Improving Gender Diversity in Companies

2019

Alice Klettner
Alison Atherton
Thomas Clarke
Keren Winterford

Centre for Business and Social Innovation
Institute for Sustainable Futures
University of Technology Sydney
PO Box 123 Broadway, NSW, 2007
https://www.uts.edu.au/

Commissioned by Stewart Investors
Executive Summary

This report is an analysis of initiatives to improve gender diversity in companies. It examines innovative policies to recruit and retain talent across genders. Gender diversity is a significant issue of risk management for boards and across companies.

The report examines commitment to promising initiatives and tools put in place by governments and companies to achieve the best results in terms of creating equal employment opportunities and inclusive workplaces. The concrete cases are linked to real outcomes in terms of staff well-being and company benefits.

The benefits for economies are substantial in revitalising company employment and boosting productivity. This report assists in:

- articulating a clear case for gender balancing initiatives at economy, company and individual levels;
- indicating the benefits of gender balance for employment achieving company goals;
- ensuring economic incentives exist for mothers to work.

The commitment to increase participation of women in employment is almost universal. What is lacking is granular evidence of the application of successful initiatives that achieve this. The report outlines a series of case studies that demonstrate real traction in resolving this issue.
Introduction

Benefits of Gender Diversity

The benefits of improving gender diversity in the workplace are now well-established. For example, a 2018 McKinsey Global Institute study on gender equality in seven countries in the Asia Pacific region\(^1\) points to, “compelling evidence of a correlation between gender diversity in companies and their performance.” Although noting that correlation does not equal causation, the research shows that companies in the top quartile for gender diversity on their executive teams are 21% more likely than other firms to report above-average profitability. McKinsey also found that companies with three or more women on their executive committees scored higher on organisational health, on average, than companies with no women at this level\(^2\).

The Credit Suisse Research Institute has mapped 27,000 senior managers at over 3,000 of the largest companies globally and conclude: “With regards to business performance, we find clear evidence that companies with a higher participation of women in decision-making roles continue to generate higher returns on equity, while running more conservative balance sheets. In fact, where women account for the majority in the top management, the businesses show superior sales growth, high cash flow returns on investments and lower leverage.”\(^3\)

In a series of reports the McKinsey Global Institute has highlighted the significant levels of gender inequality that exist in 40 of the 95 countries they surveyed across 15 indicators concerning equality in work, essential services and enablers of economic opportunity, legal protection and political voice, and physical security and autonomy.\(^4\) McKinsey calculated the benefit to the global economy if women participated identically to men, and maintain this might contribute $28 trillion, that is 26 per cent to global GDP growth by 2025 compared to business-as-usual. In an alternative scenario McKinsey analyse a scenario in which all countries match the best-performing economy on gender equality in their region, which they maintain would add up to $12 trillion in annual 2025 GDP.

While the evidence concerning the contribution women may make in the workplace and in corporate leadership is growing, there are intuitive arguments that are increasingly persuasive, that if women represent a large part, if not the majority, of the workforce in many industries, the under-utilisation of their contribution and leadership potential is a matter of both equity and efficiency. A more balanced representation of men and women in leadership and decision-making roles will mean that organisations are making better use of the full range of available talent and better meeting the needs of both men and women at work. This idea of women as an untapped and wasted resource is the key motivation for European action to improve the number of women in leadership.\(^5\) Increasingly the direct benefits to business performance that stem from gender equality are now widely cited.\(^6\)

Barriers to Workplace Diversity

Despite the many legislative and corporate initiatives in recent decade to promote diversity and inclusivity in the workplace there is much evidence that gender equality has not yet been achieved. A European Union survey records “Women in the EU, across the economy, earn on average over 16% less per hour than men

---

2. Ibid
do. This gender pay gap has been plateauing over the last 5 years. At the current rate of changes, it would only be closed at the breach of the next millennium. The recent stagnation raises questions as to the need to strengthen and adapt existing initiatives: gender inequalities in the labour market have been contained, but not erased.”  

The EU report highlights:

- Pervasive segregation in the labour market;
- Persistent stereotypes fuelled by inadequate work-life balances policies;
- Discrimination, allowed by a lack of transparency.

The ILO supports this analysis citing evidence that the gender pay gap is not explicable by any objective labour market characteristics that normally influence the determination of pay. What factors do explain the gender pay disparities? The ILO report insists that education levels in most countries is not the issue:

“Women wage employees across the world have just as good – if not better – educational attainments than men. However, occupational segregation and the polarization by gender of industries and economic sectors stand out as key factors. Women continue to be under-represented in traditionally male-occupied categories and within similar categories women are consistently paid below men, even if women’s educational attainments are just as good or better than those of men in similar occupations. Gender polarization is also an important factor: the report shows that in Europe, for example, working in an enterprise with a predominantly female workforce can bring about a 14.7 per cent wage penalty compared to working in an enterprise with similar productivity attributes but a different gender mix. ... Finally, the report shows that motherhood brings about a wage penalty that can persist across a woman’s working life while the status of fatherhood is persistently associated with a wage premium.”

The European Institute for Gender Equality, *Gender Equality Index*, 2019 measures the impact of the inequalities which women confront in the economy and society (work, money, knowledge, time, power and health) which are combined into a core Index that are combined with two additional satellite domains of violence and intersecting inequalities.

There are strong links between barriers to gender equality in the workplace and in wider society. These can be as general as cultural expectations and laws around the role of women, or as specific as a lack of affordable childcare. There are also country specific factors which may require country specific responses. For example, traffic congestion and a lack of public transport in Indonesia create difficulties for women trying to juggle work and domestic responsibilities. Factors at play in the workplace may include unconscious bias, a lack of role models and sponsors and lack of flexible working option. The gender pay gap at different levels of seniority may also act as a deterrent to women seeking promotion. For companies, there are clearly some areas of inequality that are more within their power to tackle than others.

