




# Women's Economic Participation\*

Enablers, Barriers, Responses

\*connected thinking

PRICEWATERHOUSECOOPERS 

“The affirmation of the role of women and the defending of their rights constitute a dimension crucial to the strategy of the realisation of the Millennium Development objectives.”

Jacques Chirac

This report was prepared by members of the PricewaterhouseCoopers Genesis Park Program. Genesis Park is an intense five-month leadership development program with campuses in Washington, DC, and Berlin. The Park is open to PwC staff members from around the world who are recognized as high performers in their home practices and demonstrate clear leadership potential. The goal of Genesis Park is to develop these promising staff members into business leaders capable of creating significant value for PwC and its' clients.

“We cannot build a world which is livable if it walks only on one foot— continuing to neglect, by obscure prejudices, 50 percent of the talent, skill, and energy available.”

Aude Zieseniss de Thuin, President and Founder,  
The Women’s Forum for the Economy and Society

## Why does gender diversity matter?



The ageing population across the developed countries is having the effect of shrinking the labour pool. In the US, the Bureau of Labor Statistics predicts that there will be a shortfall of 10 million US workers by 2010; and in Western Europe, where birthrates in many countries are well below the population replacement level, the shortage of workers is likely to occur earlier and be more acute.<sup>1</sup>

In emerging economies, particularly growth economies such as China and India, rapid economic development make it necessary to optimise all available human resources. In these countries, underutilising half of the potential workforce is no longer an acceptable option.

Moreover, a recent article in *The Economist* magazine cited research indicating that over the past few decades, women in general have contributed more to growth in the world’s gross domestic product (GDP) than either new technology or the emerging economies of China and India.<sup>2</sup>

Accordingly, it is apparent that any success in promoting gender diversity in the workforce will have a tangible positive impact on economic growth in both the developed and the developing worlds, and that continued focus on this area is therefore warranted.

<sup>1</sup> *Harvard Business Review*, “It’s Time to Retire Retirement,” March 2004.

<sup>2</sup> *The Economist*, “The Importance of Sex,” April 12 2006.



## Background

Few topics have recently received more comment or been so studied than gender diversity, the difficulties in promoting it, and the possible remedies in overcoming obstacles to achieving it. Despite this—and despite the significant efforts on the part of both governments and businesses across the globe to close the gender gap—advances in gender diversity have tended to be incremental rather than substantial.

This paper seeks to provide perspectives and insight from working women in Brazil, China, France, Germany, India, Spain, Sweden, and the US in respect of the socioeconomic enablers of and barriers to women's economic participation in those countries. We also sought views on the country-specific organisational and governmental interventions to reduce the gender gap and increase female economic participation in those eight countries.

Discussions took place with over a hundred businesswomen and businessmen across the eight countries studied. It proved interesting that while interviewees were asked to comment primarily on socioeconomic factors and the local responses to those factors, the impact of cultural stereotypes was such that this topic tended to be repeatedly raised by the interviewees themselves and was frequently cited as a significant barrier to female economic participation. For this reason, we have included a range of observations regarding cultural perceptions, as well as the interviewees' own views about the impact of cultural stereotypes on gender equality.

## General observations

While socioeconomic factors certainly affect the propensity of women to participate economically and were frequently cited in our interviews, cultural and societal perceptions and stereotypes seemed to be more “top of mind” for many of the women with whom we spoke. Somewhat counterintuitively, our discussions with interviewees suggested that in developed countries, cultural stereotypes and perceptions may represent greater barriers to full economic participation by women than in many of the developing countries.

Not infrequently, the observations by our interviewees tended to contradict the available data on women's economic participation in those countries where the interviewees live and work. In particular, there was considerable optimism expressed by interviewees in developing countries regarding the strong growth trajectory of women's participation in the workforce—not just in the numbers entering the workforce but also their entry into middle and senior management

positions. This discrepancy may be explained by the fact that many interviewees with whom we spoke had themselves already achieved some level of success in the business world and were basing their observations on their own personal experience rather than reflecting the situation generally within their countries.

One message that did emerge strongly from our interviews is that there is unlikely to be a one-size-fits-all solution that governments or businesses can generally use to promote gender diversity in the workplace. Instead, we found that women's workplace participation was helped or hindered by a set of factors that were specific to the economy, society, and culture of each country studied. This suggests that businesses—even global ones—will have to devise methods of promoting gender diversity which closely reflect the complex interaction of enablers and barriers at play in the local environment.

