MARKET NOTE

Women in Tech Series: Several Approaches Are Required to Build Diversity — NTT Data Grasps the Opportunity

Martin Sundblad   Marianne Kolding   Carla La Croce

EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: NTT Data — Influencing the Gender Balance With an Outcome-Based Approach

This IDC Market Note is part of a series that analyzes companies that have had successes in their strategies to promote a gender balance. Despite many years of effort and investment, the participation of women in technology-related roles in Europe remains at 17%. As digital transformation continues in organizations and society, the inclusion of all groups in the development of technology and the adaption of technology to the needs of enterprise and society becomes crucial.

Key Takeaways

- Investments in raising the percentage of females have three drivers: brand recognition among employees and society, improved innovation through increased diversity, and a decrease of the tech skills gap by broadening the recruitment base.

- Even though experience is growing as investment programs for women in tech progress, there is no single approach that has proven successful. For an organization investing in raising the percentage of female tech professionals, several different approaches are required.

- Culture and tradition play a significant role. The approaches required vary depending on company culture, local culture, and tradition in the country and region for which the program is intended.

- NTT DATA has a variety of initiatives for increasing diversity such as programs for young females, innovation labs for the youth, a 12-week tech academy in the U.K., and a campaign to promote female stories and role models in the tech industry. NTT DATA's initiatives are excellent examples of how practices to balance genders and promote inclusion in Europe can be improved.

Source: IDC, 2021

Despite several decades of investments and initiatives, the proportion of women in technology professional roles in Europe remains at around 17%. Some countries, such as France and the Netherlands, have had a slight increase in the past five years, though the percentage in Europe has remained unchanged. Graduates from STEM degrees show a higher percentage of females than within the IT industry – in 2019, 23% of master's degree graduates and 35% of bachelor's degree graduates were women. The European Commission's study Women in the Digital Age (2018) finds that even with a degree in technology, only 25% of female tertiary graduates who studied ICT-related subjects go on to work in the technology sector. The study's findings show a decrease in this number compared with 2011. Moreover, attrition among women is higher in tech careers than in other roles. A 2016 survey by the National Center for Women & Information Technology (NCWIT) found that the workplace itself – including poor prospects for development and advancement, inadequate support, and lack of flexibility – were central factors.

As digital transformation continues, many organizations are looking outside their traditional recruitment bases when hiring, and they are bringing in people with, for example, a background in business process management to bridge the gap between technology and business and to improve usability and customer experience in the technology delivered. Also, as technology is integral to most business processes, organizations throughout Europe are facing a massive task in upskilling and reskilling line-of-business employees in, for example, data analysis and cloud technologies, to improve competitiveness and decision making. However, while this broadened recruitment base should also be a foundation for increased diversity, research shows that the impact has so far been minimal.

Organizations (both within the technology sector and outside it) have realized the issue, and diversity programs are increasingly included in recruitment and retention programs. As part of our *Women in Tech* series, this IDC Market Note examines NTT DATA's successful diversity initiatives based on a virtual meeting that took place in September 2021.

NTT DATA's Diversity Strategy

NTT DATA provides business and IT services, has 220,000 employees in more than 50 countries, and is headquartered in Tokyo. It was founded in 1967 – its vision is to meet customers' business needs through long-term relationships, leading-edge technologies, innovation, and creativity. According to its vision statement, creativity and innovation are based on the respect of diversity.

NTT DATA's initiatives for diversity and inclusion focus on four areas:

- **Culture and ethnicity network**. Raising awareness, educating, and proactive championing of ethnic minority inclusion and progression agenda
- **LGBTQI and allies**. Supporting people of all sexual orientations and genders
- **Mental wellbeing**. Promoting employee wellbeing and striving to create a supportive environment for employees
- **Women's business network**. Championing the business success of NTT DATA UK's women, as well as providing opportunities for them to connect

NTT DATA's approach is based on variety – in the company's view, no single approach is sufficient to overcome the gender gap in technology roles. It believes initiatives need to be spread across age groups and across job roles, and they need to vary in intensity and emphasis depending on country and local culture. According to the company, it is vital that programs can adapt to and meet the various target groups at their starting points, rather than being one-size-fits-all concepts. The outcome of the initiatives are emphasized and continuously measured – for NTT DATA, the task of closing the gender gap has gone from "important but not necessary" to "a necessity to close the skills gap and stay competitive."

