Gender Equality
The Right Thing for Business

A Dialogue With

J. Michael Cook
Chairman and CEO, Deloitte & Touche

and

James D. Wolfensohn
President, World Bank Group

March 31, 1999
A Program in Honor of International Women's Day

Sponsored by:
The Office of the Senior Adviser on Gender Equality/Diversity Programs,
the PRBC Gender and Development Group, and the Gender Sector Board.
GENDER EQUALITY:
THE RIGHT THING FOR BUSINESS

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Organized in Honor of International Women’s Day
by the Office of the Senior Adviser on Gender Equality
and the PREM Gender and Development Group and the Gender Sector Board

March 31, 1999
Washington, D.C.
A Celebration of International Women’s Month

Since 1994 the World Bank Group has marked International Women’s Day, which is celebrated on March 8, with a month-long program of events to highlight gender and the role of women in development and in organizations.

International Women’s Month ’99, organized by the Office of the Senior Adviser on Gender Equality/Diversity Programs, the Poverty Reduction and Economic Management (PREM) Gender and Development Group and the Gender Sector Board, consisted of three events:

- *GenderFair ’99.* This resource fair brought together nearly 30 representatives from the World Bank and partner organizations in the international and NGO community, in an interactive exchange of information on their work to address gender issues in their programs and their own organizations.

- **Women’s Health and Conflict Situations: What Role for the Bank?** Co-sponsored by the Gender & Development Thematic Group and the Population & Reproductive Health Thematic Group, this participatory seminar focused on what the Bank can do in its operations and policy dialogue to ensure delivery of women’s health services in conflict situations.

- *Gender Equality, the Right Thing for Business.* In the closing session of the program, World Bank Group President James D. Wolfensohn and Deloitte & Touche Chairman and CEO J. Michael Cook talked about what their organizations have done to create supportive workplaces where women and men can succeed and contribute to their full potential—and why it makes good business sense to promote gender equality.

On behalf of all the program organizers I am pleased to bring you, in these pages, the information and inspiration of the final session of International Women’s Month ’99. I hope you will enjoy and learn from reading the messages, as we did from listening to them.

Anette Steen Pedersen
Senior Adviser on Gender Equality
MS. ANETTE STEEN PEDERSEN: It's a beautiful spring day, and I'm so pleased to welcome all of you to the final event of the World Bank's celebration of International Women's Month. On behalf of my partner in organizing this program, Karen Mason, Director of the PREM Gender and Development Group, and myself, I would like to thank you for being here today.

We have built a month's celebration around International Women's Day, which is on March 8. In 1911, International Women's Day got its name and its start in Copenhagen, my home town. Since then it has been celebrated at the international level, the national level, and the local level. For five years, the World Bank community, my new "home town," has been celebrating the date with programs to highlight gender equality initiatives in our development work and in our institution.

When we look back over 88 years of International Women's Day celebrations, what do we see? We see progress: women have achieved a lot, and are on the way to becoming equal partners in society, in politics, and in business. But there is still a lot of work to do.

What have we learned? That work for gender equality is an ongoing process. We can never take for granted that we are there. Also, we have learned that work for gender equality is a joint venture between women and men. That is why I am delighted to see the two men who are up here with me today: J. Michael Cook, Chairman and CEO of Deloitte & Touche, and our own President, Jim Wolfensohn. They are great leaders and great partners in the effort to create organizations that value the contributions of all staff, women and men.

The title of our session today is "Gender Equality: The Right Thing for Business." The past decade has been one of great change in the business world, and change continues. We have seen that change brings with it new opportunities and new business needs. We know that to be the leader among international development institutions, we need to have diverse teams to work on complex problems. Our composition at all levels needs to mirror the composition of our client group, and over half of the world's population are women.

Today we will learn about how Deloitte & Touche recognized that the changing needs of their clients and their own staff created new business reasons for changing the way they did business, to attract and retain the best staff, women and men.

Change, as we all know, is not easy. It needs to be based on the belief that it is right. It needs strong leadership and commitment at the top.
Today we have with us the leaders of two organizations who have driven change through their own personal commitment. That commitment is reflected in the fact that they are here with us today.

Several times this week I have been asked, “Why do we see four men and only one woman in the posters for an event about gender equality?” And, “Why do we ask two men to talk about gender equality?”

To the [first] question, I answer, “You see the picture as it is today, the picture we are trying to change. Despite our progress, women at the very top of leadership ranks in business and politics are very few.” And I answer the second question, “You see the leaders who are champions of gender equality initiatives in their organizations. We cannot progress without them, and we would not want to work without them.”

It is now with great pleasure that I introduce Jim Wolfensohn. I don’t know if he plans to tell you, but I will tell you that he is a great champion of gender equality in our institution. In 1995, he was the first World Bank President to attend a UN World Conference on Women. Others were asked before. He was the first to say yes.

Jim Wolfensohn has been a role model for his managers in acting on the World Bank’s commitment to women, in its development efforts and in our own house. Jim has been a champion of girls’ education and economic empowerment of women. He has appointed a record number of senior women.

Now let me give the floor to you, Jim. Welcome.

[Applause.]

MR. JAMES D. WOLFENSOHN: Thank you very much Anette and Karen, for the work that you have done in bringing about this International Women’s Month program. But more particularly, thank you for your continuing work on gender issues, that is so important to all of us.

I do not want to try and anticipate what Michael Cook will say, nor do I want to trespass on any of the points that I think he will bring out. But let me give you a few personal images [from my job].

Long before I came to the Bank, I was engaged in issues of gender equality and human rights, the rights of women. It was only when I came to the Bank that I was confronted for the first time in running a large organization, with what can happen if you take your eye off the ball. More particularly, in terms of our work, when I began to visit the now over 80 countries that I have traveled to, I was confronted with how crucial it is on an international basis to conceive of gender as being fundamental to the whole question of development.
There is absolutely no doubt in my mind that the single most important issue in most of the countries we are dealing with is the enfranchisement of women. I have seen that everywhere: from urban slums to rural villages, to new governments created after struggles where women have been part of the campaigns. It is so clear that if you do not deal with the questions of women’s education, women’s opportunity and women’s rights, you simply cannot have effective development.

These perceptions got me thinking about the external role of the Bank. And then I looked at us internally and asked, “How do we measure up to the advice that we’re giving on the outside?” It did not take me long to recognize that the advice we were giving on equality on the outside clearly was not being recognized on the inside.

It was then that I started to think, with many of my colleagues, about how we should take actions inside our own institution to give women the opportunity to take their rightful place and leadership roles in the institution, not just as a matter of moral and social right but as a matter of good business sense. This was not just a matter of bringing their competence and their experience to our workplace, but also of bringing their understanding to the issues that we face outside the institution. It made abundant sense.