The balance of this paper is organized into the following sections: observations on some of the enablers and barriers affecting women’s economic participation, using as a basis the interviews we conducted; a high-level examination of the corporate response to gender issues; and additional questions raised by the work undertaken. In order to provide a context for the discussion of enablers and barriers, we set out below some pertinent data relating to the eight countries in question.

Figure 1: Comparative data<sup>3</sup>

	Brazil	China	France	Germany	India	Spain	Sweden	United States
Labour force participation (female-to-male ratio)	0.71	0.84	0.79	0.77	0.41	0.66	0.87	0.82
Gender Gap Index Performance out of 115 countries	67	63	70	5	98	11	1	23
Literacy rate (female-to-male ratio)	1	0.91	1	1	0.65	0.98	1	1
Enrolment in primary education (female-to-male ratio)	0.94	1	1	1	0.94	0.99	1	0.96
Enrolment in secondary education (female-to-male ratio)	1.1	0.97	1.02	0.98	0.79	1.04	1.03	1.02
Enrolment in tertiary education (female-to-male ratio)	1.02	0.85	1.28	1	0.66	1.22	1.55	1.39
Sex ratio at birth (female-to-male ratio)	0.95	0.89	0.95	0.94	0.95	0.93	0.94	0.95
Women in parliament (%)	9	25	14	47	9	56	9	18
Year women got the right to vote	1934	1949	1944	1918	1950	1931	1862	1920
Length of paid maternity leave, in days	120	Min 90	112	98	84	112	480	0
% of salary paid during maternity leave	100	100	100 up to ceiling	100	100	100	80 to 100	0
Time off including paid leave	0	0	3 years	3 years	0	3 years	1.5 years	84 days

<sup>3</sup> International Labour Organization, United Nations Development Programme (UNDP), World Health Organization, Inter-Parliamentary Union, World Economic Forum, government web sites





Women's educational attainment across many of the countries studied is extremely impressive. In Brazil, France, Spain, Sweden, and the US, enrolment of women in secondary and tertiary education surpasses that of men.

# Enablers

An enabler is defined here as an action, policy, or system which contributes positively to the establishment of a supportive environment for women's economic participation. In broad terms, the enablers discussed by the interviewees can be captured under a number of headings: government legislation, access to education, availability of child care, good business practices, and positive societal perceptions. Our interviewees—who were all drawn from the business community—were asked specifically about their experience with organisational responses to gender gap issues, and these observations have been captured in the section of this paper entitled Business response.



## Legislation and policy

An interesting finding from the research was the positive role governments have played in attempting to increase women's economic participation. One might even observe that government has been a more active and effective force in promoting gender diversity than business has, and legislative responses have had a more positive impact on women's economic participation than responses by the private sector have.

Set out below are examples of government legislation in the eight countries studied that promote the economic participation of women:

- In China, during Mao Tse-tung's Cultural Revolution, public campaigns were implemented to instil the idea that women are the equal of men. Poster campaigns with slogans such as "Women hold up half the sky" helped create a cultural perception, which exists today, of parity between the sexes.
- Beginning in 1994, the Swedish government adopted various "gender-mainstreaming" policies, which were meant to promote gender equality. Subsequently, gender equality has become an integral part of all Swedish government activities. For example, the government

has developed gender expertise within each of its ministries and produced statistics disaggregated by sex. It has also provided training courses in gender equality and developed tools for gender analysis.

- In India, specific laws were introduced to ensure that women constitute one-third of local government representation. Today local women occupy as much as 43 percent of the seats at the village and district levels.
- In many of the countries we studied, the introduction by governments of mandatory paid maternity leave has had a positive impact on the ability of mothers to remain in the workforce. The extent of allowable leave time varies from country to country, but both Germany and Sweden have very extensive maternity leave programmes. In Germany, an expectant mother can take six weeks off prior to the birth of her child as well as eight weeks postpartum, fully paid. She can then take an additional year on 67 percent of salary and a further two years of unpaid leave before returning to work. In Sweden, a man is allowed to share maternity leave with his wife to minimise disruptions in the woman's career.

