INTERNATIONAL WOMEN'S DAY 2024:

UNLOCKING THE $172 TRILLION GENDER DIVIDEND

ALTOPARTNERS

Executive Search & Leadership Advisory

At AltoPartners, we walk the talk on gender equity. Our network of 60 offices in 36 countries is committed to closing the gender gap as part of our pledge to champion diversity, equity, inclusion and belonging.

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Is it possible for International Women's Day to be both a celebration of what we have achieved and also a call to action? Or does celebrating how far we've come give a false sense of progress when in fact the work to be done is immense, and globally we are losing ground and momentum?

To put it in perspective, the digital age kicked off in 1989 with the introduction of the World Wide Web. In less than 40 years, businesses have foregrounded the massive work of digital transformation across every element of their operations, moving not only large workforces onto digital technology but also transforming core operations such as logistics, e-commerce and finance. Entirely new global sectors have been created as a result.

And yet, 115 years after the first National Women's Day in 1909, not one country in the world can claim 100% gender pay parity or the associated legislative, business and societal protections that ensure equitable employment and career progression opportunities throughout the full working lifespan of all genders.

This is despite the potential upside of closing the economic gender gap: all $172 trillion of it. According to the World Bank, that's the global "gender dividend" waiting to be unlocked. It's also the cost of inaction.

At AltoPartners, we walk the talk on gender equity. Our network of 60 offices in 36 countries is committed to closing the gender gap as part of our pledge to champion diversity, equity, inclusion and belonging (DE&I) – both in our work with our clients and internally within our local member firms. Of the 38 member firms in AltoPartners, just under half are headed by women. And of the 589 people working across the partnership, more than 380 are women. Impressively, our Global Operating Committee's diversity representation stands at 64% (in terms of women and people of colour).

As a global signatory of the Association of Executive Search and Leadership Consultants (AESC) Diversity Pledge, AltoPartners is proud of the role we play in helping to combat all forms of discrimination within our own organisations, with candidates, the clients we serve, and in our communities.

Sonal Agrawal

AltoPartners Global Chair; Managing Partner Accord India / AltoPartners India and AESC Global Main Board Member

Foreword

The AESC and our members – including AltoPartners – play a critical role in solving our clients' most complex leadership and talent challenges. We take this role seriously. And we know that to succeed, we must consider the entire population, not just a small segment. AESC members pledge to use our collective voices and actions to help create a world that is inclusive, diverse, equitable, and accessible for all.

Our guiding principles focus on accelerating a sustainable positive impact, educating our own teams as well as our clients, advancing diverse slates of exceptional leaders, and advocating for emerging best practices that get results.

We understand the power of diversity especially when combined with inclusion and a sense of belonging. Businesses with diverse leadership teams that allow all voices to be heard are known to be more innovative and more financially successful. These same businesses create cultures that are better able to attract and retain the very best talent.

Are we leading by example?

Yes! In terms of gender balance, when we look at AESC member firms globally, roughly 48% of leaders, including consultants, are women. When we consider all employees of the same group, 55% are women. We see many "next generation" women seeking careers in the executive search and leadership consulting profession as they see the opportunities to truly make a difference. As women's role models increase, so do opportunities for more women to seek our profession for their careers. We strengthen leadership, together.

Karen Greenbaum

CEO, Association of Executive Search and Leadership Consultants

Introduction

"It is true that a woman's duty is centred in her home and motherhood but home should mean the whole country and not be confined to three or four rooms of a city or a state."

So said Charlotte Perkins Gilman at a gathering in New York on the first National Woman's Day in the United States ("woman" as it was expressed then) on February 28, 1909; an event acknowledged as one of the forerunners of International Women's Day. Before that, on March 8, 1908, women workers in the needle trades marched through New York City to demand women's suffrage and protest child labour and sweatshop working conditions.

In 2024, with women heading up global corporations and running countries, it's easy to be gently amused at the limitations of Gilman's vision, which still has a woman's chief role centred on hearth and home. Yet, for many women around the world, for whom a role in their country or in business is still a dream, that 1909 vision is as relevant as ever. As the United Nations notes:

- 75 million more people have fallen into severe poverty since 2020. Without immediate action, over 342 million women and girls could be living in poverty by 2030.
- Conflicts and rising prices may lead 75% of countries to cut public spending by 2025, negatively impacting women and the essential services they depend upon to be able to participate in the market economy.
- Feminist organisations that campaign for women's rights receive only 0.13% of official development assistance.

Some gains, but too many missed opportunities: International Women's Day perspectives from around the world

This International Women's Day, as part of our commitment to creating a world that is inclusive, diverse, equitable and accessible for all, we asked women in the AltoPartners partnership to reflect on the role of gender equality in creating prosperous economies and what it says about the role of women in these societies. Across 13 countries, we found signs of gains in gender equality – and barriers to progress.

International Women's Day (IWD) remains a big deal in the United States, thanks in large part to the pioneering vision of women such as Judith M. von Seldeneck, who founded Diversified Search Group / AltoPartners USA precisely to provide equitable opportunities for women to be considered for professional jobs. For the team at Diversified Search Group, IWD is one of the most important occasions in their organisation as it recognises and commemorates their founding mission: promoting women in the workplace.

This mission has driven the Diversified Search Group for 50 years and has helped make them the top global women-founded and -led executive firm. Today, Diversified Search continues to push for gender equity and awareness, to break barriers to entry and equal opportunity, and to support women to create successful businesses. They note wryly though that women earned an average of 83.8% of what men earned in 2023. The Center for American Progress projects that gender pay equity in the US won't become a reality until 2056.

