



Overcoming gender segregation in management occupations and business in Asia and Pacific

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Preface

As the ‘Future of Work’ is being discussed around the world, women continue to be the most under-utilised and potentially game-changing factor for fair and prosperous economic growth. Recent research shows that a reduction in the gap in participation rates between men and women by 25 per cent has the potential to increase the GDP in Asia Pacific by as much as US\$ 3.2 trillion. A recent report by the International Labour Organization and Gallup confirmed that the majority of women and men worldwide would prefer that women work in paid jobs and find it perfectly acceptable for women to have paid work outside of the home. Why then does female labour force participation still lag behind that of males in all countries of the region?

To examine the opportunities and challenges of the future at work for women, the International Labour Organization (ILO) and the Australian Government’s Department of Jobs and Small Business have partnered in a project called “Women and the Future of Work in Asia and the Pacific”.

The following paper was part of a competitive ‘call for proposals’ under this project. It will be one contribution into the ILO’s forthcoming ‘Women and the Future of Work in Asia and the Pacific regional report’. These selected papers are meant to provide evidence-based policy recommendations to inform decision-makers on where best to invest efforts and resources to achieve the best returns for the future of work.

We warmly thank the researchers for their contributions to this project. We would also like to extend our deep gratitude to the Technical Advisory Group (TAG) members for their contributions to the project- Edgard Rodriguez, Ratna Sudarshan, Shauna Olney, Helen Lockey, Sara Elder, Rebecca Duncan, Kristin Letts, Rhea Kuruvilla. We thank them all for their guidance for the call for proposals as well as their technical inputs to the selected papers. ILO technical Coordination and inputs have been led by Joni Simpson and Aya Matsuura. Thanks to Noorie Safa for pulling the reports together and to Shristee Lamsal for her overall coordination of the Women and the Future of Work in Asia and the Pacific Regional Conference.

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Abstract

This paper on overcoming gender segregation: *Empowering women as drivers of change in management and business in Asia and the Pacific*, explores the downside of occupational segregation for women and for the world of business. Despite the enormous leap forward in women's education and their preparation for top jobs, equality is still not within their reach and businesses lose out on the talent pool that women represent in today's labour market. In management women are mainly found in support management functions and in business they operate in more small-scale ventures compared to men. This gives rise to the so called "glass walls" whereby women are on parallel paths that do not lead to the highest level of decision-making or the running of the largest firms.

The business case is mounting for more gender diversity on boards and high-level decision making as study after study demonstrates the benefits to business outcomes. The paper explores top down and bottom up strategies to overcome gender segregation, unleashing women's talent and potential in management and business. It discusses the social and cultural norms that appear to dampen prospects for women and business alike. It ends with summary points for policy development and practical action.

Executive Summary

Career pathways through organizations and companies differ according to whether one is a man or a woman. This is linked to women dropping out along the way, thus limiting the pool of qualified women available for senior management, C suite and CEO jobs. This has been coined *“the leaky pipeline of female talent”* which is of concern in an age of skill shortages. The female talent pool is growing despite the leaky pipeline and the talent pool of women is expanding in Asia and Pacific.

Women are more than 50 per cent of tertiary graduates in 17 out of 27 countries in Asia and the Pacific. In a further 7 countries they represent over 40 per cent of graduates.

In most countries women have increased their share of overall, as well as middle and senior management positions over the last decade. Women have also increased their share of employers and own account workers in the last decade. Women are running more and more businesses despite a number of gender related constraints such as limited access to credit and property compared to men.

Women’s membership on boards has grown in the last five years in the region, with Malaysia along with Australia and New Zealand leading the way. Malaysia and India require companies to support gender diversity on boards.

Women have gained considerable ground in education, occupying professional jobs and filling the managerial ranks in significant numbers in many countries of the Asia Pacific region. Women run around a third or more of the region’s businesses. Quantitatively, women are catching up with men in the labour market and in business and they are poised to overtake men in many educational fields. Yet, their access to the top jobs in companies and organizations and the more lucrative business sectors remains elusive.

Women tend to be concentrated in certain types of management support functions, such as human resources, financial administration, corporate social responsibility, public relations, etc. These management support functions are situated on the sides of the organizational pyramidal structure. Movement through the *“glass walls”* of the pyramid to the central pathways is usually not possible as these types of women managers do not end up with the right mix of managerial skills and experience to perform strategic management functions usually acquired from experience as managers of research and product development, marketing and sales or as general managers across a number of functional areas.

Similarly, for women running their own businesses they tend, more than men, to be concentrated in the micro and small businesses of the informal economy. The businesses they own are smaller than those of men and they tend to operate in smaller scale industries, less profitable than those of men.

The consequence of gender segregation in management functions and economic sectors is that women’s management and business experience is not sufficiently diverse. They have not been exposed to all types of company operations during their careers and thus they have not gained sufficient experience in general management across several functional and strategic areas. In business, women have less opportunities and access to start and expand businesses in economic sectors dominated by

men unless they are family businesses which women at times take over the helm. In both cases of management and business, women's greater responsibility for family care and social perceptions compound and reinforce career pipeline leakages.

It is, therefore, not surprising that at the end of the day women in support management roles and smaller business earn less than men overall.

Overcoming gender segregation in management and business relies on generating evidence on the rationale for gender equality in labour markets and decision making, known as the "business case". This evidence is key to enable policy makers and companies to undertake initiatives more determinedly in overcoming labour market gender segregation, as well as for increasing the labour market participation of women.

Plugging the leaking pipeline of women's talent can take place from the very top of the talent pipeline. Top down strategies can be effectively combined with bottom up approaches that address gender segregation in the labour market and at employment entry levels within enterprises.

More women at the top (on boards, as CEOs, etc.) seems to be leading generating more women being appointed along the "pipeline" thus creating a critical mass and talent pool of women in organizations and businesses.

From the bottom up, the visibility and responsibilities assigned to women at entry level are the critical building blocks from which they can develop their skills and managerial capacities on a par with men. This is where divergence starts and glass walls are constructed.

Social norms around women's and men's role in relation to paid and unpaid work, decision-making and authority need to change in order to reap the economic dividends of gender equality. A survey conducted jointly by Gallup and the ILO in 2017, found that the majority of women and men in *every region of the world* agree that work outside the home is acceptable for women in their families. The survey also found that men and women in the vast majority of countries considered "balance between work and family" as one of the top challenges facing women who work in paid jobs in their countries.

Ways of unleashing the talent of women for the benefit of themselves, their families and their society include the following:

Policies through legislation and measures to harmonise work and family responsibilities with adequate maternity and paternity protection, child and elder care, flexible working time arrangements and family friendly workplaces.

Governments, media and enterprises have key roles to play in challenging and changing gender stereotypes at work, at home and in educational institutions.

Employers' organizations can play an important role in reaching out to individual women's business owners for new members and working with business women's organizations to improve entrepreneurship conditions for women

1. Glass ceilings and glass walls

Much has been written in the last decades about the “glass ceiling” - why it exists and the strategies for women to break through to fill the highest level decision-making jobs at the top of the organizational pyramid, such as CEOs, presidents of companies, and heads of government.

“Glass walls” or the gender segregation that exists within management functions and business sectors explains why women are less visible in more strategic and lucrative areas of management and business.

This paper discusses the phenomenon of glass ceilings and walls and policy responses. It mainly focuses on women in management in private sector companies. Parallels are drawn, however, with women running their own businesses and the different economic sectors they find themselves in compared to men.

A focus for action in recent years around the globe has been getting more women on boards. Today, their numbers have indeed grown, with or without quotas, but there has been less progress in appointing more women as CEOs.

