

Investing in Women's Employment

GOOD FOR BUSINESS, GOOD FOR DEVELOPMENT



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Foreword

Economic growth is more robust and sustainable when women and men alike participate fully in the labor market. Better jobs for women—employment that leads to higher wages and greater decision-making—also have a positive influence on the ways households spend money on children’s nutrition, health, and education. Meanwhile, companies that invest in women’s employment gain an important competitive advantage.

Yet despite the persuasive evidence that gender equality has a transformative effect on productivity and growth, women’s full economic and productive potential remains unrealized in many parts of the world. Globally, while women’s education levels have increased and educated women now earn more than their uneducated peers, gender gaps in labor-market participation and wage levels persist. Women continue to be underrepresented in formal and higher value-added employment.

The private sector, which accounts for almost nine out of 10 jobs in developing countries, has a critical role to play in ensuring that women have better employment opportunities. Employment practices that enhance productivity and create working conditions appropriate to women’s specific circumstances are often overlooked. But a growing number of companies are seeing the opportunity, even in sectors considered non-traditional for women.

At IFC, the largest global development institution focused exclusively on the private sector and a member of the World Bank Group, we have seen firsthand that investing in women’s employment is good for business. Many of our private sector clients and partners know that supporting women’s employment is not only the right thing to do, but benefits the bottom line. These organizations are already going beyond legal compliance and putting in place strategies to enhance working conditions and opportunities for women.

To better understand and capture the business case for women’s employment, IFC invited private sector companies from different regions and sectors to join *WINvest* (Investing in Women), a global World Bank Group partnership with the private sector launched at the 2012 Annual Meetings of the International Monetary Fund and World Bank Group in Tokyo, Japan. *WINvest* is part of IFC’s broader effort to expand opportunities for women as leaders, entrepreneurs, and employees in developing countries.

This report—*Investing in Women’s Employment: Good for Business, Good for Development*—is the first result of the *WINvest* initiative. It draws on members’ experiences and encourages business to tap and manage female talent in emerging and developing markets. The case studies provide examples of how leading companies have benefited by investing in policies that support women employees. Our hope is that this publication will help companies better understand the business case for supporting women’s employment, and provide insight into the approaches that work best.

I am grateful to *WINvest* members for their commitment to this important agenda and their continued support for women’s participation in the labor market.

Jin-Yong Cai



EVP and CEO, IFC

Executive summary

Investing in women's employment is key to unlocking growth in emerging and developing economies.

- **Women workers constitute 40 percent of the world's workforce**, yet in many sectors, such as mining, construction and energy, women represent only a small minority of workers, and in almost all sectors women are less likely than men to be in management positions. Women continue to face many barriers to full and productive participation in the labor market, including discrimination and culturally entrenched ideas about gender roles, and their contribution is not always equally valued. As such, women are an untapped source of talent and productivity: when the potential of almost half the workforce is not fully realized, this has considerable implications for efficiency and growth at the enterprise, sectoral and national level.
- The business case for improving gender diversity and supporting women to be productive workers **can be just as significant for companies operating in middle- and low-income economies** as in high-income economies, although it is likely to assume a different form depending on the local labor market and business environment. In particular, high levels of economic growth in emerging markets mean that, more than ever, firms operating in these countries are expanding and looking to sharpen their competitive edge and recruit the best talent. Overall, companies that overlook women's potential in the workplace risk a series of missed opportunities.
- The evidence base is no longer restricted to high-income economies: company case studies and academic research brought together in this report show a number of potential business benefits for companies in emerging and developing economies who have

moved above and beyond regulatory obligations and are investing in good working conditions for women (and men).

It makes business sense to support better employment opportunities for women beyond minimum statutory compliance.

- **Inclusive recruitment and training policies** have helped companies in diverse locations like **Anglo American** in Chile, **Chindex** healthcare provider in China, **Finlays** in Kenya, **Mriya** in Ukraine, and **Odebrecht** in Brazil to expand the pool of job candidates at all levels, from entry-level to the boardroom, and become an **"employer of choice."**
- **Programs that improve work-life balance for parents or health outcomes for women** can lead to **potentially significant returns**. At **Nalt Enterprise**, a Vietnamese garment factory, staff turnover fell by one third after the company established a kindergarten for workers' children. In Bangladesh, a program that delivered health services to women workers garment factories found a \$3:\$1 return on investment over an 18 month period, as a result of combined savings from reduced absenteeism and staff turnover.
- **Higher levels of gender diversity can drive up productivity and innovation**, by introducing new ways of working, strengthening team dynamics and improving decision-making processes. Case studies from the mining industry in Chile (**Anglo American**), the construction industry in Brazil (**Odebrecht**) and the manufacturing sector in Thailand (**Continental**) indicate a positive impact on team performance while research on diversity in company boards in the US and Europe presents compelling evidence that gender

diversity can have a positive impact on sales revenue, market growth, profits and shareholder returns.

- **Employing more women can enhance a company's relations with the local community.** This is a major benefit for large infrastructure and mining projects, where the quality of engagement with the local community is vital to the success of a project. Mining companies like **Anglo American** and **Rio Tinto** as well as construction company **Odebrecht** say that employing more women on their sites extends the economic benefits of a project more broadly amongst local communities and enhances wider information-sharing amongst the social networks of local women and men alike.
- **Hiring more women** ensures that a company's workforce is representative of its customer base and **provides greater insights into consumer preferences:** globally, women either make or influence up to 80 percent of buying decisions. Companies like **Belcorp** (a cosmetics company in Peru) and **PepsiCo** are consciously drawing on the insights and experiences of the women in their workforces to better understand household buying patterns and what influences them.

Leading companies take the initiative

- Realizing the potential benefits requires companies to **identify the measures that are most likely to provide effective support for women and enable them to reach their potential in the workplace.** This may include:
 - » **Setting up employee data infrastructure:** Ensuring that all human resource data are available on a gender-disaggregated basis helps to monitor the success of company employment policies. Companies like **Anglo American** collect and review this data regularly to identify trends.
 - » **Reviewing HR policies and systems:** Companies like **IDO** (a ferry company in Turkey), **Finlays**, **Mriya**, **Meghmani** (a chemical company in India), and **Nalt Enterprise** send a clear signal about their commitment to gender inclusion at all stages of the employment relationship by ensuring that human
- resource policies are designed to support both women and men and by guaranteeing that sexual harassment is not tolerated.
- » **Attracting women into non-traditional roles and sectors:** Traditional views of what is appropriate work for women and men can raise barriers to women's entry in certain sectors and roles. Companies like **Anglo American**, **Continental**, **Finlays**, **Meghmani**, **Odebrecht**, **Rio Tinto**, and **Sumitomo Chemical** (Japan), have incited change by reaching out to women and their communities, providing skills development and training, improving career pathways to senior roles, setting numerical targets for change or making simple adaptations to the physical working environment to create more gender inclusive workplaces.
 - » **Creating women/family-friendly working conditions:** In many countries, cultural attitudes mean that women bear primary responsibility for childcare and domestic responsibilities in addition to their paid work. Case studies and research show that company-sponsored parental leave, predictable shift patterns, better access to quality childcare and health programs for women and their families can be cost-effective interventions. Companies that have introduced successful initiatives include **Belcorp**, **Continental**, **Finlays**, **Chindex**, **Mriya**, **Nalt Enterprise**, and **SafariCom** (a telcom company in Kenya).
 - » **Designing solutions for everyone:** Many companies find that the best solutions establish terms and conditions of employment that benefit women and men (e.g., work-life balance policies), whilst recognizing that women may benefit from extra support in some areas (e.g., programs to redress historical gender imbalances in management).
 - » **Creating a supportive management culture:** Senior management commitment plays an invaluable role in creating and maintaining a supportive working environment for women. Companies like **Anglo American**, **Chindex**, **Finlays**, **Hitachi**, **Kuwait Energy**, **Odebrecht**, **PepsiCo**, and **Rio**

Tinto, recognize that this includes ensuring a representative proportion of women in management positions and shifting mindsets on gender through training for supervisors and managers.

Tracking the costs and benefits of hiring and supporting women

- Companies that put systems in place to measure the outcomes, costs and benefits of interventions to support women workers are better positioned to **make women's employment an integral part of business strategy, demonstrate leadership on women's employment, learn from experience** and convince skeptics of the need for more proactive investment in gender inclusion.
- **Some benefits accrue in the short-term** (such as reduced staff turnover and absenteeism rates), while other represent longer term value (such as reputational gains, attraction of talent, higher levels of innovation).
- **Strong monitoring systems can help companies better understand how changes related to women's employment translate into benefits.** Initiatives

that reduce staff turnover can have a substantial impact on the bottom line, as estimates of the real costs of replacing even a semi-skilled worker in case study companies ran to several months of salary. However, few companies systematically capture these costs, and hence might underestimate the benefit of investments to improve staff retention.

- Similarly, companies who measure outcomes have found that **assumptions about the costs of employing women (such as high absenteeism, lack of skills or interest or inability to undertake physical work) are typically unfounded.** Some initiatives require careful thought and extra resources, particularly programs that aim to bring about long-lasting changes to attitudes about gender roles. However, in many instances companies have undertaken effective measures at little or no extra cost.

This report provides guidance on the best ways of gauging the benefits of women's employment, including longer-term benefits, which can prove difficult to quantify.

Introduction: Women workers and the private sector

Women are 40 percent of the world's workforce.¹

Women's labor is crucial to many of the sectors critical for economic growth in emerging markets—such as agribusiness, textiles and tourism—and women's earnings make an increasingly important contribution to household incomes and the growth of domestic markets. Yet women continue to face a number of barriers to full and productive participation in the labor market, such as discrimination and harassment, and their contribution is not always equally valued. In many sectors, such as mining, construction and energy, women are only a small minority of workers and **represent an untapped source of labor and skills**. In almost all sectors they are less likely than men to be in managerial positions. The International Labour Organization (ILO) estimates that nearly half (48 percent) of the global productive potential of the female population remains unutilized (compared to 22 percent for men).²

When the potential of almost half the workforce is not fully realized, this has considerable implications for productivity and growth at the enterprise, sectoral and national level. The importance of this issue is increasingly recognized by forward-looking businesses and governments in emerging markets. A growing body of evidence suggests that investing in women's employment to achieve a more even share of women at all levels of an organization can bring real business benefits.

Companies find that regulatory compliance on gender equality results in unexpected business benefits and,

- 1 This figure has remained constant over the last ten years. ILO, *Women in labour markets: measuring progress and identifying challenges*, 2010, p 3: www.ilo.org/wcmsp5/groups/public/--ed_emp/--emp_elm/--trends/documents/publication/wcms_123835.pdf
- 2 Ibid. This figure takes into account rates of labor force participation, unemployment and under-employment.

"Since women account for one-half of the potential talent base, it follows that a nation's growth depends on whether and how it educates and utilizes its female talent. Economies in both developed and developing countries will never fully leverage their power to achieve sustainable growth until every woman has an equal right to learn, earn and succeed."

—PepsiCo,
Performance with Purpose: the Promise of PepsiCo, Sustainability Report, 2010:
www.pepsico.com/Download/PepsiCo_2010_Sustainability_Summary.pdf

similarly, **companies that decide to move above and beyond regulatory obligations by investing in good working conditions often find that it benefits their bottom line**. High levels of economic growth in emerging markets mean that, more than ever, firms operating in these markets are expanding and constantly looking to sharpen their competitive edge and recruit the best talent. Against the backdrop of global increases in women's education levels, **employers can no longer afford to ignore women workers**. Companies that do not integrate women's employment into their business strategy risk a series of missed opportunities.

To date, much of the research on the business benefits of investing in women's employment has come from high-income countries and **information from emerging**

markets has been more limited,³ particularly with respect to practical experiences at the enterprise level. This publication begins to fill this gap by providing concrete examples of situations where companies operating in emerging markets have experienced benefits as a result of support for women's employment. Company interventions fall within two overlapping categories:

- **Improving gender diversity in sectors and jobs with historically low levels of female employment:** Men and women tend to be employed in different sectors and, where they are employed in the

same sector, they often carry out different tasks at different levels of responsibility. This type of sorting—or gender segregation—often leads to different career opportunities and earning potential for men and women. Ensuring that women have access to jobs or sectors where previously they were not employed gives women more choices about the type of employment they undertake, and gives enterprises an improved labor supply.

- **Responding to women workers' needs:** Certain employee benefits can make it easier for women to be productive workers as well as responsible parents. This type of investment is relevant for all sectors or occupations, regardless of the proportion of women workers, and often benefits men as well.

PRACTICAL INSIGHTS FROM COMPANIES IN EMERGING MARKETS

An important part of the methodology for this study involved drawing on the practical experiences of companies operating in emerging and developing economies.

IFC gratefully acknowledges the invaluable contributions made by the member companies of WINvest, the World Bank Group's global partnership initiative with the private sector (see below). This knowledge product shares the experiences of WINvest's member companies, who have collectively discovered the benefits of investing in women's employment, often going above and beyond statutory compliance.

In addition, six companies volunteered to share their experiences in greater depth and are the subject of extended case studies (see annexes):

- **Anglo American**, a global mining company with operations in Africa, Europe, South and North America, Australia and Asia;
- **Continental**, one of the leading automotive suppliers worldwide, with operations in 46 countries, and an IFC client;
- **Finlays Horticulture**, a UK-based agribusiness company with operations in Kenya and South Africa;
- **Mriya**, an agribusiness company in Ukraine and an IFC client;
- **Nalt Enterprise**, a Vietnamese garment factory and participant in the IFC/ILO Better Work program; and,
- **Odebrecht**, a global group with operations in engineering, construction, petrochemicals, energy, transport and environmental services in Latin America, Africa, North America, Europe and the Middle East and an IFC client.

Changing established employment practices or introducing new benefits may take time and resources. As with other investments, many companies find that it **helps to establish metrics and track progress on women's employment** to understand how women- and family-friendly interventions impact key performance indicators. Credible data helps to ensure that there is **ongoing momentum and support** to ensure that interventions on women's employment remain a business priority over the long term.

Not all benefits of investing in women's employment are easily quantified; in particular, longer term and less tangible (but not less valuable) impacts may be difficult to monetize. However, by putting in place a systematic approach to measurement, companies can gain a better understanding of the kinds of **costs, risks and benefits** that are associated with investing in women's employment. This may also reveal the **hidden costs of inaction**.

This report has been developed as a guide for companies operating in emerging and developing economies and is intended to inform and encourage further progress on women's employment. It may also provide a useful reference point for policy-makers. The report is structured as follows:

- **Part I outlines the business rationale for investing in policies and practices that benefit women workers in emerging economies** by looking at the

types of benefits that have accrued to companies. It assembles empirical research on the business rationale, supported by concrete experiences from companies operating in a range of sectoral and geographical contexts. The primary focus is on research and company experience from emerging markets, but outcomes from high-income economies are also drawn on where relevant.

- **Part II** considers the “how to,” examining in more detail the types of policies, initiatives and processes that have resulted in mutually beneficial situations for women and business. This includes **success stories and lessons learned** from companies which started with a low level of female employment as well as companies which started with a high level of female employment.
- **Part III** considers the **importance of measuring outcomes** associated with investing in women’s employment and provides guidance on the best methods for capturing this information, including techniques for representing the value of longer-term benefits that are difficult to quantify.

WINVEST: THE WORLD BANK GROUP’S PARTNERSHIP WITH THE PRIVATE SECTOR ON WOMEN’S EMPLOYMENT


WINvest (Investing in Women) is the World Bank Group’s Global Partnership initiative with the private sector on women’s employment. This two-year initiative aims to bring together IFC clients and private sector partners with a vested interest in substantiating the business case for improving working conditions and employment opportunities for women.

WINvest aims to:

- Raise the profile of companies operating in emerging markets that are promoting greater inclusion of women in their workforce;
- Identify and provide guidance on successful approaches that can be replicated in other companies; and,
- Capture and communicate the business rationale for where and when improving working conditions for women can result in higher business performance.

To date, the members of WINvest include:

Anglo American (Mining, Global)
 Belcorp (Cosmetics, Peru)
 Chindex (Health, China)
 Hitachi (Electronics, Japan)
 Istanbul Deniz Otobuesleri (IDO) (Transport, Turkey)
 Kuwait Energy (Oil & Gas, Kuwait)
 Mriya Agro Holding (Agribusiness, Ukraine)
 Nalt Enterprise (Garments, Vietnam)
 Odebrecht (Construction, Brazil)
 PepsiCo (Food & Beverage, Asia-Pacific)
 Rio Tinto (Mining, Global)
 Safaricom (Telecommunications, Kenya)
 Sumitomo Chemical Group (Chemicals, Japan)
 Zulekha Hospitals (Health, UAE)



Female truck driver at Los Bronces, Chile. Photo: Anglo American Copper

The business rationale for investing in women's employment

Investment in initiatives that support women in the workplace can create a **win-win situation** that brings real gains for employers and employees alike. This applies to businesses operating in emerging economies as well as in high-income economies: a 2010 McKinsey survey of companies that invest in programs targeting women in emerging and developing markets found that at least one third had measured improved profits and a further 38 percent were expecting returns.⁴

■ 4 McKinsey, *The Business of Empowering Women*, 2010, p 11: http://mckinseysociety.com/downloads/reports/Economic-Development/EmpWomen_USA4_Letter.pdf

Many of the companies referred to in this document have taken steps to support women's employment because they see it as a **worthy goal in its own right** and an approach that is consistent with the company's corporate values. In some cases, companies introduced new programs to respond to legislative requirements. In others, companies have found that by improving opportunities and working conditions for the workforce as a whole, they have inadvertently created new opportunities for women. In many cases, the reasons for action are likely to be a combination of these factors. Regardless of the original motivation, these companies have created a body of common evidence on the business benefits of investing in women workers.

Figure 1 provides a framework for understanding how **women-friendly policies and practices** (e.g., gender equality in recruitment and management, equitable compensation and parental leave policies) **can lead to improved business performance**. The case studies referred to in this document suggest a positive correlation between the two: policies that open doors to women or improve working conditions can increase employee satisfaction (often for women and men), leading to changes in employee attitudes, behavior and performance and thereby helping to boost overall organizational performance indicators.

The benefits can range from **operational gains** through to improvements in the **recruitment process** and **reduced staff turnover** to **improved work processes, enhanced reputation and more qualified and motivated staff** to **broader strategic gains**. Company experience suggests that benefits do not arise in isolation, but rather arise in tandem with others. Research on leading companies suggests that benefits can be grouped into three main areas (see Figure 2), relating to:

TRIGGERS FOR COMPANY INVESTMENT IN WOMEN'S EMPLOYMENT

Ethical: Companies consider that it is "the right thing to do."

Regulatory: Companies respond to regulatory requirements, such as non-discrimination legislation, reporting requirements on gender diversity, stock exchange disclosure requirements or gender diversity requirements in government procurement contracts.

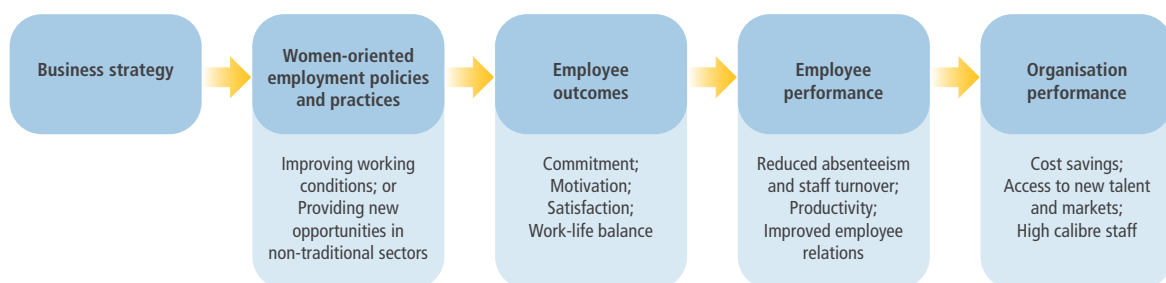
Government policy: Governments introduce voluntary requirements (e.g., non-binding sectoral targets on women's employment) or programmes (e.g., training subsidies) that spur companies into action.

Economic: Companies understand that there are concrete business gains associated with supporting women's employment.

Reputation: Companies come under pressure from investors, business partners or consumers.

Human capital: Companies invest in programmes to benefit their workforce as a whole and discover afterwards that women have benefited in particular.

FIGURE 1: The relationship between "women-oriented" employment policies and practices and improved business performance



Source: Adapted from Monks, 2007.

FIGURE 2: Business benefits associated with investing in women workers



- **Growth and resilience**, i.e., pursuing growth opportunities and reducing vulnerability to external disruptions;
- **Value creation**, including increased profits and cost savings; and
- **Risk management**; i.e., detecting and reducing potential risks to a company's ongoing profitability.

The overall effect is likely to differ by sector, region, the individual company and the type of strategy on women's employment (if there is an explicit strategy). The following sections examine the types of benefits that companies report as a result of investment in women's employment. While **some benefits can be readily quantified** in terms of the cost savings that they may represent (e.g., improvements in employee attendance or reductions in staff turnover), **others may be less immediate and more difficult to monetize** (e.g., better customer outreach and retention in the service sector due to enhanced staff motivation and

commitment;⁵ enhanced reputation; increased innovation). These **"less tangible benefits"** may nevertheless be critical to the ongoing operation of the business. One US study estimates that more than 85 percent of corporate value creation relies on the less tangible assets of a company's employees, its brand and intellectual property.⁶

Strengthening organizational capital: improved recruitment, retention and attendance

ATTRACTING HIGH QUALITY STAFF AND IMPROVING ACCESS TO SKILLS

Making sure that women are part of the "talent pipeline," from entry through to senior levels, provides a strategic edge, ensuring that employers are not missing out on the employment potential and skills of half the population. This is particularly relevant in sectors with traditionally low levels of female employment and in emerging markets, where the dearth of talent is often cited as one of the top barriers to company growth.⁷

According to McKinsey's 2010 study on businesses operating in emerging and developing economies, the most important reason for dedicating resources to women's employment is **to develop, recruit and retain the best possible workers**.⁸ In describing the key ways in which their investments in women had already increased their profits or were expected to do so in the future, 66 percent of respondents cited an increase in the talent pool and 64

5 Although some companies in the service sector have attempted to quantify the links between improved staff motivation and customer retention. A 1998 study by Sears Corporation concluded that every 5% improvement in employee attitude drove a 1.3% improvement in customer satisfaction and a 0.5% growth in store revenue. See: A.J. Rucci, S.P. Kirn and R.T. Quinn, "The employee-customer-profit chain," *Harvard Business Review*, 1998: <http://hbr.org/1998/01/the-employee-customer-profit-chain-at-sears/ar/1>

6 Cathleen Benko and Molly Anderson, *The Corporate Lattice: Achieving High Performance in the Changing World of Work*, 2010, cited in Deloitte, *The Gender Dividend: Making the Business Case for Investing in Women*, 2011.

7 Hewlett and Rashid, op cit, p 2.

8 McKinsey, 2010, op cit, p 15.

“When women are insufficiently represented in the workplace, we lose out on fifty percent of the talent pool. In an environment where human capital makes all the difference between success and failure, this is a massive loss which countries and corporates can ill afford...”

Women bring rich and diverse perspectives to the workplace. Often, they bring management styles which are quite complementary to those of men. Workplaces that celebrate women naturally benefit from better decisions, as a result of such diversity. That alone is reason enough for every Company to put this topic at the forefront of its business and human resources agenda.”

—Cyrus Mistry, Chairman,
Tata Global Beverages

Source: Tata Global Beverages Annual Report 2012-2013:
www.tataglobalbeverages.com/our-investors/annual-reports

percent an increase in employee productivity and retention in emerging and developing economies.

More specifically, a Harvard Business School study identified a significant business benefit involved in stepping up recruitment of women in both developed and emerging economies and reaping the benefit of their underutilized skills. The study describes how MNEs in South Korea realized an advantage in the reticence of local companies to hire women, particularly as managers, and **improved their human capital and profitability by actively targeting women in their recruitment and promotion processes.**⁹ The competitive advantage was found to be particularly pronounced as women became more skilled, with the highest performance benefits at the senior management level. A similar effect has been identified in Japan.¹⁰

- 9 J. Siegel, L. Pyun, and B.Y. Cheon, *Multinational Firms, Labor Market Discrimination, and the Capture of Competitive Advantage by Exploiting the Social Divide*, Harvard Business School Working Paper, 2011: www.hbs.edu/research/pdf/11-011.pdf
- 10 J. Siegel, N. Kodama and H. Halaburda, *The Unfairness Trap: A Key Missing Factor in the Economic Theory of Discrimination*, Working Paper for Harvard Business School, March 2013: www.hbs.edu/faculty/Publication%20Files/13-082_af2baabf-6ca8-4998-a89c-a1b4e722fa5c.pdf

But it is not just a question of a company wanting to hire the best and brightest, it's also making sure that the best and brightest consider the company an “**employer of choice**”: support for women's employment can improve a firm's recruitment prospects by **creating a reputation for sound employment practices**. This is the aim of Ukrainian agribusiness company **Mriya**, which has sought to develop a reputation as a woman-friendly employer in the rural areas in which it operates by providing attractive working conditions.¹¹ Likewise, global mining company **Anglo American** recognizes that being an employer of choice is integral to its aim to be the leading global mining company and aspires to be the best employer in the sector.¹² Supporting gender diversity across the board reinforces **Anglo American's** image as a dynamic, forward-thinking company, helping to attract the best talent at different levels, across all its countries of operation. Companies that are not seen as supportive of women's employment risk being seen as “dinosaurs” who are not attractive career prospects to the next generation of talent.

Chinese healthcare provider, **Chindex** has identified an important reputational gain in its willingness to recruit and invest in female talent in medical and senior management positions. According to Ms Roberta Lipson, the company's Chief Executive Officer, one of the company's proudest achievements is the fact that 58 percent of its doctors and 79 percent of its senior management are women—a much higher rate than in China's public hospitals.¹³ In a sector where the majority of workers are women, this commitment to women's professional development and leadership has contributed to **Chindex's** reputation as an “employer of choice for women,” helping the company to attract the best and most committed workers.

- 11 Interview with Mriya staff, Ukraine, August 2012.
- 12 Anglo American, *Sustainability Report 2011*, p 20: www.angloamerican.com/~media/Files/A/Anglo-American-Plc/reports/AA-SDR-2011.pdf
- 13 IFC, “Promoting women's employment opportunities in China's healthcare sector,” March 2013: <http://www1.ifc.org/wps/wcm/connect/7786ca804eda703a8e00cf3eac88a2f8/sba-proj-chindex.pdf?MOD=AJPERES>

TRAINING WOMEN TO ADDRESS SKILLS SHORTAGES IN REMOTE AREAS

Odebrecht is one of Brazil's leading engineering, procurement and construction (EPC) companies, with a portfolio of large-scale construction and infrastructure development projects throughout Latin America, Africa, North America, Europe and the Middle East.

The company is currently leading the consortium that is constructing the Santo Antônio hydro-electricity plant near Porto Velho, in the remote north-west region of Brazil. This represents a US\$7 billion project.

To enhance workforce stability and community engagement, Odebrecht has a policy of trying to recruit as much as possible of its workforce from local communities near its sites. This means that recruitment procedures need to be highly organized and often innovative, given that the local labor pool can be small.

From the outset, one of the major challenges associated with the Santo Antônio project was the need to recruit thousands of workers within a short space of time. Given the limited local labor supply, Odebrecht managers realized that **it would be highly inefficient to disregard half of the local population (women).**

Odebrecht decided to launch a free local pre-hire skills training program, *Acreditar*, that provided an important gateway to jobs at the site for local women and men alike. It was also very cost-effective. By training and recruiting local people rather than paying for workers to fly in and out from other regions, **investment costs outweighed per capita annual savings by a ratio of around 9:1.** In addition, the company considers that high levels of local employment on the site have resulted in a **very positive relationship with the local community**, allowing the project to proceed smoothly.

As noted by the site human resources manager, *Acreditar* was **"never intended to be a social program, but was part of a significant business operation."** Based on the success of the program in Porto Velho, *Acreditar* has been rolled out to other sites in Latin America and beyond.

Source: Interviews with Odebrecht, 2012.

More inclusive recruitment policies **expand the pool of job candidates** for all levels of employees, including in entry-level lower-skilled positions. This is particularly relevant where skills and labor shortages are a pressing business issue, such as for large infrastructure projects in remote areas. **Odebrecht**, a Brazilian construction

"It makes business sense to use all our resources, including human resources, effectively ... ultimately this sustainable use of resources will help to maximise profits. This needs to include women as well as men."

—Senior Manager
Finlays Horticulture, Kenya 2012

company found that by ensuring that women felt welcome to apply for training for construction jobs, it succeeded in significantly increasing the number of female job applicants, and hence expanding the overall number of job applicants. This was critical for attracting a large number of local workers to its multi-billion dollar Santo Antônio construction site in Porto Velho, particularly in the context of a restricted local labor market, and resulted in significant savings for the company (see box).

An inclusive approach to recruitment is a **key business consideration in specific sectors that face chronic labor shortages in key skilled occupations.** Global mining companies such as **Anglo American** (see box, p 13) and **Rio Tinto** are keenly aware of this issue. As noted by Narelle Crux, global practice leader, Talent Management of **Rio Tinto**, **"There is such a shortage across the globe of skilled personnel in the mining and engineering disciplines that if we don't capitalize on diversity we will never make up the shortfall."**¹⁴

Ensuring that both women and men have access to training opportunities can also **help companies to make the most of the talent they already have** and lead to **significant savings in recruitment costs.** For companies like **Finlays Horticulture Kenya**, investing in inclusive employee development is about taking a long-term view of the company's skills needs: proactively developing talent and tailoring employees' skills to the company's specific needs, rather than assuming that the company will always be able to stumble across the right people when they need to recruit. In the context of an industry where

■ 14 Rio Tinto, *The gender agenda*, March 2010, p 19.

ANGLO AMERICAN: PROMOTING WOMEN'S EMPLOYMENT TO MEET SKILLS SHORTAGES IN METALLURGICAL COAL

Anglo American is one of the world's largest diversified mining companies. Its portfolio of high-quality mining assets and natural resources spans bulk commodities (iron ore, metallurgical coal and thermal coal); base metals (copper and nickel); and precious metals and minerals (platinum and diamonds). A truly global business, **Anglo American** is headquartered in London and operates in Africa, Europe, South and North America, Australia and Asia. The company has 150,000 employees and contractors, over 85 percent of whom are based in developing countries.

Anglo American recognizes that the sustainability of its business success ultimately depends on the quality of its workforce. This means making sure that recruitment and development processes target the best, brightest and most motivated employees: both men and women. However, the company recognizes that extra efforts are sometimes needed to recruit women, given the industry's traditionally low levels of female involvement. In 2012, women represented 15 percent of the overall workforce (up from 10.6 percent in 2007) and 23 percent (up from 15.3 percent in 2007) of the company's management. **Anglo American** was the first major mining company to have a female CEO and, in 2010, the group appointed its first female general manager of a mine at Kumba Iron Ore in South Africa.

Strategies for recruiting women into the company are a particularly strong focus in **Anglo American's** Metallurgical Coal (Met Coal) division in Australia, where the industry is facing an acute skills shortage. With an estimated 65,000 additional jobs to be created by 2015,¹⁵ there is a real and pressing need to think afresh about recruitment and selection processes to meet the upsurge in demand for workers, from truck drivers to executives.

There is a clear recognition from Met Coal's Executive Leadership Team (ELT) that attracting more women into the company is **not just desirable as a matter of equity, but critical to the company's blueprint for long-term growth**. The ELT recognized long ago that they needed to start planning for this labor shortage and broaden their thinking when it came to recruiting for new roles. In the face of a skills shortfall, it doesn't make business sense to neglect the potential of one half of the workforce.

"Put simply, we need to attract more people from non-traditional backgrounds and specifically more women into our business," CEO Seamus French said. "There is a huge untapped market of skilled people who traditionally have not been attracted into the mining industry. But to be successful we need to provide an



MetCoal, Anglo American (Australia). Photo: Anglo American

inclusive and welcoming environment for them to join and the opportunity to develop and grow with us. Most importantly, we recognize that this requires us collectively and individually to change both our attitudes and our behaviors and this requires both courage and strong leadership."

"We already see the value being delivered by the women currently employed with us, from traditional roles to Coal Handling & Preparation Plant managers to electricians to truck drivers, and we want to do more to increase this gender balance."

"Our diversity strategy is not about singling anyone out or favoring women over men," Seamus said. "It's about making sure we are doing all we can to include all people."

"It doesn't matter where they're from, what their first language is, what gender they are or what their personal circumstances are at home; our vision for Met Coal is that we create a truly diverse workforce. If we get that right, we double the size of our potential talent pool in one swoop," he said.

"What's the benefit? Well obviously people in jobs, but it's also diversity of thought—we bring new people into our business with new ideas who will help us grow, improve and innovate."

Source: Information provided by Anglo American, December 2012.

¹⁵ Estimates from "Industry," *People for the future* website, consulted December 2012: www.peopleforthefuture.com.au/get-started/industry.

women tend to constitute the majority of lower-level employees, **Finlays'** focus on making access to training available to female and male employees at all levels of the organization means that the company is better able to make **more efficient use of all of its existing human capital**. This approach has paid off in the form of a larger pool of skilled, motivated and loyal female and male workers who can be promoted through the company hierarchy. Not only does this make recruitment easier (internal promotion rates have increased) and more efficient, it also makes it cheaper: the company estimates that the internal promotion of 69 women from 2010 to 2012 has resulted in savings of KES 17 million (US\$200,000) in relation to advertising costs, training and lost productivity. In the past Finlays primarily filled higher level positions externally.

THE VALUE OF IMPROVED RETENTION AND ATTENDANCE

Investments in women-friendly workplaces—particularly initiatives to help women (and men) improve work-life balance such as childcare supports, health services and access to alternative work arrangements—can have **positive impacts on employee turnover and absenteeism**. This can represent potentially big cost savings for employers, with respect to low- and high-skilled workers alike.

“For the 20 years of Mriya’s existence, women have always been an integral part of the team, always reaching for the highest results and showing dedication and enormous growth potential. They have made an invaluable contribution to the company’s most significant achievements.

Investing in the development of our people is definitely one of Mriya’s core values. I strongly believe that investing in women and engaging them in different operations and management levels will help us to achieve the company’s most ambitious goals.”

—Vladislava Rutyska, Deputy CEO, **Mriya**

The **cost of high staff turnover is typically underestimated by employers**, in great part because it remains unmeasured. It includes the costs of:

- Staff time taken to recruit and train new workers;
- Lost productivity while new workers are learning the ropes; and
- The loss of institutional knowledge and internal relationships.