“Most major organisations in the US have tracking mechanisms to ensure that there are no classes of people underpaid. The potential for class-action suits ensures that no issues exist.”

Interviewee



- The countries under study enacted at different points in their history legislation that made schooling compulsory for children of both sexes. These laws have been crucial to providing women with access to education, which underpins women’s participation in the workforce.
- In 1972, in an attempt to close the pay gap between women and men, the French government introduced the principle of wage equality into the French Labour Code. In addition, in 1983, a further law was enacted requiring organisations to provide a report demonstrating their performance across a number of equality measures.
- In Spain, legislation introduced in March 2007 requires publicly traded companies to achieve gender parity on their boards of directors within eight years from the date of the legislation.

A number of noteworthy points emerged from research on government legislation to promote the economic participation of women. For example, Sweden’s embrace of gender-mainstreaming policies has helped shape a body of laws that have as their underlying purpose the achievement of equality between the sexes. To illustrate: Swedish men and women both are entitled to maternity leave; citizens of both sexes are entitled to take time off work to care for sick children or relatives; and parental benefits, which are payable for 480 days, are shared equally by both parents. By not directing these types of benefits solely to women, the government contributes significantly to the overall perception prevalent in Swedish society that men and women are of equal status.

Of course, governments can also enact legislation that while not meant to directly address the issue of gender equality or women’s economic

participation can nonetheless have an unexpected impact on it. An example of this is the introduction by China of its one-child policy. While the objective of the legislation was to dampen population growth, the one-child policy was seen by the Chinese interviewees we spoke with as having had a significant positive effect on women’s participation in the workforce for the following reasons:

- A one-child limit allows women to have a manageable home life while still being in a position to advance their careers.
- Under a one-child policy, many parents of girls have become advocates of gender equality, and this has brought about a shift in perceptions across China.
- Under a one-child policy, daughters do not have to compete with male siblings for parental involvement and recognition, and this has translated into improved self-esteem among girls.
- Having a single child means that the investment in education per child has increased significantly. This has benefited both girls and boys.

Finally, interviewees pointed out that China’s one-child policy eliminated much of the uncertainty that a given employer might have about hiring a woman of child-bearing age. As one of our interviewees in China put it, “*Maternity leave for a working mother is not a big deal, as it will happen only once.*”

An example of legislation enacted in France reminds us that even the most exact and well-meaning laws will have little impact if they are not scrupulously enforced. In that country, the government introduced a number of laws banning pay discrimination between the sexes. However, enforcement was lax, and the law was ignored by many businesses. To counter this, new legisla-



tion was recently signed into French law requiring organisations to demonstrate by 2010 that they are taking steps to:

- Suppress wage inequality between men and women
- Reconcile professional and family lives
- Facilitate women’s access to top executive positions
- Facilitate women’s access to training and learning programs

Another example, this time taken from Germany, illustrates the point that legislation aimed at helping women in the workplace can sometimes have converse effects. Some of our German interviewees pointed out that many managers there are reluctant to promote to senior positions any woman who is of child-bearing age because of a general expectation that those women will likely take advantage of the country’s generous maternity leave entitlements and be absent from their organisations for a period of up to three years.



### Education

The data below show that women’s educational attainment across many of the countries studied is extremely impressive. In Brazil, France, Spain, Sweden, and the US, enrolment of women in secondary and tertiary education surpasses that of men. Figures for Germany show almost complete parity in terms of educational access between men and women, while in China, parity almost exists at the primary and secondary levels, but a gap opens up at the tertiary level. India lags the other seven countries quite significantly, with enrolment in secondary and tertiary education being substantially lower for women than for men. However, as is also the case in China, there exists in India an urban/rural divide, and while statistics are unavailable, it is widely believed that the gap between the educational attainment of women and that of men in urban areas is significantly smaller than it is in rural regions.

