

Promoting Gender Equity in Companies: A Closer Look



A RESOURCE GUIDE for early and
growth stage companies

Global Center *for* Gender Equality
AT STANFORD UNIVERSITY

01.



Why gender
equity matters



GENDER EQUITY IS GOOD FOR BUSINESS

Signals an attractive and productive work environment.

- » Broader and deeper talent pool, with a more innovative and competitive team.

61% of women look at the gender diversity of the employer's leadership team when deciding where to work.

Increases retention rates and reduces absenteeism and attrition.

10% increase in perceptions of inclusion improves absenteeism by almost 1 day a year per employee.

Contributes to product uptake and consumer engagement.

- » Women employees provide new and vital insights into consumer preferences.
- » Companies are driving women's engagement across product development, technology, strategy, sales and marketing, supply-chain and other core functions.



AT SENIOR MANAGEMENT AND BOARD LEVEL

Gender equity is positively correlated with the profitability of a company, value creation and outperforming competitors.

Companies with more women on their boards tend to outperform their competitors in return on equity, return on sales, return on capital, share performance, and stock price growth.

Companies in the top-quartile for gender diversity on executive teams were 21% more likely to outperform on profitability and 27% more likely to have superior value creation.

Between 2004-08, Fortune 500 companies with the most female directors yielded: 26% higher return on invested capital and 16% higher return on sales.



BARRIERS REMAIN THAT HINDER WOMEN'S PARTICIPATION IN COMPANIES, ESPECIALLY IN STEM

- » Begins within education setting, before women have entered the workforce.
- » Includes lack of representation, stereotyping, implicit bias, discrimination etc.
- » Sexual harassment and pay gaps continue to be widespread industry issues.
- » Barriers may be explicit (hostile attitudes) or implicit (unintentional assumptions).
 - Explicit barriers may be addressed through specific policies/ trainings/ processes; implicit barriers require efforts to change workplace culture.



RECOGNIZING BIASES AND BARRIERS IN ANY ORGANIZATION

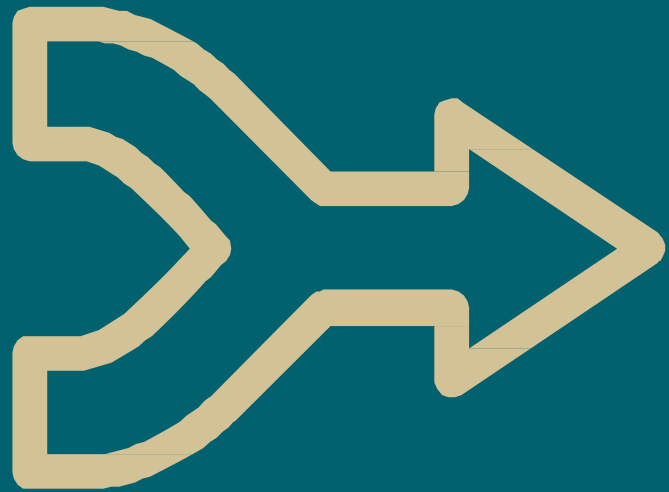
COMMON BARRIERS	CHARACTERISTICS
MICRO AGGRESSIONS	Sexist language or humour, making assumptions based on gender
STICKY FLOORS	Women may undergo several tests before being promoted, while promising males are fast-tracked for leadership roles
GLASS CLIFFS	Women in senior positions face greater challenges than men, including a lack of support and respect for their authority and more performance pressure than male peers
BROKEN RUNG	Barrier faced at the first step up to manager, resulting in more women getting stuck at the entry level and fewer women becoming managers
OCCUPATIONAL SEGREGATION	Women assigned to lower-paying administrative, nurturing jobs while technical and managerial jobs are more assigned to men
PAY GAP	Pay disparity between women and male employees at similar levels, roles, and with similar experience
OTHER - INVESTING AND HIRING	Inherent biases in evaluating investment pitches from women vs. male entrepreneurs or while interviewing women vs. male candidates.