Claudia Hardy, Partner at Ezentia Leadership / AltoPartners Mexico and Co-Chair of Women on Boards 2020 Mexico, says IWD is celebrated in her country – but often as a date in the calendar rather than an actual reckoning with the fact that there are still substantial gaps in diversity, equity and inclusion in top leadership positions in the private sector. There's also a lack of understanding of what the impact would be of closing this gender gap in order to accelerate progress. "It is paradoxical that in Congress, due to quotas, women occupy 50% of the seats, but in the private sector, women occupy just 9% of C-level positions and 4% of independent board seats. The next president of Mexico will be a woman, but we are still struggling to understand the benefits of the 'gender dividend'."

The benefits of the gender dividend – the increased economic growth that could be realised with investments in women and girls – may be better understood elsewhere in the world.

Anne Borgen, Partner at Peoplement / AltoPartners Denmark, says that in her country, businesses often use IWD as an opportunity to highlight and celebrate the achievements of women in their organisations, as well as to re-evaluate and push forward their policies and practices regarding gender equality and inclusion. "Denmark's approach to gender equality is holistic, focusing on creating a supportive environment for all genders to thrive both in their professional and personal lives. Despite the progress made, continuous efforts are needed to address the remaining challenges. Encouragingly, there is a strong societal commitment to advancing gender equality, with businesses, government, and civil society actively engaging in initiatives and dialogues to further this goal."

Similarly, in Switzerland IWD is a day of recognition and reflection on the progress made and on the journey ahead for achieving gender equality in the workplace. "It serves as an opportunity for businesses to showcase their commitment to diversity and inclusion, evaluate their policies, and plan further actions to support women in the workforce," says Regina Graf, Managing Partner and Owner at MPB Recruitment Group AG / AltoPartners Switzerland. In Germany, IWD is marked by a recognition of how far women have come – which is reflected in the country's focus on education. Andrea Brand, Partner at Jack Russell Consulting / AltoPartners

Germany, says that in the realm of academic and vocational qualifications, as well as participation in further education, women have significantly caught up over the past decades, now surpassing men. In 2019, approximately 41% of women, compared to only 39% of men of working age, possessed a school-leaving qualification entitling them to pursue academic studies.

Sandra Olive, Managing Partner of Bäcker & Partners / AltoPartners Argentina, says many companies in the country have special events to promote diversity on March 8, while others think of March as "women's month" and have different awareness-raising events. Maria Isabel Ventura, Partner at Executive Connection S.A.S / AltoPartners Colombia, says more cautiously that IWD has no special meaning in Colombia other than to celebrate women and recognise their value in society in general.

In Poland, International Women's Day still has a lingering association with communism, but is marked by dialogues about the contemporary role of women, navigating through a landscape marked by numerous challenges, says Corinne Klajda, Managing Partner of Accord Polska / AltoPartners Poland. And, in neighbouring Czech Republic, IWD is considered yet another holiday imported from the Soviet Union, says Jana Martinová, Managing Partner of Accord Group Cseka / AltoPartners Czech Republic, and as such is a lost chance to talk about equal opportunities and rights for women: "Ironically, there are fewer women in management positions today than ever before. It's as though we are moving backwards."

Joo-Lee Aw, Founder and Managing Partner of The People at Work / AltoPartners China and Singapore, is all too aware of those challenges: "IWD is celebrated in many countries in the region, from Singapore to Malaysia, Philippines, India, Pakistan, Korea, Japan and China; even though gender equality remains a work-in-progress for women in many of these countries."

In India, IWD is gaining traction as a day to celebrate women but equally raises the question – should it only be one day in the year? Because of that, says Toral Patel, Managing Partner of Accord India / AltoPartners India, her firm sees IWD as a year-long process. "Rather than gifting roses and chocolates on IWD, there should be more emphasis on achieving sustainable gains all year round."

In South Africa, there's less focus on IWD than there is on the country's own Women's Day, celebrated in August. Gender equity is constitutionally protected in the country, says Mpho Nkeli, Director of Search Partners International / AltoPartners South Africa. "Most of our clients have a clear preference for female candidates, but demand for women candidates outstrips availability in certain traditional male-dominated professions."

"It is an opportunity to celebrate what we have achieved and to bemoan what still needs to be done to advance equality."

– Julie Garland-McLellan, Board Consultant / AltoPartners Australia

Impact of gender parity at the local level

The impact of women's participation in the global economy is immense. A 2020 study by the World Bank found that if women earned the same as men, global human capital wealth (defined as the value today of the future earnings of all individuals – men and women – active in the labour force) could increase by about one-fifth, and women's human capital wealth could increase by more than half.

At the country level, the impact is even more profound. For example, a 2018 McKinsey report (One aspiration, two realities) estimates that closing the gender gap would result in a 70% increase in GDP in Mexico; and an increase in female employment over the past several years has contributed to about two-fifths of Poland's economic growth, according to a published report by the Polish Economic Institute.

Beyond economic benefits expressed in dollars, there are myriad other ways in which increasing gender parity can improve a country's fortunes. Studies have suggested that gender diversity can lead to better decision-making, innovation, and corporate performance. Using the potential of the entire workforce, including all genders, can expand the talent pool and increase productivity. The research suggests that women make better bosses, are more transformational and are better at driving employee engagement.

