International Labour Organization

REFLECTING GLOBAL CHANGE

Conference on Women in Business and Management

28 April 2015, London

Background

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Women in the private sector represent a powerful source of economic growth and opportunity for enhanced business performance. Numerous recent studies document the positive business outcomes gained in hiring and retaining more women at the highest levels as part of more diverse management teams.

In January 2015, the ILO launched its Global Report on *Women in Business and Management: Gaining Momentum,*(www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_316450.pdf).The report is based on data, analysis and research, as well as the results of a survey of 1,300 companies across emerging regions. One of the tangible objectives of the report is to provide a solid research background to help deepen knowledge about the good practices, resources, organisational structures and networks already in the business community.

As a direct follow-up to the ILO report, in April 2015 the ILO organized an international conference in collaboration with the International Finance Corporation (IFC) and the Confederation of British industry (CBI) at its headquarters in London. The purpose of the meeting was to bring together constituents from businesses and their representative organizations together with experts and practitioners from around the world to identify critical steps to accelerate women in business and management and to share solutions for driving better business results.

Setting the Stage: Women in business and management

During the opening of the conference, messages from top leaders of the IFC, the ILO and the CBI referred to the 2015 ILO global report on *Women in Business and Management: Gaining Momentum* and shared personal reflections as well as initiatives of their organizations. This was followed by two plenary discussions focusing on barriers and solutions to advancing women in business and management. A guest speaker provided insights and inspiration to close the one-day conference.

Introductory Session

Ms. Bahar Alsharif, Deputy Treasurer of the IFC stated that GDP could be significantly increased in advancing more women into management by raising women's employment levels. There needs to be more focus on the "how to" in advancing more women into management. Also without male champions and partners, progress will be limited. She shared several initiatives of the IFC to promote gender smart solutions, such as the first ever women in business bonds to attract greater investment and support access to finance for women-owned enterprises.

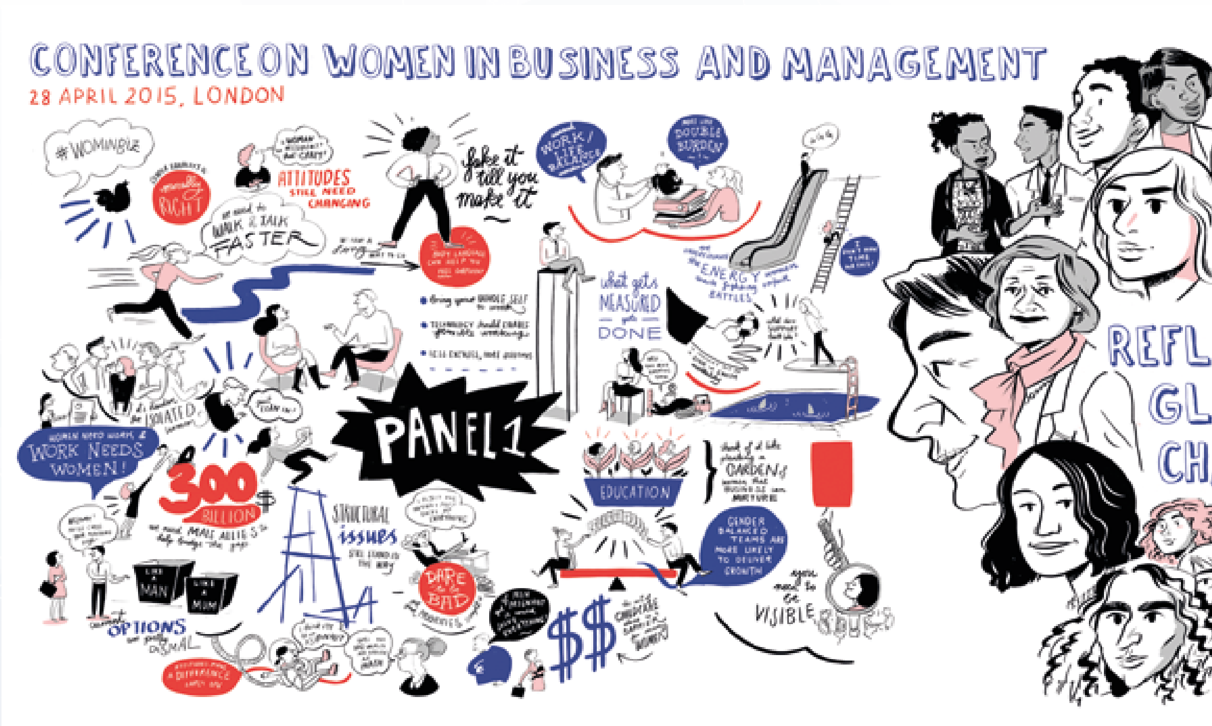
Gender stereotyping is holding women back.