US studies suggest that the costs of replacing an experienced employee run from 20 to 30 percent of the annual salary of a lower skilled worker to 90 to 120 percent of annual salary for professional and managerial staff.¹⁶

Companies that calculate the full costs of high staff turnover understand that there are significant savings associated with bringing it down. **Mriya** estimates that the average cost of replacing a skilled worker (with formal qualifications) on the operational side of the business is nearly two and a half times the annual salary costs (US\$616) of that worker (i.e., approximately US\$1,478 in total), taking into account the average costs of re-advertising, recruitment and training, as well as a “learning curve” reflected by 60 to 70 percent productivity during the first three to six months of employment. In the context of a workforce with 3,056 skilled permanent employees, an extra 1 percent in permanent staff turnover per year would cost the company US\$45,167.¹⁷

For many companies, there are considerable costs involved in filling new positions, including “unskilled” jobs. At **Continental’s** automotive parts plant in Thailand, management estimated that workers need four to six weeks of on-the-job training before they reach full productivity, resulting in lower productivity for the new recruit and

16 T. Hinkin, and J. Bruce Tracey, “The Cost of Turnover: Putting a price on the learning curve,” *Cornell Hotel and Restaurant Administration Quarterly* 41(3), 2000; T. Hinkin, and J. Bruce Tracey, “The costs of employee turnover: When the devil is in the detail,” *Cornell University School of Hospitality Management CHR Reports*, 6(15), 2006; E. Appelbaum and R. Milkman, *Achieving a Workable Balance: New Jersey Employers’ Experiences Managing Employee Leaves and Turnover*, Rutgers University Center for Women and Work, 2006; Arlene A. Johnson, “The Business Case for Work-Family Programs,” *Journal of Accountancy*, 180(2), 1995.

17 Calculation based on data provided by Mriya, August 2012.

BETTER WORK VIETNAM: LINKS BETWEEN PROFITABILITY AND BETTER WORK FOR WOMEN IN GARMENT MANUFACTURING

Better Work is an innovative global partnership programme of the International Labour Organization (ILO) and IFC. The programme was established in February 2007 to help address the challenges faced by actors in global supply chains, including international buyers keen to ensure compliance with labour standards in their supply chains and enterprises looking to increase competitiveness in order to maintain access to global markets. Better Work is operational in several countries, including Vietnam since 2009.

The majority of workers (74 percent) in Better Work factories are women. Data gathered by Better Work in Vietnam suggests that **factories enjoy higher profits when they support better employment outcomes** for these workers, particularly where:

- Women are more confident that they will not be subject to sexual harassment;
- Workers report lower levels of verbal or physical abuse in their working environment;
- Workers are confident they will be paid as promised;
- Workers have access to training; and
- Workers report higher trust in the trade union.

Overall, after joining the Better Work programme 65 percent of factories in Vietnam saw a rise in total sales, 62 percent increased production capacity and 60 percent expanded employment by an average of 800 jobs each.

Source: Information provided by Better Work, 2013; Drusilla Brown, *Measuring the Impact of Better Work*, Tufts University working paper, forthcoming.



Garment workers, Better Work Vietnam. Photo: Lyno Vuth

supervisor alike.¹⁸ **Nalt Enterprise**, a Vietnamese textile company, estimates that it takes up to three months for a new textile worker to reach full productivity. Translated into savings from reduced training costs and from maintaining full productivity, a 10 percent reduction in staff turnover would save the factory US\$32,000 in one year or 8.5 percent of the total annual wage bill.¹⁹

Higher outputs and performance associated with more experienced workers means that there are also considerable gains associated with improving worker attendance levels. **Finlays'** experience in Kenya confirms that an experienced worker can process three times more green beans than an inexperienced worker.

INVESTING IN WOMEN FRIENDLY WORKPLACES TO INCREASE RETENTION AND IMPROVE PRODUCTIVITY

The combined effect of improved retention and reduced absenteeism can lead to powerful results, particularly for companies operating in industries with low profit margins and tight production deadlines. For example:

- A program that delivered health services to women workers in Bangladesh garment factories found a \$3:\$1 return on investment over an 18 month period as a result of combined savings from reduced absenteeism and staff turnover.²⁰
- A German government study found that the average return on investment for women- and family-friendly policies was 25 percent, with savings calculated on the basis of improvements in retention and attendance.²¹
- A survey of firms in Singapore found that companies with generous leave entitlements and flexible working

¹⁸ Information provided by Continental, May 2013.

¹⁹ Calculation based on data provided by Nalt, June 2012.

²⁰ USAID / ESD, *Effects of a workplace health program on absenteeism, turnover, and worker attitudes in a Bangladesh garment factory*, 2007: www.esdproj.org/site/PageServer?pagename=CSR_Building_the_Business_Case

²¹ Bundesministerium für Familie, Senioren, Frauen und Jugend, *Betriebswirtschaftliche Effekte familienfreundlicher Maßnahmen: Kosten-Nutzen-Analyse*, 2005: www.bmfsfj.de/RedaktionBMFSFJ/Broschuerenstelle/Pdf-Anlagen/Betriebswirtschaftliche-Effekte.property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf

hours were more likely to have better employee retention rates.²²

- Similarly, a study in the UK found that assistance with childcare can help to improve return rates after maternity leave, with women twice as likely to return to work for an employer who gives some help with their childcare than one who gives none.²³

Providing **reliable childcare options can have a rapid impact on attendance and retention levels.** While support for childcare can benefit all workers, in practice, women still tend to shoulder the majority of childcare responsibilities in many countries and are thus amongst the major beneficiaries of employer initiatives to provide support in this area. In the absence of dependable childcare, workers—especially women—are more likely to take time off to care for a sick child. In one US study, 54 percent of employers reported that child care services had a positive impact on employee absenteeism, reducing missed workdays by as much as 20 to 30 percent.²⁴ This was the experience of **Red Lands Roses**, a floriculture business in Kenya, where **unplanned leave declined by 25 percent and productivity improved** within one year of the opening of childcare facilities.²⁵ Better childcare can also improve employee retention: at **Nalt Enterprise**, staff turnover rates fell by one third after the company established a kindergarten for workers' children.²⁶ Across a workforce of 750 workers, this was a significant development for **Nalt Enterprise**, given that the costs of replacing and training a new recruit represent around 85 percent of the total annual employment costs of one worker.

Childcare facilities can help increase workers' productivity on the job by making it easier for them to focus on the task at hand. **IBM**, a pioneer in providing childcare

- 22 Cited in J. Gornick and A. Hegewisch, *The impact of "family-friendly policies" on women's employment outcomes and on the costs and benefits of doing business*, report for the World Bank (forthcoming), p 31.
- 23 Cited in C. Hein and N. Cassirer, *Workplace solutions for childcare*, report for the ILO, 2010, p 70: www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_110397.pdf.
- 24 D.E. Friedman, "Child care for employees' kids," *Harvard Business Review*, vol 64 1986, pp 28-32.
- 25 Hein and Cassirer, op cit, p 72.
- 26 Interview with Nalt Enterprise, Vietnam, July 2012.

"When workers' health is good, it's good for the business: they are more productive and less likely to need time off work for illness or medical check-ups."

—Ms Trang Phan, Managing Director,
Nalt Enterprise, Vietnam

support, asserts that it is "a strategic business initiative, not charitable dollars."²⁷ Providing childcare facilities or extra childcare leave may seem like an extra cost burden for employers, but the consequences of not doing so may be equally expensive. For example, workers with sick children may find it more difficult to focus their full attention on their work. Women workers at **Nalt Enterprise** say that knowing that their children are well cared for and close by gives them peace of mind during working hours.²⁸

US research suggests that **support for breastfeeding** can have significant impacts on infant health and maternal absenteeism. In a study of two large corporations with lactation policies, breast fed babies were much less likely to be sick than bottle-fed babies. As a result the mothers of bottle-fed babies were three times as likely to be absent from work because of infant illness than the mothers of breast-fed babies.²⁹

The establishment of a **health clinic on the factory premises at Nalt Enterprise** has contributed to a steady downward trend in worker absence: regular medical check-ups and services for employees and their children mean that workers are healthier, more productive and less likely to take time off for illness (theirs or their children's) or to visit a doctor off-site. Similarly, as a result of investments in women's health, absenteeism rates for women in a **Levi Strauss** supplier factory in Egypt decreased from an average of 19 percent to 10.7 percent in less than a year,

- 27 Hein and Cassirer, op cit, p 69.
- 28 Interviews with workers at Nalt Enterprise, Binh Duong Province, Vietnam, July 2012.
- 29 R. Cohen, M. B. Mrtek, R. G. Mrtek, "Comparison of Maternal Absenteeism and Infant Illness Rates Among Breast-feeding and Formula-feeding Women in Two Corporations," *American Journal of Health Promotion*, 1995, 10(2), pp 148-153.

resulting in a savings of approximately US\$48,000: a \$4:\$1 return on investment.³⁰

Unplanned absence can be especially costly in specialized teams where the work of each member is important for the unit's total daily output. Reduced absenteeism rates can lead to important cost savings, by reducing gaps in productivity and liability for statutory costs related to days off. Studies conducted by the **HERproject** ("Health Enables Returns") found that a sustained investment in women's health programs in Egypt, Vietnam and Pakistan led to **reduced error rates** in some cases (as well as quantifiable benefits in the form of reduced worker absenteeism and attrition). For example, an Egyptian factory saw its **error rate dropped by 1 percent** following the intervention, leading to savings of thousands of dollars.³¹

There is evidence to suggest that policies to support working parents can also **boost productivity by improving worker satisfaction**. A national survey of companies in the UK tested this idea and found a positive correlation between above average labor productivity and a higher number of **family-friendly working arrangements**.³² A recent survey of a Chinese multinational with 13,000 employees found that the introduction of home-working arrangements for a group of call-centre workers led to a 50 percent decrease in staff turnover. Employee satisfaction improved strongly and employee performance increased by a dramatic 13 percent. Approximately 9.5 percentage points of the increase were attributed to employees working more minutes per shift (fewer breaks and sick-days) and 3.5 percentage points from more calls per minute (from a quieter working environment).³³

30 R. Yeager and E. Goldenberg, "HERproject Women's Health Program Delivers Real Business Returns," *Global Business and Organisational Excellence*, 2012, 31(2): pp 24-36; ESD, *Return on Investment and Women's Health at the Workplace: A Study of HERproject in Egyptian Garment Factories*, 2011: <http://meridian-group.com/wp-content/uploads/2011/10/Egypt-HERproject-ROI-Study-FINAL-June-2011.pdf>

31 USAID/ESD, 2011, op cit.

32 S. Dex and C. Smith, *The nature and pattern of family-friendly employment policies in Britain*, 2002, p 37.

33 N. Bloom, J. Liang, J. Roberts and Zhichun Jenny Ying, Does Working from Home Work? Evidence from a Chinese Experiment, Stanford University Economics Working Paper, 2012: <http://www.stanford.edu/~nbloom/WFH.pdf>

Driving innovation and cohesion through diversity

Research suggests that **firm productivity and innovation is positively affected by higher levels of gender diversity**, which helps to broaden employee perspectives, strengthen team dynamics and offer more robust problem-solving processes.³⁴ For many companies, these benefits are also enhanced by other forms of diversity, such as ethnic diversity.

The value of gender diversity is corroborated by the experience of successful companies across a number of sectors. Managers at **Anglo American's** El Soldado mining operation in Chile are certain that improved gender diversity contributes to the operation's productivity, by introducing fresh perspectives and new ideas about the best way to get the job done.³⁵ According to Roberto Martínez, the General Manager at El Soldado, "*The most powerful benefit of gender diversity is having different views in the workplace. You can't measure the value of this, but it is clear to me that diversity of opinion improves business performance.*" Indra Nooyi, the Chairman and Chief Executive of **PepsiCo**, considers that diversity is central to the company's ongoing business performance: "*I believe in my heart of hearts, that PepsiCo's strength is its diversity. We must ensure that the PepsiCo culture is to encourage, celebrate and harness our diversity.*"³⁶

*"To be a high-performance organization, companies need to encourage innovation at all levels of the workforce: there are **always** ways to do the job better. Improving gender diversity is one tool for achieving this."*

—Rachel Combret, Talent and Development Manager, Anglo American Copper

34 Scott Page, *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools and Societies*, 2007.

35 Interview with Anglo American staff, Chile, November 2012.

36 PepsiCo, *Diversity and Inclusion: Inclusive possibilities.*

Several studies present evidence that gender diversity can help improve decision-making and company performance. A US study of enterprise data found that gender diversity is strongly associated with increased sales revenue, more customers and greater relative profits.³⁷ This is also true of management: many CEOs are convinced that mixed boards and mixed executive teams are more effective than those dominated by men.³⁸ A recent study of Japanese manufacturing firms from the Harvard Business School suggests that the presence of at least one female executive and one female section chief is associated with an increase in company profitability.³⁹ This is not news to high-profile Japanese companies like Hitachi, which has introduced new targets to more than double the number of women in management by 2010. As noted by Mr Takashi Kawamura, Hitachi's Chairman, "*governance handled by Japanese men with homogenous thinking is no good ... To be global is to bring diversity into the company's governance.*"⁴⁰

Indeed, research suggests that there is a **strong correlation between gender diversity at senior management levels and higher shareholder returns**. A study of the top 500 US companies found that companies with at least three female board members had a 60 percent higher return on investment than all-male boards,⁴¹ while a study of Malaysian companies found that those with at least one woman on their board had a higher return on

"Leveraging diversity is more than simply acknowledging differences in people. It involves recognizing the value of differences and using those differences to fuel our competitive advantage and ultimately deliver sustained business growth."

—Jahanzeb Khan, General Manager,
Pakistan Beverages, PepsiCo Pakistan

assets.⁴² Similarly, research on European listed companies suggests that those with greater gender diversity in top positions outperform sector averages.⁴³

Leading companies report that support for women's employment can lead to more harmonious workplaces. This can also help to **reduce workplace tensions and head off the risk of industrial action**, which can have a significant adverse effect on production levels, costs and the results of business operations. For example, in Vietnam, **Nalt Enterprise** places considerable emphasis on communication and dialogue with its 85 percent-female workforce. This is an approach which has paid off: in the factory's nine years of existence, there have been no strikes, while other local factories regularly face lost production as a result of "wildcat" (unofficial) industrial action.⁴⁴

In the case of **Finlays**, improving worker morale by emphasizing **equal opportunity and fairness has had direct consequences for productivity**. One manager considered that Finlays' policies and procedures on fairness and equal opportunity had led to an estimated 75 percent reduction in absenteeism. Other managers observed that good overall relations at the workplace can be drawn on to maintain productivity during difficult times, such as during company restructuring or interruptions to production from external events (such as political upheaval

37 C. Herring, "Does Diversity Pay? Race, Gender and the Business Case for Diversity," *American Sociological Review*, 74, 2009, 208-224.

38 McKinsey, "The global gender agenda," 2012: https://www.mckinseyquarterly.com/Organization/Talent/The_global_gender_agenda_3027#footnote3up

39 Although importantly, the effect only applies where women's salaries are in line with market rates: J. Siegel, N. Kodama and H. Halaburda, *The Unfairness Trap: A Key Missing Factor in the Economic Theory of Discrimination*, Working Paper for Harvard Business School, March 2013: www.hbs.edu/faculty/Publication%20Files/13-082_af2baabf-6ca8-4998-a89c-a1b4e722fa5c.pdf

40 D. Wakabayashi, "Dear Successful Foreign Female CEOs, Hitachi Wants You!" *Wall Street Journal*, 25 April 2012: <http://blogs.wsj.com/japanrealtime/2012/04/25/dear-successful-female-foreign-ceo-hitachi-wants-you/>

41 Catalyst, *The Bottom Line: Corporate Performance and Women's Representation on Boards*, 2011: www.catalyst.org/file/445/the_bottom_line_corporate_performance_and_women%27s_representation_on_boards_%282004-2008%29.pdf

42 S.N. Abdullah, K.N. Ku Ismail and L. Nachum, *Women on Boards of Malaysian Firms: Impact on Market and Accounting Performance*, working paper, 2012: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2145007

43 G. Desvaux, S. Devillard-Hoellinger, and P. Baumgarten, *Women Matter: Gender Diversity, a Corporate Performance Driver*, 2007, report for McKinsey.

44 Interview with Nalt Enterprise staff, Vietnam, July 2012.

during elections), and can free up the time of managers to focus on planning and production-based activities.

Introducing new voices in the workplace through improved **gender diversity can also help to broaden the scope of worker-management discussions.** Itaipu Binacional, the world's largest generator of renewable energy, found that by recruiting women into jobs traditionally taken up by men and boosting women's representation in management it was able to improve the quality of dialogue between workers and managers. New female employees were more likely to raise issues regarding work-life balance, an issue which men had previously been hesitant to bring up (as a result of cultural norms). The consequence was a more rounded discussion that led to a new suite of policies that suited women and men better and an improvement in overall work satisfaction for everyone.⁴⁵

Similarly, **Odebrecht** has found that having greater gender diversity on its construction sites has changed the way in which workers relate to each other, making it a more agreeable environment for both women and men. The value of these changes, such as widespread perceptions of less "machismo" on site or more organized worksites, is difficult to quantify. However, **Odebrecht** managers consider that the change in workplace culture positively affects productivity, retention and the company's reputation as an employer of choice in the local area.⁴⁶ Sometimes changes in gender balance can have an unexpected positive impact on the working environment. Anecdotal evidence from South Korea suggests that a higher proportion of women managers can influence the social climate of a workplace, for example making excessive alcohol consumption with male co-workers less likely, and thereby reducing the potentially negative impact on productivity of excessive alcohol consumption.⁴⁷

Increasing gender diversity can offer **challenges as well as opportunities**: initiatives to increase gender diversity must be supported by the right guidance, communication and leadership to ensure that the organizational impact on team dynamics is positive. Without the appropriate support, changes in the composition of a company's workforce can have the unintended consequence of the original workforce feeling uncomfortable or left out, which could lead to harassment and a hostile work environment for the new female employees.⁴⁸ When a higher proportion of women were introduced into the operational workforce at **Anglo American's** El Soldado site in Chile, men were initially anxious about losing their jobs to women and some were hostile to new women employees. However, once they realised that this was not the case, their attitudes towards women changed and became more welcoming.

Improved compliance and risk management

Compliance with statutory requirements, including anti-discrimination legislation and relevant international standards,⁴⁹ is an important part of any company's risk management strategy. Investing in women's employment can help businesses to manage risk and reduce potential liability for non-compliance in relation to labor, health and safety, non-discrimination and sexual harassment, therefore reducing exposure to fines or the legal costs of addressing claims.

While some companies focus primarily on not falling foul of regulations, more **proactive approaches to compliance can help to reduce risks even further**, by treating the root problem (e.g., lack of voice for women in the workplace) rather than responding to the symptoms (e.g., grievances) on an ad hoc basis. Where a company is known to go beyond regulatory requirements or industry norms, this can build its credibility on social issues and have a positive

45 C. Niethammer, *Women's Employment: Smart Business? Promoting the quality of jobs for women*, IFC Smartlessons, 2012, p 2.

46 Interview with Odebrecht staff, Porto Velho, Brazil, August 2012.

47 N. Onishi, "Corporate Korea Corks the Bottle as Women Rise," *New York Times*, 20 June 2007: www.nytimes.com/2007/06/10/world/asia/10korea.html?pagewanted=print

48 Herring, op cit, p 209.

49 This may include the principles set out in the ILO's Equal Remuneration Convention, 1951 (No 100) and Discrimination (Employment and Occupation) Convention, 1958 (No 111), as well as the United Nations Guiding Principles on Business and Human Rights.

LEVI STRAUSS & CO: THE IMPORTANCE OF GENDER INCLUSION IN BUSINESS RELATIONSHIPS

Levi Strauss is one of the world's largest apparel brands and a global leader in jeans wear. Its *Terms of Engagement* (TOE) are considered to be an integral part of its business relationships and are held to be no less important than meeting quality standards or delivery times. The TOE highlights the value that Levi Strauss places on equal opportunity and how this affects the way that the company does business:

"While we recognize and respect cultural differences, we believe that workers should be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. We will favour business partners who share this value."

The TOE goes on to set out specific requirements in relation to non-discrimination and rights related to maternity leave, pregnancy and women's reproductive role. All the terms and conditions in facilities producing goods for Levi Strauss & Co are subject to these requirements.

Source: Levi Strauss & Co, *Social and Environmental Guidebook*, 2010:

impact on its reputation. For instance, **Mriya** has a stated company policy to guarantee non-discrimination and equal opportunity for women in the company. Ensuring that this policy is proactively applied helps **Mriya** to demonstrate compliance with national labor legislation, reducing exposure to legal claims and penalties as well as building its reputation as an employer of choice.

Targets or gender diversity reporting requirements may also trigger companies to invest in women's employment. For example, the Malaysian government has introduced statutory targets of 30 percent female representation in senior decision-making and board positions of publicly listed companies, giving companies until 2016 to comply.⁵⁰

Those that already have gender diversity programs in place are better able to respond to or anticipate this type of requirement. For example, the South African

50 Deloitte, *Women in the boardroom: A global perspective*, 2011: www.deloitte.com/assets/Dcom-Tanzania/Local%20Assets/Documents/Deloitte%20Article_Women%20in%20the%20boardroom.pdf

Mining Department introduced a target for all mining companies to ensure that women constitute 10 percent of the workforce in core mining positions. **Anglo American's** Kumba Iron Ore Operations aimed not only to meet but to exceed these targets and, at the end of 2011, women constituted 18.9 percent of managers, 12.0 percent of the company's core mining positions and 16 percent of the overall workforce.⁵¹ A similar target was introduced by the Chilean government in 2009 and was exceeded by **Anglo American's** operations there. As a result of pre-existing initiatives and programs on gender diversity, **Anglo American** was comfortably positioned to meet these targets and demonstrate industry leadership.

Companies also report benefits in relation to other key compliance issues which on the face of it are not directly related to greater gender equality in employment. Anecdotally, a number of companies report **improvements in accident rates and health and safety as a result of increased gender diversity.** **Meghmani Organics Limited** (MOL), an Indian chemicals group and IFC client, found one of the key benefits of recruiting more women to be that they tend to be more careful and respectful of operational safety rules than men.⁵² **Odebrecht** reports similar results.⁵³ Safety and productivity enhancements may also arise from improved equipment care: following an increase in women's employment at **Rio Tinto's** Rössing Uranium mine in Namibia, managers have noticed improvements in the maintenance of mine equipment and an increase in the life-spans of machinery.⁵⁴ These types of improvements in workplace safety are particularly appreciated in high-risk sectors such as mining or construction, which are often the industries with the lowest concentration of women workers.

51 Anglo American, Kumba Iron Ore Ltd, *Social Performance – Employment and Employees*, 2011, p 59: www.kumba.co.za/pdf/reports/sus_report_2011/sus_employees.pdf

52 L. Jiang, *Employing Women: A Boon for a Chemical Plant in India*, IFC SmartLessons, 2011: <https://openknowledge.worldbank.org/bitstream/handle/10986/10434/648790BRI0IFCO0iang0Employing0Women.pdf?sequence=1>

53 Interview with Odebrecht staff, Porto Velho, Brazil, August 2012.

54 Rio Tinto, "Driving for diversity," *Mines to Markets*, June 2013: <http://m2m.riotinto.com/article/driving-diversity>

In addition to statutory requirements, multi-national corporations increasingly prioritize compliance with **voluntary codes of conduct on labor standards**. A 2003 World Bank/IFC study found that non-discrimination on the grounds of gender was a requirement in virtually all codes of conduct in key sectors: apparel, footwear and light manufacturing; agribusiness; mining; and oil and gas.⁵⁵ Many companies that adopt such codes carry out audits to assess social performance. This is an important consideration for **Finlays**, which exports flowers and vegetables to European countries where retail brands and their shareholders and consumers are sensitive to social issues. In this context, demonstrating commitment to women's employment has helped the company to maintain its market share amongst supermarket clients and differentiate it from other companies.

Enhancing community outreach

A proactive commitment to gender diversity can **generate invaluable goodwill amongst communities** where companies operate, providing companies with the acceptance that they need to conduct their business activities (sometimes referred to as their "social license to operate"). The successful management of community relations is not just the socially responsible way to do business; it can also provide a competitive advantage for companies that do it well.

The support of the local community is particularly critical in the context of **large infrastructure and extractives projects**, where operations in remote areas require the long-term presence of the company and rely on the acceptance of the local population. In these situations, the quality of community engagement is usually vital to the success of business operations: it can **help companies to maintain positive relationships with the local community, avoid tensions with the workforce and avoid disruptive complaints and legal processes**. The

importance of a company's relationship with the local community cannot be underestimated: for **Odebrecht**, any strengthening of its ties with the local community that stems from having a higher proportion of women on site is considered to be at least as important as meeting the company's skills and labor needs.

Many companies find that a higher proportion of local women in the workforce can **enhance the quality of engagement and mutual understanding between a company and the community in which it operates** by extending the benefits of a project more directly to both men and women. **Rio Tinto** places great importance on the quality of its engagement with local communities and sees outreach to women, including through training and direct employment opportunities, as an integral part of these relationships (see box, p 22).⁵⁶ Likewise, **Anglo American** has found that having a higher proportion of women workers means that a greater cross-section of the local community is familiar with the company and its values, as men and women alike act as company ambassadors amongst their social networks in the community.

Investment in the employment of local women is often a part of the commitment adopted by leading companies to make a **positive contribution to sustainable economic and social development** in the communities in which they operate. **Anglo American** considers that its efforts to set best practice on gender diversity are closely connected to its commitment to sustainable development: supporting improved employment outcomes for women

"Women are the best communicators we have: women tend to have good social networks and use these channels to carry the message about Anglo American's values back to the community."

—Ursula Weber, Social Development Manager,
Anglo American Copper

55 World Bank / IFC, *Company Codes of Conduct and International Standards: An Analytical Comparison* (Parts I & II), 2003 (Part I: pp 9, 21; Part II: pp 9,36): http://siteresources.worldbank.org/INTPSD/Resources/CSR/Company_Codes_of_Conduct.pdf; http://siteresources.worldbank.org/INTPSD/Resources/Angola/Angola_CompanyCodesofConduct.pdf

56 See, e.g., Rio Tinto, *Why Gender Matters, A resource guide for integrating gender considerations into Communities work at Rio Tinto*, 2010: www.riotinto.com/documents/ReportsPublications/Rio_Tinto_gender_guide.pdf

TRAINING WOMEN DRIVERS IN RURAL INDIA: RIO TINTO

Rio Tinto is a leading international mining group. Most of the group's assets are in Australia and North America but the company also operates in Europe, South America, Asia and Africa. **Rio Tinto's** businesses include open pit and underground mines, mills, refineries and smelters as well as a number of research and service facilities.

The Bunder project is **Rio Tinto's** most advanced diamond mining project. Located in the central Indian state of Madhya Pradesh, it is currently at the pre-feasibility stage, awaiting final approval for a mining lease. The project presents important opportunities for economic development and job creation for the small villages in the local area, and **Rio Tinto** is committed to ensuring that benefits flow to men and women in these communities.

In July 2010, the Bunder project started a women's empowerment program to increase the opportunities for women to work at the Bunder project. Project staff held a community workshop to discuss opportunities and barriers to women's direct employment with the project. Bunder project staff asked more than 200 women participants whether they would be interested in learning to drive, knowing that the driver pool would need to increase over time.

As a result of this consultation, a driver training program was born. Eleven women from the Bunder community participated in the four month long training program, which covered driving techniques and basic mechanical repairs. Four women passed their **Rio Tinto** driving test and were offered employment as trainee drivers. These women are now part of the Bunder driving team.

Given that women drivers are an unusual sight in rural India, **Rio Tinto's** small team of women drivers have become a highly visible symbol of **Rio Tinto's** corporate values and objectives and enhanced the company's reputation in the local community. According to Bunder project staff, *"Visitors often comment that the women drivers are a mobile billboard for our commitment to equality and local economic development. The training program for drivers gave us tremendous visibility as an equal opportunity organization. Almost all state level Hindi newspapers covered the success of the program ... The drivers' story became a reference point for stakeholders as a symbol of empowerment and gender equality."*

Nadia Younes, Group Advisor on Diversity and Inclusion at **Rio Tinto** adds that, *"Now, in a male-dominated industry and in a culturally more reserved part of the world regarding women and their role in the workplace, women from this community are seeking us out for employment. This program actually helped us change mindsets and unlock the potential of this underutilized talent pool."*

Source: Material provided by Rio Tinto, 2012; Rio Tinto, *Bunder Project Sustainability Report: Courageous Spirit*, 2011: http://riotintodiamonds.com/documents/Bunder_Project_Report.pdf; Rio Tinto, 2013, op cit.

is not just important for ensuring that men and women alike benefit from mining operations, but also because higher levels of women's employment is thought to create a **strong multiplier effect for families and communities**. There is a body of evidence to suggest that higher incomes for women tend to result in more spending on the health, education and well-being of children.⁵⁷ Conversely, inequality and social exclusion can be exacerbated by mining operations if men receive the bulk of employment opportunities.

Creating new markets (or expanding existing ones)

Globally, women either make or influence up to 80 percent of buying decisions.⁵⁸ For companies that sell consumer goods and services, **hiring more women** ensures that a company's workforce is representative of its customer base and **provides greater insights into women's buying preferences**. Of the companies that operate in emerging markets who were interviewed by McKinsey, 58 percent noted that creating new markets and expanding existing ones were two of the ways in which their investments in women had already increased their profits or are expected to do so in the future.⁵⁹

Growing gender equality in the workplace can further increase women's economic power through increased earning potential. It is estimated, for example, that female earnings in China alone will increase ten-fold over 20 years, from \$1.3 trillion in 2010 to \$4 trillion by 2020 (up from \$680

⁵⁷ See e.g., World Bank, *World Development Report 2013: Jobs*, 2012, pp 164-165.

⁵⁸ Sandra Lawson and Douglas Gilman, *The Power of the Purse: Global Equality and Middle Class Spending*, Goldman Sachs Global Research Institute, 2009: www.goldmansachs.com/our-thinking/topics/women-and-economics/power-of-purse.pdf. Lawson and Gilman predict that women's influence on household spending patterns will continue to strengthen in emerging economies over the coming decades.

⁵⁹ McKinsey, 2009, op cit, p 14.

INVESTING IN WOMEN'S EMPOWERMENT TO ACCESS NEW MARKETS: BELCORP

Understanding women's buying preferences is central to the business model of **Belcorp**, a Peruvian cosmetics company. Through direct sales in 16 countries in North and Latin America, Belcorp generates US\$1.3 billion in annual revenue and now ranks among the top ten direct sales companies in the world.

Eduardo Belmont, Belcorp's CEO, believes that, given its products and client base, **Belcorp is fundamentally a women's business and it is important that the company's workforce reflects this.** Women comprise 72 percent of the company's over 9,000 employees, 79 percent of its senior staff and 52 percent of its executive committee members. Overall, 51 percent of its employees are mothers.

One of Belcorp's main assets is its 1 million direct sales agents—primarily female—who reach millions of women and their families and provide the main distribution channel for the company's products. By investing in business training and self-esteem workshops for these women, Belcorp has helped to boost its sales whilst promoting higher levels of professional and personal fulfillment for consultants. Initial results pointed to an average 7 percent increase in sales for women who participated in these programs.

According to Claudia Belmont, Social Innovation Director, Belcorp's philosophy is that **"investing in women and making them your company's most valuable asset will enhance your competitiveness, change your way of doing business and change lives."**

Source: McKinsey, op cit, 2010; World Bank, *World Development Report, 2012*; information provided by company, 2013.



Photo: Belcorp

"Women, in most parts of the world today, have an enormous influence over purchasing decisions for products such as ours. It just makes good sense for decisions to be made with women and men at the table. We believe that gender inclusion enables consumer centricity, innovation and growth."

—PepsiCo, *Diversity and Inclusion: Inclusive Possibilities.*

billion in 2005 and \$350 billion in 2000).⁶⁰ In India, the earnings of working women are projected to triple over the same period, from \$280 billion to \$900 billion. In global terms, the potential is vast: women are considered to be a larger growth market than the whole of China and India combined.⁶¹ In recognition of this growing market power, women have been described as "the third billion."⁶²

Yet despite the rise of women as consumers, many companies continue to market mostly to men and fail to understand how they might better meet women's needs.⁶³ Whilst **an understanding of women's buying preferences** is relevant to all consumer markets, it is particularly important for companies operating in markets where women are likely to spend more—such as food and household products, fitness, beauty and apparel—and those where women are under-served by current market offerings—such as financial services and health care.⁶⁴ Companies like **Belcorp** and **PepsiCo** are consciously drawing on the insights and experiences of the women in their workforces to better understand household buying patterns and what influences them.

- 60 Boston Consulting Group, "Driving Growth: The Female Economy in China and India," 25 October 2012: https://www.bcgperspectives.com/content/articles/consumer_products_globalization_driving_growth_the_female_economy_in_china_and_india/
- 61 M.J. Silverman and K. Sayre, "The Female Economy," *Harvard Business Review*, 2009: <http://news.curves.com/images/20003/HBR%20The%20Female%20Economy.pdf>
- 62 Booz & Co, *Empowering the Third Billion: Women and the World of Work in 2012*, 2012: http://www.booz.com/media/uploads/BoozCo_Empowering-the-Third-Billion_Full-Report.pdf
- 63 Silverman and Sayre, op cit.
- 64 Ibid, p 3.



Women workers on assembly line, Continental, Thailand. Photo: Continental

Putting it into practice: how leading companies support women's employment

Understanding the business case for investing in women's employment is just one part of the journey in promoting better employment opportunities for women. Realizing the potential benefits requires companies to identify the measures that are most likely to provide effective support for women and enable them to reach their potential in the workplace. The most successful interventions are likely to be tailored to a company's specific circumstances, with consideration for sector, size, workforce composition, geographic location, the needs of the workforce and the company's overarching business strategy.

In this chapter, leading companies provide **practical examples of what has worked in different sectoral and country contexts**. Importantly, the individual initiatives that are discussed in this chapter tend not to be stand-alone activities, but rather form part of a broader approach to improving gender diversity and working conditions for all. Moreover, even companies that have already achieved important results in this area see this as a **“work in progress”**; that is, an area where commitments need to be re-affirmed on an ongoing basis and strategies and actions need to be constantly reviewed, monitored and updated to ensure their ongoing relevance and effectiveness for the company. On the whole, most companies find that **the best results flow from activities that set clear objectives and are accompanied by frameworks for measuring results**.

Designing solutions for everyone

Many companies find that the best solutions are aimed not just at supporting women, but at **establishing terms and conditions of employment that support women and men**. This makes programs more sustainable, by creating a broader base of support in the workplace and avoiding unwanted divisions in the workplace along gender lines. In this way, interventions can also avoid gender stereotyping: whilst often well-meaning, generalizations about women's talents and needs can hinder women in the workplace, by reinforcing social norms about their role as care-givers, type-casting their abilities (“women take care, while men take charge”⁶⁵) or characterizing them as a group with special needs.

In fact, policies and initiatives to introduce family-friendly working arrangements that are often presented as “policies for women” can—and should—**also benefit men**, who have their own family responsibilities and interest in managing work-life balance. For instance, policies that allow employees to work remotely are often flagged as an important option for women to enable them to better

manage family responsibilities, but statistics suggest that men are just as likely to benefit: labor force data in the US show that nearly as many men as women telecommute.⁶⁶ This suggests that fresh thinking about how to make workplaces more inclusive or women-friendly is likely to have a positive knock-on effect on a company's general approach to human resource management.

