

The Return on Investment of Gender Equality – Farah Eck

Gender equality is a phrase that is easily tossed around and can be used ambiguously. But in the working sense of the term, gender equality is the goal of attaining equal treatment and non-discrimination between males and females on the basis of gender or sex. While sex is defined as the biological definition of a person as either female, male, or intersex, gender is defined as the social/legal definition of a person as either female, male, or non-conforming. In other words, gender equality is the actualization of equal rights or opportunities for people of all genders and sexes.

International Women's Day (IWD) has become a symbol for the pursuit of gender equality. In 2016, IWD's theme was Pledge for Parity, which is fitting for integrating the conversation of gender equality within business aspects. So what does a day celebrating the social, economic, cultural and political achievement of women have to do with business? A great deal, it seems.

As companies look to creatively expand their revenue streams and growth markets, along with their pipeline of skilled talent, they are realizing that gender issues can definitively impact their bottom line and their reputation. Women account for about 40% of the global labor force and are therefore a critical mass when it comes to considering prospective employees and advertising to expand the consumer base.¹ A company that fosters a culture of gender equality will not only earn more than one that does not, but it will also reduce expenses associated with retaining employees, including advertising costs, time spent on interviews, onboarding costs, etc.

Besides being a matter of upholding human rights, gender equality and its elements such as gender diversity, gender mainstreaming, and others make good business sense and provide a high return on investment. Companies with a strong track record and emphasis on gender issues are 15% more likely to have higher earnings than their peers.² In fact, some estimates indicate that organizations with gender diversity or more women sitting on executive committees provides a 47% average return on equity.³

But beyond the internal retention savings and higher earnings associated with gender equality, companies that invest in women both as employees and as consumers (in Deloitte's case, as clients) tend to fare better. Women are becoming more economically independent and make the majority of purchasing decisions for their household and they are also a strong talent pool. A Deloitte report entitled *"The Gender Dividend: Making the Business Case for Investing in Women"* outlines this business case for reaping the Gender Dividend, or the payoff of fully integrating women in both the workplace and the marketplace. The report indicates that the Gender Dividend, much like dividends from other financial mechanisms, will provide a significant benefit by investing in a dual-focus business case: women as talent and women as consumers. If both aspects of the Gender Dividend are incorporated into a company's

business practices and strategies, the report suggests that the benefit should be reflected not only in increased sales, but also in expanded markets, along with improved recruitment and retention.⁴

Deloitte has a history of being responsive and engaged in gender issues, including the research and development of reports such as the one discussed above for client use, and more internally by employing a Gender Dividend strategy. J. Michael Cook, the Chairman and CEO of Deloitte & Touche in 1999, was instrumental in facilitating a cultural change in the organization. In a transcript of a Q&A public dialogue presentation with James D. Wolfensohn, then President of the World Bank Group, Cook indicated that “[i]t’s not hard to understand the business case for this particular issue [gender equality], when you recognize that we are absolutely driven by talent.”⁵

Cook’s words were translated into action with an increased emphasis placed on understanding challenges facing Deloitte’s female employees and offering solutions to ensure empowerment of all genders. For example, the Deloitte United States member firm’s Initiative for the Retention and Advancement of Women, known as WIN, was established to attract and retain talented male and female employees. The initiative has proven beneficial not only in retention of skilled workers (therefore reducing costs associated with recruitment and turnover), but also contributes to the plethora of successful bids in winning new business.

Perhaps initiatives like WIN and employment of the Gender Dividend strategy are why Deloitte has celebrated 17 years of being named on Fortune’s ‘100 Best Companies to Work For’ list. It can’t be denied that Deloitte’s commitment to gender diversity plays a part in the company’s enviable position. Through initiatives such as WIN and translating the Gender Dividend into major, Deloitte has shown success by investing in its people.

As more than a corporate social responsibility tactic, and as a proven good business practice, all Deloitte staff can participate in gender mainstreaming. Gender mainstreaming is the act, or the process, of trying to attain gender equality. The International Labour Organization indicates that its definition of the goal of gender mainstreaming is the transformation of unequal social and institutional structures into equal and just structures for both men and women.