Figure 2: Indicators of performance: female-to-male ratio<sup>4</sup>

	Brazil	China	France	Germany	India	Spain	Sweden	United States
Literacy rate	1	0.91	1	1	0.65	0.98	1	1
Enrolment in primary education	0.94	1	1	1	0.94	0.99	1	0.96
Enrolment in secondary education	1.1	0.97	1.02	0.98	0.79	1.04	1.03	1.02
Enrolment in tertiary education	1.02	0.85	1.28	1	0.66	1.22	1.55	1.39

<sup>4</sup> UNDP



Education is clearly a strong enabler of economic participation across five of the countries examined. Even in China and India, where enrolment figures relative to men are lower, it was the view of interviewees in those two countries that access to education has improved significantly and that entry by women into secondary and tertiary education will continue to grow very strongly. In China, the introduction of the Compulsory Education Law of 1986 has been instrumental in bringing about improved educational opportunities for women. Some of the Chinese interviewees indicated that the business community there is now seeing both at the entry level and within the middle-management ranks the effects of increased access to education for women, which began two decades ago. What will be interesting to see is how far the present cohort of Chinese businesswomen will rise within their organisations, and whether businesswomen in the developing world generally will experience a different career trajectory than has been evident in the developed world.

### Child care

With the arrival of children, many working women choose to exit the workforce, and the steep attrition rate among women who become mothers has become an issue of concern to organisations across the globe. There is little doubt that for most working women who are or will become mothers, the availability of flexible, reliable, and cost-effective child care represents an important enabler of their continued economic participation.

In some countries, such as Sweden and France, the state-supported child care system, which represents 1.5 to 2 percent of GDP, is highly supportive of full-time working mothers and constitutes a strong enabler of female economic participation in those countries. A good indicator of the impact of this can be seen in the high percentage of Swedish and French mothers of small children who work full-time: 72 and 71 percent, respectively. In France, in addition to the state child care infrastructure, parents can choose to employ a nanny and offset that cost against their tax burden. One woman expressed this view:

*“Having children didn’t impact my career path in any way. I always felt supported. I was working in a group with women partners who also had children, so there was no issue around my pregnancies, and I was promoted every year. These women partners were really positive role models*

*for me in the way they were great at their jobs and managed their personal lives. Several male partners also believed in me and pushed me forward. And finally, the child care system in France was, and continues to be, very helpful for me.”*

Some of our French interviewees expressed the opinion that their country’s approach—encouraging mothers’ continuing economic participation by making high-quality child care available to them—was preferable to the German system, which they believe effectively encourages women to leave the workforce by offering them generous maternity leave. These interviewees believed it was preferable for a government to provide a child care infrastructure so as to allow women to continue to work.

In China, India, and Brazil, there exists a natural support network for working parents in the form of the extended family network. This cultural norm obliges families of both parents to assist with child care while the parent-couple remains in the workforce. One Brazilian woman we interviewed said, *“I would not be where I am today had it not been for the support of my family, who help me with taking care of the children.”* Additionally, as the result of rural-to-urban migration in both India and China, there exists in those two countries a pool of available child care workers that more affluent couples can draw on.



### Societal perceptions

While societal perceptions appear to generally constitute barriers to rather than enablers of women's economic participation, a number of examples in which societal perceptions were seen to have a positive impact were uncovered.

Sweden is a case in point. Across a range of indicators, Sweden is amongst the highest ranked in terms of women's economic participation. The World Economic Forum's Global Gender Gap Report ranks Sweden the first of 115 countries. While equality is not absolute, Swedish society provides a good example of how societal perceptions can improve women's economic participation. In Sweden, there is wide recognition that both men and women have the right and ability to earn and contribute to their households. Most Swedish women expect to contribute to the household finances, and most Swedish men expect to take on some household duties.

In China, societal norms also have a positive impact on women's economic participation. For example, high educational attainment is expected, and significant pressure is placed on children in this regard. Students carry this ethic into the workplace and as employees, strive to excel and progress within their organisations. This is seen in the common practice of Chinese women eschewing maternity benefits in favour of returning to work. Since Chinese cultural norms encourage women to strive for the same level of professional achievement as men, it is possible that extended maternity leave offers less value to Chinese working women than other methods of support.



What was somewhat surprising in our interviews was the impact that traditional societal perceptions appear to still have in the developed economies.

# Barriers

Creating an enabling environment is a critical step in addressing gender imbalance in the workplace. But what constitutes an enabling environment will differ from society to society. Likewise, what constitutes a barrier to gender diversity will differ also, as will the methods to remove barriers.