Mr. Guy Ryder, Director-General of the ILO noted the G20 in 2014 set a target of reducing the enormous gap of 26% between men's and women's participation rates globally by 25%. Holding women back is gender stereotyping as family responsibilities are still mainly assigned to women in most societies. These stereotypes tend to be mirrored in the masculine corporate culture and often go unchallenged even when women are having fewer children. Men wanting to play a greater role in family care are also affected. Employers' Organizations and enterprises can be of great help in creating innovative measures to address the structural barriers that remain after decades of international and national legislation on non-discrimination and equal pay.

Not only do women need work, but work needs women.

Ms. Katja Hall, Deputy Director-General of the CBI indicated that CBI's policy position is that diversity makes strong business sense. CBI has supported legislative change for flexible working for parents and all employees as well as parental shared leave after the birth of a child. CBI is also focusing on childcare costs in the UK, the highest in the OECD and a huge barrier for women to work. The CBI's leadership programme encourages business leaders to make the most of their talent. It has set a target of 30% women for all CBI committees and events. She cited a key message from the UK Women's Business Council – "not only do women need work, but work needs women."

Despite the real barriers for women to progress to more senior levels, the focus should be on solutions. It is a matter of a "can do" mind set to overcome the barriers. Once it was decided to look for women for the CBI board it was easy as it turned out that CBI had plenty of talented women. The board currently has 60% women.



Panel I: Understanding the challenges in recruitment, retention and promotion of women in business

Moderator Alison Holt, BBC journalist

Panelists Dame Catherine Fiona Woolf, Former Mayor of London
Ms Khanyisile Kweyama, VP Chamber of Mines South Africa and CEO of Business Unity South Africa (BUSA)
Ms Tish Clyde, SVP Corporate HR International, Deutsche Post DHL
Ms Yeon Joo Kim, Associate partner, Global Business Division, IBM, Korea
Mr Thomas McKall, VP Global Labour Relations, Sodexo

THE LEAKY PIPELINE IN SODEXO

- 420,000 employees in 80 countries
- Women are 54% of employees
- Women are 43% of managers
- Women are 23% of top management (i.e. top 300 globally)
- Women are 38% of the board
- Of the group executive committee 33% are women
- In 12 countries the CEO is a woman
- Target for 25% of top managers to be women by 2015

Panelists focused on the “leaky pipeline” with talented women leaving companies. Often this may be due to the higher burden for women than men in combining work and family; women are “poached” by other companies and may also leave if the work environment or their managers are not flexible and inclusive enough. It was noted that often women are in functional leadership and not operational leadership, job descriptions use male idioms, there is a lack of role models, and co-option systems exist whereby people (i.e. male managers) replicate themselves.