Achieving gender parity means that gender inequality needs to be challenged both in the workplace and society at large and that would involve addressing deep-seated cultural attitudes and societal norms about the role of women. As Klajda says, proactive measures must be taken to combat discrimination across public, social and political spheres. Business, in particular, plays a pivotal role in fostering social and cultural change, with gender equality being crucial for sustainable development and economic growth.

Gender equality and women's participation in the workforce – (still!) a work in progress

As might be expected, progress towards gender equality across regions is mixed. Yet one theme emerged again and again in our survey of AltoPartners experts: much more can and should be done to advance women's participation in the formal economy. Coming out of the post-COVID "she-cession", a term coined to acknowledge the disproportional financial impact of the pandemic on women in the workplace, achieving economic parity is key to future growth and prosperity for all. Many have yet to return to the formal economy. According to The Washington Post, the first year of the coronavirus pandemic saw 54 million women around the world knocked out of work, and of the women who lost jobs in 2020, almost 90% exited the workforce completely, compared to around 70% of men.

> *Listening to our partners, it's clear that just because a country has a high percentage of women in the workforce, that is no guarantee of financial or social parity. Bottom line: more women in the workplace does not translate into more women in senior leadership positions. Only once we address this issue, can we begin to unlock the gender dividend. Statistics on women in the workplace also deflect from widespread occupational segregation, with women generally being employed in less well-paid care roles, compared to men who dominate high-paying jobs in STEM careers.*

Argentina

In 1947 Argentina granted women the right to vote, and legalised female representation in government. According to the Borgen Project, the country has the second-highest rate of female leadership in South America and ranks 17th highest in the world, ahead of countries such as Belgium and the Netherlands. This however is not mirrored in the workforce. In 2022, only half of the adult Argentinian women were economically active while employment rates for men have remained largely stable at 74-75%. In 2023, Argentina scored 0.64 in the gender gap index and a score of 0.6% for wage equality which puts women in work at a 36% economic disadvantage compared to men.

There are government quotas in place, especially for companies that quote on the local stock exchange, but these are not widely implemented. A study by KPMG highlighted the fact that the diversity agenda is more theoretical than real. Of the total of 6,248 directors (regular and alternate) sitting on boards of the 1,000 companies in the survey, 5,248 are men and only 1,000 are women. That is a total of 16%. Board chairperson slots (called presidents in Argentina) are occupied by men in 93.5% of the cases surveyed. Of the 1,000 companies polled, 472 did not have any women on their boards.

Colombia

In 2010, Colombia became the first country in the world to formally acknowledge women's unpaid labour contribution to the economy via their roles as homemakers and caretakers of a family. The groundbreaking legislation (Law 1413 of 2010) mandated time-use surveys to account for the care economy and the invisible contribution of women, for inclusion in their national accounts. In 2017, according to the ILO, women's unpaid labour contributed to 20% of the country's GDP. However, while the law is meant to provide data to impact and inform public policy, it stops short of legislating tangible recognition for women's unpaid labour. The one-sided journal entry therefore still leaves women in a significantly disadvantaged position against their male counterparts in real terms. For those who are participating in the formal economy, the gender gap means that women are 34% less likely to get equal economic participation and opportunities than men. While companies are striving to balance their workforce, including hiring more women in managerial positions and boards, and setting policies that benefit and make work-life balance more appealing to women, there is still work to be done to ensure equal opportunities and representation for women in various sectors.

Mexico

While legislation insists that 50% of seats in Congress must be occupied by women, there are no quotas in the private sector. In that sector, women are hired at the entry level at nearly the same rate as men (40%), but their attrition rate is significantly higher and their presence in leadership levels declines to 10% at the C-Level and 2% at the CEO level. This is something Mexico is actively determined to change. According to a 2022 McKinsey study, Uneven Parity: Women Matter Mexico 2022, "perceptions have changed over the past four years. Today, 80% of surveyed employees (men and women) describe their organisations as being committed to gender diversity, versus 68% in 2017... Additionally, employees appreciate greater clarity on the economic benefits of driving diversity. In 2017, only 28% of employees linked diversity to improved business performance. Today, 38% recognise the importance of the relationship between diversity and successful business performance." But, cautions Hardy, these results come mainly from multinational companies. "If we take into account local Mexican companies, which hire the bulk of the Mexican workforce, the situation is much more adversarial for women, as these local companies are not subject to global directives from headquarters on advancing women to leadership positions".

United States

According to the US Bureau of Labor Statistics, the workforce participation rate for women is 57.4%, which is 10.6 percentage points lower than for men. The United States, which does not use quotas to specify gender for boards or executives, has made progress in promoting gender equality in business, with increasing representation of women in leadership roles, efforts to close the gender pay gap, and initiatives to support women entrepreneurs. However, challenges remain, including disparities in representation at senior management levels and persistent gender wage gaps. The biggest gains for women in leadership have been in government, politics, academia, and at board level – gains which are not reflected in the leadership of Fortune 500 companies. According to 2023 data released by Washington-based non-partisan think tank, Pew Research Center, women made up just over 10% of CEOs in Fortune 500 companies, while the percentage of women who sit on the boards of those companies is 30.4%, which is on a par with the percentage of women who head up colleges and universities (32.8%). Despite some important gains in political leadership and government roles, there is a sense that the status quo is not working and that more needs to be done specifically on gender parity as a means to strengthen communities, economies and workplaces.

