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# **Research: Men Get More Actionable Feedback Than Women**

## **Summary**

One of the most important ways managers can support aspiring leaders is through developmental feedback — that is, feedback focused on growth opportunities. However, not all developmental feedback is created equal. New research based on a computerized analysis has revealed significant differences in the nature of feedback provided to men and women. Although businesses now employ more female managers than ever before, women’s advancement into senior leadership roles remains much slower than for men. While there are various structural causes driving gender inequity in the workplace, one crucial factor is the disparity in how men and women receive developmental feedback.

Identifying and reducing bias in feedback on past performance is somewhat more straightforward, as this type of feedback tends to be more quantitative. However, feedback focused on how employees should change and grow as leaders in the future is fundamentally qualitative, making it more challenging to analyze. With computerized text analysis, it is possible to quantify differences in feedback between men and women and understand how these differences can drive employees down different leadership paths.

## **Methodology Corner: Tackling Qualitative Big Data with Topic Modeling**

When people talk about “big data,” they typically refer to databases containing large volumes of numerical data. In our recent study, we used a form of machine learning known as “topic modeling” — a tool recently popularized for analyzing political tweets — along with comprehensive qualitative analysis to investigate a large, complex dataset of developmental feedback. Specifically, we explored gender differences in a dataset of open-ended written feedback for 146 mid-career leaders, provided anonymously by more than 1,000 of their peers and leaders while participating in a leadership development program. We also asked participants to rate their leaders’ performance numerically, giving us a quantitative baseline for comparison that enabled us to control for objective differences in leaders’ performance.

## **Key Messages in Developmental Feedback Provided to Male and Female Leaders**

Based on our analyses, we found four key differences in how advice was framed for female leaders compared to male leaders:

### **Vision**

Too often, women are pigeonholed into delivering results rather than developing a vision. To help women move past their technical expertise into broader leadership roles, managers should encourage female employees to think strategically about the wider context in which the organization operates. Invite them to develop and articulate a personal vision for their team, rather than focusing solely on operational details and execution. Find opportunities to publicly recognize these contributions. Conversation starters might include:

· “What is your personal vision for the team/organization?”

· “How does it fit in with the bigger picture?”

· “How can you involve others in developing this vision?”

Conversely, men should be encouraged to focus on both visionary and operational skills. Developmental conversations should also consider tactical areas for improvement. Suggested questions include:

· “What are the operational or tactical aspects of the job you need to pay more attention to?”

· “What areas of expertise do you need to develop?”

### **Political Skills**

Workplace politics, including networking, negotiating, and influencing others, are crucial for progression to senior roles. Rather than avoiding politics, managers should encourage female employees to embrace a proactive political mindset. Help them appreciate the importance of political engagement and encourage them to build relationships with key players and those in power. Conversation starters include:

· “How do you feel about workplace politics? What might be constructive ways of engaging in politics, in your role?”

· “Who are the key players in your work area/organization and what are their agendas?”

· “Who do you need to form relationships with and whose support do you need to progress towards your leadership goals? How will you do that?”

Similarly, men might be prompted to build connections with colleagues outside their usual groups. Some questions to consider:

· “How might you build connections with colleagues outside your normal groups?”

· “Which of your colleagues are you least likely to work with, and how might you — and they — benefit from developing a closer relationship?”

### **Asserting Leadership**

Encouraging men to be assertive while asking women to focus on getting along with others implicitly mandates that men take on leadership roles, while women are directed toward collaborative endeavors. Instead, managers should invite women to be explicit about their leadership aspirations and proactively pursue development opportunities. Suggested conversation starters include:

· “What are your leadership aspirations?”

· “How will you pursue them? What and who might enable you?”

· “In a year’s time, what steps will you have taken to achieve that leadership role?”

Collaboration is also a crucial component of good leadership. In addition to encouraging men to pursue their leadership aspirations, managers should invite them to develop collaboration skills and a team-oriented mindset. Questions might include:

· “How team-oriented and collegiate are you in various work contexts?”

· “In what ways could you develop these skills?”

### **Confidence**

Our research consistently found that men were given specific feedback about developing confidence in particular skills, such as managing meetings or communicating with different audiences. Women, on the other hand, received more generic advice to simply “become more self-confident” without concrete guidance on how to do so. This discrepancy often leads to slower progression for women into senior roles. To address this, managers should discuss confidence in relation to specific domains or skill sets rather than as a generic trait. Suggested conversation starters include:

· “What specific skills do you feel less confident about? How can you develop them?”

· “What skills do you feel confident about? How can you better leverage them in your role?”

· “What behaviors can you use to demonstrate your confidence to others?”

## **Conclusion**

Developmental feedback (provided either informally or via official management processes) is a significant yet often overlooked driver of professional growth. It plays a major role in guiding employees on how they should change and develop as leaders, thus influencing their path to leadership. Our research demonstrates how differences in developmental feedback can direct women along less effective leadership pathways compared to men, creating long-lasting gender inequities. Understanding this subtle gender bias is the first step toward correcting it. By identifying and addressing biases in developmental conversations, managers can support the development of all their employees more effectively.

# 

# **Research: Women Ask for Raises as Often as Men, but Are Less Likely to Get Them**

## **Summary**

Previous research has found that women are less likely to initiate salary negotiations compared to men. However, a recent study of Australian women reveals no gender differences in negotiation behavior. Women ask for higher salaries just as frequently as men, yet men are more successful in obtaining raises. The study found that women who asked for a raise were successful 15% of the time, whereas men succeeded 20% of the time. This disparity accumulates significantly over a lifetime.

## **Investigating Gender Differences in Salary Negotiations**

### **Background**

It is well-documented that women generally earn less than men, with the true gender pay gap estimated between 10% and 20% for equally qualified individuals in the same job. One commonly cited explanation for this gap is that women are less likely to negotiate their salaries. This has been discussed in business memoirs like Sheryl Sandberg’s *Lean In* and previous research such as *Women Don’t Ask*.

### **New Findings**

Our recent study challenges these prior conclusions. Utilizing a more recent and detailed dataset, we discovered that women ask for raises as often as men but are less likely to succeed. This contradicts earlier beliefs that women negotiate less. The data revealed that while women and men both express concerns about potentially harming workplace relationships through negotiation, these concerns are equally prevalent among both genders.

### **Methodology**

The study surveyed 4,600 employees across 800 Australian workplaces in 2014. Australia was chosen due to its representative mix of cultures, including British, South-East Asian, American, and European influences. This data is unique in its ability to capture "asking" behavior and motivations for refraining from asking.

### **Factors Influencing Salary Negotiations**

Several factors affect the likelihood of asking for a raise:

**· Age:** Older workers tend to request raises more frequently.

**· Tenure:** Long-tenured employees are more likely to ask for raises.

**· Employment Status:** Full-time employees request raises more often than part-time employees.

### **Education Level**

Our study found no significant differences in negotiation behavior based on education level. This contrasts with earlier research by Linda Babcock and Sara Laschever, which observed differences among MBA students. Our data did not show a disparity in asking behavior between high-education and low-education individuals.

### **Age Group Differences**

Intriguingly, younger women in the workforce appear statistically similar to their male counterparts in terms of asking for and receiving raises. This suggests that negotiation behaviors may be evolving, and future research might reveal whether these changes are a permanent trend.

### **International Comparisons**

Prior research in other countries, such as the UK, has also questioned the notion that women are less likely to ask for raises. For instance, McGovern et al. (2007) found no support for the "women don’t ask" theory, although they could not control for various important factors like hours worked or firm size, which our study addressed.

### **Peer Review and Validation**

The initial findings were critiqued by Sara Laschever and others, but after undergoing peer review, the study was validated and published in *Industrial Relations* by Berkeley. Additional analyses confirmed that our findings hold true across different company sizes and educational backgrounds. The research demonstrates that women's requests for advancement are treated differently than men's, reinforcing the notion that asking does not necessarily result in receiving.

## **Conclusion**

The study’s results underscore that while women ask for raises as frequently as men, they are less likely to achieve successful outcomes. This persistent disparity highlights the need for continued efforts to address gender biases in salary negotiations and ensure fair treatment for all employees.

# 

# **Research: When Gender Diversity Makes Firms More Productive**

## **Summary**

The impact of gender diversity on a company's productivity is a topic of ongoing debate. Some researchers argue that gender diversity enhances productivity by fostering innovative thinking and signaling effective management to investors. Conversely, other studies present conflicting evidence, suggesting that gender diversity may not always lead to increased productivity.

## **Gender Diversity and Innovation**

### **International Perspectives**

Research has shown that gender diversity can lead to more innovative thinking within companies. Diverse teams often bring varied perspectives, which can enhance problem-solving and creativity. For instance, a McKinsey report found that companies with higher gender diversity are 15% more likely to achieve financial returns above their industry median. This suggests that gender diversity might contribute positively to innovation and productivity.

### **Pakistani Context**

In Pakistan, the impact of gender diversity on business productivity is gaining attention. Studies indicate that increasing women's participation in the workforce can drive economic growth. For example, a 2020 report by the World Bank highlighted that gender diversity in Pakistani businesses could lead to significant productivity gains. Companies that have embraced gender diversity are seeing improvements in team performance and innovation. In sectors such as technology and finance, where gender diversity is increasingly prioritized, firms report enhanced creativity and problem-solving capabilities.

## **Conflicting Evidence**

### **Business Outcomes**

Despite the potential benefits, some research indicates that gender diversity may not always translate directly into increased productivity. For example, a study conducted by the Harvard Business Review found mixed results, with some companies experiencing only marginal improvements in productivity after increasing gender diversity. Factors such as company culture and industry sector can influence the effectiveness of gender diversity initiatives.

### **Regional Insights**

In regions like Pakistan, where traditional gender roles are still prevalent, the integration of gender diversity can face challenges. Cultural and societal norms may impact the implementation and effectiveness of diversity programs. However, efforts to promote gender equality in education and employment are slowly reshaping these dynamics. Reports suggest that companies that successfully navigate these challenges are seeing positive outcomes in terms of productivity and innovation.

## **Conclusion**

The relationship between gender diversity and company productivity is complex and multifaceted. While many studies support the idea that gender diversity fosters innovation and can lead to better business outcomes, there is also evidence suggesting that the impact may vary depending on other factors such as company culture and industry. In Pakistan, increasing gender diversity holds promise for enhancing productivity, particularly as societal norms evolve and more companies embrace inclusive practices.

# **Is Anyone In Your Company Paying Attention to Strategic Alignment?**

## **Summary**

Every company needs an “enterprise leader” — someone who is primarily concerned with mobilizing the resources of the entire company as a system of many moving and interconnected parts. Enterprise leaders are the system architects of their company’s strategic design, ensuring that all elements work harmoniously towards a unified goal.

The best-performing companies are often the best aligned. But who in your company is paying attention to how well aligned your strategy is with your organization’s purpose and capabilities? In my research and consultancy with companies, I observe that, oftentimes, no individual or group is functionally responsible for overseeing the arrangement of their company from end to end. Multiple different individuals and groups are responsible for different components of the value chain that makes up their company’s design, and they are often not as joined up as they should be.

All too often, individual leaders seek — indeed are incentivized — to protect and optimize their own domains, and find themselves locked in energy-sapping internal turf wars, rather than working with peers to align and improve across the entire enterprise.

## **The Importance of Strategic Alignment**

Strategic alignment is crucial for achieving long-term success and competitive advantage. It involves ensuring that all aspects of an organization, from its mission and vision to its operational processes and resource allocation, are aligned with its overall strategic goals. This alignment ensures that all efforts are directed towards achieving the company's objectives efficiently and effectively.

### **Best Practices for Achieving Strategic Alignment**

**Establish Clear Leadership Roles**: Designate an enterprise leader or a strategic alignment team responsible for overseeing the alignment of all components of the business. This role involves ensuring that different departments and functions work cohesively towards the company's strategic goals.

**Regularly Review and Update Strategy**: The business environment is constantly changing, and so should your strategy. Regular reviews and updates help ensure that your strategy remains relevant and aligned with your company's evolving purpose and capabilities.

**Foster Cross-Departmental Collaboration**: Encourage collaboration and communication between different departments and teams. This can help break down silos and ensure that all parts of the organization are working together towards common goals.

**Implement Integrated Performance Metrics**: Use performance metrics that reflect the overall success of the organization rather than just individual departments. This helps ensure that all parts of the organization are contributing to the strategic goals.

### **Case Studies**

**Case Study 1: TechCorp**

TechCorp, a leading technology company, successfully implemented a strategic alignment initiative by appointing a Chief Strategy Officer (CSO) responsible for ensuring that all business units worked towards a unified strategic vision. As a result, TechCorp saw a 20% increase in operational efficiency and a 15% rise in annual revenue.

**Case Study 2: HealthPlus**

HealthPlus, a healthcare provider, focused on improving alignment by integrating its operational processes with its strategic goals. By streamlining communication and collaboration between departments, HealthPlus reduced internal conflicts and improved patient satisfaction scores by 25%.

## **Challenges in Achieving Strategic Alignment**

**Resistance to Change**: Employees and leaders may resist changes to established processes or practices. Overcoming this resistance requires effective communication and change management strategies.

**Lack of Clear Vision**: Without a clear and well-communicated vision, it can be challenging to ensure that all parts of the organization are aligned with the strategic goals.

**Siloed Departments**: Departments that operate in isolation can create barriers to alignment. Breaking down these silos and fostering a culture of collaboration is essential.

## **Conclusion**

Strategic alignment is critical for the success of any organization. By appointing dedicated leaders, fostering cross-departmental collaboration, and regularly reviewing strategic goals, companies can ensure that all aspects of their business work together harmoniously towards achieving their objectives. Addressing the challenges of resistance to change and departmental silos will further enhance alignment and drive long-term success.

# 

# **How To Structure Your Business With Purpose**

## **Introduction**

How is your business structured? This is one of the most critical questions you can ask a business leader. Your structure is your map to success, and your answer may be the very reason your business flourishes or struggles to survive. However, this question is tied to another equally vital question: What is the reason your business exists? You need to first answer this question before you can set your business up properly and purposefully.

## **Ensure Your Structure Reflects Your Keys to Success**

Consider your three keys: purpose, values, and story. Your corporate structure should always embody both your stated reason for existing and your shared beliefs so you deliver a cohesive story to your customers and employees. If one of your values is innovation, don’t organize your business around repetitive work. To accomplish your vision and unite your employees around your shared cause and mission, you must design your company around who you are.

## **Study Your Structures**

You have to know not only who you are but also what your options are. Study the various organizational structures and determine whether your company’s plan best suits your procedural and purposeful needs. Each structure serves a different purpose. Some may suit your current business requirements but not your ultimate purpose, or vice versa. Be sure to adjust your structure to best fit you in every way possible. Remember that while your business and even its structure may change, your values should always remain the same.

## **Check Your Org Chart**

In addition to your structure, your hierarchy must always reflect your purpose, values, and story. Look to your organizational charts to check which roles are near the top and bottom, and evaluate if your order of operations accurately mirrors your foundation. Start by defining who you are, which structure you currently operate in, and where your company needs to go next. Then, continually reevaluate your workflow for alignment, and be prepared to adjust when necessary to better reflect your corporate purpose and values. For example, if your purpose is about empowerment but your organizational chart does not allow for your team members to be empowered, there is misalignment to correct.

## **Keep It Simple**

The simpler your process, the easier it is to align your organization. The more complex the process, the higher the chance of your purpose and values being lost in it. As the number of individuals who work on a project increases, the likelihood of error increases. Complexities can cause a lack of clarity on your mission, vision, values, roles, or tasks at hand. When you minimize the number of people who work on a given project, you make your process more efficient, improve the quality of work, and protect your purpose.

## **Conclusion**

To set your business up to thrive, learn more about your options for business structures, and continually evaluate your organizational charts. Maintain the flow of communication, and always keep your three keys in mind while keeping your process as simple as possible. If you can cultivate a corporate structure that embodies your purpose and values, based on the above tips, you will set your company up to function effectively and efficiently, with the fuel of passion burning throughout it.

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# **How to Close the Gender Gap**

## **Summary**

Most companies say they’re committed to advancing women into leadership roles. What they may fail to recognize, though, is that systemic barriers are holding women back. As a result, women remain disadvantaged at every stage of their employment.

Women’s career opportunities may seem limitless today. Women make up about half of all college-educated workers in the United States and hold jobs in virtually every industry, working in more than 300 occupations tracked by the federal government. Yet women remain underrepresented in positions of power, often dramatically so: Just 8% of Fortune 500 companies are led by women, and less than 1% by women of color.

Fundamentally, this gender imbalance reflects a systemic talent management problem. In the words of a C-level executive at a major investment bank, “The more senior the group, the fewer women there are. And yet if you look at some of the younger groups—people that are right out of college or a little further along in their careers—there’s a more balanced representation. We’re losing very high quality talent, and there’s no reason we should have this much asymmetry as we progress.”

Women who have broken through the barriers see them all too clearly. A survey of more than 150 female executives across various businesses revealed strong agreement that gender bias and structural disadvantages are still impeding women’s success and warping people management at all stages, from recruitment through employee retention. These executives saw an especially uneven playing field regarding compensation and promotion, with nine out of 10 agreeing that women are at least somewhat disadvantaged in those areas. Roughly the same number agreed that companies need to audit management processes to identify gender differences in career outcomes, and more than two-thirds said that firms in their industry aren’t doing enough to engage and retain women.

Talent acquisition, engagement, and retention are critical for any organization. Companies around the world say they’re committed to advancing women into leadership roles. But many firms aren’t focused enough on their female talent. A recent Mercer survey of over 1,000 companies in 54 countries found that 81% said it was important to have a plan for advancing gender equality—but only 42% actually had one.

To move beyond this impasse, companies need to identify the patterns that prevent them from fully leveraging women’s talents and contributions, and they must then use that knowledge to make systematic changes. They need to pay particular attention to addressing inequities in seven main areas of talent management: attracting candidates, hiring employees, integrating them into the organization, developing them, assessing performance, managing compensation and promotion, and retaining good performers.

This article describes common barriers holding women back and an action plan for shattering them. The recommendations provided are based on extensive research and insights from various disciplines. For a complete bibliography of the sources used, visit hbs.me/gender-gap.

## **Attracting Candidates**

Before you even have an applicant pool, your organization may have inadvertently weeded out qualified women. Consider how managers frequently identify candidates—by relying on personal networks for recommendations. This approach taps trustworthy sources but doesn’t usually lead to much variety in the pool, because people tend to be drawn to those who are like them (a principle social scientists call homophily). Francis Collins, the director of the National Institutes of Health, needed a different kind of outreach to diversify the leadership ranks of the NIH’s 27 centers and institutes. Reflecting later on his efforts, he commented, “Of the last six [center directors] I recruited, five were women. I don’t think it would have turned out that way if we had done the search in the usual crank-turning way of asking, ‘Who do we know that’s good?’ It took some additional steps to make sure we weren’t missing people who weren’t on those short lists, which were mostly populated with men.”

Job descriptions also often discourage qualified women from applying. Research shows that women are less likely to apply for a job if the ideal candidate is described with traditionally masculine characteristics. A study of Canada’s top two employment websites found that job announcements for occupations where men predominate included stereotypically masculine terms (such as competitive and forceful), while those for occupations where women predominate used stereotypically feminine terms (such as supportive and understanding). This gendered language deterred women from applying to “men’s” jobs, even when they believed they had the requisite skills.

Unclear job descriptions also discourage qualified women from applying, while clear ones encourage them—without discouraging men. Additionally, overly descriptive postings that outline an ideal candidate can deter women from applying. An easy fix is to strip postings of superlatives—instead of "excellent coding skills," use "coding skills." If qualifications are only “nice to have” and not core to the role, they should be removed as well.

## **Hiring Employees**

Once you start considering applicants, gender bias can creep into the selection process in numerous ways, beginning with your review of résumés. Studies have shown that applicants whose résumés suggest they are from historically disadvantaged groups are less likely to be called for interviews. Acknowledging such patterns is a critical first step in helping interviewers assess candidates impartially.

Exactly why might the résumés of equally or better-qualified women be set aside in favor of men’s? This kind of discrimination, often not deliberate, can have different drivers. For example, managers may not use the same standards to evaluate male and female candidates. When comparing two applicants for a traditionally male-dominated role, study participants may gravitate toward the male candidate and redefine the job criteria to benefit him. Managers may also hold women to higher standards; for instance, women economists might receive less credit for co-authored papers than their male peers, resulting in lower promotion rates.

Managers who believe that women are less skilled in certain areas tend to bypass female applicants, no matter how well qualified their résumés suggest they are. Additionally, managers may be biased against women who identify as parents or of child-bearing age; mothers are less likely to receive callbacks from potential employers, even when their résumés are identical to those of male applicants or childless women.

One way to address these issues is to ensure gender diversity among those reviewing résumés and conducting interviews. For example, one woman of color noted that her identity spurs her to bring a heightened awareness to evaluating candidates. “When I’m looking at a selection where we get a list of names for jobs,” she said, “I look at it very differently than someone else does.” Interviewer diversity also sends a message to prospective employees. As one healthcare executive described, “Women were attracted because they saw more women interviewing them; you build a reputation of being a good and fair employer.”

It’s also important to create a formal process that focuses reviewers’ attention specifically on job criteria. The less clarity interviewers have about how to assess candidates, the more likely they are to view potential employees through the lens of gender and other stereotypes.

Removing information about candidate gender through blind auditions and anonymized résumés has been shown to increase the proportion of women who advance in an application process. Of course, as candidates meet with hiring managers, it becomes impossible to remove gender from the equation entirely. Nonetheless, minimizing its impact by relying on formal procedures can help. For instance, after the head of a large IT organization implemented an interview rubric that equally weighted technical skills, leadership skills, and alignment with the organization’s values, the organization hired more women.

## **Integrating Newcomers**

Once a candidate is hired, the focus shifts to their success. If a new female employee is positioned as an outlier or token, she is less likely to succeed. Women who are poorly integrated into the workplace may fail to build and benefit from relationships with their colleagues. As one interview subject pointed out, “When boards or senior leadership bring high-performing women of color into companies, they often don’t give them the right level of subtlety and counsel in terms of integrating and onboarding. I think it’s a real high-wire act.”

In the investment banking industry, for instance, research shows that star women stock analysts face barriers in forming critical relationships because their male colleagues are less willing to spend time with them. This creates a vicious cycle where women’s outlier status is seen as evidence that they are not a good fit for the team or company.

Decisions are often made outside the office, in traditionally masculine environments such as sports arenas. Interactions in these settings combine work with leisure, fostering deeper connections that can lead to greater trust and cooperation in the professional realm. Women board members and executives have reported being instructed to take up golf to integrate into the power structure. Recently, reports of a #MeToo backlash indicate that men might withdraw from interactions with female colleagues out of anxiety or anger at the movement’s impact on the workplace.

There’s good news, though: Research shows that implementing collaborative work approaches—such as cross-training programs or self-directed teams with members from different functions—can increase the percentage of women in management. This effect is stronger for white women than for women of color. Cross-race relationships also play a role; white executives who mentor Black employees can counter biased views about their protégés, addressing the barriers Black women face. Creating conditions and expectations for positive working relationships can help ensure that women are truly part of the team.

## **Developing Employees**

Career growth requires taking on stretch assignments, which are often most accessible to white men. For instance, women are less likely to be invited to give talks—important résumé boosters. In a study at a pharmaceutical company, researchers found that senior managers funneled challenging projects to men more than women, even when controlling for workers’ age, education, job tenure, performance, and perceived ambition. Another study found that challenging assignments went disproportionately to men, even though women expressed equal desire for them. This discrepancy was driven by managers who believed that women needed protection from difficult experiences.

# 

# **How the Lack of Self Awareness Supports Performative DE&I**

## **Introduction**

Predominately-White Institutions (PWIs) have been establishing "Black-themed engagement communities" via residential dormitories on college campuses across the U.S. The idea is designed to celebrate Black culture and create a safe space where students can engage and connect. Nevertheless, the controversial practice has been touted as "segregation" and promoting a race-based worldview.

## **Critical Questions**

1. How will the university guarantee a safe space for Latinx, Asian American, LGBTQ+, or other student groups?

2. What is the institution doing to actively prevent campus sexual assaults?

3. How will the university tie this housing into other initiatives, such as ensuring professors are culturally competent?

4. How will residential life staff ensure facility maintenance is sustained at the same level as other dorms?

5. How will the university differentiate itself from a Historically Black College or University (HBCU)?

6. What do students say they want?

7. Is it possible that the dorm might be defaced multiple times or develop a negative label in the future?

8. How will the diversity leader ensure that administrators won't disengage because "the Blacks have a dorm now"?

## **Issues with Performative DE&I**

Performative Diversity, Equity, and Inclusion (DE&I) efforts can cause various problems but do not solve them or operate to eliminate barriers to inclusion. Performative efforts often do not go far enough to ensure Equity, Inclusion, or safety for all. According to Carmen Morris, a former Forbes contributor, "The problem with performative allyship is that it maintains the status quo and renders illegitimate any attempts to change processes that support structural racism and other barriers."

## **The Current Gender Imbalance in Higher Education**

The imbalance between males and females on college campuses regarding admissions and graduation rates is a concern. The Wall Street Journal reports, "A generation of American men give up on college." After decades of focusing on women, universities must now engage men. The question arises: did we eliminate discrimination and exclusion, or did we shift who experiences it?

## **The Need for Sustainable DE&I Efforts**

DE&I leaders need to focus on sustainable initiatives rather than being overwhelmed with the desire to do something—anything. It’s essential to be purposeful and mindful. The following are symptoms of a DE&I champion lacking personal awareness:

### **Symptoms of Lack of Self Awareness**

**· Being "Always On"**: Offering advice and instructions even when not requested; preferring to be in the spotlight rather than the background.

**· Feeling Invincible**: Believing you are unstoppable or should not experience difficulties.

**· Lacking Strategy**: Failing to design a forward-thinking plan that aligns DE&I goals with the organization’s objectives.

**· Believing "You've Arrived"**: Preventing the organization from improving your interventions because you believe they are perfect as is.

**· Becoming Overly Ambitious**: Expecting promotions and fanfare; overambition leading to frequent job changes for personal gain.

**· Following the Crowd**: Trying new ideas without evaluating their sustainability.

**· Flying Solo**: Attempting to change a large organization alone; collaboration is necessary.

**· Forgetting Cultural Competence Stages**: Assuming everyone should be at your level of maturity and knowledge; being impatient with others' growth.

**· Insisting on Always Getting Your Way**: Labeling dissenting opinions as racist, sexist, etc.

**· Fearing Imposter Syndrome**: Doubting your competence despite qualifications.

**· Ignoring Red Flags**: Jumping at opportunities without sufficient vetting.

**· Neglecting Innovation**: Failing to use research-based strategies to pilot new interventions.

## **Conclusion**

It is not my intention to criticize but to encourage you to pursue your destiny with greatness and positive impact. The "Black-themed" dorms are not inherently right or wrong, but DE&I leaders must be accountable for their outcomes. Effective leadership in Equity and Inclusion requires a clear vision that motivates and inspires meaningful action.

Self-awareness involves being honest about your actions and goals. Distinguishing between purpose and passion ensures a balanced approach to DE&I leadership. Reflect on what you want to be remembered for and be mindful of your impact on others now and in the future. Regularly ask yourself: is my mind full, or am I being mindful?

# 

# **How Aligned Is Your Organization?**

## **Introduction**

Most executives today know their enterprises should be aligned. They know their strategies, organizational capabilities, resources, and management systems should all be arranged to support the enterprise’s purpose. The challenge is that executives tend to focus on one of these areas to the exclusion of the others, but what really matters for performance is how they all fit together.

## **Case Study: McDonald’s**

Consider McDonald’s. What does it take to serve over 1% of the world’s population — more than 70 million customers — every day and in virtually every country across the world? It involves fanatical attention to the design and management of scalable processes, routines, and a working culture. This ensures simple, stand-alone, and standardized products are sold globally at a predictable, and therefore manageable, volume, quality, and cost. Maximizing economies of scale lies at the heart of McDonald’s product-centric business model.

## **Enterprise Alignment**

### **Definition**

Enterprise alignment means winning through a tightly managed enterprise value chain that connects an enterprise’s purpose (what we do and why we do it) to its business strategy (what we are trying to win at to fulfill our purpose), organizational capability (what we need to be good at to win), resource architecture (what makes us good), and, finally, management systems (what delivers the winning performance we need). The enterprise value chain is only as strong as its weakest link.

### **Key Questions**

Consider the following questions, ideally with your team. You might ask them about the enterprise overall, or about a single strategically important business line, activity, or function.

#### **Enterprise Purpose**

**· What do we do and why do we do it?**

o Purpose is the loadstone upon which every enterprise is built. Financial success is the consequence of commercial enterprises fulfilling their purposes well, but it is not to be confused with enterprise purpose itself. Profit, for example, is rarely a positive focus for people’s effort.

#### **Business Strategy**

**· What are we trying to win at to fulfill our purpose?**

o Business strategy should flex and morph in response to future opportunities and threats. The degree to which your enterprise’s business strategy fulfills its purpose is the measure of its effectiveness.

#### **Organizational Capability**

**· What do we need to be good at to win?**

o Even the best strategy is useless unless supported by appropriate organizational capabilities. Additional capabilities like agility, connectivity, and innovativeness are increasingly important.

#### **Resource Architecture**

**· What makes us good? (And how good are we?)**

o Strategically aligned enterprises are made capable by their organizational resources, including people, structures, cultures, and work processes.

#### **Management Systems**

**· What delivers the winning performance we need?**

o Management systems include all aspects of management infrastructure, operations, and tactics, from information systems to employee performance management.

## **Reasons for Misaligned Enterprises**

### **Awareness**

**· Enterprise leaders are unaware of the risks of misalignment.**

o Many senior executives do not view their enterprises as connected and coherent value chains. Their primary focus is often on the enterprise’s structure as articulated by the org chart.

### **Ownership**

**· Nobody “owns” enterprise alignment.**

o Generally, no individual or group is functionally responsible for overseeing the arrangement of the enterprise from end to end. Multiple individuals and groups are responsible for different components of the enterprise value chain.

### **Complexity**

**· Complexity makes enterprise alignment that much harder.**

o Achieving and sustaining high enterprise alignment is hard, especially in a rapidly changing operating environment. Complexity arises from factors like the number of employees, variety of business lines, and geographical dispersal.

### **Activity vs. Progress**

**· Activity is mistaken for progress.**

o The frantic activity of business as usual can get in the way of the in-depth discussions and tough choices needed to maintain a strategically aligned enterprise.

## **Conclusion**

Strategically aligned enterprises have a much better chance of winning in today’s challenging business environment. To win, enterprise leaders must find their own distinctive approach to aligning their business strategies, organizational capabilities, valuable resources, and management systems to fulfill their enterprise’s purpose. However, the scale of the alignment challenge often causes leaders to balk at the opportunity for positive but difficult change due to unrelenting pressure for short-term results. The penalty is unsustainable performance and an uncertain future.

# 

# **Getting Past the Top 5 Barriers to DEI Program Implementation**

## **Introduction**

Prioritizing diversity, equity, and inclusion (DEI) at every level of an organization is vital for improving employee morale, company culture, and overall growth. But ensuring that a DEI program is actually effective requires more than just a verbal commitment.

A 2021 survey of business leaders and employees measuring DEI efforts revealed a gap between strategic implementation and ongoing progress. 95% of business leaders and 75% of employees gave their organizations high marks for committing to diversity, equity, and inclusion initiatives in the workplace. However, their assessment of actual progress told a different story.

When asked if their companies established a formal DEI program with clearly defined goals, 69% of employers responded favorably, compared to 49% of employees. Both groups also expressed similar opinions about program implementation, with less than half saying their companies had gone "above and beyond."

## **DEI Barriers**

### **1. Lack of Goals and Metrics**

Deciding how and what to measure could easily be the biggest challenge organizations face when implementing DEI initiatives. Often, the metrics used don't necessarily contribute to solving real problems.

Companies frequently rely on “vanity metrics,” which only highlight visible types of diversity such as gender and race. This approach creates short-term opportunities but may lead to additional long-term problems if not properly supported. Companies should treat DEI initiatives like any other business problem by setting clear goals and measuring progress through evidence-based metrics.

#### **Four Benchmarks for DEI Program Success**

**· Foundation Benchmarks**: Focus on DEI issues impacting leadership, vision, and company structure, such as attrition rates among diverse demographics.

**· Internal Benchmarks**: Examine internal issues and gather early data on effectiveness, possibly using Employee Resource Groups (ERGs) for candid feedback.

**· External Benchmarks**: Assess how the company represents itself outside, including job descriptions, outreach to diverse job boards, and supplier diversity strategies.

**· Bridging Benchmarks**: Involves assessments with specific KPIs and periodic reporting to track progress and make necessary course corrections.

### **2. Inadequate Training**

Diversity training is a common tactic, but it often doesn't produce significant results on its own. Training should be one step in a broader DEI strategy, not the entirety of it.

Greene recommends the following courses for impactful training:

· Understanding Emotional Intelligence: Viewing Diversity Through An Equity Lens

· DE&I Basics: Creating An Inclusive Culture

· Awareness of Microaggressions

· Unconscious Bias: Barriers to Leadership

### **3. No Buy-In From Leadership**

DEI initiatives can falter when executives don't prioritize them, often due to a lack of perceived problems or confidence in existing efforts. To overcome this barrier, gather and present data, such as employee feedback and turnover rates, to demonstrate the need for action. Use employee listening sessions, targeted surveys, and reviews from platforms like Indeed and Glassdoor to support your case.

### **4. Budgetary Restrictions**

Corporate budgets for DEI efforts vary widely, but getting pushback on your budget can be challenging. Build a business case that aligns with organizational values and justifies the need for your budget. Engage department heads and ERGs for their support and use benchmarks to show how the budget will address employee retention and satisfaction.

### **5. Cultural Resistance**

Cultural resistance, including unconscious biases, can impede DEI program success. These biases are subconscious associations that influence responses to others. Addressing these biases can help create a more inclusive workplace.

#### **Types of Unconscious Bias**

**· Affinity Bias**: Connecting with others who share similar interests or backgrounds.

**· Confirmation Bias**: Evaluating situations based on subjective judgments.

**· Attribution Bias**: Judging behavior based on past interactions.

**· Conformity Bias**: Peer pressure influencing behavior.

## **Conclusion**

Having a plan to address these barriers is the first step in creating a DEI program that can withstand challenges. Building a sustainability model and laying out basic action steps will set your workforce up for success. For assistance in developing your program or for any questions, reach out to Well-Being Strategy Consultants to create a comprehensive DEI program that transforms your business into a diverse, equitable, and inclusive ecosystem for all.

# **Gender Diversity in Firms**

### **Abstract**

This paper examines recent efforts by the corporate world and public policy to increase women's presence in leadership roles. It evaluates the 'business case' for gender diversity, presenting evidence that supports gender equality in the workplace. Despite this evidence, progress has been slow. The paper explores the factors limiting gender diversity, the effectiveness of policies like gender quotas, mentoring, diversity training, and family-friendly policies, and suggests future directions for policy improvement.

## **I. Introduction**

In recent years, the 'business case' for gender diversity has gained substantial support. This case argues that more diverse teams, particularly in leadership, enhance business growth and competitiveness by introducing alternative perspectives, reducing biases, and fostering creativity. Additionally, companies sensitive to diversity are better positioned to attract top talent.

Despite support from major corporations and public policies, progress has been slow. For example, in the UK, the percentage of women in senior positions increased only marginally from 31% in 2001 to 35% in 2018. In top roles like CEO positions, the percentage has stagnated at 23%.

The article aims to understand why progress is slow, examining the evidence for the business case and the potential productivity benefits. A detailed dataset covering 3,800 large corporations from OECD countries is used to explore gender diversity policies, their impact on performance, and why some firms have not embraced such policies.

The second part of the paper reviews gender diversity strategies such as quotas, mentoring, firm culture changes, and family-friendly policies. The effectiveness of these strategies is assessed, highlighting successes and limitations, along with suggestions for future policy development.

## **II. The Business Case for Gender Equality**

### **The Origins of the Business Case**

The business case for diversity emerged in the 1990s, grounded in the idea that effective diversity management could improve organizational performance. R. Roosevelt Thomas Jr's work emphasized that diversity management helps women and minorities advance within firms, positioning diversity as a critical factor for business survival.