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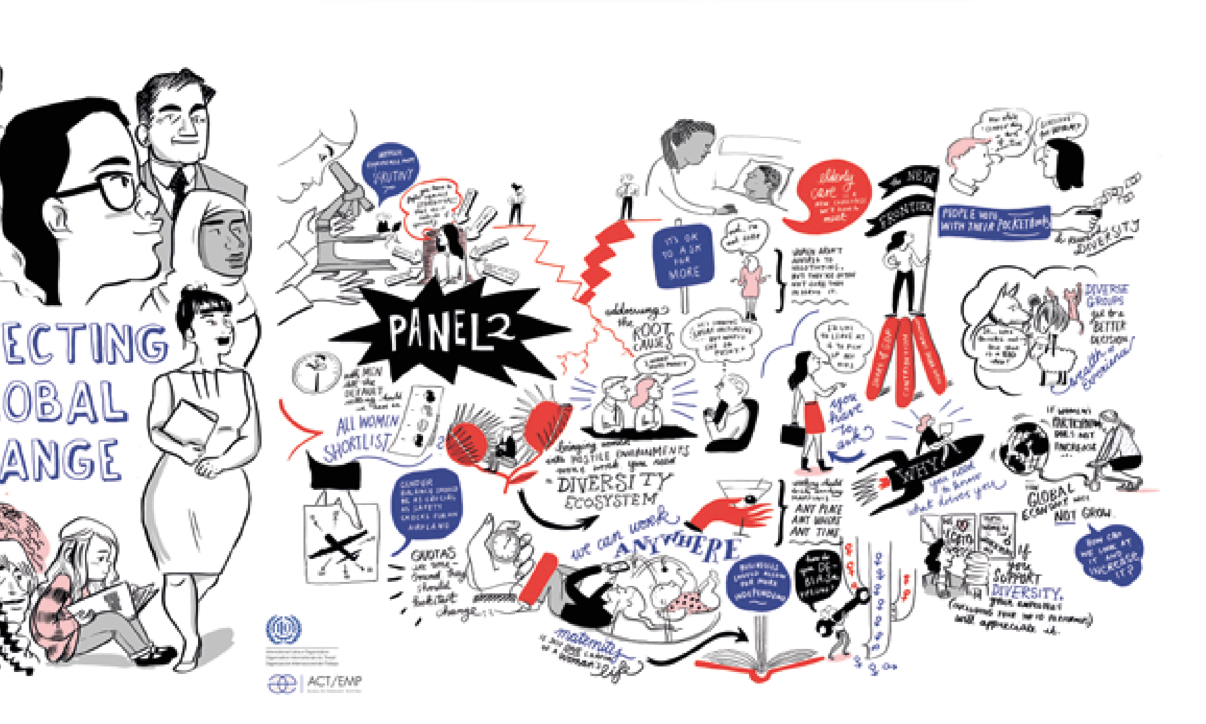

What gets measured gets done.

THE LEAKY PIPELINE IN DHL

- 480,000 employees in 220 countries
- 38% of employees are women
- 19.3% of senior managers are women

To remove these barriers there has to be strong belief in the business case for gender balance, with top leadership commitment, good governance, a global approach and consistency. Also important is grooming sufficient numbers of women within the company and to have outreach and CSR programmes directed to community schools and universities offering bursaries to recruit, train and retain young women and expand the talent pool. As part of the business case there is a need to measure progress for return on investment, as "what gets measured gets done". If performance measures do not include diversity, inclusion and talent development, then senior leaders will not feel any pressure to act on these.

Changing mindsets and culture

The business case is fundamental.

Changing mindsets and corporate culture were seen as one of the major challenge areas with a lot still to be done. Commitment at the highest levels to gender diversity is the key. Constantly putting forward the business case is fundamental.

Mentoring and sponsorship are not enough on their own but are essential in an overall programme of measurement and accountability.

Cultural influences remain strong in many countries, whereby women do not aspire to executive level posts reflecting the social perceptions of men's and women's roles.

COMPANIES DOING THEIR OWN INTERNAL BUSINESS CASE FOR GENDER DIVERSITY

At Ernest and Young (Europe, Middle East, India and Africa - EMEIA) an internal research looked at 22,000 audit assignments globally and found a direct correlation between diverse teams, profitability and quality.

At SODEXO, teams with gender balance (i.e. 40-60% of either gender) were 23% more likely to show growth in profit in all of the 3 years examined and 13% more likely to have revenue growth in the three year period. They also significantly improved employee engagement and brand image, the latter being important for client retention.

Quotas and targets

Most panelists acknowledged that time limited quotas can be a tool to jumpstart a process, but they do not necessarily address the underlying problems. Sometimes legislated quotas are a result of slow progress via voluntary measures.

Targets help focus on progress.