Except for Australia and New Zealand, the share of women on the boards of public listed companies in Asia and the Pacific is lower than in Europe and North America (see Figure 1)¹. Nevertheless, these

¹ Australia: Australian Institute of Company Directors, *Statistics regarding gender diversity on boards*, <http://aicd.companydirectors.com.au/advocacy/board-diversity/statistics>

Canada: MacDougall, Andrew, Valley, John, Adler, Jordan, Bettel, Cory, Param, Arash

Schmidt, Jake, Sigurdson, Amy, Strachan, Thomas and Suppa, Olivia, *2017 Diversity Disclosure Practices: Women in leadership roles at TSX-listed companies*, Osler, Hoskin & Harcourt Law Firm, Toronto, 2017

China, Hong Kong and Japan: Fern Ngai, Florence Chan and Matthew Yu, Community Business in partnership with Heinrick and Struggles, *Women on boards: Hong Kong 2017*, 8th edition, Hong Kong. <http://heidrick.com/Knowledge-Center/Publication/Women-on-boards-Hong-Kong-2017>

India: *Corporate India: Women on Boards*, Institutional Investor Advisory Services, Women on Corporate Boards Mentorship Program, Database Group, Mumbai, May 2017 Prime

Indonesia: Centre for Governance, Institutions and Organizations Indonesia, *Boardroom Diversity Report 2012: Female Footprints in IDX-Listed Companies*, National University of Singapore Business School, 2012

Republic of Korea: Linda-Eling Lee Ric Marshall Damion Rallis Matt Moscardi, *Women on Board: Global Trends in Gender Diversity on Corporate Boards*, MSCI ESG, November 2015. <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>

Malaysia: 30% Club Malaysia, *Percentage of women on Bursa Malaysia top 100 boards rises to 19%* published in the Star online 17 October 2017. <https://www.thestar.com.my/business/business-news/2017/10/17/percentage-of-women-on-bursa-malaysia-top-100-boards-rises-to-19>

New Zealand: McGregor, Judy and Davis-Tana, Stevie, *New Zealand Census of Women on Boards 2017*.

Norway: Mission of Norway to the EU, *Sharing Norway's experience with gender quotas for boards*, 13 October 2017, Brussels. <https://www.norway.no/en/missions/eu/about-the-mission/news-events-statements/news2/sharing-norways-experience-with-gender-quotas-for-boards>

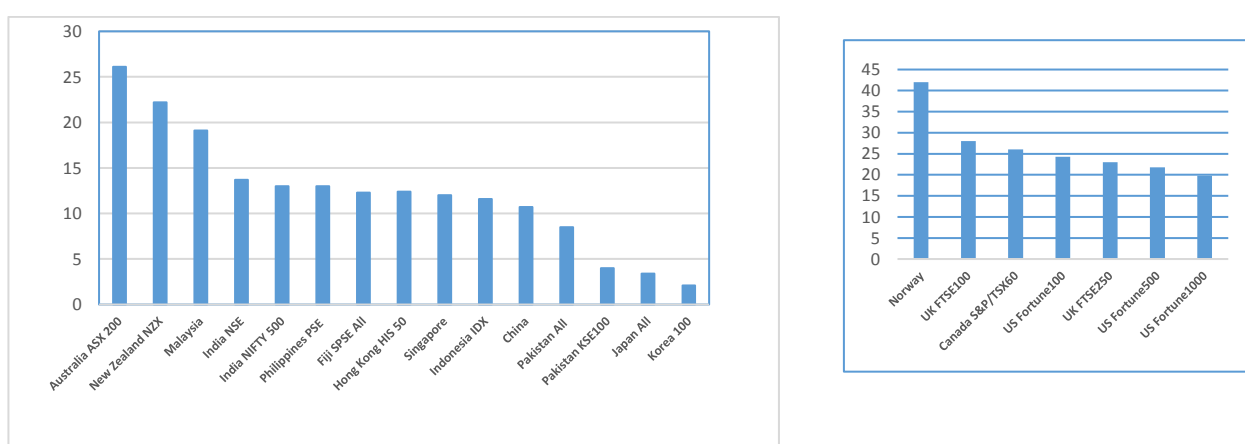
Pakistan: *Only 21 of 559 firms listed on stock exchange have women on boards: report*, published in Dawn, 30 March 2017 Philippines: Victor V. Saulon, Sub-Editor, *More women needed in Philippine corporate boards*, Business World, 1 September 2017. <http://bworldonline.com/women-needed-phl-corporate-boards>

Singapore: Diversity Action Committee Singapore, *Women's Representation on SGX-listed Companies Boards as at Jun 2017*, <http://www.diversityaction.sg/facts-and-numbers/as-at-jun-2017>

percentages have grown in the last five years the region, with Malaysia along with Australia and New Zealand leading the way. Malaysia and India require companies to support gender diversity on boards. From 2018 the Malaysian government has indicated it will publically name companies that do not have any women on their boards. In December 2017, 25 professional women nominated by listed companies graduated from the Women in leadership programme organised by the South Pacific Stock Exchange and the Asian

Development Bank's (ADB) Pacific Private Sector Development Initiative (PSDI) to mentor them to be eligible for board memberships in listed companies.²

Figure 1: Women's percentage share on boards of publically listed companies in Asia/Pacific and compared to several countries in Europe and North America



Note: Data from 2017 for Australia, Canada, Hong Kong, India, Japan, Malaysia, New Zealand, Norway, Philippines, Singapore, United Kingdom and United States. From 2016 for Republic of Korea and Pakistan. From 2014 for China and from 2012 for Indonesia.

With regard to women's representation in business organizations, an ILO global survey of employers' organizations (EOs) found that eight per cent of EOs surveyed (108) had gender-balanced boards. The majority had 10 per cent or fewer women on the board of directors, while 11 per cent were all-male boards.³ In terms of leadership of the EO boards, none were led by women in Asia and Pacific, the Arab States and in Latin America and the Caribbean, while in Africa 17 per cent and in Europe and Central Asia 15 percent were led by women. Women were better represented as Vice Chairs of EOs led by Latin America and the Caribbean with 24 per cent followed by Asia and the Pacific with 21 per cent. Due to family and social constraints and corporate cultures requiring long working hours, it is

United Kingdom: Susan Vinnicombe CBE, Ruth Sealy, and Anne Laure Humbert, *The Female FSTE Board Report 2017*, Cranfield University and University of Exeter Business School, UK, 2017

United States of America: 2020 Women on Boards, *Gender diversity index: 2011–2017 progress of women corporate directors by company size, state and sector*, Jamaica Plain, Massachusetts, 2017, www.2020wob.com