In the academic realm, Cox and Blake (1991) laid the theoretical foundation for the business case, arguing that diversity reduces turnover and improves workforce quality, creativity, and problem-solving. These ideas gained traction in public policy, leading to gender quotas in several countries to improve governance through board diversity.

### **The Evolution of Gender Quotas**

Israel was the first country to implement gender quotas for boards of public companies in 1999. Norway followed in 2003, initiating a broader movement. Other European countries like Belgium, France, and Germany adopted binding quotas between 2011 and 2015, while several others introduced non-binding quotas to promote gender diversity.

### **Post-2008 Financial Crisis Momentum**

The 2008 financial crisis amplified the business case for diversity. The ‘Lehman Sisters’ argument proposed by Neelie Kroes suggested that greater gender diversity, especially in risk-averse fields like banking, might have mitigated the crisis.

### **Support from Auditing Firms and Think Tanks**

Reports from firms like Deloitte, McKinsey, and Boston Consulting Group, along with global organizations such as the World Economic Forum, have furthered the case for gender equality. Their studies claim gender diversity leads to better profitability, innovation, and talent retention.

### **Correlation Versus Causation**

Much of the evidence supporting the business case is correlational, with limited causal studies. Observational data from management and sociology literature indicate a positive link between diversity and firm performance. However, more research is needed to explore why, despite widespread corporate acceptance, women remain underrepresented in leadership.

In the next section, the paper examines the barriers and disparities that persist, offering insights into why the business case hasn't fully translated into reality.

This section of the document focuses on the analysis of gender diversity policies, their implementation, and the effects on firms in various OECD countries.

**Table 2** presents data on the types of gender diversity policies implemented by large firms in 2019, along with percentages of policy implementation and quantitative targets. For example, countries like **Australia** and **Finland** have implemented diversity policies in over 90% of their firms, while countries like **South Korea** and **Israel** lag with under 50% adoption. Additionally, some countries (e.g., **Denmark**, **France**, and **Germany**) have more ambitious quantitative targets compared to others.

**Firm Performance and Gender Diversity**: A significant relationship is identified between firm performance and the percentage of women on boards, with the effects being more pronounced in male-dominated sectors. However, the study notes that this relationship is not as significant for C-suite positions.

**Barriers and Constraints**: The document discusses market-level barriers and supply-side constraints that may slow the hiring of women in leadership roles. Factors include a shortage of female candidates in sectors like STEM and possible reluctance among women to work in male-dominated industries. These constraints may hinder firms from fully adopting diversity policies.

**Policy Evaluation**: The document also evaluates the effectiveness of gender quotas, which have been implemented in various forms (binding vs. non-binding) across countries. While quotas are intended to accelerate gender diversity, their success can be mixed. Studies show varying results, with some finding that gender diversity improves firm value, while others, such as in Norway, suggest a negative impact due to the rapid influx of less experienced female directors.

**Impact of Quotas on Firm Performance**: Research highlights mixed findings on the effect of gender quotas. While some studies show that increased female representation can improve firm value by diversifying expertise (e.g., **Kim and Starks, 2016**), others suggest that a hasty introduction of quotas (e.g., in **Norway**) can result in negative effects on firm performance due to a lack of experienced female candidates.

This portion of the report underscores the complexity of gender diversity initiatives and the importance of considering both policy design and industry-specific dynamics in fostering effective gender representation in leadership positions.

## **Limitations of Existing Analysis**

### **Reliance on Observational Data**

· Much of the literature on anti-bias training relies on observational data, limiting the understanding of its effectiveness.

· Lack of experimental evidence is a key constraint in evaluating its efficiency.

### **Experimental Evidence**

**· Chang et al. (2019)**: A study of a short online diversity training on 3,000 individuals revealed that only those already supportive of women exhibited attitude and behavioral changes.

**· Boring and Philippe (2019)**: A field experiment reduced bias in student evaluations of teaching by informing students about prior discrimination. However, purely normative interventions showed no significant effect.

## **Alternative Policies to Target Firm Culture**

### **Pay Transparency**

· Countries like Canada, Denmark, and the UK have implemented policies requiring firms to disclose average pay for male and female workers.

· The impact of these policies is debated: while they may help address gender pay gaps, they might also prompt firms to make compositional changes or limit wage growth.

**· Duchini et al. (2019)**: A study on the UK's 2017 reform found no significant effect on female hourly pay but a slowdown in male hourly pay growth, particularly in firms with a higher baseline gender pay gap.

### **Work Flexibility and Family-Friendly Policies**

· Occupational segregation is often cited as a reason for gender disparities in the labor market, influenced by differences in preferences and the demands of parenthood.

· Workplaces offering greater flexibility or family-friendly policies attract more women, but these positions tend to be lower-skilled and offer limited career progression.

**· Hotz et al. (2018)**: Women switch to more family-friendly workplaces after childbirth, but these environments may not enhance long-term career prospects.

## **Family-Friendly Policies and Unintended Consequences**

· Family-friendly policies can have unintended consequences, such as impacting women's promotion opportunities due to reduced productivity.

**· Azmat et al. (2020)**: Women often move away from jobs with high presenteeism after having children, further contributing to the gender pay gap.

· Some countries, like Sweden and Norway, have introduced paternity leave policies requiring both parents to share leave, but this approach has shown mixed results in various professions.

## **Discussion of Remaining Challenges**

### **Slow Progress in Gender Diversity**

· Despite growing support for gender diversity, progress has been slow, particularly in promoting women to leadership positions.

· The effectiveness of diversity policies varies across sectors and countries due to supply-side constraints and firm-specific incentives.

### **Limitations in Measuring Diversity Policies**

· Conducting large-scale randomized control trials to evaluate diversity policies is challenging due to firms' reluctance to participate in studies on sensitive issues.

· Studies often focus on performance impact, but firms may also care about worker satisfaction, retention, and aligning with employees' social values.

### **Sexual Harassment in the Workplace**

· Sexual harassment remains a significant issue in the workplace, particularly in male-dominated, higher-paying sectors.

· The persistence of unreported harassment may deter women from pursuing certain positions or industries.

## **Conclusion and Policy Implications**

· While the business case for gender diversity was introduced 30 years ago, progress has accelerated only recently.

· Governments and firms are investing in various interventions, with mixed results in terms of effectiveness. Public policies play a crucial role in promoting diversity across countries and sectors.

# **Do Your Global Teams See DEI as an American Issue?**

## **Summary**

Organizations globally have followed the American lead on Diversity, Equity, and Inclusion (DEI), benefiting from extensive research, data, and best practices. However, global teams in cities like Paris, Mumbai, and Buenos Aires need to be equally engaged in DEI efforts as those in New York and Seattle. While biases and discrimination exist everywhere, their manifestations are contextual. Leaders must address DEI with a diversified lens, considering local contexts to avoid limited success with a “one-size-fits-all” approach.

## **The Importance of a Diversified DEI Approach**

### **Know Your Starting Point**

**· Assess DEI Maturity**: Not all global teams have DEI as a priority. Some may be in the early stages or unaware of DEI’s importance. Conduct internal audits and qualitative interviews to determine the starting point and tailor efforts accordingly.

### **Beware of the Disconnect**

**· Global Reactions to Movements**: The reactions to movements like Black Lives Matter and #MeToo varied globally. For instance, the #MeToo movement gained momentum in Denmark later than in the U.S. To bridge this gap, seek out and understand local narratives and role models addressing inequality.

### **Choose the Right Vocabulary**

**· Translation Issues**: DEI terms may not translate well across cultures. For example, “inclusion” might be understood differently in various contexts. Define terms using local vocabulary and examples to avoid misunderstandings and ensure the concepts are recognized and valued globally.

### **Recognize Cultural and Historical Differences**

**· Contextual Variations**: Biases and discrimination are influenced by local culture and history. For instance, in homogenous societies like Japan, DEI efforts focus on gender and age, while in India, they address biases stemming from the caste system and religion. Understand and address local contexts to ensure DEI efforts are impactful.

### **Get Creative with Your Data**

**· Data Collection Challenges**: Collecting data on DEI can be difficult due to data protection laws in regions like the EU and Latin America. Use voluntary data collection methods and comply with data protection regulations to measure DEI progress effectively.

## **Conclusion**

Biases, discrimination, and inequality are global issues, not just American ones. A diversified DEI approach, informed by local contexts and inspirations, is crucial for meaningful progress. Learn from local efforts and policies to enhance DEI initiatives globally.

# **Design Your Organization to Match Your Strategy**

## **Summary**

An organization is essentially a reflection of its strategy. To effectively execute a strategy, the organization’s design—encompassing both its "organizational hardware" (structures, processes, technologies, and governance) and "organizational software" (values, norms, culture, leadership, and employee skills)—must align with and support the strategy. Strategy execution often fails due to a misalignment between the strategy and the organization’s design.

## **Aligning Organizational Design with Strategy**

### **Understanding Organizational Design**

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**Organizational Hardware**: This includes the tangible elements of an organization such as its structure, processes, technologies, and governance systems. These elements are critical for implementing and supporting strategic initiatives effectively.

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**Organizational Software**: This refers to the intangible aspects like organizational values, cultural norms, leadership styles, and the skills of employees. These elements shape how the strategy is perceived, accepted, and enacted within the organization.

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### **The Importance of Alignment**

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**Strategy Execution Challenges**: Many organizations struggle with executing strategies due to a disconnect between their strategic goals and organizational design. This misalignment can result in inefficiencies, lack of direction, and unsuccessful strategy implementation.

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**Case Studies of Misalignment**: For example, a company may develop an innovative strategy but fail to implement it effectively if its organizational structure is too rigid or its technology is outdated. Similarly, a strong organizational culture that resists change can hinder the adoption of new strategic directions.

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### **Steps to Achieve Alignment**

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**Assess Current Design**: Evaluate both organizational hardware and software to identify any misalignments with the current strategy. This includes reviewing organizational structures, processes, and culture.

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**Redesign for Alignment**: Modify the organizational design to better support the strategic goals. This may involve restructuring teams, updating processes, adopting new technologies, and fostering a culture that aligns with strategic objectives.

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**Engage Leadership and Employees**: Ensure that leadership and employees understand and support the strategic goals. Effective communication and involvement in the redesign process are crucial for gaining buy-in and facilitating smooth implementation.

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**Monitor and Adapt**: Continuously monitor the effectiveness of the alignment between organizational design and strategy. Be prepared to make adjustments as needed to address any emerging gaps or challenges.

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### **Case Study: Successful Alignment**

**· Example of Successful Alignment**: Consider a technology company that redesigned its organizational structure to support a shift towards a more agile and innovative strategy. By adopting flexible processes, investing in new technologies, and cultivating a culture of collaboration and continuous learning, the company successfully aligned its design with its strategic goals, leading to improved performance and competitive advantage.

## **Conclusion**

Aligning organizational design with strategy is crucial for successful strategy execution. By ensuring that both organizational hardware and software support the strategic objectives, organizations can overcome common challenges and achieve their strategic goals. Continuous assessment and adaptation are key to maintaining alignment and driving long-term success.

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# **How to Navigate Pushback to Diversity, Equity, and Inclusion Efforts**

## **Introduction**

Understand the most common forms of pushback so you can learn how to address it proactively. In short:

· Pushback against DEI initiatives is not new, but an increased focus on them has resulted in more opposition.

· Identifying pushback and having the language to articulate it helps HR leaders draw attention to resistance to DEI efforts.

· HR leaders should proactively communicate the need for DEI initiatives, anticipate the concerns or perceived threats these initiatives might evoke, foster empathy among employees by building awareness about social inequity, and invite all employees to play a greater role in advancing DEI.

## **Increased Focus on DEI**

In the face of the COVID-19 pandemic and a worldwide reckoning about racial injustice, many organizations have taken action to engage with social issues that were previously avoided at work. These include:

· Conversations about racial and ethnic injustices.

· The socioeconomic disparities exposed by the pandemic.

· Other polarizing themes, many of which overlap with diversity, equity, and inclusion (DEI).

Unsurprisingly, 31.4% of employees report DEI has received more attention within their organizations in the last two years. Organizations' commitments to DEI have grown, but so has the pushback.

· 44% of employees agree a growing number of their colleagues feel alienated by their organization's DEI efforts.

· 42% of employees report their peers view their organization's DEI efforts as divisive.

· Another 42% say their peers resent DEI efforts.

## **Causes of DEI Pushback**

### **Threat to Individual Identity**

Employees may respond negatively if they perceive DEI efforts as a threat to their self-identities. For employees from dominant groups in particular, DEI efforts may pose a significant threat to maintaining positive self-views or beliefs. When individuals from dominant groups feel shamed or blamed for DEI challenges in the workplace, they can be motivated to respond defensively to restore a positive sense of self.

### **Threat to Social Identity**

Employees also derive a positive sense of self from the groups they belong to. DEI efforts may be perceived as threats to the positive social identities employees derive from being part of dominant groups. Employees may fear DEI initiatives will cast aspersions on their groups' virtues or cause them to lose privileges and power such group membership bestows.

## **Framework to Identify DEI Pushback**

HR leaders must find common language to understand and identify pushback. Pushback often comes in three forms:

### **Denial**

Denial is when employees don't acknowledge the existence of structures like race, class, or caste and ignore the resulting discrimination or bias. Examples of denial might include comments such as:

· "I don’t see color. I am colorblind."

· "Racism didn’t exist in our organization until you brought it into conversations."

· "Talking about race is racist."

### **Disengagement**

Disengagement is an unwillingness to take action in support of DEI. Employees who disengage may be aware of structural inequalities but struggle with playing the role of an ally or active contributor. Examples include:

· "I didn’t want to say the wrong thing so I didn’t respond to his racist comment."

· "We’re too busy doing our work; we shouldn’t be spending time on this."

### **Derailment**

Derailment attempts to draw attention away from marginalized groups by focusing on experiences of members of a dominant group. Examples of derailing might include comments such as:

· "Race/gender doesn’t impact lived experiences the way class does."

· "Our focus should be on merit and competencies, not on race or gender."

· "This feels like reverse discrimination."

## **Ways to Combat Pushback**

### **Communicate to Obtain Buy-in**

Don’t assume all employees will buy into a DEI initiative. Tailor communication to create transparency about why a specific program is being rolled out and the preceding events that make the case for it. Communicate the context for the program, the role all employees play in advancing it, and the outcomes it is intended to achieve.

### **Foster Empathy by Building Awareness**

A lack of empathy for marginalized groups often enhances the threat perceptions that drive pushback. Learning activities to build empathy and awareness of other groups' experiences can help diminish the sense of threat. HR leaders should acknowledge employees' gaps in exposure and readiness levels before assigning training and consider creating safe learning spaces for groups known to push back on DEI.

# **Deciding Your Organization Structure For 2021**

## **Introduction**

Leaders can sense when their organization is not working well or if the environment they operate in has changed, rendering the operating strategy and structure obsolete. The current Covid-19 pandemic has caused an "event horizon" for all organizations and sectors.

## **The Need for Reorientation**

Executives will need to reorient their organization in 2021. Organization design is difficult, as it involves analyzing and rebuilding a complex entity to function better. This requires a mix of analytical work, visualization of data, experience, logic, and creativity.

## **The Macro-Structure**

This article offers insights on the first phase of designing the "shape" of an organization, which I call the macro-structure. The axioms 'strategy sets structure' and 'structure breeds behavior' remain true and have stood the test of time.

## **Key Considerations**

### **Assessing Organizational Structure**

Don’t be tempted to jump straight into redesigning the detail of the organization without considering if the overall structure is correct. It is imperative first to decide if an organizational restructure is required. It's one of the biggest and most important questions an executive needs to answer: "Do we need fundamentally to reorientate the organizational structure to achieve our strategy?"

### **Operational Improvement vs. Structural Redesign**

Some leaders shy away from embarking on an organization design initiative due to its complexity. If the organization needs only minor performance improvements, an operational improvement program might be suitable. However, substantial performance enhancement or addressing significant threats will require a new strategy and operating structure.

### **Strategy and Structure**

A good strategy involves being unique by selecting specific activities to deliver a distinctive combination of value and forming the organization to provide its products and services most effectively. Set a robust strategy, restructure and align the organization, then implement operational improvement initiatives like lean or Six Sigma. Improvement initiatives won’t work if the structure is broken. Strategy, structure, then lean.

## **Designing the Macro-Structure**

### **Definition and Importance**

A company's macro-structure should be logically configured and aligned with its strategy. It is the skeleton of the organization, determining how positions are grouped and the approximate size of units. It includes the design of horizontal and vertical linkages, planning and control systems to standardize outputs, and coordination mechanisms to enable collaboration.

### **Drivers of Organization Design**

When designing an organization structure, consider the following four drivers:

**· Product-Market Strategies:** How the company intends to lead each product-market field.

**· Corporate Strategy:** How the company plans to gain an advantage from competing in product-market areas.

**· People:** The skills and attitudes of individuals within the organization.

**· Constraints:** Cultural, environmental, legal, and internal factors that may limit design choices.

### **Practical Tests for Design**

**· Market Advantage Test:** Does the design allocate appropriate management attention to operating priorities and sources of advantage in each product-market area?

**· Executive Team Advantage Test:** Does the design reflect the intended sources of added value generated by the executive team and board members?

**· People Test:** Does the design identify the skills, experience, and behaviors required within each departmental unit to achieve strategic intent?

**· Feasibility Test:** Does the design account for constraints that may make the proposal unworkable?

## **Principles of Good Organization Design**

To adopt a less haphazard approach, consider these five principles:

**· Specialization Principle:** Set unit boundaries to maximize benefits from specialization.

**· Cooperation Principle:** Define units so that tasks requiring coordination are within unit borders.

**· Knowledge and Competence Principle:** Identify responsibilities to decentralize and set up hierarchical levels.

**· Control and Commitment Principle:** Define processes to ensure managers effectively handle decentralized responsibilities.

**· Innovation and Adaptation Principle:** Ensure the organization can change and evolve in the future.

## **Practical Application**

Next year will make or break many organizations. Examine your strategy and ensure it is relevant in the new environment. If necessary, bring in an external expert to review the macro-structure and decide whether to restructure or redesign within the existing framework. Adopt a methodical approach to identify drivers and apply sound design principles to reorient, reshape, and resize the enterprise to achieve the strategy.

# **Childcare Is a Business Issue**

Summary. Childcare is not a family issue, it is a business issue. It affects how we work, when we work and for many, why we work. Moving forward, employer provided child care could also influence where we work. Employers that provide high-quality childcare will not only... more When the Covid-19 pandemic removed the safety net of schooling and employee-paid child care for working families, the damage was cataclysmic. Without a stable form of childcare as part of the business infrastructure, the world stopped working for the vast majority of working parents around the world. One third of the U.S. workforce, or an estimated 50 million workers, has a child under 14 in their household. As researchers, practitioners, and mothers ourselves, we wanted examine the role childcare played in the employment decisions made by families and more importantly, what those choices can teach us about the needs of working parents moving forward

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# **Women's Career Equality and Leadership in Organizations**

## **1. Introduction to the HRM Special Issue on Women's Career Equality**

Scholarly and practitioner interest in enhancing women's career equality has surged in recent decades (Joshi, Son, & Roh, 2015; McKinsey and Company and Lean In, 2015). The growing attention stems from various factors, including societal justice, equal employment opportunities, and economic objectives. Despite women being equally qualified for leadership roles, there remains a significant gender leadership gap, largely attributed to gender bias (PEW Research Center, 2015). Women continue to be underutilized in top positions across various fields, from CEOs to Silicon Valley executives (Catalyst, 2017; Fenwick & West, 2013). The World Economic Forum (2016) highlights persistent gender inequality as a global economic risk, noting that the underutilization of women's talents hampers economic growth. A report revealed that increasing female representation in leadership could boost profits by 15% (Nolan, Moran, & Kotschwar, 2016). However, progress in women's career equality has stalled, particularly in the U.S., which now ranks 45th globally in gender equality (World Economic Forum, 2016). Women's labor force participation has peaked and declined globally, with women earning significantly less than men (Catalyst, 2017).

## **1.1 Need for HRM Special Issue on Women's Career Equality**

This special issue aims to address the research-to-practice gap in advancing women's career equality. Current research often highlights problems in HR practices and organizational climates but lacks evidence-based solutions. Scholars and practitioners need to collaborate more effectively to develop and evaluate impactful practices. The issue will showcase interdisciplinary, evidence-based research to foster positive change in women's career equality.

## **2. Women's Careers and Career Equality: Definitions and Overview**

Kossek, Su, & Wu (2017) define women's career equality as the extent to which women, compared to men, have equal access to career opportunities and experience similar outcomes in job satisfaction, pay, and promotions. This concept can be assessed at individual, group, organizational, occupational, and societal levels. Women's career paths and outcomes are influenced by their broader social context.

## **2.1 Women's Career and Leadership Approaches: Expanding Conceptualizations**

### **2.1.1 Extending Career as Advancement and Extrinsic Success Models**

Traditional career advancement models have guided talent cultivation for leadership roles and organizational influence. These models often reflect gendered perspectives and have been criticized for being inadequate for many women's experiences. Notable theories include Schein's career anchors and Hall's career phases, which initially focused on male experiences but have since been expanded to include more gender-inclusive perspectives.

### **2.1.2 Broadening Career and Leadership Experiences and Structures**

Career imagery now includes varied models such as linear, nonlinear, protean, and boundaryless careers. These models reflect diverse career paths and leadership structures, challenging traditional views and expanding understanding of career development.

### **2.1.3 Recognizing the Gendered Nature of Career and Leadership Conceptualizations**

The concept of "career" is inherently gendered, with power dynamics and gendered expectations influencing career trajectories. Gender differences in career processes and leadership are shaped by socialization, identity, and psychodynamics. New HR and organizational practices are needed to disrupt traditional gender norms and support diverse career paths.

## **3. Gendered Performance and Career Systems**

The performance of gender in career and leadership roles involves complex dynamics, including work-family conflict and caregiving responsibilities. HR policies and organizational practices must evolve to address gendered expectations and support diverse career paths. Career systems are often organized through masculine-gendered structures, and there is a need for inclusive policies that support work-life balance and career advancement for all genders.

### **Thematic Clusters of Articles in This Special Issue**

Given the scholarly legacy reviewed earlier, it is not surprising that the articles received largely focused on the notion of a career being associated with upward movement and objective or extrinsic success, namely, leadership advancement. Taken together, the articles in this special issue suggest that women have made significant progress toward gender equality in many career processes, outcomes, and experiences, but gaps still remain. The special issue explores several questions:

· What are examples of career equality that can be analyzed and potentially translated for different situations?

· Where has progress in career equality been made?

· When and how might fresh insights into career equality offer different approaches?

· For whom, or what segment of women and men, is career equality still contested, and with what consequences?

This special issue begins to address these questions, showing that the focus is often on professional and managerial women leaders seeking opportunities to advance to top functions in their organizations and industries. The articles illustrate that arguments for women's career equality and leadership require nuanced support that challenges normative patterns and structures. Positive change is defined as generative, recognizing that a singular intervention for gender inequality is likely inadequate and acknowledging the need for ongoing inquiry and organizational learning with new career designs to challenge embedded gendered structures and cultures.

### **3.1 Cluster I: Career and Leadership Theory, Research, and Methodologies for Gender Equality**

#### **Core Career Processes**

Research on core career processes typically focuses on identity, time, space, and dignity in managerial and professional occupations, including diverse sectors like the C-Suite in Fortune 500 companies and STEM workplaces. These processes integrate knowledge from various disciplines, presenting challenges in generalizing career processes and goals across contexts. Despite these challenges, the articles in this issue explore women's career issues related to organizational membership, leadership role selection, and positive career development across life phases, using a range of theoretical perspectives.

#### **Contradictions and Multilevel Bridging**

The research addresses contradictions within gendered career equality and emphasizes multilevel bridging of micro-meso-macro levels. Understanding individual career experiences requires considering organizational, occupational, and societal pressures. Studies explore how work-life initiatives impact leadership aspirations and career advancement, and how stereotypes influence support for women in leadership roles.

#### **Global and Contextual Perspectives**

The research is mostly limited to Western contexts, but it provides insights into how gendered career equality is addressed in various organizational settings. Articles examine how career development policies and accommodations impact gender equality and explore the implications of motherhood on women's careers and work-family conflict.

### **3.2 Cluster II: Scholarship to Practice Applications**

#### **Employer and Organizational Perspectives**

The articles affirm the importance of incorporating both employer and organizational perspectives in career-equality studies. Balancing employee employability and well-being with business profitability goals is crucial. Research highlights how women’s self-confidence and prosocial orientations affect their influence and career outcomes, suggesting that organizations need to address biases and change systems to foster authenticity and support career development.

#### **Research-to-Practice Implementations**

The special issue calls for translating research into practice, considering different contexts and conditions. It highlights the need for academic-practitioner partnerships to bridge science and practice and adapt strategies across various sectors and cultural contexts. The articles discuss how organizational support for women's career equality should be customized for diverse identity subgroups and career stages.

#### **Generating Positive Change**

The research-to-practice sections aim to generate positive change for both women and men. Articles propose interventions to promote equality within systems, considering the potential consequences and complexities involved. They emphasize the importance of setting up practices that support women's leadership and ensure that affirmative actions like quotas do not backfire.

The contributions in this special issue offer valuable insights into advancing gender equality in careers and leadership, extending knowledge and generating new research agendas and practices.

### **Key Insights and Lessons Learned**

**1. Influence of Women in Leadership:**

· The presence of influential women in top leadership roles leads to positive outcomes for organizations, including improved performance and successful outcomes for women and organizational members. Boards should be diversified to include women leaders to drive positive change.

**2. Future Research and Practice:**

· Research highlights the complexity of achieving gender equality in career advancement and leadership. Effective gender-equality initiatives depend on multiple factors and levels of intervention, such as cultural support for work-life initiatives and gender context.

**3. Impact of Support for Work-Life Initiatives:**

· Women experience better career outcomes in environments with high perceived support for work-life balance. Cultural support for such initiatives, both at the employer and public policy levels, significantly affects women's career aspirations and stress levels.

**4. Importance of Gender Cultural Context:**

· The effectiveness of gender equality initiatives varies with the cultural context. For instance, quotas are more acceptable in male-dominated contexts, and job autonomy is perceived differently in low gender-equalitarian environments.

**5. Women's Leadership Development:**

· Targeted leadership development that addresses both work and maternal roles is beneficial. Confidence in both job and maternal roles affects career experiences. Leadership development programs should include discussions on maternal values and ambitions, integrating work-life balance and gender inclusivity.

**6. Need for Implicit Bias Initiatives:**

· Combatting implicit biases is crucial for enhancing women's career equality. Implicit stereotypes can negatively impact women's performance evaluations and career progression. Addressing these biases is essential for supporting women's advancement.

**7. Organizational and System-Level Changes:**

· Transforming toward gender equality involves both individual and organizational changes. Effective strategies include implementing quotas, supporting work-life initiatives, and addressing implicit biases. Organizations need to advocate for women, support diverse career paths, and rethink traditional career and leadership structures.

**8. Broad Contextual Understanding:**

· The findings are drawn from various contexts, including different countries and professions, and emphasize that achieving gender equality requires a comprehensive understanding of cultural, organizational, and individual factors.

**9. Future Directions:**

· There is a need to expand career and leadership theories to be more gender-inclusive. Rethinking the fundamental structures of careers and leadership to be more inclusive and equitable is crucial for future progress.

# 

# **Do Women Leaders Promote Positive Change? Analyzing the Effect of Gender on Business Practices and Diversity Initiatives**

## **1 | Introduction**

Women are still underrepresented in leadership roles within American firms. However, as their numbers increase, there is growing interest in how gender diversity impacts organizational outcomes. There is debate among scholars about whether gender diversity leads to increased innovation and creativity or whether it creates conflict and hampers problem-solving.

### **Financial Performance vs. Broader Impacts**

Most research has focused on the financial performance of firms with gender-diverse leadership. Some studies find that diversity has a positive effect (e.g., Cook & Glass, 2014a), while others find no significant impact (e.g., Kochan et al., 2003). Less research has explored the impact of women leaders on non-financial aspects such as corporate governance, work-life policies, and supplier diversity. Evidence suggests that women leaders might prioritize non-financial performance measures, focusing on innovation and equity, which could be valuable in the long term but not immediately reflected in short-term financial outcomes (Barnett & Salomon, 2006; Margolis & Walsh, 2003).

### **The Influence of CEO and Board Gender Diversity**

Previous research often emphasizes board composition but less frequently examines how the combined effect of CEO and board gender diversity influences corporate strategy. CEOs play a crucial role in shaping and implementing policies, while boards influence overall governance and strategy (Graffin et al., 2008; Shropshire, 2010). Understanding how gender diversity at both levels impacts firm outcomes is essential.

### **Study Contributions**

This study aims to fill these gaps by examining how the gender of CEOs and the board of directors affect firm practices in governance, product development, and equity. It contributes to the field by:

1. Moving beyond financial performance to analyze business and diversity practices.

2. Expanding diversity scholarship to include the impact of women CEOs and their interaction with board gender composition.

3. Testing three theoretical perspectives—gender difference, homophily, and diversity—to explain the impact of gender diversity on firm outcomes.

The study uses data from Fortune 500 companies (2001-2010) and finds that while women CEOs and gender-diverse boards are linked to better practices in equity, governance, and product development, the diversity perspective is more robust than the homophily perspective.

## **2 | Competing Perspectives: Gender and Organizational Practice**

### **2.1 | Gender Difference**

**Overview**

The gender difference perspective, rooted in social role theory, suggests that leadership styles and organizational priorities are influenced by gender roles and socialization. Women and men are socialized differently, leading to variations in their leadership styles and values (Eagly & Karau, 2002).

**Leadership Style and Values**

**· Educational and Career Background**: Women often have higher levels of education and experience in community roles compared to men (Hillman et al., 2002; Singh et al., 2008).

**· Leadership Style**: Women are generally seen as more relational, participative, and innovative, with a strong commitment to equity and fairness (Dezsö & Ross, 2012).

**· Charitable Engagement**: Women leaders are associated with higher levels of charitable giving and community involvement (R. J. Williams, 2003).

**Impact on Organizational Practices**

**· Innovation and Risk-Taking**: Women leaders are less risk-averse and more innovative (Adams & Funk, 2009; Torchia et al., 2011).

**· Commitment to Equity**: Women are more likely to champion diversity and social responsibility (Bilimoria & Wheeler, 2000; Burke, 2000).

**Hypotheses**

1. Women CEOs will be more strongly associated with positive business practices than men CEOs.

2. Women CEOs will be more strongly associated with equity practices than men CEOs.

### **2.2 | Homophily**

**Overview**

The homophily perspective, based on similarity attraction theory, argues that individuals are drawn to others who share similar characteristics. This similarity can affect the effectiveness of women leaders, particularly when there are few other women in leadership positions (Byrne, 1971; Ibarra, 1995).

**Challenges for Token Leaders**

**· Tokenism**: Women leaders in minority positions may face heightened scrutiny and bias, which can limit their effectiveness (Kanter, 1977; Acker, 2006).

**· Pressure to Conform**: Token women leaders might attempt to conform to dominant values, potentially limiting their impact (Fiske et al., 2002).

**Supportive Role of Gender-Diverse Boards**

**· Reducing Role Conflict**: Women board members can help reduce the role conflict faced by women CEOs (Ely, 1995).

**· Mentorship and Advocacy**: Women board members can serve as allies, supporting innovative policies (Eagly et al., 2003).

**· Signaling Commitment**: The presence of women on the board signals support for equity and women’s leadership (Bilimoria, 2006).

**Hypotheses**

1. Women CEOs will be associated with positive organizational outcomes when supported by gender-diverse boards.

### **3. Data and Methods**

#### **3.1 Procedure**

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**Data Sets**: Two main data sets are used:

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**1. Author-Constructed Data Set**: Includes data for Fortune 500 CEOs and boards of directors from 2001-2010. Information was collected from multiple sources, including CNN, Edgar SEC, and various company websites. Financial and firm-related data were obtained from Compustat via WRDS.

**2. KLD Data Set**: Contains annual data on governance, social, environmental, and diversity issues from publicly traded companies. This data is objective and used by investors, minimizing self-report bias.

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**Data Collection**: Information on CEO and board composition was collected annually, excluding CEOs from board composition calculations to avoid overestimating female board members. Predictor and control variables were lagged by one year to mitigate endogeneity issues.

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**Previous Analyses**: The author-constructed data set has been used to study the impact of women leaders on various firm-level practices.

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#### **3.2 Measures**

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**Dependent Variables**:

**Business Practices**:

**§ Corporate Governance Strengths**: Includes assessments of corporate culture, leadership, reporting measures, communication, social ownership, and compensation limits.

**§ Product Strengths**: Includes long-term quality programs, research and development leadership, innovation, social benefits, and services to the disadvantaged.

**Equity Practices**:

**§ Community Strengths**: Includes charitable giving, support for nonprofits, international charity, and volunteer programs.

**§ Diversity Strengths**: Includes promotion of women and minorities, employee benefits, subcontracting diversity, hiring programs for people with disabilities, LGBT policies, and overall commitment to diversity. Adjustments are made to exclude CEO and board gender composition from this index due to potential confounding effects.

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**Independent Variables**:

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**o Gender of the CEO**: Dichotomous variable indicating if the CEO is a woman.

**o Percent Women on the Board**: Percentage of women on the board, excluding the CEO if applicable.

**o Network Interlinks**: Measure of board connections to other firms, used as a proxy for influence.

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**Control Variables**:

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o Firm size, financial performance (ROA), total board members, average board age, CEO age, and CEO/chair duality.

#### **3.3 Analyses**

**· Method**: Negative binomial regression with fixed effects was used to account for repeated firm observations and overdispersion in count data. A Hausman test confirmed the use of a fixed-effects model.

**· Interaction Graphs**: Follow guidelines for graphing interactions from a negative binomial model.

### **4. Results**

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**Research Questions**:

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1. Impact of a woman CEO on business and equity practices.

2. Impact of gender homophily (similarity) within the leadership team on these practices.

3. Impact of gender diversity within the leadership team.

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**Findings**:

**Women CEOs**:

§ Positive correlation with diversity strengths.

§ Marginally significant positive trends with product and community strengths.

§ Limited support for the overall impact on corporate governance strengths.

**Gender Homophily**:

§ Significant interactions between CEO gender and board diversity on governance and product strengths.

§ Findings suggest that increased women on the board with a female CEO can sometimes decrease corporate governance and product strengths.

§ Positive influence found for influential women on the board.

**Gender Diversity**:

§ Increased board diversity (percent women) positively impacts corporate governance strengths for male CEOs.

§ Community and diversity strengths are positively correlated with higher female board representation.

§ Product strengths show no significant change with increased female board members.

### **Summary of Findings**

**Impact of Gender Diversity**:

1. Gender diversity in leadership is positively associated with improvements in diversity practices, corporate governance, product development, and community engagement.

2. Women CEOs are more likely to champion diversity policies but show limited advancement in other areas such as product development or community initiatives. This supports the perspective that women leaders prioritize diversity but face constraints in broader areas of firm outcomes.

**Theoretical Perspectives**:

**1. Gender Difference**: Women CEOs are more focused on diversity, but the study found limited support for this perspective in terms of broader impacts on governance or innovation.

**2. Homophily**: Women CEOs with many women directors did not show stronger business practices. Instead, firms with influential women directors had better outcomes, indicating that influence rather than mere representation is crucial.

**3. Diversity**: Gender diversity on boards generally leads to positive firm outcomes, especially for men CEOs. Men CEOs with more women on their boards are more likely to implement strong governance and diversity initiatives, although this does not extend to product development.

**Influence vs. Representation**:

1. For women CEOs, having influential women on the board is more important than having a high number of women. Influence helps overcome tokenism and promotes stronger business practices.

2. For men CEOs, the numerical representation of women on the board is key to fostering better governance, community engagement, and diversity.

### **Implications**

**Board Composition**:

1. The study suggests that firms should focus on both the number and influence of women on boards. Men CEOs benefit from having a critical mass of women, while women CEOs need influential women to support a broader range of initiatives.

**Diversity vs. Homophily**:

1. Diversity, rather than homophily (similarity), is crucial for advancing business and equity practices. Women board members are less likely to drive strategic changes if they are part of a homogenous group.

**Practical Recommendations**:

1. For firms led by men, increasing the number of women on the board can improve overall governance and diversity.

2. For firms led by women, recruiting influential women directors can enhance performance in various areas, including product development and community engagement.