All of you in this room, man or woman, are interested in this issue, because you are here. It is a joint issue. It is an issue, as Anette says, which recognizes no gender distinction. It is an issue for both men and for women. It is an issue for the success of our institution. It is an issue for equity. It is an issue of taking advantage of the fact that we desperately need to have the best talent that we can have in our institution, without regard to race, without regard to developed or developing country [nationality], and without regard to gender.

But I was confronted with history and attitudes, all the things that many of you know about. Opportunities were not always there [for everyone]. Prejudice of all sorts is hard to rid oneself of very quickly. It requires constant attention. It requires not just leadership from the top, but endorsement from the middle and lower ranks. It needs a group of people such as the one here today—and I’m very happy that there is such a significant group here—to recognize that it needs a change in opinion and a change in culture so that gender issues don’t become fringe issues. In fact, gender issues should not be issues at all. There should be a sense of equity and a sense that opportunity is available to everybody regardless of their background or their gender.

I am very happy with what we’ve done recently on the five-year targets that we set in 1992, a lot with Anette’s help. We have not reached what I regard as anywhere near what we can achieve, but we have made real progress. We did reach 27 percent women at levels 22-24 by 1997, and 15 percent of women in management [levels 25+] by 1997. We surpassed all our targets for the period 1992-97, and now we’re looking at a more equilibrated target, set for the year 2003, of 45 percent women in key professional positions [levels 22-24] and 30 percent women in management positions [levels 25+].
I won't be happy until it's 50-50, and maybe then you can move to 60-40, but I won't be here to defend my position.

Let me say that I believe that things are changing. I believe that there is a recognition on the part of many of my colleagues in management who are here today that things should change. But we need to continue—I won't say the fight—but the pressure, as we move forward.

That is the reason I so readily accede to the notion that once a year we should take a look at gender issues. We should be reminded by this very important recognition of International Women's Day—and this year, a whole month—to look at issues of gender equality.

I am very happy too that we have taken initiatives outside the Bank, with the creation of ORIGIN, which is a network of international institutions that includes UN agencies and development banks, and addresses questions related to gender issues.

I [also] am glad that Vice Presidents in the Bank now have signed diversity agreements, which include [actions on] career development. And I am glad that we have a mentoring program which has really gotten off to such a good start.

But, most importantly, I would say to every one of you, if you have good ideas on things that we might do, we have Anette Pedersen and Karen Mason, our new Director of the Gender and Development Group, who are available to you and ready to be responsive.

Let me give a 110 percent endorsement to the work that they are doing. Let me say with full heart that I am totally supportive for every sort of reason—moral, social, and self-interest—of having equality in our institution and the best people in the best jobs. And let me say how glad I am that we've got someone here to address us today who has done this job better than we have.

I speak of Michael Cook. Michael has, for 15 years, been at the leadership of Deloitte & Touche, an institution well known to us, with 28,000 people and $5 billion of billings in the United States alone—not enough of those billings coming from us, as I've been told by his partners very often. He is here representing not only himself, but a business which, as I saw from the many laureates that they have received, is really quite remarkable.

Deloitte has been number eight on the Fortune magazine list of the 100 best companies to work for. For five years in a row, Deloitte has been on Working Mother magazine's list of the 100 best companies for working mothers. The Women's Initiative was highlighted in Newsstand/CNN and Fortune in July '98 and March '99. Michael Cook is Chairman of Catalyst, an organization known to many of you, and the Catalyst Award was given to Deloitte for its Women's Initiative.
He has received many other recognitions in his personal capacity for his work not only on gender, but on communal issues. One I have to mention specifically—in the interest of demonstrating my gender equality—is that he received the Columbia Business School Botwinick Prize for Business Ethics. I mention that because Mr. Botwinick is my wife's father and if I didn't, my life would not be worth living tonight.

[Laughter.]

That was just to demonstrate the equality there is in my family. So let me say that [the Botwinick Prize] is the most pristine and remarkable award that he has received in his career. I just got Mr. Botwinick's daughter.

[Laughter.]

With those remarks, let me say what a pleasure it is to have our auditor and friend here, and we all very much look forward to hearing from you. J. Michael Cook.

[Applause.]

MR. J. MICHAEL COOK: Jim, thank you very much for a very generous introduction. I am absolutely delighted to be here. My international colleagues would say, "I'm Deloitte'd to be here."

[Laughter.]

I'm learning my pronunciation as I go along.

I relish and welcome the opportunity to talk about this subject. It is of great importance to me and to my partners, and to our people throughout our organization because, as I will attempt to describe to you today, it is the source of strategic competitive advantage to us as a business organization. I want you to understand how that comes about and how it works for us, because it's a very important part of the acceptance of this [gender equality issue] to our organization.

It is also quite important to me as the Chairman of the Board of Catalyst, an organization dedicated to the advancement of women in business. That is an important part of my life as well. I applaud the work that is being done there, and do all that I can to be supportive of it.

I am also absolutely delighted to be here, with what I tell you is a crown jewel client of our firm.

We are a firm that has really only two assets—our clients and our people. We might have some furniture and some computers and other things, but they're really incidental to what we do. Everything we do is driven by our people and by our clients, and our reputation is generated by those two assets of the firm.
When people ask us who we are as an organization, more often than not, rather than trying to describe who we are by what we do or how many people we have, we describe who we are by who our clients are. So when we have a client of this prestige, we tell lots of people about it. We are very proud of it. When we get a chance to tell people that one of our clients is the World Bank, that is very, very important to us and a very important part of how people feel about us. So I just wanted to say thank you very much for that relationship.

Today I would like to talk about this issue [of gender equality] mostly from a business perspective. But before doing so, I would like to give you a little bit of my personal perspective, from the perspective of it being the right thing to do.

As Jim acknowledged in his remarks, this is a very important consideration for the leader of any organization. Obviously we are all committed to the success of our businesses. That’s why they put us in the jobs that we’re in, and we have an obligation to our constituents, our shareholders, and in my case, my partners, to have the organization perform at a very high level. So business reasons drive a great deal of what we do.

But at the end of the day—even though this isn’t always recognized—people who lead organizations are people, too. And we are concerned about people; we have a sense of obligation to people. So while I’m going to talk about this as a business person, it’s also very important for a very simple reason—in addition to being the smart thing to do from a business standpoint, it is the right thing to do. As the leader of any organization who cares about people, and who has the obligation to give people the opportunity to fulfill their potential would tell you, it is quite important for that reason.

I would also tell you that it doesn’t do any harm when you’re at the dinner table on a weekend, visiting with your two daughters who are business people—it does help the father image to be able to talk about your commitment to this issue.

I was very, very proud to receive the Botwinick Award from the Columbia Business School. It is an award for achievement in business ethics. It is obviously named for a very special person, whom I had the pleasure of having lunch with that day, and some very special people who are related to him.

I would like to emphasize to you what Meyer Feldberg, Dean of the Columbia Business School, said that day in talking about the relationship between good business and good ethics.

