



Corporate Citizenship Issues Briefing

THE GENDER DIVERSITY ACCELERATOR

How to improve gender
diversity in the workplace

Setting the scene

Our world faces an uphill struggle for gender equality. In some countries, this challenge is immense. There are places where women only recently gained the right to vote, and others where women are still not allowed to work. There are countless ways in which businesses can improve the lives of women across their value chains.

Yet there is one particular area that is central to the responsible business agenda. Numerous stakeholders – from regulators to investors – increasingly see gender diversity at work as being directly linked to a company’s ability to deliver long-term value for business and society. We believe that business leaders – and their teams in corporate responsibility and human resources functions – need to come together to take action on this vital issue.

This paper aims to serve as a helpful guide for companies that want to improve gender diversity in their workplace. It includes our framework, “The Gender Diversity Accelerator,” which outlines how to put a strategy in place and identify key actions to take to improve.

Why should businesses care about this issue? Gender diversity is about so much more than just doing the right thing. It’s about delivering long-term benefits by investing in what many companies would say is their most important asset – their employees.

After all, you don’t have to be a business expert to know it’s not wise to ignore 50% of your talent pool. At Corporate Citizenship, we believe addressing the issues most relevant to female employees can often benefit the workforce as a whole. It’s therefore crucial to include men’s perspectives in the conversation and identify opportunities to meet needs across the workforce. As the saying goes, a rising tide lifts all boats.

This is not to say that gender is a more important diversity issue than any other. Many of the benefits we will describe can be realized through other areas of diversity too. Yet, by adopting a more narrow focus, companies can create a tailored solution to accelerate positive change.

Why does gender diversity matter to business?

- **Gender diversity in the workplace isn't just a social issue, it's an economic imperative.** The [OECD](#) found that greater gender parity in the workforce leads to better economic outcomes. This finding could have implications on a global scale. [Research from the McKinsey Global Institute](#) estimates that if women played an identical role in labor markets to that of men, as much as \$28 trillion, or 26%, could be added to the global annual GDP by 2025.
- **Individual companies stand to benefit directly from gender diversity.** A company's ability to recruit, advance, and retain key talent, including women, is inextricably linked to its [long-term profitability](#).
- **This issue is drawing increasing attention.** Stakeholders, including governments, investors, and consumers, are looking more at gender diversity in the workplace. New regulations are already under way, including legislation from the UK and Germany that would require companies to disclose their gender pay gap.

What are the implications for business?

Opportunities

- **Improved financial performance:** [Credit Suisse's research](#) shows that greater female representation in corporate boards and management is associated with higher returns on equity and superior stock price performance.
- **Stronger talent pool:** A commitment to gender diversity helps place the right people in the right roles.
- **Better customer insight:** A workforce that is more representative of its customer base is better placed to understand, meet, and anticipate their needs.
- **More creativity:** A diverse mix of people brings a range of unique perspectives that can lead to more innovative solutions.

Risks

- **More attention from investors:** In recognition of the associated benefits, investors, including Bloomberg and RobecoSAM, are integrating gender diversity indicators into their assessments.
- **Increased competition:** There is a growing risk of losing employees and customers to competitors that better address the issue.
- **Greater reputational and financial costs:** A failure to embed a culture of gender diversity at all levels can seriously damage a company's public image as well as its bottom line. For example, companies that don't address this issue can find it difficult to recruit women and may attract gender discrimination lawsuits.

Case study: Gender diversity in professional services

An upcoming UK law will require companies to disclose their gender pay gap. In response, a professional services company engaged Corporate Citizenship to help identify potential opportunities to improve gender diversity in the workplace. The company recognized that a more inclusive workplace would contribute to economic growth and the long-term success of its business.

The main drivers:

- **Closing the gender gap** – The company has a low representation of women in leadership positions, which contributes to its gender pay gap.
- **Harnessing employee expertise** – As a professional services company, employee expertise and creativity drives sales. It is critical that high performers do not leave the company, taking their knowledge and clients with them.
- **Increasing human capital** – The corporate talent strategy focuses on the importance of recruiting, advancing, and retaining top talent. The company recognizes that women represent 50% of the talent pool, and thus are core factors in delivering this talent strategy.

Our approach:

Following Corporate Citizenship's framework, "**The Gender Diversity Accelerator**," we facilitated a series of working sessions with employees across the business. We explored catalysts and barriers to the recruitment, advancement, and retention of women in the workplace. The sessions were divided by both gender and professional level to encourage a more candid and open conversation.