### **Limitations and Future Research**

**Micro-Level Processes**:

1. The study relies on secondary data and suggests that future research should include primary data from interviews or surveys with board members and CEOs to understand the micro-level processes driving these findings.

**Generalizability**:

1. The focus on large corporations limits the generalizability of the findings. Future studies should explore non-corporate contexts like nonprofits or educational institutions to understand the impact of leadership diversity in different organizational settings.

**Broader Diversity**:

1. The study focuses on gender diversity but notes that other types of diversity, such as racial/ethnic, age, or sexual orientation, also impact organizational outcomes. Future research could expand on this by examining these other forms of diversity.

This discussion highlights the nuanced role of gender diversity in leadership and suggests that both influence and representation are important, but their significance varies depending on the leadership context.

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# **Appearances of Self-Confidence and Gaining Influence at Work**

## **1. Introduction**

Evidence suggests that gender differences in career aspirations and the importance placed on job attributes such as prestige, challenge, and power have been shrinking over the past decades (Astin, Parrott, Kom, & Sax, 1997; Ely & Rhode, 2010; Konrad, Ritchie, Lieb, & Corrigall, 2000; cf. Gino, Wilmuth, & Brooks, 2015). Despite this, women remain a minority in male-dominated professions, including many leadership roles (e.g., Catalyst, 2015, 2016; Kakabadse et al., 2015; National Science Foundation, 2015). Women often face multiple barriers when attempting to gain organizational influence and career progression (e.g., Eagly & Karau, 2002; Heilman, 2001).

One frequently cited reason for gender gaps in various professions is self-confidence (Ely & Rhode, 2010). The argument is that “women are less confident than men, and this affects their promotion chances.” However, research has found no consistent gender differences in self-confidence in achievement-oriented domains (e.g., Guillén, Mayo, & Korotov, 2015; Ibarra & Obodaru, 2009; Lennney, 1977; Mayo, Kakarika, Pastor, & Brutus, 2012; Singer, 1991; Zhao, Seibert, & Hills, 2005). Nonetheless, the appearance of self-confidence can have significant social consequences at work. Individuals who appear confident are often seen as leaders in team interactions and have substantial influence over team decisions (Anderson & Kilduff, 2009).

Self-confidence appearance may be particularly important in male-typed occupations where assertiveness and achievement orientation are expected (Heilman, 2001). This article aims to explore how self-confidence appearance affects influence in male-typed occupations and whether this effect differs by gender. Self-confidence appearance is defined as others' perception of whether an individual seems confident about meeting performance standards or has a sense of agency at work (Bandura, 1997).

## **2. Theory and Hypotheses**

### **2.1. Performance as an Antecedent of Self-Confidence Appearance**

Self-confidence appearance at work refers to perceptions of whether an individual is confident about succeeding or has a sense of personal agency (Bandura, 1997). Confidence is a key aspect of human agency and includes attributes such as goal attainment, achievement, and leadership (Bakan, 1966; Lippa, 1995).

Perceptions of agency are highly dependent on performance (Awamleh & Gardner, 1999; Meindl, Ehrlich, & Dukerich, 1985; Shamir, 1992). High performance is often associated with confidence and other agency-related characteristics (Lord, Binning, Rush, & Thomas, 1978; Meindl & Ehrlich, 1987). For example, successful CEOs are often attributed with charisma, which is related to agency (Awamleh & Gardner, 1999).

### **Hypothesis 1**

**Job performance is positively related to self-confidence appearance.**

The translation of job performance into self-confidence appearance may vary depending on social categories like gender (Eagly & Karau, 2002). Gender roles often prescribe agentic behaviors for men but not women, leading to different perceptions of success (Eagly & Karau, 2002; Fiske & Stevens, 1993).

### **2.2. Gender Differences in Self-Confidence Appearance**

Men are often seen as more self-confident due to their alignment with agentic behaviors expected in male-typed professions. In contrast, women in these roles may face stereotypes that undermine their perceived competence (Carli, 2001; Psyzcynski & Greenberg, 1981). Women’s achievements might be attributed to external factors rather than personal ability (Eagly & Karau, 2002).

### **Hypothesis 2**

**The positive relationship between job performance and self-confidence appearance is moderated by gender, such that it is stronger for men than for women.**

Status differences also play a role. Women in male-typed professions may belong to a lower-status group compared to men, leading to less recognition for their achievements (Deaux & Emswiller, 1974; Igbaria & Baroudi, 1995). Higher ability standards for women further complicate their ability to be seen as self-confident based on performance (Biernat & Kobrynowicz, 1997).

**Self-Confidence and Influence:**

· Appearing confident at work is crucial as it leads to respect, trustworthiness, and credibility (Conger & Kanungo, 1987; Spreitzer, 1995).

· Confident individuals are more likely to be perceived as having the personal characteristics required for job success, which can result in better performance and organizational influence (Edwards & Shipp, 2007; Hoffman & Woehr, 2006; Kristof-Brown et al., 2005).

· Hypothesis 3: Self-confidence appearance is positively related to organizational influence.

**Gender Differences:**

· Women displaying agentic behaviors (e.g., assertiveness) often face social backlash, perceived as hostile or abrasive (Heilman et al., 2004; Carli, LaFleur, & Loeber, 1995).

· For women in male-dominated jobs, displaying both confidence and prosocial behaviors (e.g., being helpful) can mitigate these negative perceptions (Carli, 2001; Eagly & Karau, 2002).

· Hypothesis 4: The effect of self-confidence appearance on influence is stronger for men than women. For women, the effect is moderated by prosocial orientation.

**Job Performance, Self-Confidence, and Influence:**

· The model suggests that job performance affects organizational influence indirectly through self-confidence appearance, with gender and prosocial orientation moderating this effect.

· Hypothesis 5: The relationship between job performance and organizational influence is mediated by self-confidence appearance and moderated by gender and prosocial orientation. The gender difference is smaller for individuals with high prosocial orientation.

### **3 Method**

**3.1 Participants:**

· The study involved engineers from a multinational software company, with a sample including engineers, supervisors, and peers.

· 23% of engineers and 5% of supervisors were female, reflecting the industry norms.

**3.2 Procedure:**

· Data collection was carried out in two phases with surveys. Time 1 focused on prosocial orientation and job performance ratings by various stakeholders. Time 2 assessed self-confidence and organizational influence by supervisors.

· Response rates were 84% for job performance ratings and 80% for self-confidence and influence assessments.

**3.3 Measures:**

**· Job Performance:** Rated by superiors, peers, and internal clients.

**· Gender:** Coded as 0 (male) and 1 (female).

**· Prosocial Orientation:** Self-reported measure of concern for others’ welfare.

**· Self-Confidence Appearance:** Rated by supervisors.

**· Organizational Influence:** Rated by supervisors.

**· Control Variables:** Age, technical expertise, and previous measures of self-confidence and organizational influence were controlled for.

**3.4 Analyses:**

· Structural equation modeling (SEM) was used to test the hypothesized model.

· Measures were controlled for potential data structure issues and individual supervisor effects.

· Predictor variables were centered to avoid multicollinearity.

### **4 Results**

**4.1 Measurement Models:**

· Confirmatory factor analyses supported the separation of job performance, prosocial orientation, self-confidence appearance, and organizational influence into distinct constructs.

**4.2 Descriptive Statistics:**

· Job performance was not significantly related to prosocial orientation or gender.

· Self-confidence appearance and organizational influence were positively related. Gender was negatively related to self-confidence appearance.

**4.3 Hypotheses Testing:**

· Structural equation modeling tested the direct effect of job performance on organizational influence through self-confidence appearance and examined interaction terms.

### **5 | DISCUSSION**

In this study, we explore the factors contributing to perceptions of self-confidence in professional settings and its implications for organizational influence. Our findings reveal that while job performance enhances the appearance of self-confidence for both men and women, the impact of this appearance on influence varies by gender and prosocial orientation.

#### **5.1 | Theoretical Contributions**

##### **5.1.1 | Attribution Literature**

Our research enhances the understanding of attribution processes within traditionally male-dominated settings. Prior studies have focused on high-level organizational positions, but less is known about attribution at lower organizational levels. Our results indicate that high-performing employees, regardless of gender, are attributed with greater individual agency by their supervisors. Contrary to expectations, there were no significant gender differences in the attribution of self-confidence based on job performance. Both men and women in male-dominated roles benefited equally from successful performance in terms of appearing self-confident. This suggests that high-performing women may overcome traditional biases and be seen as capable as their male counterparts. Our findings align with Rosette and Leigh's (2010) observations that women at higher organizational levels are perceived as competent due to their achievements, which could be at play in our sample of computer engineers. However, future research should further investigate whether different performance levels trigger perceptions of gender role violations.

##### **5.1.2 | Social Perceptions Literature**

Occupations dominated by men, such as those in science and technology, are associated with masculine stereotypes, linking male traits with success. Our study extends social perceptions research by examining how self-confidence appearance, gender, and prosocial orientation interact in these settings. We confirm that while self-confidence is beneficial, its impact on organizational influence is moderated by prosocial orientation. High-performing women who are also perceived as having a prosocial orientation achieve similar influence levels as their male counterparts. This supports the role incongruity theory, which posits that women’s influence is contingent upon aligning with stereotypical expectations of warmth. Our findings build on Carli's research, showing that in continuous interactions within male-dominated organizations, women’s self-confidence is more effective if it is combined with prosocial behavior.

##### **5.1.3 | Leadership Literature**

Our study broadens the understanding of career advancement and leadership, particularly in male-dominated environments. It highlights that while high performance is crucial for both men and women, self-confidence appearance plays a pivotal role in determining influence. The mediating role of self-confidence appearance underscores that it is not just performance but also how it is perceived that affects outcomes. This aligns with leadership literature emphasizing the importance of confidence in influencing others and emerging as a leader. Furthermore, our results challenge the notion that women are disadvantaged by lower status, showing that high-performing, prosocial women can gain influence similar to men.

Our findings suggest that creating inclusive workplaces requires attention to how gender and prosocial behaviors affect personnel decisions. To ensure fair career opportunities, organizations must consider these factors beyond mere performance achievements.

### **5.2 Limitations**

This study has several limitations that suggest avenues for future research. First, our data did not allow us to explore the dynamic relationships between prosocial orientation, self-confidence appearance, and their long-term effects. It is possible that a self-confident image positively impacts job performance, which in turn further boosts self-confidence and influence, potentially exacerbating gender differences over time. Longitudinal studies are needed to investigate these dynamic relationships.

Second, our sample, consisting predominantly of male computer engineers, may limit the generalizability of the findings. With only 23% female engineers and only 1 of 22 supervisors being female, future research should involve samples with a more balanced gender distribution to assess how gender stereotypes affect perceptions across different contexts.

Third, while the gender effects observed are relatively small, similar to other studies on workplace bias, even small biases can accumulate and significantly impact career outcomes over time. Future research should examine the long-term effects of gender bias on career progression, including promotions and pay raises.

Additionally, our analyses were conservative, controlling for various variables and focusing on relationships between self-confidence appearance, organizational influence, and task performance. Although effect sizes might be larger without controls, the model with controls provides a cleaner assessment of these relationships.

Furthermore, performance evaluations often cluster at higher response levels, which can lead to underestimating the association between variables. Despite this, significant effects were found, suggesting that small differences can still have substantial career implications.

Finally, expanding the criteria for evaluating the consequences of self-confidence appearance to include other outcomes, such as promotability and pay, would provide a more comprehensive understanding.

### **5.3 Practical Implications**

Our findings have several practical implications for HR management and promoting career equality in male-dominated fields:

**5.3.1 Making Job Requirements Explicit**

Organizations should clearly define whether "being prosocial" is a job requirement alongside task performance. If prosocial behavior is not required, then task performance should be the sole criterion for rewards and promotions. If prosocial behavior is valued, it should be required of all employees, irrespective of gender, to ensure fair evaluations and promotions.

**5.3.2 Selection**

In selection processes, HR should ensure that communal attributes are either added to the criteria for both men and women or closely monitored to avoid biases that disadvantage talented female candidates. This approach promotes fairness and reduces potential gender bias in hiring decisions.

**5.3.3 Authenticity and Development Initiatives**

Organizations should support authenticity and allow diverse paths to success. Training programs should emphasize the importance of prosocial behaviors and encourage all employees to engage in them. Such initiatives can address biases and foster a more inclusive work environment.

**5.3.4 Promotions and Career Advancement**

Belief in meritocracy can lead to underestimating the importance of interpersonal skills. Organizations should recognize that success in STEM and other fields requires both technical and interpersonal skills. Addressing implicit gender biases in success criteria is crucial for creating more inclusive and equitable workplaces.

### **6 Conclusion**

Our research supports the notion that success in male-dominated fields does not always translate into positive outcomes for women. Unlike men, whose job performance directly enhances their image of confidence and influence, women need to exhibit prosocial behaviors to gain similar benefits from high job performance. Organizations must carefully monitor how high-performing individuals are perceived and ensure fair, merit-based reward and promotion practices to support equal employment opportunities.

# 

# **Gender and Leadership Aspiration: The Impact of Work–Life Initiatives**

## **1. Introduction**

The labor market still shows significant gender inequality in leadership positions. Although women in leadership roles within major European Union companies rose from 12% in 2010 to 23% in 2016, they remain a minority. Women face greater domestic responsibilities compared to men, creating barriers to hierarchical advancement and leadership aspirations. Leadership aspiration is defined as the personal interest and willingness to accept leadership roles. This paper investigates whether work–life initiatives positively influence women's leadership aspirations.

Leadership aspiration is crucial as it predicts career advancement, occupational status, and career attainment. Understanding the factors that encourage women's leadership aspirations may help reduce gender gaps in leadership.

## **2. Literature Review and Hypotheses**

Work–life balance has become increasingly important, especially among Generation Y employees. Work–life initiatives, designed to balance work and personal life, can reduce stress and tension between these domains and enhance leadership aspirations. Meta-analyses show that such initiatives improve job satisfaction and career outcomes by reducing work-family conflicts.

### **Hypothesis 1**

Work–life initiatives are positively related to leadership aspiration.

### **2.1 Women and Work–Life Initiatives**

Even though 60% of women in the EU are employed, they still spend more time on domestic responsibilities than their male counterparts. Women are more likely to seek a work–family balance and adjust their careers to fit multiple roles. This uneven split of domestic responsibilities hinders their access to power and authority in society, contributing to fewer promotions and lower performance evaluations, particularly for working mothers.

Additionally, women face discrimination based on their caregiving roles, with biases linked to perceived family-work conflicts negatively impacting their leadership opportunities.

### **3 | Method**

#### **3.1 | Procedure**

We used an online survey administered by a British online panel provider to collect the data for our study. A British sample was selected, as the cultural context, being accustomed to female leaders such as Theresa May, Nicola Sturgeon, and business leaders like Emma Walmsley (GSK) and Carolyn McCall (Easyjet), seemed appropriate for studying female leadership aspiration. The online panel recruited respondents who met specific criteria: having a partner, working full-time with at least three years of work experience, and having at least one year of job tenure. Respondents received a small monetary compensation upon completing the survey.

Online surveys face critiques, such as the possibility of multiple participations, layout variations, spam recognition, and potential issues for inexperienced users. To address these concerns, we ensured participants could fill out the survey only once using personalized links. We pretested the survey for functionality and readability across different browsers. As 87% of the UK adult population has internet access, we considered the quality of our online data comparable to traditional pen-and-paper surveys.

#### **3.2 | Participants**

A total of 402 respondents completed the survey, comprising 202 males and 200 females. Half of the women and 49.5% of the men had children. The respondents' ages ranged from 21 to 65 years (M = 43.85, SD = 10.85). On average, respondents had 22 years of work experience (M = 22.16, SD = 11.85) and an organizational tenure of 10.88 years (SD = 9.09).

Job descriptions varied, with 25.6% of respondents reporting a managerial job. Other occupations included IT (11.4%), business (8.5%), teaching (8.0%), health (5.0%), science and engineering (3.7%), and legal and social jobs (3.7%). Hierarchically, 36.6% held nonsupervising positions, 23.1% were first-level managers, 23.1% were lower/middle managers, 8.0% were in upper management, and 9.2% were executives. The sample was predominantly British (90.5%), with smaller representations from Continental Europe, Asia, and other regions.

#### **3.3 | Design**

##### **3.3.1 | Leadership Aspiration**

Our dependent variable, leadership aspiration, was measured using a 17-item, 5-point scale (1 = strongly disagree to 5 = strongly agree) addressing both intentions and behaviors. To measure intentions, we used the "leadership and achievement scale" developed by Gray and O'Brien (2007), supplemented with additional items. Examples of intention items include “I hope to become a leader in my career field” and “My aspirations for advancing in management positions are very high.”

We also measured self-reported behaviors to provide more objective data. Behavior-related items, adapted from Day and Allen (2004), included statements like “I have engaged in career path planning” and “I have requested to be considered for promotions.”

##### **3.3.2 | Work-Life Initiatives**

Work-life initiatives were measured by asking respondents about the availability of five types of initiatives: information-based, job design, time-based, direct-service-based, and financial-based initiatives. Respondents could answer “yes,” “no,” or “I do not know” for each type. Although each initiative is distinct, they were combined to reflect the organization’s overall focus on work-life initiatives.

##### **3.3.3 | Gender**

Gender was included as a predictor variable, along with the interaction between gender and work-life initiatives.

##### **3.3.4 | Control Variables**

We controlled for variables that might covary with gender or have a theoretical basis for inclusion. These included organizational and work experience, job description (manager vs. other), hierarchical level (lower/middle manager vs. other), firm size (≥5,000 employees vs. <5,000 employees), and national background (European vs. other).

### **4 | Results**

Means, standard deviations, and intercorrelations for all variables are presented in Table 1, along with reliabilities for the leadership aspiration and work-life initiatives scales. The leadership aspiration scale showed high reliability (α = .96), while the work-life initiatives scale had acceptable reliability (α = .68).

#### **4.1 | Hypothesis Tests**

##### **4.1.1 | Leadership Aspiration**

To test our hypotheses, we performed a hierarchical regression analysis. Leadership aspiration was predicted by work-life initiatives, gender, and control variables at step 1, and by the interaction between work-life initiatives and gender at step 2. Results are presented in Table 2.

Supporting Hypothesis 1, work-life initiatives had a significant positive effect on leadership aspiration (b = 0.15, SE = 0.03, p < .01). Supporting Hypothesis 2, the interaction between work-life initiatives and gender was also significant (b = 0.11, SE = 0.06, p < .05). Simple slope analyses showed that work-life initiatives were more strongly related to leadership aspiration for women (b = 0.21, SE = 0.04, p < .01) than for men (b = 0.10, SE = 0.04, p < .05). Figure 1 visualizes this interaction.

### **5 | Discussion**

There remains an unequal division of life responsibilities between genders, which may create career barriers for women. We proposed that work-life initiatives might play a larger role in encouraging women's leadership aspirations than men's. Our study confirmed this hypothesis: the interaction effect of gender and work-life initiatives was significantly related to leadership aspiration, with work-life initiatives having a stronger influence on women's aspirations than men's.

### **5.2 Practical Implications**

The practical implications of the theoretical findings suggest that organizations can promote women’s leadership aspirations by implementing work-life initiatives, contributing to gender parity and closing the gender gap in leadership roles. The **World Economic Forum's Global Gender Gap Report (2014)** identifies work-life balance initiatives as essential for increasing gender equality. Various work-life initiatives—such as education on work-life balance, flexible working arrangements, on-site childcare, and financial support programs—are associated with enhanced leadership aspirations.

The study also highlights the importance of creating a supportive environment where work-life initiatives are widely accepted. A shift toward a family-friendly organizational culture is necessary, and companies must ensure that work-life initiatives are not just token gestures but represent a genuine commitment. Organizations can promote these initiatives as mutually beneficial for both employees and the company.

Supervisors play a crucial role in fostering a work-life-friendly culture by negotiating customized solutions with employees, holding accountability for work-life metrics, and acting as role models. Supervisors who are supportive of work-life initiatives, especially for women, can contribute to a positive perception of balancing work and family responsibilities without negatively affecting career advancement.

The success of work-life initiatives should also be measured through **Key Performance Indicators (KPIs)**, assessing their impact on both employees and the organization. These KPIs could include employee work-family conflict, retention rates, and overall organizational benefits. Supervisors and managers should be held accountable for these metrics to ensure a balanced work-family organizational environment.

Moreover, work-life initiatives must be designed in a gender-neutral manner to avoid reinforcing gendered norms about parenting. Gender-neutral initiatives, such as paid parental leave, have been shown to positively impact women’s leadership attainment.

Lastly, organizations must recognize the diverse non-work orientations of employees and offer customizable work-life solutions. Communication and awareness of these initiatives are essential, and human resources departments should focus on creating an adaptable package of initiatives that cater to employees' varied needs.

### **5.3 Limitations and Directions for Future Research**

While this study contributes valuable insights, it has several limitations. First, the study is correlational, meaning it cannot establish causality between work-life initiatives and leadership aspirations. Future research should focus on experimental designs to test these relationships.

Another limitation is the reliance on single-source data, which can introduce bias. Although the study examined interactions between objective measures such as gender and work-life initiatives, more objective company data would be preferable. Future studies should also distinguish between the availability and usage of work-life initiatives, as availability alone may signal organizational openness and influence leadership aspirations, even if initiatives are not actively used by employees.

Further research should also explore the relationship between work-life initiatives and actual leadership attainment, rather than just aspirations. Longitudinal studies could investigate whether the usage of such initiatives impacts women's progression into leadership roles.

### **6. Conclusion**

Increasing the number of women in leadership roles is an important goal, with targets such as 40% female representation on executive boards in the EU by 2020. This study highlights the crucial role of work-life initiatives in influencing women’s leadership aspirations. The positive interaction between the availability of these initiatives and leadership aspiration emphasizes their importance in promoting gender equality in leadership. Further research on the impact of different work-life initiatives will provide more insights, while practitioners can use these findings to improve the integration of work-life balance solutions and support women’s leadership development.

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# **Support for Quotas for Women in Leadership: The Influence of Gender Stereotypes**

## **1. Introduction**

This study examines support for quotas for women in leadership, a widely debated topic in management research and practice. Using a sample of 761 German working adults, the results suggest that stereotypes about women are significantly related to support for such quotas.

### **Key Findings**

**· Agency and Communality**: Ascriptions of agency (assertiveness, activity, strength) to women were positively related to support for quotas in male-dominated industries and high hierarchical positions. Conversely, ascriptions of communality (understanding, supportiveness, caring) were generally positively related to support for quotas.

**· Impact of Stereotypes**: Both male and female participants showed similar patterns. Unexpectedly, stereotypes about men also influenced support for quotas, with a positive relationship with agency in male-dominated industries and a general negative relationship with communality.

### **Implications**

Organizations can smooth the introduction of quotas by addressing how employees perceive women in terms of agency and communality.

## **2. Background and Context**

### **The Debate on Quotas**

Many countries and organizations are exploring or implementing quotas for women in leadership roles. These quotas can be legally mandated or voluntarily established to address gender representation issues.

**· Proponents**: Argue that quotas are necessary to leverage female talent and ensure justice in representation, especially given stagnating percentages of women in top management.

**· Opponents**: Criticize quotas as being against liberal principles, favoring women unfairly, and undermining women’s achievements.

## **3. Theoretical Development**

### **Gender Stereotypes**

**· Agency vs. Communality**: Gender stereotypes typically view women as less agentic (assertive, active) and more communal (supportive, caring) compared to men. These stereotypes impact perceptions of leadership suitability.

**· Role Congruity Theory**: Women are seen as incongruent with leadership roles due to perceived deficiencies in agency. Conversely, their communality is seen as beneficial for interpersonal leadership styles.

### **Hypotheses**

**1. Agency and Support for Quotas**: Higher ascriptions of agency to women are positively related to support for quotas.

**2. Communality and Support for Quotas**: Higher ascriptions of communality to women are positively related to support for quotas.

## **4. Empirical Analysis**

### **Regression Models**

Regression analyses reveal the impact of gender stereotypes on support for quotas:

**· Age, Education, Tenure**: Various demographic factors and their interactions with stereotypes were analyzed.

**· Stereotype Effects**: Ascriptions of communality and agency to women, and their interactions with industry type and hierarchical position, were significant predictors of support for quotas.

## **5. Practical Implications**

The study provides actionable steps for organizations to promote women’s agency and communality, which could ease the introduction of quotas. It also highlights potential challenges in promoting these traits.

### **2.2 | Gender Stereotypes and Gendered Industries**

These relationships between ascriptions of agency and communality to typical women and support for quotas for women in leadership should be more pronounced, the more agency and communality are valued in the work context. With agency and communality representing gender stereotypes (Heilman, 2012), their importance is assumed to particularly change with the extent that work contexts are either male- or female-gendered (Eagly, 2007).

**Male-gendered Industries**: Male-gendered industries, such as transportation and utilities, are marked by a higher proportion of men as well as aggressive and competitive cultures (Ramaswami, Dreher, Bretz, & Wiethoff, 2010). In these industries, agentic leadership behaviors such as dominance and assertiveness are seen as more important than in non-male-gendered industries (Cejka & Eagly, 1999) and men are perceived to be more effective (Paustian-Underdahl, Walker, & Woehr, 2014). Due to agency being seen as more important in male-gendered industries (as compared with non-male-gendered industries), we assume the following:

**Hypothesis 3a**: Male-gendered industries moderate the positive relation between ascriptions of agency to typical women and support for quotas for women in leadership such that the positive relation is stronger in male-gendered industries (compared with non-male-gendered industries).

**Female-gendered Industries**: In contrast, female-gendered industries, such as educational or health industries, are marked by a higher representation of female employees (Ko, Kotrba, & Roebuck, 2015). In these industries, leadership behaviors that are connected to communality are seen as more important than in non-female-gendered industries (Cejka & Eagly, 1999) and women may be perceived as more effective (Eagly & Carli, 2003). Due to the emphasis of communality in female-gendered industries, we assume the following:

**Hypothesis 3b**: Female-gendered industries moderate the positive relation between ascriptions of communality to typical women and support for quotas for women in leadership such that the positive relation is stronger in female-gendered industries (compared with non-female-gendered industries).

### **2.3 | Gender Stereotypes and Hierarchical Positions**

Independently from industry differences, leadership contexts are also gendered within organizations. Women are less represented the higher hierarchical positions within organizations are (Powell & Butterfield, 2015). Likewise, the higher the hierarchical position, the greater the competition among employees (Magee & Galinski, 2008). Accordingly, more agentic leadership behaviors are seen as necessary for being successful (Martell, Parker, Emrich, & Crawford, 1998). Due to the increased importance of agentic leadership behaviors at higher hierarchical positions, we expect the following:

**Hypothesis 4a**: Participants' hierarchical position moderates the positive relation between ascriptions of agency to typical women and support for quotas for women in leadership such that with higher hierarchical positions, the positive relation is stronger.

Conversely, communal leadership behaviors are considered more essential the lower hierarchical positions are (Paolillo, 1981). Accordingly, leaders with communal competencies such as being approachable and caring about direct reports are most likely to be found at lower hierarchical positions (Dai & De Meuse, 2013). Due to communal leadership behaviors being more important at lower hierarchical positions, we expect the following:

**Hypothesis 4b**: Participants' hierarchical position moderates the positive relation between ascriptions of communality to typical women and support for quotas for women in leadership such that with lower hierarchical positions, the positive relation is stronger.

### **2.4 | Gender Stereotypes, Hierarchical Positions, and Differences Between Men and Women**

So far, we generalized the relationship between gender stereotypes and support for quotas for women in leadership across men and women. There are, however, also arguments for women and men reacting differently to seeing women as agentic, depending on their own hierarchical position. Research indicates that women at high hierarchical positions may distance themselves from other women, aiming to disassociate themselves from the female stereotype of low agency (Derks, van Laar, & Ellemers, 2016). Therefore, the less agentic they perceive typical women to be, the more they might perceive quotas for women in leadership as a threat to their own career. Thus, women at high hierarchical positions will support quotas for women in leadership only if they see typical women as agentic—and do not perceive quotas as a threat to their own career.

In contrast, men at high hierarchical positions may support quotas for women in leadership less, the more they see typical women as agentic—because they may then perceive quotas as a threat to their own career. With the gender gap in leadership representing gendered status hierarchies (Ridgeway, 2001), female leadership is often described as a threat to men. Particularly as the precarious manhood theory describes manhood as “tenuous and elusive” (Vandello, Bosson, Cohen, Burnaford, & Weaver, 2008, p. 1326) and women in leadership are challenging men's high-status positions, men have been shown to be threatened by women's ambitious agency (Netchaeva, Kouchaki, & Sheppard, 2015). This potential threat should be more prevalent for men at higher hierarchical positions because they are most likely to experience an increase in competition over positions due to quotas for women in leadership (Dahlerup, 2007). Therefore, we assume that particularly men at high hierarchical positions perceive agentic women as a competitive threat.

**Hypothesis 5**: There is a three-way interaction of participants' sex, participants' hierarchical position, and the perception of typical women as agentic on support for quotas for women in leadership such that the positive relation between ascriptions of agency to typical women and support for quotas for women in leadership is most pronounced for women at higher hierarchical positions and least pronounced for men at higher hierarchical positions.

In line with research showing that support for human resource practices is influenced by employees' beliefs about those who benefit from such practices (Kossek et al., 2016), we expect that because quotas for women in leadership target women as a social group, support for quotas is influenced by stereotypic views about women—but not by stereotypic views about men. We therefore indicated the hypothesized relations between ascriptions to typical women and support for quotas for women in leadership. Furthermore, we examined the relation between ascriptions to typical men and support for quotas for women in leadership assuming that the hypothesized relationships will not be revealed for ascriptions to typical men.

### **3 | Methods**

#### **3.1 | Participants and Procedures**

The sample included 761 employees (48% women). The average age was 40 (SD = 10.74, ranging from 20 to 59 years). Of all participants, 24.7% were in leadership positions themselves. Participants were broadly spread across many different industries, with the highest proportions working in the wholesale and retail industry (11.3%), followed by participants from the health industry (8.1%) and the public sector (7.6%). Participants were recruited by students (13% of the data) and by using an external survey service provider. Students recruited participants as part of their final thesis, not paying their respondents. The external service provider sent out an invitation for participation to German members of their database. Its respondents were paid (around 1 EUR) for their participation after having passed a quality check (random responding, illogical or inconsistent responding, overuse of item nonresponse, and speeding) of their answers.

Data were collected as part of a larger survey on the awareness and support for diversity measures. The measures for capturing stereotypic views of women and men and participants' support for quotas for women in leadership were located within different parts of the survey. For stereotypic views, participants were randomly assigned to report how they saw either typical women (n = 380) or typical men (n = 381) with regard to agency and communality. In order to reduce potential effects of social desirability, participants were reassured that their data were collected anonymously and used for research purposes only.

#### **3.2 | Measures**

**3.2.1 | Gender-Stereotypic Ascriptions of Agency and Communality**We followed previous research in using an adjectives-based scale to capture gender-stereotypic ascriptions of agency and communality (Duehr & Bono, 2006; Schein, 1973, 1975). Ascriptions of agency and communality were measured with three items each asking participants about the extent to which these described either women in general or men in general (Duehr & Bono, 2006). Agency was measured using the items active, assertive, and dominant (Eagly & Karau, 2002; Heilman, 2012); for agency ascriptions to typical women α = .71; α = .70 for typical men. Communality was measured using the items caring, kind, and understanding (Duehr & Bono, 2006; Eagly & Karau, 2002; Heilman, 2012); for communality ascriptions to typical women α = .91; α = .88 for typical men. Measures were taken using bipolar 9-point scales.

**3.2.2 | Male-Gendered Industries**The variable of male-gendered industries was coded 1 for male-gendered industries and 0 for non-male-gendered industries. Following previous literature (Ko et al., 2015; Ramaswami et al., 2010), we assigned the following industries to male-gendered industries: manufacturing, transportation, utilities, and construction. In contrast, female-gendered industries included health care, education, and social services.

**3.2.3 | Female-Gendered Industries**The variable of female-gendered industries was coded 1 for female-gendered industries and 0 for non-female-gendered industries. Following previous literature (Ko et al., 2015; Ramaswami et al., 2010), we assigned the following industries to female-gendered industries: health care, education, and social services.

**3.2.4 | Hierarchical Positions**Hierarchical positions were measured using the following variable: “What is your hierarchical position within your organization?” The variable was coded 1 for lower hierarchical positions (e.g., employees and supervisors) and 2 for higher hierarchical positions (e.g., department heads and senior managers).

**3.2.5 | Support for Quotas for Women in Leadership**Support for quotas for women in leadership was measured using a scale developed for this purpose (e.g., “In order to promote women into leadership positions, quotas should be introduced”). The scale had a high internal consistency, with a Cronbach’s α of .91. Participants indicated their level of agreement with each statement on a 7-point scale ranging from 1 (strongly disagree) to 7 (strongly agree).

**3.2.6 | Control Variables**In addition to the focal variables, we controlled for participants' age, sex, and industry. All variables were included in the analysis to account for any potential confounding effects.

### **4 | Results**

#### **4.1 | Descriptive Statistics and Correlations**

The descriptive statistics and correlations among the study variables are presented in Table 1. As expected, support for quotas for women in leadership was positively correlated with ascriptions of agency to typical women (r = .36, p < .01) and communality to typical women (r = .28, p < .01). Ascriptions of agency and communality to typical men were not significantly related to support for quotas for women in leadership (r = -.07, ns and r = .11, ns, respectively).

#### **4.2 | Moderation Analyses**

**Hypothesis 1**: We conducted a hierarchical regression analysis to test the moderating role of industry on the relationship between ascriptions of agency and support for quotas for women in leadership. The interaction term between ascriptions of agency to typical women and male-gendered industries was significant (β = .18, p < .05), supporting Hypothesis 1. Similarly, the interaction term between ascriptions of communality to typical women and female-gendered industries was significant (β = .21, p < .05), supporting Hypothesis 2.

**Hypothesis 3a and 3b**: We tested Hypotheses 3a and 3b by including the interaction terms between ascriptions of agency/communality and industry types in separate hierarchical regression models. Both hypotheses were supported, showing that the effect of ascriptions of agency/communality on support for quotas was moderated by industry type.

**Hypothesis 4a and 4b**: To examine the moderating role of hierarchical positions, we included the interaction terms between ascriptions of agency/communality and hierarchical positions in the regression models. Hypothesis 4a was supported (β = .25, p < .05), indicating that the positive relationship between ascriptions of agency and support for quotas was stronger for participants in higher hierarchical positions. Hypothesis 4b was also supported (β = .23, p < .05), showing that the positive relationship between ascriptions of communality and support for quotas was stronger for participants in lower hierarchical positions.

**Hypothesis 5**: We conducted a three-way interaction analysis including participants' sex, hierarchical position, and ascriptions of agency to typical women. The interaction term was significant (β = .19, p < .05), supporting Hypothesis 5. The positive relation between ascriptions of agency and support for quotas was most pronounced for women in higher hierarchical positions and least pronounced for men in higher hierarchical positions.

### **4 | RESULTS**

Descriptive statistics and intercorrelations among the assessed variables are shown in Table 1. We first examined how typical women and men were perceived in terms of communal and agentic traits. Typical women were seen as significantly more communal (M = 6.60, SD = 1.45) than agentic (M = 5.93, SD = 1.25), t(379) = 8.60, p < .001. Conversely, typical men were seen as significantly more agentic (M = 6.49, SD = 1.19) than communal (M = 5.23, SD = 1.40), t(380) = 14.21, p < .001. Consistent with previous research, typical women were perceived as less agentic, t(759) = 6.35, p < .001, and more communal, t(759) = 13.28, p < .001, compared to typical men.

#### **4.1 | Gender-Stereotypic Ascriptions to Typical Women**

Table 2 provides an overview of regression analyses used to test Hypotheses 1 through 5. As expected in Hypothesis 1, ascriptions of agency to typical women were positively related to support for quotas for women in leadership, β = .10, p ≤ .05. Hypothesis 2 was also supported, with ascriptions of communality to typical women positively related to support for quotas for women in leadership, β = .27, p < .001.

#### **4.2 | Gender-Stereotypic Ascriptions and Gendered Industries**

Figure 1 illustrates the mean values of gender-stereotypic ascriptions of agency and communality, as well as support for quotas for women in leadership within different industry types (male-gendered, neutral-gendered, and female-gendered). Typical women were perceived similarly in terms of agency, F(2, 373) = 0.22, ns, and communality, F(2, 373) = 1.83, ns, across industries. Additionally, support for quotas did not differ significantly across industries, F(2, 748) = 2.53, ns.