He said there is a distinct linkage between the two. Organizations that practice good ethics will be good businesses. They will be successful businesses. Those two things cannot be separated. They can’t be equated in any numeric sense. I can’t tell you that X and Y necessarily have happened because of particular things. I can demonstrate to you some of the business issues, but I would say to you, [coming from] an organization that believes in ethical behavior and doing the right thing for people, that I do believe that it produces a bottom-line result.
I thought he put it in a nice way. He asked, “At the end of time, when we are going to be judged and they have to put something brief on our tombstone to be remembered by, would you rather have them just put ‘he did things right?’ Or would you rather have them put, ‘he did the right things, and did the right things well?”’

I think that if we were writing our own description, we would want to be remembered for doing the right things and doing them well, as well as doing things right.

Having said that about the ethical considerations, let me move to the business considerations. There is, in my mind, a compelling business case for an organization such as ours with respect to this issue.

I'd like to take the next 15 to 30 minutes and tell you all about Deloitte & Touche, who we are and how we do things. I'm not going to do that because I want to stick to the subject matter, but I'd like you to understand one or two things about us that demonstrate why this is so important to us, and how we have gotten to where we are today.

We are a very simple business organization. We have only one thing that we sell in the marketplace, and that is the talent and the skills of the people who are part of our professional organization. We have different ways of measuring that talent and its value, but at the end of the day, our business is 28,000 people in the United States, and almost 80,000 people globally, whose time is sold to our clients.

The most important thing that we have to remember in being successful as an organization is that, if we're going to exceed the expectations of our clients—which is our mission as an organization—we can only do that in one way. And that is by having the best people. Because it is that cadre of people that we will place against the needs of our clients, and the better the job we do in serving those needs, the more successful we're going to be as an organization.

It's about as simple as that. It is these 28,000 people in the United States, and these 80,000 people we have around the world. How well we take care of those people, how well we attract the best people to our organization, how well we retain the best people in our organization and advance them to leadership positions—that is the sole determinant of our success as an organization over time.

It's not hard to understand the business case for this particular issue, when you recognize that we are absolutely driven by talent. We have never seen in our total experience any direct correlation between gender and talent. Said differently, we believe that every person we have in the organization, regardless of gender, is equal in talent. Obviously, we have people with different skills and different ways of demonstrating those skills, but we have never seen any correlation by gender with respect to the abilities of our people.

That's not to say that we haven't had big changes in our experience over time. Let me give you a little bit of a picture of what's happened.
Go back about ten years with me to the late 1980s, and you would find that women were relatively new in our profession, described rather broadly as the accounting profession, but including consulting and other components. This was not a profession, to its detriment, which had attracted women prior to that. So women in our profession in the late 1980s were relatively new, and most of them were relatively new in terms of their development cycle within the firm.

As I was Chairman and CEO of the firm at that point in time, I would very often be asked about this change [of more women coming into] our organization. Essentially, people would ask me two questions. They were very obvious questions because at that point in time, about 50 percent of the people joining our organization were women. This number was reflective of the population from which we engaged people, and from where we recruited people: college campuses, whether in undergraduate or in graduate programs. So as you would expect, if we look for the best talent we can find when we hire people, and if talent has no gender bias, and there are 50 percent women in every class that we recruit from—we are going to come away with 50 percent women joining our organization.

[The first question] people who didn't know us particularly well would ask, “Mike, please tell me why, if you have 50 percent women, you don't have 50 percent women partners.” At that point in time we had about 3 percent women partners.

I was very good at answering that question. I got a lot of practice. I could explain to them that this was strictly a pipeline issue. It was a matter of time. Our partners were people who had been with the organization a long time—some of them, heaven forbid, as long as I had been. This was a mature population which had been developed over a 25-year period. No correlation could be drawn between the population of people we would hire today and the composition of a group that had between 10 and 25 years of experience at that point in time.

But, I would say with great confidence, “Don't worry because it's just a matter of the pipeline. There is no glass ceiling in this organization, and women will develop here at essentially the same rate as men.” Over a period of time it will change to a 50-50 relationship. Not in my professional lifetime, but before too long it will happen.

Second, I often was asked, “Do you have a concern as the CEO of the organization that you're going to have higher turnover of women? Will there be higher turnover of women?”

And again, being the all-knowing CEO, I knew the answers to these questions. I said, “Of course, there will be higher turnover of women than men.” And I explained that in a very logical fashion which was a reflection of my life experience.

Men who come to work for us will have essentially two choices in their professional lives, over about a 40-year career: they will either continue to work for us or they will work for someone else. Women will have a third choice. They will have a
choice of working for us, working for a different organization, or they will have a choice of—and I watched these words very carefully—I said, "not working."

One night my wife was reading one of my speeches, and she corrected me. I now say that they have a choice of working for us, working for someone else, or working in the household. I got that right—

[Laughter.]

—at very chilly evening with my wife helping me rewrite my speech.

But essentially we recognized that there was a biological consideration. There would be some women, more likely than men, who would choose not to be a part of the workforce. If you grew up in the environment that I grew up in, dual-career families were not common at all. Today they are the dominant component of the workplace, but that was not so 35 years ago when I began in this business. Most of the people like me in our organization, at the senior leadership levels, started at the same point in time and in the same environment. They all had the same biases, based on knowledge that was almost 35 years out of date in terms of the workforce and what was taking place.

It is important for you to understand this for background, to understand what sort of a cultural change was necessary in our organization to recognize the realities of our workforce—and not the perceptions of our workforce held by senior leaders such as myself, based on the way life was when we came into the profession.

That's where we began in the late 1980s with a large number of women coming into our organization—assuming no glass ceiling here, the pipeline is filling up, everything is going to be terrific.

Move forward with me just a few years to the early 1990s. Now I'm the CEO of Deloitte & Touche, the combination of Deloitte, Haskins & Sells and Touche Ross & Company. We put together two terrific professional service organizations, each made up of about 10,000 professionals in the United States alone, and a much larger number globally.

Let me tell you, if you want an interesting experience in your life, merge together two professional service organizations. That will be all the challenge that you will ever want to undertake.

Now we're in 1990, 1991, and taking a look for the first time at this brand new organization. We're taking a look at the number of projected admissions of women into the partnership for the next three years. Here is Mike with all of his knowledge and biases, and I'm expecting that this pipeline is now going to be delivering a higher percentage of women into the partnership every year. It isn't going to be 50 percent, but it's going to be 15 percent, and then 20 percent, because that's what we were hiring in [terms of] composition 10 years, 11, 12 years previously.
We look, and what do we find? The women are gone. The women are gone in large numbers. There are very few women in these projected classes of new partners for the next two or three years.

We said to ourselves, “What happened? Where did this pipeline go? Where did we have the leak in our pipeline?” Because we had the expectation that we would see an emergence of women to the senior levels of our firm and into our partnership at this stage in the early 1990s, perhaps with a slight adjustment for a higher turnover rate for women. And all of a sudden, it wasn't there.