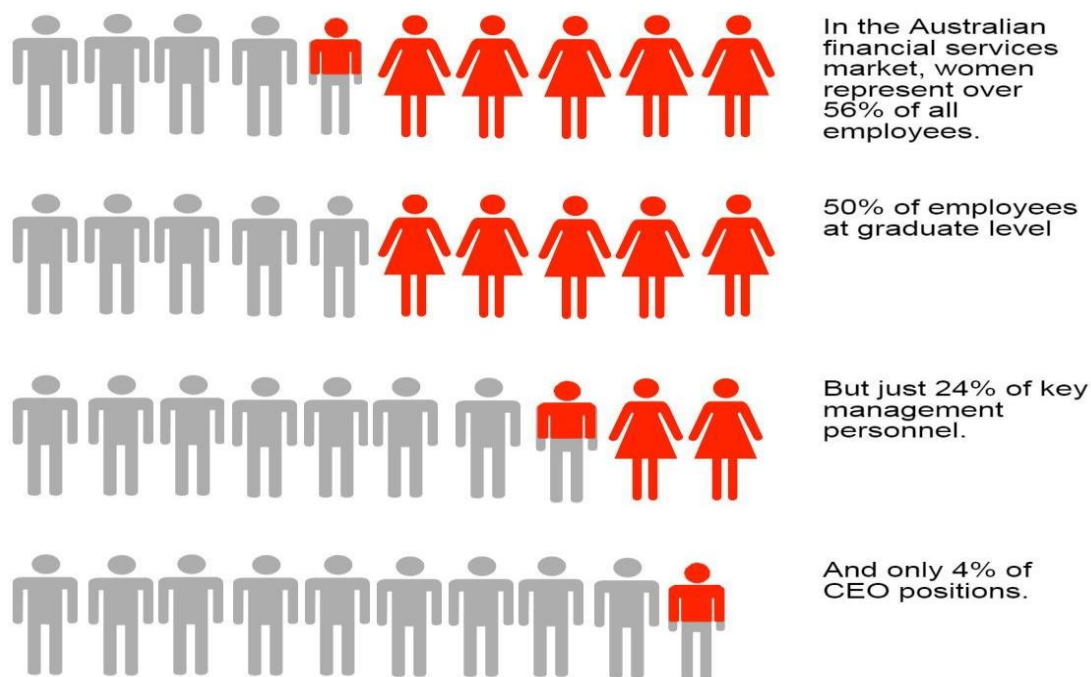
² Fiji Sun Online, 2 December 2017

³ ILO Bureau for Employers Activities, A global snapshot: Women leaders and managers in employers' organizations, Geneva, May 2106

particularly challenging for women in addition to working as a manager in a company or running a business, to also play a role as a board member of an employers' organization or chamber of commerce.

Career pathways through organizations and companies differ according to whether one is a man or a woman. Various studies have looked at why women seem to drop out along the way, thus limiting the pool of qualified women available for senior management, C suite and CEO jobs. This has been coined "the leaky pipeline of female talent" which is of concern in an age of skill shortages. Figure ... below illustrates the leaky pipeline. Reasons put forward for this include gender bias in recruitment and promotion, male dominated corporate cultures, lack of measures to balance work and family, perceptions of both men and women themselves of roles considered suitable for women, such as support roles, women leaving the organization to start their own businesses with greater flexibility or to care for the family. Women themselves will look for alternatives in the labour market that offer flexible working arrangements and family friendly measures, even if it means earning less and not "climbing the ladder". This often is the case with law firms caught in a time lag due to their male corporate cultures, despite the fact that in many countries there are more women law graduates, many of whom gained the highest academic results.

Figure 2. The leaky pipeline in financial services in Australia

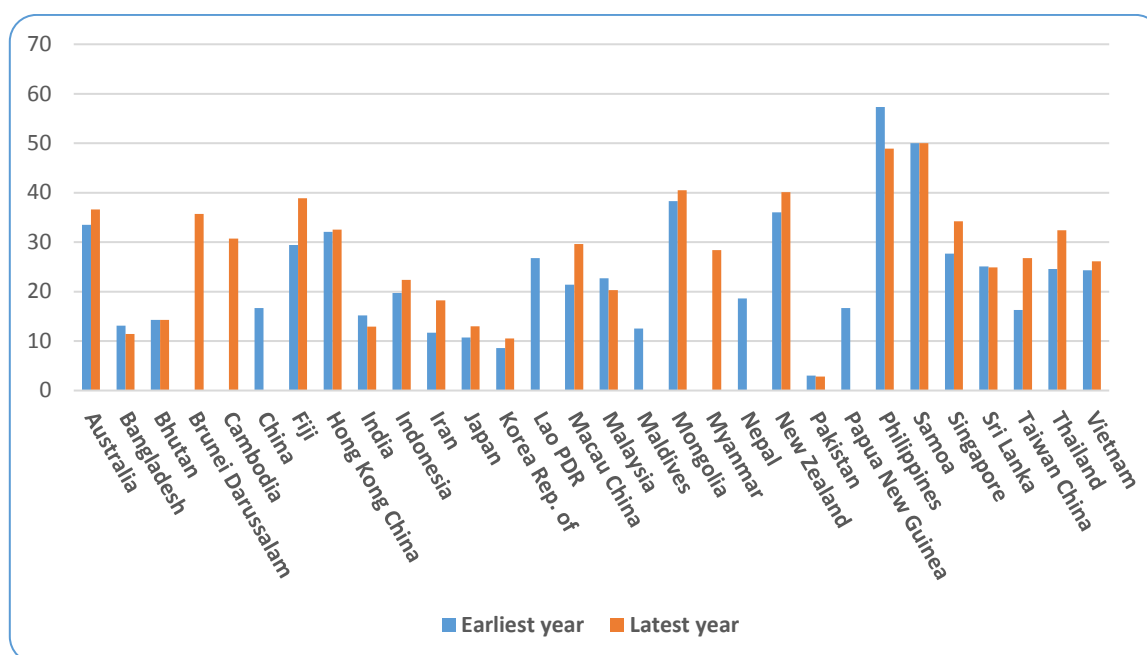


Adapted from Workplace Gender Equality Agency (WGEA) Australia Gender Equality Scorecard, released November 2014

2. An expanding female talent pool in Asia and the Pacific

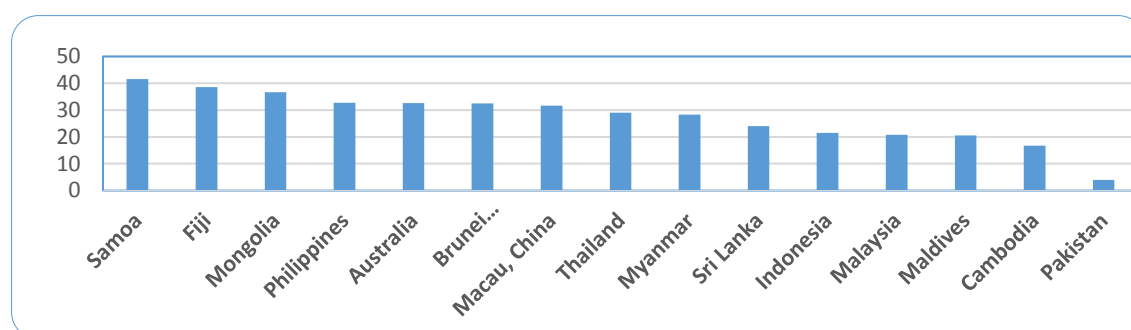
The female talent pool is growing despite the leaky pipeline. Figures 2., 3., and 4. illustrate the extent to which the talent pool of women is expanding in the Asia and Pacific region. In most countries women have increased their share of overall, as well as middle and senior management positions.

Figure 3. Women's percentage share of overall management positions in Asia and Pacific



Source: ILO statistical data base, December 2017⁴

Figure 4. Female share of employment in middle and senior management, latest year



Source: ILO statistical data base⁵, December 2017⁶

⁴ Earliest year 2004: Australia, Macau China, New Zealand, Philippines and Singapore;

2005: China, India, 2007: Indonesia, 2008: Nepal, 2009: Bhutan, Iran, Japan, Republic of Korea, Mongolia and Sri Lanka; 2010: Lao PDR, Papua New Guinea; 2011: Fiji, Hong Kong China, Malaysia, Maldives, Thailand; 2013: Vietnam; 2014: Pakistan and Samoa.

