 2006 to 2016. Denmark is ranked 78th globally on this measure, far behind Nordic peers, which advanced gender diversity in leadership by 6 to 10 percentage points in the same period<sup>2</sup>. (See Exhibit 1.)

### EXHIBIT 1 | Gender diversity in leadership in DK falling behind Nordic and global peers



Source: World Economic Forum

Note: Leadership positions defined as legislators, senior officials, and managers

This is the first article in a series of three that will address the issues underlying gender diversity in Denmark. The three articles will focus on how leaders can advance gender diversity along the career ladder:

1. Educational institutions can increase gender diversity in courses of study. Schools play a pivotal role in teaching gender diversity and laying a foundation of understanding and awareness. Higher education institutions should adjust marketing efforts to appeal to women in courses of study, and lead students on career paths in line with their ambitions. Companies should strive to increase female commitment in existing recruiting channels and expand into new channels to diversify their recruiting pipelines and future leadership profile.
2. Organizations should implement concrete initiatives to improve gender diversity from middle management to executive teams. Flexible career models enable employees to manage work-life balance, especially at life-changing moments like becoming a parent. Female networks, role models, and sponsor programs provide women with a ladder to executive management. Establishing an open and inclusive leadership culture is an underlying enabler of diversity. To ensure

a lasting impact, a systematic and fact-based approach is required to track progress and build the business case for change.

3. Society and culture are the foundation and starting point for gender diversity. Danish society has clear gender roles (caregiver versus provider) that tend to limit gender diversity. Both men and women are affected; women fail in career ambitions and men sacrifice time with their families. Educational institutions and companies play an important role in changing behavior and unconscious biases limiting diversity. Policy makers have the power and responsibility to shape the societal framework to facilitate a shift in gender roles and create a culture that fosters gender diversity.

Denmark is at a turning point for leaders in society who are committed to change the diversity agenda. It is possible to break the cycle that limits companies and society from profiting from the value of a larger talent pool of highly educated females. Companies building a diverse leadership team with an inclusive culture will be able to make better and more nuanced business decisions that will drive a competitive advantage over peers<sup>3</sup>.

## GENDER DIVERSITY IN LEADERSHIP STARTS EARLY IN THE PIPELINE

*“I think we need a different and more modern perception of what it means to work with IT or digitization, especially amongst women. Today, when considering studying or working with IT, many girls either think of middle-aged men monitoring servers to make sure they don't overheat, or programmers sitting in*

*a basement drinking too much cola. Very few females (or males) identify with that. We must actively change the perception of tech and IT to show that this is where the future is designed and built - and who would not want to be part of that?”*

Pernille Erenbjerg, CEO, TDC

## METHODOLOGY

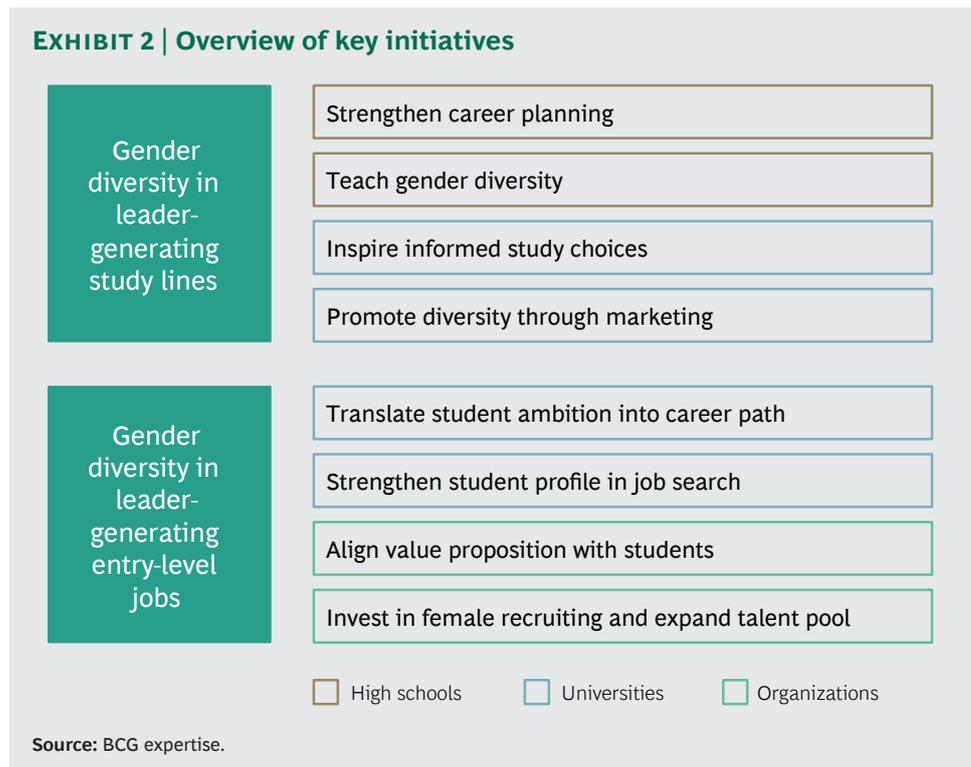
We surveyed more than 2,500 students across 6 universities and 400 top leaders across 15 major organizations in Denmark (five companies, five universities, and five social organizations) to understand their perspectives on gender diversity. The leader survey provided insights on current initiatives, gender diversity in the respective organizations, the requirements for reaching executive management today (both personally and