McKinsey research identified the top three barriers to increasing gender diversity in top management across the Asia Pacific as:

- “Anytime, anywhere” performance model (work model requiring unfailing availability and geographical mobility at all times)
- “Double-burden” syndrome (women balancing work and domestic responsibilities)

---

9 European Institute for Gender Equality, Gender Equality Index, 2019, p2
11 ibid
• Absence of female role models\textsuperscript{12}

Across the companies in the McKinsey study, the key bottleneck to women’s advancement in the workplace appears to occur at senior management level (Company management/executive committee (CEO and direct reports to CEO)), which subsequently feeds through to low representation at Board level. However, the report notes that the roots of inequality go back further in the talent pipeline from enrolment in tertiary education right through to boardroom level. The further along the pipeline, the greater the attrition.

Credit Suisse indicate the attrition of women executives along the management power line in their large survey samples in 2014 and 2016: from 26.4% of middle executives in shared service functions, to 16.5% in CFO, strategy and IR roles, with only 9.9% running major operational units, and just 3.9% in CEO roles in 2016. This constriction of women’s participation in senior executive roles has persisted throughout the period when attention has focused on securing greater participation of women in board level director positions (Figure 1).

**Figure 1** The Attrition of Women Executives On The Management Power Line

![Image](attachment:image.jpg)

Source: Credit Suisse 2016

McKinsey identifies “industry archetypes” where the attrition of women from the talent pipeline is similar. They are:

- “Low entry” industries where there is a small proportion of women even in entry-level positions; these industries include technology, information technology, automotive, energy, and basic materials.
- “Middle barrier” industries where there is a significant drop-off in the share of women in middle management compared with the entry level; these industries include healthcare, infrastructure, logistics, and travel and transport.
- “Glass ceiling” industries where the share of women in top leadership roles is low; these industries include financial services (asset management, banking, and insurance) and other professional services.”\textsuperscript{13}
These archetypes suggest that companies within these industries seeking to improve gender equality in the workplace may benefit from a focus on initiatives at the stage of the talent pipeline that is most problematic for their industry.

The extensive international movement for greater participation of women on boards of directors has yielded results in many countries whether by establishing mandatory targets or by businesses setting and achieving their own targets.\(^{14}\) This achievement does indicate that the reform process can work with well-conceived proposals. However this apparent success in enhancing female participation on boards has some limitations: it has not been accompanied by a similar increase in participation of women in senior executive or CEO ranks, which in turn limits the capacity of women directors to drive initiatives for greater gender equality in other levels and parts of the business. While boards in Europe have achieved a critical mass of 25% women, other regions are lagging behind this figure which can mean leaving token women isolated on boards (Figure 2). The marginalised position of women persists in the leadership of many companies in the emerging economies.

**Figure 2  International Participation of Women on Boards 2010-2015**

![Graph showing international participation of women on boards](image)

Source: Credit Suisse 2016

**The State of Gender Diversity Globally**

**Overall performance**

In the World Bank’s *Women, Business and the Law index*, six countries—Belgium, Denmark, France, Latvia, Luxembourg and Sweden—scored 100, meaning they give women and men equal legal rights in the measured areas. All six have implemented reforms in the past decade. For example, France has in the last 10 years, implemented a domestic violence law, provided criminal penalties for workplace sexual harassment and introduced paid parental leave\(^{15}\).

In a report that considers different indicators - the World Economic Forum *Global Gender Gap Report* - Iceland has ranked number one for nearly a decade\(^{16}\). In Iceland, almost four in five women have jobs and nearly half its MPs and company directors are women. The Icelandic Government provides quality day-care

---

\(^{14}\) Klettner, A., Clarke, T., and Boersma, M., Stategic and Regulatory Approaches to Increasing Women in Leadership, *Journal of Business Ethics*, 133, 3, 394-419


and parental leave for both parents and mandatory quotas for women on company boards. In January 2018, Iceland introduced a new law on equal pay certification, to legally enforce equal pay for women.  

**Maternity leave**

An OECD analysis of maternity leave policies in 42 countries (policies that were in effect as of April 2016) found that many of the top ranking countries are in Eastern Europe. Bulgaria ranked first with almost 59 weeks of paid leave. Bulgaria also scored highest in terms of pay rate. Its policy provided for nearly 46 fully paid weeks off. The OECD study also considered other kinds of leave supporting parents beyond maternity leave, which could include home care leave (or childcare or child raising leave that allows at least one parent to remain at home to provide care until the child is two or three years of age). When all forms of paid leave available to mothers were considered, Estonia scored highest, providing a total of 166 weeks, or 85 weeks at full pay.  

**Asia Pacific Region**

The McKinsey report notes the six countries that are furthest from achieving workplace gender equality in the Asia Pacific region as Bangladesh, India, Japan, Nepal, Pakistan, and South Korea. In the region, only around one woman for every four men are in leadership roles, compared to four in every ten globally. The report notes that women in the region also do a high proportion of unpaid care work. The report identifies the Philippines as having made the most overall progress on gender equality in work. The Philippines also scored highly in the WEF report, closing just under 80% of its overall gender gap, and narrowing its Economic Participation and Opportunity gender gap through increases in wage equality for similar work and women’s estimated earned income.  

**Research Objectives and Scope**

As an investor interested in long-term sustainability, Stewart Investors understands that recruiting and retaining talent across genders is an important indicator of an inclusive culture at companies, one that suggests a company should thrive over the long-term. In the evolving socio-economic environment, gender diversity across companies is a risk management issue, as well as an ‘ESG’ issue. Stewart Investors commissioned UTS to undertake research to better understand the innovative tools used by both companies and governments which have been tangibly linked to better outcomes in terms of retaining qualified women in their talent pool.  

This report identifies and describes innovative initiatives put in place by companies and governments that have had the best results in creating equal employment opportunities. The initiatives are presented as brief case studies linked to outcomes.  

**Research Methodology**

We undertook an initial broad desktop review of literature to identify potential gender diversity programs and initiatives and to develop a conceptual framework for the research. There are numerous reports, indicators, surveys and indices that attempt to capture and represent measures of gender equality globally,  

---

regionally and at the level of individual companies. There is much overlap and agreement between these sources on what constitutes gender equality in the workplace and what measures are important to improve gender equality. Based on the literature, for the purposes of this research, we developed a Gender Equality in the Workplace Index (see Table 1 below).