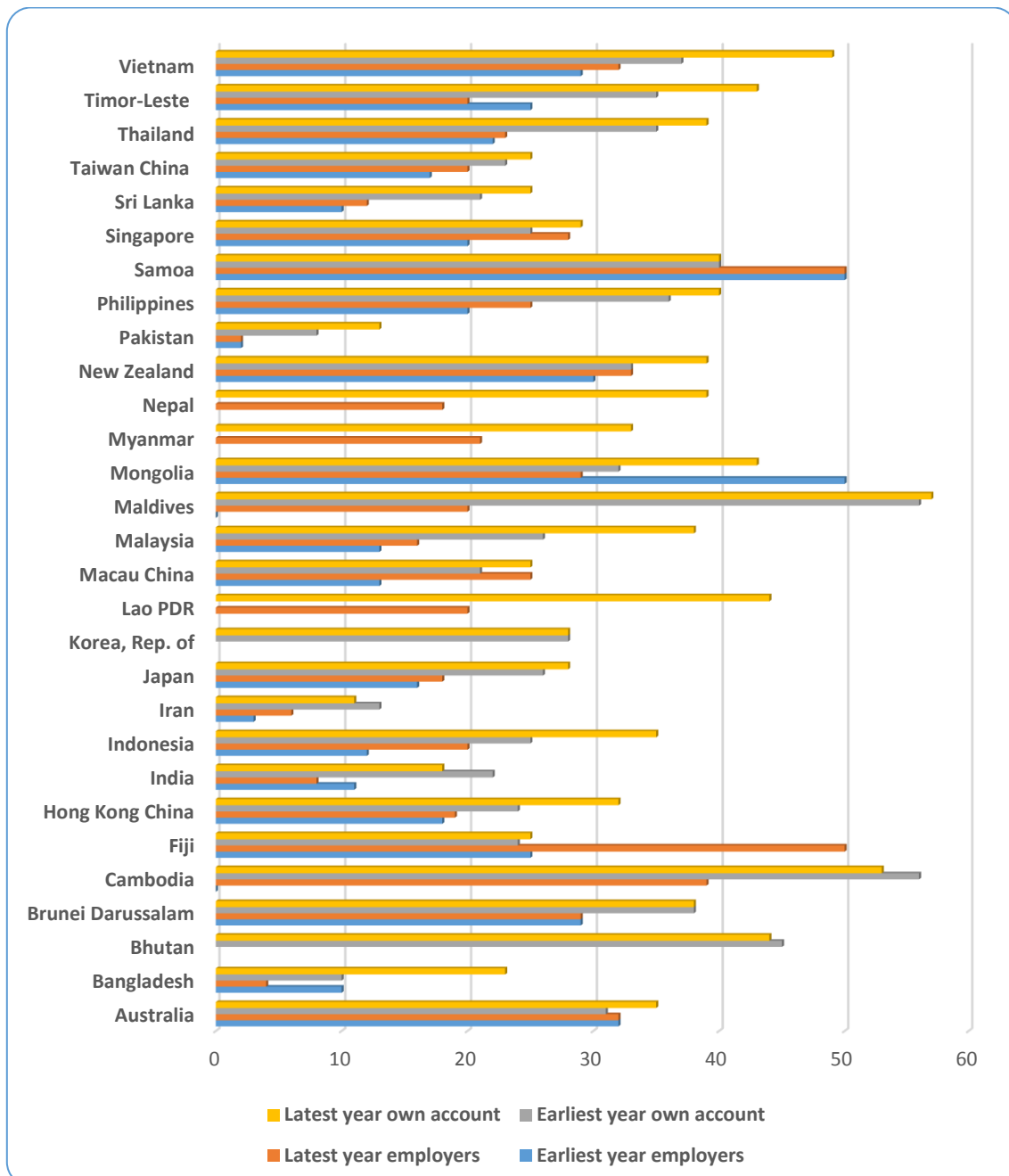
Latest year: 2008: New Zealand; 2012: Cambodia and India; 2014: Brunei Darussalam and Iran; 2015: Bhutan, Indonesia, Republic of Korea, Myanmar, Singapore and Sri Lanka; 2016: Australia, Bangladesh, Fiji, Hong Kong China, Japan, Macau China, Malaysia, Mongolia, Pakistan, Philippines, Samoa, Taiwan China, Thailand and Vietnam.

⁵ This indicator refers to the proportion of females in total employment in senior and middle management corresponding to major group 1 in both ISCO-08 and ISCO-88 minus category 14 in ISCO-08 (hospitality, retail and other services managers) and minus category 13 in ISCO-88 (general managers), since these comprise mainly managers of small enterprises. The indicator provides information on the proportion of women who are employed in decision-making and management roles in government, large enterprises and institutions.

⁶ Latest years – Samoa: 2012, Fiji: 2016, Mongolia: 2016, Philippines: 2016, Australia: 2016, Brunei Darussalam: 2014, Macau, China: 2016, Thailand: 2016, Myanmar: 2015, Sri Lanka: 2014, Indonesia: 2015, Malaysia: 2016, Maldives: 2014, Cambodia: 2012, Pakistan: 2016.

In most countries for which data is available for the Asia and Pacific region, women have increased their share of employers in the last decade as shown in Figure 3. They have also increased their share of own account workers. Women are running more and more businesses despite a number of gender related constraints as for example access to credit and property being more difficult for women than men.

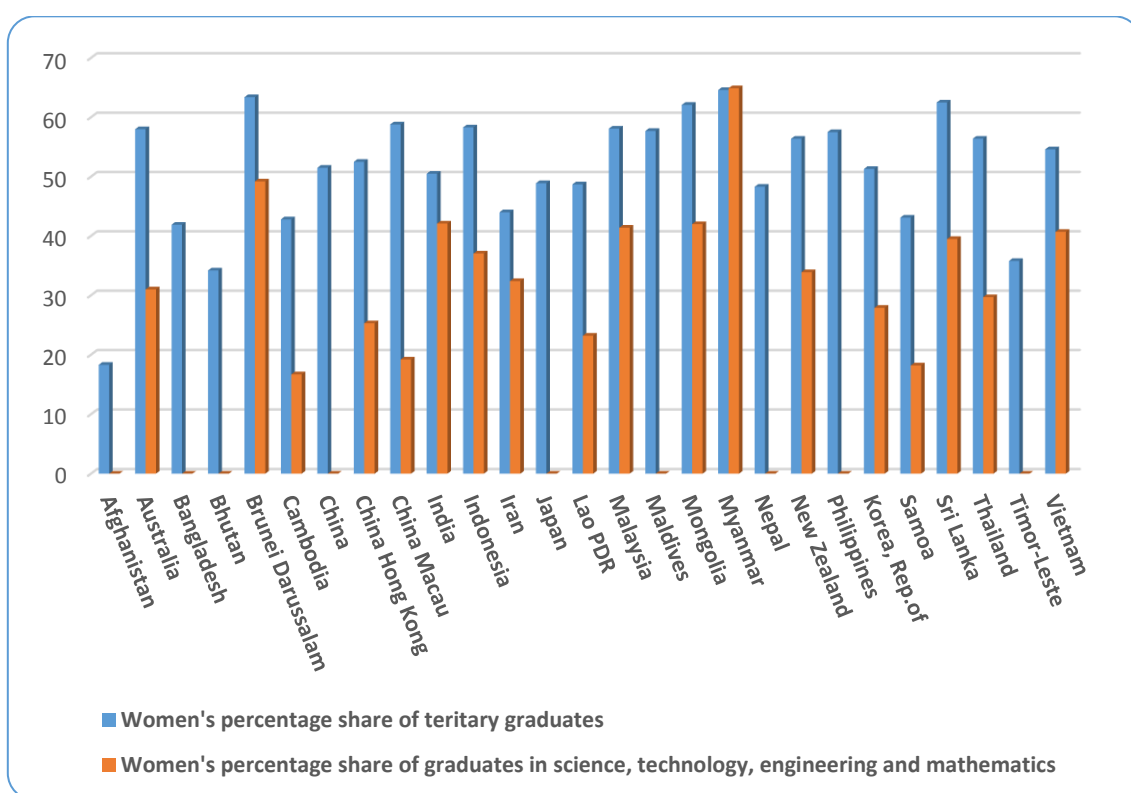
Figure 5. Women's percentage share of employers and own account workers in Asia and Pacific



Source: ILO statistical data base December 2017

Women are more than 50 per cent of tertiary graduates in 17 out of 27 countries for which data is available in Asia and the Pacific. In a further 7 countries they represent over 40 per cent of graduates. Women represent, therefore, an important pool of skills and talent. When it comes to graduates in science, technology, engineering and mathematics (STEM), key for modern production systems, women are a significant proportion of graduates in these fields in many countries of the region. Nevertheless, and of concern, is the decline in most of these countries, as elsewhere in the world, over the last decade. For example, Mongolia went from women being 51 per cent of these graduates to 42 per cent and New Zealand from 40 per cent to 34 per cent. On the other hand, Vietnam increased the share of women graduates in STEM from 20 per cent in 2005 to 55 per cent in 2015.