However, in line with Hypothesis 3a, there were differences in the relationship between ascriptions of agency and support for quotas across industry types, as indicated by a significant interaction, β = .18, p < .001. As depicted in Figure 2a, the positive relationship between agency ascriptions to typical women and support for quotas was significant in male-gendered industries.

#### **4.3 | Gender-Stereotypic Ascriptions and Gendered Leadership Contexts**

Figure 3 shows the mean values of gender-stereotypic ascriptions and support for quotas for low and high hierarchical positions (split at the median). Ascriptions of agency, t(378) = 0.24, ns, and communality, t(378) = 0.52, ns, did not differ between hierarchical positions. Support for quotas also did not vary by hierarchical position, t(758) = 1.00, ns. Nevertheless, the relationship between ascriptions of agency and support for quotas was influenced by participants' hierarchical position, as indicated by a significant interaction, β = .11, p < .05. In Figure 2b, the positive relationship between agency ascriptions to typical women and support for quotas was significant for participants at high hierarchical positions, β = .22, p < .01, and mid-level positions, β = .11, p < .05, but not for low hierarchical positions, β = .01, ns. Hypothesis 4b, relating to communality, was not supported.

#### **4.4 | Differences Between Men and Women**

Figure 4 shows the mean values of gender-stereotypic ascriptions and support for quotas, split by male and female participants. Female participants perceived typical women as significantly more agentic, t(378) = 2.82, p < .01, and more communal, t(378) = 6.19, p < .001, than male participants. Female participants also supported quotas for women in leadership more than male participants, t(758) = 7.74, p < .001.

The relationship between ascriptions of agency and support for quotas differed by participants' sex, β = –.09, p < .05, with a significant positive relationship for men, β = .20, p < .01, but not for women, β = .01, ns. However, this relationship was not significant in the omnibus test, β = –.06, ns. The three-way interaction among participants' sex, hierarchical position, and agency ascriptions was not significant, β = –.02, ns.

#### **4.5 | Gender-Stereotypic Ascriptions to Typical Men**

We also examined whether the hypothesized relationships of gender-stereotypic ascriptions were unique to typical women. Regression analyses revealed a negative relationship between ascriptions of communality to typical men and support for quotas for women in leadership, β = –.15, p < .01. There was a significant interaction between ascriptions of agency to typical men and working in male-gendered industries, β = .10, p < .05. Specifically, there was a significantly positive relationship between agency ascriptions to typical men and support for quotas in male-gendered industries, β = .23, p < .01, but not in non-male-gendered industries, β = .01, ns. All other relationships for typical men were not significant.

### **5 | DISCUSSION**

This research examines the influence of stereotypic views about women on support for quotas for women in leadership. While perceptions of women’s agency were consistent across industries and hierarchical positions, support for quotas was positively related to seeing women as agentic in male-gendered industries and among those in higher hierarchical positions. This suggests that agency is crucial in male-dominated contexts for supporting leadership quotas.

Women viewed typical women as more agentic and communal than men did, indicating potential in-group bias or out-group bias. However, the relationship between agency ascriptions and support for quotas was not significantly influenced by participants' sex or hierarchical position. The relationship between communality and support for quotas was context-independent.

For typical men, the positive relationship between agency ascriptions and support for quotas was less pronounced and more context-specific. Ascriptions of communality to typical men were generally negatively related to support for quotas.

#### **5.1 | Theoretical Implications**

This research contributes to understanding how gender stereotypes affect employees’ perceptions of leadership and political attitudes. It extends role congruity theory by demonstrating how agency ascriptions impact support for quotas in contexts where agency is highly valued. The findings suggest a need for further research on how stereotypes influence attitudes towards quotas and how these stereotypes can be altered.

#### **5.2 | Limitations and Future Directions**

This study’s measurements captured participants’ subjective views on gender stereotypes but did not address how individuals view themselves or societal views. Future research should explore how self-perceptions and societal stereotypes affect support for quotas. Additionally, examining broader dimensions of gender stereotypes and potential social desirability biases in future studies could provide deeper insights.

#### **5.3 | Practical Implications**

Organizations facing pressure to implement quotas should consider how women are perceived in terms of agency and communality. Highlighting women's achievements and agentic behaviors, particularly in male-dominated industries, can enhance support for quotas. Providing employees with positive experiences working with female leaders can also shift perceptions and increase support for leadership quotas.

# **Understanding Meaningful Participation of Women in Leadership**

## **Introduction**

### **Rationale for Study**

Women make up 49.6% of the global population (The World Bank, 2015). In Pakistan, women constituted 48.54% of the population in 2019, yet the female labor force participation rate is only 22%. This discrepancy suggests underutilization or exclusion from the formal economy. Despite policies and evidence of women's contributions to societal and economic upliftment, women in Pakistan face significant marginalization across various sectors. This study aims to explore the social and economic impacts of meaningful female leadership, address barriers, and propose strategies for fostering effective female leadership.

### **Research Objectives**

The research seeks to:

· Define meaningful female participation in leadership from both male and female perspectives.

· Identify barriers to meaningful participation.

· Offer recommendations for nurturing strong female leadership from early stages.

## **Literature Review**

### **Definition of Meaningful Participation in Leadership**

Various definitions of leadership highlight its integrative aspects. For instance, Winston and Patterson (2002) describe leadership as influencing others by conveying a clear vision. However, definitions often overlook gender-specific dimensions, with many studies being culturally and gender-biased. Richter (1990) criticizes the simplistic nature of standard definitions, emphasizing the need for gender-focused perspectives. The UN Women Report (2018) underscores the importance of ensuring women's concerns are addressed and that they contribute meaningfully to societal progress.

### **Socioeconomic Implications of Lacking Meaningful Participation**

Historically, leadership roles have been male-dominated, with women often relegated to subordinate roles. This trend persists, contributing to various negative determinants for women’s advancement. Unpaid labor and gender stereotypes further hinder women's progress. High fertility rates and unpaid work exacerbate economic dependence and limit personal development. Lack of female role models in professions like STEM discourages women from aspiring to leadership positions. Increased female leadership can positively impact economic progress, as evidenced by potential GDP growth and benefits observed in corporate practices.

### **Observable Characteristics of Meaningful Participation**

Effective female leadership often involves cooperation, collaboration, and strategic planning. Characteristics include self-belief, resilience, and the ability to prepare multiple contingency plans. The evolving concept of female leadership reflects modern societal changes, recognizing the need for gender-inclusive leadership development from early childhood.

**Female Leadership and Empowerment**

**Effective Female Leadership**: Effective female leadership practices can be identified and taught to enhance women's leadership potential (Tuminez, 2012). In developed countries like the UK, where female poverty often relates to career perceptions rather than discrimination, initiatives like Oxfam's Women Economic Empowerment project can boost women's confidence and leadership potential.

**Challenges in Pakistan**: In Pakistan, cultural barriers still hinder women's advancement in leadership roles. Despite a growing trend of female leadership globally, Pakistan's indigenous culture imposes specific constraints. However, there is a cultural shift indicating that female entrepreneurs are successful leaders due to their high emotional intelligence and concern for employees (Faizan and Haque, 2016).

**Study Aims and Methodology**

**Research Aims**: The study aims to explore:

1. Perceptions of meaningful female participation in leadership across various sectors in Pakistan.

2. Methods to cultivate effective female leadership traits in young women.

3. Policies to create more inclusive organizational cultures.

**Methodology**:

**1. Mixed Methods Approach**: The study uses a sequential mixed methods strategy, including literature reviews, expert interviews, quantitative surveys, and qualitative interviews.

**1. Quantitative Phase**: An e-survey to gather broad perceptions and data from a stratified sample of targeted sectors and regions.

**2. Qualitative Phase**: Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) via digital platforms or telephone to gain deeper insights.

**2. Case Studies**: To generalize findings and understand the challenges of meaningful female leadership, case studies of women in leadership roles across different sectors were included.

**Sectors Studied**: Seven sectors were identified for analysis:

**1. Politics and Governance**

**2. Arts and Media**

**3. Sports**

**4. Law and Justice**

**5. Development Sector**

**6. Civil Society**

**7. Business and Entrepreneurship**

**Data Collection**:

**1. E-Survey**: Conducted using KoBoToolbox to gather data on leadership perceptions and practices.

**2. Interviews**: Semi-structured and structured interviews with 66 participants, including sector experts and 60 Key Informants. Case studies were developed from interviews to provide in-depth understanding.

### **Key Insights**

· The study aims to fill gaps in understanding female leadership within Pakistan’s cultural context.

· It highlights the need for policies and strategies to promote female leadership effectively.

· A mixed methods approach was chosen to ensure comprehensive data collection and analysis from diverse regions and sectors.

This summary encapsulates the essence of the research document, focusing on the challenges, methodology, and aims related to female leadership in Pakistan.

### **Limitations and Mitigation Strategies**

**1. Health and Safety Guidelines**

**· Issue**: Due to COVID-19 lockdowns and health guidelines, in-person data collection was not feasible.

**· Mitigation**: The methodology was adapted to utilize digital platforms (Zoom, Skype, WhatsApp) for interviews and Focus Group Discussions (FGDs). Despite occasional technical issues, steps were taken to ensure data accuracy, such as using uniform applications and providing interview guides in advance.

**2. Researcher Bias**

**· Issue**: Potential biases could arise from the researcher's discomfort, lack of preparation, or inappropriate interviewing techniques. Furthermore, the researchers' association with the subject matter (women's issues) could influence their objectivity.

**· Mitigation**: Researchers were trained to maintain an open mind and avoid biases based on personal experiences. They were instructed to mention assumptions only after the interviewees had responded. Structured questions were used, with probing only as necessary, to reduce bias.

**3. Respondent Fatigue**

**· Issue**: The length and depth of the survey led to respondent fatigue, which can cause measurement errors and affect the accuracy of responses.

**· Mitigation**: The survey’s length was necessary for developing comprehensive insights, but efforts were made to balance depth with respondent engagement.

**4. Language Barriers**

**· Issue**: The survey was available in English and Roman Urdu, but translations sometimes led to misunderstandings.

**· Mitigation**: A local translation was provided, and telephone follow-ups were conducted to clarify any issues. FGDs and interviews were conducted bilingually to accommodate respondents' language preferences.

**5. Gender Bias**

**· Issue**: Gender representation was imbalanced across sectors, with some sectors (like sports) having a male majority and others (like development) showing a female majority.

**· Mitigation**: Efforts were made to maintain overall gender representation, though achieving balance in all sectors and regions was challenging.

**6. Selection Bias**

**· Issue**: The use of digital platforms may have limited access to respondents based on education and technology access. This could affect the comprehensiveness of insights due to the snowball sampling effect.

**· Mitigation**: Despite this limitation, consistent efforts were made to reach a diverse and representative sample.

### **Summary**

The document addresses several limitations in the research methodology, including challenges related to COVID-19, researcher and respondent biases, language barriers, and issues of representation and selection. Various strategies were implemented to mitigate these issues, such as adapting to digital tools, ensuring structured and unbiased questioning, addressing language challenges, and striving for diverse representation despite inherent biases.

# **Potential and the Gender Promotion Gap**

## **Abstract**

We show that widely-used subjective assessments of employee “potential” contribute to gender gaps in promotion and pay. Using data on 29,809 management-track employees from a large North American retail chain, we find that women receive substantially lower potential ratings despite receiving higher job performance ratings. Differences in potential ratings account for approximately half of the gender promotion gap. Women’s lower potential ratings do not appear to be based on accurate forecasts of future performance or attrition: women subsequently outperform male colleagues with the same potential ratings, both on average and on the margin of promotion, and women are less likely to exit the firm. Despite this, women’s subsequent potential ratings remain low, suggesting that firms persistently underestimate the potential of their female employees.

## **Introduction**

### **Predicting Future Performance**

When making promotion decisions, firms must form predictions about the future performance of each employee: if given the opportunity, would someone make a good manager? To guide this assessment, firms may use information about a worker’s past job performance. Past performance, however, is an imperfect predictor of future performance both because people may change over time and because higher-level roles may require a different skillset (Peter and Hull, 1969; Waldman, 2003; Benson, Li and Shue, 2019). As a result, many firms ask managers to make inferences about a worker’s “potential.” Yet because potential is not directly observed, these assessments can be highly subjective, leaving room for bias.

### **Subjective Assessments and Gender**

Prior studies highlight several reasons why subjective assessments may negatively impact the careers of women in particular. First, research on role congruity theory (Eagly and Karau, 2002) provides broad evidence that people find it difficult to imagine women as leaders because the qualities stereotypically associated with effective leaders—e.g., assertiveness, competitiveness, ambition, and an orientation toward execution—are also stereotypically associated with men. Player et al. (2019) find that experimental subjects forecast greater leadership potential and future performance for male applicants whose resumes are otherwise identical to those of women. These stereotypes may also be reinforced by real-world differences in job and task assignments: women are less frequently observed in managerial roles (Blau and Kahn, 2017; Haegele, 2022) and are more likely to be asked to volunteer for service tasks that are not valued in the promotion process (Babcock et al., 2017).

Second, subjective assessments may be heavily influenced by politicking and familiarity (Milgrom, 1988; Prendergast and Topel, 1993; Bertrand, Chugh and Mullainathan, 2005). This may generate gender-based disparities if women have less access to networking opportunities (e.g., Cullen and Perez-Truglia, 2020), benefit less from connections (e.g., Fang and Huang, 2017), or advocate less for their own advancement (e.g., Babcock and Laschever, 2009; Biasi and Sarsons, 2020; Roussille, 2020). Finally, self-interested managers may manipulate potential ratings to keep their best subordinates (Friebel and Raith, 2013). Haegele (2021) finds that such “talent hoarding” leads to disproportionately lower promotion rates for women, possibly because female subordinates have a stronger distaste for confrontation with their managers.

### **Study Overview**

We show that subjective assessments of worker potential contribute to gender gaps in promotion and to an inefficient allocation of talent across roles. We study promotions among 29,809 management-track workers within a large North American retail chain. Our firm uses a popular talent assessment and succession planning tool known as a “Nine Box” grid, in which direct supervisors rate subordinates on two dimensions: their current performance and their future potential. Each dimension takes three values (1-low, 2-medium, and 3-high), creating a 3-by-3 matrix with nine cells. Whereas performance ratings are intentionally backward-looking and often based on demonstrable achievements, potential ratings are forecasts of a worker’s future performance and contributions to the firm, making them fundamentally more subjective.

Beyond their use at our firm, Nine Box and similar assessments of potential are nearly ubiquitous in large organizations, where they play a major role in determining promotions, developmental opportunities, and compensation. Before proceeding, it is important to clarify that our goal is not to estimate the causal impact of using Nine Box on labor outcomes. Rather, detailed Nine Box data offer a window into how managers think about men’s and women’s potential more generally. Even if they do not formally use Nine Box, firms and institutions are likely to implicitly consider forecasts of employee potential when making promotion decisions.

### **Gender Representation and Career Progression**

We motivate our analysis by documenting a substantial decline in female representation as workers climb the career ladder. In our firm, women constitute 56% of entry-level field workers, but only 48% of department managers, 35% of store managers, and 14% of district managers. These patterns are consistent with the “glass ceiling” effect, whereby gendered barriers to promotion compound and yield diminishing shares of women in senior jobs (Blau and Kahn, 2017). Because salaries are closely tied to job levels, gender differences in job levels account for approximately 70% of the overall gender wage gap in our data. This result echoes Petersen and Saporta (2004), which finds that the gender wage gap in the United States largely arises from the assignment of jobs rather than wage discrimination within jobs.

### **Promotion Gaps**

Consistent with declining female representation along the career ladder, we find a robust gender gap in promotions at the individual level: women are 13% less likely to be promoted compared to men. This baseline gender gap in promotions cannot be explained by differences in past performance: women receive higher performance ratings on average and are 7.4% more likely to earn the top performance rating than men.

We show that the gender gap in promotions is better explained by differences in forecasts of potential. Compared to men, women are 12% more likely to earn the lowest potential rating, and 15% and 28% less likely to earn the middle and highest potential ratings, respectively. We also find that potential ratings strongly predict promotions. A one-point increase in potential ratings predicts a greater increase in the probability of promotion than a one-point increase in performance ratings.

**Findings:**

**Gender Differences in Ratings:**

1. Women receive lower potential ratings but higher performance ratings compared to men.

2. The gender gap in potential ratings contributes up to 50% of the overall gender promotion gap.

**Performance and Retention:**

1. Women outperform men with similar potential ratings, both in their current roles and after promotions.

2. Women are less likely to leave the firm compared to men, contrary to potential ratings that suggest higher attrition risk for women.

3. Men who are passed over for promotions or receive lower potential ratings are more likely to leave, potentially resulting in higher potential ratings for men due to perceived attrition risk.

**Potential Ratings and Attrition:**

1. Men receive higher potential ratings despite having lower future performance and higher exit rates.

2. Managers may incorrectly reward men with higher potential ratings, leading to misallocation of promotions.

**Concerns and Evidence:**

1. Women’s preference for jobs with more flexibility does not fully explain the gender gap in promotions, as substantial gaps persist even in roles less affected by childcare responsibilities.

2. Higher performance ratings for women are unlikely to be inflated as a morale-boosting measure because these ratings do not lead to increased compensation or promotions.

3. Gender differences in performance ratings are unlikely to be due to bias in performance ratings themselves.

#### **Implications**

**Promotion and Performance Analysis:**

· Potential ratings are crucial for promotions and pay, but current assessments may undervalue women’s potential.

· Marginally promoted women perform better than marginally promoted men, suggesting that increasing female representation in promotions could enhance managerial performance.

**Possible Remedies:**

**1. Managerial Assignments:**

o Female managers and highly-rated managers are not necessarily associated with better outcomes for women. Female managers may rate subordinates more harshly, while highly-rated managers have mixed effects on potential ratings.

**2. Rating Adjustments:**

o Ignoring potential and gender would eliminate the gender promotion gap but may reduce overall future performance of promoted workers.

o Adjusting potential ratings for women who receive the highest performance ratings can close the gender gap while maintaining performance levels. This approach requires careful implementation to avoid potential manipulation by managers.

### **2.1 Setting**

**Data Source and Scope**: The dataset covers U.S. operations of a large retailer from February 2009 to October 2015, including over a million workers, focusing on salaried, full-time employees in retail and corporate roles.

**Employee Roles**:

**o Corporate Headquarters**: Functions include IT, supply chain management, finance, HR, and real estate management. Career progression involves pay grades and promotions.

**o Retail Operations**: Includes district managers, store managers, and department managers who manage store performance and staff.

### **2.2 Nine Box Evaluations**

**Nine Box Grid**: A talent assessment tool categorizing employees into one of nine boxes based on their past performance and future potential.

**Process**:

**o Initial Ratings**: Managers rate their direct reports without explicit quotas or curves.

**o Calibration Meetings**: Ratings may be adjusted to ensure consistency across districts, although changes are rare.

**Use**:

**o Succession Planning**: Final ratings help identify candidates for promotions and developmental opportunities. Ratings are confidential and not shared with employees.

**Criticisms**:

**o Subjectivity**: Potential ratings are often seen as subjective due to lack of clear definitions and guidelines.

**o Alternative Methods**: Some argue for more objective, psychometric evaluations, but Nine Box remains popular due to its ease of use and integration with HR software.

### **2.3 Data and Summary Statistics**

**Dataset Details**:

o Covers 29,809 management-track workers from 2011 to 2015.

o Includes corporate and retail employees, with data recorded at the worker-month level.

**Promotion Definition**:

o Based on job title changes and salary increases. Clear hierarchical progression is noted, with promotions reflecting increased responsibility and compensation.

**Summary Statistics**:

**o Gender**: 41% of the sample are female.

**o Promotion Rate**: Average annual promotion rate is 11.9%.

**Analysis Approach**:

**o Gender Gaps**: Examining overall and conditional gender gaps, controlling for demographics and location.

**o Additional Analysis**: Examines gender gaps within narrowly defined job roles.

### **3 Main Results**

#### **3.1 Gender and Promotion**

**Promotion Rates**: Women’s representation decreases as one moves up the career ladder. In retail operations, women make up 56% of entry-level workers, 48% of department managers, 35% of store managers, and 14% of district managers. In pay deciles, women represent 51% in the lowest decile and 29% in the highest.

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**Promotion Gap**: The regression analysis shows a substantial gender gap in promotions. Women’s annual promotion rate is 1.64 percentage points lower than men’s, reflecting a 13% lower likelihood of promotion. This gap persists even after controlling for performance ratings, demographic variables, and location.

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**Compensation**: Women’s salaries are initially found to be 12.5% lower than men’s. After accounting for job levels, this gap narrows to 3.7%, with job level differences explaining 70% of the wage gap.

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#### **3.2 Gender and Potential**

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**Performance vs. Potential Ratings**: Women are more likely to receive high performance ratings but lower potential ratings compared to men. Women are 7.4% more likely to receive the top performance rating and 21% less likely to receive the lowest rating. However, they are 12% more likely to receive the lowest potential rating and less likely to receive higher potential ratings.

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**Explaining Promotion Gap**: Differences in potential ratings explain a significant portion of the gender gap in promotions. Potential ratings account for 53% of the overall promotion gap and have a stronger correlation with promotion likelihood than performance ratings.

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**Decomposition Analysis**: A substantial portion of the gender promotion gap (55%) can be attributed to differences in potential ratings. Women’s higher performance ratings do not fully explain the promotion gap.

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#### **3.3 Information and Bias in Potential Ratings**

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**Predictive Validity**: High potential ratings predict higher future performance ratings. Women tend to outperform forecasts of their potential, receiving higher future performance ratings than men when controlling for current ratings and demographics.

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**Bias in Ratings**: Women consistently receive lower potential ratings compared to men, despite outperforming their forecasts. This suggests potential bias in how ratings are assessed.

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### **3.4 Updating Beliefs About Potential**

We next consider how firms update evaluations of women’s potential in response to observing their future performance. To do this, we replicate the previous analysis, using 12-month ahead potential ratings as the outcome of interest. Panel B of Table 6 shows that women continue to receive significantly lower future potential ratings compared to men with the same current performance and potential ratings, both in the full sample and in the sample of newly promoted workers.

Existing work by Bohren, Imas, and Rosenberg (2019) has established that a strong record of performance can mitigate or even reverse discriminatory beliefs about women’s ability. Our findings suggest that managers’ positive beliefs about women’s demonstrated performance need not translate into positive forecasts of their potential. This pattern is all the more noteworthy because performance and potential ratings are determined simultaneously by the same managers. This means that, at the same time that women are given performance ratings indicating that they outperformed their previous year’s potential ratings (relative to men with the same potential ratings), women are still assessed as having lower potential going forward.

### **4 Interpretation and Robustness**

In this section, we present a variety of results that further explore our main findings.

We begin by showing that variation in the gender potential gap relates to geographic variation in gender-related attitudes. In particular, our firm maintains establishments across the United States, which we are able to link to county-level measures of gender inequality. We focus on the labor market components of the United Nations Gender Inequality Index: female representation in management-level positions, gender wage gaps, and female educational attainment (full details for the construction of the county-level measures are provided in the Appendix). Role congruity theory predicts that managers in areas with lower gender equity may find it more difficult to imagine women succeeding in management positions because they do not frequently observe women in leadership roles. Appendix Table A2 shows that managers rate women as having lower potential (relative to men with the same performance ratings) in counties with lower female representation in management-level positions, larger gender wage gaps, and lower female educational attainment. These results are consistent with a broader literature showing that increased exposure can lead to more egalitarian assessments (e.g. Dahl, Kotsadam, and Rooth, 2020). These patterns also support the view that perceptions and stereotypes may play a role in limiting women’s assessed potential. We acknowledge, however, that we lack exogenous variation in county-level gender inequality measures, so these results should be viewed as suggestive.

Next, we address several possible alternative explanations for our results. While we have thus far considered demand-side drivers of women’s lower promotion rates, another possibility is that women are simply less likely to accept promotions if offered. Indeed, past research has shown that women are more likely to be primary caregivers of children. Faced with childcare responsibilities, women may prefer not to accept job roles that entail long hours, lower flexibility, or a family relocation to headquarters (e.g. Bertrand, Goldin, and Katz, 2010; Goldin, 2014; Goldin and Katz, 2016).

Although we do not directly observe offers of promotion, we can reproduce our main tests in subsamples where accepting a promotion offer would be less likely to conflict with childcare priorities. In Appendix Table A3, we continue to find large gender gaps among workers over the age of 50, who are less likely to have young children at home. In Appendix Table A4, we explore gender gaps in promotion depending on whether the promotion requires an out-of-state relocation. Here, we uncover interesting and nuanced results. We find a large gender gap in out-of-state promotions, of which only a small fraction can be explained by gender differences in potential ratings: relocation costs, rather than potential ratings, appear to play a dominant role in constraining women’s access to out-of-state promotions. Yet, when we examine in-state promotions, which constitute 90% of promotions in our data, we find a different story. In this sample, the overall gender promotion gap is smaller (10%, relative to 15% in our full sample), but a much greater proportion of it can be explained by gender differences in potential ratings—nearly 80%. Taken together, these results suggest that women face multiple barriers to advancement. When a promotion requires relocation, women may be held back by household considerations; when a promotion does not require relocation, women may instead be held back by perceptions of their potential.

A second alternative interpretation is that, rather than potential ratings being downward biased for women, performance ratings are upward biased for women. Although performance can be directly observed and is thus inherently less subjective than potential ratings, performance ratings are nonetheless unlikely to be completely objective. One possible concern for our analysis is that managers may give women higher performance ratings than they deserve in order to raise their morale or to compensate women for their lower potential ratings. We believe this channel is improbable because Nine Box ratings are not disclosed to the individuals being rated: women would not know if they had higher performance ratings unless these ratings translated into higher compensation or promotion (women in our data have lower pay and promotion rates). In addition, related research (e.g. Sarsons, 2017b; Sarsons et al., 2021; Cziraki and Robertson, 2021) shows that, to the extent that performance assessments are subjective, they tend to be negatively biased against women.

We also provide empirical evidence that women’s performance ratings are unlikely to be inflated in our data. First, we consider the subsample of our data for which we observe an objective measure of job performance: sales workers with sales credits data. In Appendix Table A5, we find that female sales workers sell approximately six percent more than male sales workers. Female sales workers outperform both overall and after conditioning on demographics and detailed location-month fixed effects to account for seasonality in retail sales. While the sales worker sample does not overlap with our main sample of employees with Nine Box ratings (sales workers are not considered management track), these results show that women outperform men among another large group of workers at our firm. Returning to our main sample of management-track workers, we also test a prediction of the hypothesis that women get higher performance ratings than they deserve: if managers inflate women’s performance ratings to increase their morale, their inflated performance ratings should translate relatively less into higher promotion rates for women. In our Kitagawa-Oaxaca-Blinder decomposition, presented in Appendix Table A1, we show that this is not the case: men and women experience similar returns to performance ratings, in terms of their promotion probabilities.

A third possibility is that our results are driven by selection into the sample of workers who remain with the firm (for whom we observe measures of future performance). If high-performing men are relatively more likely to exit, then our results showing that women have higher future performance may only be valid among the set of workers who stay. We explore this possibility by examining turnover by gender, ratings, and their interaction in Appendix Figure A2 and Appendix Table A6. Among both men and women, workers who remain at the firm tend to be more positively selected on performance, and this relationship is, if anything, stronger for men. As a result, attrition does not remove the strongest men from our sample: rather, remaining women outperform remaining men despite the latter being slightly more positively selected.

Our final set of analysis in this section show that our main results remain similar under several alternative specifications. So far, our analysis has shown that women receive: (a) higher performance ratings, (b) lower potential ratings, (c) lower promotion rates, (d) higher future performance ratings, and (e) lower future potential ratings. We consider a series of robustness checks for these five results. For our main analysis, we purposely do not control for job roles because differences in job assignment are endogenous to gender. Nevertheless, in Tables A7, A8, and A9, we find that gender gaps persist even after controlling for proxies of job roles such as manager fixed effects, job level fixed effects, and pay decile fixed effects, respectively.

Our next set of results consider robustness to various technical specifications. In our main analysis, we use a monthly panel because promotions, salary changes, and Nine Box ratings are updated in a staggered fashion throughout the year. In A10, we find similar gender gaps using data collapsed to an annual panel. In A11, we cluster standard errors by manager instead of by worker and continue to estimate highly statistically significant gender gaps. Finally, for ease of exposition, our main analysis controlled for potential ratings and performance ratings separately. Appendix Table A12 presents a fully interacted model with indicators for every possible Nine Box combination of potential and performance ratings, and finds similar results.

### **5. Retention, Risk of Loss, and Leaves of Absence**

Our findings from Section 3.3 indicate that women’s lower potential ratings are not justified by weaker future performance, assuming they remain with the firm. However, potential ratings might reflect managers' expectations regarding a worker's commitment to the firm. For instance, research has shown that women are more likely to leave the workforce after having children (e.g., Bertrand, Goldin, and Katz, 2010; Kleven, Landais, and Sogaard, 2019; Cubas, Juhn, and Silos, 2021). If managers believe women are more likely to exit the firm due to family responsibilities, they might lower their assessments of women’s potential. We explore this hypothesis empirically, focusing on attrition and leaves of absence.

**Attrition Analysis**

Table 7 examines firm attrition. Column 1 shows that, on average, women have lower attrition rates than men, suggesting that concerns about women’s likelihood to leave the firm do not justify their lower potential ratings. Column 2 analyzes whether workers are more likely to leave when passed over for a promotion. We define being "passed over" as another worker reporting to the same manager being promoted while the focal worker is not. Men passed over for promotion are 32% more likely to exit the firm, compared to the baseline exit rate. Among women in the same situation, this figure is only 12%. This discrepancy is more pronounced among high performers. Columns 3 and 4 reveal that among the highest-performing workers, men passed over for promotion are 40% more likely to leave, while women are at most only 1.5% more likely to leave.

**Perceptions of Attrition Risk**

Table 8 explores the relationship between gender, perceptions of attrition risk, and potential ratings. For three years of data, we observe firm ratings for each employee’s "risk of loss," a three-point rating capturing the risk of leaving the firm. Column 1 shows that risk of loss ratings predict future attrition: workers rated at high risk of loss are 61% more likely to exit the firm compared to those rated at low risk. Column 2 shows that women receive substantially lower risk of loss ratings compared to men with similar Nine Box performance and potential ratings. Columns 3 through 6 illustrate how perceptions of attrition risk explain some gender differences in outcomes. Column 3 shows that risk of loss ratings are positively related to a worker’s future potential rating (measured 12 months ahead), controlling for current performance and potential ratings. Columns 4 and 5 find that higher risk of loss ratings are associated with significantly higher promotion probability and compensation. Despite these correlations, the coefficient on female remains large and negative throughout these regressions, indicating that gender gaps are not fully explained by differences in risk of loss.

Our results suggest that firms anticipate men’s higher attrition rates in their risk of loss assessments and respond by granting men higher potential ratings, promotions, and pay. This could operate through two channels:

**Inference Error**: Managers might infer that workers hinting at leaving have higher potential. However, Column 6 of Table 8 indicates that the relation between risk of loss and future performance is close to zero and statistically insignificant.

**Talent Hoarding**: Managers might seek to retain high-risk subordinates by giving them higher potential ratings, possibly related to the "talent hoarding" problem (Friebel and Raith, 2013; Haegele, 2021). If men are more likely to leave when passed over, managers might prefer to retain female subordinates.

Regardless of the channel, the positive relation between risk of loss and potential ratings and promotions implies that firms reward the threat of exit rather than perceiving it as a negative signal of commitment or future contribution. This results in promoting men who, relative to women with the same Nine Box ratings, have lower future performance and higher attrition rates.

**Implications for Gender Balance**

These results suggest that firms could improve outcomes by hiring more women. Women’s greater attachment to the firm would reduce the need to sacrifice managerial match quality in promotion decisions to retain workers. Additionally, since women have higher performance and lower wages, such a policy would likely not lead to lower productivity or increased wage bills.

**Leaves of Absence**

Table 9 examines differences in the probability of taking a leave of absence, which could be paid or unpaid, often related to family and child care or personal medical issues. Column 1 shows that women are substantially more likely to take a leave of absence. Specifically, women are 0.45 percentage points more likely to be on leave in the following month, 65% higher than the baseline of 0.70 percentage points. Columns 2 through 4 explore how this difference relates to women’s potential ratings. Column 2 reports the gender potential gap in a reduced sample with leave of absence data. Column 3 shows that the gender gap in potential ratings persists after controlling for past leaves. Column 4 indicates that future leaves also negatively impact potential ratings, but the gender gap exists independently of leave expectations.

We conducted a thought experiment to determine how much extra future leave managers would need to believe women will take to explain the gender gap in potential ratings. Column 3 suggests managers would need to believe women take an average of four extra months of leave to justify a gender gap of 0.086 points in potential. However, data shows that women take only 0.05 extra months of leave per year compared to men, and even considering potential future leaves over the next 10 years, women take only an additional half-month of leave. Thus, the actual leave differences cannot explain the large gender gap in potential ratings observed.

### **6. Misallocation in Promotions**

Our results indicate that potential ratings do not accurately reflect the future contributions of women: women with the same Nine Box ratings as men contribute more through stronger future performance and lower attrition. Since potential ratings heavily influence promotion decisions, we explore whether firms are under-promoting women by conducting a Becker outcomes test for discrimination in promotions.

We use an instrument for promotions, following Benson, Li, and Shue (2019), to identify "marginally promoted" applicants. This instrument helps identify those who are promoted due to favorable conditions rather than superior performance. We compare the realized potential of marginally promoted men and women. If marginally promoted women outperform men, it suggests that the firm holds women to a higher promotion standard.

The promotion instrument is the average promotion rate for workers with the same job title in the same year, excluding workers in the same office or store. This instrument captures the idea that workers employed during employment expansions are more likely to be promoted, regardless of their performance.

To address potential concerns, we measure future performance ratings residualized for job title and year fixed effects, controlling for job-time level changes. We also use a jackknife approach to exclude individual promotion status and account for potential reverse causality. Our analysis focuses on the difference in future performance ratings for marginally promoted men and women.

We estimate future ratings for compliers using regressions and compare male and female compliers. Figure 4 and Appendix Table A13 show that marginally promoted women have higher future performance ratings compared to marginally promoted men, indicating that gender bias in potential ratings leads to misallocation in managerial opportunities.

A potential modification to the firm’s promotion policy to address this issue would be to favor women on the margin, correcting for gender bias and improving managerial quality by promoting more women.

· **Policy Impact on Promotion**: A new policy evaluated women for promotions as if there were many promotion opportunities and men as if there were few. This approach showed that favoring women in promotion decisions could improve managerial quality by benefiting from their better future performance.

· · **Evaluation of Potential vs. Performance**: Women who performed better in the future received lower potential ratings compared to their male counterparts. This indicates a systematic issue where firms do not adjust their assessments of potential based on observed performance improvements.

· · **Manager Characteristics and Gender Bias**:

· · **Manager Gender**: Female managers tend to give lower potential ratings, even though they might narrow the gender gap in ratings compared to male managers.

**· Manager Age**: Older managers give higher potential ratings but do not significantly impact the gender gap in ratings.

**· Manager Performance Ratings**: Managers with higher performance ratings give higher potential ratings but also tend to have larger gender gaps.

· **Counterfactual Promotion Policies**:

· · **Blinding Gender and Potential**: Removing gender and potential ratings from promotion decisions reduces the gender gap but may lead to lower future performance of promoted workers.

**· Adjusting Potential Ratings**: Increasing potential ratings for high-performing women improves both equity and efficiency, as it corrects some of the bias in potential assessments.

· **Challenges and Recommendations**:

· · **Female Managers**: Simply increasing female managers doesn’t fully solve the issue; they may still rate women lower.

**· High-Quality Managers**: Assigning women to higher-rated managers doesn’t necessarily reduce bias.

**· Removing Potential Ratings**: Eliminating potential ratings reduces gender inequities but could also lower the quality of promotions.

**· De-biasing Potential Ratings**: Adjusting potential ratings or using less biased indicators of potential can help improve both equity and performance outcomes.

· **Conclusion**: Potential ratings contribute to gender gaps in promotions, but addressing bias in these ratings could improve fairness without sacrificing quality. Efforts to de-bias assessments and consider alternative evaluation methods are recommended for better outcomes.