However, whilst workplace policies and programs should be designed to be as inclusive as possible, they shouldn't be blind to the implications of gender, either. Prevailing cultural norms generally mean that women assume the lion's share of household and caring responsibilities in most countries and, as such, women are likely to benefit more than men from interventions related to childcare and flexible working hours. In some situations, women may also benefit from interventions to overcome entrenched disadvantage. For instance, it may appear that women and men have equal access to promotion in the workplace, but where there is a low proportion of women in management, this may be a sign that women need additional support to enable them to take up the opportunities.

SEX AND GENDER: DISTINGUISHING BETWEEN BIOLOGICAL AND CULTURAL ROLES

Sex refers to biological differences between men and women. These are the same across all cultures. For example, women can bear children, while men can't.

Gender refers to the socially constructed roles, behaviours, activities, and attributes that a given society considers appropriate for men and women. Socially determined norms mean that, despite the fact that many women undertake paid employment, they also continue to bear most responsibility for childcare and housework. At the same time, cultural conceptions of men's roles means that they are more likely to be expected to work longer hours and have less free time to spend at home.

65 See, e.g., Catalyst, *Women “Take Care,” Men “Take Charge:” Stereotyping of U.S. Business Leaders Exposed*, 2005: www.catalyst.org/knowledge/women-take-care-men-take-charge-stereotyping-us-business-leaders-exposed

66 In 2011, 20.5% of men did some or all of their work from home on an average day, compared to 22.2% of women. US Department of Labor, *American Time Use Survey – 2011 Results*, press release, 2012: www.bls.gov/news.release/pdf/atus.pdf.

“HEALTHY IMAGES OF MANHOOD”: UNILEVER'S ENGAGEMENT WITH MALE WORKERS IN TANZANIA

Programs to support women's employment will be **most effective where men are also considered participants** and, in many cases, **potential beneficiaries**. By focusing their attention on women, companies can alienate men by suggesting that they are less important or their behaviour is discriminatory or create fear that they will be overlooked. Indeed, sometimes, the most effective way to change gender norms is to work primarily with men rather than women.

In Tanzania, **Unilever Tea Tanzania** launched a workplace HIV/AIDS programme that had far-reaching impacts on gender and reproductive health issues by focusing engagement on male workers. The company wanted to improve the health of its workers and dependents, which was affected by a 21 percent HIV prevalence rate. A preliminary assessment found that **traditional and cultural gender roles were contributing to poor health outcomes in the workplace and community**, including low uptake of health services by men, high prevalence of sexually transmitted infections, limited knowledge of family planning and alcohol abuse.

The ensuing “**Healthy Images of Manhood**” program aimed to address these problems by improving the company's existing health outreach, through the existing network of peer health educators (PHEs), alongside the integration of family planning services into HIV services. A number of **male PHEs were trained to act as agents of change** and were tasked with transforming gender relations in the community. Their training involved learning how to promote new attitudes and behaviours, such as seeking health care services, being a supportive and caring partner / husband and father and using non-violent means to

resolve conflict. These messages were shared with male workers through one-on-one sessions and couples counselling.

The program not only met its goal to increase the use of health services by men (a 60 percent increase in visits in one year), but an evaluation found that there were also more **wide-ranging consequences for gender relations in the workplace and community**. One manager said that he had become more conscious of giving equal opportunities to men and women (e.g., choosing equal numbers of men and women for given activities), while another said “We want to eliminate that some jobs are to be done by women, some of the jobs are to be done by men.”

Managers also reported **better male/female relations in the workplace and the home**, including a change in men's attitude towards family responsibilities. This was noted, for example, through a rise in the number of men requesting time off so that they could take their children to the health clinic (previously considered “women's work”). One tea plucker observed, “If such things were seen 10 years ago, people at the community level would start talking differently about a man who is doing this kind of work ... But now things have changed.”

The program was subsequently expanded to include women PHEs, who had previously felt excluded and therefore less committed to their peer education activities. This has helped to enhance the effectiveness of the programme; for example, by enabling female PHEs to discuss health issues privately with women during home visits.

Unilever's success in Tanzania has inspired others to replicate the approach, including Unilever Tea Kenya, the Ministry of Health and Social Work in Mafinga, the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.

Source: ESD / USAID, Healthy Images of Manhood: A Male Engagement Approach for Workplaces and Community Programs Integrating Gender, Family Planning and HIV/AIDS – A Case Study, 2011: http://www.esdproj.org/site/DocServer/ESD-legacy-HIM_Jan_2011.pdf?docID=4041

Finally, it is also important to recognize that **there is diversity amongst women (and men)**. Gender intersects with many other characteristics, including age, ethnicity, disability, religion, family, socio-economic and marital status, which collectively influence women's opportunities for quality employment. These factors may also be relevant in the design of interventions to support women's employment.

DESIGN: KEY ADVICE

- » Think about how interventions can benefit women *and* men.
- » Consider whether there are other factors aside from gender—e.g., ethnicity or age—that might influence the quality of women's employment.
- » Ask—don't assume—what matters to current and potential employees.
- » Think strategically and set clear objectives.

Setting up an employee data infrastructure

As a common starting point, all companies can benefit from **basic monitoring that provides a clear, evidence-based perspective on women's position within the company**. A combination of quantitative information (gender-disaggregated workforce data) and qualitative data (staff perceptions) can provide an objective picture of where and how women are positioned in the organization, the extent to which women's needs are currently being met and what kind of interventions might make a difference. This process can help to **identify good practices as well as challenges and gaps**. It is also an essential part of developing a model to measure the business benefits of interventions on women's employment (see Part 3: *Understanding and capturing the benefits*).

COLLECTING THE DATA

Collecting data and monitoring changes in women's employment over time helps to establish whether employment policies are affecting men and women differently. It can help to highlight whether unconscious gender bias might be at play in recruitment and promotion decisions and whether the "female talent pipeline" is in place and succeeding over time. In some situations, it may also help to dispel myths that employing more women leads to higher costs related to maternity leave.

A number of companies, such as **Anglo American**, have introduced systems to monitor gender disaggregated workforce data across their operations. As part of its gender diversity policy, gender statistics (including proportion of women in management) are reviewed by each **Anglo American** business unit in its Quarterly Performance Report in order to identify areas where progress is being made and also where additional intervention might be required.⁶⁷

For companies considering how they might start monitoring data on women's employment, the first step is to **determine the most appropriate indicators**; i.e., what should be measured (see box). For monitoring systems to

INDICATORS

Data should ideally be gathered on a gender-disaggregated basis for **women and men alike** to enable a comparative assessment of women and men's position within the organization.

Relevant indicators—broken down into female and male categories—include:

- Overall numbers of workers
- Numbers of workers in different types of positions in the organization
- Numbers in management
- Workers recruited
- Direct employment vs indirect employment
- Employment status (part-time / full-time / temporary / seasonal / permanent)
- Employee retention rates
- Employee absenteeism rates
- Median wages / wage distribution

be sustainable and provide meaningful results, indicators must be well-defined and easy to collect. The next step is to put in place systems to **monitor the data on an on-going basis**, so that the impacts of initiatives to support women's employment can be measured and evaluated over time. The ease of collecting gender-disaggregated data will depend on how human resources data is stored: it is likely that in many cases, this information is routinely gathered and readily available (e.g., numbers of workers by women and men).

Where data on women's employment has been monitored for some time, it can provide a ready insight into areas in need of particular attention and assist in the design of interventions on women's employment. For example, data monitoring may reveal unconscious gender bias in recruitment leading to an over- or under-representation of women in certain roles. Even if there is no existing system in place, it may still be possible to gather data retrospectively by interrogating existing databases to uncover historical trends within the company.

⁶⁷ Information provided by Anglo American, 2013.

ASKING WORKERS FOR THEIR INPUT

Setting up a win-win situation means that interventions need to satisfy the needs of workers, as well as the business. Establishing effective communication with workers is key to understanding the kinds of challenges women (and men) face and the type of initiatives that would best support them.

Asking employees for input at an early stage in the design of policies or interventions can help to avoid problems or oversights later down the track. Any consultation should take the views of both men and women into account to ensure that men feel included in the process and don't feel as though new interventions or changes will disadvantage them, as this could have a negative impact later on. Workers can be asked for input through staff surveys, small focus groups or one-on-one interviews. Regular employee surveys also fulfill an important role in understanding the business benefits, by allowing companies to measure changes in worker satisfaction over time: see *Part 3: Understanding and capturing the benefits*. Trade union or worker representatives, where they exist, should also be consulted.

In Chile, **Anglo American** conducted two studies of staff attitudes towards gender diversity in 2011-2012. One was an internal study conducted by Anglo American staff, based on feedback from focus groups, interviews and surveys of workers and managers; another was conducted by an external researcher, based primarily on responses to an online survey. The results of the two studies suggested that, whilst the company was on track to meet its goals with respect to recruiting more women, some women were experiencing ongoing difficulties in gaining

UN WOMEN'S EMPOWERMENT PRINCIPLES

The UN Women's Empowerment Principles (WEPs) aim to increase commitment to women's participation in the private sector and are the result of a collaboration between UN Women and the UN Global Compact.

The WEPs are driven by a shared belief that investing in women is good for development and good for business. The Principles emphasize the business case for corporate action to promote gender equality and women's empowerment and are informed by real-life business practices from across the globe.

The WEPs offer seven steps to guide business on how to empower women in the workplace, marketplace and community:

1. Establish high-level corporate leadership for gender equality;
2. Treat all women and men fairly at work—respect and support human rights and non-discrimination;
3. Ensure the health, safety and well-being of all women and men workers;
4. Promote education, training and professional development for women;
5. Implement enterprise development, supply chain and marketing practices that empower women;
6. Promote equality through community initiatives and advocacy; and
7. Measure and publicly report on progress.

Over 415 chief executives from companies around the world have signed the CEO Statement of Support for the WEPs.

Source: www.unwomen.org/wp-content/uploads/2011/10/Women-s-Empowerment-Principles_en.pdf

MONITORING: KEY ADVICE

- » Survey the needs of the company and its workers, by looking at quantitative data and consulting with workers early in the process.
- » Collect data on key indicators, particularly the number of employees, broken down by men and women, disaggregated by function and status.
- » If possible, consider putting more sophisticated data systems in place to gather gender-disaggregated data on promotions, wage levels, training and departures.
- » Consult gender-informed sustainability reporting frameworks for guidance (such as the Global Reporting Initiative's G4 Guidance and the UN Women's Empowerment Principles Reporting Guidance).⁶⁸

⁶⁸ See IFC and GRI. *Embedding Gender in Sustainability Reporting: A Practitioners' Guide*. 2009. http://www.ifc.org/wps/wcm/connect/9ab39d8048855cc78cccde6a6515bb18/GRI-IFC_Full_Gender.pdf?MOD=AJPERES

acceptance in a male-dominated environment, particularly at the supervisor level. As a result of these studies, the company decided to launch a series of workshops designed to increase gender awareness at supervisor level (see Anglo American Chile, box on p 35).

Reviewing human resource policies and systems

REVIEWING COMPANY POLICIES AND PROCEDURES

Establishing and enforcing **company policies that support equal opportunity** for women and men is an important part of establishing women's employment as an organizational priority and underpins the company's capacity to support the recruitment of women and accommodate their specific needs. This means ensuring that policies set out a **clear commitment to gender inclusion in all stages of the employment relationship**, including recruitment, training, promotion, pay, access to benefits and termination of employment. Policies should also set out any maternity benefits, grievance mechanisms and anti-harassment procedures. The communication of these policies to managers and staff at all levels of the company is critical, helping to make sure that policies are consistently applied and that workers are aware of their rights and entitlement to existing or new benefits.

Human resource policies should always **conform to national legislation**. In most countries, there is some form of anti-discrimination legislation in place, although regulatory frameworks (and enforcement) are weak in some countries and discrimination on the grounds of gender is still common.⁶⁹ Leading companies often look beyond the minimum requirements set out in national legislation when setting their own policies and consider broader standards and good practice adopted by their global peers. **In these cases, good policies and practices can have an important ripple effect** on other employers in the industry or region, as other companies are motivated

AN ENABLING FRAMEWORK FOR WOMEN'S EMPLOYMENT

After privatization, Turkish ferry company **IDO (Istanbul Deniz Otobüsleri Sanayi ve Ticaret)** embarked on an ambitious initiative to attract more women into its male-dominated workforce. An important starting point for the company was to review its company policies and recruitment procedures to **ensure that the formal structures were in place to provide the enabling conditions for increasing gender diversity in the company**.

The company has communicated all changes to policies and procedures throughout the company and also plans to introduce further career planning and performance assessment processes to enable women to progress within the company.

As a result of its efforts, IDO has increased the number of women in leadership positions from one to seven and has nearly doubled the number of women on the payroll.

Source: Information provided by company; presentation made to EBRD and MDB Gender Working Group, Turkey, 25 April 2012, available at: www.ebrd.com/downloads/research/sustain/3yildiz.pdf

to adopt similar practices in order to attract the best workers. Indian chemicals group **Meghmani Organics Limited (MOL)** set this type of example when it decided to break with local industry norms—and its own past practice of not hiring women—and recruit 45 women for its Dahej chemical plant in Gujarat. Other chemical plants have since followed suit.⁷⁰

As part of its strategy to be recognized as an employer of choice, Ukrainian company **Mriya** has developed a suite of women- and family-friendly HR policies and practices and takes pride in diligently applying its equal opportunity policy in recruitment and promotion processes. Many Ukrainian employers are reportedly reluctant to hire women aged 22 to 30 years as they expect women of this age to have children and take up to three years of maternity and childcare leave. However, in 2010 and 2011, over a third of all women recruited by **Mriya** were under 28 years old, demonstrating that the company applies its

⁶⁹ International Labour Organization, *Equality at work: The continuing challenge*, 2011:

⁷⁰ C. Niethammer, *Women's Employment: Smart Business? Promoting the Quality of Jobs for Women*, IFC SmartLessons series, 2012.

anti-discrimination policy and supports the recruitment of women of child-bearing age. Unlike some other local companies that advertise for men or women to fill particular positions, **Mriya** keeps its job advertisements strictly gender-neutral.⁷¹

SUSTAINING OPEN COMMUNICATION WITH WORKERS

Employee consultation and dialogue not only provides a better insight into what is happening in the workplace—for women and men alike—but can also **increase employee loyalty** by underlining management interest in the workplace and **can ensure input into and support for future interventions** on women's employment. It means ensuring that all workers—women and men—have a voice in the workplace, including through adequate grievance mechanisms. Where elected worker representatives or trade unions are present, they should be included in consultation and dialogue.

Nalt Enterprise has established a series of mechanisms for consulting with workers to understand and address their concerns. In addition to regular liaison with the factory's trade union representative, Ms Trang Phan, the Managing Director, holds monthly staff meetings to tell workers about the factory's upcoming orders and general business performance and provide advance notice of likely overtime hours. Workers can raise issues during the staff meeting or, for more personal matters, the HR department has an open door policy to answer further questions over workers' lunch break. Supervisors may also raise workers' issues with senior management during daily production meetings. Workers appreciate this approach, which contrasts strongly with the purely production-focused approach adopted by many other factories.⁷²

Some companies have introduced innovative mechanisms in order to ensure that women workers' voices are heard on issues that impact on their employment. **Finlays Horticulture Kenya** has established **gender committees** composed of elected female representatives to provide women with a stronger voice on issues in the

workplace that particularly affect them, such as breaks for breastfeeding. The representatives collect agenda items from women during the course of the working day, and then meet monthly with management representatives to discuss the issues. The company provides a training and capacity building program for elected representatives to ensure the ongoing effectiveness of the committees.

THINKING FLEXIBLY ABOUT LEGAL RESTRICTIONS

In some countries, **legislation mandates extra protection for women**, which may lead to higher costs or constrain women from entering some sectors or occupations. Typically, protective legislation relates to restrictions on women's participation in night work, hazardous work or manual lifting. According to a joint IFC-World Bank study, 44 countries restrict the working hours of women and 71 limit the industries in which women may work relative to men.⁷³

Often these barriers can be overcome by thinking laterally. In India, legislation prohibits women from working after 7 pm. Indian chemicals company **Meghmani** was concerned that employing women could pose difficulties for its production schedule; however, the company identified a number of positions (in the laboratory, warehouse and the canteen as well as janitorial positions) that could be carried out by women within statutory limits.

TACKLING SEXUAL HARASSMENT

Tackling sexual harassment is often a challenging and sensitive topic for employers to deal with. It can sometimes be a difficult problem to detect, as there may be a culture of acceptance of certain behavior towards women, either as a result of workplace practice or social norms. For instance, a survey of Malaysian women workers found that 73 percent of those who had experienced sexual harassment did not label it as such, even though they felt

⁷¹ Information provided by Mriya, 2012.

⁷² Information provided Nalt Enterprise, 2012.

⁷³ World Bank and IFC, *Women, Business and the Law 2012: Removing Barriers to Economic Inclusion*, p 20: <http://wbl.worldbank.org/~media/FPDKM/WBL/Documents/Reports/2012/Women-Business-and-the-Law-2012.pdf>

offended or disturbed.⁷⁴ It may also go unreported by women because of social stigma attached to discussing any experiences of a sexual nature: a US study found that the majority of women who experience sexual harassment do not lodge a formal complaint or discuss the matter with a supervisor.⁷⁵ In some cultures, victims themselves are stigmatized and may experience a “loss of honor” by drawing attention to experiences of harassment.⁷⁶ Poorer and less educated women workers (especially migrant workers) are often more vulnerable to harassment, as they may be less aware of their legal rights, and cultural norms may make it difficult for them to speak out, particularly on sensitive issues such as harassment by male co-workers or supervisors.

However, although it can be uncomfortable to discuss and confront, **sexual harassment is an extremely serious issue that should not be ignored or underestimated:** it creates a hostile working environment for women workers that negatively affects their physical and psychological well-being and can act as a barrier to women's employment.⁷⁷ From a business point of view, it undermines labor productivity, retention, attendance and workplace communication⁷⁸ and can expose companies to potentially time-consuming and expensive legal claims. Research on the garment industry in developing countries indicates that key risk factors include a clear power differential between men and women in the workplace (e.g., young, inexperienced migrant women are supervised by a small

number of men), a lack of bargaining power or collective voice for women (e.g., women are more vulnerable when their employment is insecure), perceptions of certain groups of women workers as “promiscuous” (e.g., women from certain ethnic groups) and production pressures that lead to abusive disciplinary measures.⁷⁹

All businesses should have measures in place to address sexual harassment, as it can occur in all countries, sectors and categories of employment.⁸⁰ Important tools for addressing sexual harassment include a clear anti-harassment policy, anti-harassment training for staff and appropriate mechanisms for workers to lodge grievances and seek support. Increasing supervisor awareness and skills to deal with sexual harassment can be particularly effective. In its efforts to create a culture free of sexual harassment, **Finlays Horticulture Kenya** found that a combination of policies, training and proactive support for women workers helped to bring about change. First, the company developed a clear policy on sexual harassment that was communicated throughout the organization and integrated into the company handbook and induction training. Second, a program of training was rolled out for supervisors that included a strong component on anti-discrimination and harassment. Alongside these measures, the company's gender committees help to empower women workers to speak up on a range of issues, including sexual harassment.

Finally, sexual harassment also tends to be less common in organizations with a more even gender balance at all levels of the organization; thus, **taking measures to ensure that women have fair access to promotion and account for a significant number of managers and supervisors** is also likely to contribute to a sexual harassment free workplace.

- 74 Sabitha Bte Marican and Asmak Ab Rahman, “Experiences, Effects and Combating Sexual Harassment at the Workplace: A Malaysian Case,” *International Journal of Business Innovation*, 1(1), 2012, pp 95-112, p 101: www.cibmp.org/journals/index.php/ijib/article/viewFile/5/5
- 75 Kimberley T. Schneider, Suzanne Swan and Louise F. Fitzgerald, “Job-Related and Psychological Effects of Sexual Harassment in the Workplace: Empirical Evidence from Two Organisations,” *Journal of Applied Psychology* 82(3), 1997, pp 401-15, at pp 406-7.
- 76 Ghada Barsoum, Ali Rashed and Dahlia Hassanien, *When there is no respect at work: Job quality issues in Egypt's private sector*, Population Council working paper, 2009: www.popcouncil.org/pdfs/wp/mena/02.pdf
- 77 Where there are clearly delineated cultural boundaries in interactions between men and women, even the possibility of sexual harassment or time spent alone with men can act as a barrier to women seeking employment. Ibid.
- 78 Yulya Truskinovsky, Janet Rubin and Drusilla Brown, *Sexual Harassment in Apparel Firms: A Report from Better Work Monitoring and Evaluation*, Tufts University working paper, 2013.

- 79 Better Work Jordan, *Response to Classic Fashion Apparel Industries allegations of sexual assault and Better Work Jordan follow-up on the issue of sexual harassment*, 2012: <http://betterwork.com/jordan/wp-content/uploads/Classic-Fashion-Apparel-Industrie-allegations-of-sexual-assault-and-Better-Work-Jordan-follow-up2.pdf>

80 International Labour Organization, 2011, op cit.

HUMAN RESOURCE POLICIES AND PROCEDURES: KEY ADVICE

- » Make sure that the company's HR policies set out a clear commitment gender inclusion in all stages of the employment relationship, and include a zero tolerance approach to sexual harassment.
- » Ensure that all policies are gender-sensitive and take into account factors that affect men and women differently.
- » Ensure that policies and commitments are effectively communicated to managers and supervisors and are applied consistently.
- » Acknowledge that sexual harassment can be an issue in any workplace and be prepared to discuss it openly.
- » Make sure that men and women alike have access to grievance mechanisms, particularly with respect to gender-sensitive issues such as sexual harassment.
- » Establish channels for regular, open communication with workers, including staff meetings, consultation with worker representatives, HR communication points and company newsletters.

Creating a supportive management culture

CREATING AWARENESS AND HARNESSING CEO AND SENIOR MANAGEMENT COMMITMENT

Chief executive officers (CEOs) and senior managers have a critical role to play in creating a supportive company culture for women workers. Creating organizational change can be a difficult and long process: it may mean working to change basic and underlying assumptions or unconscious biases about what men and women can or can't do in the workplace. The attention and commitment of CEOs and senior management can help to transform these attitudes and behavior, by setting the tone for others.

Where senior management is seen to be clearly in favor of policies to support women, it plays an invaluable role in creating the momentum for change. This point is stressed by Brazilian company **Odebrecht**, which considers that managers on its sites need to lead by example and set the

tone for working with women colleagues. Ideally, senior management participation in interventions to support women should be visible to others; for example, through using family friendly working arrangements themselves or attending events to support women.

Improving gender diversity should be treated in the same way as any other strategic business objective,

including by outlining the business case, setting goals and measuring progress: this can help to maintain a high level of engagement amongst busy senior executives. Otherwise, despite the best intentions, there is a risk that initiatives may fall down the company's list of competing priorities. In 2012, **Anglo American MetCoal** conducted inclusive leadership workshops in order to engage more than 90 of its senior leaders on the value of gender diversity and the issue of unconscious bias, and held a round-table discussion for its executive leadership team to ensure that those who are responsible for key employment decisions have a mindset that is open to diversity.⁸¹

Outlining the business case can help to mobilize senior managers who are skeptical of the need for specific initiatives on women's employment. **PepsiCo Asia Pacific** has firmly embedded the business case for gender diversity in its internal and strategic communications by conveying the business case to all of its employees and integrating women's employment into the company's performance objectives. Aligned with these objectives, the company has female development and leadership programs, work life balance programs, gender diversity analytics for hiring and succession planning decisions and mentoring programs.⁸² Today, women represent 45 percent of the Executive Committee, 37.5 percent of executive staff and 34.1 percent of senior management in **PepsiCo Asia Pacific**.

CEOs and senior managers with a deep personal commitment to gender diversity can make a real difference. These managers can help to create and/or maintain momentum, by acting as "**champions**" and advocates for women's employment, and influencing company culture and workplace behavior at all levels.

⁸¹ Information provided by Anglo American, 2012.

⁸² Material provided by PepsiCo, 2012.

ENSURING A REPRESENTATIVE PROPORTION OF WOMEN IN MANAGERIAL AND SUPERVISOR POSITIONS

Getting more women into leadership positions can have a positive transformative effect, by showcasing women's abilities, providing other women with role models and mentors and developing a more inclusive culture. Whilst some companies have made progress, this is an area where many continue to struggle.

Unconscious gender bias can undermine women's chances for promotion, but is difficult to address.

A recent survey of male and female business managers carried out by French consultancy Diverseo found that images of men were more likely to be readily associated with leadership roles than images of women, although the vast majority of those surveyed explicitly agreed that women and men were equally effective leaders.⁸³ Similarly, a study in the Chilean mining industry found that, while more than 75 percent of survey respondents agreed that it was in the best interests of their organization to recruit more women, only 57 percent of men and 64 percent of women said that they would like to have a female manager;⁸⁴ and a Malaysian study found that both male and female managers were much more likely to be critical of their female than their male peers.⁸⁵ In this context, **Odebrecht** notes that a higher proportion of women in management gives successful women a more visible profile in the organization and can help to change attitudes and create acceptance. This is supported by the findings of the Diverseo study, where male managers with female bosses were much more likely to respond positively to female images.⁸⁶

Mentoring and professional networking opportunities can provide women with the tools that they need to progress as leaders. Chinese healthcare provider **Chindex** has launched a Women's Leadership Program, which aims

BUILDING A SUPPORTIVE CULTURE FOR WOMEN'S PROGRESSION: PEPSICO PAKISTAN

According to Jahanzeb Khan, the General Manager of PepsiCo Pakistan Beverages, "At PepsiCo Pakistan, as part of ensuring diversity and inclusion, we aim to increase gender diversity by hiring talented females, sponsoring their development and ensuring that we take initiatives to support their career progression."

The company's ongoing commitment to women's professional development and growth in the organization includes drawing on the company's global training offerings such as the "Powerful Woman Program." In addition, each woman in the organization is provided with a mentor to support her development and to strengthen a culture of openness and trust.

Romana Aziz, Franchise Manager in South Pakistan says "PepsiCo not just recognizes the performance and potential that women bring to the table, but also equips them with the necessary tools like empowerment, training, a secure and happy work environment, gender friendly policies and challenging assignments to name a few."

As a result of its initiatives on gender diversity and support for women employees, PepsiCo Pakistan has achieved 30% female representation, which it estimates to be one of the highest levels in the sector. Females are represented at all levels, including as 20% of the senior leadership team of Pakistan Beverages.

Source: Information provided by PepsiCo Pakistan.



Female Front Line Manager at PepsiCo plant. Photo: PepsiCo

- 83 Diverseo, *The unconscious sealing: Women in leadership*, 2012: http://www.diverseo.com/assets/Diverseo_Unconscious_Sealing_Women_In_Leadership.pdf
- 84 Elizabeth R. Ayala Rivadeneira, *Mujer y Minería: Situación de la Industria Chilena*, Masters thesis, University of Chile, 2012, p 25.
- 85 Cited in World Bank, *Malaysia Economic Monitor: Unlocking Women's Potential*, 2012, p 32.
- 86 Diverseo, op cit.

to prepare staff for management positions and build leadership capacity from within the company.⁸⁷

Women-focused programs can provide specialized guidance, but should be carefully positioned to ensure that they are not dismissed by male colleagues or superiors as a “women’s thing.” Equally, it is important that these initiatives do not create or reinforce ideas that women need additional training to be leaders. **Rio Tinto** runs a number of senior development programs for mid-level managerial women and engages external organizations to equip high-potential female employees with board-ready financial skills.

Female role models are particularly important in industries and occupations with low levels of female employment and few women in the senior ranks. Ms Sara Akbar is the founder and Chief Executive Officer of **Kuwait Energy**, an independent oil and gas company and IFC client, and one of the few women leaders in the sector. Ms Akbar strongly believes in the value of mentoring younger women: she plays an active role in the Kuwait Oil Company Professional Women Network (established in June 2009) to guide and motivate women in the sector on how to overcome barriers and pursue opportunities for professional development and success.

In an industry where men traditionally constitute the vast majority of supervisors and managers, **Finlays Horticulture Kenya** has established a **comprehensive training program to support the professional development of all of its employees, women and men.** Whilst training is available to all employees regardless of gender, women benefit in particular, as they start from position of comparative disadvantage in the labor market. This is particularly the case in rural areas, where women are more likely to have lower levels of literacy and formal education than men and fewer financial resources from

87 IFC, “Promoting women’s employment opportunities in China’s healthcare sector,” March 2013: <http://www1.ifc.org/wps/wcm/connect/7786ca804eda703a8e00cf3eac88a2f8/sba-proj-chindex.pdf?MOD=AJPERES>

which to help pay for further education and/or training.⁸⁸ Many managers provide extra encouragement to women to boost their confidence and increase their take-up of opportunities for training and promotions.

PROVIDING TRAINING AND INCENTIVES FOR MIDDLE MANAGERS AND SUPERVISORS

Shifting mindsets amongst middle and lower management is important: these managers are the company’s “front line” with its workforce and responsible for implementing the company’s policies on a day to day basis. Support for gender diversity initiatives amongst this group cannot be assumed: a 2012 McKinsey survey found that support for gender diversity policies tends to dwindle at lower levels of management and male managers tend to be less convinced of the need for gender diversity initiatives.⁸⁹ This suggests that **organizations need to work particularly hard to engage middle managers and change attitudes at these levels.**

Training is a powerful tool to ensure that managers are aware of company policies on equal opportunity and anti-discrimination, understand why they have been

“Behaviors that align and support diversity and inclusion are embedded in our leadership, management and individual effectiveness model, which link to performance evaluation and career progression. Leaders and managers receive 360° and 180° feedback on their inclusion skills.”

—PepsiCo, *Diversity and Inclusion*

88 A. Ellis, *Gender and Economic Growth in Kenya: Unleashing the Power of Women*, World Bank report, 2007, p 10: [www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_GEM_GenderandEconomicGrowthinKenya/\\$FILE/Gender+and+Economic+Growth+in+Kenya.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_GEM_GenderandEconomicGrowthinKenya/$FILE/Gender+and+Economic+Growth+in+Kenya.pdf). While measures to increase girls’ access to education have improved gender parity in education, gender disparity persists in rural and poor areas and, across the country, female literacy remains markedly lower than male literacy. World Bank, *Country Partnership Strategy – Kenya, 2010-2013*, p 5.

89 For example, the survey found that male managers often felt that internal processes were already sufficiently equitable. McKinsey, *Women Matter*, 2012, pp 11-12: www.mckinsey.com/locations/swiss/news_publications/pdf/Women_Matter_2012.pdf

introduced and know how to apply them in practice. In addition to outlining the moral case for non-discrimination and non-harassment, training can also be a forum for outlining the business case for supporting women's employment as another method for convincing supervisors and managers. In order to equip its managers with the skills they need, **PepsiCo** managers attend "Appreciating the Difference" and "Core Inclusion Skills" workshops as part of their training, both of which specifically address gender inclusion.⁹⁰ At the same time, managers are held accountable by setting hard and soft targets for gender representation and inclusion; results affect annual merit increases and bonuses.⁹¹

Training is particularly important in sectors with traditionally low levels of women's employment, where male managers and supervisors have little experience in managing mixed teams of men and women. An important aspect of this kind of training is about providing a space for frank discussion and getting unconscious gender biases out into the open. In an industry where supervisors are traditionally male, **Finlays Horticulture Kenya** found that gender awareness training was an important catalyst for improving relations between supervisors and women workers.⁹² **Anglo American Copper** has developed a particularly innovative approach to training supervisors on gender awareness (see box).

Tangible measures of accountability help to complement training and culture change initiatives, by integrating targets, goals and measurements into the appraisal of individual managers and criteria for promotion to the next level. Such performance measures help anchor the diversity strategy in the operational reality of management and help supervisors and managers check that they are on track. Such measures, for example, may include hiring and promotion goals related to gender diversity, reductions in incidents of harassment, access to training; and broader measures of employee morale.

ANGLO AMERICAN, CHILE: GENDER WORKSHOPS FOR SUPERVISORS

In 2012, **Anglo American** ran a series of gender diversity workshops for supervisors across all of its operations in Chile. One of the goals of the workshops was to explain Anglo American's gender diversity strategy, to **promote awareness of the company's policy and the reasons for it**.

A further objective was to provide a space for **open and frank discussion**. Participants were encouraged to discuss positive and negative personal experiences and raise any doubts, questions or concerns about company policies and procedures on gender diversity. For example, in some workshops, male supervisors revealed lingering anxieties about whether they needed to adapt their management style to manage women, while women supervisors took the opportunity to share their personal experiences—good and bad—of working in a male-dominated environment.

A key outcome of each workshop is a "co-existence agreement" (*acuerdo de convivencia*): an **agreed set of mutual commitments** unique to each operation. These are a list of simple actions that men and women agree to take on board to help make life in the workplace easier for everyone. Sample commitments include:

- "I will develop empathy, by remembering to put myself in other people's shoes"
- "I will use respectful language, but not by being over-protective or excluding others from discussions"
- "I will not downplay situations that undermine respect for gender or other differences."

Once agreed, these agreements are **posted on notice boards** throughout the workplace. The site-specific nature of the commitments helps to give a greater sense of ownership to supervisors and provide a concrete reminder of how to put the policy into practice each day.

Feedback from the workshops has been extremely positive, from men and women alike. Some male supervisors admitted to being initially skeptical, but said that by the end of the workshop they were extremely glad that they had participated. On this basis, the program will be continued in 2013.

Source: Interviews with company staff, Anglo American Copper, Chile.

90 PepsiCo, *Diversity and Inclusion: Inclusive Possibilities*.

91 Ibid.

92 Ethical Trading Initiative, "Finlay's Horticulture's work on empowering supervisors," 2011: www.ethicaltrade.org/training/supervisor-training/finlays-horticulture

CREATING A SUPPORTIVE MANAGEMENT CULTURE: KEY ADVICE

- » Maintain the attention of senior managers by linking women's employment directly to key business priorities.
- » Ensure that the support of CEO and senior managers is made visible throughout the company, by e.g., involving them in communicating company policies and initiatives on women's employment.
- » Identify "champions" for women's employment at senior levels.
- » Support women to take on leadership roles in the workplace by providing management training, mentoring and networking opportunities.
- » Strive for equal promotion rates for men and women and/or consider setting targets for women in management.
- » Consider workshops for supervisors on gender awareness and company policies to change mind-sets and start a dialogue about women's employment.
- » Provide training for supervisors and managers on how to recognize and deal with sexual harassment.
- » Create meaningful accountability measures to help supervisors and managers know that they are on track with the implementation of the company's gender diversity strategy.

Attracting women into non-traditional roles and sectors

USING MOMENTS OF WORKFORCE EXPANSION AS AN OPPORTUNITY TO INCREASE GENDER DIVERSITY

It can be difficult for companies to bring about any significant changes to the composition of their workforce within a short timeframe, including to their gender diversity profile. More often, these changes have to be phased in over several years. However, **where companies are undergoing business expansion and recruiting large numbers of new workers, this can provide a unique opportunity to train and/or recruit more women workers.** Given very low levels of staff turnover at Anglo American's El Soldado operation in Chile (2 percent in 2012), Karl Heimrich, the site's human resource manager, knew that the best way to increase the proportion of

women in the business was to try to improve the percentage of women workers in any cohort of new recruits. As the mine's workforce expanded from 481 in 2006 to 842 in 2012, the operation made a special effort to target women and men alike in their advertising campaigns.⁹³ This allowed the operation to more than double the number of women on site.