Austria

The 2017 Women's Quota for Supervisory Boards Act mandates a minimum of 30% representation for each gender in supervisory boards of listed companies and large corporations with more than 1,000 employees. According to the Statistics Austria's Labour Force Survey of 2022, 70% of women (aged 16-64) participate in the workforce, compared with 87% of men in the same bracket. This could be mistaken for equitable participation in the formal employment economy. On closer analysis, however, it's found that 50% of those women are only part-time or "atypically" employed (meaning not in formal employment on a full-time basis), against 82% of men. And 6.1% of those 87% of men occupy leadership positions while only 3.2% of those 70% of women do the same. In 2022 on International Women's Day, Statistics Austria announced that while the gender pay gap had decreased from 23.5% to 18.8% between 2011 and 2021, it's still among the countries with the highest gender-related wage differences – and above the European average of 12.7%. This gap escalates significantly as women get older, with differences in working life also reflected in pensions. In total, lower incomes and gaps in insurance cover (mainly due to child-rearing) lead to a gender-specific pension gap of 41.6% – which means that women not only earn less when they do work, but they also have fewer opportunities to accumulate wealth over their working lives to secure their retirements at equal lifestyle levels to their male counterparts.

Denmark

Even in Denmark, acknowledged as a world leader in gender equality (it ranks top of the World Economic Forum's Gender Inequality Index), the gender pay gap has proved difficult to close and women are still underrepresented in certain industries and top executive roles. While the rate of workplace participation is roughly equal (65% for women, and 71.3% for men), the country's official website points out that the workforce remains one of the world's most segregated, with women more likely to work in the public sector or hands-on care positions, while men tend to pursue careers in STEM. Danish men are still earning 12.7 % more than women, and while 85% of that can be attributed to the segregated career market, 15% of that pay gap is still unexplained. The country has no gender-related quotas and relies on voluntary measures.

Germany

Female labour force participation in 2020 was approximately 7 percentage points lower than that of men, which is still a three-fold improvement in gender disparity in the early 1990s. There are approximately 3.8 million SMMEs in Germany, of which 16% are founded and managed by women. However, 40% of these female entrepreneurs run their businesses as a sideline. A recent survey by Women in Business found that women are still less trusted to start a business, indicating that societal attitudes hamper women's ability to compete equally in the entrepreneurial space. At board level, the country implemented a quota system in 2015 for supervisory boards of publicly listed and co-determined companies, whereby these companies must ensure a minimum of 30% female representation on their supervisory boards. However, there is no general quota for executive boards or other leadership levels in German companies.

Poland

In 2024, for the first time, the number of working Polish women in the 15 to 89 age group will exceed the non-working population. Gains in leadership roles though, have typically been at the political level. Almost 30% of MPs are now female, up from 20% two decades ago and 10% in 1991, although, Klajda says, many consider this a cynical ploy to appeal to voters, rather than proof of any real shift in attitudes, especially since they don't receive the same PR, financial or media expenditure as male candidates. While Polish women excel as entrepreneurs (Poland boasts the second-highest number of female entrepreneurs in Europe, after Russia), women account for only 8% of all start-ups.

Switzerland

Even though "equal pay for equal work" has been enshrined in the Federal Constitution of Switzerland since 1981, a 2022 PwC Women in Work Index shows that the gender pay gap of 17% in Switzerland is 3% higher than the OECD average, hypothetically taking women 63 years longer at work than men to close the gap! Despite efforts to close the gender pay gap and increase female representation in leadership roles, challenges remain. Notable progress can be seen in the public sector and in companies that have embraced diversity as a core value, but there's consensus that more needs to be done to achieve full equality. Despite women making up 53% of all graduates, when they become mothers, they generally seek part-time work: women are employed part-time at a rate of 60% and men at 14% as soon as a couple has children. In 2020, the Swiss parliament passed a law encouraging companies to boost the number of women in top positions. However, it stopped short of imposing strict quotas.

"Moving forward, it's crucial for Switzerland to continue developing policies that support gender equality not just in the workforce but in society as a whole. This includes addressing the gender pay gap, improving support for working parents, and challenging societal norms and biases that limit opportunities for women. Engaging men as allies in the fight for gender equality is essential for creating inclusive environments where everyone can thrive."

– Regina Graf, Managing Partner and Owner, MPB Recruitment Group AG / AltoPartners Switzerland.

The Czech Republic

With an almost equal 52.3% female participation in the Czech workforce vs 68.3% of men (in 2022), the Czech Republic has one of the highest gender pay gaps in Europe at a rate of 19%, according to Eurostat data. The country is however working on draft legislation to bring it into line with the new EU pay gap disclosure directive for the private sector. This is being met with heated resistance, with companies concerned about creating tensions in the workplace. During COVID-19, when global lockdowns required homeschool supervision and full-time care for children, it was estimated that women in the Czech Republic carried 58% of the childcare burden compared to 11% of men, more than any other EU member state.

Australia

Australia enjoys a rate of 62.2% of women in the workforce, compared to 71.2% of men. In October 2022, the government allocated an investment of A$4.5 billion to childcare in a bid to improve female participation in the labour force. While the country has a (comparatively) healthy rate of female participation on the surface, a look beneath reveals a significant level of female underemployment. Women constitute only 38.4% of the full-time workforce and make up 68.5% of the casual and part-time workforce. Labour protections and opportunities in that segment of the market are considerably less than full-time or permanent employment, leaving women more vulnerable not only to a lack of career progression opportunities but also to job insecurity. They are also disproportionately impacted by shifts in the local and global economy. The country has moved to set targets and to ask boards to comment on progress against these and the percentages of male, female, or other genders at each level within the company, opting for a system of self-disclosure that encourages organisations to ask "If not, why not?"

