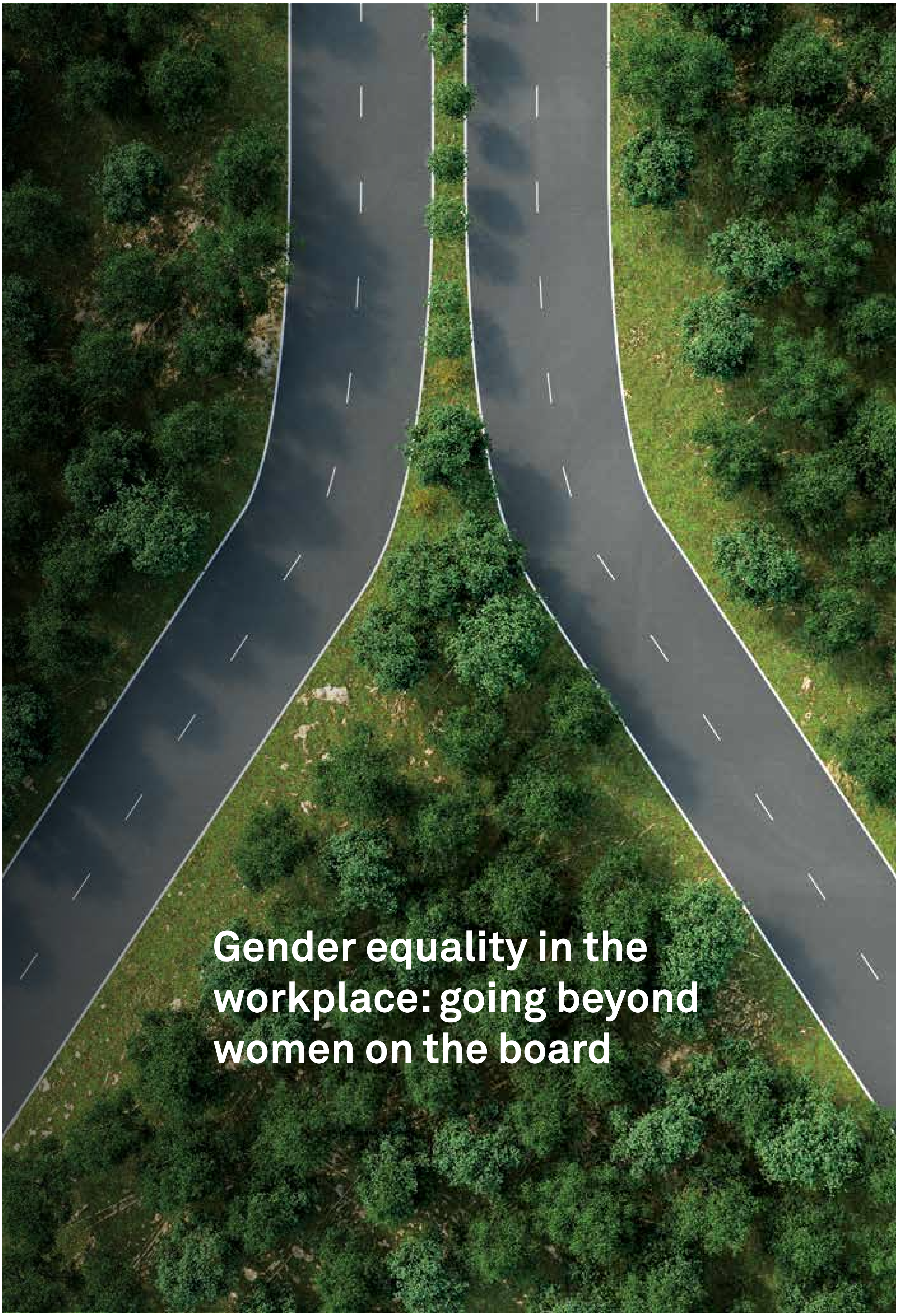

Gender equality in the workplace: going beyond women on the board

Where are we at?

According to the Global Gender Gap Report 2020[1] , it will take another 100 years to achieve gender equality based on the current rate of progress. This prediction has been widely used as a shock therapy to push governments, NGOs, associations, investors and companies into action. In the face of the Covid-19 pandemic and economic crisis, efforts will have to be doubled if we are to avoid losing another 10 years to achieve gender equality[2]. Based on past experience, economic slowdowns not only disproportionately affect women, but also trigger gender equality topics to slip down governmental and corporate agendas. Women represent 39% of the global workforce but accounted for 54% of job losses as of May 2020[3]. Furthermore, women are over-represented in sectors which are most heavily hit by the pandemic, such as hospitality or the food services industries, further exacerbating inequalities. These inequalities also disproportionately affect certain groups of women, depending on the intersections of gender with race, ethnicity, religion, class, ability, sexuality and other identity markers.

In 2020, the discourse has shifted significantly from a focus on gender diversity towards diversity and inclusion more generally. However, the lack of data on other diversity indicators and how they intersect with gender has made it difficult for companies and investors to measure their performance and consistently identify gaps in the domain. As a result, most large-scale corporate and financial initiatives tend to still focus on mainstream gender metrics.