Figure 6. Women's share of tertiary graduates overall and in science, technology, engineering and mathematics



Source: UNESCO Institute of Statistics

3. Gender segregation constrains female talent uptake

The data above reflects women having gained considerable ground in education, occupying professional jobs and filling the managerial ranks in significant numbers in many countries of the Asia Pacific region. Women run around a third or more of the region's businesses. Thus, quantitatively, women are catching up with men in the labour market and in business and they are poised to overtake men in many educational fields. Yet, their access to the top jobs in companies and organizations and the more lucrative business sectors remains elusive. Why is this so?

One explanation is the gender segregation that exists within management occupations, as well as in business sectors. Women are concentrated in certain types of management support functions, such as human resources, financial administration, corporate social responsibility, public relations, etc. These management support functions are situated on the sides of the organizational pyramidal structure. Movement through the “glass walls” of the pyramid to the central pathways is usually not possible as these types of women managers do not end up with the right mix of managerial skills and experience to perform strategic management functions usually acquired from experience as managers of research and product development, marketing and sales or as general managers across a number of functional areas.

Similarly, for women running their own businesses they tend, more than men, to be concentrated in the micro and small businesses of the informal economy. The businesses they own are smaller than those of men and they tend to operate in smaller scale industries, less profitable than those of men. An OECD study⁷ noted that women-owned businesses tend to operate more in wholesale and retail trade, transport, accommodation, and support services while men-owned businesses were more likely to operate in manufacturing, mining and utilities industries. For example, in Japan the share of businesses in trade, transport and accommodation that were women owned was just over 50 per cent and for Korea the proportion was almost 60 per cent.

The consequence of gender segregation in management functions and economic sectors is that women’s management and business experience is not sufficiently diverse. They have not been exposed to all types of company operations during their careers and thus they have not gained sufficient experience in general management across several functional and strategic areas. In business, women have less opportunities and access to start and expand businesses in economic sectors dominated by men unless they are family businesses which women at times take over the helm. In both cases of management and business, women’s greater responsibility for family care and social perceptions compound and reinforce career pipeline leakages.

Gender segregation in management functions and business sectors are a reflection of overall occupational segregation by sex in the labour market. Women are found in occupations which are often an extension of their reproductive roles, such as teaching and nursing and administrative support. Whatever sector or occupation they may be working in, management is by and large viewed as a job for men, even in sectors, industries and factories where the majority of employees are women.

Second part of Table-1 provides an indication of the management occupations where women are concentrated in countries in Asia and the Pacific for which data is available under the latest version of International Standard Classification of Occupations (ISCO 2008). In most cases there are fewer women as CEOs, senior officials and legislators compared to men. On the other hand, women have a greater share of administrative and commercial managers, as well as hospitality, retail and other services managers and in some cases 50 per cent or more. Some countries are still providing data under

⁷ OECD (2012), Share, Size and Industry of Women-Owned Enterprises, Entrepreneurship at A Glance 2012

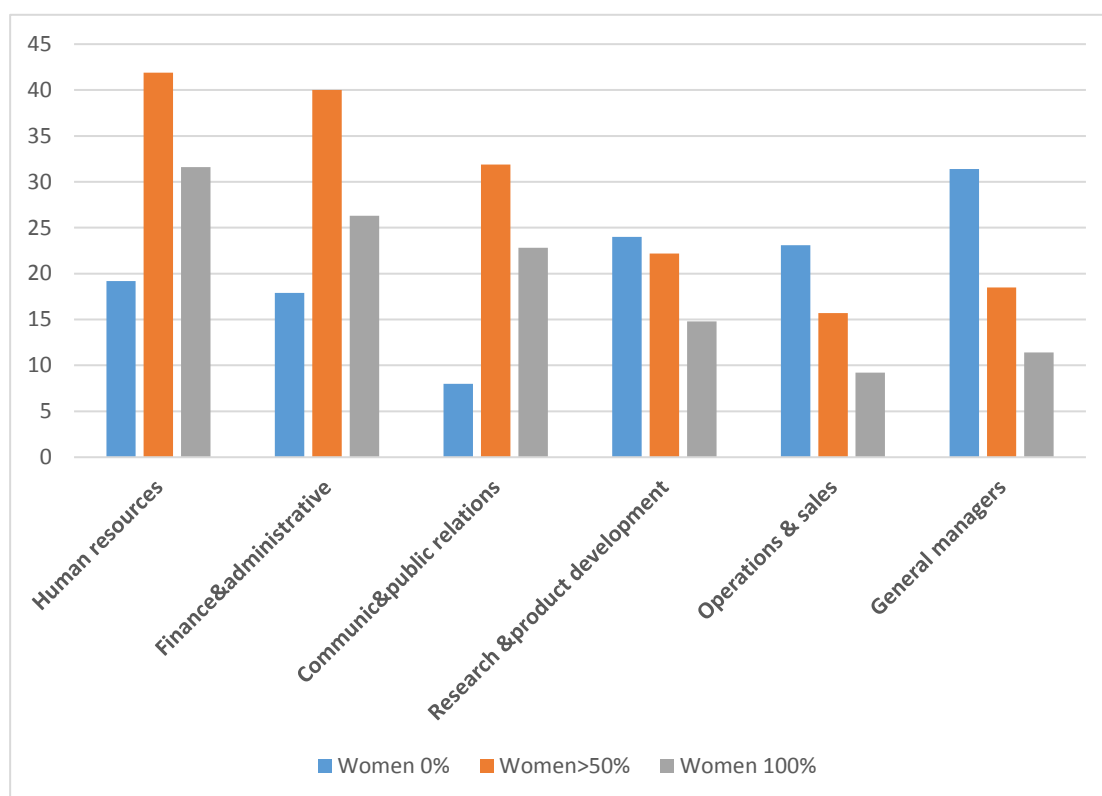
an earlier 1988 version of ISCO which also gives insight into how women and men are positioned across different types of management functions as shown in the second part of the table.

Table-1: Percentage share of women in different types of management functions, selected countries (*Source: ILO Statistical database, December 2017*)

ISCO 08 Level 2	CEOS, senior officials and legislators	Administrative & commercial managers	Hospitality, retail & other services managers	Year
Australia	25	40	46	2016
Brunei Darussalam	40	33	50	2014
Cambodia	19	50	33	2010
Fiji	n/a	44	33	2016
Indonesia	16	33	29	2016
Malaysia	18	31	19	2016
Maldives	25	50	20	2014
Mongolia	30	40	60	2016
Myanmar	25	31	28	2015
Pakistan	3	3	0,5	2016
Philippines	39	50	71	2016
Sri Lanka	25	23	26	
Thailand	19	52	44	2016
Timor-Leste	25	40	n/a	2013
ISCO 88 Level 2	Legislators and senior officials; Directors and chief executives	Other department managers	General Managers	
Indonesia	16	26	24	2015
Macau China	20	n/a	33	2016
Malaysia	21	40	20	2010
Philippines	36	50	48	2015

Figure 7. illustrates a finding of an ILO company global survey⁸, that there is a tendency for women managers to be clustered in particular managerial functions, such as human resources, public relations and communications management, and finance and administration. Fewer companies have a high proportion of women in managerial functions such as operations and sales management, research and product management, and general management.