India

Less than 25% of the Indian workforce is female and the contribution of women to India's GDP is just 18%, one of the lowest proportions in the world, according to the World Economic Forum. An Indian government press release in September 2023 puts female labour force participation at 37%. A 2023 study from the Bangalore-based Azim Premji University attributed the gains to a rise in women's self-employment, probably driven by distress rather than economic growth, Reuters reports. Either way, it's clear that women face many economic and social obstacles in the country. Patel says a limited female talent pool and the old-boy network contribute to the problem, but decision-makers' commitment to the cause of gender equality is key. "Most of all we need to change mindsets – not just about women's roles in the workplace but also men's roles at home."

Malaysia

According to the World Bank Labour Portal, the labour force participation rate among women is 52.7% and 78.7% for men (2022). Interestingly, however, Malaysian firms are more likely to have a female top manager than firms in upper-middle-income countries, perhaps because the country imposed a 30% quota in 2011 for women decision-makers in the corporate sector. A recent firm-level survey by World Bank's Enterprise Surveys found that about a quarter of all Malaysian firms have a female top manager, although they are more likely to be found in large firms than in small firms, in the retail sector vs. the rest of the economy, and in exporting than in non-exporting firms. This is despite literature that shows that women top managers have higher levels of labour productivity on average compared to men in the same role. However, the regulatory environment, corruption and crime conspire to make it much harder for firms with female top managers to operate efficiently.

Singapore

In 2022, participation of women in the workforce stood at 63.4%. This places Singapore behind countries in the Asia-Pacific region like Vietnam and New Zealand. A concerning paradox is that while women in Singapore dominate in mathematical and science courses at universities, very few enter the same field after graduation. According to government statistics in the country, half of scientific, technical, engineering and maths-educated women work in non-related occupations. A UNESCO study suggests that a key factor in this is lack of confidence, which stems from gender stereotypes in a woman's social network and in society, that find their way into the classroom. Georgette Tan, president of United Women Singapore, a non-profit organisation devoted to gender equality, says: "Girls tell us that at home, they get less encouragement from their parents than their male siblings to take up STEM jobs. Some parents still think STEM jobs aren't feminine. The cultural overhang is still there."

South Africa

According to the Quarterly Labour Force Survey by Statistics SA for the second quarter of 2023, the labour force participation rate for women stood at 54.3% compared with 64.9% for men, a gap of 10,6 percentage points. A complicating factor, however, is South Africa's youth (15-24 years) unemployment rate, which hovers dangerously close to 60%. It reached an all-time high of 66% in the third quarter of 2021 and dropped down again to 59% post-COVID. This includes 13% of tertiary qualified graduates who find no work after studying. This disproportionately affects women in South Africa, where, according to Statistics SA, women are more likely to remain unemployed for longer periods, which eventually affects their chances of ever being employed in the future. The incidence of long-term unemployment among women has consistently been higher than the national average.

There are no specific quotas for women in business. However, gender is a key component in determining an organisation's Black Economic Empowerment rating, which is the strategy adopted by the South African government in 2003 to advance economic transformation and enhance the economic participation of black people in the South African economy.

Gender quotas – do they work?

There is a misperception, say our experts, that quotas come at the expense of quality. A cursory glance at the profiles of women CEOs and directors is usually enough to settle the debate, and it's clear that if companies set their minds on diversifying their leadership structures, there are no shortages of suitably qualified candidates.

Figures and trends supplied by AltoPartners experts in Europe are encouraging:

- Denmark has seen some success with a focus on voluntary measures and initiatives aimed at promoting gender diversity in leadership.
- In Austria, there has been a notable increase in the proportion of women on supervisory boards of companies affected by the law, from 16.1% in 2017 to 35% in 2023 for those within the quota's scope.
- In Germany, where the law stipulates a minimum of 30% female representation on their supervisory boards, representation in 2022 stood at 32%. (According to statistics from 2022, only 11% of all executive board positions in the 160 largest publicly listed German companies were held by women. The situation is somewhat different at the second level of management, where the proportion of women is slightly lower at 40% compared to the overall workforce (44%).)

Where quotas are not present, other pressures can be effective. Lauren E Smith, Managing Director and Co-Practice Leader, Board of Directors at Diversified Search Group / AltoPartners USA, says investors are measuring and demanding gender diversity, which is driving companies to add more women to their boards. "In 2023, the percentage of women directors on S&P 500 boards rose to 33%. This represents significant growth from just 19% ten years ago. More women in the boardroom helps to drive gender balance at all levels of their organisations and research shows that companies with diverse boards have better returns on investments."

In Singapore, where women are well represented in management ranks, boards remain mainly male-dominated. Says Aw: "Without specific regulation, organic change will take a very long time, even though there are many competent women in our market. At the same time though, changes should be driven by the need to field the best talent who provide the combination/diversity of competencies, experiences and skills required for that company."