professionally), and leaders' personal lifestyle (household work, parental leave split, etc.). The student survey sought to analyze how students chose their study line, their ambition levels, and their perception of leaders today. In addition to the two surveys, the 15 organizations filled out a questionnaire describing their current initiatives to advance gender diversity, including potential challenges and areas for improvement.

Females today constitute 56% of students in Denmark across all courses of study<sup>4</sup>, so a relatively even gender split could be expected at the top-leader level. However, today’s leaders are mined from a narrow set of specializations such as economics, business administration, and engineering. These programs were only around 30% women in 2016, which, if nothing changes, will significantly affect the female share of the next generation of leaders. Addressing the gender diversity issue can therefore not be focused solely on the labor market—the educational system is part of both the problem and the solution.

Gender stereotyping that affects behavior and cultural norms begins very early and influences life and education choices. All of the people we come in contact with—from early childhood to university—influence us, including parents, caregivers, teachers, coaches, friends, and acquaintances. This provides challenges as well as opportunities for policymakers to tackle gender stereotyping by raising awareness among boys and girls, parents, teachers, and employers across institutions and organizations. Although we are aware of the importance of the early phases of life, this article intentionally focuses on what institutions of higher education can do to advance gender diversity in education and what employers can do in recruitment in the workforce. How policymakers can support gender diversity will be further addressed in the third report in this series.

Improving gender diversity in the talent pipeline is centered on two actions. The first is increasing gender diversity in today’s leader-generating fields of study, while the second focuses on entry-level jobs leading to leadership positions—which in turn shape tomorrow’s leadership diversity. (See Exhibit 2.)

