

Globethics Repository

The logo for Globethics, featuring the word "Globethics" in white, sans-serif font centered within a solid blue rectangular background.

Deloitte and Touche: The Initiative for the Retention and Advancement of Women

This page was generated automatically upon download from the Globethics Repository. More information on Globethics see <https://www.globethics.net>. Data and content policy of Globethics Repository see <https://repository.globethics.net/pages/policy>.

Item Type	Book chapter
Authors	Rogovsky, Nikolai;Sims, Emily
Publisher	International Labour Office
Rights	With permission of the license/copyright holder
Download date	2026-07-08 08:15:34
Link to Item	http://hdl.handle.net/20.500.12424/173302

ROGOVSKY, Nikolai and Sims, Emily, *Deloitte and Touche: The Initiative for the Retention and Advancement of Women*, in Corporate success through people. Making international labour standards work for you, Geneva: International Labour Office, 2002, 33-36.

Case 3: Deloitte and Touche: The Initiative for the Retention and Advancement of Women¹

Deloitte and Touche, a worldwide accounting firm, did not think it was discriminating against its female workers — recruitment procedures were not gender-biased and female recruits were not dramatically outnumbered by males. However, female professionals were leaving the firm just as they reached the stage when they would be expected to bring in new clients and generate income. As senior management explained, in professional service firms the “product” is talent, billed to the client by the hour; managers were alarmed by the fact that so much of the firm’s product was leaving. This problem led to an open dialogue within the firm that eventually resulted in serious changes in organizational culture and values.

Deloitte’s *Initiative for the Retention and Advancement of Women* grew out of a 1992 task force chaired by Mike Cook, then CEO. Douglas M. McCracken, CEO of Deloitte Consulting, a global business of Deloitte Touche Tohmatsu, and also chairman of Deloitte & Touche LLP in the USA, explains:

Nine years ago, we came to grips with the fact that women at Deloitte were on the march — out the door. In 1991, only four of our 50 candidates for partner were women, even though Deloitte & Touche — America’s third largest accounting, tax, and consulting firm at the time — had been heavily recruiting women from colleges and business schools since 1980. Not only that. We also found that women were leaving the firm at a significantly greater rate than men.

To be frank, many of the firm’s senior partners, including myself, didn’t actually see the exodus of women as a problem, or at least, it wasn’t our problem. We assumed that women were leaving to have children and stay home. If there was a problem at all, it was society’s or the women’s, not Deloitte’s. In fact, most senior partners firmly believed we were doing everything possible to retain women. We prided ourselves on our open, collegial, performance-based work environment... How wrong we were, and how far we’ve come... It took a cultural revolution, but Deloitte now has a radically different approach to retaining talented women...[The] results speak for themselves.

Today 14% of our partners and directors are women. While we aren’t yet where we want to be, this percentage is up from 5% in 1991 and the highest in the Big Five. The number of women managing partners has increased dramatically, and we’ve eliminated the gender gap in our turnover: women now stay on at about the same rate as men each year. The firm’s annual turnover rate as a whole fell from around 25% in the early 1990s to 18% in 1999, despite an intensifying war for talent. Besides saving us \$250 million in hiring and training costs, lower turnover has enabled Deloitte to grow faster than any other large professional services firm in the past several years.

How did Deloitte achieve this? The company learned six lessons along the way.

1. Make sure senior management is front and centre. The initiative was always driven by the managing partners — it never became just an “HR thing” foisted on the firm.

¹ Source: McCracken, 2000.

ROGOVSKY, Nikolai and Sims, Emily, *Deloitte and Touche: The Initiative for the Retention and Advancement of Women*, in *Corporate success through people. Making international labour standards work for you*, Geneva: International Labour Office, 2002, 33-36.

2. Let the world watch you. Deloitte appointed an external advisory council and told the press about the initiative. The firm wouldn't let this initiative become just another "programme of the year" that led nowhere.
3. Begin with dialogue as the platform for change. Deloitte required all its management professionals to attend intensive workshops to reveal and examine gender-based assumptions in mentoring and client assignment. Mr. McCracken admits that:

I myself saw it as just one more thing to do, and I had always been skeptical of HR-type programs. I'm sure I wasn't the only partner calculating in my head the lost revenue represented by two days' worth of billable hours, multiplied by 5,000 — not to mention the \$8 million cost of the workshops themselves...I was dead wrong. The workshops were a turning point, a pivotal event in the life of the firm. Through discussions, videos, and case studies, we began to take a hard look at how gender attitudes affected the environment at Deloitte. It wasn't enough to hear the problems in the abstract; we had to see them face to face.