From the initial literature review, we assembled a long list of 65 potential case study initiatives and from this, we selected a short-list of 30 and then a final list to ensure diversity in and coverage of:

- Key elements of the Gender Equality in the Workplace Index
- All stages of the career progression pipeline
- Industry/business sectors
- Public and private initiatives
- Geographic regions

Following discussion with Stewart Investors, initiatives were selected to develop to full case studies. Case study material was sourced from:

- Industry and company reports
- Company websites
- Government websites
- Media

**Gender Equality in the Workplace Index**

The index below created for this research combines elements of a number of key reports and studies on gender equality to create a hierarchy of indicators and initiatives. This represents the breadth of possible initiatives that could be implemented by governments and organisations to tackle different aspects of gender inequality in the workplace. For example the European Commission in the EU Action Plan 2017-2019: Tackling the Gender Pay Gap, proposed a holistic approach to addressing the various root causes of inequality under 8 main strands:

- Improving the application of the equal pay principle;
- Combatting segregation in occupations and sectors;
- Breaking the glass ceiling: addressing vertical segregation;
- Tackling the care penalty;
- Better valorising women’s skills, efforts and responsibilities;
- Uncovering inequalities and stereotypes;
- Alerting and informing about the gender pay gap;
- Enhancing partnerships to tackle the pay gap.\(^{20}\)

The case studies provide detailed examples of potential initiatives within this index. Error! Reference source not found. below presents the index and maps the case studies against it to show which aspects of the index they relate to.

---

Index developed from the following key sources:

- Australian Workplace Gender Equality Agency (WGEA), *equality indicators* (GEI 1-6)
- European Institute for Gender Equality, *Gender Equality Index*, 2019

### Table 1  Gender Equality in the Workplace Index

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Types of initiatives/ policies</th>
<th>Case studies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Female, male labour force participation rate/ gender composition of the workforce:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Female labour force participation</td>
<td>• women can legally get a job or pursue a trade or profession in the same way as a man</td>
<td></td>
</tr>
<tr>
<td>- Employers female to male ratio</td>
<td>• programmes to help informal-sector workers open bank accounts (e.g. microfinance)</td>
<td></td>
</tr>
<tr>
<td>- High-skilled share of labour force female to male/ Professional and technical workers</td>
<td>• providing legal support to improve workplace safety and access to jobs</td>
<td></td>
</tr>
<tr>
<td>- Ability of women to run a business</td>
<td>• gender and development budgeting, or GAD (requires a minimum of percentage of the national government budget be allocated for gender and development initiatives)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• metrics and targets for gender equality/female participation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ensure gender diversity through procurement practices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• recruiting based on skills as well as experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• targets to achieve gender-equal graduate recruitment intakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• investment in skills training programmes for women in industries where they are underrepresented</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• investment in STEM skills</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• law prohibits discrimination by creditors based on sex or gender in access to credit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• a woman can legally sign a contract in the same way as a man</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• a woman can legally register a business in the same way as a man</td>
<td></td>
</tr>
<tr>
<td><strong>Leadership positions /Female to male senior officials and managers</strong></td>
<td>• mandatory quotas for women on company boards/corporate policies on Board membership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• national agenda and target for women’s representation in leadership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Takeda: Accelerated Promotion</td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>Types of initiatives/ policies</td>
<td>Case studies</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------</td>
<td>--------------</td>
</tr>
</tbody>
</table>
| Wage equality between women and men for similar work | • law mandating equal pay/ the law mandates equal remuneration for work of equal value  
• enforcement of equal pay law  
• women can work the same night hours as men  
• women can work in jobs deemed hazardous, arduous or morally inappropriate in the same way as men  
• women are able to work in the same industries as men  
• the ages at which men and women can retire with full or partial pension benefits are equal  
• equal mandatory retirement age for men and women  
• law establishes explicit pension credits for periods of childcare | • Reykjavik Energy: Gender Pay Gap Audit |
| Availability and utility of employment terms, conditions and practices relating to flexible working arrangements supporting employees with family or caring responsibilities /unpaid care work | • quality day-care/ childcare:  
• parental leave for both parents/paid parental leave  
• dismissal of pregnant workers prohibited  
• increased tax relief, tax rebates  
• digital technologies enabling women to better balance home and work life  
• improve transport infrastructure to make commuting less burdensome and safer for women  
• encourage uptake of flexible working arrangements such as part-time positions and homeworking, supported by technology such as videoconferencing | • Sweden Maternity Leave  
• Aviva – Parental Leave  
• Dr Reddy’s: Return to Work  
• Vodafone Return to Work |
| Sex-based harassment and discrimination | • workplace legal protections (e.g., antidiscrimination laws, protection from sexual harassment):  
• managerial commitment to equality in the workplace  
• role modelling, tone setting, and training  
• formal criteria and processes for recruiting and performance evaluations to help remove gender bias/ inclusion programmes that challenge conscious and unconscious bias | • Sodexo: D&I Training |
CASE STUDIES

In discussion with Stewart Investors, it was agreed to select case studies that covered key stages of career progression. These broadly align with the above index, but certain important aspects of the index, such as flexible working, are excluded from the case studies. Stewart Investors requested that these be excluded as they are already dealt with reasonably well by the companies in which they invest. Figure below illustrates how the case studies relate to key stages of career progression.

Figure 3  Career progression case studies

The brief case studies are presented in the following section.
PINTEREST: RECRUITMENT

“So in 2015, we did something new and set annual public hiring goals. Just as we had set goals for every other aspect of our business, we chose to do the same thing for attracting and growing talent from diverse backgrounds.”

Initiatives: Apprenticehip program and public hiring goals for women and underrepresented ethnic groups

Time-frame: 2015 onwards Location: United States

Results: Pinterest reports that it boosted the share of women in technical roles from 21 to 26% in 2016; this was somewhat short of the company’s 30% target for that year but considerably higher than the 16% average in the industry. The apprenticeship program has converted 93% of participants from non-traditional tech backgrounds to full-time engineers.