## Societal perceptions

Across all countries, views of gender and the life roles played by men and women are informed by deep social traditions. In almost all societies, women have occupied the primary caretaker/homemaker role, while men generally took the role of provider. As women increasingly come to occupy a provider role too, society's perceptions of how the trade-offs between women's caretaker and provider roles should be weighed is changing, and many women themselves struggle each day to achieve a satisfying balance. One woman we spoke to expressed it this way:

*"Someone asked me the question early on, when my first son was very little. They said, 'How can you work when you have children?' Initially, I was insulted by the question and hurt, and it made me do a little soul-searching. And I wondered if I was, in fact, doing the right thing. But I realized the question isn't how can I work and have children. You need to understand, I work because I have children. I help support my children and provide a really good family life, and there is a great deal of economic security because I work.*

*"I think I give them more because I work, and not just economically. That may be hard for some people to understand. But that's not their*

*decision to make. It's mine. My father helped me a great deal with this even though he was from the old world. My father was gone a lot, was in Vietnam, was gone for a year, would be gone for months. The person who impacted me the most in my life was my father—it wasn't because of the quantity of time; it was because of the quality. I found great security in it because I would look at my life and the influence that my father had, and I would say, if he could do it, so can I."*

What was somewhat surprising in our interviews was the impact that traditional societal perceptions appear to still have in the developed economies. In Germany, for instance, the suggestion that full-time working mothers of small children cannot satisfactorily fulfill their role as mothers is commonly voiced by much of the public. This is reflected in the data: Less than 16 percent of German women with children below six years of age work full-time. Women in Germany who wish to pursue a career will frequently opt to not have children. Working women who have children will generally opt to take generous maternity leave, and many of these will exit the workforce altogether. The choices facing such women can be stark: Have a career and don't have a family, or have a family

and don't have a career. Here are two relevant observations taken from our interviews that echo deeply ingrained social stereotypes:

*"When you are a mother, you are just that: you stop having a career, you stop being fashionable, you are simply—a mother."*

*"When I wanted to return to work after only four months of maternity leave, my employer was shocked."*

In the US, interviewees drew a picture of a society where women participate at a high level in terms of the economy. But in order to balance business and familial responsibilities, many of these women seek flexible work arrangements. It was the view of our US interviewees that the use of such arrangements often cast women in a poor light as evidenced by the pejorative terminology used to describe flexible work arrangements. Such

terms as "opting out"; "off-ramping"; "the mommy track"; and "taking the scenic route" reflect the common perception that women who choose flexible work arrangements are less committed to their career than those who do not. As one of our interviewees stated:

*"One misperception is that because women have additional roles in the house, they're not as dedicated to their organisation. However, it actually proves that they are more dedicated because they are forced to juggle more responsibilities."*

Where race or class issues exist, the difficulties faced by women are compounded. An example of this can be seen in the case of Brazil, where Afro-Brazilian women are often the target of negative social stereotyping. As one respondent from that country said, *"It is difficult to separate the racial problem from the socioeconomic."*



"I went from professional assistant to partner. I went to Pace University. I was an operations management major. I loved my major, but the ideal job for me in terms of my education was managing a factory. I graduated in '87 with a 3.75 grade point average but didn't know what in the world I was going to do. I had a part-time job. I kept showing up to the career office at Pace, and eventually they said to me, 'We have an opportunity—an interview at PricewaterhouseCoopers. Are you interested?' At that point, the market had crashed. It was five months after graduation. I was interested in anything. I didn't have an accounting degree, but they explained it was a new role. They were calling it *professional assistant*. It was for people with college degrees to help managers on engagements with various organisational and administrative challenges. I interviewed, got an offer, and was thrilled. I was in the door of a well-respected firm. The accounting majors I knew were floored."

Interviewee



“What I am most proud of is my current team. There are four young women who look to me for guidance, who appreciate the time I spend with them and have been very vocal about that. I think they look to me as a role model, and that’s something I appreciate. I appreciate the opportunity to have an impact on people’s lives through the course of my actions. I love being able to facilitate professional development. I think at the end of the day, that’s what makes corporate life worthwhile in addition to what you accomplish for yourself; you have the opportunity to use the organisation and its resources to make a positive impact on individuals.”

Interviewee

Clearly, many women around the world have neither access to an extended family network capable of providing high-quality child care or to affordable child care resources.

### Child care

Lack of available or affordable child care represents a significant barrier to women’s economic participation. Many of the women we spoke with recalled episodes when they were uncertain whether or not their child was receiving adequate child care. At such times their productivity at work suffered, and they were left with feelings of stress and unease.

