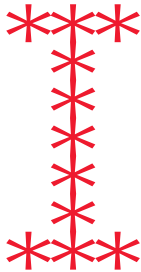




by V. SUE MOLINA

changing the face of consulting:

the women's initiative at deloitte



IN 1992, MY EMPLOYER, Deloitte & Touche USA LLP, realized it had a disappearing woman problem. We had been hiring men and women in approximately equal numbers at the entry level since the early 1980s. We knew women were underrepresented among our partners, but we had always assumed that in 10 or 12 years, the women we'd hired in the 1980s would trickle up to the partner pool. But here it was, a decade later, and only 10 percent of that year's partner candidates were women. Where had all the women gone?

Our then-Chairman and CEO, J. Michael Cook, took it upon himself to find out what was happening. He hired Catalyst, the executive women's research and advocacy firm, to interview women who had left the firm. Catalyst discovered that 70 percent were working full-time for other companies and 20 percent were working part-time. The 10 percent who were at home generally intended to return to the labor market at some future time. Women were not leaving Deloitte because they wanted to stay home with children. They were leaving because they didn't want to work at Deloitte.

Many of these former employees perceived Deloitte's culture as male-dominated, not valuing women's ways of perceiving the world and relating to others. They also felt that the firm did not provide sufficient opportunities for women to advance. They believed advancement was limited for many women because they were excluded from informal networks, mentoring, and plum assignments due to assumptions made for them. And the long hours and heavy travel schedules for some made juggling work and home life next to impossible.

That Catalyst survey was a wake-up call to our senior management. Our most important asset was our people, and we were losing them in droves. This turnover was not only costly to us, but also frustrating to our clients. What's more, we were hiring the best and brightest men and women, and proportionately losing 80 percent of the women before they reached partner level. By definition,

the quality of our partnership had to be diluting. We knew we needed to make changes quickly or lose even more of our highly skilled staff.

Since that wake-up call, we've made a number of changes so that women are better able to succeed at Deloitte. Some of the biggest changes include:

- Implementing reduced work-hour schedules that are not just available, but actually used. Because reduced-hour workers still participate in practice development opportunities, recruiting, and other non-client activities, going on a reduced schedule no longer *de facto* takes people off the path to promotion—although it might extend the length of time it takes to get promoted.
- Creating a mentoring program that proactively matches female senior managers with partners so that the women can learn the informal rules of the road for advancement.
- Changing to a “3-4-5” travel schedule, in which our consultants are out of town three nights a week, working in the client's office four days a week, and in the home office on the fifth day. That way, even consultants who travel extensively can spend more time with their families.
- Improving recruiting practices to increase representation of women when filling vacant positions, whether at the entry or senior level.
- Identifying high-potential men and women who are currently or will soon be ready to move into leadership positions, to reduce the possibility that qualified candidates were overlooked and to increase the number of women promoted into senior leadership.
- Forming an advisory council of outside experts, currently chaired by former Secretary of Labor Lynn Martin, to monitor our progress.



Milestones in working women's legal history

by BRAD HERSHBEIN



Deloitte built a business case for improving its work environment

Three factors helped us to make such radical changes. First, our senior leadership, in the early 1990s and today, has been visibly committed to making this happen. In 1993, with the launch of our Women's Initiative, our CEO attended all the Women's Initiative meetings, held a press conference to announce its kickoff, and kept everyone talking about how we could improve the environment for women. Second, we had a strong business case. Turnover was costing us millions of dollars each year; we needed to stop the bleeding and find ways to retain our people. And third, we held ourselves accountable. As accountants, we love numbers. So we track the pipeline, promotions, gender gap in turnover, flexible work arrangements—all the elements that keep the door open for women. And we rely on the outside advisory council to keep our feet to the fire.

In the last decade, the environment at Deloitte has become much more favorable for women—and for that matter, for men. For the last eight years, we have had the highest percentage of women partners, principals, and firm directors among the major accounting and professional services firms. Our gender turnover gap is almost completely gone. We now routinely appear on *Working Mother's* and *Fortune's* lists of the best companies to work for, and we have also been able to attract more clients because we have more staff stability on assignments. We still face many challenges ahead in maintaining an environment where women and men have equal opportunities for promotion and leadership at Deloitte. But we know that because of the strength of our Women's Initiative, we will continue to progress. *

V. Sue Molina is a retired partner and former National Director of the Initiative for the Retention and Advancement of Women at Deloitte & Touche USA LLP.

1920 Women receive the right to vote with the passage of the 19th Amendment

1923 Equal Rights Amendment (ERA) first proposed by the National Women's Party

1932 The National Recovery Act allows only one person per family to hold a government job; many women are fired

1948 In *Goesaert v. Cleary*, the Supreme Court upholds a Michigan law that prohibits women from working in certain occupations (such as bartenders) on account of protecting morals

1963 Congress passes the Equal Pay for Equal Work Act, barring wage discrimination on the basis of sex, race, religion, and ethnicity

1964 Congress passes the Civil Rights Act, Title VII of which forbids discrimination on the basis of race, ethnicity, religion, and sex

1967 President Johnson's Executive Order 11375 requires federal agencies and contractors to actively ensure that women are not discriminated against in education or employment

1968 The Equal Employment Opportunity Commission (EEOC) rules sex-segregated help-wanted ads are illegal unless a *bona fide* reason exists for them

1969 California passes the nation's first no-fault divorce law

1969 In *Bowe v. Colgate-Palmolive*, the Supreme Court rules that women meeting the physical requirements can work in previously male-only jobs

1972 Title IX of the Education Act mandates that all educational programs receiving federal aid cannot discriminate on the basis of sex

1972 In *Eisenstadt v. Baird*, the Supreme Court rules that unmarried people have a right to use contraceptives, a right that married people received in *Griswold v. Connecticut* in 1965

1972 Congress strengthens the Equal Pay Act to apply to executives and professionals and empowers the EEOC to enforce its rulings through legal action

1973 In *Roe v. Wade*, the Supreme Court effectively legalizes abortion nationwide

1974 In *Cleveland Board of Education v. LaFleur*, the Supreme Court rules it is unconstitutional to require women to take maternity leave on the assumption they are physically incapable of working

1977 Indiana becomes the 35th and last state to ratify the ERA, 3 states shy of the 38 needed

1986 In *Meritor Savings Bank v. Vinson*, the Supreme Court finds that a hostile or abusive workplace can constitute sex discrimination

1993 Congress passes the Family and Medical Leave Act (FMLA), requiring large employers to provide their employees up to 12 weeks of unpaid leave for pregnancy or family illness

1997 The Home Depot settles a sex discrimination suit with over 7,000 of its female employees for more than \$65 million

1998 The Supreme Court finds that employers can be held responsible for sexual harassment of employees by supervisors, regardless of whether management specifically knew of the misconduct

2003 In *Nevada Department of Human Resources v. Hibbs*, the Supreme Court rules that the FMLA applies to state government employees as well as federal and private-sector workers

2004 After briefly going to court, Morgan Stanley settles for \$54 million a suit brought by the EEOC on behalf of 340 of the company's female managers and executives. Merrill Lynch, Morgan Stanley, and Smith Barney (Citigroup) have together paid out more than \$150 million in settlements so far