Measuring the Corporate Gender Gap

TESSEMA TESFACHEW, World Economic Forum
SAADIA ZAHIDI, World Economic Forum
HERMINIA IBARRA, INSEAD

Introduction

The most important determinant of a country's competitiveness is its human talent—the skills, education and productivity of its workforce. Women account for one-half of the potential talent base throughout the world and therefore, over time, a nation's competitiveness depends significantly on whether and how it educates and utilizes its female talent.

The Global Gender Gap Index was introduced by the World Economic Forum in 2006 as a framework for capturing the magnitude and scope of gender-based disparities and tracking their progress. The Index benchmarks national gender gaps on economic, political, education- and health-based criteria, and provides country rankings that allow for effective comparisons across regions and income groups, and over time. *The Global Gender Gap Report 2009* shows that the 134 countries covered by the Index have on average closed over 96% of the gap on health outcomes between women and men and almost 93% of the gap on educational attainment. However, the gap between women and men on economic participation and political empowerment remains wide: only 60% of the economic outcomes gap and only 17% of the political outcomes gap has been closed. *The Global Gender Gap Report's* also confirm the correlation between gender equality and the level of development of countries, thus providing support for the theory that empowering women leads to a more efficient use of a nation's human talent.

In *The Corporate Gender Gap Report,* we aim to shed light on the economic participation and opportunity gap. Through an extensive survey of some of the largest companies in the world, we have been able to provide an unprecedented and in-depth look into the current size of the gender gap among the world's largest employers. We are also able to benchmark where these companies stand on the practices and policies that are known to promote gender equality. Through industry- and country-level analysis, we hope to create greater awareness among a global audience of the current gaps in implementation of the practices and policies that can help reduce gender inequality. We also hope that the survey and its results serve as a useful tool from which companies can design their own effective measures for reducing gender gaps.

The first part of this chapter reviews the survey methodology. Next, we describe the profile of respondents. The third part of this chapter displays the results of the survey, focusing first on current outcomes such as the participation of women in entry, middle and senior level positions and then on the practices and policies that are likely to influence women's participation in the future. This analysis is provided by country and by industry. Appendix A contains detailed Country Profiles. Each profile contains comprehensive information on over 25 variables, including original data obtained from the survey, legal factors that may affect women's participation in the workforce in each country and key country indicators that show the country results from *The Global Gender Gap Report 2009*. Appendix B contains selected industry-level information.

Survey design and data collection

The aim of our study is to understand comprehensively the current representation of female employees in some of the largest companies in the world's biggest economies and to provide a quantitative analysis of how well these companies are implementing practices and policies that are aimed at reducing gender inequality. As a starting point we designed a survey targeted at the heads of Human Resource departments or as they are likely to have the most comprehensive information on corporate policies and practices regarding hiring, carrier development and work-life balance. The survey contained over 25 questions in total and covered 5 relevant themes: representation, measurement and target-setting, work-life balance, mentorship and training, barriers to leadership and effects of the economic downturn. The survey was aimed at obtaining factual evidence on current levels of women's participation and adherence by companies to gender equality policies. The response options to all questions were thus designed to lead to discrete and quantitative information. The full set of questions is displayed in Box 1.

Our target respondents included the 100 largest employers in each of the 30 OECD countries and Brazil, Russia, India and China (over 3400 companies). We used Bloomberg databases to identify the full pool of publicly

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Box 1. Survey Questions

Respondents' Profiles

- Company Name
- Country
- Please select your company's main activity/industry
- What is your company's approximate number of employees in your country?
- What is your current position within the company?
- What is your gender?

Representation of Women in Business

- What is the approximate percentage of women employees in your company (overall)?
- Please indicate the appropriate percentage of entry-level management positions in your company that are held by women.
- Please indicate the approximate percentage of middle management positions in your company that are held by women.
- Please indicate the approximate percentage of senior management positions in your company that are held by women.
- Please indicate the percentage of women among the Board of Directors of your company.
- Is your company's CEO female or male?
- Among the assignments that you consider to be business critical/important, what percentage, in your opinion, are currently held by women? (Consider, for example: key start-ups, turnarounds, and line roles in key business units or markets.)

Measurement and Target Setting

- Does your company monitor and track salary differences between male and female employees holding similar positions?
- What percentage of your total employees is part of the following salary brackets (not including bonuses or pension schemes)? Please also indicate what percentage of these are women.
- Does your company have specified targets, quotas, or other affirmative policies to increase the percentage of women in senior management or executive positions?

Work-Life Balance Practices

- Does you company offer maternity leave?
- What is the approximate percentage of salary paid during this period?
- Does your company offer the option of parental leave, i.e., post-pregnancy leave that can be taken by mothers and fathers?
- If so, what percentage of those taking this leave are men?
- Does your company have longer-term leave programmes and/or allow career breaks for parents and caregivers?
- If your company offers long-term programme and/or career breaks, do you also have "re-entry" programmes that help those employees stay connected while they are away and facilitate their return to the work place?
- If your company offers longer-term leave programmes and/or career breaks for parents and/or caregivers, what percentage of those taking this leave are men?
- Of the total number within each gender that takes this leave, what percentage return to the same position or one with higher responsibility after taking their leave?
- Does your company actively support employees in their effort to balance work and personal responsibilities through the following policies: flextime/flexible working hours, remote/distance working, and part-time work? If so, indicate the percentage of users and percentage of women users among these.
- Does your company offer any form of childcare facilities?
- If yes, please specify the type of childcare facilities.