In Sweden and France there are highly developed state-supported child care systems, and in China and India working couples can rely on extended family networks for child care. But the child care situation in Spain, the US, and Germany is more difficult. The US and Spain rely primarily on a private infrastructure for child care, and for large sections of those societies private child care is unaffordable. In the US, it is estimated that child care consumes 9 percent of the income of the average two-income household and 16 percent of the average single-income household. In Spain only 10 percent of children under the age of three are enrolled in public or private child care centres, and the quality of child care facilities varies widely from region to region.

Until recently, there was a limited supply of child care facilities in Germany, and available child care facilities were so costly that for many mothers it made little financial sense to choose to work.

Moreover, aspects of the German school system exacerbated the difficulties in promoting women’s economic participation. Unlike many other countries where children begin school at the age of five or younger, many German children do not begin school until six or seven years of age, and cultural expectations encourage German women to stay at home until that time. In addition, many German children routinely return home during the school day for lunch, and so home child care must be available during that part of the day. While German society can be said to be more reluctant than others in terms of providing support for working mothers of young children, there are signs that this is changing. For example, the appearance of German “all-day schools” and a lowering, in some cases, of the age at which German children are first enrolled in school may be signs of a wider shift in cultural norms and perceptions.

Clearly, many women around the world have neither access to an extended family network capable of providing high-quality child care or to affordable child care resources. For these women—and they can be found in both the developed and developing worlds—the barriers to meaningful economic participation are formidable.

## Career and family planning

The conventional business career path poses particular difficulties for women with family responsibilities who nevertheless wish to advance professionally. The age at which many women begin to think about starting a family coincides with one of the most productive periods of one's career. Many professional women have already reached middle-management ranks when they begin to wrestle with the competing demands of workplace and home. The situation is made more difficult for many German women, whose late exit age from university means they are entering the workforce in their late twenties and have not acquired sufficient professional experience and standing before they must grapple with the trade-offs required. While the cultural pressure on German women to stay at home after having children is very strong, the issue of not having time to build a base of professional experience prior to having children may also contribute to German women's low rate of returning to work following childbirth.

For professional women with families, the benefits of workplace achievement and advancement must be weighed continuously against their perceived costs—both real and imagined.

One professional woman we spoke to put it this way:

*"I feel that as a woman, you always, every day think 'What could I do to better preserve my work/life balance?' or 'How can I have more time with my children, or at work, or doing sports?' It's constantly a work in progress in your mind. I can't say I do it perfectly, but I try the best I can. If it's busy at work, it can get very difficult. In those moments I say to myself that I need to leave, to get home and see the kids. This is different for men. For them they don't even raise it as a question in their mind; they just work. But for women, this is a continuing intellectual question that you're never perfectly comfortable with."*

Clearly, for working women there is no one best solution to the dilemmas they face in simultaneously managing their careers and tending to their families. Some choose to go back to work full-time, relying on some form of child care. Others choose to leave the workforce either temporarily or permanently. Still others choose from a range of in-between options that may allow them to still work—but perhaps not in a full-time capacity or in a position that reflects their true abilities.

**For professional women with families, the benefits of workplace achievement and advancement must be weighed continuously against their perceived costs—both real and imagined.**





### Self-imposed barriers

Among the more intriguing possibilities raised by some of our interviewees is the notion that working women may themselves play a role in perpetuating attitudes that hinder gender diversity. Indeed, these interviewees attributed some of the difficulty that women experience in progressing to upper management—and the lack of pay parity between the sexes generally—to the ingrained expectations of women themselves. The message that these interviewees wished to convey was one of self-empowerment. In the judgement of these interviewees, purpose and strength of mind are the most important determinants of a working woman's ability to compete and succeed in the workforce. Some responses relevant to this observation were as follows:

*“We have it all; we just need to take it. If you do not ask, you will not get.”*

*“We have everything that we need; the last thing is our mind-set.”*

*“The biggest barrier that exists is the mind-set of women. If they choose not to pursue career success, it is difficult for organisations to do anything about this. It is a matter of personal choice.”*

Our research uncovered no surprises in terms of the enablers and barriers that impact woman's economic participation. What might deserve additional consideration, however, is the extent to which some barriers remain firmly in place despite having had a bright spotlight shone on them for so long. Interesting too are the differences in the challenges and opportunities experienced by working women around the world, a result of the very specific combinations of enablers and barriers found in each country.