REACHING OUT TO WOMEN AND COMMUNITIES

Increasing women's employment in jobs which were previously predominantly or solely done by men is likely to require some active outreach to convince women (and their families) that they are truly welcome and that the working environment is safe. Traditional views of what is appropriate work for women and men can create considerable barriers to women's entry into certain jobs or sectors. These ideas are often firmly entrenched amongst both men *and* women and can be difficult to shift, in part because they are not always openly voiced, but rather accepted as common practice. According to multi-country research carried out by the World Bank, about 50 percent of all jobs are considered to be "men's jobs" or "women's jobs."⁹⁴ To address these barriers, companies have effectively used different types of outreach to provide women and their families with better information about their workplaces and to encourage women to apply for work in jobs that are traditionally seen as men's jobs.

Some companies have finely honed their strategies for reaching out to women in local communities. Community consultations associated with new projects are a highly effective mechanism for publicizing new training and employment opportunities. **Rio Tinto** has developed a resource guide for integrating gender considerations into community outreach, including pointers on how to maximize the participation of women in community consultations, such as through holding meetings at convenient locations and times for local women, providing support for child care during meetings and providing transport to and

⁹³ Information provided by Anglo American, 2012.

⁹⁴ World Bank, *World Development Report 2012: Gender Equality and Development*, 2011, p 211.

from meetings.⁹⁵ When constructing a greenfield chemical site in India, **Meghmani** used consultations to encourage women's applications, to inform women and their families that the workplace included separate changing facilities for women and men and to determine whether there were any other concerns that could act as a barrier to women's employment.⁹⁶ Similarly, at its Santo Antônio site, **Odebrecht** promoted its skills training programs through community consultations and a publicity campaign that targeted community organizations. According to **Odebrecht**, many women at the consultations would leave, thinking that the training on offer was more suitable for men; however, some stayed and enrolled. When these women started to join the program and got jobs, this showed others that it was possible and "opened the floodgates" for others.

In some industries, women may be concerned about the challenges associated with learning new skills or combining employment with family responsibilities. One of the HR managers at **Anglo American** in Chile noted that companies can engage with women, either during community consultations or job interviews, and provide examples of how other women manage these issues. Daniel Dominguez, Human Resource Manager at the Chagres copper smelter noted that "some women automatically assumed that shift work in the mines was incompatible with family life. However, once we explained that other women successfully combine the job with family responsibilities (for example by arranging extra childcare), they changed their minds and decided to take the job."

In some cultures, it is important to persuade husbands and family members as well as women of the merits of certain jobs and workplaces. It may be culturally unacceptable for women to associate with men who are not members of their families or women may be expected or legally required to seek permission from

their husbands or families to apply for a job.⁹⁷ When **Rio Tinto** decided to recruit women to work as in security at its Bunder site in rural India, the company was told by a number of security contractors that they would never be able to recruit women to fill the positions as a result of the remote location of the site.⁹⁸ The company persevered and, as one part of its strategy, flew family members (particularly fathers) to the mine in order to show them personally that the women would be provided with a safe and protected working environment.⁹⁹ Community outreach played a crucial role in convincing local women to train as drivers and overcoming local wariness—often expressed by male family members—about the appropriateness of women taking on non-traditional roles and working alongside men. According to community relations advisor, Santosh Pathak, "It helped that they could see that we were part of a big, stable organisation and a definite influence was that our project director at that time ... was a woman."¹⁰⁰

PROVIDING SKILLS DEVELOPMENT AND TRAINING OPPORTUNITIES

In sectors where women are traditionally under-represented, an important step is to provide women with access to the skills training they need to apply for jobs and perform to their full potential. This might entail specific entry-level training for women to prepare them for work, providing them with knowledge which men are more likely to have received informally from their fathers or peers when growing up. Such initial pre-training programs can also prevent women from effectively being set up to fail by being put into positions for which they don't have the skills or fitness. This can lead to skeptics feeling that their ideas about women's lack of suitability

⁹⁵ Rio Tinto, *Why gender matters*, 2010, op cit, p 27.

⁹⁶ Jiang, 2011, op cit; Meghmani Organics Limited presentation at IFC workshop, Washington DC, April 2012.

⁹⁷ There are on average fewer women in the workforce in countries where women need their husband or guardian's permission, compared to countries where this restriction does not exist. IFC / World Bank, 2011, op cit, p 26: <http://wbl.worldbank.org/~media/FPDKM/WBL/Documents/Reports/2012/Women-Business-and-the-Law-2012.pdf>

⁹⁸ Regulations from the diamond industry mean that security personnel have to be employed from outside the local community and therefore need to be willing to work and stay on site. Rio Tinto, 2013, op cit.

⁹⁹ Information provided by Rio Tinto, 2012.

¹⁰⁰ Rio Tinto, op cit, 2013.

for certain jobs have been validated and may block future progress for women in the organization.

The right training opportunities can provide women with the foothold they need to boost their earning capacity. By applying a scrupulously inclusive application policy, **Odebrecht** succeeded in attracting a high proportion of women into its skills development program in a remote part of Brazil—and then later into operational positions on site.¹⁰¹ For the women who were recruited into skilled jobs on the site, this meant a significant jump in wages compared to their previous jobs in more traditionally female occupations (such as beauty salon assistants). Some male managers and supervisors were initially skeptical that women would be able to cope with the physical environment and demands of the job. However, this skepticism proved unfounded. **Odebrecht's** training program meant that women were given a foothold on the site and the opportunity win over the skeptics. (Later on, **Odebrecht** also included gender awareness modules in its leadership training for supervisors.)

Companies can also help to change attitudes by encouraging female students to consider working in non-traditional fields or occupations, including through the provision of scholarships. In Chile, **Anglo American** has a Pre-Graduate Program which seeks to attract, develop and retain young students in their last years of study as potential candidates to enter the company's Graduate Program. The aim is to ensure that at least 30 percent of participants are women who are studying in disciplines where the number of female graduates has been historically scarce. Successful applicants to the program are given \$5000 scholarships and the opportunity to complete an internship, which includes the assignment of a professional mentor, at one of Anglo American's operations. The company visits universities and career fairs and uses social media to contact young students and publicize the program.¹⁰²

However, for many young women in emerging markets, these kinds of opportunities may seem out of reach, with financial difficulties making secondary education or higher

BELCORP: EMPOWERING WOMEN THROUGH TRAINING

Belcorp, a Peruvian direct sales beauty product company, gives each of its 650,000 beauty consultants (most from low-income households) the opportunity to become entrepreneurs and to benefit from business training, social networking, and group activities to educate and empower them, their families, and their communities. Key initiatives include *Grandes Mujeres* (Great Women), a coaching program to lift women's self-esteem, and *Mujeres Iluminando Mujeres* (Women Illuminating Women), which focuses on granting scholarships.

These initiatives have provided an important opportunity for Belcorp's beauty consultants, many of whom come from low-income households. According to Jessica Mina, from Ecuador, *"The 'Grandes Mujeres' Programme generated a turning point in my life and gave me the strength to say 'Yes I can'. Today I am an attractive woman, a dreamer, an entrepreneur, and I am eager to go ahead."*

Source: Information provided by Belcorp.

education an impossible goal. In recognition of these difficulties, some companies provide opportunities for women to fulfill their full potential. Chinese healthcare provider **Chindex** sponsors its staff to pursue advanced education in hospital-related fields: over 70 percent of participants are women.¹⁰³ In addition to its workplace training, **Finlays** runs an educational loan scheme, which enables workers to complete formal qualifications outside the workplace and enhance their professional options and social mobility. This provides a crucial springboard for low-income women workers, in particular those who have withdrawn from formal education by financial necessity to support their families, rather than by personal choice.

SETTING NUMERICAL TARGETS

Setting numerical targets for women's participation is one way that companies seek to create momentum on women's employment. In a business environment,

¹⁰¹ Interview with Odebrecht staff, Porto Velho, Brazil, August 2012.

¹⁰² Information provided by Anglo American, 2012.

¹⁰³ IFC, "Promoting women's employment opportunities in China's healthcare sector," March 2013: <http://www1.ifc.org/wps/wcm/connect/7786ca804eda703a8e00cf3eac88a2f8/sba-proj-chindex.pdf?MOD=AJPERES>

SUMITOMO CHEMICAL GROUP: JOINT VENTURE IN TANZANIA BRINGS BUSINESS BENEFITS AS WELL AS TRAINING OPPORTUNITIES AND BETTER WAGES FOR LOCAL WOMEN

The Japanese-based **Sumitomo Chemical Group** has over 100 subsidiaries and affiliates, and operates businesses in five sectors—basic chemicals, petrochemicals, IT-related chemicals, health & crop sciences, and pharmaceuticals.

Sumitomo Chemical provided a royalty free license to **A to Z Textile Mills Limited**, a Tanzanian company in Arusha, for the technology used to produce **Olyset® Net**, a long-lasting insecticide-treated bed net. To this point, production had been based in East Asia, but Sumitomo wanted to establish a manufacturing base in sub-Saharan Africa, where there is greatest need for the nets as a result of high levels of malaria. In 2007, **Sumitomo Chemical** established Vector Health International Limited, a joint venture with A to Z Textile Mills and opened a new factory in Arusha. Africa-based Olyset® Net production now accounts for 50 percent of global production capacity, with the Tanzanian factories producing approximately 30 million nets per year. In the local area, the Olyset® Net business has provided around 7,000 job opportunities, making



Female worker at Olyset™ Factory in Tanzania. Photo: © M. Hallahan/Sumitomo Chemical

an important contribution to local employment and economic development.

The Olyset® Net factories provide **valuable opportunities for training and personal development, which are advantageous for the company and workers alike**. It is difficult for the joint venture to recruit semi-skilled workers (many workers have only primary school education), so it aims to build its own pool of semi-skilled workers through its training programme and provide enhanced possibilities for workers to gain internal promotion. The Olyset® Net factories now have a training package that spans a range of areas, including work education, technical and IT skills, environmental and health and safety training, management skills, language classes and financial literacy. Trade union representatives are provided space on site to run training sessions on workers' laws and rights.

The Olyset® Net facilities bring significant **economic benefits for the 7000 workers that they employ, 61 percent of whom are women**. In a survey of employees, 71 percent said that their job at Olyset® Net was helping them to send their children to school and 75 percent said that their wages allowed them to support their family and relations. There are a number of additional non-wage benefits for workers, including on-site childcare, free meals during shifts, free on-site accommodation (for up to 1500 workers), safe transport for workers who live off-site, health centres at both sites (including HIV/AIDS testing) and small interest-free loans, including for education of children. These benefits are particularly meaningful for Tanzanian women, who are much less likely than to find formal wage-employment in the non-agricultural sector and, across the economy, earn about 40 percent less than men.

Sources: www.olyset.net; information provided by Sumitomo Chemical, April 2013; M. Jennings, *Economic Impact of Local Manufacturing of Bednets: A Survey*, 2011: www.olyset.net/pdf/SOAS_Economic_Impact%20%20Survey_April_2011.pdf; International Labour Organization, *Decent Work Country Profile –Tanzania (mainland)*, 2010.

targets can help to create a greater sense of accountability and managers that have reporting commitments are more likely to work hard to meet them. A number of global companies have adopted targets particularly to increase the proportion of women in management, but numerical targets may also be developed for the workforce more generally (in companies or industries with traditionally low levels of female participation) or for particular occupations (in companies or industries where roles are traditionally segregated along gender lines). For

instance, Continental is aiming to increase the number of women in top management across its global operations from the current 8 percent to 16 percent by 2020.

Global mining companies **Anglo American** and **Rio Tinto** have both developed a series of targets and reporting policies for increasing the proportion of women in employment and developing women into senior roles. Gender diversity is one of **Anglo American's** 14 global performance indicators, alongside financial targets and

“Having a target on gender diversity helps to focus a company’s attention. Mining is an industry that is keenly focused on key performance indicators: people respond to the language of targets”

—Edwin Ugarte, *Planning and Resource Manager, Anglo American Chile*

safety measures. Each of its business units has set targets for increasing the proportion of women in the workforce, including a separate target at management level. In 2011, women represented 15 percent of the company’s global workforce and 22 percent of its managers.¹⁰⁴ In Chile, one of the company’s strategies for meeting the target is to ensure that in recruitment processes, women constitute 30 percent of the long-listed applicants for each position (as far as this is possible). The company stresses that the purpose of targets is not about getting rid of merit-based recruitment or pushing women into roles that they are not ready for: it’s about making sure that women are given a chance and that gender diversity is given a visible profile within the organization.

In the manufacturing sector, **Hitachi**, the Japanese electronics and engineering multinational, has set its own ambitious global target. By 2020, the company aims to more than double the number of women currently in management positions from nearly 400 to 1000, raising the proportion of women managers from 3.4 percent to 10 percent.¹⁰⁵ To support its goal, Hitachi’s HR department is looking to establish a women-targeted leadership training for employees, alongside existing initiatives such as diversity training for managers and workshops for employees to discuss issues of gender balance and work-life balance.¹⁰⁶

Some companies are reluctant to set targets for women’s employment or promotion, for fear that this would undermine a culture of meritocracy. However, for **Rio Tinto**, the purpose of targets is not to promote people without regard for merit, but rather “to make the company sit up and take action to address the issue.”¹⁰⁷ The company has made steady progress on its targets to increase the representation of women in senior management from 15 percent to 20 percent.¹⁰⁸ The company has also committed to improving the representation of women in its graduate intake from 25 percent to 40 percent by 2015.¹⁰⁹

However, it is important to note that, whilst some companies find numerical targets helpful to create momentum on gender diversity, they **are not effective in isolation**: resources must be allocated to attract and develop women so that they are ready to be appointed or promoted into the target areas. For example, **Anglo American Copper** conceptualizes targets (“access”) as only one step in the journey towards greater gender diversity and equally prioritizes efforts to introduce cultural change and measures to support women’s participation in the workplace (“integration”). This also includes paying attention to the physical environment and ensuring that women have access to basic facilities such as toilets and changing rooms (see below).

CONSIDERING HOW THE PHYSICAL WORKPLACE COULD BE ADAPTED TO OPEN UP MORE JOBS TO WOMEN

When certain jobs or workplaces involve strenuous tasks, such as heavy lifting, it can be easy to assume that women are inherently unsuited to the job. This is often because the task has been done a particular way for a long time and there is an accepted way of doing it. However, whilst there are physically challenging aspects in some working environments that cannot be changed (for example, the need to work outdoors in a hot climate), it is possible that some tasks may be adjusted with very little effort or cost.

104 Anglo American, *Anglo American: Annual Report 2011*, 2012, p 15: http://ar11.angloamerican.com/_assets/pdf/final/AA_AR2011.pdf

105 Based on information provided by Hitachi and Hitachi, “Diversity Management,” website consulted 7 June 2013: www.hitachi.com/csr/society/diversity/index.html

106 Ibid.

107 Narelle Crux, talent management global practice leader, Rio Tinto, cited in Louisa Peacock, “Case study: Rio Tinto says targets for boosting female numbers ‘vital,’” *The Telegraph* (UK), 2 October 2011: www.telegraph.co.uk/finance/jobs/8800091/Case-study-Rio-Tinto-says-targets-for-boosting-female-numbers-vital.html

108 Information provided by Rio Tinto, October 2012.

109 Ibid.

Sometimes, workplace adaptations that help women can make the workplace safer for everyone. In Chile, when the Anglo American Chagres copper smelter decided to boost the number of women workers in the workplace, the company tried to identify which jobs could be carried out without the need for excessive physical strength. One woman was appointed to a position that involved turning a wheel to open and close the flow of sulphuric acid into a tank. On the face of it, the job didn't seem to require considerable physical strength; however, the woman reported that it was too tiring over the course of a long shift. Managers explored options for introducing new technology to adapt the machinery, but on closer inspection, found that the solution was considerably simpler and cheaper: the wheel mechanism just needed cleaning. After this was done, the task was easier and quicker for both men and women. Similarly, in relation to another position, loads for manual lifting were reduced from 40 to 20 kilograms, making it easier and safer for all workers to perform their jobs, without resulting in any decline in productivity.

Similarly, at Anglo American's El Soldado mine in Chile, heavy chocks are used under truck wheels to prevent accidental movement when the vehicle is stationary. When women started working as truck drivers on site for the first time, managers noticed that women were complaining of strain in the arms and shoulders. Managers recognized that these chocks were being stored too high for some women to remove them safely from trucks. At no cost, they were shifted to a lower storage area on the trucks.

At Continental's automotive parts plant in Thailand, management reduced the weight of boxes by 30 percent in one part of an assembly line, when women workers on a production line raised concerns that the boxes were too heavy for them to lift regularly over the course of their shift. This made the task more manageable for women, without any adverse effect on productivity.

Creating female/family-friendly working conditions

PUTTING IN PLACE FAMILY-COMPATIBLE WORKING ARRANGEMENTS

Working hours are one of the most important factors shaping women's participation in paid employment, particularly for women with young children or other caregiving responsibilities.¹¹⁰ This is because cultural attitudes mean that women generally tend to bear primary responsibility for housework and care for dependents (including children and the elderly).¹¹¹ When the only choice is to work full-time, all-the-time, many women may leave the labor market altogether when they have children or, alternatively, seek flexibility in the form of self-employment or informal employment.¹¹²

Most workplaces offer maternity leave—all countries have some form of paid or unpaid maternity leave or offer

WOMEN IN NON-TRADITIONAL OCCUPATIONS AND SECTORS: KEY ADVICE

- » Use workforce expansion as an opportunity to recruit more women.
- » Publicize training and job opportunities for women through active community outreach.
- » Don't set women up to fail: make sure that women have access to the training opportunities they need to perform jobs in management or non-traditional occupations.
- » Ensure that job advertisements make it clear that women and men can apply.
- » Consider providing tailored training opportunities to women to improve their chances of employment or promotion, particularly with respect to non-traditional occupations.
- » Consider setting numerical targets for the inclusion of women in recruitment and selection, training and promotions, and what kind of targets would be realistic and the type of resources that the company would need to meet them.

110 International Labour Organization, *Beyond maternity and back to work: coping with childcare*, Maternity Protection Resource Package, 2012, p 12: <http://mprp.ilo.org/allegati/en/m11.pdf>

111 See, e.g., World Bank, WDR 2012, op cit, p 217. Hewlett and Rashid note that caring for elderly parents can be a particularly important consideration in some emerging markets, like China, India and UAE: op cit, p 9.

112 World Bank, WDR 2012, p 220.

maternity benefits through **parental leave**¹¹³—and paternity leave is becoming increasingly common. Once the worker returns from leave, they may need some flexibility over standard working hours. Providing **access to alternative work arrangements**, such as options to swap shifts with co-workers, reduced hours on a permanent or temporary basis, flexibility over starting and ending time, the use of time banks for emergency leaves, or other arrangements which make it possible for a worker to be both a good provider and a good caregiver for their family can yield particular benefits for women workers (and, as we discussed in Part 2, benefits for the business).¹¹⁴

Yet, whilst recognizing that women are most likely to be care-givers, interventions on family-friendly working arrangements should **support both women and men** in caring for family dependants, while also allowing them to be productive and valued employees at work.¹¹⁵ When more family-friendly working arrangements were introduced at **Itaipu**, the largest power generator in the world, both men and women appreciated the changes and worker satisfaction levels increased across the whole organization.¹¹⁶ Research suggests that employee **demand for these arrangements is high in emerging economies**: a survey of multinational companies in India and South Africa found that employee demand for flexible work schedules is high, and at comparable levels to Spain, the UK or the US.¹¹⁷

Often these policies can be offered at little or no extra cost to the organization, but make a big difference to working parents and care-givers. For example, **Chindex** provides women with flexibility in how they choose to take maternity leave, allowing them to split their entitlement into more than one period of time or increase their time off by taking unpaid leave. Other companies provide parents

with extra flexibility in leave arrangements to take care of sick children. This may involve using unused annual leave or sick leave, through “time banking” or “shift swapping” between employees. Women workers at **Mriya** in Ukraine voiced their appreciation for managers’ willingness to accommodate requests for flexibility in cases of childcare or family emergencies.¹¹⁸

“A range of flexible work options are available across our markets in Asia, the Middle East and Africa, including:

- *Flexible start and finish times*
- *Ability to work from home one day a week*
- *Summer hours*
- *Time in lieu (if travel occurs on the weekend)*
- *Part-time options*
- *Birthday off”*

—PepsiCo, Diversity and Inclusion

Unforeseen overtime and unpredictable shifts can also be particularly difficult for workers with care responsibilities, but some companies have come up with solutions. **Nalt Enterprise** focuses on advance planning to minimize the need for last-minute overtime hours and additional shifts, providing greater predictability in working hours, which is particularly important as many of its workers are mothers. When overtime and additional shifts are required, advance notice is given and childcare services are provided as back-up.¹¹⁹ Apart from making work easier for its workers, such forward planning also helps the business to save money on overtime pay.

While working from home and teleworking may not be practical in all jobs, many jobs have elements that can be performed away from the workplace: as a back-up possibility in emergencies, a regular option for a day a

■ 113 IFC / World Bank, *Women, Business and the Law 2012: Removing barriers to economic inclusion*, 2011, p 20: <http://wbl.worldbank.org/~media/FPDKM/WBL/Documents/Reports/2012/Women-Business-and-the-Law-2012.pdf>

114 See, e.g., World Bank, WDR 2012, op cit, p 217.

115 See, e.g., International Labour Organization, *Beyond maternity and back to work: coping with childcare*, Maternity Protection Resource Package, 2012, p 9: <http://mprp.ilo.org/allegati/en/m11.pdf>

116 Niethammer, op cit, p 2.

117 Cited in Gornick and Hegewisch, op cit.

■ 118 Interviews with Mriya workers, Ternopil, August 2012.

119 Interview with Nalt Enterprise staff, Binh Duong Province, Vietnam, July 2012.

week, or possibly on a permanent basis. Working remotely can help workers by reducing travel time to and from work. Working from home is, of course, no alternative to childcare; yet allowing someone to work from home may give them the flexibility to work during school hours, have a break when children return from home, and then return to work later during the day. Remote working can also be a very welcome solution to employees with an elderly parent or spouse with a disability who may need some assistance during the day. Key to the introduction of home-based working, or any other alternative work arrangement, is to identify arrangements that work for both the business and the individual. It will help to introduce any new arrangement on a pilot basis for a few weeks; the evaluation of the pilot should include feedback from co-workers and others who might be affected.

The experience of companies that widely use alternative work arrangements and make it possible for employees to take leave for their own or family care-giving needs suggests that **two issues are central: communication and cross-training**. Having some workers work remotely makes it necessary for communication to be more explicit between the worker, co-workers, customers (where relevant) and supervisors. More explicit communication is likely to be beneficial to all workers, whether they work standard hours in the main premises or work remotely. Ensuring that at least some workers are cross-trained so that they can perform more than one job task prevents unplanned absences from interrupting production or service provision. Multi-skilling through job rotation or access to training programs is also likely to have benefits beyond the narrow need of covering for absent co-workers by increasing the ability of workers to trouble-shoot and innovate.

FACILITATING ACCESS TO QUALITY CHILDCARE

A lack of decent and convenient childcare makes it challenging for many women to juggle work and family responsibilities. It is often assumed that many women in emerging and developing economies rely on their extended family for childcare; however, this is not possible for all workers, particularly given increasing levels of

labor migration.¹²⁰ Whilst some workers may have access to government-run centers, often these do not meet the needs of working parents in terms of opening hours, location, quality or cost. Almost half of all countries have no formal childcare programs for children under three, and for those that do, coverage is very limited.¹²¹ As such, **employer initiatives to assist women workers with childcare solutions can provide much-needed support for women and their families** and, if implemented according to need, may be relatively low cost. In some workplace childcare centers, workers pay a small sum to off-set some of the cost.¹²²

Childcare facilities are often established by employers who have a large number of workers concentrated on individual and/or remote sites or whose working hours do not neatly correspond to the schedules of local facilities. They are particularly common in companies with a large proportion of female workers, such as in the garment sector or agribusiness. For instance:

- In Vietnam, **Nalt Enterprise** built a kindergarten next to its factory, where workers can place their children free of charge. The kindergarten is staffed by qualified teachers and provides nutritious meals, clothing, school bags and books for the children.
- In Afghanistan, **MTN**, a multi-national telecommunications provider, has established a childcare centre for its employees in order to address one of the barriers that Afghan women face—access to quality formal childcare—in obtaining employment.¹²³ So far, all eligible female staff have enrolled their children in the facility, where they are cared for by qualified childcare professionals.
- In Kenya, onsite childcare is also provided by **Red Land Roses**, for children aged two months to four years old. Whilst the center is a 30-40 minute walk

120 C. Hein, *Reconciling work and family responsibilities*, International Labour Organization, 2005, p 6: http://www.ilo.org/public/libdoc/ilo/2005/105B09_142_engl.pdf

121 International Labour Organization, *Beyond maternity*, 2012, op cit, p 18.

122 Hein, op cit, p 144.

123 MTN, "Offering workplace crèche facilities in Afghanistan," website consulted 25 June 2013: www.mtn.com/Sustainability/pages/CaseStudyFullView.aspx?plD=17

from the farm, the company provides employees with bicycles to shorten the journey and help mothers return for breastfeeding breaks.¹²⁴ Children are provided with proper nutrition and health care, including treatment of HIV and AIDS. The centre is subsidized by public-private partnerships, and financed by the profits of the company. Those who wish to put their children in the center only pay 10 percent of the effective care costs.¹²⁵

On-site childcare facilities can help to support breastfeeding. In many countries, there are legislative requirements to provide this kind of support: more than 90 countries have national laws that provide for breastfeeding breaks in some form, typically providing for two breaks of 30 minutes each day.¹²⁶ However, for many women, a lack of support for breastfeeding in the workplace makes working incompatible with breastfeeding or, at the very least, makes for a difficult transition back to work after childbirth. As such, some companies **support women to continue breastfeeding** when they return to work, setting aside areas where children may be brought during breaks and providing extra breaks to allow women to express milk and keep it refrigerated. In addition to providing a day care center for workers' children, **SafariCom**, a Kenyan telecommunications company, also provides a room for nursing mothers and adjusts work shifts for nursing mothers for up to seven months.¹²⁷

For cost-effective childcare solutions, it may make sense for companies to provide subsidies or identify and support existing services within the community, rather than building and running their own onsite facilities. For instance, **Anglo American** succeeded in attracting a higher than average proportion of women trainees at its Minas Gerais

iron-ore mine in Brazil by offering a monthly childcare allowance to workers.¹²⁸

Many companies engage in partnerships with a range of different actors, including government agencies, private businesses and NGOs. In India, a not-for-profit organization called **Mobile Crèches** provides mobile childcare services for women construction workers, who constitute around 25 percent of unskilled labor on Indian construction sites.¹²⁹ Crèches are set up on construction sites, with accommodation, electricity and water and last only as long as construction on the site. The centers cater for babies as well as children and mothers are encouraged to breastfeed regularly. Older children are prepared for admission to regular schools. To date, Mobile Crèches has trained 6,000 childcare workers and run 600 day care centers.¹³⁰

SUPPORTING BETTER HEALTH OUTCOMES FOR WOMEN AND THEIR CHILDREN

A number of leading companies have initiatives that aim to improve the health of women and their children. Often these initiatives are not confined to treating work-related illnesses and injuries and go well beyond statutory compliance.

In some cases, companies provide generous medical insurance schemes. In Thailand, **Continental's** medical insurance is greatly valued by workers, as it also covers their families, while in Kenya, **SafariCom's** medical insurance covers women's pre- and post-natal requirements, including infant immunizations. **Belcorp**, the Peruvian cosmetics company, has become the first and only direct sales company that offers life insurance and hospitalization assistance to consultants and their families. The *Familia Protegida* initiative has already benefited more than 160,000 women in five countries in Latin America.¹³¹

124 Hein, op cit, p 319.

125 International Labour Organization, *Beyond maternity*, 2012, op cit, p 20.

126 Ibid, p 7.

127 UN Global Compact Human Rights and Business Dilemmas Forum, "Gender equality case study - SafariCom," consulted 25 June 2013: http://human-rights.unglobalcompact.org/case_studies/Gender/gender/creating_a_mother-friendly_workplace.html#.UcnJNiXTn4

128 J.W. Miller, "Wanted: Miners in Brazil for Anglo American," *Wall Street Journal*, 19 May 2013: <http://online.wsj.com/article/SB10001424127887324582004578461171873348926.html>

129 Mobile Crèches, "Construction sector," consulted on 24th June 2013: <http://www.mobilecreches.org/article/what-we-do/construction-sector>

130 International Labour Organization, *Beyond maternity*, 2012, op cit.

131 Information provided by Belcorp, 2013.

In other cases, companies have established their own workplace clinic or hospital, with additional services that benefit women. For example, **Nalt Enterprise's** onsite health clinic provides women and their families with free medical care and medicines, including general check-ups, dental care and ultrasounds during pregnancy. This helps women to save time: rather than taking half a day to travel to and from a clinic in the closest village, they can make a half-hour appointment to see the factory doctor during their working day. **Finlays, Mriya, and Odebrecht** also provide comprehensive on-site health services for workers.

Companies that operate in regions with high rates of HIV/AIDS have found that programs are particularly helpful for women, given their disproportionate vulnerability to infection and role as mothers and caregivers. Access to testing and treatment is particularly important for women during pregnancy to ensure that mothers receive the right care and to help prevent transmission to the baby. **Finlays** offers a comprehensive HIV/AIDS program, which goes well beyond statutory requirements. The program covers dispensing of anti-retroviral medicine, treatment of opportunistic infections (such as tuberculosis) and distribution of nutritional supplements, as well as a network of peer educators to educate workers, address stigma and discrimination and outline options for counseling and testing. **Finlays** also provides family planning and reproductive health services, as women's increased risk of HIV infection in Kenya is compounded by an acute unmet need for these services. Whilst access to HIV/AIDS testing and treatment has clear benefits for men and women alike, **Finlays'** female employees tend to use the program more as the prevalence of HIV amongst Kenyan women aged 15-49 years is nearly double the rate amongst men (8 percent compared to 4.3 percent).¹³²

Some companies have introduced innovative, low-cost programs to provide women with better access to health information. The **HERproject** has helped garment factories in several developing countries to introduce peer-to-peer health education programs. The program takes place

over 12-18 months, during which time women workers are trained and positioned as health educators, encouraging women and health staff to share information about simple health solutions (e.g., nutrition) through existing communication channels.¹³³ This cost-effective model has led to widespread health behavior changes.

KEY ADVICE: FAMILY FRIENDLY WORKING ARRANGEMENTS AND CHILDCARE

- » Ask—don't assume: get employee feedback on the alternative arrangements that would be of most value to them.
- » Introduce new working arrangements on a pilot basis and evaluate with feedback from individual workers, co-workers, customers/clients and line managers to check whether they are working and/or suggest how the arrangement could work better.
- » Make benefits such as leave to look after sick children, flexible working and subsidized childcare available to men as well as women employees and encourage men to take advantage of them.
- » Ensure that workplace needs can be met during employee absences through training, multi-skilling and job rotation.
- » Communicate to workers to make sure that they are aware of existing benefits and entitlements, including the right to maternity leave.
- » Provide advance notice of overtime and weekend work to allow workers to plan childcare arrangements.
- » Consider the possibility of introducing a crèche or contributing to the provision of childcare facilities locally.
- » Investigate whether the costs of a new child or health care facility could be off-set by government subsidies or whether workers would be willing to bear some of the cost.
- » Consider possibilities for supporting breastfeeding mothers, such as extra breaks, an extra room for breastfeeding or expressing and facilities for refrigerating expressed milk.
- » Support access to health services for women (and their families).
- » Consider providing education for women workers on health, nutrition and family planning.

132 National Aids Control Council, *The Kenya AIDS epidemic: Update*, 2011, p 6: www.unaids.org/en/dataanalysis/knowyourresponse/countryprogressreports/2012countries/ce_KE_Narrative_Report.pdf

133 R. Yeager, *HERproject: the business returns from women's health programmes*, 2011: www.bsr.org/reports/HERproject_Health_Enables>Returns_The_Business_Returns_from_Womens_Health_Programs_081511.pdf

PROVIDING SEPARATE FACILITIES AND EQUIPMENT FOR MEN AND WOMEN

On a basic level, there should be appropriate infrastructure and facilities to support women's participation in all aspects of the business. This includes **separate changing and toilet facilities** for women and men and—where necessary—**separate worker accommodation**. This should be taken into account in the design of all workplaces. Provision should also be made for suitable uniforms for women.

Separate facilities are a particularly important consideration where women are being introduced into workplaces that were previously men-only. When Indian chemicals company **Meghmani** set out to design a women-friendly chemical plant, it included women-only restrooms, shower facilities and locker rooms.¹³⁴ At **Anglo American's** mines in South Africa, as recently as 10 years ago, it was technically illegal for women to work in an underground mine and so there were no facilities for women. After the legislation was changed to lift restrictions on women's employment, Anglo American had to install female toilets and change the design of uniforms to allow uni-sex usage.

As part of **Lonmin's** program to recruit and retain more women in its mines in South Africa, the company considered how to make the physical environment more comfortable for women. In addition to building separate changing and toilet facilities, the company also produced two-piece overalls for women to replace the traditionally worn one-piece overall. This made it easier for women to use the toilets while they were working underground.¹³⁵ In response to a suggestion made by women workers, **Continental's** automotive parts plant in Thailand introduced new uniforms specially designed for pregnant women.¹³⁶

PROVIDING ACCESS TO SAFE TRANSPORT

Transport to and from the workplace can be more difficult for women than for men, in terms of both **access and**

¹³⁴ Jiang, op cit.

¹³⁵ IFC / Lonmin, *Women in Mining: A Guide to Integrating Women into the Workforce*, 2009, p 21: www.ifc.org/wps/wcm/connect/b31e4e804879eacfab9ef51e3a7223f/IFC-LONMIN_WomenInMining_Manual.pdf?MOD=AJPERES

¹³⁶ Interview with Continental staff, Thailand, May 2013.

MEGHMANI ORGANICS LTD, INDIA

IFC invested in a greenfield chemical site in India in 2008, which was part of a group with more than 2000 male employees and no female employees.

The project intended to make the new factory a women-friendly environment, with the inclusion of female restrooms, locker and shower facilities and flexible work schedules.

By 2011, the 630-strong workforce included 45 women. Whilst the numbers of women remain relatively small, this initiative still represents a sea-change for the company and a positive example for the sector and local job market.