Financial initiatives

Financial initiatives are worth highlighting, as they demonstrate the development and progress made towards gender equality. In 2019, total publicly available equity and fixed-income offerings in gender lens investing reached over USD 2.4 billion in asset-under-management[4]. The push to integrate gender diversity in investment criteria has increased over the years: at least 15 new publicly traded gender lens equity funds have been launched since 2015. In 2017, Morgan Stanley encouraged analysts to include gender scores in their investments, while in 2018 the State Street Global Advisors announced that it would vote against all-male boards in the US, UK and Australia as of 2020. In 2018, BlackRock announced that it expected the companies it invested in to have at least two women on the board and urged the Russell 1000 companies with fewer than that to act on their lack of diversity. This had a direct

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[1] World Economic Forum (2020), Global Gender Gap Report 2020.

[2] Taub, A. (26 September 2020) Pandemic Will 'Take Our Women 10 Years Back' in the Workplace. The New York Times.

[3] Mahajan, D.; White, O.; Madgavkar, A. & Krishnan, M. (16 September 2020) Don't Let the Pandemic Set Back Gender Equality. Harvard Business Review.

[4] Smucker, M. (24 June 2019) How Are Gender Lens Funds Performing? CFA Institute.

Women represent 39% of the global workforce but accounted for 54% of job losses as of May 2020.

effect, as the number of companies with fewer than two women on the board dropped by 14% within five months[5]. In November 2019, Fox Gestion d'Actifs, a subsidiary of Groupe Premium, launched its Valeurs Feminines Global Fund, which invests only in publicly-listed companies whose CEOs are women[6]. Although this criterion poses obvious challenges, as for example in 2020 women made up nearly half of the employees of S&P 500 companies but only 6% of their CEOs[7], it is the first such fund and makes a strong case for more venture capital investment in women entrepreneurs.

The outlook for gender lens investing is geared to move beyond its current focus on large-cap companies and developed markets, to also set expectations on small-cap companies and in developing markets[8]. For example, a report published in 2019 looking into 61 companies listed on the Nairobi Securities Exchange found that 12% of these companies had women CEO's, compared to only 7% of FTSE 100 companies and 7% of Fortune 500 companies[9]. Including these companies in gender lens investing would therefore be an interesting perspective for the development of these funds.

Women on the board

Considerable attention has been directed towards the number of women at board level, and to a lesser extent, in executive positions. This has led to positive developments, as we see that the percentage of women on boards has increased across all regions over recent years. The following flow charts show the proportion of companies according to the percentage of women on their board, and how the trend evolves over time. Each flow represents the percentage of assessed companies which moved between brackets from one year to the next.

What caused this increase in the percentage of women on the board, and how can it drive change within corporations more broadly? The first part of this article 'More women on boards, so what?' will explore some of the trends and rationales around focusing on women on the board. The second part 'Moving up the ladder' will investigate the trends which mark other diversity indicators, namely the percentage of women at different levels of responsibility and equal remuneration. The third part 'Care responsibilities in times of a pandemic' will then focus on the importance of family-care policies, which can remove some of the barriers women face in their career development.

Methodology: Every year, the largest 3,500 companies in the world are invited to participate in the Corporate Sustainability Assessment, for potential inclusion in the Dow Jones Sustainability Indices. The graphs in this article present the data collected through the assessment of these companies over the years.

[5] White, L. & Dholakia, G. (17 September 2018). Ranks of US gender-diverse boards grow, but less than 25% of directors are women. S&P Global.