90% of employees felt proud that their company was exploring gender diversity issues

Outcomes

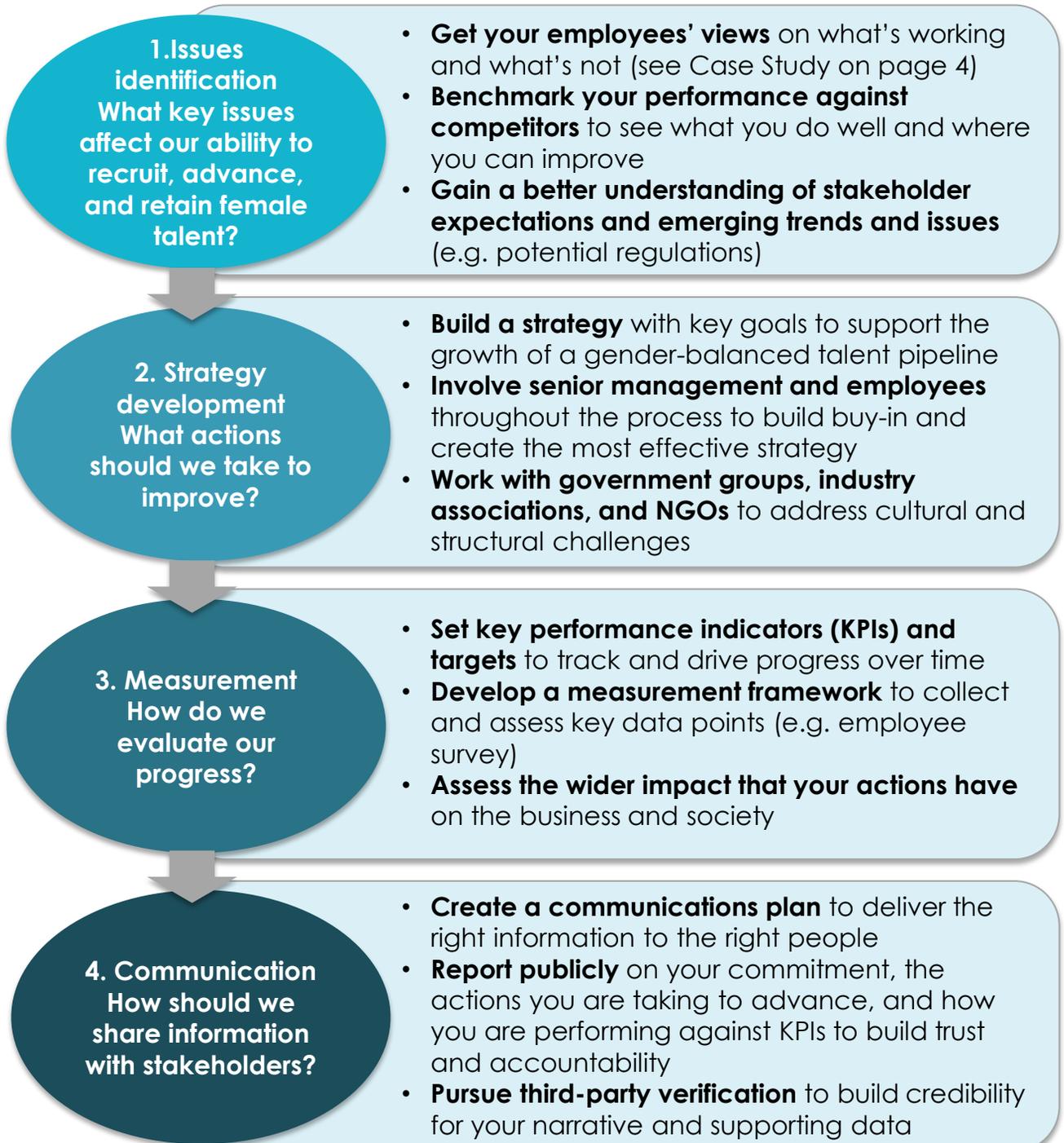
There were three clear themes that came out of the sessions:

- **Making connections** – The company needs to provide access to the people and resources that employees need to advance in their careers.
- **Parental leave and pay** – The company needs to pursue cultural and practical changes that support men and women returning to work after parental leave.
- **Smarter working** – There is a need to create cultural and practical changes that support more flexible ways of working.

Based on these findings, the CEO asked the Director of Human Resources (HR) to work with commercial heads and other HR leaders across the business to identify the key actions needed to drive improvements in each of these three areas.

Steps to gender diversity success

Gender diversity is a complex, evolving issue. It is not surprising that companies struggle to identify what steps they should take to create a more inclusive workplace. In fact, companies tend to ask four main questions when it comes to promoting gender diversity. Corporate Citizenship's framework, "**The Gender Diversity Accelerator**," outlines clear actions that businesses can take to address each of these questions:



About Corporate Citizenship

Corporate Citizenship is a global management consultancy specializing in sustainability and corporate responsibility. The team uses expert insight and a simplified approach to sustainability to deliver growth and long-term value for business and society. With teams in London, Melbourne, New York, San Francisco, Santiago, and Singapore we work with clients on both a local and global level, to achieve their commitments to responsible business behaviors and sustainable practices. We advise on a number of areas including strategy, community, engagement, environment, supply chain, socio-economic impacts, reporting, and assurance – helping clients to make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment.



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