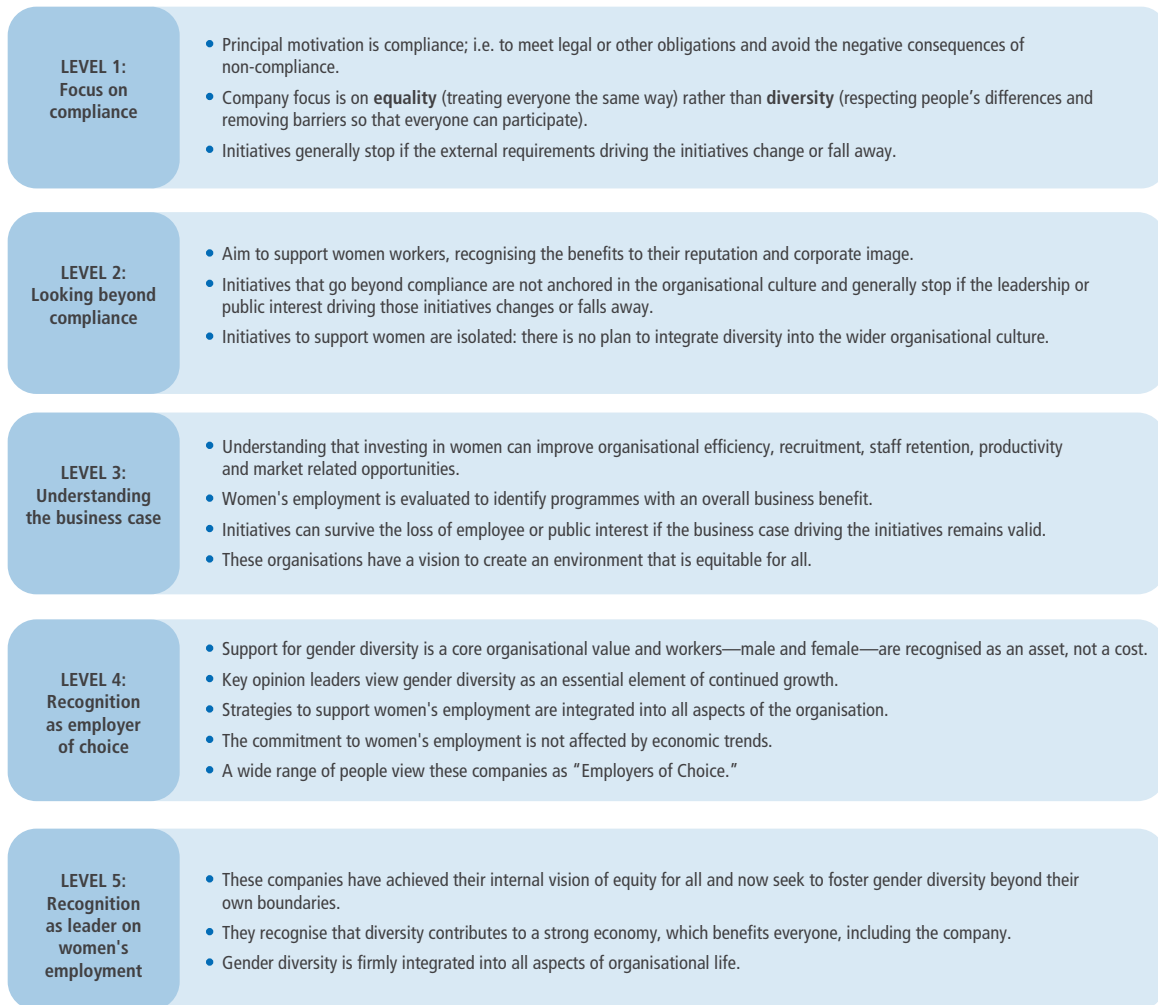
Source: IFC SmartLessons, 2011.

FACILITIES AND TRANSPORT: KEY ADVICE

- » When setting up new sites, make sure that the design includes separate facilities for men and women
- » Accommodate the specific health and safety needs of women and men, particularly fitted personal protective equipment (PPE) and requirements for pregnant women
- » Consider how women get to and from work and whether this is acting as a deterrent to women's employment

safety: these concerns can be an important factor that deter or prevent women from applying for work or curtail their choices of employment. In many countries, **women are less likely than men to have access to a private vehicle and more dependent on public transport:**¹³⁷ often this not only increases commute times, but also restricts women's choice of work locations and working hours. In some places, it can be socially difficult for women to travel alone or share crowded spaces with men. **Women are also more likely to have to grapple with safety concerns related to transport:** a recent study suggests that around one third of women in Russia, China and the United Arab Emirates feel unsafe while commuting to and from work; in India and Brazil, this figure rises

¹³⁷ Hein, op cit, p 8.

FIGURE 3: Assessment tool for benchmarking company policies and programs on women's employment

Source: Adapted from CSES, 2003.

to more than 50 percent.¹³⁸ Women are often particularly vulnerable at night or on pay day (if paid in cash).

In this context, investment in **safe transport options for workers** can overcome a key physical barrier to women's employment (and may also benefit men). In its regional operations in Ukraine, **Mriya** provides workers with

transport to and from the fields, as well as a transport subsidy for other workers.¹³⁹ In Thailand, **Continental** provides 17 different transport routes to its plant for workers in the local area and has carried out transport surveys that provide women with an opportunity to comment on how safe they feel at pick-up and drop-off points.¹⁴⁰

■ 138 Hewlett and Rashid, op cit, pp 52-53.

■ 139 Interview with Mriya staff, Kiev, Ukraine, August 2012.

■ 140 Interview with Continental staff, Thailand, May 2013.

PART 3

Plant operator at Sishen Mine, Kumba Iron Ore, South Africa. Photo: Anglo American

Understanding and capturing the benefits

Why should companies measure the business benefits?

Measuring the effectiveness of interventions on women's employment helps companies to understand the kinds of **costs and benefits** that are associated with the investment, as well as the links between **inputs, processes and outcomes**. This kind of understanding—with costs and benefits expressed in monetary terms where possible—makes it easier to provide the enabling conditions for ongoing investment in women.

Companies that measure the outcomes, costs and benefits of interventions to support women workers are better positioned to:

- » **Make women's employment a business priority**
In business, metrics and indicators are commonly used to decide and communicate strategic and financial priorities. Companies that are aware of the full spectrum of business benefits are more likely to ensure that women's employment becomes an integral part of a company's business strategy.
- » **Justify the ongoing dedication of scarce resources**
Where there is a coherent business rationale, complete with credible data, for investing in women, this helps to **create incentives for ongoing momentum and support** throughout the company, particularly at the senior management level, and to **convince any remaining skeptics**. This ensures that interventions on women's employment are sustained in the long term.
- » **Demonstrate leadership on women's employment**
Promoting achievements—both internally and externally—is easier for companies when there is concrete evidence of progress.
- » **Learn from experience**
Companies are better able to **pinpoint concrete changes and identify how changes related to women's employment translate into tangible and less tangible benefits**. As a result, investments that have worked can be systematized or rolled out across the company more broadly. This process also makes it easier to identify whether adjustments need to be made in order to strengthen the business benefits or outcomes for women and makes it more likely that interventions will be sustainable.

Challenges associated with measuring the business benefits

At the outset, it is important to recognize that there are some important challenges associated with quantifying the costs and benefits of interventions on women's employment. An understanding of these challenges—including the difficulties associated with capturing indirect and long-term value—and how to respond to them is critical to building a stronger model for measurement.

ATTRIBUTION

A credible analysis of the business benefits depends on being able to demonstrate some level of cause and effect; i.e., to attribute or credit at least some proportion of the business benefits to the change in women's employment. However, it's important to recognize that the **precise attribution of benefits will not always be feasible**.

Although it may be possible to establish a strong correlation between the change in women's employment and certain business benefits, it is unlikely that it will be possible to definitively assert cause and effect. This is a core challenge: many companies have made considerable progress in improving their workforce metrics (e.g., gender-disaggregated workforce numbers), but have difficulty in showing that a change in these metrics have had an influence on core business indicators. However, without this information, there is a risk that initiatives on women's employment are perceived as separate from a company's core business objectives or unrelated to its overall value. The challenge arises because business performance depends on a range of diverse factors and it is **difficult to isolate the impact of different variables** over time. This is particularly so considering the impact of the broader economic environment such as changes in the macro-economic environment, a recession or fluctuation in the price of raw materials, new technological processes or the impact of new capital investments.

Long-term benefits (e.g., enhanced reputation) are likely to be the hardest to measure and explicitly link to women's employment initiatives. Even for short-term and medium-term benefits (e.g., access to new markets; reduced costs), there are likely to be attribution difficulties. Positive changes in "top-level" performance (such as profitability, cash generation, business value) will be difficult to link directly to changes in women's employment, as there are so many other contributing factors.

Ideally the impact of an initiative related to women's employment should be evaluated and quantified with "all things being equal"; of course, in the day-to-day world of business it is often not possible to hold other things equal. However, there are recognized methods for overcoming these problems, which can be incorporated into the overall approach to measuring and assessing change. These include:

- **Personal testimony:** Conducting interviews with managers and workers to provide qualitative evidence to understand and support findings (e.g., x percent of managers say that the initiative has improved recruitment and retention rates);
- **Comparing "with" and "without":** Comparing the outcomes for similar business units where women's employment conditions have changed and those where they haven't (the "control"). If the external variables for both units are the same, this could provide assistance in pinpointing what changes can be attributed to the change in women's employment.
- **Attributing a proportion:** Estimating what proportion (e.g., 25 percent or 50 percent) of certain business outcomes might be attributed to the initiative or change rather than claiming 100 percent of benefits.

Where a comprehensive evaluation is not possible, a well-documented pilot program which highlights both quantitative and qualitative outcomes may be an effective alternative for capturing and communicating benefits.

AVOIDING DIVISIVE MEASUREMENT

A number of managers interviewed for case studies strongly advised against measures set up to compare men's and women's performance, believing that this would be potentially counter-productive as well as potentially misleading. If women were found to be more productive, it could create unrealistic expectations about women's future performance or generate resentment amongst men. If women were found to be less productive, it could lead male workers and managers to judge from the case of a few individuals to all women, ignoring factors other than sex (such as individual ability) that influenced workers' productivity, and undermining future recruitment efforts.

One way to get around this issue could be to create measures that compare outcomes for more gender diverse teams with those of less diverse teams.

RESOURCING THE GENDER MONITORING SYSTEM

Monitoring systems need not be resource-intensive and can be based on existing systems. However, it is important to recognize that some level of extra effort and resources will be needed to set up a monitoring system that is relevant and credible (and does not rely on an ad hoc approach). For instance, companies may ask their human resource department to monitor data on women's employment: this task will be an additional responsibility for the department, which will involve time spent designing the system, liaising with other colleagues and analyzing the result. It is also important to ensure that there is accountability for this task and someone with the appropriate level of seniority and understanding is identified to oversee the system. Resource considerations need not be a barrier, but they do need to be factored in.

A process for measuring the benefits

This section outlines a three stage process for measuring the business benefits of investing in women’s employment. This framework can help to understand:

- **The business case** (“Why should we do this? What will happen if we take this course of action?”); or
- **The business benefits** (“What were the outcomes of this initiative and what were the benefits for the company and women workers?”).

STAGE ONE: COLLECTING THE DATA

A: IDENTIFY THE CHANGE OR INITIATIVE

To better pinpoint costs and benefits, the analysis should be focused on a particular change or initiative (especially where a cost-benefit analysis is being undertaken), such as a new recruitment and training effort or the introduction of childcare facilities. The more closely the analysis is targeted, the easier it is likely to be to identify business benefits and attribute them to the intervention.

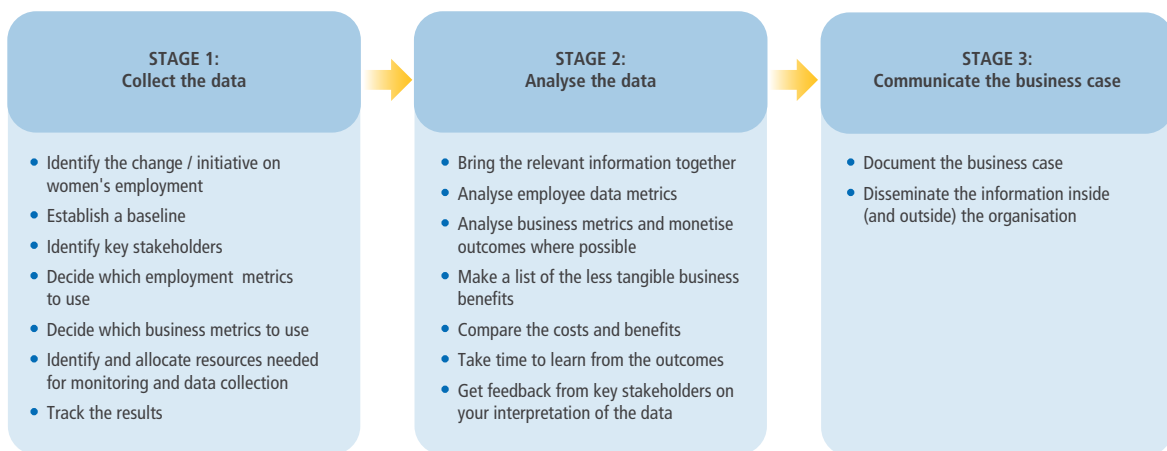
B: ESTABLISH A BASELINE

It is helpful to establish a **baseline** for business and employment metrics (a point that can be used for comparison) in order to measure progress and have a clear sense of what has been achieved. (This is particularly necessary if a return on investment analysis is going to be carried out—see below.)

In the case of an initiative or change with respect to women’s employment, there are two possibilities for establishing baselines:

- **“Before and after”**: Comparing the difference in company performance between points in time (e.g., changes over a 3 year period¹⁴¹); or
- **“With or without”**: Comparing the difference in performance between similar business units that have implemented the initiative and those that have not. This will still involve a “before and after” analysis (with endline / baseline data), but with the added value of having a “control” measure; i.e., a further point of comparison.

FIGURE 4: Overview of process



141 The appropriate time period for observing change will depend on the initiative undertaken by the company.

C: IDENTIFY KEY STAKEHOLDERS

An important tactic is to **consult with HR, finance and other departments** who have access to relevant data and ideas on how to measure costs and benefits, as well as knowledge of what sort of data matches the company's main business drivers. Consulting on data collection can also be an opportunity to increase internal awareness of the benefits of investing in women's employment and create wider buy-in inside the company.

D: DECIDE WHICH EMPLOYMENT METRICS TO USE

One of the first steps in evaluating the impact of an initiative is to **ensure that all HR data are available on a disaggregated basis** for men and women, particularly:

- The number of women and men in the workforce as a whole;
- The number of women and men in different positions;
- The number of women and men at different levels of the organization;
- The number of voluntary departures from the organization (men and women) (employee retention rates);
- Days off per month of men and women (attendance rates).

Other employee metrics may be available (or could be developed) from employee satisfaction surveys or exit interviews, which can provide evidence of changes in **workplace culture and attitudes**.

While it is likely that some data are collected on a routine basis (even if not necessarily on a gender-disaggregated basis), other metrics, such as a manager's time spent in recruitment or a co-worker's time in inducing a new worker, are unlikely to be routinely measured but nevertheless may present considerable costs. For example, when measuring the impact of having reduced staff turnover, the base line would need to include an assessment of the full costs of having a position vacant, recruiting and training someone new, and dealing with the initially lower productivity of

the new worker. In this situation it may be desirable to invest in a specific evaluation exercise so that a more complete base line on the costs of filling vacancies is available.

E: DECIDE WHICH BUSINESS METRICS TO USE

The quantification of costs and benefits to enable a full cost-benefit analysis is difficult. However, the better the quality of data, the more accurate the overall analysis of the business case will be. Knowing the company's **key business drivers** will help to determine what is of most importance to the company and to **measure what matters**. The more closely connected the evidence on improvements is to core business objectives, the more likely it is that a persuasive business case can be made for investing—and continuing to invest—in women.

Capturing data on costs and benefits over time will enable a return on investment calculation. Both benefits and costs associated with an increase in women's employment or a new program on working conditions will **vary significantly by sector, region and individual company**. It will also depend on the type of strategy on gender diversity (if there is an explicit strategy) that has been pursued. No individual company can expect to reap all of the benefits or all of the costs. Some examples of common areas of cost and benefit are listed in the tables below.

Indicators for measuring the benefits

Benefits from investing in women's employment may arise in a number of areas. Some of these are easier to capture, and are likely to be part of performance metrics collected by companies already. These include for example, accident rates, machine downtime, number of days absent, error/reject rates and other related measures of output quality and quantity. Most companies will also have standard corporate performance measures such as sales revenues (see Table I below for examples of data points and Appendix for a fuller list of potential indicators).

Yet, some of the more strategic benefits can be difficult to quantify or may only materialize in the longer-term ("**intangible benefits**"), even if it is recognized that they have

an important impact on productivity and a company's market value. These less tangible measures are, for example, related to a company's reputation with key stakeholders or its perception as an employer of choice. It can also be tricky to establish cause and effect relationships for less tangible benefits. Yet, even if they can't be precisely measured, there may still be ways to track such benefits through **qualitative techniques**—such as interviews, a review of press coverage or surveys—and they should always be documented and presented as part of the business case.

Indicators for measuring the costs

There are a range of cash costs that are potentially attached to investing in initiatives to support women's employment. Some may be **one-off and short-term** (e.g., investment in new facilities), while others are likely to be **recurring and long-term** (e.g., provision of working conditions and benefits to attract and retain women) (see Table 1 below for examples of data points and Appendix for a fuller list of potential indicators).

Some costs associated with hiring more women may be lower than expected, including those associated with maternity leave. On **Odebrecht's** Santo Antonio construction site, only 5 percent of women workers have taken maternity leave since the beginning of the project, representing a small proportion of overall wage costs.

While some costs may be optional and specifically related to a new initiative, others, such as outreach in recruitment or sexual harassment training, are likely to be increasingly part of statutory obligations. Yet capturing their potential benefits beyond compliance, in terms of a more productive working environment, may nevertheless be relevant in addressing potential resistance to such initiatives.

A key challenge is to capture indirect (non-cash or opportunity) costs, which can be substantial. **Opportunity costs** are indirect costs that are most likely to be incurred with respect to the time spent by existing staff developing or administering the new program or policies (when their time could have been spent on other activities).

TABLE 1: Examples of data for measurement

EXAMPLES OF DATA TO INDICATE BENEFITS	EXAMPLES OF DATA TO INDICATE COSTS
Change in company revenue or profits over time	Costs associated with maternity leave or new working arrangements for women
Change in production	The cost of any new facilities built for women
Change in error margins	Investment in childcare or subsidies
Change in the number of accidents in the workplace	Staff time spent developing new policies or procedures
Movement in sales figures in existing or new markets	Costs associated with job advertisements targeted at recruiting women into male-dominated sectors (e.g., mining, chemicals)
Changes in absenteeism and employee turnover	Costs associated with skills development programmes for women
Time to market for new product	Costs associated with training programmes for supervisors

F: IDENTIFY AND ALLOCATE RESOURCES NEEDED FOR DATA COLLECTION

Consideration should be given to the **amount of staff time that it will take to collect and evaluate the data**. The data collection and evaluation process will be facilitated if the process is clearly mapped from the outset and relevant staff are aware of their responsibilities and the milestones for data collection. Some of the data will already be in the company system and may be extracted relatively easily. It may be worthwhile to **consider whether new metrics could be introduced** to help track the performance of the initiative (e.g., gender-disaggregated data) or whether existing data sources will be sufficient.

Where **employee surveys, interviews or focus groups** are part of the data collection process, time should be allocated for staff participation. If the company already has an employee satisfaction survey, it may be worth considering whether new questions could be introduced that would better reflect changes in the workplace, such as improvements in team relations or work-life balance. If the initiative or change is a part of the company's community outreach strategy, the company may wish to track

changes in **community attitudes** through quick surveys. Staff time should also be allocated for these activities.

G: TRACK THE RESULTS

This stage of the process involves **collecting the data**.

This means:

- Making sure that the relevant data is collected for the period for analysis (especially data from the beginning and end of the period);
- Conducting interviews and/or focus groups with key personnel (senior managers, line managers and workers); and
- Recording the outcomes.

STAGE TWO: ANALYZING THE DATA

Comparing costs and benefits is one way to consider the overall benefits of investing in women's employment. However, it is important to note that an accurate cost-benefit analysis is dependent on high quality data. This includes:

- Availability of data from *before and after* the introduction of policy measures;
- Possibility of isolating the effect of the selected policies from other factors; and
- Possibility of putting a credible monetary value on the costs and benefits.

Where there is sufficient data, companies can carry out a return on investment analysis, for example, by collecting data on some of the costs and benefits in the table below. (For a more comprehensive overview of costs and benefits, see **Annex A**.)

A: ANALYZE CHANGE IN EMPLOYEE METRICS

This step involves **identifying the concrete changes on key employment metrics**, including changes to the composition of the workforce, promotion rates or employee attitudes. These are not the business benefits, but rather

basic characteristics of **women's employment** in the organization. Where there has been a specific initiative, this step includes identifying whether any goals and targets on women's employment were met. These results can also be used in public reporting, such as the company's annual report.

B: ANALYZE BUSINESS METRICS (AND MONETIZE THE DATA WHERE POSSIBLE)

Often the benefits of improvements in human resource management are not presented in quantifiable or monetary terms, as many are considered to be difficult to capture because they are either less tangible or materialize over a long period of time. Nevertheless, **nearly all organizations have at least some performance indicators that can be converted into monetary values** and help to build a picture of the business benefits of a change, policy or program. The monetary value of a change in policy or practice with respect to women's employment will relate to either:

- Profit gains through improved sales; or
- Profit gains (savings) through improved productivity, quality, efficiency and cycle times.

Each company will have its own figures to determine costs and savings, dependent on local and sectoral factors. As such, this section is not intended to be exhaustive, but rather a **starting point to give some ideas of basic calculations** that could allow companies to make a return on investment calculation on the basis of data that is readily available. It is important to note that some benefits are linked and, as such, they should not be double-counted.

The information used to make management decisions is never perfect and often contains **educated guesses**. It is perfectly acceptable to use estimates and assumptions in calculations where they cannot be avoided, but these should be **carefully considered and documented** so that the reasoning is credible and can be explained to anyone who questions the methodology and ensuing results. Estimates may relate to, for example, the cost of replacing

a worker (retention) or the cost of absenteeism. In reality, these costs are likely to vary by the skills levels of workers: this variability may be built into the average cost. It makes sense to consult directly with internal departments, including senior managers, line managers and supervisors, to get the best estimate for some indicators, such as how much a worker's absence costs.

I. Monetizing improvements in productivity

Improvements in productivity can generally be readily monetized and are therefore likely to be highly persuasive for the business case. For example, these may derive from increased employee motivation, better team dynamics or improved skills retention. However, caution should be adopted with respect to attribution: it may be difficult to directly link improvements in productivity with women's employment, especially where only a small number of women have been employed. Also, there may be short-time productivity losses if there have been significant changes in workplace dynamics. Nevertheless, productivity calculations may be just as helpful to show that hiring more women or improving their conditions has not negatively affected productivity.

FINDING A MEASURE	
<p>It is difficult to provide a single approach to measurement, as most companies have their own measures for productivity, which will vary by sector. Depending on the sector and type of company, these may include:</p>	
<ul style="list-style-type: none"> • Output per worker • Amount of company revenue or company profit per full-time employee (FTE)* • Amount of customer spending • Production figures • Sales figures for individual employees 	<ul style="list-style-type: none"> • Product quality levels • Error margins • Rate of accidents • Time to market cycle (time taken for the development of new products or services) • Number of labor-days lost to industrial action / workplace disputes
<p>* Some companies may rely on this as the principle measure of whether a change or initiative has been cost-effective.</p>	

II. Monetizing improvements in staff turnover

Doing more to recruit women workers or improve existing conditions often requires cultural change within a company, which can then lead to higher employee satisfaction and lower staff turnover. Any reductions in turnover can represent substantial cost savings for companies in relation to recruitment and training costs.

FINDING A MEASURE	
<p>In order to monetize improvements in turnover, it is necessary to put a monetary figure on the average cost of replacing a worker. Some costs will be difficult to quantify, such as loss of organizational knowledge (e.g., of customers or processes). Consideration should be given to:</p>	
<ul style="list-style-type: none"> • Recruitment costs, including advertising for new vacancies and cost of staff time to carry out recruitment (reviewing CVs, interviews, deliberation etc) • Period of lower productivity prior to employee's departure • Time taken by supervisor and colleagues to instruct new employee • Lost output whilst post is unfilled 	<ul style="list-style-type: none"> • Costs associated with lower productivity of new employee for certain period of time • Cost of paying contractor / agency staff during absence • Customer dissatisfaction associated with disruptions in service • Training costs for new worker
HOW TO CALCULATE SAVINGS	EXAMPLE
<p>Savings due to reduced turnover =</p> <p>Reduction in number of employee departures over a period of time</p> <p>x</p> <p>The cost of replacing a worker</p>	<p>In Company A, 100 workers left the company in the baseline year. At the end-line year, this number dropped to 20.</p> <p>If the cost of replacing a worker in Company A is \$1000, this means that reduced turnover has resulted in annual cost savings of at least \$80,000 (assuming that the workforce size has remained equal).</p> <p>80 x \$1000 = \$80,000</p>

III. Monetizing benefits associated with addressing labor shortages

The benefits of addressing labor shortages (sectoral or regional) can manifest over the short-term or medium-term. The most direct calculation of the benefit to be drawn from addressing skills shortages is to evaluate changes in the period of time that vacancies remain unfilled (set out below).

Certain contexts may require additional approaches: in a remote workplace, for instance, it may be worthwhile to evaluate the cost savings of developing local skills compared to the costs of re-locating skilled labor.

FINDING A MEASURE	
<p>This is a two step process that calculates reduced costs associated with filling vacancies quicker.</p> <ul style="list-style-type: none"> • First, determine the daily cost of a vacancy. • Second, determine the improvement over time with respect to the number of days that positions are unfilled. <p>These costs are likely to vary, depending on the skill level of the workers. This formula may be used to calculate the vacancy cost for one position, a group, a division or the entire organization. Some caution should be used in applying this calculation, as it makes certain assumptions about how a company responds to unfilled vacancies (e.g., by paying other workers—agency or employee—to fill the position). Also, some companies may have identified productivity costs associated with vacancies that could be factored in.</p>	
HOW TO DO THE SUMS	EXAMPLE
<p>First step:</p> <p>Daily vacancy cost =</p> <p>Costs of temporary workers, independent contractors, other outsourcing and/or overtime by other workers to cover the position</p> <p>–</p> <p>Wages and benefits not paid to vacant position(s)</p> <p>Second step:</p> <p>Annual cost saving associated with addressing labor shortage =</p> <p>(Number of days that positions were vacant in baseline year</p> <p>–</p> <p>Number of days that positions were vacant in the end year)</p> <p>x</p> <p>Daily vacancy cost</p>	<p>First step:</p> <p>In Company B, it costs \$100 per day for an agency worker to fill a position for which a permanent employee would be paid \$50. As such, the daily vacancy cost is \$50.</p> <p>$\\$100 - \\$50 = \\50</p> <p>Second step:</p> <p>In the baseline year, there were 10 positions in Company B that were vacant for a total of 250 days altogether. In the end year, there were 8 positions vacant for a total of 120 days altogether.</p> <p>This represented an improvement of 70 days between the baseline year and the end year, which provided the company with a <i>saving of \$6500.</i></p> <p>$(250-120) \times \\$50 = \\$6500$</p>

IV. Monetizing benefits associated with improved compliance

Compliance can be a very important business driver for introducing new policies or initiatives on gender diversity. It may relate to:

- Requirements set out in legislation (e.g., health and safety; anti-discrimination or equal opportunity); or
- Social performance indicators required by investors or customers.

As well as enhancing investment opportunities and higher-value market access, improving compliance can result in savings for companies as a result of reduced litigation and legal costs and/or improvements in productivity as a result of lower injury (see below).

FINDING A MEASURE – THE EXAMPLE OF HEALTH AND SAFETY	
<p>A number of companies have reported that increasing the number of women in their workforce has led to improved compliance with health and safety requirements. The monetary benefits of improved compliance in this area are likely to relate primarily to a reduced number of staff days off due to illness or injury and subsequent savings on workplace insurance. There are also likely to be improvements in productivity, given that workers are less likely to be nursing an injury at work (however, this is more difficult to attribute directly to the change or intervention). Double-counting should be avoided: this calculation should not be made in addition to separate calculations on absenteeism or productivity, but rather could be used as the main calculation where health and safety is thought to be the main benefit.</p>	
HOW TO CALCULATE SAVINGS AS A RESULT OF IMPROVED HEALTH AND SAFETY	EXAMPLE
<p>Annual savings =</p> <p>Employee daily salary x (previous number of days off per year – current number of days off per year)</p> <p>+</p> <p>Savings on insurance premiums and/or medical care (where relevant)</p> <p>+</p> <p>Productivity improvements</p>	<p>Company C is a construction company where the average daily salary is \$50.</p> <p>In the baseline year, the total number of days taken off by employees was 867. In the endline year, the total number was 770.</p> <p>As a result of decreased accidents in the workplace, the company made savings on medical care and insurance premiums of \$400 between the baseline and endline year.</p> <p>$\\$50 \times (867-770) + 400 = \\5250</p>

V. Monetizing reductions in absenteeism

Unplanned absenteeism can reduce workplace productivity and generate additional costs. Improvements in the working environment can help to reduce absenteeism and associated costs and potentially have a positive impact on productivity. Nevertheless, some caution should be adopted in using changes in absenteeism as a measure of benefits, as there are a number of external factors that can influence employee attendance, such as sectoral strikes, natural disasters or outbreaks of illness.

FINDING A MEASURE	
In order to monetize improvements in absenteeism, it is necessary to estimate the average daily cost of a worker's absence . Consideration should be given to: <ul style="list-style-type: none"> • Average cost of lost productivity by worker over one day; • Cost of salary / leave for one day (where workers are entitled to paid leave); and • The costs of transportation or meals (that might be borne even if the worker does not attend). 	
HOW TO CALCULATE SAVINGS	EXAMPLE
Savings due to reduced absenteeism = Reduction in number of days of absence over a period of time x Daily cost of a worker's absence (it may be useful to convert this into a monthly or annual figure)	Factory D employs 2500 workers. The factory estimates that the daily cost of a worker's absence is \$28. Between the baseline year and endline year, the number of days of absenteeism was reduced by 1,200. This represented an annual saving for the Factory of \$33,600. 1,200 x \$28 = \$33,600

C: MAKE SURE THE "INTANGIBLE" BENEFITS ARE FULLY REFLECTED

Where it is possible to carry out a ROI analysis, this can provide a powerful "hook" to communicate the business case. However, a carefully considered list of less tangible benefits can also be very persuasive where data collection has not enabled a ROI analysis. The importance of the **long-term, less tangible "value-drivers" of an organization** (see below) should not be understated, as research suggests that **companies often consider these as the most important business benefits**, even though they are often very difficult to quantify and attribute to changes in women's employment.

"ACCESS TO TALENT": IMPROVING THE QUALITY OF HUMAN CAPITAL WITHIN THE ORGANIZATION	A company's ability to innovate and respond to change in the business environment depends on having high quality workforce at all levels of the organization. This is a particularly pressing concern for companies where there are regional or sectoral labor shortages. Introducing policies that are more attractive to prospective employees (both women and men) can help companies to become "employers of choice" and ensure their long-term access to talent.
CORPORATE REPUTATION	This includes building a reputation with investors, government and the community to show that the company is sensitive to concerns about women's employment and working conditions. This strengthens the company's "license to operate" and its status as "employer of choice". It can also help companies to gain access to markets where investors and buyers are influenced by social objectives.
STRENGTHENING THE CULTURAL AND ETHICAL VALUES OF THE ORGANIZATION	Many companies that introduce new initiatives on women's employment do so because they believe that it is the right thing to do. By acting on their values, companies can strengthen their sense of mission and integrity, which can have a positive impact both internally and externally. This can also have a significant positive impact on the general working environment, by improving worker satisfaction and enhancing relations between managers and workers.

D: COMPARE THE COSTS AND BENEFITS

A ROI calculation involves **comparing the net benefits of an initiative against its costs**, expressed as a ratio or percentage. This means putting together all of the monetized benefits alongside the costs (as measured in previous steps of the process):

$$\frac{(\text{Benefits} - \text{Costs})}{\text{Costs}} \times 100 = \text{Return on investment \%}$$

Any figure higher than zero indicates that there has been a return on investment. For example, a 50 percent return is equivalent to an extra benefit of 50 cents for every dollar spent on the initiative.

It is important to remember that, while it is helpful to show a positive return on investment, in some cases a ROI analysis **may also be useful for showing that the change has been cost-neutral**. In this situation, the change in women's employment still represents a socially beneficial action without cost to the company that provides an opportunity to improve the operational performance and strategic assets of a company over time.

E: CONSULT WITH KEY STAKEHOLDERS

Effective data collection and analysis can help to determine broadly whether the company is meeting its objectives on women's employment and whether any adjustments to HR policy and programs in this area are required. In addition to looking at hard data on business benefits, the evaluation process should draw on **feedback from those who have been directly affected by the change or initiative**, i.e., managers and employees. The success of any changes to women's employment is closely tied to these groups, who will provide a direct source of information about what has worked well, why an initiative worked (or didn't), what the obstacles were and how they were overcome and what could be improved. It is important to **interview both men and women** to capture the full spectrum of workers' perceptions and experiences.

F: TAKE TIME TO LEARN FROM THE OUTCOMES

The evaluation of the initiative should also identify any unexpected outcomes (additional costs or benefits), analyze the reasons for these and consider whether the initiative can be adjusted in the next phase to optimize or mitigate these outcomes. In this respect, interviewing managers and employees can be an important **tool for understanding the reasons why** expected benefits did or did not materialize and why unexpected benefits or obstacles arose.

When analyzing the results, it may be worth thinking about the extent to which benefits are:

- **Intrinsic**; i.e., accrue from women bringing a particular experience or point of view to the workplace; or
- **Universal**; i.e., providing more and better jobs for women results in a better working environment and positive impact for all workers.

STAGE THREE: COMMUNICATING THE BUSINESS RATIONALE

Once all of the information regarding the business rationale has been assembled, it can be collated and used to communicate to key decision-makers and stakeholders.

A: DOCUMENT THE ANALYSIS

It is likely that the overall business rationale for investing in women's employment will rely on a **blend of qualitative and quantitative data**. Once the data analysis has been carried out, all of this information can be brought together and the business case can be documented.

Documentary evidence may include:

- Data to show the extent to which the initiative met its objectives (where the analysis relates to a past intervention) (e.g., did the company employ as many women as it wanted to?);
- Data on the list of business costs and benefits, including less tangible benefits;

- Estimates, assumptions and limitations relating to data collection;
- The ROI analysis;
- Results of worker satisfaction surveys and/or interviews;
- Testimonials from senior management; and
- Case studies of particular business units or workers (female and male) who have benefited (“good news stories”).

B: DISSEMINATE THE BUSINESS RATIONALE

Communicating the business rationale can help to change attitudes and build support for women’s employment, so it is worth companies putting in place a strategy for disseminating the information on the business benefits of women’s employment within the organization. The strategy should include developing tailored communications for different audiences and the following points should be kept in mind:

- Keep the information clear and concise;
- Clearly explain the nature of the initiative / change;
- Create a short list of the main business benefits, including the ROI (where possible) and less tangible benefits;

- Link the benefits directly to the company’s competitive strategy and operational goals;
- Consider whether it is relevant to benchmark against competitors in the sector;
- Consider whether there are any graphics you can include (e.g., graphs, process diagrams);
- Explain what the next steps are.

The picture doesn’t have to be 100 percent positive. Sometimes providing both good and bad news can help to provide credibility and build support where it is needed.

