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Sustainability Dialogue: Spotlight on Canada

Building a Gender-Inclusive
Workplace



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Building a Gender-Inclusive Workplace

As women gain economic strength around the world, they are beginning to transform the global economy. Bloomberg's Gender-Equality Index (GEI) estimates that by 2025, women will control 50 percent of the world's assets.¹

Women's economic empowerment has clear and powerful benefits for society, the economy, and the businesses that foster it.

According to the United Nations, "Gender equality can bring dramatic gains in human development and well-being for individuals, families and societies."² That is why, in 2016, the UN secretary-general established the High-Level Panel on Women's Economic Empowerment to address the specific economic issues that affect women. And it is why gender equality is a cornerstone of the UN's Sustainable Development Goals.³

A McKinsey Global Institute report said that advancing women's economic equality could add \$12 trillion to global annual GDP by 2025. The report also said, in a "full potential" scenario, where women play an identical role in labor markets to that of men, that figure could rise to as much as \$28 trillion.⁴

Women's economic empowerment is also good for the bottom line. Companies that prioritize inclusion see greater productivity and profitability.⁵ According to data collected for the GEI, companies in financial services that committed to building a more inclusive workplace with greater gender diversity and equality outperformed several major financial indices.

Most businesses would agree they want and need to foster gender equality in their organizations. But it is also clear that it is early in the journey for most companies. Some have not yet developed a strategic approach to the issue. Others are working on how to measure progress and quantify the value that gender equality brings to the business, investors, and the community.

On June 5 2019, TD Bank Group and Bloomberg assembled 25 leaders for a 90-minute discussion about the crucial role women play in creating and maintaining resilient companies and local economies. The discussion was held at the Four Seasons Hotel in Vancouver in

conjunction with the Women Deliver 2019 Conference, the world's largest conference on gender equality and the health, rights, and well-being of girls and women. It was part of the TD-Bloomberg Sustainability Dialogues taking place across Canada to foster dialogue and conversation around how to create a more inclusive and sustainable future. TD supports such efforts through its corporate citizenship platform, The Ready Commitment.

The participants, who came from the business, finance, and non-profit sectors, examined the current state of gender equality in business, and discussed ways to drive progress and demonstrate the power of gender diversity. This paper addresses the issues raised in that discussion.

Barriers to Progress

The business case for gender equality is compelling, and companies are demonstrating their willingness to invest in strategies to empower women in the workplace. But translating these strategies into practice is proving to be a challenge, as organizations face numerous barriers when trying to implement them.

One common issue is that gender equality efforts are often siloed in organizations, with business units sometimes acting independently. "Companies tend to think of gender as an HR issue," said Aditi Mohapatra, director, Women's Empowerment for Business for Social Responsibility (BSR). As a result, she said, "They rarely take an integrated, cross-organizational approach."

"Companies would do better to approach the issue the way they manage social responsibility, with all business units involved and engaged," said Mohapatra. "In other words, they need to recognize that gender is not just a diversity issue. It's a business issue and should be managed as a strategic priority with a corporate-wide vision and a common set of goals unifying all departments."

The strategy should be broad-based, incorporating and integrating both internal and external efforts, said Michele Malejki, global head of Social Innovation and Strategic Innovation at HP. The company has long been committed to women's empowerment, she explained, and part of that commitment is providing its technology

¹ Bloomberg, Gender-Equality Index, <https://www.bloomberg.com/gei>

² United Nations, "Leave No One Behind: A Call to Action for Gender Equality and Women's Economic Empowerment," page 15: <https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/unhlp%20full%20report.pdf?la=en>

³ United Nations, Sustainable Development Goals: <https://sustainabledevelopment.un.org/sdgs>

⁴ McKinsey & Company, "How advancing women's equality can add \$12 trillion to global growth," <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

⁵ McKinsey & Company, "Delivering through diversity," <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

to women and girls around the world. However, Malejki noted that it is a challenge to track whether women and girls are actually getting access to, and benefitting from, the technology that HP markets globally. "It's difficult to fully quantify and evaluate this effort with data," she said.