Mentorship and Training

- Does your company offer access to mentorship and networking programmes? Select all that apply and indicate percentage of women users if you have this information.
- Does you company offer executive training and further education opportunities?
- Is this executive training and further education financed by the company?

Barriers to Leadership

- From the following list, please use a scale of 1 (least problematic) to 5 (most problematic) to rate the following barriers to women's rise to positions of senior leadership in your company. Select N/A if the option is not a barrier.

Effects of Economic Downturn

- In your country, do you expect the current economic downturn to be more threatening for the jobs of female employees than male employees?
- In your industry, do you expect the current economic downturn to be more threatening for the jobs of female employees than male employees?

listed companies that fit these criteria. A research team from the World Economic Forum, supported by INSEAD, then compiled an extensive database of the names and contact details of over two thousand Human Resource department directors. In each of the target countries, the World Economic Forum partnered with leading universities, organizations and think tanks in order to leverage local knowledge and connections and to provide a local point of contact for the responding companies. Each of the partner institutes was provided with the contact information that had already been collected for Human Resources directors. For those companies for whom we were not able to obtain contact information, the Partner institutes carried out their own research to complete the database.

In order to reach a maximum number of respondents, the web-based Corporate Gender Gap Survey was translated into four languages: Chinese, English, Russian and Spanish. The survey collection process was carried out over a six-month period whereby the World Economic Forum worked in close collaboration with the various partner institutes within each country to ensure a maximum number of responses from the target companies. Weekly updates on responses were sent to each of the partner institutes who then managed outreach to companies that had not responded.

As our goal was to provide country level and industry level analysis based on a select group of over 3000 companies, responding companies were not required to submit their name, while their country and industry information was mandatory. Companies were assured of complete confidentiality of the data regarding individual company level performance. Participating companies were also given the option to be informed of their individual overall performance compared to the range in their country and/or industry.

Respondents' profiles

In order to obtain the most relevant results, only countries with a critical mass of completed surveys have been included in the *Report*. We thus cover 20 major economies from the original target sample of 34 countries: Austria, Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Greece, India, Italy, Japan, Mexico, Netherlands, Norway, Spain, Switzerland, Turkey, the United Kingdom and the United States. Our threshold for inclusion was a minimum of 20 completed surveys out of the 100 target companies in each economy. In the case of very large economies, where the number of employees per company was significantly higher than the average in other economies, we accepted a range of 15 to 20 completed surveys (Canada, United Kingdom and United States). Countries where we were unable to obtain a representative sample include: Australia, China, Denmark, Hungary, Iceland, Ireland, Luxembourg, New Zealand, Poland, Portugal, Russia, Slovakia, Korea and Sweden. The difficulty in obtaining responses despite the work of dedicated local partner institutes appears to stem from a variety of causes: sensitivity around the topic, concerns about confidentiality or business culture norms.

Overall, we were able to gather responses from over 600 companies and from 16 different industries. The employee size varied from 1,000 employees to 30,000 employees. Among the human resource heads who answered the survey there was near gender balance (54% female, 46% male).

Survey Results

The survey results are presented in the order of the six elements covered by the survey. Below we provide a snapshot of the general trends in the dataset and report on country and industry highlights. For a complete set of results, please refer to the Country Profiles in Appendix A and the Industry analysis in Appendix B.