Panelists considered companies setting their own internal targets to be more effective. Top-level commitment together with clear measurements and accountability to targets is what affects change. Targets help to determine the current situation and to analyze and address barriers involved when the targets are not met. They help focus on progress and generate analysis about what works and what doesn't.

Reaching a specified target, say of 30% of middle managers being women may, however, mask the "glass walls" with women remaining in functional managerial positions (human resources, communications, etc.) and not in operational management functions.

Panel II: Addressing the root causes in leveling the playing field between women and men

Moderator: Felicity Barr, news presenter at Al-Jazeera

Panelists: Ms Trui Hebbelinck, VP HR – UK, Ireland, Nordics & South Africa, Shell
Ms Marcela Manubens, GVP for Social Impact; Unilever
Ms Kelly Sofian, Senior Director, Quality & HR at Systems on Silicon Manufacturing Company Pte Ltd (SSMC)
Dr. Fleur Bothwick, Director of Diversity & Inclusive Leadership, EMEIA, Ernst & Young LLP

Women are held to higher standards than men and gender stereotypes are real

Panelists agreed that in many cases women have to prove themselves many times over men to climb the corporate ladder. It is often assumed that men already know a new job and women have to prove they do. Men coming into a firm aim straight for the top positions while women focus more on their next promotion or the next step. There can be unconscious biases at play at the time of performance rating and assessment.

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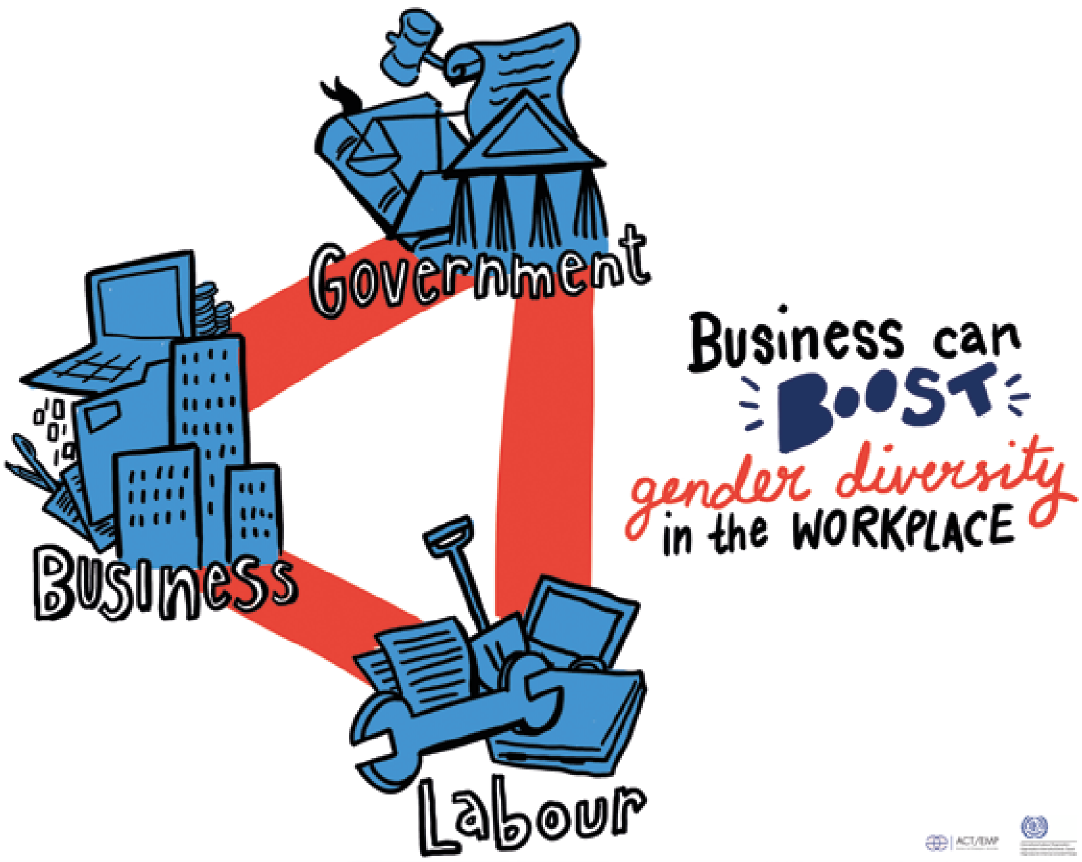
Providing support, such as mentoring, for women who are newly appointed to senior management can ensure that they are successful. Corporations have a huge responsibility to be aware of gender stereotyping in the different cultures they work in.