Diversity Hiring Goals
In 2015 Pinterest leaders decided to create goals to increase the diversity of their team and to share these publicly. Despite the sensitivity of the topic they felt that transparency would assist the whole technology industry to improve its inclusiveness and diversity. The company was scaling its operations, growing by 51% and set the following goals:

- Increase hiring rates for full-time women engineers to 30%
- Increase hiring rates for engineers from underrepresented backgrounds (Black, Hispanic and Native American) to 8%
- Increase hiring rates for people from underrepresented backgrounds to non-engineering roles to 12%
- Implement a rule that at least one candidate from an underrepresented background and one female candidate is interviewed for every open leadership position

Pinterest found that through setting these hiring goals they learnt much about how to grow diverse teams including:
1. the importance of communicating the reasons behind diversity targets e.g. explaining to hiring managers how diverse teams can assist the company to reach its goals
2. the need for diversity at both junior and senior levels of the organisation
3. the benefits of an improved and more efficient internal recruiting process where interviewers are trained to recognise diversity and unconscious bias
4. the need for an inclusive culture and employee communities to support increased diversity
5. The value of pushing the whole industry forward as well as Pinterest.

To support its hiring goals Pinterest also set up an apprenticeship program with the aim of bringing in new software engineers from non-traditional computer science backgrounds. In 2019 they report that they attracted talent from tech backgrounds such as coding boot camps and converted 93% of participants into full time engineers. Those who didn’t stay at Pinterest went on to get software engineering jobs at other firms.

---

24 Pinterest 2019 above
TAKEDA: ACCELERATED PROMOTION

“A Place Where Women Can Shine is A Place Where Innovation Happens” – Takeda Hanamizuki Network

Industry: Pharmaceuticals
Location: Japan, US, Canada, Europe and emerging markets in Asia
Initiatives: A suite of activities aimed at empowering women, including initiatives to support early career promotion for women.
Time-frame: 2005 onwards
Results: Takeda hit its target of 30% of new managers being women (from 6.2% in 2015). It achieved a 37% global female manager ratio as at April 1st, 2017.

Takeda has committed to improving gender diversity company-wide in its Global Diversity and Inclusion Statement and diversity targets. These include a target for early career promotion - newly appointed managers with less than 8 years career experience 10% (FY2017). Specific activities to promote gender diversity include launching new training programs related to female empowerment and self-leadership in early career, and encouraging faster promotion of employees who are demonstrating high performance early in their career. The company seeks to continuously identify and develop early career women for possible promotion and develop junior women through training to build up a strong talent pool of women in pre-managerial positions. This includes the J-Accelerator program to identify and fast track top talent (men and women).

Since 2005, Takeda has partnered with Women Unlimited Inc (WUI) to foster development and retention of high-potential women leaders through mentoring, education, and networking opportunities. Takeda supported over 194 high-potential women leaders through these programs over 11 years. The Takeda Hanamizuki Network is an internal women’s network in Japan that aims to retain staff and promote high-potential employees to management earlier in their careers. The network supports networking opportunities and culture change to support women’s advancement. Activities have included sharing books on women’s empowerment and promotion and conducting ‘Takeda Women’s Day.’

In August 2018, Takeda in Japan introduced a highly flexible work system, which enables individuals to work at any time in any place, depending on their personal needs.

In 2014 Takeda in Japan was rewarded for its diversity and inclusion commitment by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. It was recognised as a Nadeshiko Brand, a listed enterprise that is “exceptional in encouraging women’s success in the workplace.”

Madgavkar A 2018, Wanted: women business leaders in the Asia-Pacific, and companies and governments willing to support them, South China Morning Post Publishers Limited 24 April 2018
25 Takeda 2018, Takeda Sustainable Value Report 2018, Japan
26 Takeda 2017, Sustainable Value Report 2017, Japan
27 Takeda 2017, Diversity & Inclusion, Japan, April, 2017
30 Takeda 2014, Takeda Recognized as a Nadeshiko Brand, An Enterprise Encouraging Women’s Success in the Workplace, Japan, March 5, 2014
SCANDINAVIA AND EASTERN EUROPE: PARENTAL LEAVE

Industry: All industries  Location: Northern and Eastern Europe  Time Frame: 2017-

Results: Tackling vertical gender segregation in the labour market, reducing women’s incentives to self-select into lower-paid sectors or levels of job that are currently perceived as providing them with a better work-life balance and that are often lower paid.

Paid parental leave is now a firmly accepted principle in industrial economies, and is becoming established in emerging economies. Large companies accept the logic of paid parental leave almost universally, and this is often buttressed by national regulation. The basic rationale is to provide some minimal support in terms of time and payment for babies to be born and for their parents to be able to care for them in their most vulnerable early days, while leaving the opportunity for parents to resume their employment after a short gap with no financial or career penalty.32

However these principles have been reconceived throughout the Scandinavian economies to a significant degree, and this is influencing both the European Union and advanced corporations.33 The main reasons for this initiative include: an appreciation that a few weeks of maternity/paternity leave is not sufficient to provide for essential parental care; to ensure the opportunity for close bonding between babies and their mothers and fathers; and to provide the assurance to parents that they will not be in any way disadvantaged financially or in their careers by their willingness to have children. Though declining birth rates were largely a phenomena of Europe, with rapid population growth in Asia and Africa, Japan has experienced a decline in population growth, and China is now preparing for this. In Scandinavia this new level of maternity/paternity provision is not considered simply in terms of welfare provision, but as an essential part of the social infrastructure of a well-balanced and competitive economy.