In all the countries we looked at, there are challenges to the implementation of quotas:

- **Culturally ingrained gender stereotypes and negative social pressure** on working women and mothers to remain within the confines of gender-defined roles. (In Mexico, McKinsey notes that while companies have taken steps to enable gender parity, at the pace of current trends, it will take another 100 years to reach parity). Sandra Olive notes that in her experience in Argentina, some women exclude themselves from searches that require a lot of commitment: "One executive said: 'I can't take on a position like this one because my husband works a lot and I have to take care of our kids in the evening'."

"There are many talented women who want to be acknowledged for their skills and achievements, they just need to be given a level playing field. Capable women aren't asking to be given a free pass because of their gender."

– Joo Lee Aw, Founder and Managing Partner The People at Work / AltoPartners China and Singapore

- **Unconscious biases** that can influence hiring and promotion practices.
- **Resistance to change** and the presence of old boy networks.
- **Lack of affordable, quality childcare support.**
- **Ticking boxes.** The enforcement of quotas can sometimes mean that a person is shoehorned into a role they are not suited for.
- **Unreliable metrics and insufficient tracking** of senior placements across industries and within countries.
- **A shortage of women experts in traditionally male-dominated professions.** In countries like South Africa, with histories of colonisation and inequality, previous imbalances in education systems can mean more male job candidates for leadership roles in engineering, medicine, technology, business science and law. "… when we get assignments that require experience in these careers, we often don't have enough women candidates and the client ends up appointing men. Another limiting factor is that relocations are generally also more difficult for women," says Nkeli.

Taking all those issues into account, Garland-McLellan says that quotas are still worth thinking about, on the basis that what is not measured is not done. "The beauty of having to report on your progress is that the problems can't be ignored and attention and resources are allocated to removing them so that gender equality is easier to obtain."

Shifts in hiring trends

With or without quotas, hiring trends have shifted, whether as part of a broader DE&I strategy or simply having more available candidates as more women choose to study and work in sectors traditionally dominated by men. In Denmark, for instance, organisations that have embraced diversity are often seen as more attractive employers and have reported benefits such as improved workplace culture and greater innovation.

It's one thing to hire women and another thing to keep them in the company ranks. Retention of talent is closely linked to company culture, acknowledgement of contributions and strong leadership/vision, making it difficult to parse out the extent to which gender equality measures enable companies to retain women. Nevertheless, there are signs of progress – and challenges.

".....demand for women candidates also depends very much on the company culture, and whether it values diversity, or is actively driven by at least one member of the top management. We also see a correlation between a preference for female candidates and innovative and agile work models, including remote work."

– Andrea Brand, Partner at Jack Russell Consulting / AltoPartners Germany

In Mexico, the attrition rate of women in leadership positions is significantly higher; their presence in leadership levels declines to 10% at the C-Level and 2% at the CEO level, while in Denmark retention rates of women in the workforce are generally high. In South Africa, Nkeli has observed that women are more likely to exit corporate life at around 50 years of age because of burnout. "They have more family responsibilities than men – the 'double shift' syndrome. Women also work much harder than men to 'prove' their worth. I also speak to more and more women who are the breadwinners in their homes which puts pressure on them."

Losing women executives means that organisations lose valuable talent and profitability in the process, as hiring and training are costly for companies. But for companies that hire women and retain their talents, the benefits are big. MPB's Graf points out that companies with more women often report benefits such as improved workplace culture, higher creativity, and a better understanding of customer needs. "They will be the winners in future."

The maternity gap

Across the world, it is almost always women and mothers who shoulder the responsibility for childcare. Even taking a break to have and raise a family has a significant impact on women's earning capacity, which in turn impacts their ability to save for a comfortable retirement.