TECH STARTUPS AND EARLY-STAGE COMPANIES PRESENT ADDITIONAL BARRIERS

- » Despite the exponential growth of the sector and the increasing shortage of talent, overall the women-employee ratio continues to be very low.
- » This is in part due to gender bias against women in technology, women entrepreneurs, and women in business.
- » There is an inherent male entrepreneurial norm and dominance of male networks in startup and technology circles.
- » Early/growth stage companies risk a lack of leadership buy-in and risk seeing gender equity as “*nice to have*” not “*must have*”. This narrative needs to change to meaningfully embed gender equity within a company.
- » Investors have a strong role to play in promoting gender equity within companies.

02.



Gender equity
journey



TYPICAL PHASES OF A GENDER EQUITY JOURNEY

And how to evolve towards sustainable best practices



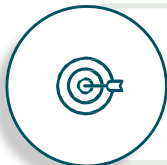
SUSTAINABLE

Business managers and leaders held accountable. Leaders commit to building and communicating a gender inclusive culture.



INTEGRATED

Structural and cultural barriers to women’s career progression are actively challenged and addressed. Gender equality best practice is integrated into business, employee policies, and processes.



STRATEGIC

Business case identified and promoted by leaders. Action plans established to implement gender equity strategy goals. Strong governance and reporting.



PROGRAMMATIC

Actions and initiatives are ad hoc, reactive and tactical.



COMPLIANT

Seen as a compliance risk, not a business enabler or imperative.



AVOIDING

Structural and cultural barriers are unrecognized or denied. No measurement or reporting.

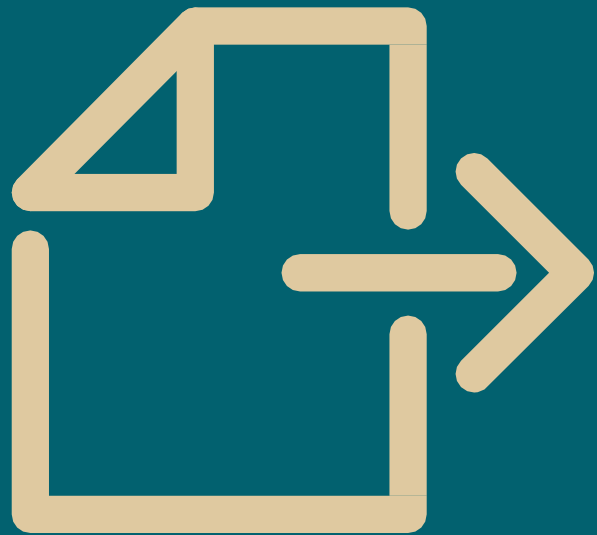
Source: WGEA. (2018). Gender strategy toolkit. Government of Australia.



STRATEGIES TO HELP COMPANIES MOVE THE DIAL FORWARD TO THE ‘SUSTAINABLE’ STAGE

- » **BUILD** conceptual clarity on what gender equity means for the company, its goals and accordingly define a gender diversity vision with specific targets.
- » **COLLECT** data on the current gender diversity status of the company: internal and external (supply chain/ customers etc.).
- » **CREATE** a roadmap to meet the vision. Prioritize efforts to address specific gaps identified through data collected.
- » **ORGANIZE** champions to help promote and push the agenda forward.
- » **DEVELOP** staff capacity and accountability KPIs.
- » **COMMUNICATE** its importance regularly with staff, board, and stakeholders.
- » **EVALUATE** progress against target goals and improvise efforts on a periodic basis.

03.



Putting it
into practice



USE METRICS TO DEVELOP A CLEAR PICTURE

- » **METRICS** help pinpoint gaps and challenges, or what is going well.
- » **GENDER-DISAGGREGATED DATA** should be collected and analyzed across job levels and functions.
- » **QUANTITATIVE DATA** from metrics may be complemented by qualitative data gathered through employee engagement and customer/ partner surveys as well as qualitative changes in policies and procedures to promote gender equity.
- » **MULTIPLE TOOLS AND RESOURCES** provide guidance on structuring metrics, data to facilitate measurement, and related evaluation efforts (refer Annex 5 of the Gender Equity Resource Guide).