Table Maternity and Paternity Provision in Scandinavia and Eastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Salary While On Leave</th>
<th>Total Days Maternity/Paternity Leave</th>
<th>Additional Days Paternity Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>80%</td>
<td>480 split</td>
<td>90</td>
</tr>
<tr>
<td>Estonia</td>
<td>Average of 2 earnings</td>
<td>435 split</td>
<td>14</td>
</tr>
<tr>
<td>Iceland</td>
<td>80%</td>
<td>270 split</td>
<td>90</td>
</tr>
<tr>
<td>Lithuania</td>
<td>100% for 52 weeks 70% for 104 weeks</td>
<td>1,092 split</td>
<td>28</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Paternity 15 days 100% 75 days Min Wage</td>
<td>105</td>
<td>90</td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td>1092 split</td>
<td>7</td>
</tr>
<tr>
<td>Norway</td>
<td>2x 46 weeks full pay 56 weeks 80% split</td>
<td>315 maternity + 315 split</td>
<td>70</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td>161 split + additional leave post 3 years</td>
<td>56</td>
</tr>
</tbody>
</table>

Source: Weller (2017)34

AVIVA: PARENTAL LEAVE

‘We wanted all of our parents to know they can take leave and still have a successful career, regardless of gender. The feedback from our returning parents has been fantastic’ (Aviva)

Industry: Insurance and financial services      Location: Applied Internationally

Stage: Parental Leave      Initiative: Equal parental leave

Time-frame: November 2017

Results: Within the first year, there was a significant uptake of the parental leave provisions.

Aviva’s equal parental leave policy was developed as part of the company’s strategy to remove barriers to career progression and create a diverse and inclusive working culture. In the UK, Aviva offers up to one year of leave, of which 26 weeks’ is at full basic pay for each parent employed by the company within the first 12 months of a child’s arrival. This applies to employees in all UK offices and locations, with no eligibility criteria relating to service length or earnings threshold, similar policies are applied in Aviva’s international offices. Aviva’s new parental leave policy entitlement includes:

• Equal amount of paid and unpaid parental leave when a new child arrives.
• Includes full-time and part-time employees across all levels of the company.
• No requirement to share the parental leave between parents.
• If both parents are employees of Aviva, they each have their own entitlement to leave and pay, which they can take at the same time.
• The new parental leave policy has been offered to Aviva employees who have become parents since 19 November 2017.
• In 2018 Aviva revealed an encouraging response to its equal parental leave policy. More than 700 employees made use of the scheme internationally, including around 300 men.35

Parents employed by Aviva UK are eligible to the same amount of paid and unpaid time off, regardless of gender, sexual orientation or how they became a parent (birth, adoption or surrogacy).

The new parental leave policy is offered to Aviva employees who become a parent on or after November 19th 2017 in the UK, Ireland, France, Singapore and Canada. Aviva plans to extend this to all other Aviva businesses.

729 UK Aviva employees (430 female colleagues and 299 male workers - made use of the scheme in the first 10.5 months). New fathers at Aviva UK have taken an average of 21 weeks’ paternity leave since the policy was introduced, compared to two weeks in the previous year. The average number of paternity days taken by men at Aviva UK has increased by more than 14 times since the policy was introduced. 67% of Aviva UK new dads opted to take six months off work to care for their new arrivals. 95% of Aviva UK new dads took more than two weeks, the entitlement typically offered through statutory paid paternity leave

DR REDDY’S: RETURN TO WORK

The SHE concept is the first of its kind in the pharmaceutical industry,” Chandrasekhar Sripada, President & Global Head - HR, Dr Reddy’s Laboratories

Industry: Pharmaceuticals
Location: India
Initiatives: All women sales teams (Special Hospital Executives or SHEs) mainly consisting of women returning from career breaks.
Time-frame: 2015 onwards
Results: The attrition of women workers at Dr. Reddy’s in India reduced from 13.7% in FY15 to 6.5% in the first half of FY17 while hiring almost doubled from 8.5% to 16.2% in the same period.

Dr. Reddy’s has focused on attracting women professionals back to work after a period of maternity leave. Its scheme known as Comeback Careers for Women, aims at providing career opportunities for women who have taken a break from work to focus on personal lives. Also known as a returnee program the idea is to ensure that women who have taken time away from employment are not disadvantaged by this in the hiring process. They explain to potential candidates, “your break will not be a deterrent to the hiring decision. You will be evaluated fairly and solely on merit”.36

In addition, the Special Hospital Executive (SHE) scheme assists women in maintaining work-life balance by suitably fixing their work schedules and location. Each SHE team focuses on only one or two local institutions, building long-term relationships with resident doctors. The firm now has 100 members as part of its SHE teams across the country and their performance has been exemplar, teams meeting their yearly targets in only six months.

Dr Reddy’s also extends other benefits such as six months’ paid maternity leave with an option to extend it by one month; two hours’ off every day, for up to one year, to attend to the new-born. They say to women applicants “Only your qualifications and prior experience – roles, responsibilities and performance in the previous organization/s - will be considered.”.37 The company conducts a Women’s Forum twice a year to provide an opportunity for women to meet and discuss issues of organisational importance. The company emphasises its team-mentality and collective community spirit. It has won several employer of the year awards.

This scheme is one of many across India pioneered by leading companies, particularly in the tech sector to encourage and facilitate women into employment including Amazon, Intuit, Intel, Paypal, GE, Sapient, Microsoft, Capgemini, Unilever, CITI, and Phillips all of which are actively seeking to employ women returning to work.38

38 https://sheroes.com/articles/25-returnee-programs-for-women-in-india/NjqONQ{
VODAFONE: PARENTAL LEAVE/RETURN TO WORK

'We know that women who feel supported by their employer through their maternity leave and after their return to work are more likely to remain with the company over the longer term. Higher retention of colleagues who are working mothers offers clear business benefits in terms of continuity of skills and experience, as well as avoidance of recruitment and induction costs to replace leavers (Vodafone).'

| Industry:  | Telecommunications |
| Location:  | Worldwide, UK based |
| Stage:     | Parental Leave     |
| Initiatives: | Parental Leave/Return to Work |
| Time-frame: | 2015 onwards |

Results: Over the three years to March 2018, more than 5,600 women working for Vodafone went on maternity leave. In 2015 only 21% international senior leadership team were women, in 2017 this had risen to 28%. Vodafone global goal is to reach 30% of women in management and leadership roles by 2020.