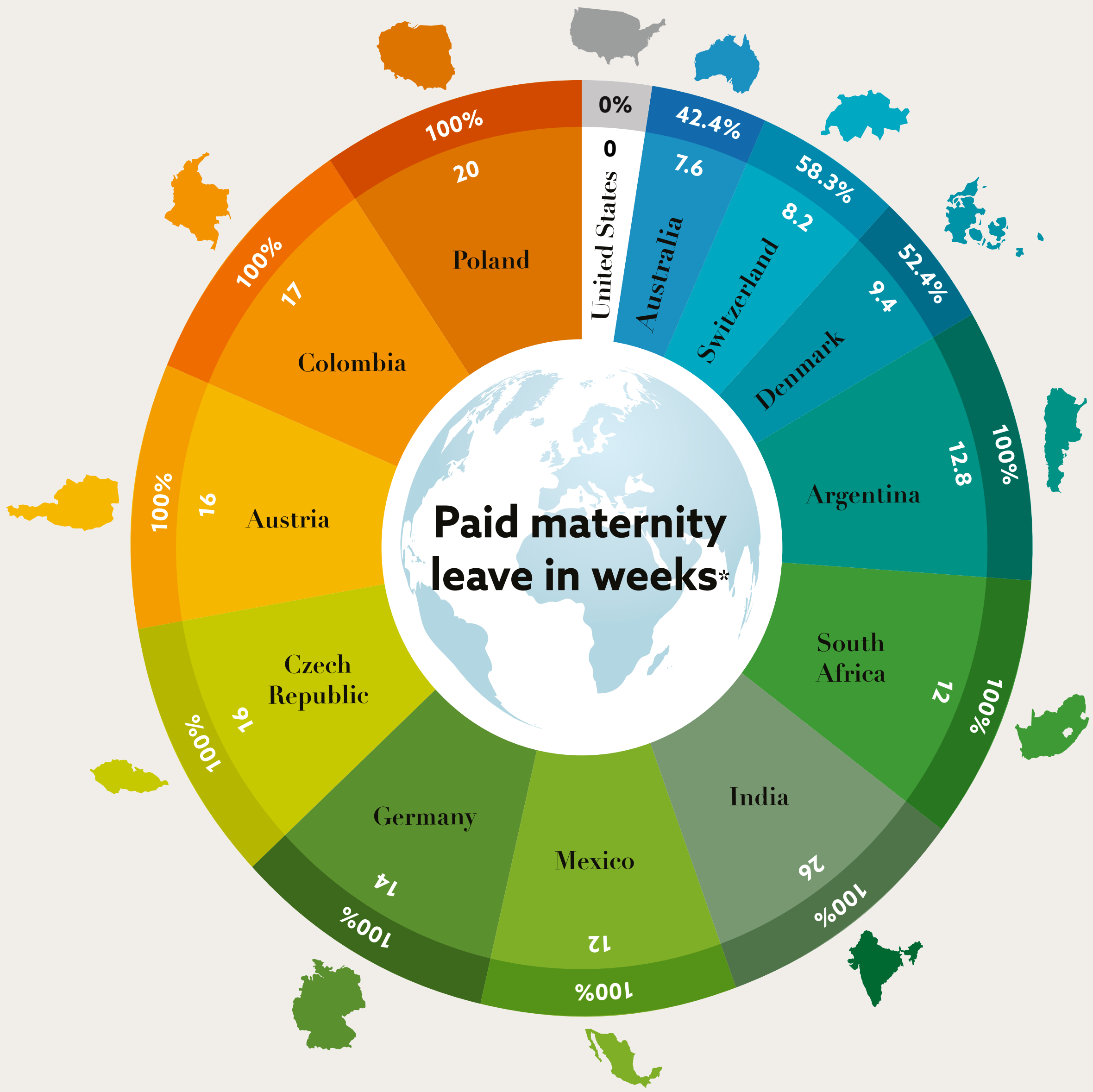
But there's another reason organisations should be applying their minds to luring women back to work after maternity leave. As Klajda points out: "Studies show that increasing the proportion of women in the top organisational structures of companies has a positive impact on the efficiency of companies and the productivity of decision-making processes. The management approaches most often used by women strengthen employees' sense of responsibility and allow them to create a friendly work environment. That is why it is worth encouraging women to return to work after maternity and parental leave. But you first need to understand why they are considering giving up their careers or taking a longer break."

According to a survey of countries by Business.org and insights from our global experts:

- The average time off for maternity leave (regardless of pay equivalent) across all countries is roughly 18 weeks
- The average full-rate equivalent time off is roughly 14 weeks.
- The average pay rate is 79.8%.
- Only four countries pay below 50% during maternity leave: the United States (0%), the United Kingdom (29.8%), Australia (42.4%), and Canada (47.7%).
- **Denmark:** the cost of childcare is heavily subsidised by the government and both parents are entitled to paid leave, promoting gender equality in caregiving responsibilities.
- **Austria:** legal entitlement to a childcare place or kindergarten obligation only exists from the year the child turns five before September 1st – i.e., one year before starting school.

"Ten years after the birth of a child, women earn about half as much as men and only two-thirds of what a female colleague with no parental responsibilities earns."

– Julia Zdrahal-Urbanek, Founder and Managing Partner, ALTO Executive Search GmbH / AltoPartners Austria



* Not all countries offer maternity leave at the full rate of pay. For example, mothers in Denmark get 18 weeks of leave, but the average payment rate is only 52.4%. This graph reflects the full-rate equivalent for all the countries featured in this survey.

- **Germany:** insufficient and expensive childcare means that nearly half of all women (46%) work part-time, compared to only 11% of men.
- **Argentina:** parental leave is legally three months of fully paid leave for women and they can take an additional three months unpaid. Paternal leave remains the exception.
- **US:** is the only country among the Organization for Economic Cooperation and Development's 38 member states without mandated paid leave for new parents.
- **India:** paid maternity leave was recently increased from 3 to 6 months. Anecdotal evidence suggests a subsequent reluctance to hire women on a full-time basis, in certain segments of the economy.

The impact of the cost of parental leave and childcare on pay scales can be seen in detailed figures from Austria. Dr Zdrahal-Urbanek says many aspects of gender inequality, as well as actual steps towards optimisation, are well documented in the country. With a gender pay gap of 18.8%, Austria is significantly above the EU average of 12.7% in 2021. European frontrunners include Luxembourg, Slovenia, Romania, Italy, and Belgium, with 5% or less.

The difference in pay between women and men is influenced by several factors:

- labour market segregation
- different career biographies
- employment interruptions, especially due to motherhood.

Zdrahal-Urbanek notes that almost half of all working women are employed part-time, compared to only 11% of men. This affects not only salaries and pension contributions but also the opportunity to advance to management levels because a full-time commitment is usually expected at executive level.

But, if accepted as part of a woman's career path and used strategically, part-time work may be a way to bridge the gap when a woman leaves the workforce to have a child. "Our Scandinavian clients have demonstrated that high leadership positions can be successfully managed by part-time employees or shared between two people. Some of our clients outside Scandinavia are starting pilot tests and are having very positive experiences with it. However, there is still a lot of scepticism in many cases.

"Nevertheless, we see a lot of proactivity and support from our clients in reintegrating women with children back into the workplace early. This works whenever there is support from the executive board, regardless of gender. They show flexibility regarding working hours, and duty schedules, and support working mothers by providing perks such as childcare, especially during school vacations."