Figure 7. Percentage of companies in Asia and Pacific by share of women in different managerial functions



Source: ILO company survey⁹

4. Occupational gender segregation and income inequality

While occupational segregation by sex does not necessarily translate into disadvantage for either sex, it usually has negative consequences for women. In most countries, they earn less than men as the occupations in which they work are valued less than those of men. Businesses run by women also tend to have less capital value and profits.

⁸ Conducted in 2013 and published in 2015 by the ILO Bureau for Employers' Activities in the global report *Gaining momentum: Women in Business and Management*. Countries from Asia and the Pacific participating in the survey were Bangladesh, Fiji, India, Iran, Cambodia, Pakistan, Philippines and Sri Lanka.

⁹ Conducted globally with nearly 1300 companies in 2013 and reported in ILO Bureau for Employers' Activities' global report: *Gaining momentum: Women in Business and Management*, 2015

Gender income inequality can discourage the greater participation of women in the labour market, especially if there are child and elder care costs to consider. Female heads of households are particularly affected and thus the education and welfare of their children. Closing the gender income gap has been slow despite most countries having subscribed to equal opportunities and treatment of women and men, including equal remuneration for work of equal value, through international conventions and national legislation.

Gender segregated labour markets contribute to income inequalities across all occupations including management. For example, a recent study¹⁰ found that remuneration of women in Singapore

Exchange-listed (SGX) boards trails behind that of their male counterparts across all categories of directors and all firm sizes. On average, female directors of SGX-listed companies earned 56.8 per cent of their male counterparts.

Similarly, in Australia, a recent report¹¹ indicates that male managers earn more than female managers in both base and total remuneration. For female-dominated organisations the gap is even wider with full-time male managers earning 22.4 per cent (base) more than their female counterparts. The report also found that increased representation of women on boards is associated with significant reductions in gender pay gaps.

5. Overcoming gender segregation in the labour market and in management and business

Recent years have seen increasing attention to research generating evidence on the rationale for gender equality in labour markets and decision making, known as the “business case”. This evidence is key to enable policy makers and companies to undertake initiatives more determinedly in overcoming labour market gender segregation, as well as for increasing the labour market participation of women.

Plugging the leaking pipeline of women’s talent can take place from the very top of the talent pipeline. Top down strategies can be effectively combined with bottom up approaches that address gender segregation in the labour market and at employment entry levels.

5.1 Business case for gender diversity

Recent years have seen an emerging body of research on the business case for gender diversity. Correlations are made between more women in decision-making and positive business outcomes. Increased participation of women in the labour market is shown to increase GDP. The findings of these

¹⁰ National University of Singapore's Business School's Centre for Governance, Institutions and Organisations, Press Release 1 March 2017.

¹¹ Cassells R, Duncan A, and Ong R (2016), ‘Gender Equity Insights 2016: Inside Australia’s Gender Pay Gap’, BCEC|WGEA Gender Equity Series, Issue #1, March 2016.

studies are key for changing social attitudes and mind sets of both men and women on evolving gender roles and the role of women in national economies and business growth.

Many studies in recent years have focused on gender diversity on boards and the resulting benefits for companies. Research on the business case for gender equality has mainly addressed three aspects: 1) the economic impact of women's increased labour force participation; 2) the business impact of more women in executive management; and 3) the opportunity cost of having an all-male executive board.¹²

International financial institutions and economic think tanks are examining the relationship between women's greater participation in the economy and the labour market to determine whether women's empowerment enhances GDP. The McKinsey Global Institute calculates that if women were to participate in the economy identically to men the potential boost to the world economy could be US\$28 trillion or 26 per cent of annual global GDP. If countries were to match their fastest improving neighbour on gender parity they could reap significant increases in GDP. For India, this could be 16 per cent, for China 12 per cent, for South Asia (excluding India), 11 per cent and for East and South-East Asia (excluding China), 8 per cent.¹³

Based on a simulation model, the Asian Development Bank reports that by boosting women's labour participation rate by 9 per cent through measures to address gender inequality, per capita income can rise by 30 per cent in a generation.¹⁴

Large scale studies in recent years by Catalyst Inc., Credit Suisse, McKinsey and Company and Thomson Reuters all found that companies with women on their boards outperformed those without women across areas such as sales, return on equity and investment, corporate governance and company image. A 2016 study of nearly 22,000 publicly traded companies in 91 countries found that having women in the highest corporate offices was correlated with increased profitability.¹⁵ Similarly, a study of 2.5 million manager-led teams in 195 countries and about 27 million employees showed that female managers outperformed male managers on employee engagement scores.¹⁶

A global survey in 2016 by the Credit Suisse Research Institute of over 3,000 of the largest companies around the world confirmed the findings of its 2014 survey that showed a clear link between diversity and improved business performance. Companies with a majority of women top managers showed higher sales growth and higher cash flows on returns on investments. The survey covered all regions

¹² See *The Business Case for Gender Diversity*, compiled by Genevieve Smith for summary of arguments. <https://cel.edu.au/our-research/building-a-business-case-for-gender-diversity>
<http://www.cew.org.au/resources/toolkits/ceo-toolkit>

¹³ McKinsey Global Institute, *The power of parity: how advancing women's equality can add \$12 trillion to global growth*, September 2015

¹⁴ Asian Development Bank, *Women in the workforce: An unmet potential in Asia and the Pacific*, Mandaluyong City, Philippines, 2015.

¹⁵ M. Noland, T. Moran and B. Kotschwar: *Is Gender Diversity Profitable? Evidence from a Global Survey*, Working Paper Series No. 16-3, Peterson Institute for International Economics, 2016.

¹⁶ Gallop: *The State of the American Manager Report* (Washington DC, 2012).

except Africa. For Asia and Pacific, it covered companies in China, Hong Kong China, India, Indonesia, Japan, Malaysia, Philippines, Republic of Korea, Singapore and Thailand.¹⁷

Similarly, an Asian Development Bank study conducted in the Asia-Pacific region found that boardroom gender diversity was low, but it had increased to 9.3 per cent across 10 economies. Moreover, the appointment of female directors and gender diverse boardrooms are, on average, positively associated with a firm's subsequent improved performance, but with large cross-country and cross-measurement differences. Firm performance is highest when there are at least two women on the board.¹⁸

A more recent study has looked beyond women on boards to the impact of women as CEOs on business outcomes. A large study in 2017 by Nordea¹⁹, the largest bank in Scandinavia looked at the results of companies run by women CEOs. It analysed nearly 11,000 publicly traded companies across the globe over the last eight years. The results showed that on average companies with a female chief executive officer or a female head of the board of directors had a 25 per cent annualised return since 2009, more than double the 11 per cent delivered by the Morgan Stanley Capital International World Index (MSCI World Index).

5.2 Top down strategies

As the proportion of women on boards and as CEOs is gradually increasing, studies are emerging depicting a correlation between more women at the top and increasing numbers of women in upper or senior management. While previously there was a focus on reducing the number of all male boards, today the emphasis is on moving from lone woman board members to achieving a critical mass of at least 30 per cent of board members being women. This trickle-down effect has important implications for overcoming the “glass walls” and “glass ceilings”. As noted by Elizabeth Proust, Chairwoman of the Australian Institute of Company Directors: *“One female director on the board does not equate to gender diversity”*.