EXAMPLES OF GENDER EQUITY METRICS

Across key organizational efforts

ORGANIZATION FOCUS	ILLUSTRATIVE METRICS	DATA/ MEASURES	RELATED EFFORTS
RECRUITMENT	Recruitment mix	No. and % of women vs. male candidates hired; No. and % women in total job applicants – each by level and function hired	Write standardized and inclusive job descriptions; blinding CVs; pre-determined evaluation criteria; gender-balanced interviewing teams; seek diverse experiences/ backgrounds in hires.
REPRESENTATION	Workforce mix	% of women in workforce, by function	
	Leadership composition	No. and % of women in managerial positions; No. and % of employees reporting to women managers vs. male– each by level and function.	Professional development programs and participation, by gender and function
	Board composition	No. and % of women on the Board, tenure	Voice/ influence in discussions and committees, diversity of experience
TALENT MANAGEMENT	Promotion yield gap	Conversion of eligible women employees into promotions vs. for men	Key projects and growth opportunities assigned by gender
RETENTION	Attrition gap	% attrition of male vs. women employees	Level-wise, exit interviews analysis by gender
COMPENSATION	Gender pay parity	Salaries and benefits, by gender and level	Pay equity across similar experience, by gender
EXTERNAL	Supply-chain and customer mix	No. and % of women in supply-chain and customers or end-users of products	Innovations in gender-diverse product development, sales and marketing



INVESTORS PLAY AN IMPORTANT ROLE

Some strategies that have been adopted are:

Deal flow

- » Commit to meeting more women entrepreneurs. Track pipeline data (meetings taken, pitches, and investments by gender).
- » Set aside a percentage or amount of investments to be directed to women-led businesses or businesses that predominantly focus on serving women's needs or challenges.
- » Implement structured pitch sessions, pitch evaluations, and provide specific, constructive feedback to women founders.

Firm composition

- » Have more women partners empowered to make investment decisions

Portfolio management

- » Use voice and influence to select and place qualified women as board members and senior management hires.
- » Expand recruiting networks to support companies with a strong pipeline of diverse, qualified women leadership candidates.
- » Add comprehensive gender inclusion metrics to quarterly reporting requirements of companies.
- » Reward efforts of portfolio companies to build more equitable teams. Support companies with coaches, training providers, and executive search support. Report progress publicly.



ADOPT ROBUST POLICIES TO ADDRESS SEXUAL HARASSMENT AND DISCRIMINATION

- » Incorporate core legal requirements that are applicable in your region.
- » Have a clear position on how the company does/will address sexual harassment.
- » Clarify exactly what behaviors will and will not be accepted, and how rules will be enforced.
- » Communicate often and in multiple ways to all employees, including during recruitment processes and through ongoing employee training/ awareness sessions.



CREATE A GENDER POLICY BASED ON METRICS AND EMPLOYEE FEEDBACK

- » Include the company's vision for gender diversity and how this contributes to overall business vision and goals
- » Elaborate strategic interventions planned to create a positive enabling environment, including human resource policies, customer relations, gender data audits etc. Define an action plan with timebound steps.
- » Include metrics to be tracked and a structure for formal periodic reviews.
- » Conduct regular gender audits for holistic assessments and revisit the policy on a periodic basis.
- » Define the structure and frequency of communication to internal and external stakeholders.



Embed gender equity within

HUMAN RESOURCES

- » Provide flexible and tailored work-life policies for all staff.
- » Form employee resource groups to cover a range of topics.
- » Establish parental and family policies:
 - Childcare solutions and parental leave.
 - Transition back-to-work policies (after parental leave).
- » Provide support to employees experiencing family/domestic violence (leave, counselling, etc.).

Embed gender equity within

TALENT MANAGEMENT

- » Combat systemic bias that often occurs at the recruitment stage
 - Gender neutral language in job descriptions, uniformly structured interviews and evaluation criteria, remove CV names/identification, bundled hiring rather than ad hoc, gender-balanced and diverse selection teams etc.
- » Reduce implicit bias by using technology and innovation in screening candidate profiles.
- » Focus on career development opportunities and pipelines for leadership positions.
- » Analyze pay gaps and develop remedies.