For example, an astounding finding related to career development within the firm was summed up by one of Deloitte's female partners: "Women get evaluated on their performance; men get evaluated on their potential".

4. Put the new attitudes to work with a flexible system of accountability. The findings from the workshops were translated into specific operational steps. The CEO and the taskforce set out clear expectations: "more of Deloitte's qualified women should be promoted, and the turnover rate for women should fall. But the firm had to be careful not to set quotas or seem to give women all the plum assignments. The key was to send a clear, powerful message for change while still giving heads of local offices some discretion." In 1993 local offices were asked to conduct an annual review to determine if the top-rated women were receiving their proportionate share of the best assignments. The review confirmed the suspicions: women tended to be assigned to projects in non-profit, health care, and retail — segments that generally lacked large global accounts — while men received most of the assignments in manufacturing, financial services, and highly visible areas like mergers and acquisitions. After that, most offices began tracking the activities of their high-performing women on a quarterly basis in order to assure that the assignments were more equitable. Deloitte also started formal career planning for women partners and senior managers. This planning was so helpful that women suggested men be included, thus giving rise to Deloitte Consulting's current Partner Development Program.

A flexible system of accountability builds commitment. According to Mr. McCracken:

Only after the operational changes had percolated through the organization did the task force introduce clear accountability for the changes that were being made. It offered offices a menu of goals derived from the Women's Initiative — such as a recruiting hit rate or a reduction in the gender gap in turnover — yet left it up to the offices to pick the goals best suited for their particular situations. Office heads started including their choices among the objectives that drove their year-end evaluations and compensation.

5. It's not just about women. It is necessary to promote a work-life balance for both men and women. Says Mr. McCracken:

ROGOVSKY, Nikolai and Sims, Emily, *Deloitte and Touche: The Initiative for the Retention and Advancement of Women*, in *Corporate success through people. Making international labour standards work for you*, Geneva: International Labour Office, 2002, 33-36.

Moving toward equality in career development was fundamental. But as people began to discuss gender issues in workshops, meetings, and hallways, what started out as a program for women soon began to affect our overall corporate culture... We discovered that work-life balance was important to everyone. [For example], on paper, we had always allowed temporary, flexible work arrangements, but people believed — rightly at the time — that working fewer hours could doom an otherwise promising career. In 1993, only a few hundred people were taking advantage of the policy. So now we said that opting for flexible work wouldn't hinder advancement in the firm, though it might stretch out the time required for promotion. Use of these arrangements became one more benchmark of an office's progress with the initiative. And when a woman was admitted to the partnership in 1995 while on a flexible work arrangement, people really began to get the message. By 1999 more than 30 people on flexible work arrangements had made partner, and in that year the total number of people on flexible schedules had doubled to 800.

6. Make an airtight business case for cultural change. Mr. McCracken shows that the initiative had some positive tangible “bottom-line” implications for the firm:

The task force prepared the firm for change by laying a foundation of data, including personal stories. Deloitte was doing a great job of hiring high-performing women; in fact, women often earned higher performance ratings than men in their first years with the firm. Yet the percentage of women decreased with each step up the career ladder, in all practices and regions, and many women left the firm just when they were expected to receive promotions. Interviews with current and former women professionals explained why. Most weren't leaving to raise families; they had weighted their options in Deloitte's male-dominated culture and found them wanting...And all of them together represented a major lost opportunity for the firm...As Cook (then CEO of Deloitte and Touche) summarized [in 1993]: Half of our hires are now women, and almost all of them have left before becoming partner candidates. We know that in order to get enough partners to grow the business, we're going to have to go deeper and deeper into the pool of new hires. Are you willing to have more and more of your partners taken from lower and lower in the talent pool? And let the high-performing women go elsewhere in the marketplace?