We asked ourselves a very obvious question at the time, “Did this merger do something?” We asked ourselves, “Did we do something here? Did we create this leak in the pipeline?” We looked and looked to try and understand this, and we didn’t come away with any understanding at all.

We asked ourselves the question, and I regret even having to admit to you that we asked it at the time, but we just didn’t know, “Was there some difference in the performance of men and women that explained why, when people were ready to join our partnership 10 or 11 years after joining us, the women weren’t there and the men were? Was there a talent base differential?” We looked at everything we could think of.

We know how to look at numbers. So we looked at things like CPA exam results and performance evaluations and everything else that we could find. We found no difference whatsoever. I have great conviction in saying that there is no talent differential whatsoever between men and women.

So we said, “What in the heck is going on?” And then we looked at the exit surveys. We do very elaborate survey work when people leave our organization, particularly high-caliber people who we would hope would be with us for a long time. We looked to see if there was any indication of a reason for this to happen, and there was not.

The exit surveys said, “We love your firm; we love the career we’ve had here. We’re just going to do something else.” Usually it was [for] nice reasons that made us feel good. People didn’t want to have a negative experience at that point—you never know, we might have to give them a reference one day. So it was a lot better to say, “You’re a wonderful place and, gee, it’s been fun being here,” than to say, “This has been a pretty crummy place to work; I haven’t really enjoyed this and I’m leaving for real reasons.”

That’s what we found. At that point we were frustrated. We were feeling a little helpless because, again, we were mostly people like me whose life experiences didn’t give us the basis for understanding this.

So we called Catalyst for help. I knew a member of their board. She introduced me to the then-leader of the organization, the late Felice Schwartz, a very, very special
person. Felice took me aside and started explaining the real world to me. It wasn't the world that I understood, and I tried to correct her a number of times—

[Laughter.]

—but she somehow persevered with her explanation that we were living in a different world and that I needed to understand it, and what was going on in our workforce, if I wanted to change our organization.

The most revealing thing Catalyst did for us was to talk to 200 women that we selected for them as being the most high-talent women who had left our organization during the previous two years. They went out and talked to them privately, without ever revealing to us who they were, or who said what.

What they came back and told us was a surprise—not a surprise to Catalyst but a surprise to me. Over 80 percent of the women were in the workforce at that point in time. Over 90 percent, close to 95 percent—there were some who were on leave for one reason or another after leaving our organization—would be [back] in the workforce. The bad news was that they weren't going to be in our workforce. They were going to be in someone else's workforce. And it wasn't going to be a firm like us, either. It was going to be a different kind of organization, that was more responsive to their particular needs.

That was quite shocking to us.

I've told you the bad news. But the good news Catalyst told us was that we could do something about this. It wasn't something inherent in either our firm or our profession. We could do something to make a difference.

So we set out to do what we ultimately learned we needed to do after a great deal of study. I won't take your time to tell you about all the deliberation that went into this, but we worked hard at this for a long period of time.

I chaired the group that studied this. One, because I had more to learn than anyone else in our organization, so I figured that made me eminently qualified to be the chairman of that particular group. But also, just like my good friend and colleague Jim Wolfensohn, I knew that in most organizations things don't happen unless the people at the top understand them and are committed to them, particularly if you're going to change something that is embedded in a culture of an organization such as ours, and I would suggest, the culture of this organization. If you want to make change, the people at the top have got to be committed.

So we went to work, and we found that—more important than anything else—we needed to change the culture of the organization. I'll illustrate in just a second. We did it over a long period of time in a lot of different ways.
We did a lot of training, but it wasn't training in the sense that people came in and were given a course. We did "Men and Women as Colleagues" workshops where people came together for two full days. We insisted that every partner in the firm, bar none, every manager in the firm, every senior manager in the firm attend this training. That's 5,000 people we put through this training, as we called it, but was much different than traditional training.

We did it over a period of about 12 months. And anybody who hadn't completed the training at the end of the 12-month period got a special opportunity to come and participate in the final session with me. I went to the first one, and I was also going to go to the last one.

These sessions were where we first came to understand ourselves. We understood differences. We understood the workforce—how different it was for senior people such as myself from what we had grown up with, and [from] what we thought our own workforce was about. How different it was in terms of the attitudes of men and women, and the way men and women were treated in our organization.

A lot of it was painful. A lot of it was embarrassing. A lot of it was something you didn't feel good about. It wasn't that we had conscious discrimination. We didn't have any of those issues. We just had a culture that was not appropriately representative and respectful of differences. And we learned that very, very prominently and early on in this process.

I said I would illustrate two points. These are two of the most important points about what we have changed in the organization, that show the interplay of culture and outdated beliefs.

One was the advancement component; our initiative was about advancement and retention of women.

You say to me, "Mike, you're the CEO of this organization. Does your organization have equal opportunity for women?" I would say, "you bet, absolutely, bar none; you give me one indication of anywhere in our organization that we don't create equal opportunity for women, and I will have that person shot at sunrise tomorrow morning. I'm that confident that this is how the organization is."

Catalyst found out something about our organization. That wasn't how it was, and for a very simple reason, which had absolutely no intended gender bias.

Let me illustrate...

We are very conscientious in evaluating our own work and asking our clients, "What is important to you, and what can we do better to fulfill your expectations of us?" I just read the assessment that we did of our performance here [at the World Bank] in our
first year. We talked about things that were important going forward, areas where we need to improve or be sure we continue to perform at a high level.

The first item on the list was continuity of the team that we have serving the organization. Our clients value continuity because that means [team members are] people who know our organization. They don't have to ask the same questions that they asked the first year while they were learning about us. They can build on their experience. They can do a better job of advising us going forward.

They told us here that continuity was very important. I would like to tell you that that was due to the unique insights of the people at the World Bank, but I must tell you that is not so. Our clients have been telling us forever and ever, that continuity is of great importance to them.

We have people in our organization who are responsible for deciding who works on which engagements, which assignments, which projects. That's their full-time job and they're very conscientious about it. They work very hard to understand the needs of our clients, and understand the skills and experiences of our people.

Now you're going to sit in the chair of one of our assignment directors who is responsible for making an assignment of people to the World Bank.

Remember, this is a number of years ago. Things are different today.

In comes Brian, who is the partner responsible for the World Bank [engagement], and Brian says, "I want a terrific team to serve the World Bank. And one of the most important things, because Jim told me so, is continuity. Continuity is very important."

You're an assignment director. You've heard some of Mike Cook's speeches, and you also know all there is to know about the realities. And what do you know? We have higher turnover of women than men.

Now we're going to pick the best team to serve the most important client, and I have to fulfill Brian's expectations that I'm going to give him a team that's going to produce high continuity.

What am I going to do? I'm going to pick the team that is most likely to be here, to respond to that need for continuity, which just happens to be a male-dominated team. Because based on historical statistics, I know it's more likely the men will be here next year than the women.