Companies could consider **internal communication targets**, including senior management, managers, workers and HR staff, and how to meet these. There are likely to be different ways to reach these audiences, depending on the company structure, such as management or team meetings or internal newsletters and bulletins.

Companies could also consider **possibilities for external communication**, such as press releases, communications with investors, articles for industry or CSR publications or speaking at industry conferences or local community events.

Examples of possible indicators to measure costs and benefits

BENEFITS: Examples of possible indicators

TYPE OF BENEFIT	POSSIBLE INDICATORS	SECTORS OF RELEVANCE
Improvements in productivity*	Number of dollars of revenue or amount of profit per full-time employee (FTE)	All
	Output per worker	All
	Number of accidents / injuries	Construction, manufacturing, agribusiness
	Number of days off	All
	Volume of work performed in a given period of time	All, esp. construction, manufacturing, agribusiness
	Error rates	All, esp. manufacturing
	Rate of innovation/to market	All, esp. technology, R&D
	Sales revenue figures	Retail, property & tourism
	Company-specific measures*	All
Improved market performance	Revenue figures	All
	Sales / performance in existing markets	Service industries
	Sales / performance in new markets	Service industries
Improved staff satisfaction / team environment	Staff retention—cost savings resulting from reduction in number of outgoing staff	All
	Number of employee grievances	All
	Number of disputes / conflicts	All
	This indicator can also link to productivity (see above)	All
Better access to talent / addressing labor shortages	Number of applicants for vacant positions	All, particularly firms subject to sectoral or regional labor shortages
	Average time to fill vacancies	
	Time spent by managers to recruit/select/induct new staff	
	Change in the profile of existing employee skills compared to skills needed by the organization	
Improved compliance with legislation (health & safety, labor, anti-discrimination)	Costs associated with litigation, fines, sanctions and addressing employee grievances	Construction, agribusiness, mining
	Number of accidents / injuries	
Improved corporate reputation	Outcomes of interviews with key stakeholders; e.g., customers / clients, managers, workers, community, government	All
	Outcomes of customer satisfaction surveys	Service industries
	Amount of favorable press coverage	All
	Number of public, industry or community awards given to the company	All
Improved relations with community	Number of complaints / disputes	Construction; mining; property and tourism
	Outcomes of interviews with community leaders	Construction; mining; property and tourism

TYPE OF BENEFIT	POSSIBLE INDICATORS	SECTORS OF RELEVANCE
Improved innovation	Outcomes of interviews with managers	All
	Alignment between workforce composition and customer base	Service industries
Better alignment with CSR agenda and company's cultural values	Alignment of gender composition of workforce with corporate values	All
	Ability to report to customers / investors on social requirements	All

* Note that all companies are likely to have their own productivity measures. This table includes some common measures.

COSTS: Examples of possible indicators

AREA OF COST	COSTS	SECTORS OF RELEVANCE
Development of new strategy, policies and procedures	Staff time spent in developing and/or amending policies, associated information and communication materials, employment contracts and training modules	All
	Staff time spent in developing and/or adjusting record-keeping systems regarding recruitment and promotion practices, maternity leave, childcare leave and flexible working arrangements	All
Boosting HRM capacity to develop and implement new strategy, policies and procedures	Cost of external training for existing HRM team on new policies	All
	Short-term engagement of external experts to provide advice	All
Implementation of new strategy, policies and procedures	Staff time spent communicating with staff and management about new policies (newsletter, websites etc)	All
	Staff time spent on information sessions and events	All
	Staff time spent training staff and management on new policies	All
	Staff time spent implementing new leave systems and flexible working systems	All
	Staff time spent providing HR support to new women workers	Construction, mining, chemicals
New facilities, equipment and transport for women	Construction of new facilities or physical adaptation of work environment	Construction, mining
	Purchase of new equipment (including health & safety) suitable for women	Construction, mining, agribusiness, chemicals
	Provision of safe transport for women to and from workplace (especially if workplace is remote)	Construction, mining, agribusiness
Provision of parental leave (maternity and paternity), child care leave and other benefits	Cost of providing leave (salary and average time taken) and other benefits	All
	Employer investment in childcare facilities or subsidies	All
Costs associated with recruiting women in non-traditional sectors	Costs associated with job advertisements	All non-traditional sectors*
	Community outreach to persuade women to apply for positions	All non-traditional sectors
	Cost of external training programs	All non-traditional sectors
	Staff time spent providing additional training to women workers	All non-traditional sectors
Investments in working conditions	External training on e.g., workers' health, communication between management and workers	All
	Wage increases (e.g., to address wage gaps)	All, but particularly non-traditional sectors
Adjustments to work scheduling related to restrictions on women's hours or greater working time flexibility	Short-term loss of productivity associated with introducing new staff and systems	All
	Staff time spent in developing and/or amending policies, associated information and communication materials, employment contracts and training modules	
Monitoring systems	Staff time spent in devising methodology for monitoring impacts, costs and benefits	All
	Staff time spent in gathering and analyzing data	All

*Namely, those sectors in which women have been traditionally under-represented in the workforce.

Anglo American Copper, Chile—mining

Background

Anglo American is one of the world's largest diversified mining companies, with a portfolio of high-quality mining assets and natural resources spanning copper, platinum, iron ore, coal, nickel and diamonds. In 2011, the company's operating profit was US\$11.1 billion.¹⁴² It has a global workforce of 150,000 employees and contractors, spread across its operations in Africa, Europe, South and North America, Australia and Asia. Globally, women account for 15 percent of its direct employees and 22 percent of its managers. Anglo American is one of the first global mining operations to appoint a female Chief Executive Officer, Cynthia Carroll (2006-2013).

Anglo American is one of the largest mining companies in the copper mining sector in Chile, an industry which is critical to the economy and represents 58 percent of the country's total exports.¹⁴³ Moreover, there is considerable further growth potential for copper mining in Chile as a result of rising prices and demand. Anglo American Copper has invested \$6.5 billion in Chile since 1980 and produces c. 650,000 tons of copper per year. It fully owns or has interests in six copper mining operations (El Soldado, Collahuasi, Los Bronces, Mantos Blancos, Mantoverde and Collahuasi), a copper smelter (Chagres), two projects in Peru (a controlling interest in Quellaveco



Female employee, El Soldado mine, Chile. Photo: Anglo American

and Michiquillay) and the Pebble project in Alaska.¹⁴⁴ Across its operations in Chile,¹⁴⁵ Anglo American directly employs 4309 workers as of November 2012 (12 percent of whom are female).¹⁴⁶ Anglo American Copper has had a formal gender diversity program, including internal targets for women's employment, since 2009.

Historically, women have had a very weak presence in the mining industry in Chile. Women represent only 6 percent of all Chilean mining workers;¹⁴⁷ this figure drops to 2.3 percent if non-operational positions (e.g., administration,

■ 142 Anglo American, "At a Glance," consulted 6 December 2012: <http://www.angloamerican.com/about/ataglance>.

143 Fundación Chile, *Fuerza Laboral en la Gran Minería Chilena: Diagnóstico y recomendaciones*, 2011-2010, 2011, p 12: http://innovum.cl/wp-content/uploads/2012/03/Fuerza-Laboral_Diagnostico_desafios12_ene.pdf

■ 144 Anglo American Copper, "Where we operate," consulted 22 January 2013: <http://www.angloamerican.com/business/copper/operate>

145 Anglo American also has interests in two projects in Peru (a controlling interest in Quellaveco and Michiquillay) and a 50% interest in the Pebble project in Alaska. Anglo American Copper, "Where we operate," consulted 22 January 2013: <http://www.angloamerican.com/business/copper/operate>

146 Figures provided by Anglo American Copper, December 2012.

147 Fundación Chile, op cit, p 32.

finance) are taken out of the equation.¹⁴⁸ Compounding popular perceptions that mining is “men’s work,” there have been some important structural and cultural reasons for the absence of women in mining operations: until 1996, legislation prohibited women from working in underground mines whilst popular superstition held that it was bad luck for mining operations if women entered underground mines. Whilst these factors may not have applied to open-pit mines such as those operated by Anglo American, they helped to reinforce gender stereotypes about mining.

El Soldado: training for women truck drivers

Anglo American’s El Soldado mine is located 132 kilometers north of Santiago and consists of an open-cut mine, crushing plants and oxide and sulphide ore treatment facilities. The site has been an operational mine for around 200 years (run by Anglo American since 2002). Across all of its mines, Anglo American prioritizes local employment as a means of ensuring that its operations result in socio-economic benefits for associated communities. In line with this philosophy, around 80 percent of El Soldado’s workers are from the local province of Quillota, which has a population of approximately 88,000.¹⁴⁹

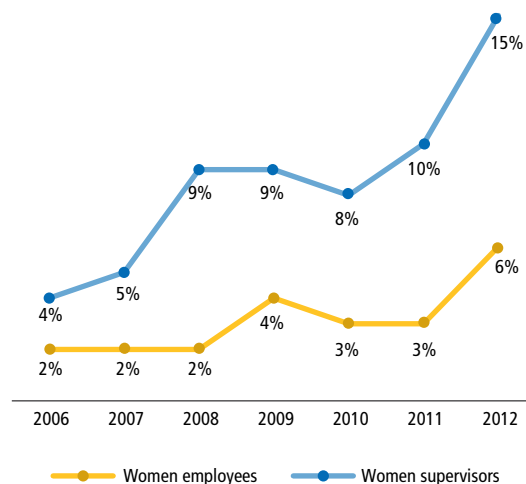
In recent years, El Soldado has made considerable progress on increasing the gender diversity of its workforce. In 2006, women represented 2 percent of El Soldado’s workforce (primarily in administration); now, they represent 6 percent of the general workforce, including 10 percent of truck drivers (compared to the industry average of 2 percent for mobile plant operators).¹⁵⁰ In addition to getting more women into entry-level positions in operations, the mine has also succeeded in boosting the proportion of women supervisors from 4 to 15 percent. Similarly, the mine is attracting high numbers of young women into its

apprenticeship program: in 2012, 23 out of 38 apprentices were female.

The active recruitment of women into new jobs has been key to the improved gender balance in the El Soldado workforce. Given very low staff turnover (only 2 percent in 2012) increasing women’s share of any new jobs is the most realistic option for improving gender diversity. From 2006 to 2012, the number of direct employees at El Soldado rose by 75 percent (from 481 to 842 workers). This surge in labor requirements could not be met by relying on the existing skills profile of the local community, but rather required a proactive approach to training newcomers from scratch in areas of operational need. An area of particularly high labor demand was the operation of heavy trucks (240 tonne). From early on, the mine identified this as an opportunity to recruit more women, both to improve gender diversity at the mine and to improve its outreach to women in the local community.

El Soldado’s first truck driving training program took place in 2007. Entry requirements were minimal: applicants needed to be 18 years old, with a high school education and a regular driver’s license. Successful applicants were paid to participate in two months of classroom instruction and four months of on-the-job training. Of the 322 applicants, 72 were women and, of these, three were

FIGURE 5: Women’s employment at El Soldado, 2006–2016



¹⁴⁸ Ibid, p 32.

¹⁴⁹ Figures provided by Anglo American, 2012.

¹⁵⁰ This category also includes operators of bulldozers, excavators, graders and other mobile plant. Fundación Chile, op cit, p 32.

selected for the training program and subsequently hired (representing 16 percent of trainees and 27 percent of new hires).

Whilst the 2007 program only resulted in the recruitment of a small handful of women, it proved to be an important beginning for both the mine and the local community. In its training program launched in 2009, the mine employed new tactics to attract women applicants. For the first time, job advertisements in the local community explicitly called for male *and* female applicants (*operadores* and *operadoras*). This time 200 women applied (out of a total 735 applicants), 15 of whom were trained and then hired (representing 13 percent of trainees and 15 percent of new hires). According to the mine's human resources department, the three women who were employed during the 2007 intake helped to spread the word amongst local women about the benefits of working for Anglo American and dispel preconceived ideas amongst both men and women about women's ability to work on the site.

Working for Anglo American represents a very **real increase in living standards for women in the local community**, offering a formal employment contract and a generous salary. Women at the mine estimate that they earn at least three times more than they would in other local jobs for workers without post-secondary education (e.g., in seasonal agriculture). Women also place considerable value on the educational and health benefits that Anglo American offers for their children, including allowances for school, university and transport, scholarships, bonuses for academic excellence and subsidies for

"The focus on increasing gender diversity is not empty rhetoric: this responds to a real business need that the company takes very seriously"

—Edwin Ugarte, Copper Planning and Resource Manager, Anglo American

private health insurance. Women acknowledged that the work was physically demanding and the hours long, but expressed great satisfaction with their work and said that they felt **empowered by learning new skills and breaking into a male-dominated industry**. One said, "When I learned to drive a 240 tonne truck, it was such a boost to my self-esteem: I felt like I could do anything, even fly a plane!"

El Soldado plans to build on the success of its training initiatives and has launched a further training program for women in 2013. In 2014, the operation hopes to attract women trainees to work in processing, maintenance and plant operation, where there is currently a much lower proportion of women (2 percent).

What have the business benefits been?

ADDRESSING LABOR SHORTAGES

El Soldado has increased its workforce significantly over the past six years. In targeting women in its training program for local workers, El Soldado was able to access a previously untapped section of the local labor market. Senior managers highlighted the value of opening up competition for jobs at the mine and broadening the range of background and experience amongst applicants.

The focus on skills shortages is not restricted to the local level: this is also an issue for the mining sector at the national level. A recent study estimated that for the industry to meet projected growth targets over the period 2011-2020, the industry will need to increase its workforce by 65 percent (an extra 45,000 workers).¹⁵¹ The vast majority of these jobs will be for operators of fixed and mobile plant (including truck drivers).

¹⁵¹ This includes workers that would be directly employed by mining companies and workers employed by contractors in the "primary value chain" (i.e., extraction, processing and maintenance functions). Currently, the industry workforce is comprised of 36% direct employees and 64% indirect employees: Fundación Chile, 2011, p 24.

“The most powerful benefit of gender diversity is having different views in the workplace. You can’t measure the value of this, but it is clear to me that diversity of opinion improves business performance.”

—Roberto Martínez, General Manager,
El Soldado

CREATING A HIGH PERFORMANCE WORKPLACE THROUGH DIVERSITY

Managers at El Soldado are convinced that improving gender diversity is an important tool for ensuring higher performance and growth at the mine. They cite three main reasons:

- **Greater diversity brings innovation and different skill sets:** Managers pointed to the value of having a mix of different perspectives, skills and experiences for improving methods of working. Roberto Martínez, the mine’s general manager, noted the importance of having **“more voices to challenge established ways of thinking ... If you want your company to grow, you need to open your mind. New ideas come from new and diverse voices.”** An online survey of workers and managers across Anglo American Copper (including El Soldado) in 2012 confirmed that employees valued new skills brought to the team through increased diversity.
- **Gender diversity improves team dynamics:** There is also a sense amongst managers that more diverse teams lead to a better team dynamic. This is considered to have very real benefits for company performance. As noted by Roberto Martínez, **“People are what make the difference: all mining companies have trucks and equipment. Our competitive advantage lies in how our people operate those trucks and communicate with each other.”** This is about how people relate to each other on a professional *and* personal level: having a diverse team made the work environment seem more like everyday life. Managers and workers (men and women alike)

considered these changes an important benefit, not just for productivity reasons but because workers said they particularly valued the close-knit team atmosphere at work. Furthermore, diverse teams helped to create a more respectful and professional environment that men and women alike preferred to work in. This was backed up by the 2012 online survey of workers and managers.

- **Gender diversity improves the tone of communication:** Managers and workers stated that having more women on site helps to temper the *machismo* of an all male working environment. This relates to the tone and level of communication in the workplace and can be as simple as men using fewer swearwords and vulgar expressions. This change in tone applies in men’s communication with women as well as with each other.

ENHANCING COMMUNITY ENGAGEMENT

For El Soldado, one of the major benefits of its training program for women is the extent to which it has proven **beneficial for its outreach to the local community.** This is considered an extremely important outcome for the mine, consistent with Anglo American’s commitment to maintaining excellent relations with the local communities associated with its operations and providing them with enduring socio-economic benefits.

Employing more women helps to enhance social awareness of and acceptance of the mine, by improving the breadth of El Soldado’s engagement with the local community. Managers say that women who work at the mine carry positive messages about El Soldado and

“Women are the best communicators we have: women tend to have good social networks and use these channels to carry the message about Anglo American’s values back to the community”

—Ursula Weber Fuentes, Social Development Manager,
Anglo American Copper

Anglo American more generally back to their networks in the community. One manager noted that women have improved awareness of the operation within the community: “previously, only men were talking about their experiences at the mine; now, women do as well.”

Just as importantly, providing more employment opportunities to local women is also thought to boost the mine's impact on social and economic development in the local area, helping Anglo American to meet its commitment to making a positive and sustainable contribution to the community. International studies suggest that higher incomes for women are correlated with more expenditure on children's health, education and well-being, to a greater degree than for men.¹⁵² This leads to better health and education outcomes for local children, whilst also representing an investment in future generations of potential workers at the mine.

CONSOLIDATING ANGLO AMERICAN'S REPUTATION AS A PROGRESSIVE COMPANY

Amongst its peers, Anglo American is now leading on gender diversity, with one of the highest proportions of women's employment in the industry.¹⁵³ With 12 percent female employment across its operations, Anglo American Copper has double the industry average in Chile (6 percent).¹⁵⁴ The company has also exceeded the 10 percent (non-binding) target for women's employment set by the Chilean government in 2009.

At the national level, Anglo American considers that its efforts to set best practice on gender diversity across all of its operations are evidence of its commitment to sustainable development in Chile. A visible and proactive commitment to gender diversity helps to consolidate its social license to operate in Chile, particularly in the context of an industry where most mines are located in remote areas and many people have limited contact with the industry.

Anglo American considers that its work on gender diversity strengthens its position as a modern and forward-thinking organization. This helps the company to attract the best new graduates and enhance its status as an “employer of choice.”

Lessons learned

While managers at Anglo American feel that their gender diversity strategy is successful, success has not come overnight. There is still much more work to be done. Mining operations at El Soldado (as elsewhere in the industry) have been male dominated for so long that the physical working environment has evolved to respond to “men as the standard model”; from the size of personal protective equipment (PPE) to the height at which materials were stored to the availability of restrooms: adjustments were necessary to ensure that women as well as men were able to work.

“Historically, this industry has been a man's world. However, you can't say this anymore, because women are showing that they can work in mining operations, too, and do it just as well, if not better, than men.”

—Rodrigo Díaz, Mine Engineering Superintendent

In the past, the need for such adjustments might have been used as a justification for excluding women from the site. In the context of the explicit gender strategy, managers adopted a more pragmatic approach and noted that in practice **most adjustments were relatively minor and required flexible thinking rather than major expense.** For example, heavy chocks are used under truck wheels to prevent accidental movement when the vehicle is stationary. Managers recognized that these chocks were being stored too high for women to remove them safely from trucks. At no cost, these were shifted to a lower storage area on the trucks. The mine is still investigating other adaptations, including ways to make refueling equipment lighter and easier for women to use.

152 World Bank, WDR 2013, op cit, pp 164-165.

153 Nueva Minería Energía, “Oficinas de Santiago concentran empleo femenino y Minera Gaby lidera en faenas,” *El Mercurio* (Chile), 22 October 2012.

154 As per figures provided by Fundación Chile study, op cit.

There have been some investment costs involved, such as building separate facilities for women; however, managers consider that the costs were generally minimal or outweighed by the benefits. According to Rodrigo Díaz, mine engineering superintendent, “**extra costs involved in integrating women into the workplace are imperceptible: it’s just not a relevant factor.**” For example, the 2009 training program cost the same amount as the amount that would have been spent on training men. Whilst initially some managers thought that the training program might need to be lengthened or adjusted for women, they discovered that this was not the case.

The challenge is to be in a minority. It’s a double-edged sword: both your successes and failures are more visible. This means that there is always a bit more pressure on women to perform.

—Female manager, Anglo American

The trajectory of women’s employment at El Soldado shows that **breaking down the myth that mining is “men’s work” takes time and effort.** This involves showing women and men that women *can* successfully work in operational positions. Despite initial doubts about women’s ability to handle older trucks, managers quickly realized that women could drive old and new trucks just as well as men. **Women themselves have helped to dispel these myths,** by spreading the word to their friends about the benefits of working at the mine. These women also help to pave the way by showing that it is possible for women to combine shift work with family commitments. A number of men and women mentioned the inspirational effect of Cynthia Carroll’s appointment as CEO of Anglo American in demonstrating that women can thrive and succeed in the industry, including at the most senior echelons.

Integrating women into the workplace was not an overnight success. Managers noticed that women were not readily accepted by male colleagues at first: some men were concerned that they would be retrenched to make

way for more women. However, acceptance gradually came as men understood that their jobs were not under threat. Men also had to learn new boundaries: when women first starting working on site, male workers would often use female toilets. Managers had to continue to explain that this was inappropriate and, over time, the behavior changed.

Other persistent cultural issues are **small and seemingly harmless, but serve to reinforce women as outsiders** in the industry. For example, managers noted that miners on the site have traditionally been referred to as *viejitos* or “old men,” an affectionate expression that is applied regardless of the age of workers. However, there is no equivalent for women: a subtle but daily reminder of women’s relatively recent presence on site. Another manager noted that there are different ways for men and women to greet each other, according to cultural norms: women are expected to greet men with a kiss on the cheek, whereas men shake hands. At a managerial level, this can change the dynamic in the room, particularly if there is only one woman present in a group of men. **Sometimes problems or misunderstandings arise unexpectedly.** One manager related a story of a company newsletter article which quoted a female truck driver as saying that driving a truck was “no more difficult than driving a car.” This offended some of the male workers, who thought that it showed a lack of understanding and de-valued the skills required for the job.

Cultural change will only happen through persistent management commitment. Senior managers at the mine underlined the importance of not only visibly supporting the gender diversity initiative, but in demonstrating genuine belief in women’s abilities and championing the idea of fair play for all. As noted by Roberto Martínez, “**senior leaders must have a strong belief in gender diversity, otherwise any initiatives will just be cosmetic.**”

Whilst El Soldado has seen significant improvements in the number of employed women, and it is now accepted for women to drive trucks, **attracting female applicants for mining jobs remains a challenge,** particularly for jobs requiring graduate degrees or technical training. The lack



Female employee, laboratory, El Soldado mine, Chile. Photo: Anglo American

of female interest in these jobs is seen to be a combination of factors: the industry's reputation as overly macho, perceptions of it involving dirty and physical work and the difficulty of combining long shifts and/or remote sites with family responsibilities. Also, there are still very few women undertaking mining-related training or degrees and, if anything, these figures have been decreasing in recent years (8 percent studying technical mining related subjects in 2009 compared to 6 percent in 2012).¹⁵⁵ El Soldado hopes to train 10 women in 2013 to enter its plant and processing operations; however, applicants to the program will need to already have two years of technical training under their belt. Given the extremely low participation of women in this type of training across the country (let alone in the local area), it remains to be seen whether the mine will succeed in filling these positions.

■ 155 Figures supplied by Anglo American Copper, Chile.

There are also some ongoing dilemmas, as El Soldado grapples with some issues related to women's reproductive role. In line with Chilean legislative requirements, the mine provides breastfeeding women with two half hour paid breaks each day.¹⁵⁶ At the moment, the mine is providing transport for women to breastfeed children in their homes; however, the mine realizes that this policy would not be sustainable if there were greater numbers of women in the mine. Equally, reallocation of duties for pregnant women (away from operations) is currently done on a case-by-case basis; however, the mine understands that a more systematic approach is needed if it is to accommodate more women workers. (At the moment, there are only two pregnant women on site.)

Conclusion

Over the past six years, El Soldado has made a concerted effort to increase the gender diversity profile of the organization. Managers are adamant that greater gender diversity makes a concrete contribution to high performance levels and improved team dynamics. By targeting women during recruitment, the mine has increased its choice of job applicants and enhanced its ties with the local community.

El Soldado is proud of what has been achieved so far, but is aiming higher and plans to increase the proportion of women in operations even further, including in different types of positions. The mine—and Anglo American more generally—recognizes that improving the organization's gender diversity profile is an **ongoing journey**: this means not only recruiting more women, but also creating the right conditions to retain them in the workforce. The mine remains attentive to the fact that there is possibly more that it could do to support women's integration into the operation and continues to consider further change in this respect.

■ 156 Article 206, Labor Code, Chile.

Continental, Thailand—automotive parts manufacturing

In a tight labour market, it makes business sense to attract and retain the best available talent, irrespective of gender.

Company background

With sales of €32.7 billion in 2012, **Continental** is among the leading automotive suppliers worldwide. As a supplier of brake systems, systems and components for powertrains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires, and technical elastomers, Continental contributes to enhanced driving safety and global climate protection. Continental is also an expert partner in networked automobile communication. Continental currently has approximately 173,000 employees in 46 countries.¹⁵⁷

Continental's plant in Amata City, Thailand, was officially opened in June 2009 and achieved full capacity production in the first half of 2011. Part of the company's Powertrain division, the Amata City plant is the company's international base for the manufacture of diesel injection systems and has the capacity to produce 500,000 high pressure pumps and 2.5 million piezo injectors each year. The plant uses cutting-edge technology and, in terms of infrastructure and equipment, represents a considerable investment for the company. The majority of production supplies the domestic automotive manufacturing industry in Thailand, but a significant proportion is exported to India, China and Europe.¹⁵⁸ The output of Continental's plant in Thailand is projected to grow over the coming years, alongside forecast 40 percent growth in global automotive production.¹⁵⁹



Woman driving forklift in warehouse, Continental, Thailand. Photo: Continental

As of May 2013, the plant employs 521 people, although this figure is expected to rise as the plant's output increases. Around 41 percent of Continental's workforce is female: most women work as operators on the assembly line, but a significant proportion work in skilled positions. In particular, women account for 20 percent of the company's engineers. This gender breakdown is considered in line with local norms in Thailand—where women workers constitute roughly half of the country's total manufacturing workforce¹⁶⁰—but high compared to global sectoral norms, particularly in automotive parts manufacturing.

157 Unless otherwise stated, all information about Continental, its Thailand plant and its workforce were provided by Continental during and after field research in May 2013.

158 Continental website, consulted 6 May 2013: www.conti-online.com/www/automotive_de_en/general/about_us/about_us_en.html

159 PWC, *Consolidation in the Global Automotive Supply Industry 2012*, 2012, p 2.

160 According to government statistics, women accounted for around 51% of the manufacturing workforce in July-September 2012. See: National Statistics Office (Thailand), *Labour Force Survey – Whole Kingdom, July-September 2012, Appendix – Statistical Tables*, 2012: http://web.nso.go.th/en/survey/lfs/data_lfs/2012_lf_Q3_Statistical%20Tables.pdf

How Continental supports women workers

Continental provides an attractive package of benefits for all workers: whilst this policy applies to men and women alike, it is particularly beneficial to women, given that across the economy Thai women on average still earn less than men.¹⁶¹ Alongside the base salary, Continental provides a generous accommodation allowance, overtime hours, monthly productivity bonuses, annual company bonuses and free meals in the staff canteen. The company provides medical insurance to workers and their family members and makes co-contributions with workers to a provident fund, which becomes accessible to workers when they retire or leave the plant. Conti also provides all workers with safe transport to and from work, with 16 separate routes across the surrounding area, and makes sure that pick-up points have safe, well-lit waiting areas.

A secure job with these benefits means a great deal to female assembly line workers, many of whom describe it as a "dream job."¹⁶² Some were so determined to work for Continental that they applied several times before their job applications were finally accepted. These women are predominantly internal migrants from rural provinces in north-east Thailand and remit a large proportion of their salaries to their families back home, which often includes their children, who are cared for by their grandparents.¹⁶³ For these women, their job at Continental is the primary means by which they educate their children and support their parents. The company's generous medical insurance scheme also provides important support for families, covering workers and two family members for outpatient care per day as well as dental care.

161 International Labour Organization, *Thailand: A labour market profile*, 2013, p 38: www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/documents/publication/wcms_205099.pdf

162 Comments made during focus group discussions with women workers, Continental, May 2013.

163 Women comprise nearly 50% of internal migrants in Thailand. Because of significant levels of internal migration of women and men alike, it is estimated that around 20% of Thai children do not live with their parents. A number of studies indicate that female internal migrants in Thailand are more likely to remit money home than their male counterparts, sending larger amounts at more frequent intervals. International Organisation for Migration (IOM), *Thailand Migration Report 2011*, 2011, pp 2, 110: <http://www.un.or.th/documents/tmr-2011.pdf>

CONTINENTAL'S GLOBAL DIVERSITY INITIATIVE

In 2004, Continental launched its global gender diversity initiative. This was specifically designed to address the under-representation of women in professional and managerial positions, a challenge that is typical for many companies operating in technical and engineering sectors.

Across its global operations, Continental aims to ensure that the organisation is promoting and making the best possible use of women's potential. It plans to increase the share of women in management roles from its current 8 percent to 16 percent by 2020.

At the Amata City plant, women already account for 13 percent of managers.

Sources: Information provided by Continental, May 2013; Continental, "Supporting Women," consulted 24 June 2013: www.continental-corporation.com/www/csr_com_en/themes/employees/equal_opportunity/women_support_en.html.

For many women, there are a number of practical benefits associated with Continental's high-technology workplace. Unlike many factories in the area, the Continental plant is a closed, air-conditioned space: this is vital to maintain stable air temperature, humidity levels and cleanliness, which reduces dirt and dust particles and ensures precision and quality in the manufacturing process. As part of its focus on cleanliness, the plant purchases workers' uniforms and arranges for their daily laundering: women appreciate this because it reduces their chores in the home. On a more abstract level, many women say that the future of the company and, by extension, their jobs feel more secure as a result of the very visible investment that the company has made in buildings and high-value equipment.

Given Continental's emphasis on innovation and technology, there is a well-developed programme of training and professional development. This includes training on workplace health and safety issues covered by regulatory requirements, technical training, training in "soft" skills (such as twice-weekly English lessons) as well as more specific development and training opportunities for professional staff.

How the company benefits

TACKLING TURNOVER AND LABOUR SHORTAGES BY BEING AN “EMPLOYER OF CHOICE”

The global automotive supply industry is intensely competitive and characterised by rapid technological change, high capital expenditure and ongoing cost pressures. Retaining workers in the face of an increasingly tight labour market is one of the biggest challenges that the plant faces, according to Dr. Dirk Janovsky, the plant's Managing Director. This applies at all levels of the workforce, from unskilled entry-level positions to highly skilled professional staff. Continental recognises that staff turnover costs the company money, principally in terms of lost productivity: in high-value manufacturing, this can add up quickly, even for entry-level plant floor positions (many of which are held by women). For these positions, workers need four to six weeks of on-the-job training before they reach full productivity, resulting in productivity shortfalls for the new recruit and the supervisor alike. For professional staff, the company estimates that it takes up to 5 to 6 months.

In addition to the company's emphasis on compliance with its global non-discrimination policy, labour shortages mean that rejecting a worker's application on the grounds of gender (or any other characteristics that are not relevant to the job) is simply not an option. In particular, the lack of skilled workers is frequently cited by companies as a major constraint on growth¹⁶⁴ and this problem is even more acute for factories like Continental that use complex technology and require highly specialised technicians and engineers. Thailand's transition from low-skill exports to more technologically intensive manufacturing has raised the demand for engineers dramatically: in 2010, the shortage of automotive engineers was estimated at 10,300.¹⁶⁵

164 Some 38.8% of companies cite skills and education of the available workforce as the most serious obstacle to doing business in Thailand. World Bank, *Thailand Economic Monitor*, 2012, p 26: <http://documents.worldbank.org/curated/en/2012/12/17156017/thailand-economic-monitor-december-2012>

165 The Economist Intelligence Unit, *Skilled Labour Shortfalls in Indonesia, the Philippines, Thailand and Vietnam: A custom research report for the British Council*, 2012, pp 45-46: www.britishcouncil.org/labour_market_shortfalls_in_sea_eiu_final_18_july.pdf

As noted by a senior manager at the plant, “technically-oriented companies like Continental cannot afford to discriminate on the basis of gender, given the demand for and shortage of locally trained engineers.”

Unskilled labour is also in short supply: the Ministry of Labour projects that in 2013, for the first time, Thailand will experience a net shortage of 116,000 workers.¹⁶⁶ Alongside national labour shortages, the flow of internal migrants from the north and north-east of Thailand towards industrial estates like Amata has been gradually declining since 2002.¹⁶⁷ More recently, the introduction of a national minimum wage in 2013 has evened out significant regional wage disparities and weakened the incentive for migration.¹⁶⁸ Minimum wage workers from poorer provinces are now more likely to find jobs at home with the same wages as in industrialised areas.¹⁶⁹

On the Amata City Industrial Estate, which is currently home to 116 companies,¹⁷⁰ there is a clear sense that the number of plants on the estate is growing, but the number of workers is not growing at a corresponding rate. In other words, there is a growing demand for labour, but companies are increasingly competing for a fixed pool of workers. Some companies, particularly newcomers to the estate, are becoming increasingly aggressive in pursuing the best workers, which often means targeting unskilled and skilled workers from Continental who have benefited

166 International Labour Organization, *Thailand: A labour market profile*, 2013, p 49: www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_205099.pdf

167 This may be attributed at least in part to demography: there is a declining proportion of population in the 15-24 year age bracket, when migration rates are usually the highest: IOM, op cit, p 2.

168 In the north-east of Thailand, the increase means that wages have doubled from the previous year. Gwen Robinson, “Thailand rejects business fears on pay,” *Financial Times* (UK), 8 January 2013: www.ft.com/cms/s/0/c4a43608-5984-11e2-ae03-00144feab49a.html#axzz2TTM7m7IF

169 The national minimum wage increased by an average of 40% from 2011 levels, effective from January 2013. It remains to be seen what the medium-term labour market implications are: previous analysis of minimum wage increases suggested that employment opportunities for women, elderly men and less educated workers declined in provinces where minimum wages grew faster, but remained steady for working age males. World Bank, op cit, p 4.

170 Amata City Industrial Estate website, consulted 13 May 2013: www.amata.com/eng/industrial_amatacity.html

from the company's training programme and have gained valuable experience in operating high-tech equipment.

Against this backdrop, Continental considers that it is critical to maintain its status as an employer of choice in the area in order to attract and retain the best workers. First and foremost, this involves offering an attractive package of wages and other benefits, such as the housing allowance and medical insurance. However, in the context of rising wages for unskilled workers, it also means recognising that Continental can't always compete on wages alone: the company also has to offer attractive career development and promotion opportunities and ensure that workers enjoy coming to work at the plant. This is particularly important for semi-skilled and skilled workers, like machine setters and engineers, whose skills are particularly valuable and difficult to replace. To date, this strategy is proving successful and the company has not encountered major problems in recruiting workers at the site.