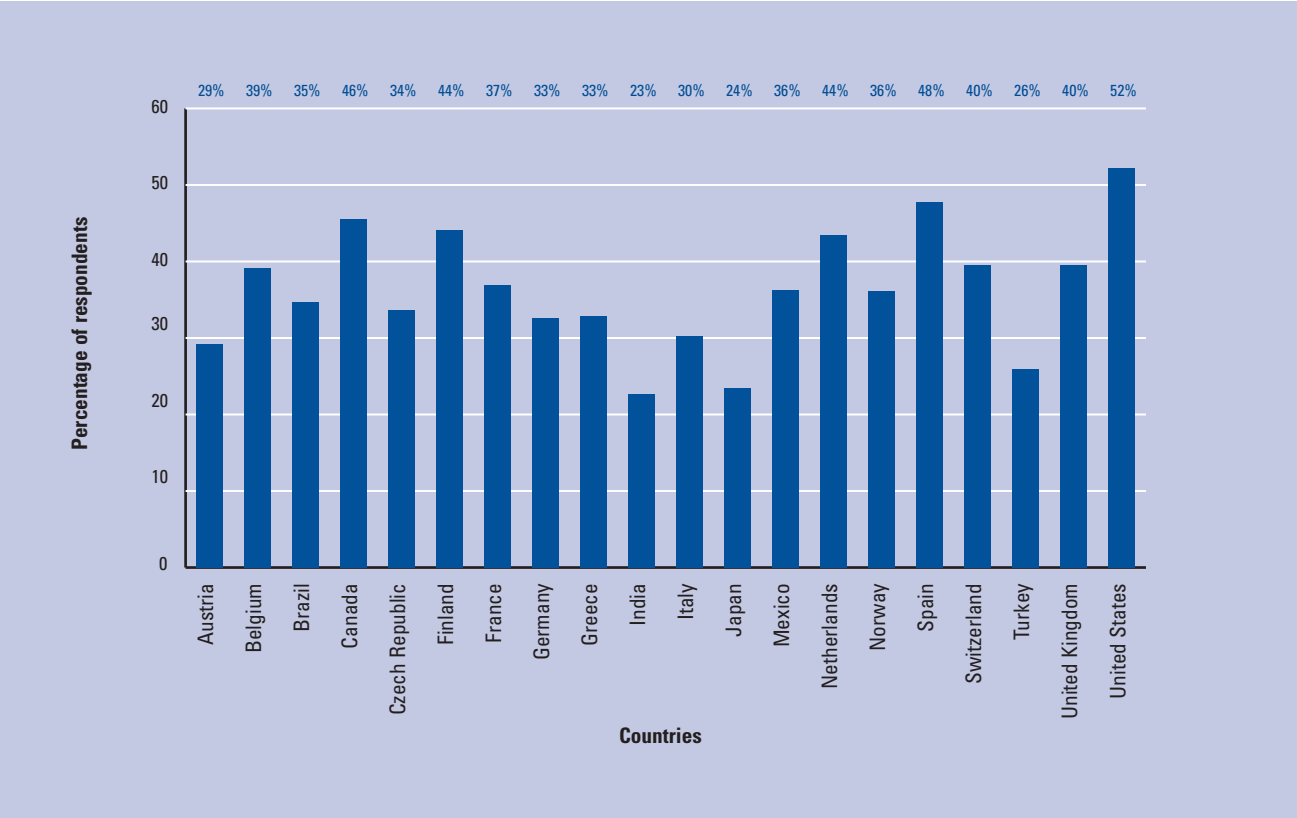
Representation of Women in Business

The percentage of women employees (at all levels) in private companies varies greatly from one country to the other (see Figure 1). Out of our sample, India is the country with the lowest percentage of women employees (23%), followed by Japan (24%), Turkey (26%) and Austria (29%). The United States of America (52%), Spain (48%), Canada (46%) and Finland (44%) display the highest percentage of total women employees from among our sample. Across the entire sample, 2% of companies still do not measure this information.

In almost all countries, there is a clear pattern across the levels of positions (entry level, middle level, senior management and board positions). Female employees tend to be concentrated in entry or middle level positions, i.e., the more senior the position, the lower the percentage of women. A major exception to this trend is Norway, where the percentage of women among the Board of Directors is above 40% for the majority of respondents. This is due to a government regulation that mandates a minimum of 40% of each gender on the boards of public companies. Across the sample, approximately 12%, 7% and 4% of companies do not measure how many women occupy their entry level, middle level and senior management positions, respectively.

From the sample of the world's largest employers that answered our survey, the average number of women holding the CEO level position was a little less than 5%. Finland (13%), Norway (12%), Turkey (12%), Italy (11%) and Brazil (11%) display the highest percentage of women CEOs while Belgium, Canada, the Czech Republic, France, Greece, India, Mexico, Netherlands, Switzerland, the United Kingdom and the United States have no women CEOs among the responding companies.

Figure 1: Percentage of women employees by country



At the industry level, the findings of the survey confirm that the services sector employs the greatest percentage of women employees (see Figure 2). Within this sector, Financial Services and Insurance (60%), Professional Services (56%) and the Media and Entertainment Industry (42%) employ the greatest percentage of women. The sectors which display the lowest percentage of women are Automotive (18%), Mining (18%) and Agriculture (21%). Within the industry groupings, data show the same trend as within countries: women tend to be scarce among the more senior positions. The sectors attracting the greatest percentage of women overall also tend to have the greatest percentage of women board members or women CEOs. An exception is the Agriculture sample, where female board members are above average despite the low overall percentage of women employed by the industry.