Recent research from MSCI ESG (Morgan Stanley Capital International Environmental, Social and Governance Research) found that “globally, large multinational companies with three or more women directors had nearly twice the average percentage of women among their senior leadership as companies with no female directors; such companies were four times as likely to have a female CEO as firms with fewer than three women directors.”²⁰ Furthermore, MSCI ESG noted that “in Japan, which has imposed new gender diversity reporting requirements, having even a single female director

¹⁷ Credit Suisse Research Institute, *The CS Gender 3000: The reward for change*, September 2016

¹⁸ Asian Development Bank: *Women's Leadership and Corporate Performance*. Economics Working Paper Series No. 472, 2016.

¹⁹ Nordea, *Investing in female CEOs pays off*, press release, Nordea website 2016, <https://www.nordea.com/en/press-and-news/news-and-press-releases/news-en/2017/investing-in-female-ceos-pays-off.html>

²⁰ Meggin Thwing Eastman, Damion Rallis, Gaia Mazzucchelli, *The Tipping Point: Women on Boards Report 2016*, MSCI ESG

corresponded to a higher percentage of women among middle and senior management, new hires and the workforce at large.”

5.3 Bottom up strategies

It is a challenge to identify and address the underlying causes for women not making it through the career pipeline to the top jobs, given their high educational levels and extensive professional and managerial experience. Three factors need to be considered:

- Women’s educational preparation in certain areas is important for advancement in certain business sectors. Women are graduates on a par or superior to men in most disciplines except for those in science, technology, engineering and mathematics. They are catching up in science and mathematics but lag behind in engineering and technology. Far more women graduate in these subjects than a decade or two ago. However, there is a tendency of two steps forward and one step back statistically. Perhaps this is related to negative job prospects and experiences in these fields given the stereotyping against women in the workplace in these areas. This results in the ‘closed door’ situation whereby women are unable to penetrate the labour market in positions commensurate with their qualifications.
- Diverging career paths of women and men: women and men may enter a company or public sector organization with the same qualifications and at the same level. A common scenario across the globe is that from the very beginning the type of tasks and assignments given to women are often less visible, involve less responsibility and are less autonomous than those assigned to men. This is often the result of bias, both conscious and unconscious in not recognising women’s talents and qualifications. Over time this translates into men gaining more solid experience, being noticed and promoted more quickly to strategic managerial jobs. Women progress more slowly and eventually may be promoted into managerial positions providing administrative support to the strategic operations of companies and organizations.
- Self-selection of job roles that are perceived as more compatible with family responsibilities: women themselves may be attracted to management in administrative support functions as they often do not require mobility and travel and have more regular hours. This is reinforced by societal and corporate views on women’s capacity and suitability for these roles.
- In most countries gender roles result in women having greater responsibility for family and household care. For women to manage the dual responsibilities of work and family, flexibility is key and this is increasingly the case also for men of the younger generation who are often playing a more active role in family care. To attract and retain talent, businesses and organizations increasingly need to provide a “family-friendly” workplace.

The ILO company survey identified a number of priority actions for overcoming gender segregation in management in Asia and the Pacific.

- Exposing women to all company operations and functions
- Assigning women managers visible and challenging tasks;
- Mentoring scheme;
- Top level management support for a gender equality strategy;
- Recognition and support for women;

- Making corporate culture more inclusive of both women and men;
- Awareness training for senior managers on the business case for more women in management;
- Setting of targets for women in management and tracking progress;
- Flexible working arrangements (time and place).

Interestingly, despite the well-known “machismo” in Latin America and Caribbean there has been a shift with women moving away from support management functions and into strategic business areas such as profit and loss, research and product development.²¹ This falling of the “glass walls” is expected to make that region a world leader in the proportion of top managers who are women by 2025. There is no reason why this cannot happen in other regions, such as Asia and Pacific as well.

In terms of the business sectors in which women find themselves, this is also influenced by social and family perceptions of suitable businesses for women, as well as compatibility of the operations with family responsibilities. Nevertheless, limited access to resources, networks and business information as well as the technical know-how of women, are critical factors that orient women to certain small-scale business sectors. Government programmes, business organizations and business women’s networks can assist women to expand their businesses in size and into other sectors. Large companies can contribute through targeted contracting of and support to women’s businesses through their supply chains. However, advocacy on why this is useful is needed: demonstrating the track record of women’s ability to reimburse loans and to deliver on goods and services, as well as the benefits to national economies.

5.4 Culture and evolving mind sets

The business case research provides the economic rationale for reducing gender inequalities in the labour market and empowering women in business and management. However, to reap the economic dividends of greater gender equality, social norms around women’s and men’s role in relation to paid and unpaid work, decision-making and authority need to change. This is more challenging than it appears.

Social norms are deeply entrenched and reinforced by religion and cultural traditions that often view women’s main role as homemaker and men as the ones in authority and the bread earners. Many of these are replicated in the corporate culture of companies and organizations. There is also pressure on men in changing labour markets and economies when they may find few opportunities to be the “bread earner”. If their wife or partner works, men can find it difficult to assume unpaid work in the home as cultural norms indicate that this is not a role for a man. This is also true for situations where both spouses or partners work, but the woman still assumes the lion’s share of care work, (whether household help is employed or not), giving rise to the “double day” for women.

²¹ McKinsey & Company. 2010. Moving women to the top: McKinsey Global Survey results. Available at: <http://www.mckinsey.com/business-functions/organization/our-insights/moving-women-to-the-top-mckinsey-globalsurvey-results>, 21 Mar. 2017.

Attitudes and gender norms are evolving. A survey conducted jointly by Gallup and the ILO in 2017, found that the majority of women and men in *every region of the world* agree that work outside the home is acceptable for women in their families. A total of 70 per cent of women and a similar 66 per cent of men would prefer that women work at paid jobs. Each of these figures is more than double the percentages of those who would prefer women to stay at home. In Asia and Pacific, only in Southern Asia did more women than men prefer that women stay at home with 42 per cent of women and 37 per cent of men. In South East Asia and the Pacific 36 per cent of men preferred that women stay at home compared to 23 per cent of women. In Eastern Asia 25 per cent of women preferred to stay at home compared to 28 per cent of men. The survey also found that men and women in the vast majority of countries considered “balance between work and family” as one of the top challenges facing women who work in paid jobs in their countries.²²

A study surveying graduates of private higher learning institutions in Malaysia found that culture plays a strong influence on gender segregation in Malaysian society and was more significant compared to three other independent variables studies (salary, occupation and religion). This culture is reflected in the fact that women’s main role is still perceived as home maker and men perceived to be the superior gender, especially when it comes to management jobs. The study calls on the education system “to remove barriers and stereotyping of the field of study based on gender so that all potential graduates be given equal opportunity based on their capabilities and interest, as well as to provide exposure to both sexes on the evolving and future industrial needs of the country”.²³

Most of the business case studies and surveys are conducted by international consultancy companies and think tanks and there is limited endogenous research in this area coming from the emerging regions. Interestingly, a couple of such studies in Asia (Philippines and Indonesia) did not find positive correlation between gender diversity on boards and business outcomes. This appears to be mainly due to cultural norms whereby women’s leadership is perceived as not as capable as that of men.