DRAWING ON WOMEN AND MEN'S COMPLEMENTARY SKILLS SETS

Continental is actively reaching out to encourage more women to work in the technical and managerial positions where they are underrepresented. At the same time, at the Amata City plant, many managers and supervisors consider that employing women in more traditionally female areas brings benefits because in their experience women tend to be particularly good at tasks that require organisation, tidiness and attention to detail. A high proportion of women are employed on assembly lines where these attributes are particularly sought after: women workers themselves have a sense that they are specifically "needed" in these areas of the factory.¹⁷¹

In areas of the plant that require more heavy lifting or specific vocational qualifications that women are less likely to have, there tends to be a much lower proportion of women workers. However, on the machining production line, there is now a growing number of women, as a result of the introduction of a new line with lesser requirements for heavy lifting. One supervisor noted that after the number

of women on this line increased, the area stayed cleaner for longer. Managers suggested that as manufacturing processes at the plant become more sophisticated and machines do more of the heavy lifting, it is likely that even more traditionally male jobs will be opened up to women.

A manager in the plant's warehouse says that he likes to maintain gender diversity in his team, as women and men bring different and complementary skill sets to the workplace. In this area of the plant, men and women tend to be recruited for different tasks: men are more likely to have skills and experience in certain areas, like forklift driving, while women are more likely to be assigned to tasks that require more dexterity and attention to detail, like handling small components. However, it is recognised that women are capable of taking on some of these "male" tasks with minimal training: once recruited, women are then trained to drive forklifts.

Across all areas of the plant, supervisors value women's efforts to keep the workplace clean and organised and consider that they set a good example in this respect for everyone. This is considered a valuable contribution in light of the importance of cleanliness to the plant's manufacturing processes.



Women workers on assembly line, Continental, Thailand. Photo: Continental

¹⁷¹ Information provided in focus group discussions with Continental women workers, Thailand, May 2013.

CREATING A MORE COHESIVE TEAM ENVIRONMENT

A number of supervisors comment that having more women in the workplace helps to improve team dynamics. One supervisor who had recently recruited more women to a heavily male-dominated machining line—following the introduction of a new production process that required less heavy lifting—commented that having greater gender diversity had made the team atmosphere noticeably lighter and more agreeable for everyone.

Capturing Women's and Men's Voices

One of the challenges for many companies is to establish mechanisms to ensure that all employees, including women, have a voice in the workplace. Continental has created a number of different channels of communication between workers and management, which women workers have used effectively to voice concerns or make suggestions about issues that affect them. This includes a formal grievance mechanism and a Worker Welfare Committee, but also a number of other more innovative conduits for worker-management dialogue.

Continental encourages employees at all levels to contribute their ideas for improvements in the company's operations, based on a philosophy that "[e]ven many small improvements make a big impact overall."¹⁷² At the plant level, this centres on a programme called "Continental Ideas Management" (CIM), which invites staff to submit their ideas in writing. Staff ideas often relate to aspects of the production process, but many relate to practical matters of staff concern. One proposal put forward by women workers and implemented by the plant was the purchase of uniforms designed for pregnant women, as many were having trouble fitting into their regular uniforms. As noted by the manager in charge of CIM at the plant, "managers don't always know what the issues are on the factory floor: CIM provides a system for feedback from the bottom up."

Employee surveys are another way in which women workers can raise concerns or make suggestions. The company carries out a global employee survey once a year, but the plant also carries out its own surveys on targeted issues. In 2012, a survey on company transportation provided an opportunity for women workers to raise safety concerns and identify pick-up points along worker transport routes that they felt were unsuitable or unsafe. In response to women's comments in the survey, the plant carried out an assessment of the routes and changed a number of the pick-up points. The plant's human resources director explained that "it is important that the company is proactive on the issue of women's security and doesn't wait for problems to occur." Continental also intends to carry out a survey on the medical insurance scheme.

Ideas and concerns are also shared between workers and their supervisors on a more informal basis. In one case, women workers on a production line raised concerns with their supervisor that some of the boxes of injectors were too heavy for them to lift regularly over the course of their shift. As a result of this feedback, the manager decided to reduce the number of components by approximately 30 percent, making the task easier for women, without any adverse effect on productivity.

Conclusions

Continental's Amata City plant shows that good working conditions and a respectful working environment for all workers—men and women alike—are not only sustainable but key to economic success in a sector characterised by high-value products, tight margins and high levels of competition. In the context of a tight labour market for skilled and unskilled workers, Continental's experience in Thailand shows that it makes eminent business sense to attract and retain the best available talent, irrespective of gender. This means that the plant has the workers it needs at all levels of the organisation, while women have better access to traditionally male jobs and the opportunity to earn a living wage.

¹⁷² Continental website, "Continental Idea Management," consulted 17 May 2013: www.continental-corporation.com/www/csr_com_en/themes/employees/cim_en.html

Finlays Horticulture Kenya—agribusiness

A more systematic approach to training and a focus on creating a respectful and harassment-free workplace culture helps to improve compliance with key stakeholder expectations, reduce turnover and absenteeism and secure key markets.

Company background

Finlays Horticulture is the largest vertically-integrated producer and exporter of **fresh produce and flowers** from Africa to the EU, with major agribusiness operations in Kenya and South Africa.¹⁷³ Globally, Finlays sold over 850 million flowers (stems) in 2011, 50 percent of which was grown on its own farms and 28,000 tonnes of fresh produce, 40 percent of which was grown on its own farms or by its dedicated smallholders.¹⁷⁴

Finlays Horticulture Kenya¹⁷⁵ is integral to Finlays' global horticulture and floriculture operations, accounting for 40 percent of Finlays' fresh produce (vegetables and herbs) and 44 percent of fresh flowers.¹⁷⁶ In 2011, the turnover for Finlays Horticulture Kenya was KES 9,581,447,000 (\$112.6 million).¹⁷⁷ Its main products are green beans, snap peas, snow peas, asparagus and different varieties of cut flowers, which are sold to the EU, Japan and Australia. Finlays' buyers in these markets have high standards, requiring consistently high quality produce on tight schedules.



Woman cutting roses, Finlays Horticulture Kenya. Photo: Finlays

The expansion of African horticulture and floriculture since the mid-1990s means that the sector now provides an important source of employment in Kenya, accounting for an estimated 50,000 jobs in rural areas, resulting in strong multiplier effects on local economies.¹⁷⁸

This case study focuses on developments at three of Finlays' major operational sites in Kenya¹⁷⁹—Naivasha (production), Mount Kenya (production) and Nairobi's international airport (processing and packing)—and its head office in Nairobi. Across these three sites, Finlays Horticulture employs some 7,900 employees, including over 3,800 women, who form over 50 percent of farm employees. In September 2012, the company appointed its first female board-level director, as a result of internal promotion.

- 173 Finlays, *Sustainable Development Report, 2011, 2012*, p 13: www.finlays.net/download/Finlays-sustain-2011.pdf
- 174 Finlays Horticulture belongs to a wider group of Finlays companies which operate in a range of industries, including tea, timber and rubber, global trading, packaging and extraction activities. Finlays is owned by the UK-based Swire Group, which in turn has a highly diversified global portfolio of interests. Finlays, *Sustainable Development Report, 2011, 2012*, p 59: www.finlays.net/download/Finlays-sustain-2011.pdf
- 175 Finlays Horticulture Kenya began life in 1982 as Homegrown Kenya, which was acquired by Finlays in 2007. A number of the programmes described in this case study began while the company was still Homegrown.
- 176 Finlays, *Sustainability Report 2010, 2011*, p 58: www.finlays.net/wp-content/uploads/2011/09/Finlays_Sustainability_Report_2010.pdf
- 177 Figures supplied by the company, October 2012. Finlays, *Sustainability Report 2010, 2011*: www.finlays.net/wp-content/uploads/2011/09/Finlays_Sustainability_Report_2010.pdf

- 178 C. Ehlert, D. Mithöfer and H. Waibel, *Food Production Standards, Farm Size and Farm Worker Welfare in Kenya*, paper for 2011 Better Work conference: www.betterwork.org/EN/events/research2011/Documents/Session%205%20Food%20Production%20Standards,%20Farm%20Size%20and%20Farm%20Worker%20Welfare%20in%20Kenya.pdf

- 179 At the time of writing this case study, another site, Kericho (rose production), was still in the process of being integrated into the operations of Finlays Horticulture and so was excluded from this case study.

Starting point: recognizing the issues

The promotion of greater gender equality among its employees is an issue of strategic importance to Finlays. A **turning point for the company came with the first social audit** of its Kenyan sites in 2004. This took place at a time when the horticulture and floriculture export sectors in Kenya were subject to allegations by local human rights organizations of poor labor practices and reports of sexual harassment against women workers.

The audit, which was prepared by an external expert, found room for improvement. Amongst other things, the audit noted that, whilst the company did provide training to workers, the approach could be more systematic. The auditor recommended the formation of a training department to coordinate the company's training program. Also, at the time of the audit, the workforce was 80 percent female: the auditor recommended the development of a formal dialogue mechanism to provide women with a means to raise issues that directly impact on women's participation and performance in the workplace, such as breast feeding and family planning.

From this starting point, Finlays has taken a series of proactive steps over time to invest in and support women workers. The main elements of its strategy have involved:

- Clarifying company policies and procedures on equal opportunity and a harassment-free workplace and communicating these clearly at all levels of the organization;
- Designing and implementing a comprehensive package of training for workers and supervisors to enhance vocational skills and personal development; and
- Introducing gender committees to provide women with a stronger voice within the workplace.

How Finlays supports women workers

At the policy level, Finlays' company-wide Sustainable Development Commitments set the tone for the company's approach to women's employment.¹⁸⁰ There are express commitments to "**demonstrate leadership in equal opportunity employment**"; and "**encourage and facilitate female representation and the contribution of women to the business**," as well as to making Finlays "an enjoyable and rewarding place to work" for all workers. These goals and the company's policies on equal opportunity and sexual harassment are now explained to all workers during induction and training sessions and distributed in a "*Staff induction booklet*," an abridged version of the company's policies and procedures.¹⁸¹

From 2004, Finlays has worked hard to build a **comprehensive and structured training program** to support the vocational and personal development of its employees.¹⁸² The company now offers a diverse mix of nearly 200 different courses to its workforce. Whilst around two thirds of the courses are based on statutory requirements (particularly health and safety), there are also vocational skills development and personal development courses on literacy, personal finances, family planning and women's empowerment. Targeted training and support is also available for women who wish to work in positions traditionally taken by men, such as security guards, workshop mechanics or company drivers. Over 91,000 hours of training were completed by Finlays workers in 2011 (up from 57,000 in 2009), averaging just over 10 hours per staff member.¹⁸³

In addition, Finlays has launched an **educational loan scheme** that provides financial support to workers to obtain externally-provided qualifications. The scheme is available to workers at all levels of the company, from field

¹⁸⁰ These commitments are set out on the Finlays website: <http://www.finlays.net/sustainability/priorities>.

¹⁸¹ Finlays Horticulture Kenya Ltd, *Staff Induction Booklet*, September 2012 version.

¹⁸² Finlays, *Sustainable Development Report, 2011, 2012*, p 7: www.finlays.net/download/Finlays-sustain-2011.pdf

¹⁸³ Figures provided by Finlays, October 2011.

operations through to senior management, and provides workers with a repayable loan and extended leave (up to four years) to pursue their education. Workers then have the right qualifications to be promoted into more skilled positions within the company. This provides a crucial stepping stone for low-income workers, in particular those who have dropped out of formal education by financial necessity rather than personal choice. Last not least, the company also offers free training on personal finance management, which women have found particularly helpful.

Whilst workplace training and education loans are available to all workers, **women derive particular benefits since they start from a point of socio-cultural disadvantage**, particularly in rural areas, where women are more likely to have lower levels of literacy and formal education than men and fewer financial resources from which to help pay for further education and/or training.¹⁸⁴ In addition, women only account for 30 percent of waged employment in Kenya: a woman is less likely to be employed than a man, especially if young, and her income is typically significantly lower than a man's in the same job.¹⁸⁵ Across the sector, gender segregation is common,

"As a supervisor, the training I received on sexual harassment and discrimination was an eye-opener since I used to unknowingly harass my junior ladies by tapping their shoulders and smiling with them. I am now very careful with what I do, for it can lead to misinterpretation."

—www.ethicaltrade.org/training/supervisor-training/finlays-horticulture

■ 184 A. Ellis, *Gender and Economic Growth in Kenya: Unleashing the Power of Women*, report for the World Bank, 2007, p 10: [www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_GEM_GenderandEconomicGrowthinKenya/\\$FILE/Gender+and+Economic+Growth+in+Kenya.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_GEM_GenderandEconomicGrowthinKenya/$FILE/Gender+and+Economic+Growth+in+Kenya.pdf). While measures to increase girls' access to education have improved gender parity in education, gender disparity persists in rural and poor areas and, across the country, female literacy remains markedly lower than male literacy. World Bank, *Country Partnership Strategy – Kenya, 2010-2013*, p 5.

185 World Bank, *Country Partnership Strategy – Kenya, 2010-2013*.

with men occupying senior positions and women in more temporary and insecure forms of employment.¹⁸⁶ The company recognizes that this position of disadvantage means that providing formal opportunities alone is not sufficient: managers also make sure that they personally encourage women to fulfill their potential and apply for training and promotions.

The **introduction of women's committees** in 2004 was an important step in empowering women. The committees, composed of elected female representatives, have provided a stronger voice for women on issues that particularly affect them, such as taking breaks during the day for breastfeeding. The representatives collect agenda items from women during the course of the working day, and then meet monthly with management representatives to discuss the issues and the company provides training and capacity building program for elected representatives to ensure the ongoing effectiveness of the committees.

Finlays pinpoints its **supervisor training program**, launched in 2010, as a key plank in efforts to improve human resource management and reinforce a culture of equal opportunity at all levels of the organization. According to Brenda Achieng, Human Resource Manager, "Supervisors often find themselves caught in the middle of the production process; that is, taking orders from top management and giving instructions to the workers they manage. Due to these pressures and the fact that some supervisors lack experience in people management, they tend to manage the way they know best. This can lead to some of them taking advantage of their positions and leading to cases of sexual harassment where they solicit sexual favors from the women workers or at times they tend to be harsh and discriminatory." Finlays used a supervisor training program developed by the UK-based Ethical Trading Initiative (ETI) to address these issues and create further cultural change. The program builds people management skills and provides supervisors with concrete guidance on what constitutes harassment, sexual harassment and discrimination, and how to deal with grievances

■ 186 S. Barrientos, A. Kritzing, M. Opondo and S. Smith, "Gender, Work and Vulnerability in African Horticulture," *IDS Bulletin*, 38(2), 2005, pp 74-9: www.future-agricultures.org/pdf%20files/9559%20IDS%20P74-79.pdf

and disciplinary issues. To date, over 250 supervisors and 40 senior managers have been trained. An impact assessment of the supervisor training program concluded that it had led to a remarkable improvement in communication between workers and managers.¹⁸⁷

Finlays is **determined to move away from the “industry norm of a two-tier workforce”**—i.e., the pattern in many companies in the sector where women constitute the majority of field workers in temporary positions and men constitute the majority of supervisors and managers. The company considers that investment in the company’s human capital at lower levels of the business, as well as in management, will help to ensure improved representation of women at the supervisor level and upwards. Having more women in these roles is not just an end in itself, but also an important tool for embedding gender awareness and cultural change at all levels of the organization. For example, as noted by Finlays Sustainability Director, *“the best way to tackle sexual harassment is to promote women.”*

Workers confirm that the company’s enhanced focus on training and strong human resource policies has helped to empower women and has led to a genuinely meritocratic workplace with increased job security. Efforts to create behavioral change in the workplace have been successful; as one woman worker stated: *“Now we are no longer afraid of being intimidated by a man just because he is a man.”* Another said: *“Before if you refused to offer a bribe or sexual favors, your supervisor could terminate your employment on any pretext. This has now changed.”*

“This investment in training our employees centres on making Finlays Horticulture a better place to work and being an employer of choice.”

—Finlays, Sustainability Report, 2011

■ 187 Finlays, *Sustainable Development Report, 2011, 2012.*

The Business Benefits

MAINTAINING FINLAYS’ REPUTATION AS A LEADER ON WOMEN’S EMPLOYMENT

Whilst Finlays takes pride in meeting its company-wide commitments on equal opportunity and women’s employment, the company is also aware that it operates in a sector where consumers are highly sensitive to social and labor issues. Codes of conduct with strict social and environmental standards are now widely adopted across export horticulture and floriculture in Kenya.¹⁸⁸ Finlays has Fairtrade¹⁸⁹ and GlobalGap¹⁹⁰ certification and is a member of a number of ethical, environmental and industry bodies, including the UK-based Ethical Trade Initiative.¹⁹¹ This means that as well as doing the right thing, Finlays must be able to *demonstrate* that it is doing the right thing.

In this context, showing commitment to women’s employment has a **bearing on the company’s ability to maintain market share**. In particular, this is important for European supermarkets who want to source high quality produce from suppliers who can clearly demonstrate compliance on equal opportunity requirements within voluntary codes of conduct. Some place great value in working with suppliers who go beyond compliance; for example, Sainsbury’s (UK) aims to ensure that, by 2020,

■ 188 Ellis, op cit, p 84.

189 FairTrade is a global movement that seeks to provide fairer trading conditions to producers and workers in developing countries. It does this by certifying producers and brands who meet certain minimum social, economic and environmental standards and giving them the right to use the FairTrade label in marketing their products. See, for example: <http://www.fairtrade.net/?id=361&L=0>

190 GlobalGAP is a global initiative that sets voluntary standards for the certification of agricultural production processes (including aquaculture) around the globe. It is primarily focused on good agricultural practice and health and safety. See: www.globalgap.org

191 The ETI is a UK-based multi-stakeholder initiative of companies, non-government organisations and trade unions. Its corporate members have a combined turnover of £125 billion and cover a diverse range of areas, including supermarkets, fashion retailers, department stores and stone sourcing companies, as well as major suppliers to retailers of food and drink, flowers, clothing, shoes, home wares, promotional and other products. See: www.ethicaltrade.org

its suppliers will be “leaders in meeting or exceeding our social and environmental standards.”¹⁹²

Providing women workers with more empowerment through training and representation in the workplace has made Finlays' social compliance program more robust. The goal of its interventions is to change the dynamic between workers, supervisors and managers so that equal opportunity and non-harassment is integrated into the values and day to day culture of the organization. This makes it less likely that discrimination and harassment will arise in the first place and more likely that it will be detected if it does. Interventions on women's employment also help to support Finlays' Fairtrade certification.

As such, going “beyond compliance” to develop a strong program of benefits for workers helps to provide Finlays with continued access to existing markets, access to new markets and the opportunity to be business of choice when a customer is seeking a supplier to produce a new product line. Senior company managers feel that their approach to their workforce and emphasis on women helps deliver benefits by meeting market demand. It helps to maintain Finlays' market leader status and differentiates the company from other businesses in a highly competitive market. It demonstrates that they listen to customer feedback, creates recognition and respect for the company at national level, and provides a cushion against bad publicity which has sometimes been directed at the industry, as they company can demonstrate difference from the norm. Some managers felt this creates savings in public relations and marketing.

MOST EFFICIENT USE OF HUMAN CAPITAL: RETAINING AND DEVELOPING THE BEST STAFF

Finlays considers that one of the major benefits of its training program and loan scheme is the “**pipeline of talent**” that it creates; i.e., a ready pool of skilled and motivated employees who can be promoted up through the company hierarchy. It has developed a program called *Routes to grow* which aims to strengthen succession

planning within the business. This program is run for staff at all levels of the organization, providing a ready pipeline of talent by encouraging internal promotions amongst staff when opportunities arise. Human resource managers reported that the improved internal talent pool meant that recruitment had become much more straightforward: it is estimated that 90 percent of roles are now filled internally. This not only means that the company retains the less tangible value of internal know-how within its workforce, but it also save money on costs associated with recruiting new workers, including advertising, training and lost productivity as new workers get up to speed. **The internal promotion of 69 women from 2010 to 2012 is estimated to have saved the company KES 17 million (US\$200,000).**

For Finlays, there is a direct correlation between the company's investment in training and equal opportunity and its ongoing ability to retain the most talented, loyal and motivated workers. Finlays acknowledges that its outlays on training and support for workers are considerable but, according to the company finance controller, “**the alternative is even more expensive**”; that is, workers would be less efficient, management time would be wasted on minor issues, productivity would be lower, the company would not receive the government subsidy for training and recruitment and health and safety costs would be higher. Although Finlays has always enjoyed very low staff turnover across the organization improving retention of quality staff is nevertheless a key concern at all levels of the organization that translates into direct business benefits. On fine bean production for example, **an experienced worker can process three times more kilos of green beans than a casual inexperienced worker.**

Despite the modernization of production, horticulture and floriculture remain labor-intensive processes, with labor generally accounting for 50-60 percent of farm costs.¹⁹³ In this context, Finlays considers that it makes sense to invest in its workforce to ensure the most efficient use of human capital. Senior management note that: “**it makes business sense to use all our resources, including human resources, effectively, and that ultimately sustainable**

■ 192 Sainsbury's, “Supplier standards,” website consulted 20 November 2012: <http://www.j-sainsbury.co.uk/responsibility/20x20/supplier-standards/>

■ 193 Barrientos et al, 2005, op cit.

resource use will help maximize profits. This needs to include women as well as men.”

IMPROVED EMPLOYEE MORALE LEADS TO ENHANCED PRODUCTIVITY

According to Finlays’ managers, there is a **clear link between improved employee morale and improved productivity**. The labor-intensive nature of the production process means that there is substantial range of productivity on some products; for example, on some cut flowers, a fully productive worker can harvest and bunch twice that of a low productivity worker; that is, 2,000 stems/day compared to 1,000 stems/day. One production manager estimated that for overall farm productivity, 50 percent of productivity relates to worker motivation, the other 50 percent to agricultural practices.

“It is due to our committed and skilled workforce that Finlays is known for its ... ‘farm to shelf’ expertise in horticulture and long term commitment to sustainability and ethical trading. We deal with products and services that require significant manpower and application of skills, from harvesting to preparation to processing.”

—Finlays, Sustainability Report 2011, p 24

Since 2008, when the company’s complete package of training measures were fully operationalized, **company-wide absenteeism rates have dropped by 7 percentage points, representing savings for the company of KES 25 million (US\$280,000) over three years (2009-2011)**. This has important implications for productivity, as it means that the company can decrease its use of less-experienced, less-productive casual labor, and provides cost savings for the company, which is liable for statutory sick pay. One manager considered that Finlays’ policies and procedures on fairness and equal opportunities had led to an estimated 75 percent reduction in absenteeism and 100 percent improvement in productivity on one product line. Anecdotally, it was suggested that

absenteeism amongst women workers had also dropped as a result of the company’s optional training on personal finance, which had lessened financial stress on households and decreased tensions and the likelihood of domestic violence.

Improved employee relations, reduced absenteeism and the retention of more experienced staff—directly attributed by managers to the company’s initiatives on equal opportunity, sexual harassment and training—have led to **more stable production, making production planning and management easier**. The company has seen that good overall relations in the workplace can be drawn on to maintain productivity during difficult times, such as during redundancies or interruptions to production from external events (such as political upheaval).

The combination of training, communication and empowerment of workers has freed up management time to focus more intently on other more planning and production-based targets. Production managers reported that improvements in the overall workplace culture meant that they spent significantly less time dealing with daily workplace conflicts, such as grievances or disciplinary matters, while improvements in health and safety training have led to a fall in routine injuries, saving workforce and management time, as well as the costs of providing first aid treatment and medication.

RESPONDING TO REGULATORY REQUIREMENTS

Supporting female and male workers also leaves Finlays well placed to meet new or changing regulatory and certification requirements at national and international level. Now that the company’s training program is more structured, training managers reported that preparation for social audits and checking regulatory compliance takes less time, particularly given the up-skilling of the workforce on health and safety matters. The training program is a regulatory requirement in itself: two thirds of the cost of all training responds to statutory requirements. Nevertheless, Finlays can recoup the national training levy (50 KES / US\$0.60 per worker per month) and access a further subsidy of the same amount from government.

Conclusions

Finlays has managed to achieve cultural change in the workplace through the development of clear policies, the introduction of training for supervisors, a comprehensive program of vocational and health and safety training for all workers and support from senior management. What was initially a response to criticism of the industry has turned into a more strategic and systematic approach to human resource management that has brought widespread benefits for workers and the business as a whole. Whilst the company's training programs are available to men and women alike, focusing on the creation of a workplace free of harassment and ensuring that training programs are available to all workers has particularly benefitted women.

Finlays firmly believes that it has gained productivity benefits, as well as market recognition for this work. The benefits of its push to improve outcomes for women workers are already evident: the company sees this as an effort worth building on and intends to continue its investment



*Raising awareness about pregnancy and HIV, Finlays Horticulture Kenya.
Photo: Pins Brown*

in this area. While the company supports women workers on principle, the maintenance of this focus on equal opportunity through harder commercial times is evidence of their direct business benefits.

Mriya Agro Holding, Ukraine—agribusiness

How a commitment to sound people management helps to support women workers and provides the foundations for company expansion.

Company background

Founded as a small family business in 1992, Mriya has long since outgrown its modest origins to become one of the largest agribusiness operators in Ukraine, with an operating profit of US\$170.9 million in 2011. In recent years, the company has been expanding and increasing its land holdings: it now manages 298,000 hectares of land, concentrated within a 150 km radius of its head office in Ternopil oblast. In addition to crop cultivation (mainly wheat, sugar beet, rapeseed and potatoes) the business also operates storage facilities, a seed plant, sales department and a fully integrated logistics centre, including a transport fleet. While 20 percent of shares were placed on the Frankfurt Stock Exchange in 2008, 80 percent remain in the hands of the founding family.

Mriya has established a major presence within a sector that is a crucial engine for economic growth in Ukraine. In 2010, 24 percent of national exports were agricultural and food products, of which 47 percent were grains and oil-bearing crops. The sector has grown annually at 5.1 percent since 2001, but experts believe that there is considerable untapped potential for further growth due to the country's abundance of fertile soil and key geographical position near markets in Europe, CIS, the Middle East and North Africa.¹⁹⁴

Mriya's commercial success has resulted in significant gains for the local communities in which it operates, not least through the creation of hundreds of new jobs in a rural area that suffers from one of the highest unemployment



Women workers, Mriya, Ukraine. Photo: Alke Schmidt

rates in Ukraine.¹⁹⁵ As of June 2012, the company employs over 5,700 staff across Ukraine, including 680 seasonal workers. Around 30 percent of Mriya's total workforce is female, up from 2010 (27 percent). The gender breakdown varies between different functions of the business, ranging from 16.4 percent women in the mechanization department to 91.6 percent in the HR department. Women account for about 30 percent of the workforce on the operational side of the business, where they tend to be concentrated in the laboratory or in unskilled manual jobs, such as potato picking and grading, whilst men tend to occupy more skilled positions involving machine operating and/or heavy lifting.¹⁹⁶ The number of women in senior management is 24 percent.

¹⁹⁴ See, e.g., Roman Olearchyk, "Ukrainian farming: untapped potential," *Financial Times* (UK), 27 June 2011: <http://blogs.ft.com/beyond-brics/2011/06/27/ukrainian-farming-undeveloped-potential/#axzz24r5YoMBW>; European Commission, *Ukraine's Agriculture: Harvesting the Potential?*, briefing note, DG Agriculture and Rural Development, 2009: http://ec.europa.eu/agriculture/publi/map/03_09.pdf

¹⁹⁵ In the first quarter of 2012, 11.6% of the working age population in Ternopil oblast were unemployed, the second highest rate in the country. State Statistics Agency of Ukraine, "ILO unemployment rate of population in 2012, by region," consulted 25 June 2013: http://ukrstat.org/en/operativ/operativ2012/rp/rp_reg/reg_e/rbn_2012_e.htm

¹⁹⁶ Depending on the type and amount of crops cultivated in a given year, the demand for different types of jobs will vary and consequently the gender composition of the workforce: for example, in 2011, 65% of seasonal workers were women, whereas in 2012 women made up only 27% of seasonal workers.

How Mriya supports women workers

Mriya aims to offer a package of working conditions and terms of employment that will build the company's reputation as an employer of choice in the region. Whilst these conditions apply equally to men and women, many are particularly valued by women, who often have primary responsibility for childcare and family commitments. Most of these benefits are also available to seasonal workers in field operations, a significant proportion of whom are women.

Mriya provides **stable and—above all—local jobs**, with wages that compare favorably to local norms. In the context of high levels of labor migration from Ukraine,¹⁹⁷ these jobs provide women and men with the choice to live close to their families and with working conditions that enable them to combine work and family responsibilities. For example, Luba, a local woman used to go abroad for work, but undertaking seasonal work for Mriya means that she can stay in the local area with her son and daughter. At the same time, hiring practices and contractual conditions for seasonal workers are designed to provide as much certainty as possible, to make it attractive for workers to keep returning to company over the harvest season. Seasonal workers are awarded contracts for at least six months; this means that if they need to, they are eligible to claim unemployment benefits when they are no longer working.

Mriya places a premium on creating a **relationship of trust and dialogue between workers and management**, creating an environment in which *all* workers feel valued and able to speak up. Encouraging dialogue and openness is particularly important for women who work in those areas of the company that are more male-dominated, such as the mechanization, storage and IT departments. Women workers at all levels appreciate the company's positive attitude towards the workforce and note that they feel comfortable to raise any issues or concerns informally with supervisors or through company grievance mechanisms. In particular, female workers voiced their

appreciation for managers' flexibility in case of family/childcare emergencies.

Mriya also strives to provide **attractive working conditions** for its workers in the field. For example, Mriya provides field workers with transport to and from the fields, as well as a transport subsidy for other workers. Other benefits particularly appreciated by women include predictable shift patterns; good toilet, washing and changing facilities; free meals and drinking water; and four medical points across the production areas that are accessible to all workers. Further, Mriya has plans to build a medical centre in Vasyl'kivtsi village, where its headquarters are located, which will benefit workers and the local community.

The company has also invested in childcare solutions to support workers and their families. In 2010, Mriya built a **new kindergarten** in Vasyl'kivtsi. The kindergarten, open from 7.30 am to 7.30 pm, is available free of charge to Mriya workers and local residents. Mriya pays for all running costs except electricity and staff salaries (who are employed by the municipality). Mriya also supports a kindergarten in Kyiv, where about 100 of its staff are based and helps **workers' children to participate in state-run summer camps** over the harvest season, the company's busiest time of year, by publicizing the camp and processing applications. In selected cases of disadvantage, Mriya management provide subsidies for children's camp costs.

Finally, Mriya is providing new opportunities for women to gain a footing in the operational side of the business. In 2011, Mriya set up the "Ukrainian Agrarian School" (AgriSchool) to address skills gaps identified among agricultural science graduates through coursework and field practice and build a pool of highly skilled prospective employees. Selection of students is based on merit and the studies are entirely financed by Mriya. Traditionally, agricultural courses in Ukraine attract only a very small number of women and the school so far has attracted primarily male students: of the 22 students who attended the first AgriSchool, three were women. However, Mriya hopes that the AgriSchool will become an exception to this rule. Importantly, **the AgriSchool is headed by a woman** and, as part of the school's communications with prospective students, **female students are actively**

¹⁹⁷ See, e.g., International Organization for Migration, *Migration in Ukraine: Facts and Figures*, 2011: http://iom.org.ua/en/pdf/Facts&Figures_b5_en_f.pdf

encouraged to apply. The most successful student to date has been a young woman who was subsequently hired as a specialist in Mriya's Seed Department.

The Business Benefits

RECOGNISING THAT WORKERS ARE CENTRAL TO THE COMPANY'S GROWTH STRATEGY

Mriya is keenly aware that the company's success is underpinned by the skills and commitment of its workforce, and it is widely recognized within the company that **"employees are the key drivers of Mriya's profitability and prosperous growth."** Not surprisingly then, Mriya considers that investing in good working conditions and career development for all of its employees makes good business sense—particularly in the context of the company's expansion.

In this context, **demographic trends** in rural western Ukraine—very high emigration rates,¹⁹⁸ a decreasing overall population¹⁹⁹ and a 10 year shorter life expectancy for men than women²⁰⁰—are seen as an important driver for investing in employees. Most emigrants leave Western Ukraine in search for better jobs and higher living standards in Western Europe. Thus, although Mriya is located in areas of high unemployment, it may still have problems recruiting and retaining good staff, because such workers (particularly more mobile male workers) might consider leaving the region altogether.

Mriya therefore considers that providing attractive working conditions and skills development in order to dissuade good workers from migrating is vital to ensuring the profitability and sustainable growth of both the company and the communities in which it invests. This includes paying attention to the management and development of women workers, who, as a result of current demographic trends in Ukraine, are an increasing majority of its potential recruits. This business rationale also tallies with

the owners' firm belief in supporting families and enabling women to combine work with having children.

ATTRACTING THE RIGHT STAFF AND MAINTAINING THE COMPANY'S STATUS AS AN EMPLOYER OF CHOICE

A key business challenge for Mriya is attracting and retaining reliable and talented staff so as to minimize staff turnover and associated productivity losses. This is an issue at all levels of the organization: due to high levels of labor migration, even unskilled workers have been leaving Western Ukraine in search of better jobs abroad. The Ternopil region has been particularly affected by this trend: it has one of the highest levels of labor migration in Ukraine.²⁰¹ The incentive for motivated workers to migrate means that, from Mriya's point of view, it is important to be viewed as an employer of choice in the local labor market.

One of Mriya's top human resource challenges is attracting highly qualified workers for field operations, including its laboratory, seed plant, logistics unit and sales department. This is partly because of the practical skills gap amongst university graduates and partly because many talented graduates are reluctant to work in rural areas. In this context, it makes business sense to widen the pool of prospective employees by encouraging talented young women—as well as men—to apply to study at the AgriSchool. Mriya is closely monitoring all direct and indirect costs of the project against projections, as well as evaluating the cost of employing one AgriSchool graduate and the additional value the company gets from one student employed. While it is too early for a full cost-benefit analysis, anecdotal evidence to date is encouraging.

There is evidence to suggest that Mriya is meeting with success in becoming an employer of choice: in the 2010, Ernst & Young Ukraine's annual Best Employer Survey of

■ 198 International Organization for Migration, 2011, op cit

199 Since Mriya started operations in 1992, Ukraine's population has fallen from 52.2 million to 45.6 million: http://ukrstat.org/en/operativ/operativ2007/ds/nas_rik/nas_e/nas_rik_e.html

200 UNICEF Transmonee database, *Country profile – Ukraine*, 2012.

■ 201 Ibid.

university graduates, Mriya ranked 74th and in 2011 the company was ranked 35th.²⁰²

REDUCING STAFF TURNOVER IN THE CONTEXT OF EXPANSION

Mriya considers that attracting the right workers is critical, but *retaining* reliable and talented staff across all sections of the business is just as—if not more—important. In particular, having a strong and dependable core workforce has been invaluable to Mriya during its expansion phase in terms of maintaining institutional know-how and providing stable foundations from which to grow the company's productivity levels.

At the same time, Mriya calculates that keeping turnover down provides significant savings for the business, particularly in the context of its recent expansion, which has involved significant outlays on recruitment and training. In this context, minimizing employee turnover is a key part of Mriya's human resource management strategy: offering greater certainty of employment helps to build commitment and loyalty from workers at all levels of the organization.