04.



Engaging leadership



Senior leaders – both management and the board of directors – can play a role in

BREAKING CYCLES THAT PERPETUATE DISCRIMINATION

Identify the cycles that perpetuate discrimination, including:

- » **LEADERSHIP** cycle in which leaders embed discrimination by predominantly hiring and valuing people that look like them, act like them, or come from the same backgrounds.
- » **HR** may set up recruitment, development, and advancement systems that entrench bias, including not valuing different types of competencies.
- » **MANAGERS** may not distribute work fairly, involve only certain staff in discussions and decisions about priorities, and ignore potential emerging leaders.

Breaking the cycle involves:

- » Changing behaviors, processes, and work priorities.
- » Committing to and signalling a cultural change.
- » Cascading the commitment and articulating a compelling vision.
- » Driving the conversation and speaking publicly about the company's efforts.



ENGAGING SENIOR MANAGEMENT

1. Identify the cycles that perpetuate discrimination, including:

- » **PRIORITIZED** (tone from the top clearly promotes gender equality)
- » **OPERATIONALIZED** (recruit and hire for gender diversity)
- » **MODELED** (leaders, culture, systems support gender diversity)
- » **MEASURED** (metrics are collected to track baseline and measure progress)
- » **REWARDED** (equality is tied to company metrics)

2. Have the courage to lead by example and change the words you may be using.

3. Create a culture of shared accountability:

- » This will increase the probability of true gender equity becoming a reality.
- » Be clear that noncompliance is not acceptable and use well-defined practices and measures of success to support the goals.



HOW CEO COMMUNICATIONS MATTERS

Communications to support gender equity initiatives should:

- » **EXPLAIN** - articulate the what, why, and how of the initiative.
- » **EDUCATE** - equip stakeholders with the knowledge and confidence they need to articulate and promote the initiative.
- » **ENGAGE** - motivate and inspire stakeholders to actively contribute to the gender equity journey and convey a sense of ownership for successful outcomes.

CEO/Executive communications:

- » Demonstrate accountability to board.
- » Advocate business case continuously.
- » Drive gender strategy and own progress and outcomes.
- » Cascade accountability for gender equality through direct reports - Gender equity aligns with stakeholder (e.g. customer) expectations.
- » Role-model gender-inclusive leadership.
- » Reinforce business benefits of gender equity (particularly improved engagement and performance).



ENGAGING THE BOARD

Improving gender equity on a board:

- » **Expand the number of seats:** Evidence suggests it takes at least 3 women on a board to fully reap benefits of gender diversity. Consider expansion of boards to include 1 or more independent Director seats to enable bringing more diverse qualified women to add to the board's experience set.
- » **Set term limits for rotation of members:** Term limits for board and senior roles can accelerate change by enabling recruitment of new and gender diverse talent.
- » **Establish representation mandates:** A minimum % of women on the board. A “critical mass” changes both the way the board is run, and the way women are able to share their insights on it.

Ensuring board attention to gender diversity:

- » **Periodically review** company's gender metrics and progress.
- » **Reserve time** periodically in the board agenda to discuss the company's gender diversity issues, policies, employee feedback, what can be done better etc.

05.



Spotlights



RECURSION PHARMACEUTICALS

Approach to promoting gender equity:

- » Aims to attract and retain the brightest female talent available.
- » Strives to encourage future generations of women in STEM (invest in education programs).

Internal initiatives:

- » Provides robust benefits package.
- » Makes conscious management decisions (gender parity for industry events).
- » Provides diversity and inclusion training.

External initiatives:

- » Events: Women in Science and Technology; WomenHack; Women in Data Science.

Looking ahead:

- » Seeks to influence the issue at its root by investing in STEM education programs for students and professionals.
- » Plans to open onsite childcare facility.



FIDELITY INVESTMENTS

Approach to promoting gender equity:

- » Established clear organizations standards around gender equity.
- » Aims to encourage future generations of women in STEM.