The women in our organization took a look at that situation, and guess what? They concluded that they didn't have an equal opportunity for advancement because they weren't getting to work on the World Bank or General Motors or Merrill Lynch or any one of our world-class, crown-jewel clients. And they left. They left in increasing numbers because they couldn't see the right advancement opportunities.
And what did our assignment director say? Well, I'm sure glad I put those men on the World Bank job.

[Laughter.]

Because Mike was right, the women are leaving, and they're leaving in increasing numbers because they don't have equal advancement opportunity here. Self-fulfilling prophecy. The more we did it, the more it happened, and the more we were convinced that we had to do it if we were going to take care of our clients. It was an absolutely perfect circle. And it would have gone on forever if we didn't finally wake up, recognize what was going on and break the circle.

We've changed all of that, I would like you to know. We are much, much more sensitive. The women have equal opportunity now with the men in terms of the plum assignments from the firm, and guess what? They aren't leaving in numbers like they were before, because advancement was the most important thing to them in terms of their professional careers.

The second point: flexible work arrangements.

Catalyst said to us, you need to have flexible work arrangements. You have to recognize that your people need the opportunity to balance their professional and personal lives at different stages in their careers, and to [help them] do so, you need to provide flexibility to them.

Again I said, "Well let me show you, we've got flexible work arrangements, we've got policies, we've got stuff that is state-of-the-art. We've been checking this out with Catalyst and everybody else, and they said this stuff is just wonderful."

And guess what? It was [wonderful]. All state-of-the-art with one exception. Nobody ever used it.

The simple reason, again, was culture. Why? Again, pretend I'm just a counselor/mentor to someone or an assignment director or whatever you want. Someone would come to me and say, "Mike, I'd like to talk to you about a flexible work arrangement." And what would I say? "Why do you want to do that? Or, "Are you not committed to your career?" Or I might not say any of those words, but the body language [would be talking], and the music would be playing. The words were firm policy but the music said if you want to do this, you're not going to advance in this organization.

We had these great state-of-the-art programs, totally unsupported by the culture of the firm. So we knew this wasn't about putting in new programs. This wasn't about redoing the way we assigned people in the traditional sense. This was about changing the culture of the organization.
I would love to tell you all about what took place through all this period of time, but just move forward with me about five years, to where we are today.

We did change the culture, and we did it through awareness. We did it because once we found out what we were doing, we didn’t like it. We didn’t want to continue to do it. We didn’t have any bias. We didn’t have any discrimination. We had some bad judgment based on some bad information that we needed to fix. It’s easy to fix. First, it’s easier to fix bad information [than bias]. Second, people who are committed to doing the right things, will make better judgments. So we could fix the situation.

Where are we today? Let me tell you about a couple things that we’re particularly proud of, from a firm standpoint but also from a business standpoint.

Retention is the one of the most important things we were seeking to change.

Until about 5 years ago, we always accepted the fact that we would have about 25 percent turnover a year, up to about 30 percent, depending on external economic conditions. That’s a lot. That means a year from now, 25 percent of the people we have on our payroll today will not be with us any longer. We accepted that as a fact of life, in part because we’re a good training ground for people—they come, they get experience with us, they go to work in our client organizations.

But when we studied turnover, we found that about half [of those who left] were not people who we wanted to have leave the organization, or who perhaps we thought should leave the organization because they weren’t performing at an acceptable level.

When we put new policies in place, once we got the advancement situation fixed and once we got true flexibility into our organization and a culture to support it—we reduced that rate of turnover from 26 percent three-and-a-half years ago to about 15 percent today. It is going to be in this year, when we finish, probably down in the 14 percent range. And we think we can take that down to about 12 percent, and that at some point [all we will have is] functional turnover, the embedded turnover of people who are going to find that our profession is not where they want to spend their lives, and they’ll go to work for different kinds of organizations—a few of them might come here. And we will have some people who will not perform at an appropriate level, and we will have to tell them at some stage that they would be better suited to make their careers elsewhere. That’s understandable.

The difference between 26 and 14 percent—12 percent difference in turnover in an organization of almost 25,000 professionals—is almost 3,000 people who are part of our organization today, who would not be part of our organization under our traditional patterns of turnover. That’s 3,000 people we have today to serve our clients, who have that additional experience with us, who otherwise would not be a part of our organization. And that will compound itself over time.
We are in a marketplace today where the only restraint on our growth essentially is people: the quality of the people that we have, and the experience of the people we have. It is a very, very competitive workforce, and it is a point of significant competitive advantage for us that no other firm of our kind has a retention rate—or turnover rate, if I can flip it over—within five percentage points of ours. That's a huge competitive advantage. Here's the business case.

You say, "Well gee, why did all those people decide to stay with the organization? How did you really pull that off?" This is not, as we say, rocket science. This is fairly simple stuff. The most important element of it, the most important directly-measurable element, is flexible work arrangements.

We have, today, over a thousand people in our organization who are on formal flexible work arrangements. A lot more have flexibility in their work that they didn't have before, but it's not a formal arrangement because it doesn't involve working less than a full-time schedule. If they work less than a full-time schedule, it's a formal arrangement.

We survey those people every year to find out how these arrangements are working. Every time we survey them, 90-plus percent tell us the same thing: if not for this flexibility, I would not be with the organization today. I'd be gone because I need a balance in my life, and if you hadn't been able to provide it to me, I'd have to go work somewhere else. So that's 95 percent of a thousand people who are with us, who would not otherwise be there. As that compounds over time, it explains substantially the reduction in turnover. A very simple business result from the good judgment that was made at the front end.

This 10 to 12 percent differential in the retention of people contributes to our growth. We wouldn't be able to replace these people in the marketplace today. If we weren't retaining 10 percent more, we wouldn't have them. That group of people with us—in addition to the qualitative aspect of service to our clients, continuity, all the other issues—represents a third of our growth last year.

This firm grew 30 percent last year, by quite a margin the highest growth rate of any of our competitors. That difference in growth is because we have those experienced people in our organization who would not otherwise be here. Again, it's not hard to see the business case for what we're doing.

A third of our growth; that's $500 million in revenues for us at the top line. If you just applied a normal 20 percent margin, we would probably be producing about $100 million in profits for our firm that otherwise would not be there in the absence of having those people continue as a part of our organization.

I will tell you the bottom-line benefit is higher than that, because we're getting a much better return on our investment in recruiting. We're getting a much better return on our investment in training. We're getting a much better return on all the things we do to have experienced people in our organization by retaining them for longer periods of time,
even if it's a year, two years, five years—hopefully it's an entire career. It makes an enormous difference in our organization.

So I tell my partners, anytime anybody has any doubt about the business case—and it's not for very long because it's pretty compelling—what a difference it makes in our bottom line to be able to get that kind of a return on our investment in people.

I'll mention a couple of other things very quickly.

Recruitment...