Mriya has achieved **impressive workforce retention rates**. Current annual staff turnover is 4 percent (down from 5 percent in 2009), with turnover of female staff particularly low (currently at 1 percent, down from 2.1 percent in 2011 and 2.2 percent in 2010). Any spike in staff turnover could prove costly for the company, as Mriya estimates that the average cost of *replacing* a skilled operations worker is approximately UAH 12,000 (\$1,478). (This is based on an average salary of UAH 5,000 (\$616) and taking into account the average costs of readvertising, recruitment and training of the newcomer as well as the fact that during first three to six months the newcomer is estimated to perform at only 60-70 percent efficiency whilst receiving a full salary.) In the context of a workforce with 3,056 skilled permanent employees (qualification

levels 1-5), an extra 1 percent in permanent staff turnover per year would cost the company US\$45,167.

The **benefits of low staff turnover apply equally to seasonal workers**: Mriya considers it important to offer terms of employment that ensure a core of returning seasonal workers. Each new season, seasonal workers from the previous year are offered a new contract: in 2012, Mriya achieved a "return rate" of seasonal workers of about 75 percent.

BUILDING STRONG RELATIONSHIPS WITH THE COMMUNITY

Within Ukraine, access to land is a critical factor for agribusiness companies. As such, the company's **reputation in the region as a good employer and corporate citizen** is important for the companies' expansion program, which depends on securing viable clusters of land leases from a large number of owners of small land plots. Put simply, if these smallholders regard Mriya as a responsible company that provides good, secure, local jobs and puts some of its profits back into local communities, they are more willing to lease their land to Mriya.

As such, Mriya places great importance on its engagement with the community. It makes sound business sense for Mriya to invest not just in good working conditions, but also into **making the local communities better places to live for workers and their families**. The company sees its investment in people and communities as an important factor to attract investors and financiers such as IFC and EBRD, which in turn is vital for sustaining the company's expansion program.

Mriya's owners have a clear preference for investments that benefit women and families, not only because this reflects the owners' own values, but also because they see the depopulation of rural Ukraine and the shrinking numbers of men due to rising mortality rates as real long-term business challenges to the company's strategic human resource management goals. For example, in the absence of satisfactory childcare provision in the local area, the rural kindergarten is a keystone of Mriya's community investment program, given its obvious benefits for company workers **and** the wider community. In addition, the program finances

²⁰² In 2010, 2,179 students from approximately 60 universities in Ukraine were asked to name the top three companies where they would like to work (with the most attractive employer in first place). The questionnaire offered no defined list of companies and students could indicate any companies they wished. See: www.ey.com/UA/en/Newsroom/News-releases/Press-Release---2010-11-23

improvements to local infrastructure such as roads, water and gas supply, street lighting, community and leisure centers, classroom equipment for local schools, etc.

The company's total expenditure on community investment was US\$550,333 in 2011 and US\$ 357,370 in 2010. Given that the company sees a close causal link between community investment and successful business growth, the business benefits of community investment are considered to largely outweigh the cost.

Lessons learned

Mriya strongly believes that **the company's women- and family-friendly HR policies and practices have been key to the company's success**. Mriya's experience shows that **policies that support women do not have to be women-only policies**, and may indeed be valued by male staff too.²⁰³ Many of the company's policies simply represent **good people management**, which is good for both women and men. For example, to keep retention low, Mriya conducts exit interviews with all departing employees to establish the reasons for resigning, and feeds the results back into its HR strategy. A comprehensive staff survey is being planned in order to better gauge satisfaction levels.

Nevertheless, while many of the company's policies do not exclusively target women, they are particularly valued by women. Amongst other things, the company's **emphasis on full compliance with gender equality-related statutory requirements** (such as maternity/parental leave and non-discrimination in recruitment) is highly valued by staff and seen as an advantage over other employers. Many Ukrainian employers are reportedly reluctant to hire women aged 22 to 30 years as they expect women of this age to have children and take up to three years of maternity and childcare leave. However, in 2010 and 2011, over a third of all women recruited by Mriya were under 28 years old, showing that the company scrupulously applies its anti-discrimination policy and supports the recruitment of women of child-bearing age. Unlike many

other local companies that advertise for men or women to fill particular positions, Mriya keeps its job advertisements strictly gender-neutral.

Until recently, the company did not see the need to make special **efforts to overcome traditional job segregation along gender lines**, because its operations included both typically "male" and typically "female" jobs. However, the early results of the AgriSchool project, which involves skills development in a traditionally "male" area, suggest that a shift is underway, given Mriya's active encouragement of women to participate in this program. In addition, the outstanding performance of the first female student to be recruited from the AgriSchool is **setting a very visible example that women can excel in traditionally male-dominated occupations** and contribute to the success of the business. The positive impact of this example is magnified by the fact that the AgriSchool is a high profile initiative for the company.

Conclusions

As Mriya has expanded, it has confronted significant demographic changes as well as the decline of the formerly state-run support structure for workers with childcare/family responsibilities. These changes meant that **support for women workers and families became more important than ever in order to attract and retain a stable, quality workforce**. Mriya intends to build on successful initiatives in future, e.g., by building another kindergarten in the production area, and by conducting a comprehensive staff survey so as to gauge how it can make the company an even better place to work.

The case of Mriya shows that investing in good, women-friendly working conditions, related community infrastructure and services, and staff development can be essential to create long-term competitiveness and sustainable business growth. This business rationale combines with some of Mriya's core business principles—equal opportunity, education, families, work-life balance, stability and sustainable rural communities—which reflect the owners' personal values and have informed the company's approach since its inception.

²⁰³ One example is a male employee who commutes daily between Ternopil city and the company headquarters in Vassilkitsky. He takes his young child with him and leaves it at the kindergarten in Vassilkitsky while he is at work.

Nalt Enterprise, Vietnam—garment manufacturing

Investing in better conditions for women and their families can deliver impressive returns for business.

Company background

Nalt Enterprise is an export garment factory located in Binh Duong province, near Ho Chi Minh City in Vietnam, and co-owned by four partners. Established in 2003, the company has grown over time and has manufactured garments for a range of top international brands, including Ann Taylor, Gap, Target and Columbia. As of June 2012, Nalt Enterprise employs nearly 650 workers (of whom approximately 85 percent are women) and produces around 4,000 to 5,000 pieces of clothing each day.

Nalt Enterprise operates in a dynamic industry: the garment sector in Vietnam has flourished over the past 10 years, to become the country's top export earning sector. In 2011, total export earnings derived from the textile and garment industry reached US\$15.6 billion, making Vietnam one of the world's leading garment and textile suppliers.²⁰⁴ Importantly, the sector has now become the largest source of formal employment in Vietnam, providing jobs for more than 2 million people.²⁰⁵

However, the sector is extremely competitive and garment factories must work hard to sustain their business success. Many firms—including Nalt—have felt the impact of the global financial crisis, with reductions in orders from European and North American buyers. At the same time, Vietnamese export factories are facing stiff competition from other countries in the region, such as Indonesia, and profit margins are being squeezed by high inflation, wage increases, strikes and staff turnover.



Nalt childcare centre, Vietnam. Photo: Kirsten Newitt

In this context, Nalt has identified a strategic advantage: investing in better working conditions and better relations with its workforce. This is evidenced by Nalt's participation in the Better Work program, which it joined in 2011. For supplier factories like Nalt, participation in the Better Work program can help consolidate their relationships with international buyers and contribute to higher productivity and product quality through improved compliance with international labor standards.

How Nalt supports women workers

Nalt offers a number of benefits to its workers that go beyond statutory requirements and help to make it an employer of choice in the local area. Some of these benefits are particularly attractive for women workers, who continue to maintain primary responsibility for childcare.

In 2008, Nalt built a **kindergarten** next to the factory for workers' children aged 2 to 5 years. Workers can place their children in the center free of charge, which is staffed by qualified teachers and assistants and follows the state curriculum. It also provides nutritious meals, clothing,

²⁰⁴ Better Work, *Garment Industry: 4th Compliance Synthesis Report – Vietnam*, 2012: www.betterwork.org/sites/VietNam/English/resources/Documents/Better%20Work%20Vietnam%20-%204th%20Compliance%20Synthesis%20Report.pdf; Vietnam Textile and Apparel Association (VITAS), "Garment exports rise sharply in 2011," May 2012: www.vietnamtextile.org.vn/en/news---event/domestic-news/10826/garment-exports-rise-sharply-in-2011/newsdetail.aspx

²⁰⁵ Better Work, *ibid.*

school bags and books for the children. The kindergarten is open from 6:45 in the morning until 6:00 at night and sometimes later, when the factory is particularly busy and workers are working overtime. In addition to the kindergarten, the factory has introduced a program to support workers' children who have reached school age, by paying children's **annual school fees** (approximately US\$20 for each child), up to and including university.

The company has also set up an accredited **health clinic for workers and their families**, which provides free medical care—including general check-ups, ultrasound scans and dental care—as well as free medication. Whilst all Vietnamese factories with more than 50 workers are required to have a medical room with a nurse, Nalt's medical services for its workers go well beyond the statutory minimum. Since 2007, Nalt's clinic has been registered with the national health insurance scheme and attended by a doctor, dentist and two nurses.

Better Work is an innovative global partnership programme of the International Labour Organization (ILO) and IFC. The programme was established in February 2007 to help address the challenges faced by actors in global supply chains, including international buyers keen to ensure compliance with labour standards in their supply chains and enterprises looking to increase competitiveness in order to maintain access to global markets.

Better Work is operational in several countries, including Vietnam since 2009. As in its other countries of operation, the Better Work programme in Vietnam conducts enterprise assessments and offers customised advisory and training services to factories to address their individual needs.

As of June 2012, 158 factories have joined Better Work Vietnam, covering 166,447 workers, of whom 77 percent are women. By 2014, participation is expected to grow to 375 factories. Over 45 international buyers and retailers are currently participating in Better Work Vietnam, sourcing apparel for some of the world's best recognised brand names including Levi Strauss & Co, adidas, Gap, H&M, Nike and Wal-Mart.

Nalt also places a premium on **creating and maintaining a relationship of trust and effective communication between workers and management**. In particular, Nalt has found an effective means of providing workers with a direct line to management through regular meetings between factory workers and the company director. At these meetings, which generally take place once a month, the company director speaks to all workers about any changes in company policies that affect workers, wage increases, the company's performance and the production schedule, including the number of orders placed by buyers. Workers say that this opportunity for information-sharing and consultation helps them to feel more actively engaged in the life of the company.

Importantly, the director's meetings enable the director to **flag in advance any changes in working time**, particularly any extra overtime hours, so that workers can plan and make adjustments to their family responsibilities or childcare arrangements accordingly. In general, workers said that they enjoyed the predictability of working hours at Nalt, as well as the manageable amount of overtime compared to other factories, which make it easier to manage childcare and family commitments.

The business benefits

Nalt's owners stress that these initiatives were not motivated by profit, but rather by a desire to re-invest some of the profits of the business in a way that would make a positive contribution to the lives of workers by investing in workers' health and their children's education. Nevertheless, Nalt acknowledges that **workers are a fundamental part of the factory's business model and providing good working conditions for workers makes good business sense**. In many ways, the working conditions provided by Nalt are a win-win situation for both workers and management: Nalt considers that the positive outcomes may be difficult to measure, but emphasizes the importance of taking a long-term perspective.

ATTRACTING AND RETAINING MOTIVATED AND SKILLED WORKERS IS KEY TO RUNNING A SUCCESSFUL GARMENT BUSINESS

Employee retention has become an increasingly important consideration for employers in the garment sector. Competition between factories to recruit and keep the best workers is increasingly tough, as industrial zones continue to spread throughout Vietnam, enabling migrants to work closer to home and avoid the high cost of living associated with urban areas. According to a 2009 World Bank enterprise survey, 11.9 percent of firms in the Vietnamese garment sector identified skills shortages as a major constraint on growth.²⁰⁶

Nalt estimates that it **takes up to three months before newly hired workers reach full productivity**, and training the new workers additionally costs time of existing experienced workers. On this basis, the cost to the business of replacing and training a new worker is significant—just under US\$500 per worker, based on productivity losses due to the “learning curve” and opportunity costs of trainers’ time. This means a reduction in staff turnover results in real cost savings: a 10 percent reduction in staff turnover would save the factory US\$32,000 in one year. Nalt recently upgraded its production strategy towards producing fewer but higher value items, making reliability and quality even more of a factor in its business success.

In this context, the kindergarten and health clinic play an important role in encouraging many workers to stay on at the factory, particularly women workers with children. This helps Nalt to save money on recruitment and training costs, whilst maintaining steady production levels. **Since the kindergarten was launched, average monthly employee turnover rates have fallen by a third.** The kindergarten has proved to be an increasingly popular service: since its opening in March 2008, the numbers of children in attendance have nearly doubled from 58 to 110 in 2012. The kindergarten is particularly convenient for migrant workers from other provinces, who live far from their homes and cannot call on their extended family to care for their children during the working day. For these

workers, depending on the status of their local residence permit (*ho khau*), it can be difficult to find a place for their children in public kindergartens.²⁰⁷ Nalt’s kindergarten means that its workers have more choices about how to bring up their children.

Seven out of ten of Nalt’s workers are between 20-29 years old and only one in ten are between 18-20 years. While many garment factories employ a larger share of younger childless workers who are particularly mobile and attracted to the additional earnings resulting from large amounts of overtime, Nalt’s business model involves forward planning rather than over-reliance on last-minute overtime. In this context, the relative stability of Nalt’s workforce is a competitive advantage against its competitors. Even though that was not Nalt’s motivation for introducing childcare services, focusing on women workers with families, and providing benefits which are particularly attractive to them, is a good complement to Nalt’s production strategy.

MANAGING ILLNESS RELATED ABSENCES

Together, the kindergarten and health clinic have contributed to a **steady downward trend in worker absenteeism**. As Ms Trang Phan, the factory’s Managing Director, observes, “When workers’ health is good, there are benefits for the business as well”: regular check-ups at the clinic mean that **workers are healthier and less likely to take time off for illness or to visit the doctor**. Whilst a visit to the doctor in a nearby town might mean that a worker needed to take a half day off, the presence of the clinic means that check-ups can be carried out within 30 minutes. Similarly, workers need less time off for their children’s illnesses, given that children can visit the factory health clinic. In general, women workers at the factory say that knowing that their children are well cared for and close by gives them peace of mind during working hours. The kindergarten also makes it **much easier for workers to agree to overtime**, as their children will be cared for whilst they work extra hours.

²⁰⁶ Cited in G. Pierre, *Recent Labor Market Performance in Vietnam through a Gender Lens*, World Bank working paper, 2012, p 11.

²⁰⁷ UNDP, *Social Services for Human Development: Viet Nam Human Development Report*, 2011, pp 82-83: www.undp.org.vn/digitalAssets/27/27099_902_UNDP_Final_Low_res_190112.pdf

In 2007, when the clinic was launched, the average daily absenteeism rate was 3.68 percent; by 2008, when the kindergarten started operating, the rate had fallen to 2.9 percent and then dropped further to 1.8 percent in 2011, an overall reduction of 50 percent. Whilst this reduction over time cannot be attributed solely to the kindergarten and health clinic—Nalt also introduced other measures to bring down absenteeism, including an increase in attendance bonuses—Nalt considers that they are contributing factors.

In particular, the health clinic has brought considerable benefits to both the factory and workers. Importantly, the **ongoing costs of the health clinic are subsidized**, contributing to its sustainability: because the clinic has been officially recognized by the local health department as a healthcare provider, the clinic can apply to the national health insurance scheme for reimbursement of 70 percent of medication costs.

GOOD EMPLOYEE RELATIONS AND INDUSTRIAL PEACE

A major pay-off from Nalt's efforts to maintain open dialogue with its workers has been a sound understanding of workers' issues, allowing the company to address worker grievances early on before they escalate into broader industrial tension. This means that **there have been no strikes at the factory since its establishment**. This is particularly significant given the recent spike in "wildcat" (unofficial) strikes in Vietnam: in 2011, there were an estimated 857 strikes—an average of 16 per week—which more than doubled the rate from 2010.²⁰⁸ Binh Duong province alone has seen 30 strikes in the first half of 2012, nine of which took place in the garment sector. Most of these strikes last for five days, costing factories thousands of dollars in lost production. Low levels of industrial action, combined with a relatively low rate of staff turnover, have provided Nalt with cost-savings and the certainty it needs to plan its production schedule in advance.

²⁰⁸ VietnamNet Bridge, "The number of strikes in Vietnam has doubled in 2011," January 2012: <http://english.vietnamnet.vn/en/society/17535/strikes-double-in-2011.html>

Nalt attributes the absence of strikes in the factory to good working conditions and the culture of dialogue between management and workers. This includes management's commitment to "keeping their word" to workers and following through on commitments. Workers also appreciate receiving information about company matters directly from the highest level; for example, workers appreciate receiving information about any fluctuations in orders, including notice of increases or reductions in overtime, well in advance. In general, there is a strong sense of community both amongst the workers and between workers and management.

Lessons learned

For the company's owners, the extra benefits that Nalt provides to workers help them to feel pride in their business. Whilst they consider that the kindergarten and health clinic contribute to positive business outcomes, these initiatives also provide a healthy business model that incorporates both commercial success and investment in the well-being of workers and their children.

One of the most important lessons that Nalt has learned over time is the **value of listening to workers**. Whilst spending time with individual workers can be time-consuming, Ms Trang observes that positive engagement with workers is ultimately invaluable for building loyalty and ensuring social cohesion and harmony within the workplace. Workers appreciate this approach, which contrasts strongly with the purely production-focused approach adopted by many other factories.

One of the main difficulties in operating the kindergarten and clinic has been attracting professional staff to work at the site on a long-term basis, given its distance from Ho Chi Minh City. To address this, Nalt offers good terms and conditions to the professional staff and tries to accommodate their particular needs as far as possible. For example, the factory has agreed to a flexible working week with the resident dentist, so that he can also attend a clinic in Ho Chi Minh City. As a further incentive, the factory reviews their salaries annually and provides attendance bonuses and travel allowances.

In general, the costs associated with the health clinic and the kindergarten have become more difficult to bear in the context of difficult economic circumstances brought about by the crisis and high levels of inflation. However, Nalt is committed to its current business model and considers that the benefits outweigh the costs, even in the current economic climate.

Conclusions

The garment sector is a highly competitive industry. In the face of ongoing challenges, Nalt is convinced that it has found a winning formula for sustainable business. The company sees its expenditure on workers as investments, and consider that the long-term benefits far outweigh the immediate costs.



Women workers at Nalt Enterprise, Vietnam. Photo: Kirsten Newitt

Odebrecht, Brazil—construction

Inclusive training program helps Brazilian EPC contractor meet skilled labor needs, whilst providing women with a foothold in the construction industry.

Company background

Odebrecht is a global construction company founded in Brazil in 1944. By the late 1970s, the company had established itself as a leader in its sector. During the following three decades, the company continued to grow and expand its international operations, diversifying its businesses particularly in the petrochemical sector. In recent years, Odebrecht has expanded its activities to other areas such as bio-energy, environmental engineering, oil and gas, real estate, logistics and transport, defense and technology, and naval construction. The consolidated gross revenue grew to US\$37 billion in 2011, an increase of 31.7 percent from the previous year. Today, the group has operations in 22 countries and four continents, exports to 56 countries, and employs people from over 60 different nationalities.²⁰⁹ Globally, the engineering and construction company directly employs 130,000 workers.

The scale and complexity of the projects run by Odebrecht throw up a number of logistical challenges, many of which are related to setting up **temporary sites with large workforces, often in remote areas**, and the need to complete projects to **a high standard within defined timeframes**. In terms of human resource management, this requires significant organizational flexibility and resourcefulness, including techniques for the **efficient recruitment, training and management of large numbers of workers**. At the same time, creating and maintaining a positive relationship with the local communities in the areas where Odebrecht works is critical to ensure broad social acceptance of the company's presence and operations.



Female carpenters working on Odebrecht's Santo Antônio site, Porto Velho, Brazil. Photo: Kirsten Newitt

Odebrecht is currently leading the building consortium that is constructing the Santo Antônio hydro-electricity plant near Porto Velho in the remote north-west region of Brazil, a US\$7 billion project. Construction of the Santo Antônio plant began in September 2008 and, when complete, it will be one of Brazil's largest hydro-electricity plants. Power generation will be phased in over the course of construction: the first turbines commenced operation in March 2012 and all turbines will be fully operational by November 2015. Odebrecht is a shareholder of the consortium that will operate the plant once it is completed, providing a particularly strong incentive to get the construction finished in time.

Ensuring a supply of skilled labor for the Santo Antônio hydro-electricity plant

From its conception, one of the major challenges associated with the Santo Antônio project was the **need to recruit thousands of workers over a relatively short period of time**. To meet its ambitious work schedule,

²⁰⁹ Odebrecht, *Annual Report 2011/12*, online version, 2012: www.odebrechtonline.com.br/relatorioanual/2012/en/05_indicadores_es.php

the company needed to recruit a large number of skilled workers to work on the site: up to 18,000 by the second year of the project. To meet these labor requirements, Odebrecht had to choose between recruiting skilled workers from elsewhere in Brazil and flying them to the site, or creating a local supply of skilled workers by developing training programs. Odebrecht's strong preference was to recruit as many workers as possible from the local area, on the basis that it would strengthen the local community's sense of engagement with the project and would be more cost-effective than flying thousands of workers in from other parts of Brazil.

During the scoping phase of the project, a study of the local labor market indicated that, based on Odebrecht's then-standard approach to recruitment and training, the company would only be able to source 30 percent of the

workforce for the Santo Antônio project from the local area. Nevertheless, the study estimated that there was a pool of approximately 25,000 unemployed women and men in Porto Velho (total population: 435,000), who—if provided with the right training—represented a potential source of labor for the project. At the same time, very early community consultations suggested that local people were eager for the chance to be involved in the construction site. This unique set of circumstances inspired the company to launch a major new training program—*Acreditar* (“Believe”)—with the goal of recruiting at least 70 percent of the Santo Antônio workforce locally.

Skills training for women and men workers

Launched in January 2008, *Acreditar* was designed to give local workers without construction experience the skills that they needed to apply for a job on the Santo Antônio site. The program will remain in place until the project's end, but the numbers of places available will diminish progressively as construction on the site nears completion. The program set out to train a larger group of workers than the company needs to work on the site, creating a deeper pool of skilled labor in Porto Velho: this allows Odebrecht greater choice in recruitment, whilst also building the skills profile of the region.

The *Acreditar* program has two main components—basic induction and technical training—all of which is delivered in-house (see box). Workers who complete the technical training module gain generic construction skills that are readily applied to other sites. However, not all skilled workers on the site are required to undertake formal technical training: for less specialized operational positions, on the job training is provided.

In its initial stages, Odebrecht publicized the program during an extensive series of community consultations and through a publicity campaign that targeted community organizations. Training commenced eight months before the company started operations, ensuring that there was a pool of suitable candidates as soon as the company was

ACREDITAR: THE TWO-PART PROGRAMME

1. Company induction: This is compulsory for *all local job applicants* (operational and non-operational positions alike). Delivered over 32 hours, the induction training covers a range of areas, including health and safety, natural environment, quality control and workplace behaviour. This training has been provided to over 42,000 workers, of which nearly 30,000 have been hired by the company.

2. Technical training: This is additional training for those who wish to work in specialised fields such as rigging, masonry, carpentry or operation of heavy equipment. Depending on the category, these courses involve between 32 and 200 hours of training.

Since its inception, *Acreditar* has provided technical training to over 11,500 workers so that they can become:

- Masons
- Carpenters
- Riggers
- Welders
- Off-road truck drivers
- Dump truck drivers
- Bulldozer operators
- Mechanics
- Electricians
- Hydraulic excavator operators
- Front end loader operators

ready to begin recruitment. Training and materials are provided free of charge.

Whilst *Acreditar* did not involve women-only training or targets, from the outset **Odebrecht was determined that the program should be as inclusive as possible.** This was important both to meet the company's labor needs, as well as to maximize the community outreach achieved through the program. As such, all communications with the community emphasized that both women and men were eligible to participate in *Acreditar* and then apply for work on the construction site. Nevertheless, Odebrecht was still surprised that over one in ten training applicants were women, resulting in a higher than average proportion of women in operational positions on the site. Additionally, some women started working in other more traditionally female areas on the site, such as cleaning or kitchen services, but subsequently transitioned into operational positions through on-the-job training.

The outcome is that **women have represented a steady 10 percent of workers on the site** since the project's beginning, compared to an estimated Brazilian industry average of around 3 to 5 percent.²¹⁰ The figures are slightly higher for the sites electro-mechanical division, where work is more likely to focus on precision tasks and less likely to require heavy lifting. The tasks that women now carry out include operating heavy machinery, driving heavy trucks, welding, masonry and carpentry and carrying out technical electro-mechanical tasks.

Working on the Santo Antônio site represents a radical career change for many local women, who were previously unemployed or engaged in much more traditional female occupations such as domestic workers, shop assistants, waitresses or manicurists in beauty salons. For these women, work on the site represents a major opportunity to gain new skills and earn more money through working in construction jobs that were traditionally reserved for men. For instance, Samara—a bulldozer driver—now

earns R\$2900 monthly (plus health insurance and bonuses for meeting performance targets), well over three times as much as in her previous job earning R\$800 monthly at a beauty salon.

Benefits for Odebrecht

For Odebrecht, it is clear that there have been numerous business benefits associated with increased numbers of women on site, even if many are less tangible. According to the site director, Délio Ives Gomes Galvão, "the value doesn't lie in a strict cost-benefit analysis, but in the positive psychological effect brought about through higher levels of diversity on the site." The company emphasizes that the fact that these benefits are difficult to quantify does not make them less important; indeed, some of the benefits, such as meeting skills needs and garnering the acceptance of the local community, are absolutely pivotal to the success of the project.

BROADENING THE LOCAL LABOR POOL BY TRAINING AND RECRUITING BOTH MEN AND WOMEN

Whilst the *Acreditar* program has brought significant gains for the local community, including new employment opportunities for local women, the initiative was first and foremost designed to meet the needs of the business; i.e., creating a pool of skilled labor to work on the Santo Antônio site. As noted by Délio Ives Gomes Galvão, the site director, "*Acreditar* is the instrument that links the needs of the company with the needs of the labor market." Odebrecht's emphasis on inclusiveness was an essential ingredient in the program's success: in the context of needing to recruit thousands of workers within a short space of time for the Santo Antônio site, it would have been highly inefficient for Odebrecht to disregard half of the local population (women). In the end, Odebrecht was able to exceed its initial goals and recruit 80 percent of the workforce from the local area.

Whilst the cost of the program has been significant—R\$18.4 million (US\$9.0 million) in the *Acreditar* program over five years—this is still cost-efficient in the context of

²¹⁰ Figures from the 2009 Brazilian household survey (PNAD), which cover informal and formal employment in sector suggest less than 3%, while managers on the Santo Antônio site considered the figure to be closer to 5%. See: www.ibge.gov.br/home/estatistica/populacao/trabalhoerendimento/pnad2009/brasil_defaultpdf_trabalho.shtm

a large workforce. To date, the cost of training one local worker has been R\$624 (US\$304), compared to R\$5760 (US\$2809), the average annual cost of providing home visits to non-local skilled workers (a standard benefit for skilled workers recruited to work in remote areas). This means that the investment costs are outweighed by annual per capita savings by a ratio of around 9:1 (without taking into account the less tangible benefits of the program). At the same time, Odebrecht considers that the know-how it has gained through *Acreditar* on running local skills development programs gives it a competitive edge over other firms in the industry.

ENGAGING MORE DEEPLY AND EFFECTIVELY WITH THE COMMUNITY

Odebrecht's inclusive approach to training has also enabled a **deeper engagement with a broader cross-section of the community**, including more women. This engagement is understood as a key business benefit and a source of competitive advantage for Odebrecht. By opening up new prospects for skills training and employment, the company has given the local community a much greater stake in the success of the project. Moreover, by training a larger number of workers than the project actually needs, the company not only gives itself choice in recruitment but also creates an opportunity to raise awareness of the project amongst a larger pool of people, even if they do not go on to work on the site. According to Gabriel Azevedo, Director of Sustainability for Odebrecht Energia, "*Acreditar is a far more powerful approach to community engagement than holding meetings and allows continual interaction between project developers and communities.*"

For Odebrecht, strengthening the quality of engagement with the local community is at least as important as addressing skills shortages: where insufficient time is invested in community engagement, there is an increased risk that large infrastructure projects may be delayed community protests, strikes or law suits. The company considers that the business benefits arising from enhanced community engagement are largely "intangible," but nonetheless absolutely crucial to the project.

IMPROVEMENTS IN PRODUCTIVITY

Timeliness is a key performance indicator: achieving high levels of productivity and sticking to project deadlines are critical to ensure that the plant starts generating electricity according to schedule. Managers consider that **having more women on site makes a positive contribution to productivity**: managers observe that men learn from seeing that women sometimes do the same job differently, whilst women are spurred on to achieve more in an industry that is traditionally male-dominated. For Odebrecht, it is important to emphasize that any resultant improvements in productivity are not necessarily the result of men or women working better than each other, but rather the fruit of greater diversity in the workplace.

Nevertheless, **the women on site have proven that they have what it takes to work in construction** and can deliver the same, if not better, results than men. Whilst women workers across the site have been proving their capacity for hard work, the company has been particularly impressed by the results that women have achieved in the assembly of the plant's bulb turbines, where high levels of precision and attention are critical for avoiding delays and ensuring the ultimate efficiency of the turbines. For example, one team comprised of 70 percent women and led by a woman supervisor managed to complete their turbine assembly task in 35 percent less time than another team that was led by a male supervisor with a majority of men (60 percent) in the team.

Having more women in the workplace has also translated into **better retention figures** in some parts of the site. For example, employee turnover figures for women have been lower than men's: in the electro-mechanical assembly division, the employee turnover rate for women has been 3.4 percent per year compared to 5.33 percent for men. Good retention rates are important for Odebrecht, in great part for productivity reasons: the company can benefit over a longer period from the investment in training provided to workers and avoid any dips in productivity as a result of new, inexperienced workers coming on the site.

IMPROVING WORKPLACE CULTURE

Managers observe that the presence of men and women working side by side on construction sites represents a **positive change for the working environment** at Santo Antônio, not to mention the industry more generally. Many consider that having a higher proportion of women on the site helps to create a more respectful environment that is appreciated by both men and women. For example, a number of managers observe that there is less “machismo” on teams with more women and a healthy blend of competition and cooperation between team members.

This also includes improvements in attitudes towards health and safety. Managers say that women tend to take a safer approach to their work and equipment operation than men, leading to fewer accidents and injuries and more careful use of equipment.

BUILDING A PROGRESSIVE REPUTATION

Odebrecht sees itself as a progressive company and breaking down barriers to women’s employment is becoming an important part of this self-image. According to Leonardo Borgatti, Director of Civil Works at Santo Antônio:

“Progress on women’s employment is part of being a forward-looking company; this is something that can help to set Odebrecht apart from its competitors.”

This is important in Odebrecht’s relationships with range of stakeholders, including investors, communities and prospective and current employees. The project’s achievements with respect to women’s training and employment were of particular interest to the Brazilian president, Dilma Roussef, when she visited the site in April 2012.

Lessons learned

A higher than average number of women on the site was not without its initial challenges, particularly for men who had never worked with or supervised women. But for Antonio Cardilli, the site’s human resource manager, it was clear that **“the obstacles were always about attitudes, not women’s abilities.”** Many men, from the site all the way up to board level, were skeptical that women would cope with such physically demanding work. For women

workers on the site, proving themselves was a question of **patience and determination**: they say that it took a few months before their male co-workers accepted that that they were up to the job. After working with women on the site for some time now, managers and supervisors emphasize that they now look for “results, not gender” and are quick to praise women for their hard work and achievements on the site.

Given that many of the men and women on the site were not used to working together, Odebrecht considers that it was important to set ground rules for men and women on appropriate behavior. This was done through the material inserted into *Acreditar*, such as general training on appropriate language, interaction and clothing, and gender awareness modules were also incorporated into monthly supervisor training sessions. Senior managers also played an important role in setting the tone for interactions between men and women on site and ensuring the all workers were aware that non-compliance with the rules would not be tolerated.

The experience at Santo Antonio has also demonstrated the **importance of appointing women to leadership roles and providing support for role models for women**. Odebrecht has established a good record in this respect on the Santo Antônio site: 34 percent of the total female workforce has received promotions (compared to 24 percent of men). Odebrecht considers that having women in management is another important dimension of change and helps to adjust behaviors and attitudes. For example, within the electro-mechanical assembly team, one of the women supervisors has assumed a leadership role for women across several teams, acting as a female role model, mentor and contact point for specific grievances and concerns.

Odebrecht considers that the high participation of women in the Santo Antonio site was the result of a unique combination of factors:

- **Geography:** The site is located close to Porto Velho, a regional urban centre. This means that, from the beginning, there have been a significant number of local women who can attend training and work on the

site without needing to move away from their homes and families. This is important, as an unwillingness to relocate is considered to be a common factor that constrains many women from working on remote construction sites. Odebrecht also provides transport to improve access to the site for local workers.

- **Diversity of tasks:** The scale and complexity of the site means that there is a wider range of tasks on site, which immediately presents more opportunities for women (and men) who may not wish to work in jobs that involve more heavy lifting. In particular, the site provides opportunities for high precision work in the electro-mechanical assembly division.
- **Changes in social norms:** Both managers and workers observe that social attitudes regarding “women’s work” have changed considerably over the past 10 years and are one of the key factors driving higher levels of female participation in the construction industry. High levels of economic growth in Brazil, combined with increased investment in infrastructure development, have created shortages and new job opportunities, and women have been ready to meet this demand.
- **Changes in technology:** Improvements in technology, such as hydraulic gears on 10-tonne trucks, mean that there is now a wider than ever range of tasks that women can comfortably perform on construction



Women supervisor and workers on Odebrecht's Santo Antônio site, Porto Velho, Brazil. Photo: Kirsten Newitt

sites. There are still physical demands associated with the job that mean not all women are able or willing to work on the site, but the possibilities have opened up.

- **Emphasis on social inclusiveness and equal opportunity:** At all times during the advertisement process for *Acreditar*, Odebrecht emphasized women’s eligibility for the program.

The success of the *Acreditar* program in Porto Velho means that it has already been rolled out to other sites in Latin America and Africa.²¹¹ However, Odebrecht has learned that women’s participation in the training program has varied considerably, depending on the site location and local culture.

Conclusions

One of the clear lessons learned by Odebrecht through launching the *Acreditar* program is that **what is good for women can also be good for the business**. The program clearly demonstrates that if it is made clear to women that they are welcome and if women are provided with access to training opportunities, they will enthusiastically embrace them and work on construction sites with the same dedication and competence as men.

One of the reasons that few women work on construction sites is that they lack the training and experience to do so: through the *Acreditar* program, Odebrecht has provided women in Porto Velho with a unique opportunity to acquire both. For Odebrecht, it is important to emphasize that women can perform construction work at the same level as men; however, it is equally important not to create unhealthy competition by pitting women and men against each other or creating unrealistic expectations of women’s performance. The most important thing is to show that men and women can work together successfully and productively on construction sites, resulting in benefits for the workers and the business.

■ 211 Aside from Brazil, the other countries where Odebrecht has launched the *Acreditar* programme are Angola, Argentina, Colombia, Cuba, Guinea, Liberia, Mozambique, Peru and Venezuela. As of August 2012, these programmes have taken place on a much smaller scale than in Porto Velho.

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