In our discussions with interviewees, many spoke of their own experience in attempting to balance their families' welfare with their own professional aspirations.

# Business response

The difficulty that organisations across the developed and developing worlds have in recruiting and retaining sufficient quantities of qualified persons has provided impetus to their efforts to increase women's economic participation. Businesses are making real efforts to introduce policies for addressing some of the issues that limit women's participation, and insofar as some of these efforts were referenced in our conversations with interviewees, we touch on them here.



## Efforts to eliminate bias

Many organisations recognise that biases against working women exist, and they seek to institute policies that either educate those with biases and/or ensure that such biases do not limit the recruitment, retention, and progression of female employees. One of the interventions mentioned by interviewees in Brazil, France, India, and the US is the so-called Diversity Council or Diversity Committee. Such councils or committees examine the environment for working women within their organisations and attempt to identify and redress any actions or behaviours coloured by bias. In addition, these councils or committees organise training for employees in order to educate them regarding the presence and dangers of bias.

In recognition of the fact that organisations tend to perpetuate institutionalised practices and norms, some organisations are going so far as to introduce positive discrimination in favour of women. A number of our interviewees had observations about the justification for such policies, including these:

*"People hire others like themselves, and until you have women in leadership there will not be sustainable diversity."*

*"Senior-level executives embrace gender diversity only to a certain extent because they do not want to lose their power."*

*"Men tend to employ other men."*

Positive discrimination is also seen as a response to a perceived tendency by women to promote themselves less forcefully than their male counterparts do. Consequently, some organisations have concluded that having a greater number of women in decision-making roles can be a mechanism to ensure that qualified women generally do not get left behind in the advancement process.

Positive discrimination is mandated in some companies, while in others it forms part of the key-performance-indicator targets for managers. Positive discrimination can take the form of:

- Giving an available position to a female candidate, all other factors being equal
- Ensuring that there is a quota of women on the short list for an open position
- Making certain that female candidates are well represented in an organisation's succession plans

## Support for working families

Another area of focus for organisations is providing support for women with children. Such measures might include:

- Maternity, paternity, and parental leave
- Lactation rooms, parenting web sites, and parenting classes
- Flexible work mechanisms such as flexible hours, term-time working, and telecommuting
- Provision of emergency child care support, all-day child care, or direct reimbursement of child care costs

In our discussions with interviewees, many spoke of their own experience in attempting to balance their families' welfare with their own professional aspirations. In those conversations, the full level of struggle and strain felt by working mothers became abundantly clear. As one of our

interviewees put it, *"Everything extraneous in my life had to be put on hold to pursue my career and raise a family."*

Flexible working arrangements can ease this burden, and comments from many of our interviewees spoke to this. For example, one interviewee said of her herself: *"My career is a marathon; I don't need to sprint the entire way."* Another pointed out that, *"Younger staff need to see examples of executives who have made it on a reduced work schedule."* However, some concern was also expressed that women who chose to adopt flexible work arrangements would be negatively effected in terms of their career progression: As one interviewee told us: *"It has been shown that career interruption hurts progression. If you lose touch with people and contacts, you fall behind and cannot explain why."*



## Build networks

Another area of concern among the women we interviewed was their perception that working women had limited ability and opportunity for professional networking. These women expressed the view that while men benefited greatly by belonging to established business networks, participation in such networks was more difficult for women. Said one interviewee: *"Women don't have as much time to network. That damages their progression. They don't hear about opportunities, pay rates, etc."*

In recognition of this, some organisations have developed networks—both external and internal to their organisations—specifically for women. It is worth noting that some interviewees alluded to the possibility that within newer, fast-moving industries, women might have a greater chance to join business networks. One interviewee said: *"In India, women were at the bottom of the hierarchy for many years and outside the established networks. In some of the new high-tech industries where the networks are newly developing, women are doing very well."*

What is not yet clear is whether any of these interventions are sufficiently "model-altering" to generate a step-change in the lives of women.