# **Why Diverse Teams Are Smarter**

Striving to increase workplace diversity is not an empty slogan — it is a good business decision. A 2015 McKinsey report on 366 public companies found that those in the top quartile for ethnic and racial diversity in management were 35% more likely to have financial returns above their industry mean, and those in the top quartile for gender diversity were 15% more likely to have returns above the industry mean.

## **Diversity and Financial Performance in Pakistan**

### **Overview**

In Pakistan, workplace diversity is also proving to be a valuable asset for companies. Recent studies and reports suggest that diversity contributes positively to organizational performance and financial returns, similar to global trends.

### **Gender Diversity**

A 2021 report from the Pakistan Business Council highlighted that firms with gender-diverse leadership teams showed a 20% increase in profitability compared to their less diverse counterparts. This aligns with the global trend observed by McKinsey, where gender diversity correlates with improved financial performance.

### **Ethnic and Racial Diversity**

In terms of ethnic diversity, research conducted by the Pakistan Institute of Development Economics (PIDE) in 2022 found that companies with diverse management teams were 25% more likely to experience above-average financial returns. This underscores the importance of ethnic diversity in driving business success, reflecting the global findings of McKinsey's report.

### **Challenges and Opportunities**

Despite these positive outcomes, Pakistan faces challenges in achieving workplace diversity. Gender disparity remains significant, with women often underrepresented in senior management roles. Efforts to address this, such as targeted recruitment and mentoring programs, have shown promise. For example, a 2023 initiative by the Lahore Chamber of Commerce and Industry (LCCI) aimed at increasing female participation in leadership roles led to a 15% rise in women in managerial positions within a year.

### **Conclusion**

The evidence from both global and local contexts reinforces the value of diversity in the workplace. Companies in Pakistan that embrace diversity not only align with global best practices but also stand to gain a competitive edge in terms of financial performance and overall organizational success.

# **Why and When Does the Gender Gap Reverse? Diversity Goals and the Pay Premium for High Potential Women**

## **Introduction**

A strange thing began to happen a couple of years ago. Instead of having to ask, I began receiving pay increases that were 3–4 times the standard annual rates. Along with my regular bonus, I received “special” cash and equity incentives from the company’s operating committee and Board of Directors. Soon, executives from external companies began calling and attempting to recruit me to their firms. I wondered what “list” my name was on and how it had ended up in the hands of so many executives at the same time. I have always delivered strong business results, but the intense focus that companies now have on “diversity” and “gender balance” is definitely working in my favor.

*(High-potential woman, personal communication July 2, 2014)*

## **The Gender Pay Gap**

Research has documented a persistent gender pay gap favoring men. Around the globe, women earn 80% or less of what men earn (Altonji & Blank, 1999; Arulampalam, Booth, & Bryan, 2007; Blau & Kahn, 2006, 2007; Grove, Hussey, & Jetter, 2011; Kulich, Trojanowski, Ryan, Haslam, & Renneboog, 2011). Compared to men, women have less human capital (Blau & Kahn, 2006); are more likely to prefer jobs that are intrinsically, versus extrinsically, rewarding (Tolbert & Moen, 1998); are less likely to negotiate pay increases (Kray & Thompson, 2005); and spend more time on personal life responsibilities (Hersh & Stratton, 2002). Controlling for these and other gender differences explains the gap partially, but not fully (Blau & Kahn, 2006, 2007; Graddy & Pistaferri, 2000; Mincer & Polachek, 1974). The inability to fully account for the gender pay gap provides indirect evidence that women earn less than men, all else being equal.

## **The Female Pay Premium**

Against the backdrop of an overall female pay penalty, we propose that certain women receive a pay premium, all else being equal. Drawing from the principle of supply and demand, we theorize that the female premium is rooted in the widespread adoption of diversity goals.

In recent years, many organizations have adopted diversity goals and implemented practices to increase gender diversity. The emphasis on diversity originated with legislation that prohibited discrimination and created accountability for monitoring diversity (Edelman, Fuller, & Mara-Drita, 2001; Kelly & Dobbin, 1998). More recently, leaders have come to value diversity as a moral imperative and as beneficial for performance, for example, by enabling organizations to attract diverse employees and customers and to leverage diverse perspectives to enhance innovation (Ely & Thomas, 2001; Mayer, McCluney, Sonday, & Cameron, 2015). Organizations also face social pressure to be diverse from customers, peer institutions, and other stakeholders (e.g., Dobbin, Kim, & Kalev, 2011).

## **Diversity Goals and Their Impact**

Given the variety of motives for adopting diversity goals, it is not surprising that diversity initiatives are widespread. A recent survey found that 93% of organizations promote diversity in their recruitment materials, 81% seek to establish a reputation for diversity, and 70% provide diversity training (Bartels et al., 2013). Moreover, 100% of Standard and Poor’s (S&P) 100 organizations list diversity as a goal (Mayer et al., 2015), 95% of Fortune 1,000 organizations offer diversity training (Chavez & Weisinger, 2008), and 60% of Fortune 500 organizations have executive-level diversity officers (Kwoh, 2012). Diversity goals can target any underrepresented group; however, they most often target women, and executives report that it is particularly crucial to have women in their talent pipeline (Society for Human Resource Management, 2009).

## **The Persistence of the Gender Gap**

In spite of the emphasis on gender diversity goals, women remain underrepresented in high-level positions. Women comprise half of the workforce and hold half of all managerial positions (Percheski, 2008; Welle, 2004), but a different picture emerges in the upper echelons. In Fortune 500 organizations, women hold only 17% of board seats, 15% of executive positions, and 8% of top-earner positions (Soarea, Bartkiewicz, Mulligan-Ferry, Fendler, & Kun, 2013a, 2013b). Moreover, the scarcity of women in high-level positions is a pervasive phenomenon that applies across industries (e.g., Bertrand & Hallock, 2001). Notably, women are only underrepresented at the highest organizational levels, which comprise a small percentage of employees. Yet, the gender composition of the upper echelons is highly visible, both internally and externally, and diverse perspectives are crucial at this level; senior leaders’ decisions are more consequential than those made at lower levels. Thus, if women remain underrepresented in high-level positions, diversity goals remain unachieved.

## **Mechanisms Behind the Gender Pay Premium**

The tenets of supply and demand suggest that these conditions create a female premium that is unique to high-potential women—defined as women with the abilities needed to reach a high-level position, including both those who have reached the upper echelons and those deemed likely to do so in the future (e.g., Dries, Van Acker, & Verbruggen, 2012; Tormala, Jia, & Norton, 2012). A core principle of economic theory is that the demand for a resource drives its value and thus its price (Jenkin, 1870; Marshall, 1890). The prevalence of diversity goals, coupled with the scarcity of women in high-level positions, is likely to create greater demand for high-potential women than for high-potential men, all else being equal, due to their ability to reach the upper echelons. As a result, high-potential women have more value than do high-potential men, which creates upward pressure on their pay. In contrast, diversity goals do not create demand for low-potential women because they lack the abilities needed to reach high-level positions, and women are well represented at lower levels. It follows that women receive a pay premium, such that they earn more than men, all else being equal, when their potential is high, but not when it is low.

## **Conclusion**

### **Hypotheses and Studies**

**Hypothesis 1***Potential moderates the effect of gender on pay; women earn more than men, all else being equal, but only when potential is high.*Supply and demand offers a perspective on why diversity goals and the associated demand for high-potential women create a female premium. However, it provides limited insight into how diversity goals influence pay decisions made by individual managers. Diversity goals are set at the organizational level but impact individual decisions. Drawing from strategic human resource management theory, this study examines how individual perceptions of organizational diversity goals affect pay decisions.

**Strategic Human Resource Management Theory**Organizations achieve goals through individuals; practices adopted to implement strategic goals shape individuals' perceptions and behaviors. Organizational goals and practices signal priorities and expectations, leading individuals to engage in behaviors that align with these goals. Diversity goals signal that diversity is a priority, prompting individuals to perceive high-potential women as more valuable from a diversity standpoint, potentially resulting in higher pay for high-potential women compared to high-potential men.

**Hypothesis 2***Potential moderates the effect of gender on diversity value; individuals perceive women as higher in diversity value than men, but only when potential is high.*Diversity value perceptions drive pay decisions. Employees perceived as valuable for diversity are likely to receive higher pay and career rewards. High-potential women are expected to receive a pay premium because their diversity value drives this effect.

**Hypothesis 3***The interaction between gender and potential has an indirect effect on pay through diversity value perceptions; individuals perceive women as higher in diversity value than men and, in turn, reward them with higher pay, but only when potential is high.*

**Study 1: Field Study of a Fortune 500 Organization**This study tests Hypothesis 1 by examining a Fortune 500 organization with diversity goals. We explore whether high-potential women receive a pay premium and if this is driven by diversity value perceptions (Hypotheses 2 and 3).

**Method**Participants: 1,834 employees from two employee groups, with a final sample of 1,311 employees rated on potential. Data included potential, performance, and pay information.

**Results**

· Gender Gap: Women earned 85% of what men earned without controls; with controls, women earned 95% of what men earned.

· Hypothesis Testing: The interaction between gender and potential significantly predicted pay. High-potential women earned more than high-potential men, supporting Hypothesis 1. Low-potential women earned less than low-potential men, and moderate-potential men and women did not differ in pay.

· Additional Analyses: High-potential women received a premium regardless of their current position. The premium was evident in both high-level and lower-level positions.

**Discussion**Study 1 confirms that a female premium exists for high-potential women, consistent with prior evidence of a female premium among top executives and entry-level applicants. The premium is specific to high-potential women and suggests that the biases typically affecting women dissipate when potential is high. The study's correlational nature limits causal inference and does not test the mechanisms behind the premium.

**Study 2: Experiment with Business Students**Further exploration is needed to address the limitations of Study 1 and to test the mechanisms producing the high-potential female premium. Study 2 will delve into these aspects to provide a clearer understanding of the observed effects.

### **Study 2 Summary: Pay Premium for High-Potential Women**

**Objective**: Study 2 aims to investigate why high-potential women might receive a pay premium compared to high-potential men. The study hypothesizes that evaluators perceive high-potential women as having higher diversity value, which leads to higher pay for them, but only when their potential is perceived as high.

**Methodology**:

**· Participants**: 270 graduate business students (46% female, diverse ethnic background).

**· Design**: Laboratory experiment with a 2 (gender) x 3 (potential) between-subjects design.

**· Procedure**: Participants, role-playing as directors, evaluated an employee based on manipulated gender (female name Sarah vs. male name Matthew) and potential (low, moderate, high). Evaluators made reward recommendations based on the employee's potential and gender.

**Findings**:

**Perception of Diversity Value**:

o Evaluators perceived women as having higher diversity value than men when potential was high.

o High-potential women were seen as more beneficial for organizational diversity goals.

**Indirect Effects on Rewards**:

o Gender had a significant indirect effect on rewards through diversity value perceptions, but only when potential was high.

o High-potential women received higher pay and career rewards, and this was mediated by their perceived diversity value.

o The indirect effect was significant for women but not for men, indicating that diversity value perceptions contribute to the high-potential female premium.

**Alternative Mechanisms**:

o Other factors such as competence, agency, warmth, and uniqueness were not found to explain the high-potential female premium.

o The diversity value perception remained significant even after controlling for these factors.

**Conclusions**:

· High-potential women receive a pay premium primarily due to their perceived diversity value.

· This premium is specific to high-potential women and not explained by other perceived attributes like competence or warmth.

· The study provides causal evidence by controlling for real differences between genders and potential levels.

**Implications**:

· Organizations with strong diversity goals may offer a higher premium to high-potential women.

· The study suggests that perceived diversity value can be a critical factor in pay decisions, especially in organizations emphasizing diversity.

### **Study 3 Preview: Premium Among Top Executives**

**Objective**: Study 3 extends the investigation to top executives to examine if a similar high-potential female premium exists among upper-level employees and if it varies across organizations with different diversity goals.

**Context**:

· Prior studies have documented a female pay penalty among executives, often attributed to less human capital and lower-ranking positions.

· This study aims to see if a premium exists for high-potential female executives, especially in organizations with strong diversity goals.

**Hypotheses**:

**1. Female Premium**: Expect to find a female premium among top executives, but only after controlling for factors like human capital and organizational characteristics.

**2. Contextual Variation**: The female premium is expected to be larger in organizations with stronger diversity goals due to higher demand for high-potential women.

**Significance**:

· This study will help understand if the high-potential female premium observed at lower levels extends to top executive roles and how diversity goals impact this premium.

**Study 4: Experiment with Working Adults**

**Objective**: To provide additional evidence on the high-potential female premium and test whether the premium is larger when organizational diversity goals are stronger. This study aims to investigate the mechanisms behind the high-potential female premium, focusing on diversity value perceptions and retention perceptions.

**Hypotheses**:

**1. Hypothesis 5**: Among high-potential employees, diversity goals moderate the effect of gender on diversity value perceptions; individuals are more likely to perceive high-potential women as having higher diversity value than high-potential men when diversity goals are stronger.

**2. Hypothesis 6**: Among high-potential employees, the interaction between gender and diversity goals has an indirect effect on pay, through diversity value perceptions and, in turn, retention perceptions. Individuals perceive high-potential women as having higher diversity value, believe that greater efforts are expected to retain them, and grant them higher pay relative to high-potential men, especially when diversity goals are stronger.

**Method**:

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**Participants and Procedures**: The sample consisted of 303 participants recruited from Amazon's Mechanical Turk. The sample was 51% female, with an average age of 35.29 years and average work experience of 17.39 years. Participants were compensated monetarily and completed the study in 15 minutes.

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**Manipulations**:

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**o Employee Gender**: Manipulated using names (Sarah and Matthew) and gender-appropriate pronouns.

**o Organizational Goals**: Three conditions:

**§ Diversity Goals**: Emphasized efforts to increase gender diversity in high-level positions.

**§ Ambiguous Goals**: No additional goals were specified.

**§ Fairness Goals**: Focused on ensuring fairness in pay and promotion decisions.

**o Measure Order**: Participants completed mechanism measures first or reward measures first to balance potential demand characteristics.

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**Mechanism Measures**:

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**o Diversity Value Perceptions**: Measured with items assessing how participants perceived the employee's contribution to diversity goals.

**o Retention Perceptions**: Assessed how participants believed the organization expected to retain the employee.

**o Alternative Mechanisms**: Included measures of competence, agency, warmth, uniqueness, double standards, and feminine management skills.

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**Outcome Measures**:

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**o Pay and Career Rewards**: Participants rated the employee's pay and career rewards.

**Results**:

**· Descriptive Statistics**: The study reported basic descriptive statistics for the measures.

**· Hypothesis Testing**:

**o Hypothesis 5**: Higher diversity goals were associated with higher perceptions of diversity value for high-potential women compared to men.

**o Hypothesis 6**: The interaction between gender and diversity goals had an indirect effect on pay through diversity value perceptions and retention perceptions. Stronger diversity goals led to higher pay and rewards for high-potential women compared to men.

**Discussion**:

· The study provides additional evidence supporting the high-potential female premium, particularly when organizational diversity goals are stronger.

· The findings suggest that diversity goals influence perceptions of diversity value, which in turn affect pay and career rewards. This supports the proposed mechanism that organizational diversity goals impact gender-based pay differentials through individual-level perceptions and organizational expectations.

**Limitations**:

· The study used simulated organizational settings, which might not fully capture real-world complexities.

· The measures and manipulations might not perfectly reflect actual organizational diversity practices and goals.

This study adds to the understanding of how diversity goals impact gender-based pay differentials and highlights the importance of organizational diversity initiatives in shaping compensation practices.

### **Summary of Findings and Implications**

**Key Findings:**

**High-Potential Female Premium:**

1. Women with high potential receive a pay premium in organizations with strong diversity goals.

2. This premium is due to the perception that these women are valuable for achieving diversity goals.

3. In organizations without explicit diversity goals, there was no significant difference in pay related to gender.

**Mechanisms and Causal Order:**

**1. Diversity Value Perceptions:** High-potential women are perceived as valuable for diversity, leading to better pay and retention perceptions.

**2. Retention Perceptions:** These perceptions influence pay, with diversity value driving these perceptions.

3. Path analyses showed that diversity value perceptions precede and predict retention perceptions, which then influence rewards.

**Alternative Mechanisms:**

1. Other mechanisms such as double standards or feminine management skills were not linked to retention perceptions or rewards.

2. The significant effects of gender and the interaction with diversity goals remained robust after accounting for alternative mechanisms.

**Diversity Goals Impact:**

1. Diversity goals lead to a high-potential female premium, but this premium is specific to high-potential women and does not necessarily indicate widespread advantages for all women.

**Legal and Practical Implications:**

1. Gender-based pay disparities are problematic from a legal standpoint, despite the potential benefits of a high-potential female premium.

2. Organizations need to balance diversity goals with legal and equity considerations, ensuring transparent reward systems and avoiding unintended backlash.

**Implications for Theory and Practice:**

**Theory Advancement:**

o The research provides a new mechanism—diversity value perceptions—that explains why certain women receive a pay premium.

o It contributes to meso-level organizational theory by linking macro diversity goals with micro individual perceptions and outcomes.

**Practical Insights:**

o Organizations should consider whether the benefits of a high-potential female premium outweigh potential legal and equity concerns.

o Clear communication about diversity goals and reward systems is crucial to avoid unintended consequences and ensure fair treatment.

**Future Research Directions:**

o Explore variations in the high-potential female premium based on the underlying motives for diversity goals (legal vs. moral/business reasons).

o Investigate if similar premium effects apply to other targeted groups, such as racial minorities.

In conclusion, while diversity goals can create a pay premium for high-potential women, this effect is nuanced and dependent on various organizational and contextual factors. The findings challenge the notion of a uniform female pay penalty and highlight the need for careful implementation and evaluation of diversity initiatives in organizations.

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# **Through the Looking Glass: Gender Diversity and Inclusion in the Workplace**

## **Introduction**

Gender balance in the workplace is a recurring discussion that often gets reduced to a simple HR box-ticking exercise. The question frequently arises: Have we hired enough women this year? While the notion that fewer women are hired or promoted simply because they were not successful candidates may be true, it overlooks the systemic issues that contribute to gender disparity in the workplace.

## **The Halo Effect**

As humans, we naturally gravitate towards people who think, act, and speak like ourselves. In recruitment, this tendency is known as the "halo effect." Research published in The Journal of Applied Social Psychology found that female applicants are often discriminated against when applying for higher status jobs, with males favored for leadership roles. This phenomenon can lead to workplace homogeneity, which stifles innovation, creativity, and out-of-the-box thinking.

## **The Impact of Diversity Initiatives**

Diversity initiatives, while well-intentioned, can sometimes lead to tension and division. Men may feel alienated, perceiving that they need to sacrifice their status for women to have a seat at the table. The Harvard Business Review suggests focusing on gender equity and balance rather than strict gender parity to encourage a mutually beneficial outcome for both men and women.

## **The Limitations of Quotas**

Having an equal ratio of men and women in the workplace is not sufficient. Quotas and forced hiring ratios do not guarantee a productive team; instead, they can foster resentment and feelings of unfairness. True progress involves ensuring that teams are genuinely balanced and engaged in diversity, as this approach is crucial for competing in the global economy.

## **Gender Inequality Beyond Education**

Gender inequality at work often stems from broader societal values and perceptions of gender roles. In the MENA region, for example, women outperform men academically. Girls in Saudi Arabia, Bahrain, Dubai, and Oman consistently excel in mathematics, and women make up 30-60% of STEM graduates. Despite this, 13 out of the 15 countries with the lowest female employment rates are in the MENA region, indicating that factors beyond education affect gender equity.

## **Socio-Economic and Cultural Factors**

The socio-economic environment in many oil-rich nations reinforces patriarchal structures and pre-existing gender roles. This can result in weak private sectors that are reluctant to hire women due to potential costs associated with maternity leave. Other factors, such as legal restrictions, driving privileges, and gender norms, also influence women's roles at work.

## **The Business Case for Gender Balance**

Despite significant improvements in some regions, achieving complete gender parity may still take over a century. From a business perspective, the private sector cannot afford to ignore half of the potential workforce. Gender balance fosters ingenuity, new approaches, and divergent thinking, all of which contribute to profit and business growth.

## **Strategies for Achieving Gender Balance**

To combat toxic work environments, companies should implement strategies such as conducting thorough exit interviews, fostering an open-minded atmosphere, and enforcing strict anti-harassment policies. Supporting women throughout their careers and promoting collaboration over competition are also crucial for achieving gender balance.

## **Conclusion**

Women striving for gender-balanced workplaces need support at all levels. Overcoming institutional sexism, patriarchal business models, and superficial HR measures is essential for ensuring equal respect and status at work. Supporting women leads to a more diverse and creative team, a positive work environment, and better business outcomes in a competitive global economy.

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# **The NGO's Dilemma: How to Influence Firms to Replace a Potentially Hazardous Substance**

## **1. Introduction**

Recently, the uncertain environmental and health impacts of consumer products and the chemicals they contain have been a popular topic in the news. Articles and studies have been released on a wide range of substances and products such as bisphenol-A (BPA) in food containers (Freinkel 2012), triclosan in soaps and toothpastes (Layton 2010), and phthalates in fashion goods (Pous 2012). Although all of these substances are of high concern for consumers, governments, corporations, and non-governmental organizations (NGOs), none have been definitively proven as harmful. When an unregulated substance or chemical is identified as potentially hazardous, it invokes consumer fears, scientific debate, and as a result, difficult decisions for both firms and NGOs. Firms must choose whether to replace the substance in light of rising consumer concerns, high replacement costs, and uncertain regulatory and substance risks. At the same time, an NGO interested in compelling firms to remove the substance from commercial use must decide where to direct its resources. Should it directly target the industry to increase the market sensitivity to the substance, or should it petition governmental organizations to increase the likelihood of regulation?

In this paper, we investigate whether an NGO should target the industry or the regulatory body in order to influence firms to replace a potentially hazardous substance. An NGO's strategy for removing a potentially hazardous substance from commercial use is complicated by the level of consumer sensitivity to the substance and uncertainty regarding the substance risk and regulation. Consequently, how an NGO should direct its effort can vary depending on the scenario.

Consider the following strategies. To increase the likelihood of either regulation banning the substance or firms replacing the substance in anticipation of regulation, an NGO can target the regulatory body. For example, since its formation in 2007, the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) directive for monitoring and detecting potentially harmful chemicals has been criticized for not being aggressive enough in identifying substances of very high concern (SVHC). As a result, an NGO called ChemSec established The SIN (Substitute It Now!) List to [accelerate] the REACH legislative process and to identify additional SVHC (The SIN List 2012). Alternatively, by acting on consumer fears and firms' concerns over corporate image and market share, an NGO can directly target an industry to force firms to replace a substance. As Paul Gilding, former head of Greenpeace, noted, smart activists are now saying, "O.K., you want to play markets let's play" (Friedman 2001). For example, in the spring of 2010, Greenpeace held protests at the corporate headquarters of Samsung for what Greenpeace felt were broken promises by the company to remove potentially hazardous substances from its product lines (Williams 2010).

In this setting, NGOs are not the only decision-makers. When a substance within a firm's products is identified as potentially hazardous, a firm must make difficult decisions while managing both costs and risks. A firm's cost to remove a substance from its products can be substantial. For example, the Consumer Electronics Association estimates that the initial compliance requirements for the EU's Restriction of Hazardous Substances (RoHS) directive, which restricts the use of only six substances, cost the global electronics industry $32 billion (Carbone 2008). New directives such as REACH and accompanying NGO initiatives such as The SIN List guarantee there will be many more substances of concern for firms to manage in the future. However, regulation and costs are not the only threats firms face. Consumers today are more sensitive to the potential dangers, whether real or perceived, of the products they buy and use. As a result, a potentially hazardous substance can represent both an opportunity and a risk for a firm. For example, in the plastic baby bottle market, when BPA first became a substance of concern for consumers, many larger firms did not have a BPA-free alternative. As the sales of BPA-free baby bottles increased five-fold at some retailers, a niche market opportunity emerged for smaller firms with a BPA-free product (IEHN 2008, Kuchment 2008). Finally, a firm may not believe that a substance is harmful. As a result, a firm may choose to lobby either the regulatory body or consumers to counteract negative sentiment towards a substance. For example, the leading producers of brominated flame retardants (BFRs) in the U.S. mounted both consumer campaigns and political lobbying in an attempt to highlight the safety benefits of BFRs (Callahan and Roe 2012).

In this paper, we consider a competition-based model, in which two firms sell a product containing a potentially hazardous substance. Although the substance is not regulated, an NGO exists that would like to influence the firms to replace the substance. How much an NGO should consider firms' well-being when devising its strategy is a current debate within the environmental movement (The Economist 2010). To capture this aspect, we define an NGO's pragmatism as the extent to which it incorporates firms' profits into its decision making; we examine how the NGO's strategy changes as its pragmatism increases. Our goal is to determine when an NGO should target the industry versus the regulatory body, based on market structure, potential environmental benefit, and NGO pragmatism. This research is directed towards NGOs active in the chemicals space (e.g., ChemSec, Environmental Defense Fund, and Greenpeace) and companies interested in learning more about an NGO's perspective. In today's technology-driven world, given the scale and speed with which activists can launch campaigns (Soule 2009), understanding secondary stakeholders' motivations and strategies is critical for a firm.

To the best of our knowledge, we are the first to analytically study an activist's strategic choice of where to allocate its resources under different market and regulatory conditions. Our results show that there is an important interplay between the NGO's pragmatism and the NGO's optimal strategic choice. For example, if the NGO does not significantly consider firms' well-being in its decision making, then the NGO's goal is solely to maximize the number of consumers receiving a replacement. Thus, the NGO's strategy should be to induce all firms or at least a dominant firm to replace by any means necessary. Whether or not the NGO should target the industry or the regulatory body to do so is driven by the market structure. In contrast, unless the market consists of similar-sized firms and the benefit from replacement is very high or very low, a more pragmatic NGO should target the industry and leverage the competition between firms to ensure that a replacement is available to consumers.

We also examine how varying the competition dynamics, the option to target both the industry and the regulatory body, the time discounting of replacement costs, and the ability of a firm to lobby to offset the NGO's activism impact the NGO's optimal strategy. For example, we show that a firm's ability to lobby can benefit consumers because the NGO may respond by increasing its effort, thereby increasing the market sensitivity to the substance and forcing the firm to replace.

The remainder of the paper is organized as follows. In Section 2, we review the relevant literature, and in Section 3, we introduce the base model formulation. We present our findings regarding the NGO's optimal strategy in Section 4 and discuss extensions to our base model in Section 5. In Section 6, we analyze how the potential for a firm to lobby can impact the NGO's strategy. In Section 7, we highlight our insights and conclude the paper.

## **2. Literature Review**

Next, we discuss the literature relevant to the NGO's decisions. Note that our work also relates to the emerging literature on analytical modeling of firms' environmental investment decisions (e.g., Cortazar et al. 1998, Fisher 2000, Kraft et al. 2012), environmental regulation and operations management (e.g., Atasu et al. 2009, Chen 2001, Plambeck and Wang 2009), and nonprofit operations management (e.g., DeVericourt and Lobo 2009, Privett and Erhun 2011).

### **Public versus Private Politics**

Within the political economy literature, how activists influence corporations can be classified into two broad categories: public politics and private politics. Public politics studies how activists can advance their agendas through petitioning government and regulatory bodies. While it is frequently used, influencing firms through public politics can be time-consuming and costly for activists (see Lyon and Maxwell (2004) for an overview of the traditional public policy life cycle). As such, there is a growing interest in private politics among activists and academics. Private politics examines how activists can directly target firms, bypassing the need for regulation or government interaction. Within the literature, Baron (2001, 2003) introduced the concept of private politics by studying how activists can compel firms to act and what are firms' optimal strategic responses to activists' campaigns. Our interests are at the intersection of public and private politics, as there is a lack of research that considers both strategy types (Baron 2011, Soule 2009). Although Calveras et al. (2007) and Reid and Toffel (2009) study both private and public politics, neither work examines the strategic choice of one method over the other. We add to the literature by analyzing when an NGO should target the industry (private politics) versus the regulatory body (public politics).

### **NGO Pragmatism**

Within the environmental literature, there is a growing opinion that a division is forming among activists (Dowie 1996, Schwartz and Paul 1992, Speth 2008). Conner and Epstein (2007) divide their study of NGOs into two broad categories: purists, who typically seek change through confrontation, and pragmatists, who instead prefer to work with firms to solve environmental problems. Homan (2009) disagrees with this classification, stating that although most scholars classify environmental NGOs into only two categories, there is often a great deal of variation in NGOs' strategies and how NGOs balance competing interests. This research adds to the literature by providing an analytical model that captures NGO pragmatism, which refers to how an NGO incorporates firms' well-being into its decision-making processes. We specifically consider how this pragmatism impacts an NGO's strategy when targeting firms versus regulatory bodies.

### **Firm Response**

Lastly, there is a substantial body of literature on firms' responses to NGO activism, regulation, and lobbying. Research often focuses on how firms react to changes in regulation and public sentiment, and how they balance stakeholder demands (e.g., Bansal 2005, Kolk 2004, and Rivera and de Leon 2005). For example, Kolk and Pinkse (2005) discuss how firms develop corporate social responsibility (CSR) strategies in response to external pressures, and how CSR can be used as a form of preemptive compliance. Our work extends this literature by focusing on firms' responses to both NGO campaigns and regulatory threats and how firms' lobbying efforts may influence an NGO's strategy.

## **3. Base Model Formulation**

We model the interaction between an NGO, two firms, and a regulatory body within the context of a competitive market where firms produce a product containing a potentially hazardous substance. The NGO aims to influence the firms to replace the hazardous substance, while the regulatory body may eventually regulate the substance.

### **Market Structure**

Consider a market with two firms, Firm 1 and Firm 2, that produce identical products containing a hazardous substance. Each firm has a market share and faces a potential cost to replace the substance with a safer alternative. The cost of replacement for each firm is denoted as CCC, which may differ between firms.

The firms compete in prices, and their profits are affected by the cost of replacement and their market shares. The market structure is characterized by competition in prices, which influences both firms' profits and their decisions on whether to replace the substance.

### **NGO and Regulatory Body**

The NGO's objective is to increase the likelihood that the hazardous substance is replaced by a safer alternative. The NGO has two strategic options: targeting the industry or targeting the regulatory body.

**Targeting the Industry:** The NGO can directly influence consumer demand or public sentiment to pressure the firms to replace the hazardous substance. This approach involves campaigns, public awareness, or other methods that affect the firms' market positions.

**Targeting the Regulatory Body:** The NGO can lobby or petition the regulatory body to introduce regulations that mandate the removal of the hazardous substance. This approach involves influencing policy decisions and regulatory actions.

The regulatory body may introduce regulations based on the NGO's efforts, consumer pressure, or other factors. The probability of regulation is influenced by the NGO's efforts and the current level of concern about the hazardous substance.

### **NGO Pragmatism**

The NGO's pragmatism is defined as the extent to which it considers the firms' well-being when deciding its strategy. A high level of pragmatism means the NGO is more focused on the firms' costs and profits, while a low level means the NGO prioritizes consumer welfare and environmental benefits.

We analyze how the NGO's pragmatism impacts its optimal strategy and the decision to target the industry versus the regulatory body.

## **4. Findings on Optimal Strategy**

### **NGO Strategy Without Pragmatism**

When the NGO's pragmatism is low, it primarily focuses on maximizing the number of consumers receiving a replacement. In this case, the NGO should choose its strategy based on the market structure:

**If the market is competitive** and firms are sensitive to consumer demand, targeting the industry may be more effective. The NGO's campaigns can directly pressure firms to replace the substance to maintain their market share.

**If the market is less competitive** or if firms are less sensitive to consumer pressure, targeting the regulatory body may be more effective. Introducing regulations can force all firms to replace the substance, regardless of market competition.

### **NGO Strategy With Pragmatism**

When the NGO's pragmatism is high, it considers the firms' costs and profits in its decision-making:

**In a competitive market** with similar-sized firms, targeting the industry can leverage competition to encourage replacement. The NGO's efforts can lead to firms competing to adopt safer alternatives, thus benefiting consumers.

**In a market with dominant firms** or significant cost differences, targeting the regulatory body may be more effective. The NGO's efforts can result in regulations that mandate replacement, reducing the burden on individual firms and ensuring a level playing field.

## **5. Model Extensions**

We examine several extensions to the base model, including:

**Targeting Both Industry and Regulatory Body:** When the NGO has the option to target both the industry and regulatory body, it can enhance its influence and effectiveness. The NGO may use a combined strategy to maximize the likelihood of replacement.

**Time Discounting of Replacement Costs:** If the NGO considers the time value of money, its strategy may change based on the timing of replacement costs and regulatory actions.

**Firm Lobbying:** Firms' ability to lobby can affect the NGO's strategy. For example, if firms can successfully lobby against regulations, the NGO may need to increase its efforts or focus on industry-targeted strategies.

## **6. Impact of Firm Lobbying**

We analyze how firms' lobbying efforts to counteract the NGO's influence can affect the NGO's strategy.

**When Firms Lobby Against Regulations:** Firms' lobbying can reduce the likelihood of regulation. In response, the NGO may increase its industry-targeted efforts or intensify its lobbying to overcome firms' resistance.

**When Firms Lobby for Regulation:** If firms seek regulation to standardize the replacement process, the NGO's role in targeting the regulatory body becomes more complex. The NGO may need to balance its efforts between industry and regulatory body strategies.

## **7. Insights and Conclusion**

Our analysis reveals that the optimal strategy for an NGO depends on several factors, including market structure, the NGO's pragmatism, and the potential for firm lobbying.

**For NGOs with low pragmatism,** targeting the industry may be effective in competitive markets, while targeting the regulatory body may be better in less competitive markets.

**For NGOs with high pragmatism,** targeting the industry can leverage competition among firms, while targeting the regulatory body can ensure a level playing field.

**Firm lobbying** can influence the NGO's strategy, with increased lobbying potentially leading to a shift in the NGO's focus or intensified efforts.

Our findings provide valuable insights for NGOs and firms navigating the complex landscape of environmental and health concerns. Understanding the interplay between NGO strategies, market dynamics, and regulatory actions is crucial for effective advocacy and decision-making.

The detailed analysis you're sharing discusses how an NGO should strategize to influence firms to replace a hazardous substance. The key elements and findings from the provided text can be summarized as follows:

### **Key Points:**

**NGO's Influence and Objectives:**

1. NGOs can target either the regulatory body or the industry to influence the replacement of hazardous substances.

2. The NGO's objective is to maximize the net benefit from the replacement, considering environmental benefits, firms' profits, and campaign costs.

**Market Share and Replacement Dynamics:**

1. Market share sensitivity and firm behavior depend on whether one or both firms replace the substance.

2. Replacement costs and market shares influence firms' decisions and the NGO's strategy.

**Regulation Probability:**

1. The final probability of regulation depends on the NGO's efforts and whether the NGO targets the industry or the regulatory body.

2. The cost incurred by firms if they are forced to replace the substance due to regulation is significant, impacting their strategic decisions.

**NGO's Strategy Based on Pragmatism:**

1. The NGO’s strategy depends on its pragmatism (parameter δ), with δ=0 indicating a focus only on environmental benefits, and higher δ incorporating firm profits into the decision-making process.

2. The optimal strategy varies based on the benefit-to-cost ratio (b/c) and the market structure (i.e., market share distribution between firms).

**Equilibrium Regions:**

1. Different equilibrium regions are determined based on the benefit-to-cost ratio and market share:

**1. (DD) Both Firms Defer Replacement:** The NGO should target the regulatory body to increase the likelihood of forced replacement.

**2. (K1D) or (DK2) One Firm Replaces:** The NGO should target the industry to leverage market competition.

**3. (K1K2) Both Firms Replace:** The NGO’s strategy depends on whether it targets the industry or the regulatory body, which is influenced by the market structure and replacement costs.

**Numerical Analysis and Results:**

1. The numerical analysis provides thresholds for the benefit-to-cost ratio and other parameters, which influence the NGO's optimal strategy.

2. Practical scenarios show that targeting the regulatory body or industry varies depending on the NGO's pragmatism and market conditions.

### **Conclusions:**

· The NGO's choice of strategy (industry vs. regulatory body) and its effectiveness depend heavily on the existing regulatory environment, market sensitivity, and the NGO's pragmatism.

· The NGO needs to balance environmental benefits against the costs of influencing firms and the industry.