This makes a huge difference to us in terms of what we do in recruiting, either on the campus or in the experienced workforce. When I can say to somebody that we are the eighth-best company to work for in the United States, I say that with pride and with conviction.

I never say we're the eighth-easiest company to work for in the United States. Our business is a tough business. We have to respond to the needs of our clients, wherever they are, whenever they need us. That imposes some hardships on our people, so we've never claimed that it's going to be easy. But if you want to work for an organization like ours, we are top of the list.

None of our competitors last year were on the Fortune list at all. We were number 14. This year we moved to number 8. One of our competitors moved in at number 75. That was just fine. I said, “you know, if you'd rather work for the seventy fifth-best firm than work for the eighth-best firm, help yourself. I'm kind of glad we had some company. The other three of the so-called Big Five are nowhere to be found in the listing at all.”

It makes a huge difference when you're on campus, and you're trying to tell people what the difference is between our organization and four others that look pretty much like us. They're about the same size. They have operations in all the same countries in the world. They have a terrific client base. They train people well, all those other things.

When you get finished explaining and you can say that this is an organization that makes a difference to its people, you have a tremendous competitive advantage. [Not only with students but] also with experienced hires, which are a bigger part of [recruits into] our organization all the time, as people move between organizations. Being the employer of choice is a very, very important competitive advantage. It makes a big difference to us.

Advancement...

As I said one time to our folks, if you don't get retention right, you don't have to worry about advancement. It's really hard to advance people who aren't with the organization anymore. They got that one.

[Laughter.]
Advancement has, as you would expect, progressed as retention has progressed. We have tripled the number of women in our partnership. We have increased by four-fold the number of women in leadership positions in our organization because there's no bias, there's no difference in talent based on gender. There are no glass ceilings, and the pipeline is filling up rapidly. If you have more women and you retain more women, the numbers of women in the partnership are going to move up the way I always thought they would, even before I learned what the real world was about. And it is going to produce the mix in our leadership of our firm that we want over time.

New business...

We get a lot of new business because of what we're doing for a variety of reasons, including more talent, and more experienced talent. We have no problem in a competitive situation where we're seeking a new relationship. We can explain to a prospective client why we have something to offer that can't be matched by our competitors, in terms of the human resource environment and the experience that it creates for our people.

Also, not surprisingly, we find ourselves more and more in competitive situations sitting across the table from women as they move into managerial and decision-making positions in business organizations. As opposed to what we might have brought onto the field, to use an athletic term, five or ten years ago, when we bring a gender-balanced team, both in terms of experience and the skills that are needed, we are much more likely to be successful when there is a gender-balanced selection committee on the other side.

Visibility, recognition...

We love—I love it; I don't know about others. I love being able to come here and tell you about what we're doing, and do this with other clients and non-clients who have an interest in hearing about how a business can change the way it does things. Also, as I've said, it helps around the dinner table on Sunday night.

I'd like to make just a quick observation about your situation, and then I'd like to leave you with a thought about challenges, because we still have them, too.

If you think I've declared victory here, I've sent you the wrong message. We're not close to declaring victory. Anette said it absolutely right—it is a requirement that we continue [our efforts].

I think the things you're doing here recognize the importance of this. There's a client focus in what you do, as there is a client focus in what we do. There is a fairness to people issue here, which is very much recognized by the senior people of this organization.

Having a Senior Adviser on Gender Equality is of itself a powerful signal about the importance of this issue to this organization. Having the CEO of this organization—the person who makes the decisions at the top and influences the direction of the
organization—sitting here with his own personal belief and commitment, is a very powerful signal as well. The things that you have done in your programs in the past are sending a signal that it really does make a difference here in this organization. You cannot change culture and you cannot have the kind of success that you want to have, unless you have that level of commitment. So I applaud all that you’re doing in that regard.

Challenges...

The first I call the perseverance challenge: focus, staying on top of this issue. This is not a situation in which we are going to declare victory. This is not a situation in which we can say we have fixed the culture and we don’t have anything more to do. This initiative must continue to receive a high level of attention in our organization until a lot of things change, which are going to take quite a while, including role models and the number of women in senior leadership positions. Again, this is not a matter of bias; this is a matter of time, a matter of the pipeline.

I’ll give you our Board of Directors as an example. Our Board of Directors is made up of our partners. We are a partnership, and Board members are elected by the partners. Of 18 people elected to the Board, there have been 2 women. That is a very natural outcome, because the members of the Board are people of considerable experience. Most are almost as old as I am, to substitute age for experience, people who have been around the firm for a long, long time. It is not reasonable to expect that that is going to change overnight and that all of a sudden there are going to be a lot of younger partners, men or women, replacing the more senior people who manage the firm at the very top.

Until there are a representative number of women in top positions, there will be a need for a continued focus on this issue. That is true throughout our organization. Until the 11 percent of our partnership that is women ultimately gets to be 30, 35, 40 percent, and the decision-making in the firm is equally balanced between men and women, we will need to keep a focus on this issue.

Tony Comper [CEO] of the Bank of Montreal, who was a participant in your “Beyond Beijing” conference, and I are good friends and colleagues through the Catalyst Board. We share notes on this issue all the time. They’re in their ninth year of their [women’s] initiative. I visited with him recently and asked, “Tony, are you getting close to being ready to declare victory?” He said, “Not even close. We’ve probably got to go at least another 9 or 10 years before we even begin to think about declaring victory.”

Perseverance is really necessary. This can’t be dismissed as the flavor of the month.

But, today, even after five years, there is always the risk that if we take away the senior attention and our level of commitment, things will return to their former state.

The second challenge, where the outcome is yet to be seen, is leadership. We first defined leadership in our organization as advancing women to the partnership. We have, if
you will, corrected the pipeline problem, and it is working just fine—we are now seeing
the pipeline filling up and women coming into the partnership in appropriate numbers.
The real challenge for us will be—and the question will be unanswered for 10 or 15
years—are there the representative number of women on the Board of Directors, managing
the biggest offices of the firm, serving the most important clients of the firm?

We can't expect that to happen overnight. We have to be sure that if there are any
impediments—cultural impediments or training impediments or leadership impediments
of any kind—they are removed so we can accomplish the second stage of this objective.
We need to be able to look at our organization in 10 or 15 years and say, not only did
women become partners, but women became the leading partners in the firm. We have to
be patient and keep an eye on this one.

The third challenge for us, and I'm really preaching to the choir on this one, is
going global with the things that we are doing. What I have described to you is almost
exclusively today [limited to our business] in the United States. But we are a global
organization, and it's very important to us that our values and our standards be believed in
and adhered to globally.

I suggest to you—and you know so much more about this than I ever will—that
this is not something that we can do by proclamation from the United States: we, the
United States, have figured this out, and, therefore, everybody in the world will do it this
way from this day forward. We haven't figured out a way to do important things in a
global organization by that kind of a mandate.

We have to have these values adopted globally, and then we have to have the
perseverance and willingness to work on this. Because we have to recognize that if it took
a major cultural change to [have these values adopted] here, an even greater cultural
change will be necessary to facilitate the adoption of these values on a global basis.