Internal initiatives:

- » Launched the Women's Leadership Fund, an actively managed equity fund that invests primarily in companies that prioritize and advance women's leadership. Companies must have one women as member of senior management team, a board that is at least one-third female, and policies aimed at attracting, retaining, and promoting women.

External initiatives:

- » Boundless Program for high school students and undergraduates. Career discovery sessions.

Looking ahead:

- » Fidelity hopes that the fund's mission resonates enough with investors that they will overlook the expense ratio to support companies that prioritize gender inclusivity.



EAST AFRICAN BREWERIES LTD.

Approach to promoting gender equity:

- » Developed diversity strategy and aims to elevate and empower female talent with 50-50 male/female representation in recruitment, training, career development and Board.
- » Striving to achieve gender balance across functions and Board by making deliberate decisions.

Internal initiatives:

- » Developed 'Spirited Women' program to mentor women 'through the ranks'. Includes mentoring, networking opportunities, development of women leaders within the organization.
- » Flexible working arrangements, maternity/ paternity leave, and sexual harassment policy.
- » Monitors gender balance of employees and opinions on company diversity across business levels.

External initiatives:

- » Intentionally working with more women retailers and distributors. Increasing raw material procurement across women farmers, besides up-skilling women across the supply-chain.

Results:

- » Diversity strategy, combined with specific initiatives, improved productivity, revenue and returns.
- » Women are 25% of workforce, 30% of mid-management, 25% of senior managers, and 45% of the Board.



BLACKROCK

Approach to promoting gender equity:

- » Created a formal plan to address gender equity across the business.
- » Aimed to rectify that women were not getting information or opportunities to progress in career.

Internal initiatives:

- » Expanded a Women's Initiative Network and Women's Leadership Forum.
- » Forum is year-long sponsorship program where participants are matched with executive sponsor. Training is provided for both. Sponsors present the participants, sharing their strengths and raising their visibility.

What has changed:

- » Over 80% of participants have moved into new/expanded roles.
- » Provided "lightbulb" moment for male colleagues on the challenges women face at work and biased behavior.



GENENTECH

Approach to promoting gender equity:

- » Developed a comprehensive approach to promote gender equity.
- » Strives for collaborative environment and diverse/inclusive atmosphere.

Internal initiatives:

- » Implemented gender strategy that focuses on recruiting diverse talent, understanding and removing internal barriers to women's advancements.
- » Focus on six areas: senior leadership support, merit and performance system, measurements and accountability, recruitment, advancement programs, and career/work flexibility.

Looking ahead:

- » Will strive to educate and celebrate diversity, foster a culture of collaboration, and make Genentech an inclusive place to work through recently established networks: Diversity Network Association Groups and Genentech Women Professionals (collaborative forum), and the Diversity and Awareness Team.



AURECON

Approach to promoting gender equity:

- » Focuses on increasing diversity to strengthen business operations and untapped talent.
- » Aims to create an inclusive culture to support employees and make them feel valued.

Internal initiatives:

- » Plans to improve gender balance particularly in professional, technical and leadership roles.
- » Has strategic focus on leadership, policies, language and behaviour and targets.
 - Outcomes: Targets were to increase to 35% by 2021 with 15% at level 7 and 20% at level 8. Achieved target in 2019 and increased it for 2021 to 40%.
- » Empowers and supports high-potential women to use strengths-based leaderships via the Ascend leadership program.
- » Reviewing policies (flexible working, parental leave, domestic violence).

Looking ahead:

- » Will explore how leaders and team members interact and use language because progressive policies are ineffective unless senior leaders model them.

06.



Conclusions



- » **Embracing gender equity from the earliest stages is a smart business move** that will help the company's profitability, creativity, and public image in significant, measurable ways.
- » **Championing gender equity** is not a one-time diagnose-and-treat exercise.
- » **It is a continuous process of evaluation, improvement, and re-evaluation** to establish gender equity as a key pillar in an organization.
- » **Organizational journeys typically evolve** from 'Avoiding' (not recognizing gender issues) to 'Compliant' (fixing specific aspects) to 'Strategic' (long-term strategy) to 'Integrated' (addressing structural barriers) to 'Sustainable' (where there is accountability and gender equity is embedded in business culture).