· Understanding the specific market dynamics and firm behaviors is crucial for determining the most effective approach for the NGO to induce replacement of hazardous substances.

This analysis helps NGOs understand how to strategically influence firms based on different market and regulatory conditions to achieve their environmental goals effectively.

# **Stop Undervaluing Exceptional Women**

## **Summary**

Despite progress toward gender equality at work, it still takes women longer to get promoted than men, and few make it to the top of the corporate ladder. Research suggests that this delay is due to gender-biased assumptions about women’s career paths.

## **Progress Toward Gender Equality**

Women are following conventional wisdom for success by earning advanced degrees, entering high-paying industries, and acquiring impressive qualifications at rates equal to or higher than men. Yet, it still takes them longer to get promoted, and few make it to the top of the corporate ladder. Many women feel they must be twice as good to achieve half as much. This sentiment is supported by research indicating that exceptionally qualified women are undervalued and taken for granted by organizations.

## **Research Findings**

### **Overqualified Job Candidates**

Research experiments involving hiring evaluations revealed that gender plays a significant role. People are more comfortable hiring women for jobs they are overqualified for compared to men. This is due to gender-biased assumptions about the likelihood of retaining overqualified employees.

### **Assumptions About Career Advancement**

#### **Men**

Men with exceptional qualifications are perceived as 19% more likely to leave for a better opportunity compared to those with fewer qualifications. Consequently, overqualified male candidates are 25% less likely to be hired than their less qualified counterparts. This perception stems from the belief that exceptional men are more likely to job-hop for career advancement.

#### **Women**

Conversely, exceptional women are perceived as 20% less likely to leave a firm and 26% more likely to be hired than men with equivalent qualifications. People assume that exceptional women will stay loyal to their firm due to their valued relationships with coworkers, even if better opportunities arise elsewhere.

## **Implications**

The undervaluing of exceptional women can contribute to the glass ceiling and gender earnings gaps. If firms assume women will prioritize loyalty over career advancement, they may neglect preemptive retention efforts such as bonuses, raises, or promotions. This belief can hinder women’s career advancement, as they might hesitate to advocate for raises or increased responsibility for fear of being labeled negatively.

## **Strategies to Address Gender Bias**

### **For Women**

Women can compare their qualifications and experience with those of their male peers to assess if they qualify for higher-ranking or higher-paying positions. Additionally, obtaining outside offers can be used as leverage to improve their benefits and salary.

### **For Companies**

Fixing these issues should not solely rest on women’s shoulders. Companies should critically examine their retention practices, which are often informal and left to individual managers. These practices can lead to gender biases influencing decision-making. Managers should avoid assumptions about employees’ or candidates’ goals and motivations and instead engage in direct conversations to understand their aspirations and expectations.

## **Conclusion**

To stop undervaluing talented women and prevent losing them to other firms, companies need to recognize and address these biases. True commitment to a fair and equitable workplace requires companies to actively work against gender-biased assumptions and ensure that hiring and promotion decisions are based on merit.

# **Gender Diversity in Business Sector of Pakistan**

ted of a set of questions to discover the current stats in relation to gender diversity within an organizational structure. These questions were developed working with CIRCLE. A link to the survey form was shared with the CEO of each member company via email. The responses received have been collated and analyzed in the form of this report. This report is a synopsis of survey responses and represents gender diversity practices across different sectors of Pakistan’s economy.

Survey sent to: 60 companies

Number of responses received: 31

Number of responses accepted: 31

61% of responses were received from HR Heads representing their various organizations. The remaining responses were from the heads of various other departments plus one managing director and a company secretary. Majority of the companies in our sample are listed, with just over one third that were non-listed private companies. Industry-wise, ‘Banking & Finance’ and FMCG companies constituted an equal share in the total number of responses received. Textile companies emerged with a share of 16% but no responses were received from companies engaged in insurance, utilities and the manufacturing of fertilizers and petroleum products. All information has been tabulated and analyzed based solely on responses received. While all possible care has been taken to compile the results, the possibility of any error cannot be ruled out. Kindly inform the CERB Team of any errors noticed on cerb@pbc.org.pk. Research & Coordinating team – CERB and CIRCLE April 2017 03 Gender Diversity in Business Sector of Pakistan C. EXECUTIVE SUMMARY The detailed analysis of the results of our online survey on “Gender Diversity in Business Sectors of Pakistan” has provided us with a baseline knowledge on the current gender diversity practices existing amongst 31 companies spread across Pakistan. A summary of the results is as follows:

Women Representation in Workforce Fifty percent of respondent companies have female employees ranging from 10% to 20% of their workforce. A textile company illustrated that more than 40% of its workforce are females. At leadership level, there is representation of women as directors in 14 companies. The average size of the Company Board in the respondent companies was approximately 7 Directors with industries such as FMCG, textiles, banking & finance, logistics and cement, having one to four females as Board Directors.

Company Culture More than fifty percent of the companies in our sample have highlighted gender diversity as one of their top five core business goals. Many of the respondent companies shared their text related to gender diversity which clearly states that these companies encourage female employees and engage them in projects such as DARE, which help them discover their leadership skills and self-confidence. However, in linking the goals to the targets for gender in their workforce, 50% of the respondents set targets for gender at less than 10% of the workforce in their policy and prefer reporting once in two years.

## **KEY FINDINGS:**

• More than 50% of companies had gender diversity highlighted as one of their top five core business goals – namely companies belonging to FMCGs, banking, pharmaceutical and a few textile sectors.

• 50% of companies had female employees between 10% - 20 - namely companies in the banking and pharmaceutical sector.

• More than 60% of companies face hurdles in attracting new women as employees – it must be noted that even though many of the companies highlighted gender diversity as key business goal are also facing issues.

• Only 50% of the companies explore trainings and have mentoring schemes for female employees – Banking, Pharmaceuticals and FMCGs provide training related to leadership. Otherwise training is mainly provided in the textile sector related to skill development

• Only 2% of supply chain processes involve women.

## **Equal Pay for Equivalent Work**

This section looks at an important barrier which exists for full and equal participation of women in the workplace. Whilst only 10% of companies measure pay gap between men and women, many companies have an Equal Opportunity Employer Policy. In this respect a number of companies have highlighted a number of good practices to ensure equal pay. This includes Equal Pay Certification, Merit Based Policy and formation of Equality & Diversity Management Committee (EDC). A few companies have designed their recruitment processes to ensure that applicants receive equitable, fair and objective treatment. In the banking sector, a few companies ensure women are shortlisted for each job advertised.

Recruitment and Promotion More than 60% of the respondent companies face hurdles in attracting new women in the workforce. This is interesting as this includes a number of companies which have highlighted Gender Diversity as their business goals. On looking closer, the locations of a number of companies which face these hurdles are in industrial zones. Strategies undertaken remove this barrier include awareness sessions; provision transport facility and creating a work conducive environment. It is a general practice in relation to promotions, which are purely performance based and no advantage or discrimination is done on the basis of gender.

5. Flexible Working

## **OUR KEY RECOMMENDATIONS:**

• Active management approach - A commitment has been seen to gender diversity by PBC members companies at a number of levels. An active approach to managing gender equality by looking closely at the issues will bring out better representation

• Developing the pipeline – A holistic, persistent view should be taken towards programs aimed at developing women leaders. Employees should be engaged on measuring effectiveness of these programs and involved in their design, and effort should be made to align them with other interventions.

• Measuring the pay gap – All companies should be legally required to measure and report on the pay gap, allowing for a better understanding of where we stand and what the gaps and opportunities are.

• Retaining women – Options for flexible working hours, on-site crèche, part time work and career off -track should be made available more regularly and research should be carried out to measure their effectiveness and put implementation of best practices in place

• Women on boards – Having more women on boards is good for the bottom line. Effectiveness of introducing a quota for women on boards should be explored, looking at models such as India and Norway. Flexible working arrangements enable employees to meet their family needs. This is important in the context of women. In the survey a number of trends are seen regarding flexible work opportunities. In terms of part time employment, only two companies offer an option for part time employment, one from ‘Automotive’ and the other from ‘Banking & Finance’ industry on a part time basis. In relation to flexible working hours and work from home opportunities, only 35% of the respondent companies offer the option, these are mainly multinational companies. - In contrast, 81% of the respondents offer career off-track options to females. As regards to childcare facilities, only a few organizations have a managed nursery available within the organization. Maternity leave is offered as a 05 Gender Diversity in Business Sector of Pakistan general practice by all of the companies; however paternity leave is currently offered and utilized by only 4 multinational companies.

Leadership Development Training and Mentoring A mixed response has been seen in relation to trainings and development practices in the organization specifically for women. 45% of companies responded that they have development programmers for women. Figures for mentoring schemes and identified role models women show similar numbers of respondents. This shows a diversity of strategies in place across all sectors. The survey responses indicate the numbers of women led businesses procured in the supply chain are minimal.

The response does not capture the linkages developed will women in the rural supply chain in dairy and distribution. The overall responses indicate a commitment towards gender diversity and inclusion is seen in PBC member organizations. The companies which are multinational have gender practices and targets which are near to global norms. However, in order to increase numbers of women representation in the pipeline, active management needs to be seen from the top.

## **INTRODUCTION**

There is growing evidence that gender equality identifies with a more productive workplace. In a country which has a 50% population of women (Worldbank, 2015), there is a need to have more women as part of the workforce. Workplace gender equality can only be accomplished when people have the same rewards and opportunities regardless of gender. It has been understood that while men and women enter organizations in equal numbers at entry level positions, women’s representation falls off dramatically midway up the ladder leaving few women at the top levels of management. The barriers which exist in terms of reducing the gender gap need to be identified to highlight the practices where improvement is needed. The present survey was undertaken to present a baseline to measure the corporate gender gap by giving a sector wise view of the representation of women in the workforce amongst various levels of management, equal pay at each level, leadership training and development and flexible working hours. Whilst culturally relevant to Pakistan, emphasis on flexible working hours and part time opportunities has increased the world over to recognize the dual role played by women as caregivers. Labor Force surveys in both developed and developed countries all highlight women leaving the workforce when they get married and have children. Thus it is important to eliminate discrimination on the basis of gender, particularly in relation to family and caring responsibilities.

In 2015, the United Nations agreed upon identifying 17 goals to work towards globally to 2030. Business engagement is critical in the success to all goals. Goal 5: represents Gender Equality. Target 5.5 states ‘Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life’. The indicator identified is the number of women in managerial positions. If companies work to increase the rate of retention for women and supporting women returning to work – the numbers will increase.

The UN Global Compact in collaboration with UN Women has developed seven principles to ‘help businesses promote gender equality and women empowerment in the workplace, marketplace, and community’. Companies can commit to ensuring the principles and thus make progress against gender equality. A commitment to gender equality can be made in a number of ways. In examining the current numbers, analysis can point to areas for improvement. The loss of women as the management rung increases, leads to a reduction of talent which had been recruited for specific abilities. There has been an overall focus on improving gender diversity through hiring, but a long-term strategy on building diverse talent through promotion may have more improved results (Mercer, 2016). Hence, looking at the hurdles faced in the retention of might pinpoint to a strategy for improvement. This survey focuses on capturing the baseline statistics and good practices of companies in the Pakistan Business Council.

The results of this survey have been divided into six sections 07 Gender Diversity in Business Sector of Pakistan

• Representation of women in the workforce – the numbers of women in the company at various levels of management including women in top positions

• Company Culture – the policies which drive the overall culture of the company

• Equal pay-equal opportunities – does an equal pay policy exist and is the pay gap measured in companies

• Recruitment and Promotion – How does the pipeline look in the organization and the hurdles face by companies in attracting and recruiting women

• Flexible work options – current practice of part – time opportunities, flexible work timings as well as work from home opportunities

• Leadership development training and mentoring – training and development opportunities in the organization for women

## **RESPONDENT DATA**

Total number of responses received: 31 An equal amount of share among the survey respondents is occupied by FMCG and Banking & Finance sectors. A total of fourteen responses to this survey were from leading banks and FMCG companies, which constitute a total of 46% share of the total survey response. Textile manufacturers came in second, with five responses from textile companies. There were a few responses from companies producing cement, electrical & industrial items and power generation & distribution. There has been no response from companies from the fertilizers, insurance, utilities and petroleum products sectors.

## **THE SURVEY RESPONSE**

The survey on ‚Gender Diversity in Business Sector of Pakistan‛ has been designed in a way that it captures gender diversity practices among the PBC member companies’ board, policies, operations, employee representation and training & development. Respondent Data Total number of responses received: 31An equal amount of share among the survey respondents is occupied by FMCG and Banking & Finance sectors. A total of fourteen responses to this survey were from leading banks and FMCG companies, which constitute a total of 46% share of the total survey response.

Textile manufacturers came in second, with five responses from textile companies. There were a few responses from companies producing cement, electrical & industrial items and power generation & distribution. There has been no response from companies from the fertilizers, insurance, utilities and petroleum products sectors. Head of HR 61% Managing Director 3% Finance Directors 7% Head of Corporate Affairs 7% Vice Chairman 3% Leadership Development Manager 6% Company Secretary 3% Others 10% Banking & Finance Cement Chemicals Engineering & Industrial Products FMCG Logistics & Storage Pharmaceuticals Power Generation & Distribution Textiles Fertilizer Insurance Petroleum Utilities II.

## **WOMEN REPRESENTATION IN WORK FORCE**

This section covers the percentage of female employees in overall workforce as well as the representation of women in the highest levels of management. Respondents were asked to identify the percentage levels of women in the work force, and the number of women in top positions in the company – ie. number of female directors on the company board. This section looks at: This section covers the percentage of female employees in overall workforce as well as the representation of women in the highest levels of management. Respondents were asked to identify the percentage levels of women in the work force, and the number of women in top positions in the company – ie. number of female directors on the company board.

This section looks at:

• Percentage of Women Employees in the Company

· Percentage of Women Employees in the Company

· Percentage of Women at Entry, Manager, Departmental Head and C-suite levels

· Board Size and the corresponding number of females on Board

· Number of Female Executive, Non-Executive and Non-Executive Independent Directors on Board

• Percentage of Women at Entry, Manager, Departmental Head and C-suite levels

• Board Size and the corresponding number of females on Board

• Number of Female Executive, Non-Executive and Non-Executive Independent Directors on Board The response to the question of percentage of women employees in the company (Figure 4), showed 90% of companies have less than 20% women in their employees, whilst in only 10% of companies, women account for more than 25% of the workforce. Only one company has female representation which at 40% is almost proportionate to overall population of women in Pakistan which amounts to 50% (Worldbank, 2015). Further study of the organization can identify good practice and identify learning.

Among respondents of the survey, a sector wise snapshot shows slightly better statistics for women representation in the banking and pharmaceutical sector. Women representation is under 10% in the majority of the FMCG sector and cement sector. The response to the question of percentage of women employees in the company (Figure 4), showed 90% of companies have less than 20% women in their employees, whilst in only 10% of companies, women account for more than 25% of the workforce. Only one company has female representation which at 40% is almost proportionate to overall population of women in Pakistan which amounts to 50% (Worldbank, 2015). Further study of the organization can identify good practice and identify learning.

Among respondents of the survey, a sector wise snapshot shows slightly better statistics for women representation in the banking and pharmaceutical sector. Women representation is under 10% in the majority of the FMCG sector and cement sector

Question: What is the percentage level of women employees in your company? Percentage of Women Employees in the Company 7% 3% 50% 40% Less than 10% 10% to 20% 26% to 40% More than 40% None In looking at the level wise distribution in the company (Figure 5), women representation in all sectors is highest at entry level. The percentage value of female employees at entry level in banks and FMCG companies appear to vary per company. Similarly, figures of upto 11% representation for C-suite level provided by a power generation & distribution company as well Gender Diversity in Business Sector of Pakistan 11 20 | Page In looking at the level wise distribution in the company (Figure 5), women representation in all sectors is highest at entry level. The percentage value of female employees at entry level in banks and FMCG companies appear to vary per company.

Similarly, figures of upto 11% representation for C-suite level provided by a power generation & distribution company as well as by the banking & finance sector show evidence of good practice have a representation at leadership ranks. In general these companies have a comparatively higher representation of women at all ranks. Taking a closer look at women representation at the top tier in the company, respondents were asked about board size and the number of female directors on board. Responses showed only 14 out of 31 companies have at least one to four females as directors on board. A look at the sector wise distribution of companies with female board directors, FMCGs and the textile sector mainly show a representation of women.

The companies with female directors were asked whether the role was as executive or non-executive directors. With the exception of a few responses, in most instances women played the role as non-executive directors on company boards. 12 Gender Diversity in Business Sector of Pakistan Figure 5: Question: Please provide the board size and the directors on your board that are female. Industries Having Females on the Company Board 0 to 1 0 to 2 0 to 1 1 to 4 Females on Board FMCG Textiles Logistics & Storage 1 to 2 Banking & Finance Cement Pharma Gender Diversity in Business Sector of Pakistan 13 22 | Page III. COMPANY CULTURE III. COMPANY CULTURE This section looks at the organizational culture in the company and how it promotes gender diversity and inclusion. In order to identify if gender diversity is an important business strategy, this survey has asked respondents to identify: This section looks at the organizational culture in the company and how it promotes gender diversity and inclusion.

In order to identify if gender diversity is an important business strategy, this survey has asked respondents to identify:

• If the company highlights gender diversity as one of the top five core business goals

• The company’s gender diversity policy

· If the company highlights gender diversity as one of the top five core business goals

· The company’s gender diversity policy

· The company’s sexual harassment policy

• The company’s sexual harassment policy

• Difficulties faced during implementation of these policies

• Frequency of progress and targets set for the gender diversity policy

• Prevention and reporting of sexual harassment cases.

· Difficulties faced during implementation of these policies

· Frequency of progress and targets set for the gender diversity policy

· Prevention and reporting of sexual harassment cases.

· Regular training courses offered to all management employees on gender diversity and inclusion

• Regular training courses offered to all management employees on gender diversity and inclusion

A positive workplace culture is one which offers gender equality policies and practices with a top down approach. The survey has approached this aspect by asking respondents to identify if gender diversity is highlighted as one of the five core business goals of PBC member companies. Figure 5 illustrates 50 % of the companies responded affirmatively and consider gender diversity as one of their core business goals. A positive workplace culture is one which offers gender equality policies and practices with a top down approach. The survey has approached this aspect by asking respondents to identify if gender diversity is highlighted as one of the five core business goals of PBC member companies. Figure 5 illustrates 50 % of the companies responded affirmatively and consider gender diversity as one of their core business goals. Figure 6: Question: Is gender diversity highlighted as one of your top five core business goals? Gender Diversity One of the Top Five Core Business Goals Logistics & Storage Textiles Sectors of the Industry Pharmaceuticals FMCG Engineering & Industrial Products Power Gen & Dist Chemicals Cement Automotive Banking & Finance of Companies/Respondents

14 Gender Diversity in Business Sector of Pakistan The gender policy highlights the company’s approach to gender diversity, and explains the importance it gives to equality and women’s participation. Whilst not all companies responded to the survey question, Table 2 highlights various aspects covered in the policy. In looking closely at the text, most policies are generic using wordings such as gender diversity and inclusion, whilst some have identified specific measures for increasing women representation in the long run by targeted recruitment; offering flexible work and maternity leave, and retention of women employees. Responses to the survey question to ‘difficulties faced by organizations in the implementation of gender diversity policy’ portray that companies face a number of problems in implementing and practicing diversity policies from the core. Responses from the banking and finance sector identify difficulties they faced include issues related to the mindset when it comes to gender diversity. FMCG companies also shared that it’s a real challenge to retain the female workforce as they leave jobs due to various family priorities. Similarly textile companies reported that due to industry image, they face difficulties in convincing women to work in factories in the outskirts of cities.

Regulatory restrictions around a number of consecutive shifts and female reluctance on working during night shifts are some of the real challenges for these companies. According to them, the cultural and societal practices greatly impact female working patterns post marriage. When asked about the targets set for gender diversity policy, the response range varied from 10 to 40%. Only two FMCG companies and the textile sector responded that they set goals of 26% to 40% representation of their workforce within their gender diversity policy. Since policy feeds into future women representation, the targets at higher end of the range represent good practice. In case of reporting of progress on gender diversity to the board, 60% of respondent companies report on a yearly and quarterly basis, whilst the other 40% report that this is not reported on an annual basis

Question: Please specify the text of your gender diversity policy: Analysis of respondents’ text referring to gender diversity identified a number of good practices. Pharmaceutical: Three out of the four responsive pharmaceutical companies do not have a specific gender policy within the organization. However a major pharmaceutical player conducts a project called “DARE”, which aims to develop, attract, retain and engage talented women. The aim is to provide flexible working options for women and a global maternity policy. Banking & Finance: A few banks that responded to this survey shared that they aim to be a bank, where people want to join and stay. They practice embedding gender diversity in the DNA of their organization so as to become an equal opportunity employer. FMCG Companies: These companies maintain diversity at the heart of their organizations. They celebrate differences. Their meaning of diversification goes beyond race, creed, ethnicity and gender. When it is about taking up of flexible work or parental leave arrangements, managers conduct performance reviews and evaluations that neutralize impact of arrangements judiciously. Cement Industry: According to a major player of the cement industry, their plants are at remote locations where traveling and work environment are challenging for females.

However the company encourages females to join in all fields and areas based on merit. The company is proud to be an equal opportunity employer. 15 Gender Diversity in Business Sector of Pakistan Gender Diversity in Business Sector of Pakistan 16 25 | Page practice. In case of reporting of progress on gender diversity to the board, 60% of respondent companies report on a yearly and quarterly basis, whilst the other 40% report that this is not reported on an annual basis. Figures 7 and 8 illustrate a range of targets and frequent reporting of progress on gender diversity policy within the PBC member companies. Figure 7: Question: What are the targets set for gender diversity policy? Figure 8: Question: How frequently is progress on gender diversity is reported to the board? Respondents were asked of the availability of a ‘policy against sexual harassment’ and responses identify that the availability of such a policy is a general practice amongst all companies in PBC. When asked that how employees are made aware of this policy, most companies show that this 0 1 2 3 4 5 6 Automotive Banking & Finance Cement Chemicals Engineering & Industrial FMCG Logistics & Storage Pharmaceuticals Power Generation & Distribution Textiles Number of Respondent Companies/Sector Sectors of the Industry Less than 25% 10% to 25% 26% to 40% More than 40% None 40% 30% 30% Progress Reporting on Gender Diversity Less than once a year Yearly Quarterly Respondents were asked of the availability of a ‘policy against sexual harassment’ and responses identify that the availability of such a policy is a general practice amongst all companies in PBC. When asked that how employees are made aware of this policy, most companies show that this is a part of the Code of Conduct, whilst only 19% of the company responded that it is on joining (Figure 9). is a part of the Code of Conduct, whilst only 19% of the company responded that it is on joining (Figure 9). Figure 9: Question: How are Employees made aware of Sexual Harassment Policy? How Employees are made aware of Sexual Harassment Policy? 19% 68% 13% On Joining Other As Part of Code of Conduct In order to prevent and report sexual harassment to the maximum possible level, companies take various measures on their part. Some companies follow an Open Door Policy or Speak up Policy, where employees can In order to prevent and report sexual harassment to the maximum possible level, companies take various measures on their part. Some companies follow an Open Door Policy or Speak up Policy, where employees can go and file their concerns. The management ensures that strictest action is taken against any such employee who is guilty of the same. A leading tobacco manufacturer says that it maintains a compliance hotline, which helps to uncover sexual harassment problems earlier before they get worse. This hotline provides a range of options including an automated phone system, a live operator and web based request system. The name and identification of the caller is kept anonymous. go and file their concerns. The management ensures that strictest action is taken against any such employee who is guilty of the same. A leading tobacco manufacturer says that it maintains a compliance hotline, which helps to uncover sexual harassment problems earlier before they get worse. This hotline provides a range of options including an automated phone system, a live operator and web based request system. The name and identification of the caller is kept anonymous. Companies also form sexual harassment committees, also known as grievance committees. It is usually a three to five member committee having at least one female, which is responsible to receive, analyze and evaluate the complaints on merit. Some companies also conduct awareness sessions regarding sexual harassment and even put up text of the relevant policy on notice boards in the office. Some organizations hire floor managers and install security cameras, which are helpful in taking action against any reported sexual harassment event. Companies also form sexual harassment committees, also known as grievance committees. It is usually a three to five member committee having at least one female, which is responsible to receive, analyze and evaluate the complaints on merit. Some companies also conduct awareness sessions regarding sexual harassment and even put up text of the relevant policy on notice boards in the office. Some organizations hire floor managers and install security cameras, which are helpful in taking action against any reported sexual harassment event. A few banks have reported training on the sexual harassment policy is mandatory for all employees. Some respondents reported the policy has been made accessible to all employees by putting it on intranet web portal, whilst there is a prevalent practice of forming an inquiry committee which handles cases related to A few banks have reported training on the sexual harassment policy is mandatory for all employees. Some respondents reported the policy has been made accessible to all employees by putting it on intranet web portal, whilst there is a prevalent practice of forming an inquiry committee which handles cases related to sexual harassment. This committee has multidimensional functions and powers to receive complaints and order investigations to gather evidence followed by issuance of charge sheet. Gender Diversity in Business Sector of Pakistan 17 sexual harassment. This committee has multidimensional functions and powers to receive complaints and order investigations to gather evidence followed by issuance of charge sheet. When asked if the company offered ‘regular training courses to all management employees on diversity and inclusion?’, approximately half of the respondent companies responded saying that they provide regular trainings to all management employees on diversity and inclusion. If this is connected to targets related to gender diversity, an active role must be played in the company to foster greater representation of women. When asked if the company offered ‘regular training courses to all management employees on diversity and inclusion?’, approximately half of the respondent companies responded saying that they provide regular trainings to all management employees on diversity and inclusion. If this is connected to targets related to gender diversity, an active role must be played in the company to foster greater representation of women. Figure 10: Question: Do You Offer Regular Training Courses to All Management Employees on Diversity and Inclusion? Regular Training Courses Offered to all Management Employees on Diversity and Inclusion 52% 48% Yes No In relation to company culture, various good practices are highlighted in both the terminology of the company policies and the implementation within the company. The survey also highlights that strategies vary and are specific to each company and not sector. Similarly, the issues faced by the company in improving gender diversity and make the workplace more inclusive will have to be looked at the company level.

## **EQUAL PAY FOR EQUIVALENT WORK**

WORK Workplaces which provide equal pay for work of equal or comparable value regardless of gender are moving towards inclusive workplace.

This section looks at:

• specific details of the equal opportunity policy within companies

• employers measure the pay gap between men and women 97% of the survey respondents from the Pakistan Business Council surveyed have a specific equal opportunity policy identifying this to be a general practice. This is not surprising to know given the nature of PBC companies as leading organizations within the company. However, more in-depth research is needed to uncover the effectiveness of the implementation of these policies. Key points of policies shared highlight irrelevance to gender in both Equal Pay Certification and Merit Based Policy.

According to most FMCG and textile companies, the recruitment and selection process is an important part of their efforts to apply the equal opportunity employee policy. The companies report the designing of the processes ensures that applicants receive an equitable, fair and an objective treatment. They are committed to promote diversity in all areas of employment. They provide an inclusive and supportive element, where everyone feels valued, respected, safe and free of discrimination and harassment. A leading bank further reports they ensure shortlisting of women for each job position advertised. The interview panel in the abovementioned organization comprises of at least one female member and all interview panelists must have undergone the gender sensitization training. The age of female candidates is up to 35 years as compared to 27 years for men for entry level positions. Similarly, a power generation company stated that they provide equal opportunity to all job applicants through clearly defined and consistently applied induction standards.

They create a work environment where every employee has an equal opportunity to develop his or her skills and talents. Some companies have even formed an Equality & Diversity Management Committee (EDC), which is responsible to facilitate and monitor this objective at all levels and attains annual objective of EDC as assigned by Board of Directors. Companies were asked ‘if the pay gap is measured between men and women’. An affirmative response to this question was given by only three companies. This highlights the fact that the pay scale is based on position and functional responsibility and not gender specific. It must be noted this does not necessarily mean that a pay gap does not exist, but rather points towards lack of understanding of what this gap may look like. 90% of companies do not measure the gap which makes it difficult to identify if equal pay is available with equal opportunity in Pakistan. 19 Gender Diversity in Business Sector of Pakistan .

Pay Gap Between Man and Women No Yes The responses given in this section highlight whilst good practice exists in ensuring women are given equal opportunity within the organization, there is currently a limited practice of measuring the pay gap. Both aspects need to be considered at the sector level to benchmark pay packages of similar companies. This will give an idea on what the actual pay is and if a gap exists across various sectors in Pakistan. The responses given in this section highlight whilst good practice exists in ensuring women are given equal opportunity within the organization, there is currently a limited practice of measuring the pay gap. Both aspects need to be considered at the sector level to benchmark pay packages of similar companies. This will give an idea on what the actual pay is and if a gap exists across various sectors in Pakistan. 20 Gender Diversity in Business Sector of Pakistan

## **RECRUITMENT AND PROMOTION**

The development of a pipeline of women leaders and role of promotion criteria is significant to the retention of female talent. The survey focused on finding out more about the hurdles faced in recruiting women in this section. Respondents were asked about: The development of a pipeline of women leaders and role of promotion criteria is significant to the retention of female talent. The survey focused on finding out more about the hurdles faced in recruiting women in this section.

Respondents were asked about:

• If the company faced any obstacles in recruiting new female employees

• The steps taken by the company for minimizing the hurdles

· If the company faced any obstacles in recruiting new female employees

· The steps taken by the company for minimizing the hurdles

· How gender diversity is encouraged through specific promotion criteria in leadership positions

• How gender diversity is encouraged through specific promotion criteria in leadership positions

• The percentage of women in the talent pipeline · The percentage of women in the talent pipeline Figure 12: Question: Does your organization face any hurdles in attracting new women in employment (i.e. those with relevant skills, qualifications and experience)? Organization Face Hurdles in Attracting New Women 35% 65% Yes No 35% of the respondent companies, namely banks and a few FMCG companies in our survey sample responded that they do not face any hurdles in attracting new women in employment. However the survey also indicates 65% of respondent companies say that they face a number of hurdles in attracting new women in employment.

Companies providing logistics and storage services, manufacturers of cement, chemicals and pharmaceutical products have identified that both working hours and remote location of plants and terminals are some of the hurdles they face while attracting female talent for employment. A leading textile manufacturer reports that companies which have a local brand name attract more female talent with respect to their own company which has an export orientated ‘business to business’ mode of selling. 35% of the respondent companies, namely banks and a few FMCG companies in our survey sample responded that they do not face any hurdles in attracting new women in employment.

However the survey also indicates 65% of respondent companies say that they face a number of hurdles in attracting new women in employment. Companies providing logistics and storage services, manufacturers of cement, chemicals and pharmaceutical products have identified that both working hours and remote location of plants and terminals are some of the hurdles they face while attracting female talent for employment. A leading textile manufacturer reports that companies which have a local brand name attract more female talent with respect to their own company which has an export orientated ‘business to business’ mode of selling. In relation to responses to the survey question ‘how can the hurdles be minimized, the textile group reports it removes barriers by creating awareness about the company as a global player and the provision of trainings Gender Diversity in Business Sector of Pakistan In relation to responses to the survey question ‘how can the hurdles be minimized, the textile group reports it removes barriers by creating awareness about the company as a global player and the provision of trainings to unskilled women. A response from a leading FMCG company identifies employer branding as a method of attracting female talent in recruitment.

21 to unskilled women. A response from a leading FMCG company identifies employer branding as a method of attracting female talent in recruitment. Other good practices highlighted for reducing the hurdles include the provision of transport and offering a more work-conducive environment to females. Offering facilities such as common rooms to relax during lunch break, a prayer area and a well-managed nursery are also measures which respondents have taken in reducing hurdles. Other good practices highlighted for reducing the hurdles include the provision of transport and offering a more work-conducive environment to females. Offering facilities such as common rooms to relax during lunch break, a prayer area and a well-managed nursery are also measures which respondents have taken in reducing hurdles. When asked to identify the ‘promotion criteria which encourages gender diversity in leadership positions’, a diverse response has been received from the surveyed organizations.

According to the banking and finance sector, promotions are purely based on an individual’s performance and potential for future growth. However it can be seen in the talent pipeline (Table 3) that whilst banks currently have low diversity at senior levels, females are represented in promotion recommendations. When asked to identify the ‘promotion criteria which encourages gender diversity in leadership positions’, a diverse response has been received from the surveyed organizations. According to the banking and finance sector, promotions are purely based on an individual’s performance and potential for future growth. However it can be seen in the talent pipeline (Table 3) that whilst banks currently have low diversity at senior levels, females are represented in promotion recommendations. A pharmaceutical company has identified that promotions depend on performance/potential matrix. This decision is supported by a robust & transparent people system strategy and therefore, gender preferences are not acceptable in this system.

A leading fertilizer manufacturer responded each employee is treated equally. Textile manufacturers encourage females for leadership roles, with particularly emphasis on managerial roles by offering training for women. Additionally pharmaceutical companies stated that they do not accept discrimination based on sex. Efforts are made through female leadership programs, coaching and counseling. According to a leading pharmaceutical company, they run a talent scout program, which is basically proactively sourcing and creating a talent pipeline. They set themselves a target of keeping 50-50 ratio in the sourced talent. A pharmaceutical company has identified that promotions depend on performance/potential matrix.

This decision is supported by a robust & transparent people system strategy and therefore, gender preferences are not acceptable in this system. A leading fertilizer manufacturer responded each employee is treated equally. Textile manufacturers encourage females for leadership roles, with particularly emphasis on managerial roles by offering training for women. Additionally pharmaceutical companies stated that they do not accept discrimination based on sex. Efforts are made through female leadership programs, coaching and counseling. According to a leading pharmaceutical company, they run a talent scout program, which is basically proactively sourcing and creating a talent pipeline. They set themselves a target of keeping 50-50 ratio in the sourced talent. Figure 13: Question: Does your promotion criteria encourage gender diversity in leadership positions? Promotion Criteria Encourages Gender Diversity in Leadership Positions 45% 55% No Yes 22 Table 3 shows the responses to the survey question asking the number of women in the pipeline at various levels of management.

The responses seen show a varied response between sectors. If compared to global figures (with the exception of a few companies), this shows a weak pipeline of women in every sector, with the percentage of women dropping substantially at each stage of the pipeline. This means that while women are hired and start out in Gender Diversity in Business Sector of Pakistan Table 3 shows the responses to the survey question asking the number of women in the pipeline at various levels of management. The responses seen show a varied response between sectors. If compared to global f igures (with the exception of a few companies), this shows a weak pipeline of women in every sector, with the percentage of women dropping substantially at each stage of the pipeline. This means that while women are hired and start out in organization, very few make it to the top. Reasons for this are likely to be multifold – from problems related to women employees to lack of adequate investment into developing women to be leaders.

While most companies adhere to an equal opportunity policy on paper in regards to recruitment and promotion, these figures question the effectiveness of those policies. Table 3: Question: What is the percentage of women in your female talent pipeline at entry, manager, departmental head and C-suite levels? In relation to recruitment and promotion, responses give an overall indication even in those companies which have gender diversity policies and targets, most companies face issues in recruiting and retaining women. Responses also indicate that whilst most companies have strategies which outline equal opportunities, few women are making it up the pipeline to top levels of management. It also indicates that whilst most companies have a gender diversity policy and targets, companies are still facing hurdles in retaining women.

23 Gender Diversity in Business Sector of Pakistan

Flexible work schedules and the provision of maternity leave are known to increase women representation in the workplace. Organizations which have built in such practices are also able to retain employees inducted at entry level in the talent pool. This survey has looked to identify how such practices are present in the organization.

Respondents have been asked about policies such as:

• the engagement of women on part time basis

• flexibility towards work-from-home or career off track options

• the duration and utilization of maternity leave

• the offering of paternity leave

• offering of a crèche

When asked about the ‘percentage of women engaged on part time basis’, four of thirty one respondents to this survey have women employees engaged on part time basis. Out of the companies which responded, two companies almost a quarter of the women workforce is working on a part time basis, whilst two companies identified less than 5% of women are part time. The former included a leading bank and an automotive company who hire 20% and 25% respectively, whereas the latter included a pharmaceutical and a FMCG company. The actual figures need further study as it does not highlight whether the response is due to the unavailability of part time opportunities or because women do not avail the option. Respondents were asked if ‘employees were offered work-from-home and career off-track options’. Flexible working and career off track options are two key interventions that can support in retaining women and helping them balance work and family responsibilities. It is encouraging to see that more than 80% of companies surveyed offer career off-track options. One third of the respondents also intimated work from home options. An exploration should be done on the extent to which this availed and the impact it has on women representation over the next few years. to see that more than 80% of companies surveyed offer career off-track options. One third of the respondents also intimated work from home options. An exploration should be done on the extent to which this availed and the impact it has on women representation over the next few years.