Measurement and Target Setting

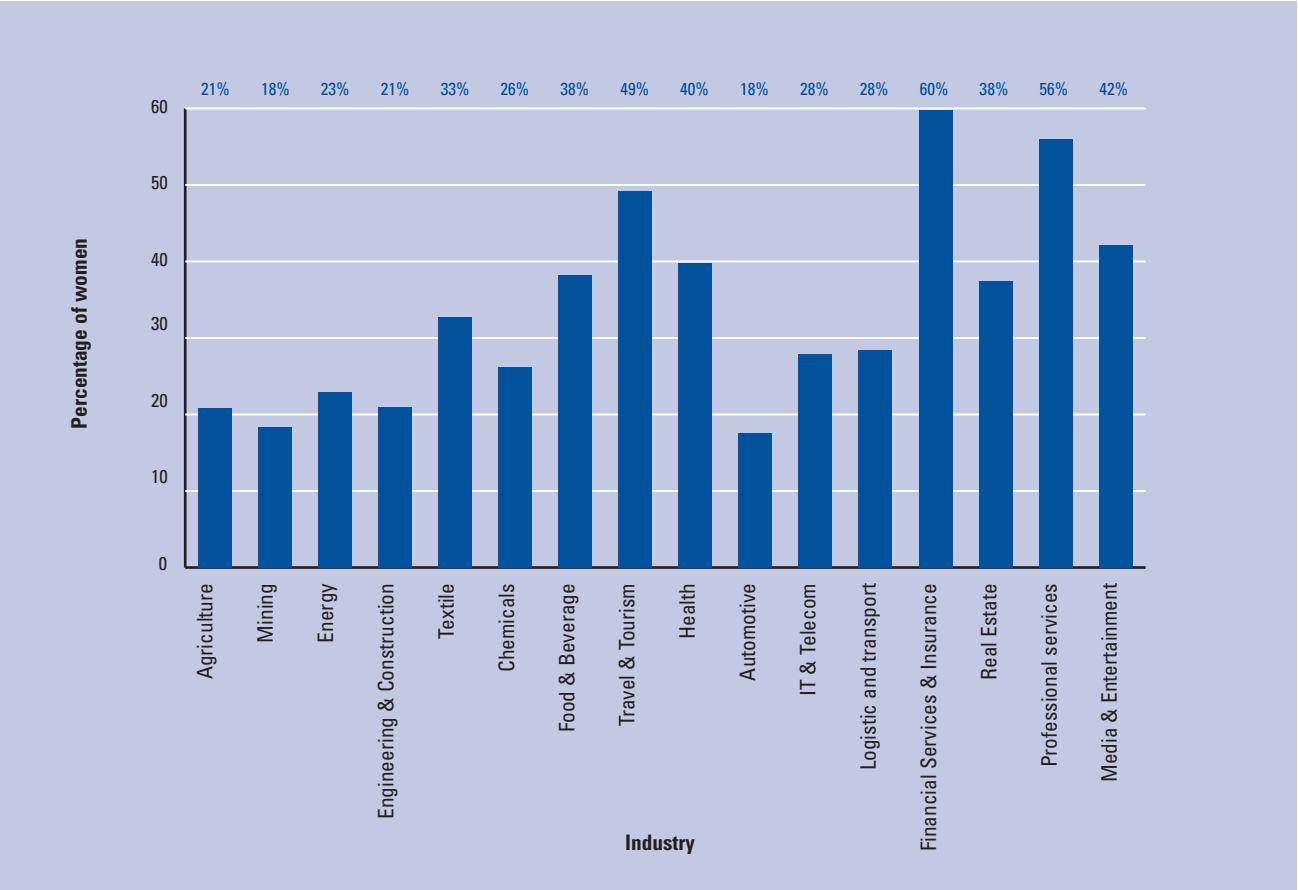
Strategies that set quotas, targets and other affirmative policies to increase the percentage of women employees have long been the subject of debate, with views ranging between those who believe that such policies may create negative perceptions regarding the advancement of women and those who advocate that the quickest and perhaps only way to reach critical mass is through affirmative policies.

Out of our sample, 64% of the companies have not set specified targets, quotas or other affirmative policies and 36% have done so. We do not find a significant difference in the total numbers of women employees between the two sets of companies. However, companies with very low percentages of women (0% to 20%) and companies with high proportions of women (51% or above) tend not to be using target-setting, while companies which employ 21% to 50% women are more likely to be using such policies, in our sample.

At the country level, almost all countries are implementing some form of affirmative policies. In the UK and USA, all companies which completed the survey affirmed that they have established such measures (quotas, targets and/or other affirmative policies). These two countries are then followed by Netherlands (64%) and Canada (57%). On the other end of the scale lie Greece (16%), Italy (14%), Brazil (0%) and Mexico (0%). At the industry level, data show that Real Estate, Textiles and Agriculture sectors appear to be least rigorous in putting such policies in place while Logistics & Transport, Energy and Financial Services & Insurance are sectors with more frequent use of these practices.

Fifteen percent of the total set of responding companies track salary gaps between women and men, 13% track

Figure 2: Percentage of women employees by industry



salary gaps between women and men and implement corrective measures, 54% do not track salary differences and affirm that generally there are no gaps between male and female employees' salaries in their companies and finally, 18% of the companies respond that it is not currently part of their company policy to track salary gaps. Therefore in total 72% of the companies surveyed do not track salary gaps at all. The complete results are displayed in Figure 3.

Italy (56%), Turkey (40%) and Finland (38%) rate highest on tracking salary differences. France (70%), United States (50%) and Finland (38%) rate highest on tracking salary gaps between women and men and implementing corrective measures. Japan (89%), India (85%) and Greece (72%) rate highest on not tracking salary gaps between women and men due to the belief that there are generally no gaps between male and female employees' salaries. Canada (50%), Netherlands (40%) and Mexico (30%) rate highest on not tracking salary gaps because it is not currently part of their company's policy to track salary gaps.