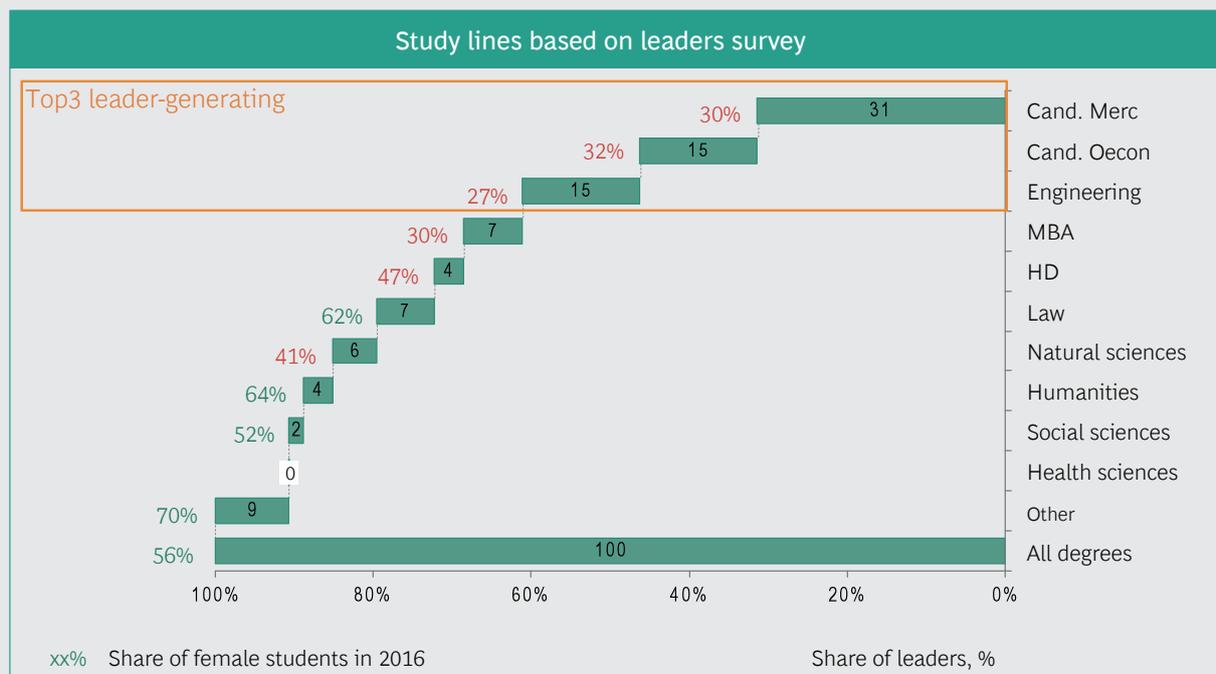


## Gender Diversity in Leader-Generating Study programs

We cannot succeed when half of us are held back. Despite females representing a bigger and bigger share of the university student population, males are still the majority in today's leader-generating study programs such as finance, economics, and engineering. Male and female students apply the exact same criteria when choosing a study program—the most important being “interesting subject” and “job opportunities.” Hence, the gender gap is not caused by a difference in criteria or by females being less career-minded, but by leader-generating study programs that are less appealing to females because of the way they are positioned and perceived today.

Our study indicates that around 60% of today's leaders graduated with master's degrees in either economics and business administration (Cand. Merc), economics (Cand. Oecon), or engineering (Cand. Polyt). According to the Danish Education and Research Ministry, around 70% of males and only 30% of females choose these fields. (See Exhibit 3.)

**EXHIBIT 3 | Only around 30% of students are females in top three leader-generating study programs**



Source: Danish' Education and Research Ministry

Note: Share of leaders based on more than 400 responses from the BCG leader survey

With current leaders coming from a narrow set of fields, organizations now need to diversify competencies in their leadership teams. This will require companies and organizations to source their future leaders from a much wider spectrum. Taking action today is paramount: gender diversity must be a priority across all subjects in higher education.

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Universities should leverage gender-focused marketing to drive diversity.

**Teach gender diversity and strengthen career planning.** In our study, 60% of students indicated that high schools have a limited influence on what they study. High schools are not living up to expectations in counseling and in having a structured approach to assist students. Students recognize that increasing awareness of the variety of degree programs and the career opportunities that follow their completion is the area in most need of improvement.

Denmark has one of the most gender-segmented workforces in the world<sup>5</sup>, which enhances the strong societal perception of male versus female jobs. This is amplified by a clear tendency in Denmark for daughters to choose a career similar to their mothers', and for sons to follow their fathers' career choices<sup>6</sup>.

High schools must support students in realizing their ambitions by providing mandatory career counseling and planning. In order to do this, high schools should invest in educational counseling capabilities and develop structured processes and activities to engage all students. High schools should also make career planning a mandatory part of the study program during the final school year.

High schools can help neutralize gender perception and bias of study programs by teaching about the cultural impact of career choice, gender diversity challenges in the Danish culture, and the myths of what males and females can and cannot do. In addition, highlighting the value of gender diversity and the high demand for female leaders will encourage a larger share of female students to pursue their ambitions.

**Inspire informed study choices and promote diversity through marketing.** According to our study, universities in Denmark do not focus on advancing gender diversity in their marketing efforts, nor do they have a strategic focus to drive gender diversity in their study programs.