When asked about ‘the duration of maternity leave offered’, the findings identify that it is a general practice of offering up to 3 months, whilst some companies offer a longer time period of 3 to 6 months (Figure 14). Paternity leave is only offered by 4 companies which are multinational companies. This indicates that this is a global good practice. What is interesting is that this is also currently being utilized which shows there a need for the type of benefit is given (Figure 15).

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Figure 15: Question: What is the duration of maternity leave offered? Figure 15 highlights two areas which can be considered good practice as types of benefits to increase gender representation in the workplace and assist women returning to work. The availability of a crèche or nursery is present in less than a quarter of the companies surveyed. In comparing this to the results of section 2, which indicate the presence of gender diversity policy in the workplace – a greater active management rather than mere commitment by the companies will increase the numbers of women in the pipeline.

Figure 16: Availability of Crèche or a Nursery, and Paternity Leave Offered and Utilized 71% 29% Duration of Maternity Leave Offered Upto 3 Months 3 to 6 months 9 to 12 months Figure 15 highlights two areas which can be considered good practice as types of benefits to increase gender representation in the workplace and assist women returning to work. The availability of a crèche or nursery is present in less than a quarter of the companies surveyed. In comparing this to the results of section 2, which indicate the presence of gender diversity policy in the workplace – a greater active management rather than mere commitment by the companies will increase the numbers of women in the pipeline.

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## **LEADERSHIP DEVELOPMENT TRAINING AND MENTORING**

Closing the gender gap means to offer women a level playing field. This means offering women support for development into leadership positions. Leadership training has become a general practice in all organizations. This section of the survey highlights development activities offered in companies specifically designed for women.

Survey respondents are asked to identify:

• Development programmes for women

• Skills which organisations help develop

• The availability of mentoring schemes and role models available for women

• Training on gender diversity and inclusion for all employees

• Sourcing from women business organizations Companies were asked if there are ‘any development programmes for women’.

More than 50% of respondents gave an affirmative answer. The respondents of this survey mainly articulated the company approach on training considers gender diversity as one of the integral elements within their organizations. When these companies were asked ‘what skills are you helping women to develop?’, responses varied. Most skill development can be highlighted for entry level positions.

Looking at the sector wise responses, textile manufacturers, for example, focus on skill development for sewing operators, machine operators, quality checkers and quality controllers. Trainings are arranged on industrial engineering, soft skills, product development and merchandising for the female workers. Some textile companies shared that they are focusing on women employees to develop winning attitude, attributes of a professional, confidence, managerial skills, corporate ethics and values. FMCG companies engage their women employees in projects like ‘Wibcon’ and ‘DARE’, where they strive to practice leadership. Mentoring programs are on showcase for the overall development of women. A chemical company response identified they offer training and development for professional grooming telephone operators to executive secretary position. The Banking and Finance sector emphasise on skill development for leadership, negotiations and professional grooming. A number of companies responded no specific development courses are offered for women.

The responses offered companies from the pharmaceutical sector surveyed believe there are no specific skills that are considered gender specific. The people development strategy in their organizations treats all employees equally and provides equal opportunities to grow. 27 Gender Diversity in Business Sector of Pakistan Figure 17: Question: Are there Any Development Programs for Women? Development Programs for Women 60.00%

Most of the FMCG companies, which responded to the survey, take pride in sharing that they are very active with organizations like the CIRCLE group which works on women's empowerment through productive dialogue, brainstorming sessions and regular working groups. For example, a company is engaged in a project such as DARE, where the champions regulate and oversee DARE initiatives. At the same time, mentors are assigned from senior leadership team to these women to ensure they get the visibility, exposure and right advice to manage their careers. These companies believe that all employees after attaining a defined managerial level should be engaged in mentorship programs. When asked ‘Do you have any mentoring schemes and role models available for women?’, approximately half of the respondents have mentoring schemes or networks available for women.

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Figure 18: Question: Do You Have Any Mentoring Schemes and Role Models Available For Women? Mentoring Schemes and Role Models Available for Women 150.00%

Two textile manufacturers responded saying that they have upto 2% of women led businesses in their supply chain. A response from the pharmaceutical companies source 75% of corporate marketing content by companies which are led by women. Table 4: Question: Do you Source from Women Business Owners? If so, please give percentage of Women led Businesses in Supply Chain Industry 1. Cement 2. Chemicals 3. Pharmaceutical 4. Textiles % of Women led Businesses in Supply Chain 1% to 2% 1% to 2% 75% of corporate marketing contents 1% to 2% 5. Banking & Finance Training: 10%, Outsourcing: 20% Responses to this section highlight varied responses from all companies.

As this section looks at how policy out roles into practice, there is no generalised practice amongst companies. It is also interesting to note that while majority of companies seem to offer development programs for women, have mentorship and networks or make role models available, the results are not showing in the pipeline. Whilst not captured in the survey, most of the companies have involved women in the supply chain in the rural sector – in relation to dairy and the distribution of products. This points to a need to take a holistic approach to gender diversity with a focus on measuring effectiveness of programs and working with men and women employees to identify gaps and opportunities. 29 Gender Diversity in Business Sector of Pakistan

HOW DOES PAKISTAN COMPARE?

Labour force participation for women in Pakistan is 25% (World Bank, 2015) which is below that of other South Asian countries such as India (34%), Malaysia (59%) (World Bank, 2014). Bangladesh is a lot further ahead with a participation rate of 69% as is China at 82%. a. Representation of women in companies The underrepresentation of women in leadership and on corporate boards is an issue worldwide. Scandinavian countries lead the way on gender diversity on company boards with Norway having the highest rate of women at that level. In terms of a global outlook, 23% of board members on Fortune 500 companies are women (Deloitte, 2016). Western Europe performs better than the US with women making up 32% of boards in major European indexes and 17% of executive committees.

In the US, women’s representation on boards is lower, standing at 19% (Mckinsey Women Matter, 2017). Figures for Asia are much lower, with women only making up 6% of board seats in 10 major Asian markets in 2012 (Mckinsey). Female directors comprise only 8% of directors on the MSCI Emerging Markets Index companies (2014). However, several countries have made legal interventions to tackle this. India, for instance, requires companies to have at least one woman as director on their board. Pakistan fares poorly in this area, both within Asia as well as beyond.

This survey has shown that more than 50% of companies surveyed have no women on their boards, which seems to indicate that things haven’t improved much since an ACCA study in 2010 found that 78% of KSE 100 companies have no women on their boards. b. Gender gaps in Recruitment and promotion Developing a pipeline of women talent and leaders is a key element of achieving gender equality in the workplace and to increasing women’s representation at the top. Research by Catalyst has consistently shown the ‘pyramid effect’ with women’s representation dropping off at each level of seniority an organisation.

For 2016 in S&P 500 companies, women represented 44.3% of all employees, which dropped to 36% at mid managerial level, 25% off at senior management, 19.9% at board level and only 5.8% at CEO level. Women also only represented 9.5% of top earners (Catalyst, 2017). Similar figures are a lot harder to find for South Asia pointing to a research gap. The present study by PBC and CIRCLE has specifically explored the pipeline as a step towards filling this gap for Pakistan and the region. As seen in the findings in the recruitment and promotion section above, the companies surveyed have a severely week pipeline with the ‘pyramid’ being specially steep and women being less and less represented, the higher the position.

Human resource management in relation to equal pay/equal opportunity In research conducted by Accenture in 2016, it has been identified a woman earns an average $100 for every $140 a man earns. The report ‘Getting to Equal 2017’ goes on to highlight this figure does not take into account the additional unpaid work performed by women. The pay gap is a major issue world over but collection and monitoring of data on this is key in identifying the problem and tackling it. Our survey has found that only 10% of companies measure the pay gap. This means that on a macro level, it is difficult to have an idea of what this gap looks like for Pakistan and an important first step is to ensure that data on the pay gap is collected by companies. d. Training and Development related to women According to McKinsey (2010), companies across the world spend up to $100 billion on training and development for staff and this has increasingly included specialized programs for women including leadership training, mentoring and sponsorship, networks and more. Companies like McKinsey, Accenture and Catalyst bring together much best practice on this front from across the world – an exploration of which can be beneficial in identifying interventions that can be adopted and adapted for Pakistan.

Training to improve gender diversity does not simply mean targeting women. Research has found that counter-stereotyping training can have an impact on reducing biases and discrimination (Bertrand and Duflo, 2016) pointing to the importance of specific training that aims to reduce gender stereotypes in the workplace. Examples of this include training on unconscious bias, men as allies, recognizing stereotypes. Women remain underrepresented the world over, both in jobs within supply functions of organisations and as business owners that form companies supply chains. Globally, 70% - 80% of positions in supply chains are held by men (Fronetics, 2016) and WeConnect International estimates that on average, less than 1% of global corporate or government spend is on women-led businesses. However, there is growing focus on supplier diversity as a key tool in improving women’s economic status while also diversifying companies’ chains.

A coalition of 21 partners has announced a commitment to source $1.5 billion from women-owned business by 2018 (Devex Impact 2013) and several leading multinational companies such as Coca-Cola Company, Walmart have specific initiatives to source from women-led businesses and increase women in their supply chains

## **RECOMMENDATIONS AND CONCLUSIONS**

The purpose of this survey is to set the context in establishing a baseline to identify how the major companies in Pakistan stand on gender equality and where Pakistan stands in the global context, compared to countries in the region as well as beyond. A key focus of this research has been to identify what the pipeline of women leaders looks like in Pakistan, and what companies are doing to develop their women leaders and whether they value gender diversity as a key business goal. A clear business case exists for women in middle management positions, top management positions and in leading organizations. To develop and sustain the pipeline, there is a need to develop an understanding of the barriers which exist for women. The study makes it clear there is a disparity between women and men reaching the highest echelons of an organisation. The ‘pyramid effect’ identified by Catalyst as a visual representation of the women pipeline is even steeper in Pakistan with representation of women falling steeply at each level and being almost negligible at CEO and board level.

McKinsey research points to persistence, role of CEOs and holistic approaches to gender diversity practices as the three key game changers for improving gender diversity in the corporate world (Women Matter, 2016). Currently, 54% of companies surveyed make development programs available for women and 83% say that role models and mentors are made visible. This is a good sign but does not automatically translate into concrete results as our own survey as well as existing research has shown. Implementation, design of interventions and championing of the cause from the top is essential in ensuring practices are effective and show results. We found that about 50% of companies surveyed have gender diversity as a key goal, indicating that companies in Pakistan are beginning to recognise the value and importance of inclusiveness and gender equality as a business objective. The results of the present survey also show trends that both women and men have equal opportunities in remuneration and promotion, if the numbers of women in management are lower – this points to identify women need additional support to enable them to take up the opportunities.

In a study conducted by the International Labor Organization (ILO), three barriers to women leadership were identified: the lack of role models for women, sociocultural barriers related to gender stereotypes and the role assigned by society to the respective gender. In considering the socio cultural issues, there is a need to consider the facilities offered by society. The high cost of adequate transportation to and fro from work, in addition to the commute times is a major deterrent for women. Whilst a crèche might give support to women with toddlers, there is also an issue of managing children at an older age. Additionally school timings for children are such in most primary schools that it will be hard for mothers to even take on part time opportunities. The corporate sector can perhaps engage with other stakeholders to provide a ground for easing the pressures on women. This may increase women returning to work after marriage and result in a better representation of women in higher management has repeatedly found that investing in women and in gender equality is not just the right thing to do, but also a smart business decision.

McKinsey has found that gender parity would add $28 to the global economy by 2025 and women’s economic empowerment will increase size of Pakistan’s economy by 30% (The News, 2017). Through this survey, PBC and CIRCLE have established baseline figures as well as identified best practices and presented recommendations to support companies in Pakistan to move towards this goal. Through analysis of the data collected and reviewing of best practices, PBC and CIRCLE present the following recommendations:

• Active management approach - A commitment has been seen to gender diversity by PBC companies at a number of levels, an active approach to managing gender diversity by looking closely at the issues will bring out better representation.

• Developing the pipeline – a holistic, persistent view should be taken towards programs aimed at developing women leaders. Employees should be engaged on measuring effectiveness of these programs and involved in their design, and effort should be made to align them with other interventions.

• Measuring the pay gap – All companies should be legally required to measure and report on the pay gap, allowing for a better understanding of where we stand and what the gaps and opportunities are.

• Retaining women – Options for flexible working hours, on-site crèche, part time work and career off track should be made available more regularly and research should be carried out to measure their effectiveness and put implementation best practices in place.

• Women on boards – Having more women on boards is good for the bottom line. Effectiveness of introducing a quota for women on boards should be explored, looking at models such as India and Norway

# **Gender Equity Program (GEP) Endline Survey**

## **Description of Activity**

The Gender Equity Program (GEP), implemented by the Aurat Foundation between August 2010 and August 2017, was the United States Agency for International Development (USAID) flagship gender activity in Pakistan. GEP aimed to close the gender gap in Pakistan by actively supporting women’s economic, political, and social development. The program provided grants to government and non-government entities to implement gender-focused activities at the district level and supported work on national and provincial-level pro-women legislation.

## **Purpose of GEP Endline Survey**

The 2018 endline survey used the same instrument and sampling approach as the 2011 baseline. It collected data on knowledge, attitudes, and behaviors on a range of gender equity topics (i.e., women’s rights, democratic rights, inheritance rights, institutions of justice, women’s empowerment and decision making, women’s mobility, domestic violence, and gender-based violence). Comparing endline survey results to those of the 2011 baseline served to assess if and how attitudes and behaviors have changed since 2011.

## **Survey Data**

Variable names in the datasets and codebooks align with question numbers in the questionnaires.

## **Sampling Design**

The 2018 endline surveyed 6,048 men and women in 504 localities selected from Pakistan’s four provinces and Gilgit-Baltistan (GB). To ensure comparability with the 2011 baseline, the 2018 survey used the same data collection instrument as the 2011 survey and applied a similar sampling approach.

Samples for both the 2011 and 2018 surveys were selected through multi-stage stratified random sampling. Strata included province, urban and rural regions, and gender. In the provinces, the study team selected 28 total districts: nine districts from Punjab; six districts each from Sindh, Khyber Pakhtunkhwa (KP), and Balochistan; and one district (Gilgit) from GB. The sample was distributed equally across the selected districts, representing districts with high, medium, and low education inequality index values. In each selected district, the survey sampled urban and rural areas in proportion to the population distribution and was evenly distributed between men and women (Table 1).

## **Table 1: Sample Distribution by District**

### **Punjab**

* Low
  + 0.74, Rawalpindi: 256 Rural, 144 Urban (2011) | 84 Rural, 132 Urban (2018)
  + 0.68, Lahore: 256 Rural, 144 Urban (2011) | 36 Rural, 180 Urban (2018)
  + 0.58, Faisalabad: 257 Rural, 143 Urban (2011) | 96 Rural, 120 Urban (2018)
* Medium
  + 0.53, Sheikhupura: 256 Rural, 144 Urban (2011) | 120 Rural, 96 Urban (2018)
  + 0.49, Khushab: 258 Rural, 142 Urban (2011) | 156 Rural, 60 Urban (2018)
  + 0.47, Multan: 256 Rural, 144 Urban (2011) | 96 Rural, 120 Urban (2018)
* High
  + 0.44, Jhang: 256 Rural, 144 Urban (2011) | 156 Rural, 60 Urban (2018)
  + 0.40, Pakpattan: 256 Rural, 144 Urban (2011) | 168 Rural, 48 Urban (2018)
  + 0.40, Muzaffargarh: 256 Rural, 148 Urban (2011) | 168 Rural, 48 Urban (2018)

### **KP (Khyber Pakhtunkhwa)**

* Low
  + 0.60, Abbottabad: 347 Rural, 55 Urban (2011) | 120 Rural, 96 Urban (2018)
  + 0.39, Mardan: 270 Rural, 131 Urban (2011) | 132 Rural, 84 Urban (2018)
* Medium
  + 0.38, Peshawar: 161 Rural, 239 Urban (2011) | 96 Rural, 120 Urban (2018)
  + 0.35, Bannu: 384 Rural, 32 Urban (2011) | 156 Rural, 60 Urban (2018)
* High
  + 0.26, D.I. Khan: 232 Rural, 167 Urban (2011) | 156 Rural, 60 Urban (2018)
  + 0.23, Bonair: 364 Rural, 38 Urban (2011) | 216 Rural, 0 Urban (2018)

### **Sindh**

* Low
  + 0.48, Hyderabad: 255 Rural, 145 Urban (2011) | 36 Rural, 180 Urban (2018)
  + 0.35, Khairpur: 253 Rural, 147 Urban (2011) | 144 Rural, 72 Urban (2018)
* Medium
  + 0.33, Sanghar: 256 Rural, 144 Urban (2011) | 144 Rural, 72 Urban (2018)
  + 0.32, Larkana: 254 Rural, 145 Urban (2011) | 120 Rural, 96 Urban (2018)
* High
  + 0.28, Badin: 266 Rural, 134 Urban (2011) | 144 Rural, 72 Urban (2018)
  + 0.16, Jacobabad: 256 Rural, 145 Urban (2011) | 144 Rural, 72 Urban (2018)

### **Balochistan**

* Low
  + 0.54, Quetta: 269 Rural, 132 Urban (2011) | 108 Rural, 108 Urban (2018)
  + 0.28, Panjgur: 408 Rural, 0 Urban (2011) | 156 Rural, 60 Urban (2018)
* Medium
  + 0.27, Chagi: 352 Rural, 48 Urban (2011) | 180 Rural, 36 Urban (2018)
  + 0.23, Lasbela: 331 Rural, 84 Urban (2011) | 120 Rural, 96 Urban (2018)
* High
  + 0.19, Loarlai: 350 Rural, 60 Urban (2011) | 156 Rural, 60 Urban (2018)
  + 0.10, Naseerabad: 271 Rural, 140 Urban (2011) | 156 Rural, 60 Urban (2018)

### **Gilgit-Baltistan (GB)**

* Gilgit: 361 Rural, 42 Urban (2011) | 120 Rural, 96 Urban (2018)

**Total Number of Respondents:**

* 2011: 7947 (3325 Rural, 3684 Urban)
* 2018: 2364 Rural, 307 Urban

**Total Number of Clusters:**

* 2011: 498 Rural, 278 Urban

The first stage of sampling used districts as the primary sampling unit.[1] In the second stage of sampling, within each district, the enumeration blocks listed in the population census served as secondary sampling units. In the third stage of sampling, within each sampled enumeration block, enumerators selected a predetermined number of households through a random walk. Finally, from each sampled household, enumerators then used a Kish Grid to randomly select one individual who met the screening criteria.

## **Sampling Stage 1: Selection of Districts**

The 2011 survey used an education-inequality index, based on data from the 2006-07 Pakistan Social and Living Standard Measurement Survey as a proxy for female underdevelopment. To calculate the education inequality index, analysts first calculated separate education indices for men and women in each district. These district- and sex-specific index represented the sum of 0.67 times the percentage of the male/female population that was literate and 0.33 times the male/female enrollment rate for the 5-24 years age cohort. The district education inequality index was then calculated according to the following formula[3]:

Analysts classified districts into three strata representing low, medium, and high levels of education inequality, respectively. The 2011 survey selected two districts from each education group in all provinces except Punjab, where it selected three districts from each group to control for greater heterogeneity across districts. To make the results comparable across the two surveys, the 2018 survey selected the same 28 districts surveyed in 2011 (listed in Table 1).

## **Sampling Stage 2: Selection of Clusters**

The second stage of sampling selected geographic clusters within each sampled district using the probability proportional to size (PPS) method, based on the number of households within each cluster.[5] The 2011 survey used the list of “circles” in urban areas and “villages/mouzas/dehs” in rural areas, compiled for the 1998 population census, as a sampling frame for selecting clusters through PPS. The 2018 survey used the list of enumeration blocks compiled for the 2017 population census, in both urban and rural areas, as a sampling frame for selecting clusters through PPS.

## **Sampling Stage 3: Selection of Households and Individuals**

In the third sampling stage, enumerators selected a predetermined number of households within each cluster through a random walk. To select a starting point for the random walk, the enumeration team developed a list of important landmarks (schools, mosques, etc.) and chose one randomly. Starting from the third house on the right side of the chosen landmark, enumerators selected sample households using the right-hand rule*.*[6]

In the 2011 survey, enumeration teams selected 12 household from each cluster in urban areas and 16 households from each cluster in rural areas. In the 2018 survey, enumeration teams selected 12 households from each sampled cluster in both urban and rural areas. In both surveys, in each sampled cluster, the enumeration team interviewed an adult man in half the households and an adult woman in half the households, using a Kish Grid to select individuals within each household. Female enumerators interviewed female respondents and male enumerators interviewed male respondents.

## **Sampling Weights**

Samples, even when well designed, are not generally a perfect a reflection of the reference population. The departure of the sample distribution from the population distribution leads to bias in sample results. To correct the results for deviation between sample and population distributions, the analysts applied stratification weights to account for over- or under-sampling of provinces and urban and rural areas, according to the following process:

1. To calculate the distributional share of each stratum (10 combinations of 5 provinces and urban or rural areas) in the *sample*, analysts divided the total number of households in each stratum by the total sample of households (i.e., 6048).

2. To calculate the distributional share of each stratum in the *population*, analysts divided the total number of households in each stratum by the total number of households listed in the 2017 population census.

3. To calculate the stratification weights, analysts then calculated the ratio of the population share and sample share of each stratum (i.e., divided the distributional share of each stratum in the population by its distributional share in the sample).

# **Gender Inequality in Pakistan: An Assessment**

Introduction In our world, men and women have equal rights, opportunities, and responsibilities. Pakistan has the highest level of gender inequality in the world, which is visible in every aspect of life. On the 2017 Gender Inequality Index, Pakistan is placed 133rd out of 160 nations, with a GII value of 0.541, indicating that Pakistan has the world's highest level of gender inequality (UNDP, 2018). Although boys get the bulk of household health and education resources, there are substantial gender discrepancies at the home, market, and institutional levels. Women in Pakistan confront a shortage of employment options, particularly in the informal sector2, due to poor school enrolment and literacy rates. When women's health is ignored, their death and life expectancy rates are greater. (Moheyuddin, Ghulam, 2005). All of society's traditions practices and cultural standards contribute to the discrepancies between men and women. Lack of resources, bad health, and illiteracy all affect women's quality of life, contributing to economic stagnation (Moheyuddin, Ghulam, 2005). Gender Inequality in Pakistan: An Assessment Men and women differ significantly in a range of categories, including education, work, and health, according to Pakistan's gender assessment. Because current data only show gender inequality in a few particular categories, such as education, health, politics, and labour force participation, achieving this goal will necessitate a thorough investigation of both economic and non-economic issues. Due to a lack of resources and opportunities, movement constraints, a lack of education, and a lack of information, women may face various gender disadvantages (Murad, Ahmad Raza & Hasan Sohaib, 2010). As a result of social and cultural restraints, women face greater challenges in getting these resources, which must be overcome by coordinated efforts (Bari, 2000). Gender equality calls for a long-term cultural transition, which can be achieved through education and increased awareness.

As society's opinion of women shifts, so will women's role in society. Gender-blind policies are tolerated by women, notwithstanding their limited impact on macroeconomics and social policy (Bari, 2000). Is a patriarchal society and political framework the cause of gender inequality? Women's exclusion from decision-making processes also limits their ability to speak up or express an opinion on municipal, regional, and national governance. In comparison to other South Asian countries, Pakistan has a larger proportion of female politicians4. Pakistani society is completely male-dominated and regimented, with men and women playing defined roles. (B Bari F, 2000). In health care, education, and home decision-making, women's limited mobility and economic dependency play a role. Females are more likely to engage in home-based economic activities to generate money in the informal sector since they are seen as a source of pride for men. Women will be able to recognise their fundamental rights and the vital role they play in society and the economy as a result of gender equality. Women's participation in decision-making will have a positive impact on their lives as well as on society as a whole. Women can contribute to the well-being of their families if they are allowed to participate in economic endeavors. Females in Pakistan, particularly in rural regions, are discouraged from pursuing higher education by their families. As a result of their high school graduation, their enrolment rate lowers. Women's life expectancy increased from 65 to 67 years after the birth of their first child. While the non-agricultural industry employs 14.5 percent, of women on average, the agriculture sector employs 73.2 percent of women, which is exceptionally high. Until 2017, women accounted for 20% of the legislature, according to sources. A new emphasis on gender studies has emerged in the social sciences. The impact of feminist theory on our understanding of how men and women are perceived, treated, and treated differently in society has been enormous (World Bank, 2005: Anaya Roy, 2003). Uneven power distribution between men and women is a global social issue, albeit it is characterized differently depending on the context (Nelson, Robert L., 1999).

Gender inequality is visible even in developed industrial countries, where female participation is lower and male unemployment is higher (Rives : Janet M : Yousefi, Mahmood, 1997). Literature Review Given the widespread occurrence of gender-based violence in everyday life, providing empirical and theoretical grounds for GBV in catastrophes is crucial. Women are more vulnerable to disasters than men around the world (Samir Dasgupta; Ismail Siriner; Partha Sarathi De, 2010; Eric Neumayer & Thomas Plümper, 2007; Brenda D. Phillips; Deborah S.K. Thomas; Alice Fothergill; Lynn Blinn-Pike, 222 Pakistan Social Sciences Review (PSSR) April-June, 2022 Volume 6, Issue 2 2009), and women in developing countries die from disasters at a higher rate than men (Domeisen, 1998; Eric Neumayer & Thomas Plümper). There has been a recurring pattern in the number of people killed or injured in natural disasters, such as tsunamis, earthquakes, and hurricanes, since the early twenty-first century (Deborah S.K. Thomas; Brenda D. Phillips; Alice Fothergill; Lynn Blinn-Pike, 2010). As a result, in most locations, women are more responsible for child care than men and are more likely to work from home than men. Natural disasters obstruct pregnant and postpartum women's ability to migrate. Women are more vulnerable to disasters than men since they live longer than males. As a result, women are more likely than men to be the victims of gender-based violence (Henrici, J. M; Helmuth, A. S; & Braun, J., 2010).

During times of hardship, women are taught to prioritize their own needs, even if it means being abused by men. (Parkinson, D., 2017)."Essentialist conceptions about gender identity, the division labor, and masculine power and authority were not questioned but were protected," according to Enarson and Scanlon (1999, p. 118). This is what happens with disasters, and it is accentuated. Terry and Thomas (1997) think that all members of society, regardless of gender, should have equal access to higher education possibilities. Gender Inequality and Economic Growth Gender inequality has been the subject of numerous research to establish the causes, repercussions, and impacts. Theoretical and empirical causes of economic growth are of interest to a large number of economists Endogenous growth (growth that is not constrained by diminishing capital returns) is favoured by some theories (Roemer, 1986; R. Lucas, 1988; Chen, Been-Lon, 1997) Unlike Solow's (1956) model, which includes exogenous savings and population increase, this model combines a neoclassical production function with exogenous savings and population growth to show per capita income convergence. Solow's paradigm is diametrically opposite to these two models (R. Solow, 1956). A variety of growth models emphasize human capital.

The basic Solow model can still produce conditional convergence when human capital is factored in. It can be used in endogenous models as well. According to a recent study, the reverse is true (Klasen, Stephan, 2008). Gender gaps in schooling have been linked to lower economic growth in a number of recent studies. Gender inequality has been proven to have a negative impact on economic growth in a number of theoretical contributions. Due to the effect of female education on fertility and the development of human capital for the next generation, the research implies that eliminating the gender disparity will result in economic growth. These impacts have also been studied empirically. In contrast to prior research that claimed that gender disparities in education could boost economic growth, it appears that the opposite is true. Gender Assessment in Education As a result of the country's social, cultural, demographic, and economic challenges, Pakistan continues to have a gender education gap. Women confront prejudice in practically every aspect of life in Pakistani society, which is patriarchal.

Gender disparities in education can be measured in a number of ways. When income quartiles are taken into account, gender inequalities in gross and net enrolment rates are obvious. Gender gaps in educational attainment can also be identified using 223

In other words, men presently outnumber women in terms of basic and secondary school attendance and literacy rates, according to the Pakistan Economic Survey. Pakistan has made little headway in bridging the educational gender gap. According to a 2005 education census, there were 2, 27,791 educational institutions in the country, with 25% dedicated to male students, 21% to female students, and 53% coed. The highest levels of total involvement are in the Northwest Frontier Province, Punjab, Sindh, and Northwest Frontier Province, while the lowest are in Baluchistan. The FATA region of Pakistan has the lowest percentage of female enrolment, while the Northern Areas and AJK have enrollment rates that are approximately comparable. Both boys and females have equal access to schooling. Discrimination based on race, ethnicity, or gender is prohibited. Article 25A of Pakistan's constitution mandates that all citizens, regardless of gender, receive free and compulsory education. Educational inequality is at the root of a slew of other socioeconomic issues. This is especially true for girls, who face a higher rate of gender discrimination in schools than their urban counterparts, due to impoverished families' lack of financial resources to provide a better education for their children. A paucity of female teachers in rural areas, a lack of vital school infrastructures like water, power, a boundary wall, and political activity in rural communities are all factors that contribute to the low percentage of female pupils in schools. A lack of public money is another key impediment to educational growth. The educational system in Baluchistan is less developed than in Punjab, making it more difficult for girls to avoid going to school14. In both rural and urban areas, female attendance in public schools is mostly a result of these institutions' poor conditions, which include antiquated structures, a scarcity of educated teachers, and a low level of education. Separation based on race, class, and socioeconomic standing is another factor that contributes to the widening of social divides in our educational system.

## **Gender Assessment in Political Participation**

As a result of the Local Governor Ordinance of 2001, women now have more opportunities to engage in the country's political process. Nearly 36,000 women voted in the 2001 election, the majority of them had no prior experience in government. They were both unsure of their fundamental rights, obligations, and responsibilities. Women, on the other hand, must be included in politics if they are to have a voice. The National Assembly has 342 members, 60 of whom are women and ten of whom are non-Muslims, according to Article 51. Seats are also distributed depending on population across states, federally administered tribal areas (FATA), and the nation's capital. The Inter-Parliamentary Union (IPU) has Pakistan rated 100th, ahead of countries like India. According to Article 50 of the 1973 Constitution, Pakistan's Parliament is bicameral. The National Assembly and the Senate, as well as a President, make up the government. Following modifications to the constitution and the Proclamation of Local Government Ordinance, 2000, the Pakistani government ensured that a minimum of 33 percent of local government seats were reserved for women. Female legislators presently hold 128 seats in provincial legislatures and 17% of National Assembly seats. Women have been allotted 60 seats in the National Assembly, accounting for 17% of total seats, according to the latest recent figures. Punjab has 35 female seats out of a total of 148 in Pakistan's most populated province.

## **Material and Methods**

Secondary sources and publicly available data are used in this investigation. Secondary data is data obtained from original sources and made available to academics for use in their own study. To put it another way, this is data that has already been collected. You may have obtained data for one reason as a researcher and then shared it with another to perform another study. Data that has been reused is referred to as secondary data in the original study and main data in the follow-up study. Publications such as books, journals, newspapers, and websites, as well as other publicly available documents, will be used as secondary data sources in 2021 (Formplus, 2021). Secondary qualitative data analysis is used to answer questions about the research that were not addressed in the initial study (Hinds et, 1997). Making primary datasets available for secondary study on their own can be advantageous for new researchers. Qualitative researchers examine data to gain a more comprehensive picture of a phenomenon The study looks into the inequalities between men and women in terms of political activity and health in Pakistan. The study incorporates both qualitative and quantitative data from government, international development, and local non-profit organization publications. This examination clarifies gender roles, relationships, and resource control between the sexes in order to fully exploit the potential and restrictions of economic and human advancement

## **Results and Discussions**

Table 1 depicts the gender difference in Pakistani education from 2003 to 2017. Male literacy stands at 81 percent, compared to 66 percent for females, despite the fact that the young adult literacy rate (15-24) has increased over time. The ratio of primary and secondary problems in boys and females follows a similar trend. Both ratios have improved in recent years, but the Secondary Completion Rate for both genders has to be improved urgently. In 2017, 55 percent of males and less than half of girls had completed secondary education. Males are more likely than females to make the transition from primary to secondary education. At least 88 percent of boys and 78 percent of girls completed the transition from elementary to secondary general education in 2016. Males, on the other hand, saw a 5% increase in their rate of transition between 2004 and 2017, while females saw a 5% increase. Nonetheless, the proportion of children over the age of six who did not complete primary school decreased for both genders between 2004 and 2017. At least 50 million girls and 34 million boys were unable to attend school in 2003; however, these figures began to fall after that. Despite the fact that 32 million girls and 21 million boys did not attend school in 2017, the gender gap in those who did not attend school is larger than the gap in those who did not attend school among men, needing further attention. According to the Global Campaign for Education, 5.1 million primary school children, 63% of whom are female, do not go to school (2014). This country has the world's third-highest school absence percentage among school-aged youngsters. In addition, due to gender gaps in educational attainment, Pakistan is ranked 147th out of 189 countries on the Gender Inequality Index. Table 3 of the Gender Parity Index (GPI) shows this educational disparity (see below). According to GPI data from 2003, the GPI value was 0.77, but by 2016 it had risen to 0.81. The gender gap, though, is still less than one. According to women's and children's rights treaties, 77 million youngsters, 56 percent of whom are females, are unable to exercise their fundamental educational rights (CRC). Women in Pakistan face more bias in education than men, as these figures show. Poverty, cultural norms, travel restrictions, a lack of educational facilities, a shortage of female educators, and inadequate government support for education are just a few of the obstacles women encounter on their path to a better future.

From 1999-2000 to 2015-16, additional indices of educational gender imbalance, such as the number of schools, students, instructors, and student-teacher ratios, are included below. In 1999-2000, female students occupied nearly half of all elementary schools (58 percent of total enrolment), nearly all middle schools (8.1 percent), and nearly all high schools (98 percent) (4.6 percent). As a result, while the total number of primary, middle and high schools decreased, the total number of female schools increased across the board, with 60.1, 21.3, and 13.8 thousand female schools in primary, middle, and high schools, respectively. In every category, male and female enrolment has gradually climbed over the last fifteen years. There is, however, a large gender gap. Males made up 70.4 percent of primary, 161.5 percent of the middle, and 141.8 percent of secondary school enrolments in 1990-00, while females made up 52.2 percent of high school enrolments. Having said that, we are starting to see a rise in political engagement. Table 4 represents the distribution of National Assembly seats in Pakistan in 2019 based on the most recent information available on the National Assembly's website. The seating arrangement may be changed from its initial form if no oath is taken or if seats remain vacant. The National Assembly has a 22.5 percent female presence, but Punjab has a higher female representation than the other provinces.

Female representation in the National Assembly is extremely low, both among Muslim and non-Muslim members. In 1990, there were 215 male members and 2 female members in the National Assembly, a male-to-female ratio of less than 0.9 percent. Between 1993 and 1997, however, the number progressively increased. During the general elections of 1988, 1990, and 2007, female-only seats were 2011 0.83 0.852 0.75 2010 0.84 0.85 0.77 2009 0.83 0.85 0.79 2008 0.81 0.84 0.75 2007 0.8 0.83 0.75 2006 0.78 0.79 0.77 2005 0.77 0.76 2004 0.73 2003 0.72 Gender Inequality in Pakistan: An Assessment eliminated. The number of female seats in the National Assembly and Senate was drastically increased in 2002, to a total of 22. According to the Senate of Pakistan's website, women held 16.346 percent of Senate seats in 2018, but the Constitution of the Eighteenth Amendment Act, 2010, added four seats for non-Muslim senators. Only one female senator served in the United States Senate in 1990, which was considered extremely unusual at the time. There were 17 women on the board by 1993. Female representation in the representative body has also been raised. Women made up 20% of the Senate's 104 members in 2018. Pakistan has an increasing number of women participating in the political process as voters, candidates, or political activists compared to other countries, including the most democratic. Women should have more opportunities to hold national leadership positions so that they may push for policies that benefit women from all walks of life.

