

Gender equality a bottom-line issue

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WALLACE IMMEN
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Even in companies that pride themselves on their policies and programs for gender equality, managers can easily identify blatant examples of inequality, British organizational researcher Elizabeth Kelan found.

“I call it gender fatigue, paying lip service to an underlying problem that people feel weary of discussing. They just assume that since policies are in place, the problem is solved and no more needs to be done,” Dr. Kelan, a lecturer in work and organizations at King's College London, said in an interview.

In her research, she did in-depth interviews with 26 men and women who are employees of two large Swiss companies that promote themselves as having leading-edge policies and programs to promote gender equality.

Both claimed they have done everything they can to provide equal opportunity for women.

However, when prompted to recount incidents of discrimination against women in their workplace, all could point to at least one example in their department in the past year.

These included better-qualified women being passed over for a promotion in favour of a man, women making less pay for the same work, and even incidents of outright harassment or sexist remarks, she reported in an article in the Canadian Journal of Administrative Sciences.

“They talked of them as singular events, with no pattern to them and things that they didn't believe were happening other places in the organization,” Dr. Kelan says. But “discrimination is clearly still happening.”

Her recommendation for shaking organizations out of their lethargy: Hold managers responsible for progress and make the business case for the value of gender equality.

And what is that case? For one thing, companies with a higher representation of women in senior management positions financially outperform companies with proportionally fewer women at the top, according to a study by Catalyst Inc., a New York-based research and advisory group released last winter.

These findings support the business case for diversity, which asserts that companies that recruit, retain, and advance women will have a competitive advantage in the global marketplace, says Deborah Gillis, Toronto-based vice-president, North America, of Catalyst.

“There is no fatigue in corporations when it comes to doing what it takes to improving the bottom line,” Ms. Gillis says.

“Companies that have made progress in terms of women's representation understand that it's just smart business to play with the full deck of talent. And it's diverse talent that reflects the marketplace that will drive the creativity and innovation that will improve the bottom line and offer corporations a source of competitive advantage.”

More than lip service:

How two companies have made women a bottom-line issue

KPMG LLP Partners: 433; 67 of them female.

Program: Targeting women and visible minorities for advancement into partnership, started in 2007.

What it entails: A five-year target to increase the proportion of female and visible minority partners to 25 per cent.

What prompted it: Despite a formal commitment to promote diversity, the proportion of female company partners had remained stuck at about 14 per cent over the five years from 2002 to 2007, according to Michael Bach, national director of diversity for KPMG.

How it works: The program sets targets for the promotion of women, requiring senior partners to identify potential candidates and make sure those in need of coaching and stretch assignments get them, even if they don't volunteer for them. Mentoring and networking programs across the organization have also been set up.

Results: Forty per cent of promotions in each of the past two years have been women or visible minority men, raising the proportion of women to 16 per cent.

Bottom Line: Employee surveys show engagement of both women and men has increased by about 5 per cent in the past two years, despite the ups and downs of the economy. Employees, both men and women, say they feel they are more engaged and productive in their work. “And as a result of this engagement, we are more productive and profitable, because we are selling brain power, rather than a product,” Mr. Bach says.

BANK OF NOVA SCOTIA

Employees: 57,000; 73 per cent women Program: Advancement of Women, started in 2003 What it entails: Managers are responsible for reaching targets set for the number of women promoted to management in each division. What prompted it: The bank wrote a policy to promote the advancement of women in 1993, but there was little progress over the next decade because it had no clear accountability for managers to encourage and promote women and no visible sponsorship from the top, according to Sue Graham Parker, senior vice-president of corporate affairs. In the 10 years to 2003, the proportion of women in management was 18.9 per cent, barely higher than it was 10 years earlier.

How it works: It holds managers responsible for identifying women who have leadership potential and encouraging them to get experience in several areas of the bank to develop their leadership skills. Meeting that goal is a factor in compensation. Corporate networking events are held quarterly in which women at the managerial level can discuss career advancement and meet other women in senior roles in person or via a live webcast. Informal women's networks are encouraged in departments.

Results: Proportion of women at the senior management level has risen from 18.9 in 2003 to 31 per cent in 2008. Women at the executive and corporate office levels increased from 26.7 per cent in 2003 to 36.8 per cent in 2008.

Bottom line: Employee satisfaction on annual surveys has risen 9 per cent since the start of the program, and return on equity went from 16.6 per cent to 22.1 per cent.

Scotia has had strong financial success even through the economy has been weak, Ms. Graham Parker says. "We believe that is because an engaged work force that feels they have a future is more motivated, and, the more diversity you have, the more creative and innovative solutions you will come up with."

BY THE NUMBERS

46.9 per cent

Portion of women in Canadian labour force in 2008

39 per cent

Portion of women in Canadian management positions

16.9 per cent

Portion of corporate officers who are women

68 per cent

Portion of Canadian companies with at least one female corporate officer

13 per cent

Portion of women on boards of FP500 companies

5.9 per cent

Portion of business women who rank among 500 top earners in Canada

30

Number of FP500 companies in Canada led by a woman

8.8 per cent

Portion of Canadian women who earned more than \$60,000 in 2005

Sources: Catalyst Canada Inc., Statistics Canada, Canadian Labour Congress

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