We must not let that be a reason not to do it. That can be a reason to do it
differently. That can be a reason maybe not to do it quite as quickly. But that cannot be a
reason not to have this as a global value. Gender equality is a global value for this
organization, and we have to see to it, that over a reasonable period of time, it is adhered
to throughout our global organization.

That is a challenge of such magnitude that I leave it for my partners who are going
to lead this firm in the future to figure out how to do. Because if they asked me how to do
it, I would just say keep working on it, keep doing the right thing, be very sure that you
point out to people and that people understand that it is the smart thing to do.

If it's the smart thing to do here, the right thing to do here, it will be the same
everywhere else in the world. And I will welcome your advice as to how we get that done.

Thank you. I've really enjoyed this opportunity.
MS. PEDERSEN: Thank you for a lot of inspiration and a lot of good energy.

We have time for questions. Would somebody like to start? I'm sure the global thing was very inspiring for a lot of us.

AUDIENCE (FEMALE): This is not a question, but a comment. One thing that has been advanced since Mr. Wolfensohn has been here is moving the non-regular staff into real staff positions. That is really important because many, many capable people were non-regular staff—25 percent of the Bank's employees. They were totally outside and there was no way that they could ever advance in any way.

Someone working here for a short time from the Netherlands made a comment that I thought was smart. I think it also has to do either with women's genes or socialization or something, but he said, "I see so many incredibly dedicated women here that will work themselves to death, but because they're not power hungry, they don't advance. The men are more into the power thing, and so they advance."

I don't know if that's a gross generalization, but I thought it was interesting, because I know many, many dedicated women who work themselves a lot, but somehow they don't advance. I don't know what the answer is.

MR. COOK: I'd just like to make one observation with respect to that point because it is relevant to what I was saying about understanding attributes of leadership. Again, I don't have a belief there's any gender difference in people's capabilities for positions of leadership. But people are different in how they do things and how they approach things. One of the things that we're trying to learn in studying this issue to be sure that we don't create impediments or permit differences to keep people from moving into positions of leadership. We need to understand that better, because there are style differences, and those style differences do have a gender base in some instances. But they don't have anything to do with the ability of a person to emerge into a leadership position.

We just have to be sure that as we interpret style differences we don't let them become differentiators in terms of advancement. We're a long way from having figured it out, however.

MR. WOLFENSOHN: I'd like to just make one additional comment in relation to the Bank. We have a line VP, Mieko Nishimizu, who is doing a fabulous job as regional Vice President. But I think it's fair to say that the way she operates is totally different from the way anybody else operates. I'm really looking to try and understand it, because it is different, but it is enormously effective. And I think that there's a lot to learn. I don't know anything about whether it comes down in the genes or not, but I do think that there are visible differences in methods of management that probably we all can learn from.

[Inaudible comment.]
MR. WOLFENSOHN: If you didn't hear that, the suggestion was that it's because women are inclusive and want everyone to be happy, but men do not. I don't know whether that's directed at me or Mieko.

[Laughter.]

AUDIENCE (MALE): As Anette said, your talk was very inspiring, and I thank you for that.

One question occurs to me: as you started to remove some of the cultural barriers in your firm, barriers to women moving up and staying with the firm and so on, presumably some people lost out a little bit from that. Was there much of a push-back from the men who somehow or other weren't getting the plum jobs and so on, people that you described?

MR. COOK: On the question of was there a push back, a backlash—the term that's often used—the answer is, not visibly to me. But I understand the natural dynamics of an organization, particularly a power-based organization of a partnership where we have a hierarchical organization. You don't usually have a lot of people come up to the chairman or the advocate for a particular idea or point of view and say, "Boy, that's really a stupid idea," or "That's really a problem for me."

What I did hear people say occasionally, which came to me through others—this was a male point of view—was, "I'm not so sure this is such a great idea. I used to only have to compete with 50 percent of the people in this organization in terms of my ultimate success. Now I have to compete with everybody?" There's a natural discomfort around that.

The response by the people who were communicating to our people on these issues was, I thought, a very sensible one that, thank goodness, time has proven to be true: "If we really are successful in doing what we're setting out to do—enhancing the human resource culture of the firm and enhancing our ability to serve our clients—we're going to produce more opportunities in the future than our contemporaries would have and more opportunities than we would have ourselves if we had not done this.

You can take that differential growth rate I mentioned earlier. We're creating 10 percent more opportunities in our partnership every year than we would have otherwise. That has proven to take away many of the issues that people might have. But the [concerns] were there. They weren't spoken to me often, but I heard enough about things coming up through the organization.

We heard for a while that our clients aren't going to like this. Our clients aren't going to like having women on their engagements. That came to me as a good reason why: "I'm all in favor of the program, Mike, I support you 100 percent. But my client, Jim, he doesn't think this is such a keen idea."

[Laughter.]
And so I said early on in discussions with the senior management people, which was then communicated to all of our people: we can't permit that to take place.

If we do have clients who have that view, we can't permit that approach. They would be violating the law. We'd be violating the law to help them in doing that by introducing discrimination into our decisions. But, setting that aside, we just don't want that to happen. That's not the way we want to do business. So if you have any client problems anywhere in the organization, there's only one thing for you to do, and that is, bring them to me. Together, you and I will go see any client of this firm anywhere in the United States or elsewhere that has that problem, and together we will work our way through that problem. Don't you let that happen, but don't feel obligated to antagonize your clients; just come tell me about it, and we'll go together and solve the problem.

Do you know how many times I had to go to solve client problems? Zero.

It's easy to say, "It's somebody else's problem; they don't like it. I'm all in favor of it, but we can't do it that way." But it's all gone away with the cultural change, and frankly, we don't have clients that think that way. Their organizations are changing. They are progressive in the way they think about these things as well. That's just another myth [that the client is against it].

We knocked a lot of this out over the five years of getting from where we were to where we are today. There were an awful lot of myths about differences in skills and differences in client perception, none of which proved to be true.

MS. PEDERSEN: We have somebody over there.

AUDIENCE (FEMALE): I'd be interested in understanding your flexible work schedule and other approaches—how many men signed on? And did it become culturally acceptable in families where there isn't a traditional husband and wife with children, et cetera, for them to go that route? Or did it really become something that the women tapped into and it became acceptable for them, but that the men veered away from because it would have been perceived to be less than career-oriented?

MR. COOK: That's a perfect question, and I could answer it from both at the outset and where we are today, because it's changed over time. From the very beginning there was a great deal of skepticism from men and women alike—although we were serious about it—about whether flexible work arrangements could be entered into without impeding someone's career and their progression in the firm.