The study in the Philippines suggested that “greater board-level gender diversity does not help firms improve firm value; rather, it hurts them or, at best, does not affect their performance.” The study concluded that “the finding is consistent with the investor bias theory, which argues that investors collectively drive down the market value of firms with more gender-diverse boards (i.e. boards with more women members) because they have a perceptual bias against women as capable firm leaders and directors”.²⁴

Similarly, a study in Indonesia, found that a higher proportion of women on the board is associated with a lower level of firm performance. The study suggests that this should not be immediately interpreted that the presence of women in the boardrooms would destroy shareholder value. It therefore calls for the encouragement of equal opportunity for all groups of employees, including women, based on their competence and contribution to the organization.²⁵ With regard to the possibility of

²² Gallup and ILO, *Towards a better future for women and work: Voices of women and men*, Geneva, 2017

²³ Vimala Kadiresan, Kalaiselvi Rethinam, Charles Ramendran SPR, Mehrunishah Begum Bathusha Hamid, and Shah Nizam bin Doming, *Workplace Gender Segregation: A Study from the Students' Perspectives of Private Higher Learning Institutions in Klang Valley, Malaysia*. Asian Journal of Multidisciplinary Studies, Volume 3, Issue 7, July 2015

²⁴ Angelo A. Unite and Ailyn A. Shi, De La Salle University, Philippines and Michael J. Sullivan, Lee Business School, University of Nevada, Las Vegas, *Gender Diversity in Boards and Performance of Philippine Publicly Traded Firms: Do Women Matter?*

²⁵ Salim Darmadi, Indonesia Financial Services Authority (OJK), “Board Diversity and Firm Performance: The Indonesian Evidence”, *Corporate Ownership and Control Journal*, Vol. 8, 2011

introducing quotas for women on boards, as in Europe, the Philippine study pointed out that caution needs to be exercised, in claiming that such quotas would improve firm performance and shareholder value. Rather the researchers argue that if there are to be quotas they “may have to be justified in terms of social equality, business reputation, and on purely ethical grounds.”

5.5 Policy development

There are a number of ILO conventions considered as key gender equality conventions. Two of these are fundamental conventions on discrimination in employment and occupation and equal remuneration for work of equal value. Most countries in the region have ratified both these conventions except for Brunei Darussalam (both), Japan (discrimination), Malaysia (discrimination), Myanmar (both) and Singapore (discrimination). However, as shown in the table below few countries in the region have ratified the ILO conventions on maternity protection and workers with family responsibilities. Ratifying the conventions on maternity protection and workers with family responsibilities can enable harmonisation between women’s reproductive and family care roles and their role in the labour market. This is key for the economic empowerment of women, as well as reducing the burden of the double work day of many working women.

Table 2. Ratification of the key gender equality conventions

ILO Conventions	Countries ratifying
Discrimination (Employment and Occupation), 1958, No.111	Afghanistan, Australia, Bangladesh, Cambodia, China, Fiji, India, Indonesia, Iran, Republic of Korea, Lao PDR, Maldives, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, Timor Leste, Vietnam (24 countries)
Equal Remuneration, 1951 (no. 100)	Afghanistan, Australia, Bangladesh, Cambodia, China, Fiji, India, Indonesia, Iran, Japan, Republic of Korea, Lao PDR, Malaysia, Maldives, Mongolia, Nepal, New Zealand, Pakistan, Papua New Guinea, Philippines, Samoa, Singapore, Solomon Islands, Sri Lanka, Thailand, Timor Leste, Vietnam (27 countries)

Maternity protection, 1952 (No. 103)	Mongolia, Papua New Guinea, Sri Lanka (3 countries)
Maternity protection, 2000 (No.83)	None
Workers with family responsibilities, 1981 (no. 156)	Australia, Japan, Republic of Korea (3 countries)

Ratifying these conventions involves much public discussion and debate accompanied by public information and media campaigns. Developing and implementing national work and family policies guided by the content of the ILO conventions and relevant recommendations can not only enhance women's participation in the labour market, both quantitatively and qualitatively, but also contributes to higher levels of GDP and business success.

There is broad political support for addressing work and family issues as indicated by the statement of the APEC Ministers and Heads of Delegations meeting in Hue, Viet Nam from 26 to 29 September 2017 for the APEC Women and the Economy Forum (WEF) where member economies were encouraged to:

“Recognize, reduce, and redistribute the disproportionate share of unpaid care and domestic work by enacting legislation and undertaking reforms that realize the equal rights of all women and men with a view to addressing the issue of women’s disproportionate burden of care work.”

A publication by the Asian Development Bank suggests that “to attract more female talent to the labour force (in Asia and the Pacific), policies should promote a more flexible and family-friendly workplace that allows equitable and efficient distribution of time among household members.”²⁶

To overcome occupational segregation by sex in the labour market, governments, media and enterprises have key roles to play in challenging and changing gender stereotypes at work and at home. Combating gender stereotypes and norms from an early age is crucial in encouraging girls to break into male-dominated subjects as well as for boys to feel comfortable in female dominated subjects.²⁷ Educational and vocational training systems can encourage women and men to enter non-traditional study areas as well as trades and occupations that have been gendered. Public campaigns can promote the concept of all careers, trades and business sectors being open to both women and men, for example nursing and infant school teaching for men and engineers and mechanics for women, etc. The media and business advertising can cease portraying women and men in stereotypical gender roles.

The gender equality dividends to be reaped are significant if governments, workers and employers' organizations, business organizations and civil society can focus on strategies to overcome

²⁶ Asian Development Bank, *Women in the workforce: An unmet potential in Asia and the Pacific*, Manila, 2015

²⁷ ILO, *Women at Work: Trends 2016*, International Labour Office – Geneva: ILO, 2016

occupational segregation in the labour market and in management and business, both horizontally and vertically. In current times of talent shortages and competitive business environments, overlooking the large talent pool that women represent translates into opportunity losses. For example, according to the ILO, the potential of women entrepreneurs is highly underdeveloped and it estimates that 50 per cent of women's productive potential is underused, compared to 22 per cent of men's (ILO, 2014e)²⁸. The gains to be made include improved business results, increased GDP and improved family welfare from women's earnings.

Employers' organizations can play an important role in reaching out to individual women's business owners for new members and working with business women's organizations to improve entrepreneurship conditions for women. For example, the Fiji Commerce and Employers Federation established the Women Entrepreneurs and Business Council in 2013 to support women entrepreneurs, growing businesses and women working in the informal sector. The Council focuses on legislation, financial literacy, training, business development and networking, and aims to influence policy to create a better business environment for women.²⁹

The ILO's Women's Entrepreneurship Development (WED) programme is building the capacity of ILO constituents and other stakeholders to meet the needs of women with regard to financial literacy and entrepreneurial skills. The programme has been successful in improving profits for women-led businesses, for example in the Lao People's Democratic Republic, women-led businesses saw a 50 per cent increase in profits, from \$US180 to \$US270 a month, and their sales quadrupled from \$US490 to \$US2,150.

Investment in women's entrepreneurship, raising their labour force participation and overcoming gender segregation are increasingly seen as vital to economic growth and societal well-being. A starting point for policy development to improve women's economic empowerment in Asia and the Pacific, can be to identify and address the reasons specific to each country behind the gap in labour force participation between men and women.

5.6 Summary points for policy development and practical action

- ✓ Advocacy on the business case for increasing women's labour force participation, overcoming gender segregation and advancing women in management and business, i.e. the gender dividend for business and for GDP;

²⁸ ILO, *ibid*

²⁹ ILO Bureau for Employer's Activities, *Promoting women in business and management: A Handbook for Employers' Organizations*, Geneva, May 2017

- ✓ Companies and organizations ensure that men's and women's career paths do not diverge through unbiased recruitment and promotion procedures, family friendly measures and top-level commitment;
- ✓ Support women to start and grow their businesses and ensure they are linked to key networks for information and representation;
- ✓ Tackle occupational segregation and gender stereotyping from the earliest stages in the educational curriculum and training of teachers through to vocational training institutions, universities and the workplace;
- ✓ Introduce legislation and programmes to facilitate work and family (child care, working time, parental leave, etc.) and ratify relevant ILO conventions;
- ✓ Strive for gender balanced representation on the policy and decision-making structures of employers' organizations, business organizations, chambers of commerce and trade unions;
- ✓ Design public campaigns to overcome the cultural barriers in the region that hinder the full economic empowerment of women and the uptake of women's talent for the benefit of business and the economy;
- ✓ Governments consider stronger action to make gender diversity on boards of publically listed companies a reality, following the initiatives of India and Malaysia

Further reading

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