It is important to recognize that gender mainstreaming as a strategy or an approach involves evaluating and implementing activities and actions, including policy development, resource allocation, activities, etc., that lead to the goal of gender equality.⁶ Put another way, gender mainstreaming is based on the premise that all business issues, operations, codes of conduct, etc. should be analyzed according to gender to respond to the realities and needs of both women and men. This means that all individuals, regardless of gender, role, or status, within an organization such as Deloitte, can contribute to actualization of gender equality through gender mainstreaming.

Below are some suggested gender mainstreaming techniques that all Deloitte East Africa staff can keep in mind and implement as we collectively pursue gender equality. The techniques were developed utilizing the seven principles of the Women’s Empowerment Principles, established by UN Women as a way to guide businesses on empowering women in the workplace, marketplace, and community.⁷ Using the Women’s Empowerment Principles as a type of organizational gender lens, the author has developed the following recommendations as opportunities for individual Deloitte East Africa staff members to become a part of the organization’s gender mainstreaming strategy.

Individual Gender Mainstreaming Techniques for Deloitte East Africa Staff:

1. Strive to use gender-disaggregated data in reporting to communicate progress to stakeholders
2. Use gender-sensitive language in all internal and external communications
3. Join eastWIN, a Deloitte East Africa committee designed to empower women through quarterly activities
4. Serve as a Mentor for an organization focused on empowering women (Deloitte East Africa encourages employees to join the Global Give Back Circle mentorship program which matches mentors with young girls in Kenya, China, and India or the YALI Regional Leadership Center East Africa Mentorship Program to be matched with young female leaders)
5. Establish benchmarks to quantify inclusion within line of work (i.e. number of females on a project; etc.)
6. Support a flexible work culture within day to day schedules and operations (i.e. maternity and paternity leave; understanding of child care needs; etc.)
7. Buy goods and/or use services from women-owned/managed companies
8. Hire and promote women employees when possible, based upon skills and experience
9. Offer the same rewards for the same work, regardless of a person's gender
10. Hire contractors and suppliers that address gender issues in their labor or hiring practices
11. Stand up for someone being stereotyped by their gender
12. Encourage people to pursue their passions and interests, regardless of whether they are "gender-appropriate"
13. Ensure that women are embedded into decision-making processes

As indicated above, gender equality makes business sense because of its significant return on investment in regards to cost savings associated with talent, revenue implications of women as a profitable consumer base, and because it is the right thing to do. Deloitte has demonstrated that the company understands the great benefit, both financial and otherwise, of considering the Gender Dividend and encouraging gender mainstreaming within its corporate policies and management. The suggested gender mainstreaming techniques offer a way for each Deloitte East Africa staff person to contribute to this bottom line by taking small steps to empower men and women equally. After all, the bottom line is just that—it's the very bottom, or the start, if you will, of the infinite amount of possibilities, which is the most rewarding place for any company.

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¹ Jozefina Cutura. "Gender equality: A smart proposition for business." Millennium Corporate Challenge, 2015, <https://www.mcc.gov/resources/story/story-kin-apr-2015-gender-equality-a-smart-business-proposition>

² Vivian Hunt, Dennis Layton, and Sara Prince. *Why diversity matters*. McKinsey & Company, 2015, <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

³ *The Global Gender Gap Index 2015*. World Economic Forum, 2015
<http://www3.weforum.org/docs/GGGR2015/The%20Global%20Gender%20Gap%20Index%202015.pdf>

⁴ Greg Pellegrino, Sally D'Amato, and Anne Weisberg. *Making the business case for investing in women*, Deloitte, 2011, <http://www2.deloitte.com/global/en/pages/public-sector/articles/the-gender-dividend.html>

⁵ J. Michael Cook. "Gender Equality: The Right Thing for Business." Interview dialogue by James D. Wolfensohn. Washington, D.C. March 31, 1999, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2000/12/19/000094946_00121311073430/Rendered/PDF/multi_page.pdf

⁶ Carolyn Hannan. *From Concept to Action: Gender Mainstreaming in Operational Activities*. UNDP Gender Mainstreaming Office of the Special Adviser on Gender Issues and Advancement of Women, 2000, <http://www.un.org/womenwatch/osagi/pdf/undppaper.PDF>

⁷ "Women's Empowerment Principles". UN Women, <http://www.weprinciples.org/>