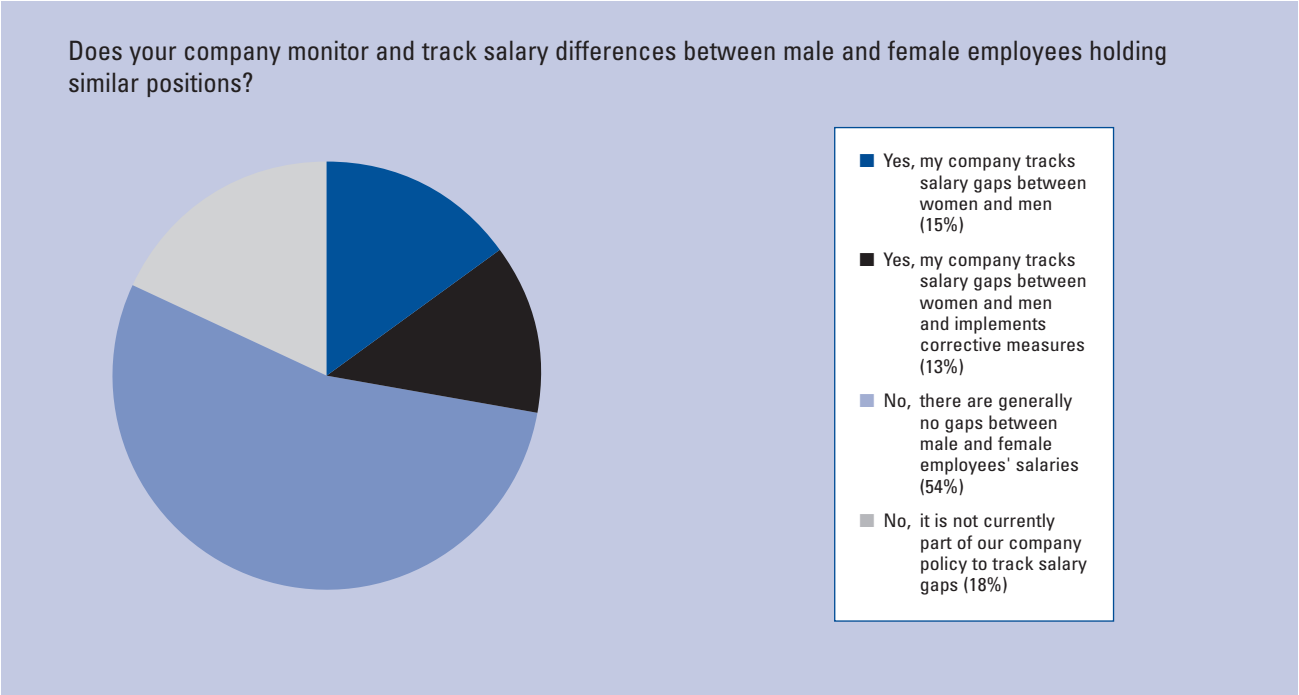
The Agriculture sector (27%) and Financial Services & Insurance sector (23%) are leaders on tracking salary gaps between women and men. The Automotive sector (22%) and the Engineering & Construction sector (21%) are leaders on tracking salary gaps between women and men and implementing corrective measures. Real Estate (83%) and Agriculture (73%) are the sectors where the most companies do not track salary gaps because there are generally no gaps between male and female employees' salaries. In Agriculture therefore, there is a concentration of companies among two very different sets of policies regarding salary gaps. Finally, Textile (33%), Food & Beverage (25%) and Professional services (25%) sectors rate highest on not tracking salary gaps between women and men because it is not currently part of their company policy.

Work-Life Balance Practices

In this section of the survey we asked a wide range of questions relating to work-life balance practices. Questions related to maternity leave policies, parental leave, longer-term leave, re-entry programmes, flexible working options and childcare services.

Most countries have statutory provisions governing the length of maternity leave. The worldwide average paid leave is about 16 weeks. However, in the results of this

Figure 3: Policies on tracking salary differences



survey of the world's largest employers across 16 industries in 20 countries, the length of maternity leave and the percentage of salary paid during this period vary greatly from country to country as well as from company to company. The UK and Norway offer the most generous statutory maternity leave at 52 weeks (consisting of 26 weeks of ordinary maternity leave and 26 weeks of additional maternity leave) and 42-52 weeks respectively. From the survey sample, it is therefore not surprising to observe that the companies offering the longest maternity leave (over 40 weeks) are located in these same two countries (Norway: 94% and UK: 75%). Companies in Austria appear to offer the next most generous maternity leave of those that responded, with 64% offering more than 40 weeks (far in excess of the 16 weeks provided for by Austrian law). Finland comes next with 46% of the companies surveyed offering over 40 weeks, followed closely by companies in Italy (40%) and in Germany (34%).

While differences in national legislative provisions generally explain most of these variations, it is also possible to discern marked contrasts between companies and within countries that cannot be solely explained by the influence of statutory provisions. For example in the UK, which is identified above as exhibiting some of the most generous maternity leave provisions and practice, 13% of the companies surveyed professed to not offering any maternity leave at all and another 13% provide below the minimum required by law. A similar discrepancy was observed in Finland, where approximately 92% of the companies that responded to the survey offer maternity leave above the minimum requirements (15 weeks), but at the same time, 8% of companies only offer 1-5 weeks. In Germany, which performed highly in the category of companies offering more than 40 weeks, 20% of companies surveyed provide for less than the statutory requirements.