The Data Challenge

This raises another key impediment to women's empowerment: consistent, transparent and reliable data is not readily available. Denise Taschereau, CEO of Fairware, a sustainable promotional products company, said her clients are all conscientious about collecting environmental, social, and governance data for ESG reporting purposes. Despite their best efforts, however, she said none have mastered every ESG category. For instance, "A company might have good diversity data for its own organization, but gathering it for their entire supply chain is more challenging," she said.

A shortage of quality data is limiting gender-based investing, as well. According to Catalyst at Large, which advises on gender-based investing, and the investment advisor Veris Wealth Partners, these assets grew 85 percent in 2018.⁶ But Catalyst's founder, Suzanne Biegel, said this investment approach could be growing even faster if consistent data were available. "Financial institutions see the opportunity—they know it's time to capitalize," she said. "But when investors ask how these products are designed—what is the criteria—the answers are not consistent. This is holding us back."

Establishing a Common Language

Even as business and society make progress on gender equality, there is still a great deal to discuss and resolve about the issue. For starters, there is the fundamental question of exactly what makes a company a good employer for women. A study by the Wharton Social Impact Initiative⁷ reviewed hundreds of academic studies to answer this question, identifying four principles:

- [A company] employs a large percentage of women at every level and in every unit of the company;
- It pays its employees at least enough to avoid poverty, pays equally for equal work, and has no gender pay gap;
- It supports and protects the health of the women it employs; and
- It provides satisfying working conditions for women.

Some organizations do not fully recognize and appreciate the socio-economic factors causing and contributing to gender inequality. "For many employers and investors around the world, we still need to raise awareness about these issues," said Dr. Gayathri Vasudevan, co-founder & chief executive officer of LabourNet, which advocates for disadvantaged people. "Are they asking the right questions about gender equality?" she said. "Are they willing to question socio-economic norms, especially in places like India, where women are not well represented in leadership or ownership?"

For many women, said Dr. Vasudevan, "There is the fundamental challenge of getting to the workplace, then staying there and growing professionally. Education is not enough. Perhaps they can get a job, but they do not always have the life skills or the support to sustain it."

Inadequate child care continues to be a primary contributor to gender inequality. "Quite often, that's what holds women back professionally," said Madeleine Shaw, the founder of G Day, an advocacy organization for girls. Vancouver, where Shaw lives and works, is notable for its lack of affordable child care facilities, with more than half of children living in child care "deserts."⁸ Across Canada, 44 per cent of all non-school-aged children live in communities with inadequate child care. "We cannot meaningfully talk about advancing women in the workplace without supporting child care," said Shaw. "We need to dramatically rethink how work and family life are integrated."

Thinking Beyond Gender Equality

To achieve true gender equality in business, it may be necessary to rethink the issue itself, perhaps reframing it as gender transformation.

"When we talk about gender equality, we generally refer to women's participation in the workforce, and how they are advancing into leadership," said Caroline Riseboro, president and chief executive officer of Plan International Canada, a girls' rights organization. "What's often missing in that framework is a measurement of empowerment as women advance professionally. If you are on a board, do you feel your influence is equal to that of your male peers? If you are an executive, do you feel empowered making decisions? Do you feel you have the same decision-making authority?"

⁶ Veris Wealth Partners, "Gender-Lens Investing: Bending the Arc of Finance for Women and Girls," https://www.veriswp.com/wp-content/uploads/2018/10/GLI_Bending_the_Arc2018-web.pdf

⁷ Wharton Social Impact Initiative, "Four for Women: A Framework for Evaluating a Companies' Impact on the Women They Employ," <https://socialimpact.wharton.upenn.edu/research-reports/reports-2/four-for-women/>

⁸ Canadian Centre for Policy Alternatives, "Child Care Deserts in Canada," <https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2018/06/Child%20Care%20Deserts.pdf>

Riseboro said that too often, women in business do not enjoy the same level of authority as men, even as their status rises in an organization. For that reason, women's autonomy and agency should always be considered when organizations seek to measure gender equality.

In this new transformational paradigm, organizations should also consider issues of intersectionality and vulnerability, said Riseboro. Intersectionality is a term that refers to a number of discriminatory practices that occur, or intersect, at the same time.⁹ For example, women of color face more than one form of discrimination. Single mothers can encounter numerous types of bias.