The role of policymakers in facilitating – or preventing – meaningful participation by women in the economy cannot be underestimated. The Czech Republic is a case in point, says Martinová: "The previous socialist system wanted all women to work and developed a good network of preschools to enable them to do so. Post 1995 though, these schools became the responsibility of local municipalities, who now had to bear the cost of running them. This move coincided with a social and political shift in attitudes toward working women, and in many cases, mothers were incentivised to stay at home. More stay-at-home moms meant fewer children attending preschool, and between 1990 and 2000, the reduced demand combined with rising costs led to many preschools being closed down. The upshot is that mothers who choose to (or need to) work have very few public childcare options. Private preschools are so expensive that they generally don't justify mothers returning to work. As a consequence, women – at a crucial junction in their careers – are obliged to step out of the workplace. On average, this costs women around five years of their earning potential.

"In our consulting company, parental responsibility is the most common reason for leaving. Since 2010, only two mothers have reintegrated into the team, working on a part-time basis," she adds.

Sonal Agrawal points out that while the childcare burden that women face at home is difficult for businesses to solve, it is not impossible. "One of our clients – a global conglomerate in commodity / heavy industries, with 180,000 people – has run a "seven-stage" programme which has meant that in seven years, they have moved their metric from 11% to 21% women. Apart from a well-thought-out programme, they have had support from the leadership and complete consistency in execution, a willingness to think out of the box and a commitment to putting their money behind the genuine pain points. One of the innovative initiatives they run is free travel for a nanny and infant up to two years of age, for new mothers who have to travel for their jobs."

"Many childcare providers are focused on the child rather than the mother's career... when I arrived in Sydney as CEO of a multinational energy company's Australian subsidiary, I could get care for a couple of hours one day and three hours another 'until my child was comfortable' and then they would 'see if they could offer more'. Not really appropriate when you work long full days and if I hadn't been able to afford a patchwork of home care (heavily reliant on my husband not being employed) rather than a childcare facility I would not have been able to do my job."

– Julie Garland-McLellan, Board Consultant / AltoPartners Australia

What leaders can do to advance gender equality

1. **Set out your vision in a policy.** Be clear about the advantages of pursuing gender equality and diversity, both to your organisation and for the broader social justice issues that it addresses. Tying policies to organisational values and strategies makes them easier to promote and sell internally.

2. **Don't rely on quotas.** Drive equity at the C-Suite and board level, even when not mandated by law. Our experience shows that equitable participation in the workplace goes up when women enjoy the support from even one member of the executive leadership team.

3. **Measure your performance** against your diversity goals, and report on them to stakeholders.

4. **Close the gender pay gap** by regularly conducting benchmarking exercises.

5. **Address the inherent inequality of unpaid care responsibilities.** Adapt ways of working, with flexible and hybrid structures, to the needs of employees, including working mothers. Review parental leave policies, and consider allowing parents to return to work in part-time roles to minimise the "gap" caused by having a child. Company-sponsored daycare and specific support measures for new mothers drive retention rates.

6. **Advocate for evidence-based gender-sensitive and inclusive policymaking**, based on gender-impact assessments and gender budgeting to prevent unintended consequences that might inadvertently deepen gender gaps.

7. **Actively promote reskilling**. While the pay gap addresses inequality among employees of different genders doing the same roles with similar qualifications and experience, it doesn't address occupational segregation (increased demand for high-paying male-dominated STEM roles vs decreasing demand for low-paid care and support roles). Helping female employees to reskill and upskill is therefore crucial to ensuring that women are equipped to continue to play a role in the formal economy.

8. **Include feminist organisations in your CSO budget**. NGOs leading efforts to tackle women's poverty and inequality are running on empty. Including these organisations in your corporate social responsibility budget keeps the hopes of a gender dividend alive.

9. **Support women-owned businesses**, especially start-ups.

10. **Identify gender equity champions** in your organisation and mandate them to make a difference.

Miles to go before we sleep

While closing the gender pay gap is important, it's by no means the only issue.

Leaders have a crucial role to play in ensuring an equitable society free of harassment, discrimination and prejudice. This makes it a human-rights issue, and not a narrow gendered issue specific to feminist goals. The right leader in the right place at the right time has the power to transform the lives of women colleagues and employees, creating a ripple effect across industries and communities.

Transformative leaders are mindful of how they're either fixing or contributing to the structural issues that exclude women from high-paying careers and/or force them to choose between motherhood and financial freedom. They pay attention to the gap between policy and practice and insist on gender-sensitive and inclusive solutions. Whether it is upskilling women to prevent redundancy or investing in flexible processes and systems capable of welcoming mothers back into their careers, investing in female employees is ultimately an investment in the future of us all.

The work is not done until all women everywhere have equal access and opportunities for education, employment, health care and income security. But we've got a long way to go, and globally, the political headwinds are against us. Now more than ever, organisations need to ensure that hard-won gender gains are secured and built upon for everyone's sake.

The UN estimates that, on average, women are paid 20% less than men. This differs by country and industry. According to Forbes, women in America still earn 16% less than men on average. In certain industries, the differences are more pronounced. For example, in 2024, male real estate brokers earn 60% more than their female counterparts; and personal finance advisors earn 58% more than women in the same role.

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Executive Search & Leadership Advisory

WRITTEN AND PRODUCED EXCLUSIVELY BY ALTOPARTNERS 2024

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