Of all the countries included in the sample, India, Mexico and the US demonstrate the least generous statutory leave provisions, with many of the companies surveyed offering less than what is mandated officially (33% in Mexico). However, there are exceptions: for example, in India, where over 18% of companies offer more than the 12 weeks officially legislated for. Those countries with the highest number of respondents offering below the statutory minimum requirements for maternity leave are France (41%), the US (38%) and Canada (38%). On the other hand, 25% of companies surveyed in Canada offer a longer period of leave than is mandatory. Twenty% of the respondents in Spain and in the Czech Republic do not offer any maternity leave at all, despite the fact that there are statutory requirements in both of these countries (16 weeks in Spain and 28 weeks in the Czech Republic). Nevertheless, the Czech Republic displays a relatively high number of companies offering above the statutory minimum (at least 40%), with many of these (30%) offering in excess of 40 weeks.

Overall, approximately 37% of companies across the survey sample offered in excess of the statutory requirements in their respective countries, whereas 19% offered less.

There are clearly also variations across countries on the percentage of salary paid during the maternity leave and whether this is covered by the state and/or the employer. Of those countries with companies offering the longest periods of maternity leave, in Norway 100% of the maternity benefit is covered by social insurance and in the UK it is compulsory for the employer to pay 90% (most of which is refunded by the State). In Italy, 80% is covered by social insurance for a period of 20 weeks but 20% of companies surveyed pay 80-100% for additional leave taken beyond this period. In Finland, 70% of maternity benefit is covered by social insurance for the statutory 15 weeks, but 8% of companies surveyed pay 80-100% for a longer leave period. In Austria, where maternity benefit is paid by the State for 16 weeks, 5% of companies surveyed pay 80-100% for extended leave. However, the data also show that in Austria, 31% of companies surveyed pay 0% of salary beyond the statutory length of leave.

Increasingly, especially among industrialized countries, parents are being given the option of which parent can take a post-pregnancy leave (parental leave). Amongst the survey sample, all of the companies that responded in Belgium, Germany, Italy, Spain, Norway and Japan offer parental leave. For the first four, it is worth noting that the right to parental leave has been established in all European Union Member States. However, important differences continue to exist between countries with regard to policy detail and the patterns of usage of such leave by parents. Of those surveyed, the countries in which the lowest number of companies offer parental leave are Mexico (18%), Brazil (33%) and India (54%). Twenty percent of all the companies that responded to the survey do not offer the option of parental leave.

The survey also asked companies whether they have longer-term leave programmes and/or allow career breaks for parents and/or caregivers. Of those which responded, Mexico was the only country in which no companies offered longer-term leave policies, followed closely by 87% of companies surveyed in Brazil. Of the sample, the companies offering the most generous longer-term leave policies of 1-2 years were in Finland (12-24%), Japan (54%) and Spain (47%). Overall and across all countries in the sample, only 20% of the companies offer a longer-term leave of 1-2 years.

The survey next asked companies whether men or women were more likely to avail of the longer-term leave programmes (among those that have these programmes). Looking at the numbers of male employees availing of longer-term leave provisions, the lowest take up was in Turkey (92% of companies) and Greece (88%), where 40% of companies surveyed offer longer-term leave, closely followed by Brazil (80%), where only 14% of companies offer such options. The highest take-up of longer-term leave by men was seen in companies in the UK (25% of those taking longer-term leave were male in 60% of companies surveyed). Overall, these results highlight that there is a significant gender imbalance in the take-up of longer-term leave as women continue to be the primary caregivers.

The survey also asked companies: "Of the total number within each gender that takes this leave, what percentage return to the same position or one with higher responsibility after taking their leave?" Of the total number within each gender that takes this leave, and returns to the same position or one with higher responsibility, the numbers are even across the sample, especially in the higher brackets (60-100%). This trend appears to be even more pronounced in the 80-100% category - in the companies surveyed in Norway, there in exactly even spread of 100% men and women returning to the same position or one with higher responsibility. Similarly in France, with 100% of men and 100% of women and in Belgium, with 85% of men and women in the companies surveyed. In some cases, women had a significantly higher rate of return to the same or a higher level of responsibility, e.g. in the UK, with 100% of women in the companies surveyed and only 50% men, or in Greece, with 100% of women, but just 66% of men. Conversely, in Switzerland, 100% of men in the companies surveyed and 0% of women returned to the same role or one with a greater level of responsibility and 100% of men in the Netherlands, with just 73% of women. Overall, in 80-100% of the world's largest employers included in the sample, 54% of women and 46% of men returned to work with the same or a higher level responsibility.

Amongst the companies in the sample that offer longer-term leave and/or career breaks, 43% offer "re-entry" programmes that help employees to stay connected and facilitate their return to the workplace. Of these, the highest percentage is found in Germany (88% of companies surveyed), followed by the UK (80%) and Finland (79%). The lowest percentage of respondent companies offering re-entry programmes is in Mexico (0%), Switzerland (11%) and the Netherlands (15%).

Overall across the sample surveyed, 45% of the world's largest employers offer some form of childcare facilities. The greatest number of companies offering childcare facilities are in France (89%), followed by Italy (71%) and Germany (70%). The lowest numbers are in Mexico (0%), the Czech Republic (20%) and Turkey (21%). In Norway, 78% of the respondent companies offered no form of childcare facilities. The availability and type of such facilities are likely to be considerably influenced by the government policies regarding childcare facilities.