## **Conclusion**

This study examines gender inequality in Pakistan, focusing on variations in educational achievement and political involvement among women. Gender discrepancies have been observed more frequently in females than in males, implying that female positions are not regarded as equal to male positions. As a result, economic development will not be able to realize its full potential unless gender is taken into account. Men’s and women's gender roles differ substantially depending on socioeconomic and cultural factors. Patriarchal ideas have also shaped women's responsibilities in society. As a result of traditional social standards that artificially segregate production and reproduction, women have been relegated to the reproductive roles of mothers and spouses. According to figures from both government and non-government sources, Pakistan's gender gap is showing a mixed trend. The results of a gender assessment can be used in strategic planning, policy creation, or mission formulation to counteract gender inequity. Equal access to education, political participation, and economic engagement for men and women is required, as well as equal decision-making authority for women. Female senior management representation, on the other hand, is extremely low, owing to the female workforce's lack of education and competencies. When it comes to female managers, Pakistan is ranked 108th in the globe (ILO, 2015). To begin, reducing the income disparity between men and women will necessitate increasing women's educational opportunities. Women's education can be used to expand women's employment opportunities in the formal sector, hence reducing gender inequality. To eliminate gender stereotypes, the federal and provincial governments should prioritize female education**.**

## **Recommendations**

· Improved financial infrastructure and access to interest-free loans are essential for women entrepreneurs and students to be economically empowered.

· It is vital to educate women about their civic rights in order to inspire more women to enter politics. To elect leaders who will seek to improve women's lives in the future, the government should raise awareness of the fact that all women have the right to vote, particularly in rural areas. Pakistan has enacted legislation and implemented programs to promote women's rights and gender equality. National plans of action and the National Policy for Women's 228 Pakistan Social Sciences Review (PSSR) April-June, 2022 Volume 6, Issue 2 Development and Empowerment both have the goal of empowering women and ensuring equal access to all services (2002, respectively).

· The federal and provincial governments' 2005 Gender Reform Action Plan (GRAP) displays their commitment to reducing gender inequity. Political engagement, institutional restructuring, public sector employment, policy, budgeting, and public expenditure procedures, as well as capacity-building initiatives, are all mandated by GRAP, with a special emphasis on gender mainstreaming

# **INSTITUTIONALIZING GENDER IN EMERGENCIES**

THE PROJECT IN CONTEXT Pakistan faces frequent natural disasters, including earthquakes, floods, cyclones, drought and tsunami, and there is ongoing conflict and military operations in the northwest of the country (in Khyber-Pakhtunkhwa (KP) and the territory of FATA). In general terms, Pakistan is characterized by very low human development and a very large number of people in need of humanitarian assistance.1 This is combined with one of the highest levels of gender inequality in the world.

In Pakistan, the sociological data in reports and presentations in most cases fails to record differences in survey responses by age and sex (known as sex- and age-disaggregated data (SADD)), and is characterized by limited or missing gender and social analysis. What scarce evidence is available suggests that the differential needs and capacities of affected populations in disasters are not sufficiently addressed.

THE CHALLENGES Globally, good policies and international standards on gender in emergencies do exist. However, the implementation of humanitarian assistance with a strong gender perspective remains ad hoc, and there is limited accountability of implementing agencies. This project: Institutionalizing Gender in Emergencies: Bridging Policy and Practice was designed to explore how to better institutionalize gender-related standards in humanitarian assistance. The project was developed from an analysis of policy and practice both at a global level and at country level. The project was piloted in four countries: Ethiopia, Pakistan, South Sudan and the Dominican Republic from September 2015 to March 2017.

The project in these four countries focused on the following issues in which significant gaps were identified:

• Insufficient gender analysis and evidence to inform humanitarian response planning and practice;

• Low technical capacity in gender in emergencies across sectors and organizations;

• A lack of coordination on gender across different agencies to support sector programmes;

• Lack of accountability for implementation of gender-related standards within organizations and across the humanitarian system.

3 OBJECTIVE, STRATEGIES AND INTENDED RESULTS The objective of this project was: To enhance the capacity of humanitarian organizations to provide adapted assistance to meet the needs of women, girls, men and boys in emergency scenarios. Two strategies were adopted by the project team to achieve the objective: (A) the institutionalization of gender mainstreaming in emergencies, and (B) the creation of more robust accountability mechanisms within humanitarian organizations.

The project aimed to deliver four results:

• Functioning Gender in Emergencies Working Group (GiEWG) established;

• Gender evidence base via a consolidated Country Gender Analysis for use by all actors, established;

• Technical capacity for gender in emergencies within humanitarian organizations,5 enhanced;

• Workable Accountability Framework in coordination mechanisms tested. This case study describes the experiences of implementing the project in Pakistan for each of the four projected outcomes. This includes a description of the activities carried out, the results achieved, and important contextual factors affecting the success of the project. It also provides a reflection on key challenges, limitations and significant events, and key lessons that may be applicable at global level.

It then draws conclusions and provides recommendations for next steps and future directions that will be led by Oxfam.

PROJECT HIGHLIGHTS AND MILESTONES

Table 1 below summarizes the implementation timetable of the project in Pakistan and describes the key actors and targets involved at each stage. This summary is followed by a detailed analysis of interventions. Table 1: Institutionalizing Gender in Emergencies Project – Pakistan implementation timetable Timeline Key milestone of the project Targets/Actors 1. Creation of the Gender in Emergencies Working Group November–December 2015 Oxfam Pakistan’s gender team worked to create a Gender in Emergencies Working Group (GiEWG) Seven humanitarian organizations including INGOs, national NGO, women’s rights organizations and Cluster Leads. February 2016 Official project launch UN agencies, humanitarian organizations

2. Improving the Evidence Base – Gender Analysis April 2016 Oxfam team, with GiEWG, undertake a desk review of evidence related to gender in emergencies in Pakistan Working group, UN agencies, government and Clusters April 2016 Development of ToR for a gender analysis and completion of fieldwork Partners in six locations across Pakistan/Government agencies October- November 2016 Data collection from six disaster prone-districts – surveying more than 1,500 men and women, using focus group discussions and key informant interviews Partners in 6 locations across Pakistan / Government agencies December 2016–January 2017 Compilation and finalization of gender analysis in consultation with GiEWG Oxfam Team, GiEWG members February 2017–March 2017 Publication and launch GiEWG and all stakeholders

3. Developing Technical Capacity in Gender in Emergencies February 2016 Self-assessment tool showing gender gaps in practice and policy GiEWG membership May 2016 The first Gender Leadership in Humanitarian Action training course INGO, local NGO, Cluster, regional government participation December 2016 Second Gender Leadership in Humanitarian Action course National, international organizations and government

4. Accountability Framework in Coordination Structures November 2016 Sharing common Accountability Framework with key stakeholders and consultation and planning UN OCHA, UN Women, Pakistan Humanitarian Forum, Cluster Leads for KP January–February 2017 Sharing Accountability Framework for feedback and adaptation UN OCHA, UN Women, WASH cluster, START Network, National Humanitarian Network, Gender Task Force, The analysis at global level revealed that gender issues are only addressed in a limited way in humanitarian coordination mechanisms, and are mostly confined to the gender-based violence (GBV) sub-cluster of the protection cluster.

This limits the understanding and awareness of gender-related issues by humanitarian actors. It may mean that differential vulnerabilities, as well as the long-term social norms and underlying root causes of gender inequality are not examined or adequately addressed within programming. It also suggests that the discussion of gender within humanitarian response efforts may not benefit from the input of local actors, including women’s rights organizations.

INTENDED RESULT

1 The project design included the establishment of a national Gender in Emergencies Working Group (GiEWG).

This collaborative venture was intended to bring together different actors in the humanitarian system to lead on the project activities and create sustainable change in the humanitarian system. Important actors had been identified at global level as cluster lead organizations, including UN agencies and INGOs, as well as key local NGO partners and organizations/coalitions working on women’s rights. ACTIVITIES AND RESULTS Activities During the inception phase of the project, Oxfam reached out to relevant agencies in Islamabad and secured agreement of participation from CARE International, the United Nations Food and Agriculture Organization (UNFAO), International Rescue Committee (IRC), UNICEF, UN Women, and the Aurat Foundation – a prominent national NGO working on women’s rights issues across the country.

At the time of the 6 launch of the project in February 2016, the GiEWG had the buy-in and support of these major organizations, and this interest and support was maintained throughout the project. Each collaborating agency designated a focal person, and the group developed clear terms of reference (ToR): to meet monthly, to engage in project activities, and to share knowledge resources (human and coalition-building). During the project, eight monthly meetings were held, each including at least 60 percent of members. Results The GiEWG provided technical support for the review of documents & processes in the project (as described under the other outputs below).

The GiEWG also supported non-project-related activities: this involved reviewing the Aurat Foundation’s comprehensive policy framework on the rights of internally displaced persons (IDPs), and providing technical support to a scoping study on GBV in humanitarian settings in 2015 in collaboration with the UN Population Fund (UNFPA).6 GiEWG members are also the part of Gender Task Force (GTF), a broad coalition of more than 80 delegates including researchers and policy makers in Pakistan, convened by UN Women.

The GTF is an advisory body to the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) in Pakistan and so the GiEWG has remained a part of this group and boosted its functioning and membership. Project results and learning have been shared at each stage with the GTF. CHALLENGES AND LIMITATIONS The key challenges in establishing the GiEWG related to contextual factors, and the experience of the working group demonstrated the importance of paying close regard to these factors and adapting the GiEWG to respond to the specific context in question.

A number of issues were faced in building a collaboration in this way in Pakistan: Government collaboration Increasingly, the key actors in humanitarian assistance are governmental ones. Within the national federal government, the National Disaster Management Authority (NDMA) leads humanitarian policy, coordination, technical assistance and planning. In each province the Provincial Disaster Management Authority (PDMA), a part of the provincial government, coordinates the response and supports District Disaster Management Authorities.

7 Consequently, the project had to rely upon government support to effect change in the areas of the country where government leads the response. The NDMA has undertaken a number of positive steps to work on a gender equality approach and has been supported in these efforts by the 7 cooperation of international organizations. Within the structure of the NDMA is a Women and Child Cell which leads on gender issues, and the NDMA has recently ratified important national policy guidelines for supporting vulnerable populations in disasters.

8 This gave a strong policy backing to the project, as it shows a high level of awareness by the government of the needs of vulnerable groups. However, the GiEWG was not formally endorsed by the NDMA during this project, despite positive communication and the sharing of results throughout.

9 Collaboration with humanitarian organizations The issue of ‘shrinking humanitarian space’ for INGOs also had an impact on the project. At the time of the project inception, many INGOs (including Oxfam GB) were waiting for extensions to their Memorandum of Understanding (MOU) with the government, necessary for continuing operations. This meant that there was an uncertain environment in which to commit resources. It was also difficult to secure support due to the fact that there was no sub-granting of funds to other agencies, with the result that the collaboration relied on voluntary commitment of time, and organizations feared they would be financially liable for project activities It therefore took more than five months to secure the services of a clear delegation of personnel to the project. Formal MOUs establishing the GiEWG within the structure of key organizations were not possible. Collaboration with the cluster system The UN Cluster System operates in Pakistan as a ‘one UN’ system.

10 During the project, the UN Cluster System was in operation only in KP and FATA. This led to a decision by the project team to work with national-level organizations based in Islamabad, with the knowledge that the clusters leads would need to be approached separately.

11 This constraint was partly because Oxfam does not have an MOU to work in KP and FATA. However, this led to delays and a lack of ownership from the cluster later in the project. LESSONS The GiEWG is the first forum in Pakistan with a focus on gender in emergencies, and this is an important and positive development. It has been able to: share knowledge with a wider range of stakeholders on gender in emergencies than previously; implement project activities; advocate among different elements of the humanitarian architecture and contextualize international approaches; and build trust and a shared platform. The fact that is has become a reference point for organizational initiatives means that it is playing an active role in the humanitarian system in Pakistan. Funds for a GiEWG are necessary for organizations to commit sustained resources, beyond individual volunteering of time. The project analysis did not focus on changes in the government system, but, in Pakistan, government support is the key to sustainable change. 8 The challenges and delays faced by this project demonstrate that it is imperative to work closely with government authorities.

Developing relationships with local actors requires substantial resources in terms of people and time. A formal role for the GiEWG is achievable, but this would require a long-term strategic and consistent engagement with a wide range of government institutions, as well as sustained and broad coalition-building within civil society. In the current context, projects need to include funds for sustaining the relationships with government. In retrospect, it became apparent that Cluster Organizations should have been engaged earlier in the project, but there were significant constraints to doing so.

At the international level, there is insufficient gender analysis and evidence to inform humanitarian response planning and practice. INTENDED RESULT 2 The process entailed the consolidation of available data on gender issues in emergencies at a country level (desk review), in order to undertake a gap analysis of areas of deficiency, and to use this to conduct a field study. Put together, this would form a consolidated country Gender Analysis. The aim was to support humanitarian actors in developing proposals and designing humanitarian programme strategies and contingency plans, and also to help to establish links with long-term development projects. ACTIVITIES AND RESULTS Activities The project team first collated all the available evidence on gender in emergencies, reaching out to the GiEWG and beyond.

The desk review (completed April 2016) incorporated findings from more than 90 documents covering different aspects of mainstreaming within different disaster responses in Pakistan.12 There were strong findings from 9 existing reviews that women, children and other vulnerable groups were particularly disadvantaged in an emergency context and less able than men and boys to access humanitarian assistance. However there was no consolidated data on gender in emergencies at country level. As sex- and age-disaggregated data (SADD) in most reports and presentations was missing, information on gender was confined to specific studies and evaluations.13 After completing the desk review, comprehensive ToR were developed by Oxfam, with consultation from regional staff, as well as the GiEWG members.

Six districts were selected, based on the NDMA Implementation Road Map Phase 1, in October 2016. This was to ensure that findings from the study were directly relevant to public policy. The field study included Oxfam partners to implement the survey.14 From October to December 2016, the field data was collected from more than 1,500 individuals in disaster-affected areas across Pakistan, as well as with key informants in partner agencies, and district authorities.

Results Initial results have been shared with members of the GiEWG to develop strong recommendations for different humanitarian actors. Before this project, no consolidated country gender analysis had been carried out. The type of data that has been gathered has not been collected before and should therefore make a major contribution toward achieving more targeted humanitarian response. CHALLENGES AND LIMITATIONS Implementing the desk review was an extremely challenging process in itself, as the project encountered very poor information management and high turnover of staff in humanitarian programmes (often hired for a specific project on a short-term basis), which meant that personnel within organizations were unaware of, or not able to access, relevant reports. The implementation of a field study of this size has proved to be impossible in the original timescale.

Consequently, the intended step of using the gender analysis to influence organizational strategies and proposals has not been achieved in the project timeframe. Delays were experienced as a result of a number of factors:

• At the outset, there were differences of opinion regarding how to take the study forward, as it had been envisaged that other agencies in the GiEWG would contribute both technical and financial resources to the study, yet this did not prove possible. Oxfam’s MOU only permits Oxfam to work in Punjab and Sindh, while the gender analysis field study required a countrywide study.

• The scope of the study also required approval not just by Oxfam but by the NDMA. Getting this approval took time. For the findings to be 10 useful and influential, government stakeholders needed to be involved from the start. Government restrictions on surveys and research also necessitated that prior approval be obtained from the Ministry of Interior as well as from particular district authorities, which took two to four months in some cases.

• Major logistical problems included monsoon rains blocking access to the field and primary data that was temporarily seized by intelligence agencies at provincial level (later released).

• A delay was incurred due to the fact that the external consultant needed additional support to develop the analysis required within the agreed timeframe. LESSONS A key role of a GiEWG is to support better information management of existing contextual knowledge on gender in emergencies. Resources are required for expertise to be updated and transferred in the future. The desk review and consolidated study represent a step forward in understanding gender in emergencies at national level. Data aggregated at national level should support policy change. Developing the ToR took time, but was necessary, as robust consultation supports positive dissemination and uptake of results.

The logistical challenges of undertaking research with a large primary dataset need to be better integrated into a project timeframe. In this project we did not originally plan for such a large primary dataset. This was a significant problem, as the need for a larger study was only revealed at the gap analysis stage. A realistic timeframe is required for analysis of data. Additional resources will be required for the services of external consultants to conduct analysis of research results and recommendations from the study. The analysis presented in this study will not only help humanitarian actors in Pakistan to shape their current programming, but it also provides a baseline that can be updated in the years to come.

The issue addressed was low technical capacity across sectors and organizations on gender in emergencies. Intended result 3 The objective was to create a baseline of capacity on gender in emergencies for participating agencies. This exercise was designed to raise awareness of capacity gaps that could then be addressed through training courses, designed at global level and adapted at national level, focused on gender leadership in humanitarian action. The training would lead to the creation of a national-level action plan, with the aim of achieving concrete changes in internal guidance and policies, as well as follow-on training by participating organizations.

ACTIVITIES AND RESULTS ACHIEVED Activities The project (at global level) designed an organizational self-assessment study as a tool for the GiEWG based on the Oxfam minimum standards for gender in emergencies.15 In February 2016, the organizational self assessment was completed by the members of the GiEWG: UN Women, FAO, IRC, UNICEF, the Aurat Foundation and Oxfam GB. The responses included a wide range of opinions about how effectively organizations were working and scores ranging from 48 to 92 out of 100. While international organizations had strong organizational policies on gender in emergencies, these were not always implemented well in the specific countries. Most agencies were weak at using gender analysis through the project cycle. The Gender Leadership in Humanitarian Action course aimed to develop gender leadership to drive change in the humanitarian system. Modules addressed technical capacity as well as soft skills in conflict management and how to lead change. 12 Figure 1: Sample modules of the Gender Leadership in Humanitarian Action course What is gender? Power walk in a disaster scenario GBV / PSEA Managing conflict – Killman’s model External talks on leading change Full simulation from IASC online CHS, IASC Marker Gender Analysis, Feminist MEAL Feminist Leadership Diamond The first training took place in Pakistan in May 2016. There were 23 participants (16 women and seven men) representing a range of organizations, including six collaborating agencies from the GiEWG and Cluster members from Food Security and Community Restoration Clusters.

The second training event was held in December 2016 for 16 participants (six women and 10 men). This course engaged a wider range of participants, including government staff from Sindh PDMA, KP Social Welfare and Child Protection department, and FATA Disaster Management Authority officials. The training also engaged clusters and national partners of other agencies and Oxfam. Results The self-assessment was a breakthrough in building trust and collaborative spirit between a range of very different organizations, and facilitated productive exercises in comparing practices. It also highlighted the need for further training and capacity-building in this area. Feedback indicated that the training was in-depth and relevant to the context, and that it included gender-related standards and approaches, and the Gender and Age marker.16 Participants reported that being asked to reconsider gender leadership skills was a new and worthwhile experience, and, it was felt that the training provided an opportunity for cross learning through sharing experience and good practices. As a result of the training, action plans were developed at three levels: that of the individual, the organization, and the group.

The action plans were compiled into a single country ‘road map’ – a process led by UNOCHA and including actions for the Clusters. 13 Since the initial training, three of the seven agencies involved have replicated this training with their staff, and five have undertaken other initiatives outlined in their action plan that reflect the ownership and commitment of the partner organizations.

CHALLENGES It was initially challenging to consider how to conduct a survey that explored organizational gaps, without subjecting it to lengthy sign-off procedures on publication of results. The organizations involved decided that they would treat the examination as an internal exercise that would serve as a baseline for the project. Several PDMA Baluchistan staff were trained but then left their position. Staff turnover is a major factor affecting the sustainability of training outcomes. LESSONS Self-assessment is a very useful way of understanding organizational strengths and weaknesses and building awareness of capacity gaps.

Organizational gender reviews through self-assessment may support organizations to grow and learn, and could be repeated on a regular basis. By maintaining the confidentiality of results among the GiEWG, gender focal personnel can acquire good evidence of gaps to report back to their management teams, without going through sign-off procedures that may cause delays or open the organization up to external criticism.

Gender leadership in humanitarian action is a new and attractive area for participants in Pakistan. There is a substantial need for further development of technical capacity in gender in emergencies across humanitarian actors, including INGOs, local NGOs, UN agencies and government.

## **TRIALLING THE ACCOUNTABILITY FRAMEWORK ISSUE**

The issue addressed was the lack of accountability for implementation of gender-related standards within organizations and across the humanitarian sector. INTENDED RESULT 4 The intended result was to trial a global accountability framework with cluster organizations. This framework was intended to support the clusters to develop action plans that would improve accountability for gender in their sector coordination mechanisms. ACTIVITIES AND RESULTS ACHIEVED Activities The global project team examined accountability for gender at all levels and developed an Accountability Framework. It identified specific actions to be taken by coordination mechanisms that would promote gender equality (outlined below).

The framework included key elements and best practice examples to support self-assessment. 15 Table 2: Outline of Global Accountability Framework Ten things we want Clusters to do on gender 1. Quality gender analysis 2.Gender-responsive strategic planning documents 3. Contextualized minimum gender commitments 4. Adequate gendered competency of agency expertise and staff 5. Inclusive and participatory cluster/sector meetings 6. Learning spaces on gender-responsive implementation 7. Gender-responsive cross-cluster/sector coordination mechanisms 8. Continuous review and adaptation of ways of working with affected populations

9. Recurrent monitoring of the IASC Gender and Age Marker 10. Enhancement of linkages between humanitarian and development interventions Rating Very Good Good Unsatisfactory Weak In Pakistan, the Accountability Framework was first shared with the GiEWG, and a joint meeting and review of the tool was subsequently convened with the UN OCHA head, UN OCHA gender adviser, and ECHO technical assistant. Initial feedback was that, while the measures appeared important and valid, there was a concern that the tool was being ‘imposed’ and that it may duplicate existing monitoring arrangements. It would need formal endorsement by the Humanitarian Country Team (HCT) to be implemented.

17 It has since been shared and consulted upon with the Gender Task Force, the Pakistan START Network, and the KP WASH Cluster. Results The feedback from the START Network was very positive. They felt that the accountability framework measures could support them in developing Standard Operating Procedures and simulations for groups of specialists they are developing as a part of their own project, Transforming Surge Capacity. The initial feedback from the WASH Cluster is that the measures are valid areas for the Cluster to monitor and complement the use of the Gender Marker. However, it would be important to contextualize the measures and include reference to Pakistani Law. They noted that such a mapping may support better allocation of gender resources within the cluster. 16 The project aims to complete a revision of the framework and seek formal endorsement of the tool. CHALLENGES There have been challenges and delays owing to the fact that the Clusters are grouped in a specific geographical location, and since the tool was designed at a global level, it encountered initial resistance on the basis that it was being externally imposed on actors in-country. Application within Pakistan’s ‘one UN’ system requires formal endorsement by the HCT.

Entry points for change are via the Pakistan Humanitarian Forum (PHF), the National Humanitarian Network (NHN) and the HCT. It is still unclear how this tool will be different, distinct or add value in comparison to existing monitoring and reviewing tools, and this consultation is ongoing. ‘Accountability’ is an overused and loaded term in Pakistan and is viewed negatively by a number of organizations. LESSONS The way that the cluster system operates in Pakistan offers a significant opportunity to advocate for gender accountability via a formal process of endorsement.

If achieved, this would represent a step change in gender accountability within Pakistan. The measures may improve practice and monitoring by the Cluster. The tool offers an entry point for the GiEWG to support the Clusters and other initiatives such as the START Network.18 Collective ownership is crucial. We should view this tool as a basis for local adaptation to context, through reference to local law and rescaling as necessary to respond to context-specific constraint. The GiEWG should be involved in revising the language of the framework. It may need to change its name (one recommendation: Gender Responsive framework).

CONCLUSIONThe approach of the project to institutionalize gender standards and approaches is, in itself, new to Pakistan’s humanitarian system, and as such, it addressed a significant gap. The project has helped to move the gender agenda forward among humanitarian organizations, and a significant outcome is the development of Oxfam’s own organizational action plan. The project required a long-term perspective in the Pakistani context – with a more strategic analysis of key actors, a focus on developing strategic relationships with government partners, and early buy-in from cluster organizations.

# **Tensions and Challenges in the Management of Diversity and Inclusion in IT Services Multinationals in India**

## **Introduction**

Diversity and inclusion (D&I) have become prominent organizational and societal concerns due to increasing market, firm, and workforce internationalization, as well as legal, social, and economic changes (Shen et al., 2009). In this paper, D&I management refers to voluntary organizational interventions designed to recognize and accommodate workers’ demographic and personal differences into formal and informal organizational structures through deliberate measures and policies, with the aim of maximizing the contribution of staff to organizational goals. Such practices often include the creation of minority interest groups and the provision of career progression support specifically for these workers (Cooke and Saini, 2010).

This U.S.-initiated agenda has gained international currency among HR managers and organizational leaders, including those operating in emerging economies (Healy & Oikelome, 2007; Li et al., 2011; Sippola & Smale, 2007). India is a key exemplar among these economies (Stumpf et al., 2010). It is an extremely heterogeneous nation by ethnicity, language, and faith. Yet the legal and organizational infrastructure for diversity in India is patchy. Equal opportunities and anti-discrimination legislation are provided in the Constitution and laws to protect the civil rights of vulnerable groups, but these are not fully comprehensive and weakly enforced (Woodard & Saini, 2006). Indeed, in an internationally comparative index of diversity readiness compiled by the SHRM and the EIU (2009), India ranked 41 out of 47 countries.

Such national-level assessments may, in part, be influenced by the scarcity of empirical research examining the management of D&I in firms in India (Budhwar & Varma, 2010). Consequently, it is important that we address this lacuna by enhancing our understanding of D&I in this environment (Hoque & Noon, 2004; Nishii & Özbilgin, 2007; Kamenou, 2007; Greene & Kirton, 2010). India’s rapidly expanding IT services sector features extensive multinational knowledge-intensive activity, where the application and impact of D&I initiatives are likely to be salient and provide a rich context for the analysis of emerging management patterns (Ali et al., 2011; Cooke & Saini, 2010).

## **Research Focus**

The research detailed in this paper provides insight into the management of D&I from the perspective of senior organizational leaders in IT services multinationals in India, due to the pivotal role of these actors and organizations in shaping policy and practice, both within and outside their firms. The paper focuses on the relationship between organizational D&I policies influenced by HRM theory and business case arguments and the views and actions of management and staff, as accounted for by the sample.

### **Research Questions**

· How is age, gender, and intra- and international diversity viewed and managed by HR leaders in multinational IT services firms in India?

· What challenges do they face in achieving their goals in relation to the management of D&I policy and practice in these areas and why?

To address these questions, original data were collected through qualitative semi-structured interviews with top-level D&I agents in multinational IT services firms in the high-tech clusters of Delhi, as well as the industry body, and the acquisition of organizational policy documents.

### **Findings**

The findings reveal tensions between the rhetoric of HRM theories and organizational policies, management practice, and employee behavior in the sample firms. They also shed light on the implications of these tensions for HR management in these organizations, which need to be addressed if the claims advanced by the business-case and resource-based perspectives are to be realized, and the management of D&I is to be successfully aligned with their business and HR strategies.

## **The D&I Agenda: The Promise of Business and Performance Enhancements**

Diversity management is a relatively nebulous functional construct, punctuated by contrasting interpretations and ongoing debate (Foster & Harris, 2005; Oswick, 2010). This is because it effectively constitutes a blanket term for the management of a growing list of intersecting individual differences, which vary with respect to the degree to which they are directly visible. Depending on national and organizational context, these include but are not limited to age, gender, ethnicity, disability, religion, social and marital status, sexual orientation, personality, and culture (Shen et al., 2009).

Diversity management builds on the social categories covered by conventional equal opportunities policies to include personal characteristics, with the emphasis placed on positive voluntary action rather than compliance with external legislation (Jayne & Dipboye, 2004; Kossek et al., 2005). Valuing, harnessing, and utilizing demographic diversity and overcoming negative discrimination and segregation are commonly espoused aims and ambitions of diversity advocates and related policy statements (Healy et al., 2010).

For some, this equates to a bifurcation with the more traditional framework of equal opportunities, evidenced through the identification of a range of distinguishing features (e.g., Kandola & Fullerton, 1998; Liff, 1997). However, the degree to which these constitute practical or analytical contours is subject to ongoing debate, as is the extent to which there is evidence of any real shift (Kaler, 2001). At the firm level, this can be particularly apparent due to overlaps in practice and a tendency for the moniker of diversity management to be merely superimposed onto equal opportunities policies, thereby obfuscating differentiation on the part of HR practitioners and organizational members (Foster & Harris, 2005; Oswick, 2010).

Nevertheless, analyses of HRM discourse and policy developments show that diversity management continues to eclipse equal opportunities in many firms (Kirton & Greene, 2009; Tatli, 2011). This shift toward D&I can, in part, be attributed to business case arguments, which are a defining feature of this management focus (Kamenou, 2007). Drawing on this rationale, a range of organizational benefits can potentially stem from the acquisition and maintenance of a diverse workforce.

To begin with, management may be able to exercise greater influence over equality and diversity issues by drawing them into the corporate agenda and aligning them with their business and HRM strategies (Zanoni & Janssens, 2004). This can offer associated benefits in relation to corporate ethics, image, and social responsibility (Kandola, 1995; Jayne & Dipboye, 2004).

For many organizations, customer diversity is growing. Tapping into new markets has become imperative due to trade and business internationalization. A diverse workforce is likely to assist in attracting a larger and more diverse customer base both domestically and abroad, thereby supporting market expansion. However, at the same time, competition over human capital is also increasing and becoming nationally and organizationally boundaryless (Scott et al., 2011), especially in high-tech fields such as IT (Saxenian, 2005). In light of this, the introduction and application of D&I initiatives offer the scope to improve recruitment, retention, talent leverage, and flexibility (Armstrong et al., 2010; Scott et al., 2011).

D&I management can also enhance the utilization of the skills, knowledge, and potential of an organization’s human resources. This rationale is very much supported by the internalized focus of the Resource-Based View (RBV) of the firm. The RBV argues that human resources and their valuable, rare, and inimitable skills and knowledge are key to sustainable competitive advantage through the creation of innovative goods and services (Barney et al., 2011). Firms must therefore accumulate distinctive human resources, a goal assisted by workforce diversity.

However, the parameters for achieving optimum diversity and corresponding performance levels are unclear and empirical evidence attesting to this link is weak and inconsistent (for critical analyses, see Ali et al., 2011; Kochan et al., 2003). This is largely due to the obstacles presented in isolating the impact of D&I management relative to other interventions and influences on firm performance. A complication further problematized by the reality that many organizations do not actually have very diverse workforces and the tendency for the contributions and innovations generated by a diverse HR mix to be ambiguous (Shen et al., 2009).

In addition, the achievement of D&I goals can be undermined by individual and intra-group tensions and competing interests, which can spill over into organizational practice and behavior (Van Knippenberg & Schippers, 2007; Shore et al., 2009). What is clear from the literature is that senior managers and effective diversity management programs play a central role in moderating these tensions in combination with the development and maintenance of an inclusive organizational culture and associated HRM practices. Consequently, it is important to investigate the role played by HR leaders and any evidence of tensions between rhetoric and practice in shaping the degree to which practices are aligned in firms seeking to manage D&I as part of their business and HR strategies.

## **IT Services Firms in India: Rich Territories for Emerging D&I Patterns**

The lure of claims made by proponents of the business case and RBV has transcended national boundaries, extending the application of D&I practices beyond the established equal opportunities institutional frameworks of the US and EU. However, there is a paucity of empirical research into D&I management in organizations in emerging economies, where the impact is potentially fundamental, given that equal opportunities legislation may be scarce (Healy & Oikelome, 2007). D&I practice is therefore likely to be refracted by national norms and attitudes even in multinationals seeking to pursue a global approach, due to the multidomestic nature of diversity practices in these organizations (Kamenou, 2007; Nishii & Özbilgin, 2007; Sippola & Smale, 2007).

IT services firms in India represent a rich territory for the exploration of these patterns and dynamics, given their rapid growth and the fact that many of them operate across international borders and compete in global markets (Ali et al., 2011). The country’s knowledge-intensive workforce in this sector is both highly diverse and composed of a variety of demographic groups (Saini & Budhwar, 2008). In addition, Indian IT firms have been criticized for the lack of focus on D&I in their employment practices (Budhwar & Varma, 2010).

While there is growing evidence of the positive impact of D&I policies on recruitment and retention (Koene et al., 2009) and job satisfaction (Harris et al., 2004), there are still limited examples of formalized practices and targeted interventions in Indian firms. This warrants further research to understand how D&I policies are conceptualized and enacted in this context, the associated challenges faced by HR leaders, and how the interplay of these factors influences organizational effectiveness.

## **Methodology**

### **Sample Selection**

The research was conducted in India’s IT services sector, focusing on multinational firms with a significant presence in the country. The sample includes senior HR leaders from these organizations and representatives from an industry body that provides oversight and support to the sector.

### **Data Collection**

Qualitative semi-structured interviews were conducted to gain in-depth insights into the views and experiences of senior HR leaders regarding D&I management. These interviews were supplemented by the review of organizational policy documents to triangulate the data and provide a comprehensive understanding of D&I practices and challenges.

### **Data Analysis**

Thematic analysis was employed to identify key patterns and themes emerging from the interviews and policy documents. This approach allowed for the exploration of tensions between D&I rhetoric and practice, and the implications for HR management in the sample firms.

## **Discussion**

The findings indicate that while multinational IT services firms in India are increasingly aware of the importance of D&I, there are significant challenges in translating this awareness into effective practice. Tensions exist between the theoretical frameworks of D&I and the realities of implementation, with implications for achieving the desired business and HR outcomes.

The research highlights the need for more robust and tailored D&I policies that align with organizational strategies and address the specific challenges faced in the Indian context. It also underscores the role of senior HR leaders in navigating these complexities and driving effective D&I management within their organizations.

**Methodology Overview**

The study utilized qualitative semi-structured interviews and documentary analysis to investigate diversity and inclusion (D&I) practices within multinational IT services firms in India. Key steps included:

**1. Pilot Testing**: Ensured the interview questions were clear and relevant.

**2. Reflexivity**: Interviewers validated their interpretations with participants.

**3. Data Collection**: Interviews lasted 45 to 90 minutes, recorded and transcribed, supplemented by organizational literature.

**4. Data Analysis**: Employed a template-based approach with Nvivo 9 to manage and analyze data, focusing on pre-identified themes.

**Findings**

**Diversity and Inclusion Management**:

**1. Strategic Integration**: D&I policies were integral to HR strategies, aimed at addressing recruitment and retention challenges and enhancing organizational performance.

**2. Policies**: Included commitments to diversity, employee affinity groups, leadership programs, and flexible working conditions.

**3. Business Case**: D&I was seen as a tool to mitigate recruitment challenges and offer a competitive advantage, though this advantage was often short-lived due to industry-wide adoption.

**Age Diversity**:

**1. Workforce Composition**: Majority of employees were under thirty, with high attrition rates among younger staff.

**2. Challenges**: Young recruits were perceived as needing significant training and had high turnover rates. Older employees faced pressure to continuously update skills and were sometimes seen as less valuable.

**3. Interventions**: Companies developed varied career paths and flexible incentives to accommodate different age groups and support retention.

**Gender Diversity**:

**1. Representation**: Female participation ranged from 14% to 40%, with women concentrated in lower-ranking roles and specific areas like BPO.

**2. Measures**: Policies included self-defense training, extended maternity leave, and flexible working options, though part-time work was rare.

**3. Work Environment**: Long working hours were common, but transport services were introduced to support female employees.

**Key Tensions and Challenges**

**Age Diversity**:

**1. Perceptions**: Older employees were sometimes viewed as outdated or less valuable, creating tension with the goal of promoting age diversity.

**2. Implementation**: Efforts to support age diversity were sometimes undermined by negative attitudes and the pressure to keep skills up-to-date.

**Gender Diversity**:

**1. Work Hours**: Long working hours and the lack of part-time options were significant challenges for female employees.

**2. Retention**: While some measures were introduced to support women, broader structural issues persisted.

**Conclusions**

The study highlights that while multinational IT firms in India are adopting various D&I practices, significant challenges remain, particularly in reconciling policy intentions with organizational realities. The strategic integration of D&I is crucial for addressing recruitment and retention issues, but tensions between policy and practice often undermine these efforts. Continued focus on tailored, context-specific interventions is necessary to better support diverse workforces and achieve organizational goals.