In 2015 Vodafone announced a mandatory minimum global maternity policy. At the time, this was a real shift in corporate governance and human resource policy. All employees at all levels across the various operating companies in Africa, the Middle East, the Asia-Pacific region, Europe and the US are able to access 16 weeks fully paid maternity leave, as well as full pay for a 30-hour week for the first six months after their return to work (work 4 days and get paid for 5). The reduced-hours arrangement is aimed to help returning mothers transition back smoothly into their jobs. Importantly maternity leave is provided where there are no mandatory provisions for maternity leave. Vodafone abides by statutory requirements in countries where these rights already exist. The policy was in response to analysis carried out by KPMG which highlighted the value of companies offering attractive maternity benefits. The KPMG analysis showed that if businesses were able to retain more women in the workforce after their maternity leave, they could save up to $19 billion a year and would retain the knowledge and experience of these women with positive consequences for productivity and effectiveness.

For Vodafone, the goal of this policy is to increase the retention of female talent in the company and gradually improve the representation of women at top levels. At the time the maternity policy was announced women accounted for 35% of employees worldwide, but only 21% international senior leadership team. The maternity leave policy sought to help address this gap.

In March 2018, Vodafone launched a global paternity policy that set a minimum standard for all men (and secondary carers) who work for Vodafone to be entitled to two weeks paid paternity leave.

---

40 https://www.vodafone.com/content/index/media/vodafone-group-releases/2015/global-maternity-policy.html#
42 https://www.vodafone.com/content/index/media/vodafone-group-releases/2015/global-maternity-policy.html#
43 https://www.vodafone.com/content/index/media/vodafone-group-releases/2015/global-maternity-policy.html#
DEPARTMENT OF FOREIGN AFFAIRS AND TRADE: WOMEN IN LEADERSHIP

'Ambitious and innovative' is how DFAT’s Women in Leadership (WIL) strategy was described when the department received the Australian Public Service Gender Equality Award 2017.

| Sector: | Government |
| Location: | Australia |
| Time Frame: | 2014- Ongoing |

**Initiatives:**
Mixed initiatives include introduction of flexible working, gender targets and unconscious bias training

**Results:**
Increased representation of women in senior roles
Normalised flexible work arrangements and culture of inclusive leadership

The Department of Foreign Affairs and Trade (DFAT), Australian Government won the Australian Public Service Commission (APSC) Gender Equality Award 2017. In response to the question ‘why are women’s career progression in the Department of Foreign Affairs and Trade (DFAT) not equal to that of men?’ the Department announced the Women in Leadership initiative. Informed by an independent consultant, internal data analysis, preparation of a draft paper and staff feedback the Women in Leadership Strategy was launched in 2015. The Strategy defines clear actions, time lines and delegation of responsibility. The initiative is overseen by a Women in Leadership Steering Group, which reviews progress twice a year and provides an annual progress report to staff. The Strategy set out a range of interconnected actions to address the barriers to women’s career progression and create a culture in which all staff can thrive.

<table>
<thead>
<tr>
<th>1. Leadership and culture</th>
<th>2. Accountability and inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive, accountable leadership from the top down sets the tone and creates momentum for change. Signals of cultural change empower staff. All staff take responsibility for implementing change.</td>
<td>Gender data is routinely collected and made available. Changes are based on fact-based processes and monitored to understand progress. Gender diversity objectives are integrated into business processes and managers held to account.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Embedding substantive equality</th>
<th>4. Mainstreaming flexible work and dismantling barriers for carers</th>
</tr>
</thead>
<tbody>
<tr>
<td>The barriers to gender equality are understood and specific measures introduced to address unconscious bias and ensure women are getting the right experience and support to develop and advance their careers. Policies and practices around workforce planning and promotions and postings are reviewed and adjusted to support substantive equality.</td>
<td>Promote flexibility and work-life balance from the top down and explore and enable flexible work formats. Measure take-up and outcomes. Ensure flexible workers are not penalised and that workloads are fairly balanced, including for non-flexible workers. Have clear policies around maternity/parental leave and help make it a positive experience. Remove barriers to workforce participation. Encourage and support men to take up flexible work opportunities and use parental leave</td>
</tr>
</tbody>
</table>

As recipients of the (APSC) Gender Equality Award 2017, DFAT demonstrated change through training to address unconscious bias at every level; normalising flexible and remote work practices under the Department’s flagship “if not, why not” approach; more women are taking up responsibilities in the ranks of the senior executive and more women are being appointed as heads of diplomatic posts overseas. 40 per cent of diplomatic posts overseas are led by women – that’s up from 27 per cent when the Women in Leadership Strategy was first launched. DFAT is on track to meet its target of 40% women at SES Band 1 level by the end of 2018, though it will fall short of its Band 2 target. The Department has set targets for gender balance representation for 2020.
In 2014 Eli Lilly began an effort to better understand the experiences of diverse employees, starting with women, and to improve engagement of diverse voices across the company. Although their global workforce was 47% women this percentage dropped off sharply at higher levels with only 20% female representation in senior management. Although this was comparable to other Fortune 500 healthcare companies at the time they wished to address the gap. They started with a look at gender representation and then went on to look at different ethnic minorities. They surveyed high potential men and women, asking questions such as “Who were you before you joined Lilly? How can we help you to leverage your unique perspective?” These were highly personal questions aimed at understanding how the experiences of women differed from those of men.

The research showed that women were just as ambitious as men but did not feel supported or recognised for their work. They started their careers excited to take on more responsibility but struggled to find a way to move ahead in a culture that was dominated by men. The study found that women tended to get on with the work at hand rather than networking and therefore missed opportunities for promotions which were still often based on ‘who you know and trust’.

The company has been very transparent about these findings and has implemented a training program to encourage inclusive leadership – valuing differences, overcoming bias and fostering a ‘speak up’ culture. Hiring, management and promotions practices have been altered to minimise unconscious and conscious bias and a goal was set to increase the number of women in senior management by 4% within two years. The ‘Journeys’ experience has allowed Lilly employees to acknowledge differences in life experiences, and to help one another recognise the value of their unique voices. “We want all of our employees to stop siphoning their authenticity—otherwise, we don’t get the benefit of who they are,” Fitzgerald says.