Overall, 39% of those companies that responded in the affirmative to this question offer permanent facilities for childcare, 28% offer occasional facilities and the remainder offer other unspecified facilities. Amongst two of the highest performers in this category, France and Germany, 65% and 45% of companies offer permanent facilities respectively. Companies in Switzerland (55%) and Japan (54%) also score high, with 55% and 54% offering permanent facilities. The companies featuring lowest on

Figure 4: Barriers to women's rise to positions of leadership

the list of those surveyed were in Belgium, with just 8% offering permanent childcare facilities, followed by companies in Spain (13%), Italy (14%) and Finland (14%).

Finally, in this section of the survey we asked companies what time of flexible working options they provide. Of the companies participating in the survey, 100% of those in the UK and the US offer support to employees in their effort to balance work and personal responsibilities through flexible working patterns, remote/distance working and part-time work possibilities. Companies in Turkey and Mexico offered the least options in this regard. Overall, 82% of the respondent companies offer flexible working arrangements, 55% offer remote/distance working and 74% offer part-time working methods.

Mentorship and Training

The results for this variable show that, on average, 59% of the total companies surveyed claim to offer internally-led mentorship and networking programmes for their employees, 43% provide employees with the opportunity to participate in externally-run programmes, and 28% of companies offer women-specific mentorship and networking programmes. Results show that companies in the United States (100%) and the United Kingdom (100%) offer their employees the most access to internal mentorship and networking programmes, with all of the respondent companies affirming that they run such initiatives internally. All companies in these countries also claim to offer external mentorship and networking opportunities for their employees.

At the other end of the scale, the survey shows that companies in Spain provided the lowest access to such programmes for their employees with only 21% of respondents providing initiatives set up internally, followed by Austria (33%) and Brazil (33%). Companies in Mexico provided the least opportunities for their employees to participate in programmes organized externally (0%), followed by Spain (10%) and Greece (18%).

With regard to the number of companies that offer mentorship programmes and networks specifically targeted at women, Brazil, Mexico and Spain rank lowest with no companies providing mentorship or training support networks, while the United States (88%), France (75%) and the United Kingdom (71%) ranking the highest. Among

the emerging economies covered by the survey, while Brazilian and Mexican companies in our sample do not offer women-specific mentorship and/or training programmes, almost 34% of the Indian companies surveyed offer these programmes.

From an industry perspective, the Chemicals industry rates highest with 76% of companies offering mentorship and training initiatives, followed by Financial Services (70%) and Energy (69%). Those industries which rank the lowest in terms of internal mentorship and training possibilities are Real Estate (17%), Food and Beverage (38%), Professional Services (38%) and Agriculture (38%). In terms of external mentorship and networking opportunities offered by responding companies, once again the highest ranking industries are Chemicals (62%), Logistics and Transport (62%) and Energy (59%), and the lowest rating industries are Textiles (25%), Real Estate (33%), Food and Beverage (33%), Professional Services (33%).

Among the industries that offer programmes and initiatives that are focused specifically on women, the Automotive industry rates highest (39%), followed by Information Technology and Telecommunication (37%), Energy (34%) and Financial Service (33). Those industries which rate lowest on this variable include Textiles (0%), Real Estate (0%), Professional Services (8%) and Mining (8%).

Barriers to Leadership

In this section of the survey we asked respondents to identify the biggest barriers to women's access to leadership positions from among a choice of 15 barriers. Across the full dataset, we find that the biggest barriers identified by the respondents are "general norms and cultural practices in your country", "masculine/patriarchal corporate culture" and "lack of role models". The least important barriers are identified to be "lack of adequate parental leave and benefits" and "inadequate labour laws and regulations in your country". The complete results are displayed in Figure 4. At the country level, the results vary considerably and are displayed in the individual country profiles in Appendix A.

Effects of Economic Downturn

As the survey was conducted in a six month period in 2009, we asked the responding heads of HR two relevant questions:

In your country, do you expect the current economic downturn to be more threatening for the jobs of female employees than male employees?

In you industry, do you expect the current economic downturn to be more threatening for the jobs of female employees than male employees?

In Mexico, France, Italy, United Kingdom and Spain, more than 30% of respondents believed the downturn would be more harmful for women's jobs in their country. Among the industries, in automotive, engineering & construction and logistics & transport, 10% of the respondents felt the downturn may be more negative for women in their industries than for men. The complete results are displayed in Figure 5 and 6.