Most people in the early stages were willing to give it a try because the alternative was that they weren't going to stay with the firm. So the choice was [based on the thinking that], "These guys say they're going to do this, and they're really serious about it, and it's not going to hold me back. If I really am committed to my career, if I really do want to move ahead in the firm, I should try this because the alternative is probably not continuing with the organization at some point in time." The alternative, the old way it was—
somebody's going to sneer at them and convince them they're really not serious—wasn't very good. So the skepticism was there at the beginning.

The skepticism about the acceptability of these arrangements was there more with the men than the women, again because of the cultural [factors]. You know, [men say,] "I can knock down walls, I can work 800 hours a week." Heaven forbid that I should have to admit that I have a commitment to a dual-career relationship or that I have an elderly parent who needs a particular level of my attention. That just wasn't a thing that men were comfortable stepping up to.

So at the early stages, there were very few men and almost entirely women. Today, of the 1,000 people I mentioned, 150 are men, 850 are women. Fifteen percent of the people on flexible work arrangements today are men, and that number goes up every year as it becomes understood that the firm wants them to do it, and that it is an important part of how we deal with men and women.

That will continue to change. I'm not suggesting that we'll get to 50 percent at any point in time, because I don't think parental responsibilities are going to fall 50-50. Many people will tell you that they do, but I've learned that that's probably not so. So I think there will be more women in those arrangements than men over time, but I think there will be an increasing number of men and it will work well.

The real breakthrough for us came in the second year of this program, when for the first time we admitted into our partnership two women who, at the time of their admission, were on flexible work arrangements. And people said, "My gosh, they really are serious about this." Until that happened, all the speeches that I could give or all the things that we could say wouldn't overcome the skepticism, the "I'll believe it when I see it."

There were those two at the beginning, and I think there were a half a dozen in the class of new partners the next couple of years after that. Now it's kind of an accepted thing, that people will be on flexible work arrangements. We don't assure them that they will have the same timetable for their career progression, because career progression is in part a matter of experience, but we assure them that they will have the same ultimate opportunity for career progression.

If somebody's working a 50 percent schedule for two or three years, it may slow them down a year. We don't tell them that isn't going to happen. In fact, to the contrary, we try to be very honest and tell them what they can expect.

But we do say that if you have the skills, if you do the things that are important in terms of taking care of our clients, you're going to progress to a partnership in this firm just the same as you would if you were working full-time. It might take you a little bit longer.

We have almost no rules—you'd think an organization like ours would just be loaded with rules, but we have very few rules as to how this is done. We leave it to people
to work it out with the people who they are responsible for mentoring and for counseling, because we found out a long time ago you can’t sit in a central office and write rules that work very well when being applied to a large number of people across this very complex and diverse organization.

We leave it to people to work it out with their supervisors, and they have all kinds of arrangements: people who work three days a week, people who take two months off in the summer, people who work long days four days a week—and that’s not even a flexible work arrangement by our definition. If somebody works a normal work week, even if they take every Wednesday off and work longer days the other days of the week, we don’t consider that an alternative work schedule. So when I quote the thousand, that’s only people who are working less than a normal work schedule.

It’s been wonderful for us—nothing feels better than to have people you encounter in the organization tell you what it means to their lives to have that flexibility, and that if you hadn’t done this for them, they wouldn’t still be here. It makes a difference.

MS. PEDERSEN: I think we have time for a last question.

AUDIENCE (FEMALE): I appreciated your presentation, and one of the reasons it was interesting is because the organizations are similar in many ways. I was wondering how the flexible policies fit in especially with mothers of young children, what kind of policies you had regarding people who might have to be traveling frequently, at least before the birth of their child, and whether you had lactation rooms or other kinds of amenities for young mothers.

MR. COOK: The answer again, is we provide a wide variety of different things. It will be decided largely by our individual offices because in the individual communities, of the availability of child care, the availability of particular back-up arrangements differs.

We belong to an organization called the American Business Collaboration, which is a group of companies, nationwide in scope, who have come together. We pool our financial resources with theirs to sponsor child care in places where none of us have an office big enough to individually be sponsoring that kind of activity.

We participate with an organization called “ChildrenFirst” to provide back-up child care. We have a lot of flexibility in terms of people’s travel arrangements, although at the end of the day, I must say this so you won’t misunderstand: the needs of our clients dominate our judgments. We must take care of the needs of our clients as a professional services organization.

People have to adapt their child care and back-up child care. We help as much as we can. But at the end of the day, the answer to a client that needs us to be in a particular place at a particular point in time can’t be, “I’m sorry, we can’t do that because...”
We will support flexibility to the nth degree, but we stop at the point at which it interferes with the ability to fulfill the needs of our clients.

We completely changed our consulting practice because our consultants traditionally have been travelling [like this]: you go on Sunday nights, you work five days, you get home on Friday night, and thank goodness you've got all day Saturday and half a day Sunday to get ready to go do it again the next week. What a wonderful life—for men and women, I would add. We changed to what we call the "three-four-five" arrangement, where you're never out of town for more than three nights a week, you're never in a client's office more than four days a week. You still work a full five-day week, by spending one day a week in our office, working longer days and traveling—for example, on a Monday morning and being back on a Thursday evening.

So we have lots of different arrangements to try to accommodate needs, and we urge our people to take advantage of them. Jim said it correctly. We urge our people to bring us their ideas on how to do this because they've got far better ideas than I ever would. And then we share those ideas in the knowledge network across our entire organization. So if somebody in Detroit has got a really great idea, we can share it with the people in Atlanta in case it might work for the people in our Atlanta office. So it is very important that we share ideas.

We have every kind of arrangement imaginable, and the group that has the single greatest need for flexibility and balance is mothers of young children. We do have lots of other issues with dual-career families and parents, things of that kind, but mothers of young children have the greatest need for the flexibility that we're trying to provide.

MS. PEDERSEN: Thank you very much. The need of the clients, that's a very good note to finalize this session on. We could go on. There's so much good energy.

MR. COOK: I could go on.

MS. PEDERSEN: Yes, I can see that. I think a lot of us could do that. I think especially the global challenge that we're talking about, that's really what we all face. We'll have a lot of good dialogue, I think, to continue in the future.

During the period we have worked on this in the World Bank, I think we have become more and more aware of how important are the differences that we bring to the workplace, and what business assets they are. Valuing differences is, I think, the challenge for the future and for going global.

Before I close I want to say thank you very much to Mr. Cook and Mr. Wolfensohn. And I have some people that I would like to thank who are here.

First of all, thanks to Sheila Reines, Doreen Kapakasa, and Lidija Joseph from my own office. They have done great work on this.
Next, Karen Mason and her staff in the PREM Gender and Development Group and the Gender Sector Board, and our partners in the Gender and Development Thematic Group and the Population and Reproductive Health Thematic Group. Thanks to them, too.

There are always some angels that make such conferences and these microphones and machines function—thanks to them.

Finally, thanks to the staff of Deloitte & Touche both in Connecticut and in Washington. They have really been very helpful in setting up these arrangements.

And thanks to all of you who came today and listened.

[Applause.]