In addition, women are more likely to be vulnerable to inequities and biases in the workplace because of the challenges that can arise for working mothers, or simply because of persistent sexism. As Riseboro said, a gender-transformative culture is sensitive to these risks, and it has policies and practices in place to measure and address issues related to empowerment, intersectionality, and vulnerability.

Limited Progress on Gender Equality

Overall, business is making *some* progress on women's economic empowerment. As mentioned, women now control more financial assets than ever before. Today, women also hold 33 CEO positions at Fortune 500 companies, an all-time high.¹⁰ The UN's Gender Equality Index, which measures gender inequality in the areas of reproductive health, empowerment, and economic status, said, "Girls and women have made major strides since 1990."¹¹

However, worldwide only 27 percent of business managers and leaders are women.¹² And in most countries, there is a substantial pay gap between men and women. A 2019 study by the OECD found that the gap is now more than 13 percent across OECD countries.¹³

These gaps are persistent and are not likely to close quickly or easily. The World Bank's "Gender at Work" report¹⁴ observed that gender inequality is multi-dimensional, and overcoming it requires "bold, coordinated actions to address overlapping deprivations and constraints." A report by BSR and the International Center for Research on Women¹⁵ concluded that organizations need to adopt a

holistic and integrated approach to the issue. A holistic approach, according to the BSR report, "refers to a focus on the broader systemic and structural factors that hinder women's progress." An integrated approach means "mainstreaming or embedding gender throughout companies and leveraging the full set of business assets at their disposal."

The Power of Partnerships

Advancing gender equality also means working in partnership with other businesses, government, and non-profits. Fortunately, there is ample evidence of global collaboration among these stakeholders. In 2018, for example, the government of Canada committed up to \$300 million to help establish a partnership which will bring together the philanthropic community, the investing community, the private sector and civil society into a single platform to leverage more than \$1 billion in assets working for gender equality.¹⁶

In 2019, the U.S. State Department launched the Women's Global Development and Prosperity (W-GDP) Initiative,¹⁷ which aims to "bring women's economic empowerment to the forefront of the U.S. Government's development agenda." W-GDP establishes a new fund at the U.S. Agency for International Development, which works with partners around the world to foster foreign economic development.

Business has an enormous opportunity to stand with these partners and help elevate the issue of gender equality. All the elements are in place to make substantial progress.

Conclusion

When women are empowered economically, business and society benefits. That is why so many stakeholders are rallying behind gender equality. And it is why women are making gains and significant milestones are within reach.

But persistent gender gaps remain, in part because companies have not yet learned how to fully integrate and measure their efforts. Real progress will be made only when organizations make women's economic empowerment a strategic priority.

⁹ Columbia Journalism Review, "The origin of the term 'intersectionality,'" https://www.cjr.org/language_corner/intersectionality.php

¹⁰ Fortune, "The Fortune 500 Has More Female CEOs Than Ever Before," <http://fortune.com/2019/05/16/fortune-500-female-ceos/>

¹¹ United Nations Development Programme, "Gender Inequality Index," <http://hdr.undp.org/en/content/gender-inequality-index-gii>

¹² International Labour Organization, "A Quantum Leap for Gender Equality," https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_674595.pdf

¹³ OECD, "Progress on gender equality is too slow," <https://www.oecd.org/newsroom/international-women-s-day-progress-on-gender-equality-is-too-slow-says-oecd.htm>

¹⁴ The World Bank, "Gender at Work," <https://www.worldbank.org/content/dam/Worldbank/document/Gender/Gender%20at%20Work,%20Emerging%20Messages,%20Official.pdf>

¹⁵ BSR, ICRW, "Building Effective Women's Economic Empowerment Strategies," https://www.bsr.org/reports/BSR_ICRW_Building_Effective_Womens_Economic_Empowerment_Strategies.pdf

¹⁶ Government of Canada, https://www.international.gc.ca/gac-amc/campaign-campagne/gender_equality-egalite_des_genres/index.aspx?lang=eng

¹⁷ USAID, <https://www.usaid.gov/what-we-do/gender-equality-and-womens-empowerment/womens-economic-empowerment>

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