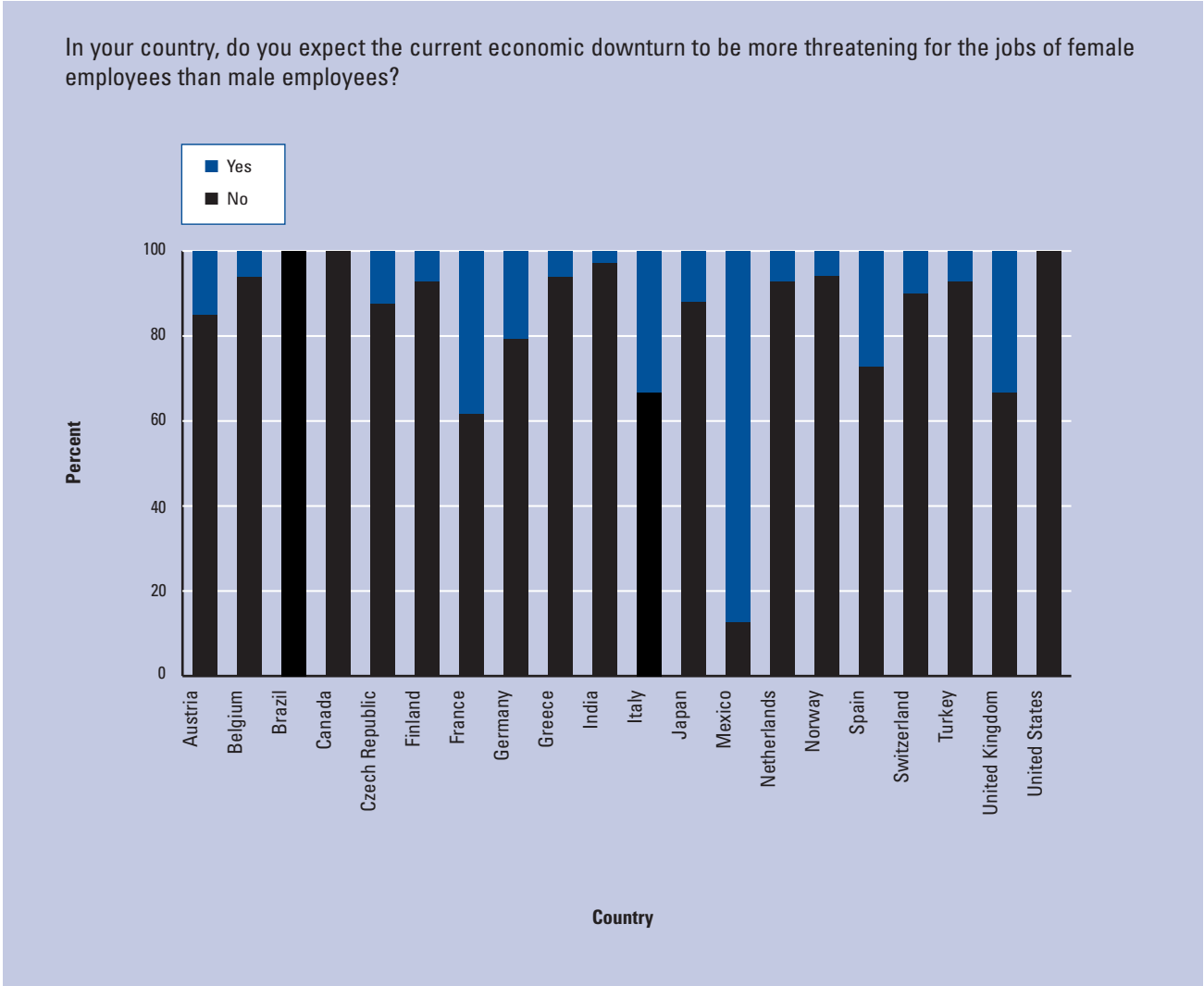
Conclusion

Numerous studies have confirmed that reducing gender inequality enhances productivity and economic growth and that the economic benefits of scaling back barriers to women's engagement in the workforce can be substantial. For example, according to recent research, closing the male-female employment gap would have huge economic implications for developed economies, boosting US GDP by as much as 9%, Eurozone GDP by as much as 13% and Japanese GDP by as much as 16%. Reducing gender inequality in these countries could also play a key role in addressing the future problems posed by ageing populations and mounting pension burdens. Moreover, in countries in which it is relatively easy for women to work and to have children, female employment and female fertility both tend to be higher. Innovation requires new, unique ideas—and the best ideas flourish in a diverse environment. This implies that companies benefit by successfully integrating the female half of the available talent pool across their internal leadership structures. Studies exploring this link have shown a positive correlation between gender diversity on top leadership teams and a company's financial results.

Yet, despite mounting evidence regarding the importance of women's economic integration and even as the global economy's dependence on knowledge industries and knowledge workers grows, there are still significant gaps in the job opportunities for women and in the wages paid to women compared with their male counterparts. Talent and human capital are fundamental to economic growth – ensuring that barriers to women's entry to the workforce are removed and that equal opportunities are provided for rising to positions of leadership within companies are among the key factors for business leaders and policymakers to consider to ensure that all existing resources are used in the most efficient manner and to send the right signals to ensure the optimal flow of future talent.

The Corporate Gender Gap Report is an unprecedented attempt to provide clear insight into the current levels of participation of women within the structures of some of the world's largest companies, across 20 countries and 16 industries. More importantly, the *Report* benchmarks these companies against a set of policies and practices that are recognized as drivers in promoting gender equality. The results show that while there are many success stories and positive trends emerging, some of the largest employers in the world are far from having established an optimal environment for integrating female talent. We are hopeful that this *Report,* by providing a transparent and comprehensible framework for assessing and tracking gender gaps and policy

Figure 5: Effects of economic downturn on women's employment in country



gaps in business, will serve as a catalyst for greater awareness and corrective action by employers.

Figure 6: Effects of economic downturn on women's employment in industry