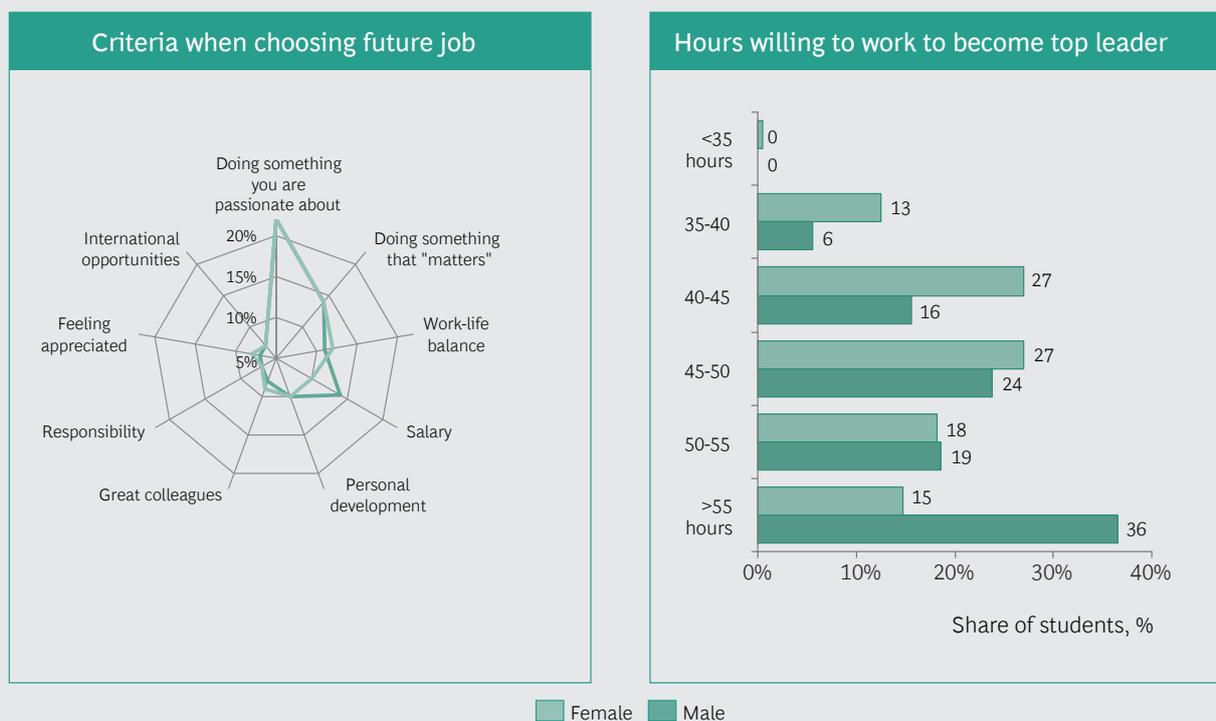
Universities should improve how they position and market different study programs by leveraging gender-focused marketing to drive gender diversity. The starting point is to improve marketing messaging and formats to target the minority gender, such as emphasizing educational content and job opportunities that might appeal to women. They should openly address the myths and misperceptions limiting gender diversity.

Open house events where students visit universities to learn about study choices are an effective tool to engage directly with students. It is important to make use of female role models to highlight different professional directions and career paths. Using the same approach, universities could increase their presence at high schools, and help high schools with early career planning support. With current students, universities could assist in establishing networks for girls that provide a forum for discussions.

## Gender Diversity in Leader-Generating Entry-Level Jobs

Male and female students today differ significantly in their expectations of their future working life. In choosing a study program, salary is much more important to male students, while work-life balance and colleagues matter more to females. (See Exhibit 4.)

## EXHIBIT 4 | Females have different perception of work-life



Source: BCG analysis

Note: Students were asked to split 100% across nine criteria based on importance, when choosing

This difference in perception is even greater when looking at students' willingness to work. Among students with leadership ambitions, 36% of males are willing to work more than 55 hours per week compared with 15% of female students. The fast-paced career track does not appeal much to either gender and even less to females. Companies must look inward and decide what the true expectations of working hours are, and then implement the change in their organizations and promote it in their recruiting activities.

The students of today value purpose and meaningfulness of employers' value proposition. The importance of passion, affiliation, and sense of belonging is putting pressure on employers to adjust their culture and operating models to attract (and later retain and promote) more women.

**Females are more interested in non-leader-generating jobs.** Around of 70% of male students had the ambition to become top leader compared with 60% of female students. While the confidence in own leadership abilities increases with grade averages for both genders, the confidence of male students was higher across all grade average levels. (See Exhibit 5.)