---

45 Joy Fitzgerald, ‘How Lilly is getting more women into Leadership Positions’ Harvard Business Review 23 October 2018
https://hbr.org/2018/10/how-lilly-is-getting-more-women-into-leadership-positions
47 Fitzgerald, n 1 above.
48 Garcia, n 2 above.
SODEXO: DIVERSITY AND INCLUSION TRAINING

“The diversity training at Sodexo is better than what I have experienced at other companies.” - Geoff Slowman, Director of Facilities, Hospitals

Industry: Food services, facilities and equipment management, concierge services and in-home assistance

Location: Headquartered in France, global presence

Initiatives: “Spirit of Inclusion” unconscious bias training and broad diversity and inclusion (D&I) strategy

Time-frame: Since 2009

Results: 2017 statistics: representation of women on the Board of Directors 50%; representation of women on the Global Executive Committee 25%; representation of women among senior leaders 32%; representation of women among middle management 46%; employees working within entities with gender-balanced management 59%

Sodexo’s D&I commitments are integral to the company’s growth strategy, aiming to create systemic change for its employees, clients and customers. The company’s global commitment covers five key dimensions of D&I - Gender, Cultures & Origins, Disability, LGBTQ and Generations. Sodexo aims to achieve 40% women in senior leadership globally by 2025, and to have all employees working for gender-balanced management teams by 2025. Sodexo’s gender diversity strategy is led by the SoTogether advisory board, comprising 28 women and 7 men from 17 nationalities. The company holds its senior executives accountable, by linking D&I KPI targets to 10% of their annual incentives.

Sodexo’s Spirit of Inclusion’ program, launched in the UK and Ireland in 2009 and since rolled out globally, is a day-long workshop that is mandatory for all managers and salaried employees. The training focuses on understanding unconscious biases and increasing awareness and skills. It encourages managers to develop action plans to foster diversity and create an inclusive work environment for employees. Sodexo uses both internal resources (through train the trainer programs) and external consultants, to deliver the training, which aims to be ‘interactive and thought-provoking’ and creates a non-threatening environment in which participants gain insights that positively impact on behaviour. 8,850 managers in 15 countries have been trained in Spirit of Inclusion since inception.

Another cornerstone D&I program is Sodexo’s SWiFT program (Sodexo Women’s International Forum for Talent). The 6-month SWiFT Leadership Program provides leadership development for women through exposure to senior leadership, structured learning and a cross cultural buddy pairing for global exposure. In emerging economies, Sodexo implements initiatives to address women’s empowerment and violence against women in for example by providing in-depth training about gender-based violence.

Sodexo has ranked in the top 10 on DiversityInc's 'Top 50 Companies for Diversity' for nine years running.

49 Sodexo 2018, Sodexo’s Gender Balance Study 2018 Expanded Outcomes Over 5 Years

50 Sodexo 2018, Diversity & Inclusion at Sodexo Making a World of Different, 2018 Global D&I Report


54 Sodexo 2018, Diversity & Inclusion at Sodexo Making a World of Different, 2018 Global D&I Report

55 Sodexo 2017, FY17 Diversity and Inclusion Year End Review

REYKJAVIK ENERGY: GENDER PAY GAP AUDIT

The net outcome has been, “more open discussions, higher productivity, greater job satisfaction, improved decision-making, higher morale, and an all-round far better atmosphere”, Bjarni Bjarnason, Reykjavik Energy CEO

Industry: Electricity and water utility  Location: Iceland

Initiatives: Implementation of measures to eliminate the gender pay gap and improve gender balance in management roles. Partnering with Pay Analytics, the company uses a model that provides data on the gender wage gap to inform decisions.

Time-frame: 2008 onwards

Results: The wage gap has dropped from 8.4% in 2008 to 0.2% in 2018 and the proportion of women in management positions increased from 29% to 49% over a five year period

Sources

As a consequence of the 2008 Iceland financial crisis, Reykjavik Energy was forced to radically restructure and downsize, losing one third of its workforce. The restructure process revealed a significant pay gender gap, but the company lacked current and credible data to inform decision-making to improve gender equality. Reykjavik Energy implemented measures to reduce the gender pay gap and improve gender balance in management roles. They engaged Pay Analytics to develop a model that would produce real-time data on the effects of pay decisions on the gender pay gap. The model has helped the company reduce the wage gap from 8.4% in 2008 to 0.2% in 2018 and significantly increase the proportion of women in management roles.

Although Iceland passed an equal pay act in 1961, women in Iceland in 2018 still earned between 14%-20% less than men. In January 2018, Iceland became the first country in the world to legally enforce equal pay, requiring companies to undertake independent audit and certification of equal pay for work of the same value. Reykjavik Energy has led the way in demonstrating how this can be achieved in practice. The company also identified the need to change the organisational culture to retain women. A gender specialist was commissioned to make recommendations on how to create the change. These recommendations included:

- Mandating gender equality courses for all employees;
- Training mentors on the utility’s new gender-equality approach for all new employees;
- Creating gender equality committees in all subsidiaries of the company;
- Revising working hours to support a work-family life balance;
- Developing an action plan specific to each unit or department; and
- Creating a gender-focused recruitment process.

Steps to implement these recommendations have resulted in job satisfaction surveys finding less risk of sexual harassment and higher than market benchmark job satisfaction levels. The company has been recognised for its achievements through awards such as the “Government’s Equal Opportunities Award.”


**BHP #BALANCEFORBETTER: CULTURE, ORGANISATION AND RETENTION**

“At BHP, we want to provide a safe, inclusive and supportive workplace for all. It's part of bringing your whole self to work”.

**Industry:** Resources  
**Location:** Australia

**Initiative:** An ambitious, aspirational goal to achieve gender balance across BHP globally by FY2025.

**Time Frame:** 2016-2025

**Results:** Since 2016 overall female representation has increased from 17.6 per cent to 22.4 per cent and the number of women in the business globally has increased by over 2,000, or 40 per cent.

Intended to better reflect the communities in which they work, BHP set an aspirational goal to achieve gender balance across BHP by 2025. This aspiration is designed to harness the potential that a more inclusive and diverse workplace at BHP will deliver, and leave a positive legacy for the generations to come. BHP’s Global Inclusion and Diversity Council recommended four priorities to accelerate the delivery of a more inclusive work environment and enhanced overall workplace diversity:

- embedding flexible working;
- enabling our supply chain partners to support our commitment to inclusion and diversity;
- uncovering and taking steps to mitigate potential bias in our systems, behaviours, policies and processes; and
- ensuring the brand and industry are attractive to a diverse range of people.