### Other interventions

When women in the developed economies first began to break into the ranks of senior management, it was expected that they should and would behave in ways similar to their male colleagues. Indeed, this thinking prevails today in many organisations. However, some of our interviewees spoke about the necessity of having women find a “new way” of managing—meaning, a way that employs the unique skills, attributes, and capabilities of women but which is equally attentive to the demands of productivity and profitability. To that end, one of the organisations we studied is currently developing a “women’s survival course,” which will explore women’s management and leadership styles and how they typically differ from men’s. The course is meant to convey the validity of women’s way of managing and give women in the organisation the confidence to manage in ways that are most natural for them.

Organisations sponsor many more sorts of gender diversity initiatives and interventions—a clear indication that organisations, in particular globalized businesses, recognise that gender diversity is a critical issue for them. What is not yet clear is whether any of these interventions are sufficiently “model-altering” to generate a step-change in the lives of women.

### Can companies sometimes be part of the problem?

At the same time as many organisations are adopting forward-looking practices in respect of gender diversity, there remain organisations in every country that continue to perpetuate business models designed for middle-class men with stay-at-home wives. In those organisations, women are expected to work in precisely the same way as men, and allowances are not made for women’s different needs or circumstances. One example of this is evident in Spain, where long lunches and late closing times still persist even though these practices are virtually impossible to reconcile with the lives of working mothers. Another example is evident in organisations where the culture rewards long hours and attendance at company social events. For many working women, that kind of culture effectively negates their responsibilities to their families.

Even more troubling are organisations that specifically avoid hiring or promoting women who are likely to get pregnant and require time off from work. Small businesses in many countries openly point to the high costs of adherence to family-friendly legislation. These companies do not focus on the lifetime value of a female employee but, rather, on the short-term costs associated with legislative compliance. Likewise, some organisations view flexible working arrangements as an employee benefit to be provided in good economic times but subject to revocation if a downturn in the economy occurs. A 2003 survey of 436 human resources executives in the US, for example, showed that the number of employers offering flexible work arrangements dropped quite significantly from the previous year. Similarly, the existence of an “old boy network” in many





organisations and the propensity of management to recruit “in their own image” are still significant factors affecting women’s economic participation and professional progression.

While the picture is mixed, many businesses can point to good progress made in terms of programmes in place to support diversity in the workplace and in the significant advancement of women to middle-management ranks. But the progress to date has, in a sense, been mandated—corporate leadership sets diversity goals; and the corporate machinery fulfills those goals as best it can using a variety of programs.

It is far from clear, however, if such programs are actually changing underlying corporate cultures or simply constitute a kind of defense against thinking and behaviour which is antithetical to gender diversity, but that stills lingers in the organisation. As one of our interviewees stated: *“Diversity is not true diversity until you don’t think about it at all; it just happens. Having corporate policies that promote or enable gender equality is useful or effective only if people in the system believe in them and use them.”*



## Further questions

There are issues raised by our research and interviews that deserve further exploration. Below, we highlight three.

In almost all of the countries in our study, government appeared to be a powerful force in promoting women's economic participation. Businesses, too, in particular large multinational ones, demonstrate impressive gender diversity efforts. The question, however, remains: Are these institutions doing enough or should their efforts be seen as merely incremental? Certainly, in many countries, the male-manager-with-stay-at-home-wife model has not been fundamentally altered; and many corporate interventions have been designed to assist women in working within the traditional model rather than changing the model itself. Is it time for the basic model to be reexamined? Even if the answer is no, should organisations look to design a small number of high-impact interventions rather than a multitude of less-impactful ones?

Our interviewees in developing countries spoke enthusiastically about the role of women in the workforce and opportunities for their advancement. Even at the senior management level,

these interviewees felt that women were making progress, and their expectation was that this progress would continue. What was striking, however, was their repeated reference to financial gain, as in the following remark: *“Unless my husband makes a lot more than me, I will be working for the rest of my career.”* Indeed, a number of the women we spoke to in the developing countries indicated that many women there would no longer work if their husbands began to make “lots of money.” If financial gain is the key driver of ambition in these countries, one wonders whether women's economic participation at the middle and top levels of organisations will taper off as these women and their families become more financially secure.

Closing the gender gap in a way that is both supportive of families and economically advantageous to business could be seen as the holy grail of gender diversity interventions. A final question raised by our research is whether those twin goals might benefit from a partnership of government and business working together to solve questions of gender diversity and women's economic participation.

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