This indicates that even though students may be equally talented, females do not recognize their own capabilities. This is a critical point for universities and compa-

## EXHIBIT 5 | Females bring different profile to job interviews



Source: BCG analysis.

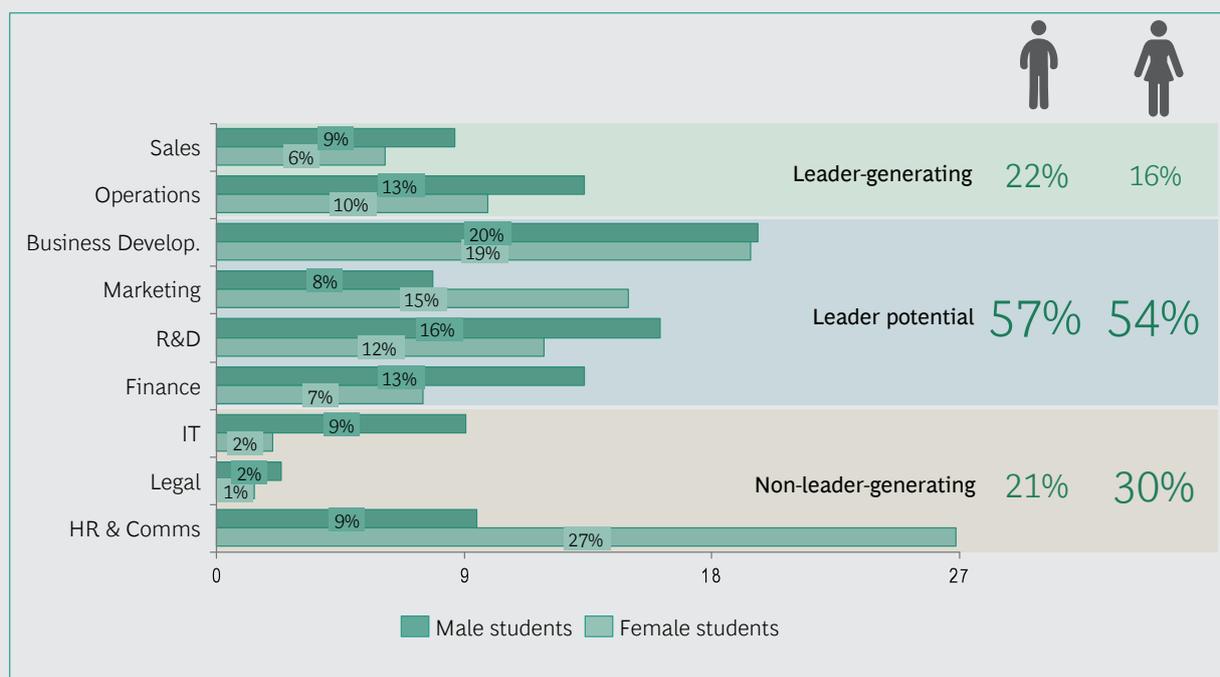
nies to be aware of, as because of it, women will not present themselves as strongly and confidently during the job application process.

Students also report that they lack information and guidance to help them translate study choices and career tracks into concrete job opportunities. This lack of knowledge is a key issue, when you consider the clear tendency of ambitious females to choose career paths that do not lead to top-leader positions. (See Exhibit 6.)

**Translate student ambition into a career path.** Universities must help create awareness of which entry-level jobs and job functions correspond to the ambitions of both male and female students through counseling and career planning. Universities should encourage students by informing them about the benefits of diversity in leadership and the high demand for diversity in companies. By creating awareness that certain corporate functions, such as sales and operations, are more leader-generating, students can more easily translate their leadership ambitions into career paths. An increased industry presence at universities (things like female-only career events leveraging female role models to present opportunities within their company) would also benefit this agenda of gender diversity.

**Strengthen student profile in job search.** Universities must counsel students to build a strong profile to counter the impact of having less confidence in their own abilities. They should offer support to students during the job application process to

## EXHIBIT 6 | Females are more interested in non-leader-generating jobs



Source: BCG analysis.

give females the confidence to apply to the most ambitious job postings. At the same time, guiding students on writing résumés and cover letters with the right level of confidence will be key. Finally, coaching students to present themselves confidently to companies at job interviews would similarly improve gender diversity in entry-level jobs. This will have great impact on matching students' ambitions to future employment opportunities, while aligning how females and males exhibit their competencies and ambitions.