In the three years since BHP announced the aspirational goal of gender balance by 2025, the action, debate and innovation it originally sparked has intensified across the company and within the industry. These forces are essential to bring about genuine change. By the end of FY2018, 915 more women were employed at BHP compared to 2017. That is 915 women were given the opportunity to steer the resources industry into the future.

While this is positive progress, much more work ahead. This year in 2018 BHP increased the female representation by 1.9 percentage points. This is a significant achievement when you consider that not long ago, few could imagine a future where the presence of large numbers of women in the mining industry was normal, even routine. Historically, the industry’s track record has been almost exclusively male dominated, and until recently the problem was, effectively, overlooked.

At BHP the tide has turned towards pursuing a gender balance, and tackling the issue on multiple fronts. This is an important signal to other traditionally male dominated industries that change towards a more balance gender employment can be achieved in ways that an benefit the company and the economy.

---


WISE: CULTURE, ORGANISATION AND RETENTION


Initiative: Encourages women and girls to value and pursue science, technology, engineering and maths-related courses in school or college and move on into related careers and progress.

Results: A gradual annual increase in UK female STEM (science, technology, engineering and maths) workforce.

The WISE Campaign (Women into Science and Engineering) mission is to facilitate understanding of Science and Engineering disciplines among women and girls and the opportunities which they present at a professional level. It is funded by the UK Government Department for Business, Innovation and Skills. It is part of the Athena Swann network that was established to focus on promoting and supporting gender equality for women, aiming to address the “leaky pipeline” of women progressing to senior roles in science by removing obstacles to their advancement, ensuring equal pay and mainstreaming support, through action at all levels across the business organisation. When first founded in 1984 women represented 7% of graduate engineers and 3% of professional engineers in the UK. By 2017 a total of 864,278 women were employed in STEM occupations in the UK, with women making up 23% of those in core STEM occupations in the UK and 24% of those working in core STEM industries.

<table>
<thead>
<tr>
<th>Table</th>
<th>Proportion of Women in UK Employment by STEM Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional, Scientific and Technical</td>
<td>35%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25%</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>24%</td>
</tr>
<tr>
<td>Other Service Activities</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: WISE 2017

WISE offers a strong business case for increasing the number of women in science and engineering:

- The most pressing reason for employing more women as scientists, engineers and technologists is that – at a time of continuing skills shortages – companies cannot afford to do otherwise.
- Mixed teams bring wider experience, different ways of thinking and fresh approaches to problem solving – all necessary to meet the new challenges in many industries. Creativity, problem-solving and lateral thinking are enhanced through more diversity.
- Improving gender diversity and establishing a more inclusive culture within an organisation mean better employee engagement, with the potential to improve productivity and transform the business.
- In many industries, improved diversity can result in better products, better marketing and a better customer experience.

WISE works to coordinate outreach programmes to ensure girls are inspired by the possibilities of STEM careers; helps to ensures women have opportunities to return to STEM careers at all stages of their careers; and campaigns for changes to improve gender balance in science and engineering with inclusive cultures that support women. These concerns to promote women in STEM are now world-wide.

The European Union is developing a series of measures outlined in Pension Adequacy in the European Union 2010-2050 to address the adequacy of pensions for women, and balance pensions for women with those available for men. As women live longer than men they constitute close to two thirds of pensioners. Yet, pension outcomes for women are currently significantly lower than for men. This may also be a function of pension design, but generally it results from gender differences in employment, pay and the duration of working life, which again is related to gender differences in care and housework.

Pension system features may be viewed as the filtering mechanisms that determine to what extent gender differences in families and labour markets and economic behaviour are mitigated, reproduced or accentuated in old age income streams.

The last decade of pension reforms had made the adequacy and sustainability of pension systems far more contingent on outcomes in the labour market and in financial markets. These new risks will accentuate gender differences in pension outcomes, because women’s coverage in occupational pension schemes tend to be significantly lower than men’s and because women’s propensity to save in voluntary third pillar pension schemes is markedly lower everywhere. This is another reflection of those differences in men’s and women’s working time, remuneration and careers which also show up in the gender pay gap. This disparity can be changed with effective policies to raise the occupational pension coverage or the third pillar savings of women.

The equalization of pensionable ages may at first glance look like a major disadvantage for women. However, under the condition of equal access to employment and in the context of schemes which increasingly move towards defined-contribution designs, the loss of a traditional privilege for women does in fact turn out to be a major improvement in women’s possibilities for building sufficient pension entitlements. It also shortens the period in which they are exposed to the gradual erosion of the value of benefits and therefore lessens the likelihood that they will be exposed to the risk of poverty in their late years.

Two strategies are possible to fight the gender pension gap: (1) Change women’s labour market participation, i.e. raise their activity rate and lower their part-time rate, while stepping up efforts to secure equal pay for equal work; (2) Compensate women to some extent within pension regulations for their career breaks and part-time work while also strengthening general design features that cater to people with shorter contribution records and lower pay among whom women presently are overrepresented.

The Pension Adequacy Report 2018 of the European Union surveys the effectiveness of polices to reduce the gender gap in pensions across Europe. Since the beginning of the millennium, the average effective age of labour market exit (i.e. effective retirement age) has again been increasing, after a long decline. The recent increase has been stronger among women, who narrowed the gender gap in the effective age of retirement to about 1 year in 2016 in the European Union. Several factors are likely to have contributed to this. The structural rise in labour force participation and employment rates for women would be one. The overall increase in educational achievement levels (which impact on employability, adaptability, age of entry into the workforce, etc.) is another. The very significant growth in the share of service sector and public employment since the 1970s (at the cost of manufacture and primary occupations), as well as improvements in average health, should be counted among likely drivers of the change.

64 https://publications.europa.eu/en/publication-detail/-/publication/06564f3e-5207-4b57-aea5-7664168e5582
65 https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8084&furtherPubs=yes