Launched in 2020, the Women in Tech Academy at NTT DATA UK is a 12-week training course in collaboration with Route2Work, where NTT DATA sponsors 30 places dedicated to women. Recruitment is within NTT DATA, and the reason is because the company saw improvements in diversity in junior level positions and senior levels, but middle management had a lasting imbalance. The conclusion was that there was need for encouragement to step forward and draw talented women at all levels. All graduates of the program will be interviewed for roles at NTT DATA, and both graduates and other candidates will be supported in their pursuit of careers in the tech sector.

The #DoDiversity campaign is another NTT DATA UK initiative. It is a marketing campaign aimed at improving the rate of female applicants into the company, thus improving the long-term gender balance at all levels in the company. It contains a number of stories and video postings on successful women in tech careers and has been popular and successful, generating more than 3,300 visits per month. The aim is not only to attract women, but to increase awareness and improve attractiveness to anyone who prefers to work in a more diverse environment. According to a PwC report, 83% of young women in the U.K. actively seek employers with a diverse environment.

#girlsgonna targets young females in Spain and aims at overcoming prejudices associated with technology. Research find that young women typically lose interest in math and science in middle school, and less than 10% of young females see technology as a first or second career choice. According to a PwC report, one of the main reasons is the lack of role models – 78% of students cannot name a famous female working in tech. #girlsgonna aims at increasing awareness of role models and ways to access technology, thereby increasing interest. #girlsgonna has provided face-to-face and online workshops to families, teachers, and children in Spain and Latin America. In 2021, #girlsgonna has so far had participation from 1,816 people in workshops and training.

IDC'S POINT OF VIEW

IDC research finds that successful initiatives to improve their gender balance have a variety of approaches that address brand building, employee engagement, talent recruitment, social media, and the language used in internal communications and meetings.

Moreover, diversity promotes diversity – by openly addressing imbalances, organizations can attract both males and females who prefer to work in diverse environments. As a matter of fact, diversity promotes innovation and learning – apparently, culture improves and promotes continuous learning and innovativeness. By having and demonstrating diversity more than your peers, you are able to create an iterative movement of continuous attraction and improvement.

The EU Commission's project IFAC (Information for a Choice) investigated why young women are reluctant to choose careers in science and technology and brought forward the cultural stereotypes in career choices and the lack of role models who can provide accurate information about advantages and obstacles in tech careers. From that perspective, #DoDiversity and #girlsgonna initiatives are examples of how to create stories and communication that can change stereotypes over time. However, it has become apparent that despite numerous initiatives and investments from society and enterprise, these stereotypes remain, and they still heavily impact young women's career choices.

NTT DATA's approach in which initiatives vary depending on country and culture is also something that we see in other successful diversity programs, and it is emerging as a best practice across Europe. NTT DATA also focuses on outcome rather than just brand building, and it has the support and financial backing from top management – this is important not only in a diversity program, but also in any change program that intends to impact company process and culture. NTT DATA has, like many others, realized that diversity has become more of a necessity, both from **a practical view** (i.e., we cannot address the skills gap in the tech sector unless we can increase the participation of women) and **a moral view** (i.e., the lack of equality in technology access creates boundaries that has a tendency to be inherited by the next generation). Inequality and imbalances will also be a barrier for trust and credibility in the eyes of the public and among employees.

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Related Research

- *IDC MaturityScape Benchmark: Technology Skills Development in Europe, 2021* (IDC #EUR148126721, August 2021)
- *IDC PeerScape: Practices for Reskilling Tech Talent in Europe* (IDC #EUR148082221, August 2021)
- *Women in Tech Series: Inclusion and Diversity in the Tech Workforce – Has Accenture Found the Silver Bullet?* (IDC #EUR147904221, June 2021)
- *Women in Tech Series: Inclusion and Diversity in the Tech Workforce – TietoEVRY Recruitment Builds Diversity* (IDC #EUR147652221, May 2021)
- *IDC MaturityScape: Technology Skill Development 2.0* (IDC #US47596821, April 2021)

Synopsis

This IDC Market Note analyzes and presents learnings from NTT DATA's strategy for diversity and inclusion.

"Balancing the female percentage in the tech industry is vital to increasing the talent pool, overcoming the skills gap, and creating a positive spiral in which companies can justify their diversity strategies and build trust among customers and employees. NTT DATA has chosen a strategy with a variety of initiatives to increase diversity. Its initiatives vary and are adapted to the country and culture, and this can serve as a role model for other organizations," said Martin Sundblad, research manager, European Skills Practice at IDC.

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IDC U.K.

IDC UK
5th Floor, Ealing Cross,
85 Uxbridge Road
London
W5 5TH, United Kingdom
44.208.987.7100
Twitter: @IDC
blogs.idc.com
www.idc.com