**Align value proposition to students.** Companies in Denmark are often aware of gender diversity issues, but struggle to improve the limited female share in their recruiting pipeline. The importance of gender diversity for recruiting is underlined by the fact that 37% of female students say gender diversity is a deciding factor when choosing their future workplace.

Companies must ensure their value proposition aligns with the needs of the next generation of leaders. Promoting flex model solutions and work-life balance overall as well as gender diversity and inclusivity in workplace culture should be key parts of the value proposition. Our study revealed that obtaining a fair share of female employees is critical to attracting new female students to become employees. This may be achieved organically through initiatives to retain and promote females, but can also be supported inorganically by using professional recruiting services. Companies should also maximize the share of female applications by emphasizing aspects of the job that would appeal to female candidates while downplaying the requirements that women might feel less confident about.

## EXAMPLES FROM DANISH ORGANIZATIONS – RECRUITING

**Google** seeks to increase the pool of students interested in technology by influencing perceptions about computer science, beginning in primary school years. It found that perceptions and myths are important factors restraining girls from studying computer science and other technology topics. Today, there is a highly stereotypical view of computer scientist enhanced by the current underrepresentation of women. Google offers computer science scholarships to encourage more students to pursue careers in the field.

**DONG Energy** uses employer branding campaigns to target female engineers to increase their talent pool. They are part of national campaigns including “Girls’ Day in Science” to promote an interest in the natural sciences among female high

school students. Additionally, DONG Energy has a recruitment policy stating that a least one woman should be on the candidate list for any open position.

**BCG** has a mentorship program between female consultants and female students called the “Female Mentorship Program.” The program is one key initiative to reach an overall female recruiting target. The program introduces talented women to management consulting at BCG while offering a mentor to the students based on a structured process with clear guidelines. In this way, the program becomes a forum for the students to connect with other talented females to discuss opportunities and concerns. At the same time, it is a powerful way to engage directly with the students.

**Invest in female recruiting and expand talent pool.** To drive gender diversity in the pipeline, a step-change in recruiting activities is essential in order to increase conversion in existing channels and expand into new ones. To achieve this, the purpose of the organization must be conveyed effectively. Companies can run female-focused marketing campaigns targeting study programs with a high share of female students to increase recruitment. They must create female-only events to address concerns and emphasize a value proposition appealing to females. Companies should also expand their recruiting activities into new study programs to increase the total size of their female talent pool. Sharing job opportunities with students in non-traditional study programs and the widening the path to transition will allow companies to increase the size of their overall talent pool. Establishing female networks will allow female students to stay in touch with each other and provide a forum for discussion with the company and among the female students.

### Student Pipeline is Basis of Gender Diversity in Leadership

To advance gender diversity in Danish leadership, educational institutions and companies must work together. Their focus should be to increase the share of females in both leader-generating study programs and leader-generating entry-level jobs to establish a strong pipeline of future female leaders. The next step is to address the

barriers limiting female advancement in organizations while empowering females to climb the ladder to the executive teams in Denmark.

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## About the Authors

**Mai-Britt Poulsen** is a Partner & Managing Director in the Copenhagen office of The Boston Consulting Group. You may contact her by e-mail at [Poulsen.Mai-Britt@bcg.com](mailto:Poulsen.Mai-Britt@bcg.com)

**Matias Pollmann-Larsen** is a Principal in the Copenhagen office of the Boston Consulting Group. You may contact him by e-mail at [PollmannLarsen.Matias@bcg.com](mailto:PollmannLarsen.Matias@bcg.com)

**Jakob Thiesson** is a Consultant in the Copenhagen office of the Boston Consulting Group. You may contact him by e-mail at [Thiesson.Jakob@bcg.com](mailto:Thiesson.Jakob@bcg.com)

**Jacob Hansen** is an Associate Consultant in the Copenhagen office of the Boston Consulting Group. You may contact him by e-mail at [Hansen.Jacob@bcg.com](mailto:Hansen.Jacob@bcg.com)

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## For Further Contact

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