Effective gender diversity measures

For career development, leadership accountability and an inclusive corporate culture are critical. Gender balance is important for business performance but combined with inclusiveness it is even more powerful.



There is significant talent but there are invisible barriers.

Diversity starts at the top. There is not only a need to attract talent but also to accompany the process. There is significant talent but there are invisible barriers such as issues of perception and, preconceived ideas about women's performance. Being invisible means these barriers are harder to tackle.

Most company participants at the Conference indicated that their companies have family friendly policies, targeted job advertising or head hunting, mentoring and sponsorship schemes, networking programmes and short-listing of women candidates for board positions as measures to increase their gender diversity. Other initiatives include involving men in women's networks, ensuring gender sensitive human resources practice, telework, and helping women-owned businesses as suppliers and distributors in the value chain.

The ideal employer

It is also important for men to have flexibility.

Good work-life balance arrangements were seen as key to provide flexibility in managing multiple roles and reducing stress together with care provision for children or the elderly. Today, it is also important for men to have flexibility. Flexible working has transformed relationships as it is about trusting the team to deliver. Opportunities for managers to work through the thorny issues of maternity and paternity are key in order to discover potential models and improve on solutions. Today, an increasing number of companies hire senior level women managers and CEO's who are already pregnant at the time of their recruitment. It is their talent that is of prime importance. Reducing the gender pay gap was also seen as part of longer-term talent development. Competency based pay schemes can help in lowering differences in salaries between men and women.

Concluding session

Vivian Hunt, the managing director at McKinsey & Company in the UK, provided concluding insights on the struggle of women achieving success in a male dominated role. McKinsey & Company found that gender diversity does matter and overwhelmingly so. Ms. Hunt indicated "we strongly believe at McKinsey that if women's participation in a high quality and successful way does not increase in the UK, as well as globally, the global economy, our economy in the UK, your company, McKinsey, whatever sphere you are in, will not grow". Yet, the female share of global GDP has stayed about the same in last 10 years - 38% in 2004 and 39% in 2015. Increasing women's participation will spur growth. Therefore, the next McKinsey reports in 2015 will include examining economic outcomes in relation to women in the workforce and in leadership roles.

Gender diversity does matter and overwhelmingly so.

Research by McKinsey has also found a strong correlation between more gender diverse boards and economic performance. Why does this make a difference? It is about winning the war for talent with better decision-making, customer insight, employee satisfaction, global relevance and image. We know there is bias in the system. Women's voices, management styles, willingness to assert themselves and leadership are not recognized. Pulling down the barriers and maximizing the talent opportunity means that first we must want to change.

It is about winning the war for talent.

Key messages

1. Links between greater gender diversity on company boards and in top management and improved business performance have been clearly demonstrated. At a broader level increasing and enhancing women's participation in the labour market raises the GDP of countries.
2. Yet, gender stereotypes are real, pervasive and often invisible. As a result conscious and unconscious biases are at play in recruitment and in the career paths of men and women.
3. Many companies, particularly MNEs, have gender diversity policies and a range of measures in place. There is progress, but still a lot more to do to attract and retain female talent and to promote women to the highest levels.
4. What works?
   - Constantly arguing the business case for gender diversity;
   - Focusing on solutions to barriers with "want to do" and "can do" attitudes;
   - Targets as an effective way to keep focused on progress;
   - Enhancing gender diversity benefits with an inclusive corporate culture;
   - Integrating gender diversity and inclusion into the performance measures for managers;
   - Gender sensitive human resources processes to recruit and groom potential female managers for operational positions (not just functional) and to expand the female talent pool;
   - Flexible working and child/elder care provision for men and as well as women employees;
   - Bringing women business owners into the value chain as suppliers and distributors.

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