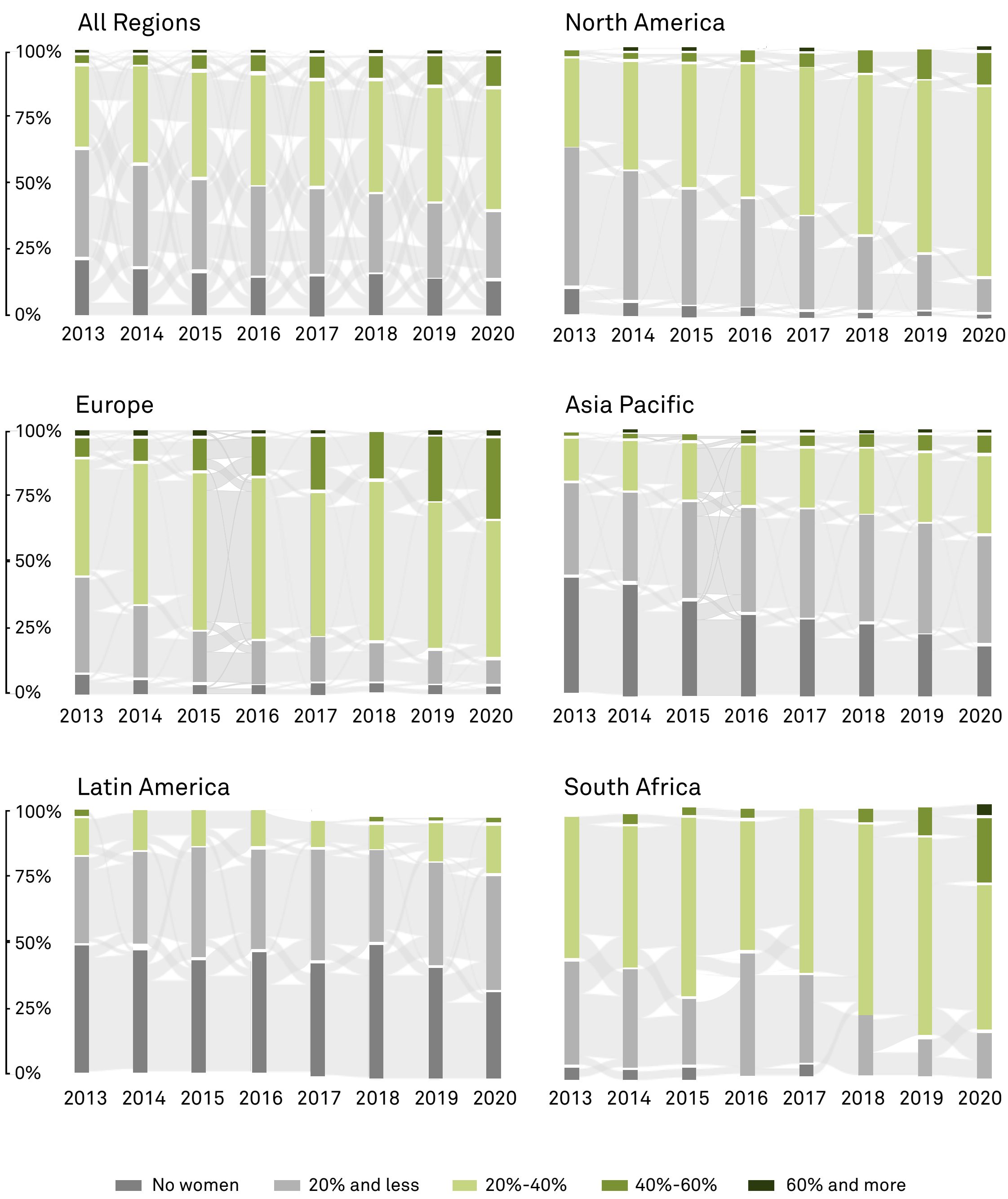
[6] Lemosof, M. (29 November 2019). La Fox lance le fonds Valeurs Féminines Global. Gestion de Fortunes.

[7] Catalyst (15 January 2020). Pyramid: Women in S&P 500 Companies.

[8] Smucker, M. (26 May 2020). Gender Lens Investing: Where to from Here? CFA Institute.

[9] Equileap (2019). Gender Equality in Kenya: Assessing 60 leading companies on workplace equality.

Proportion of companies according to the percentage of women on their board



Methodology: Our universe of assessed companies in Africa is almost exclusively composed of South African companies, which is why we single out South Africa when analysing regional trends.

Women on boards: bound to increase?

Regulatory frameworks

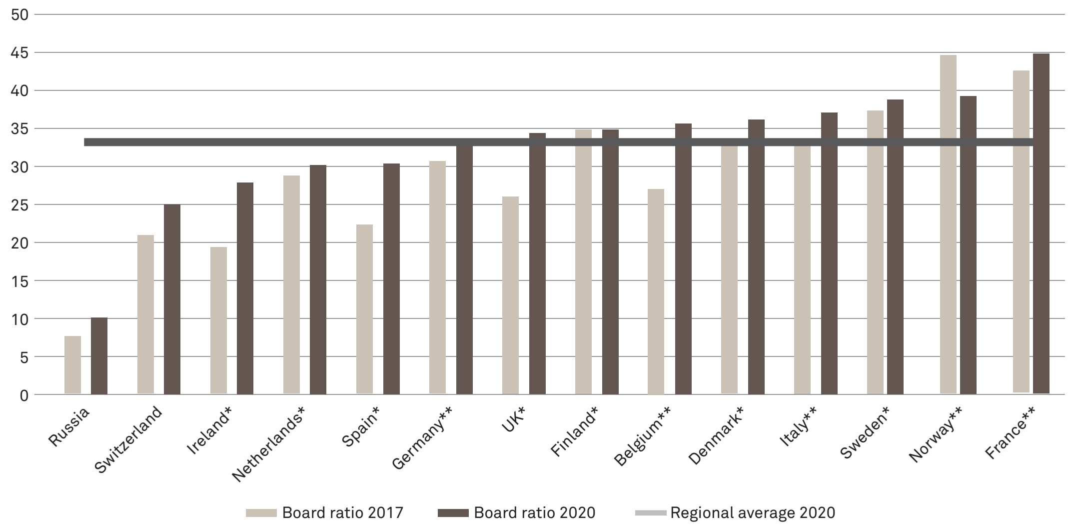
Regulatory frameworks have been a driving force towards increasing gender diversity within companies. The European Union has been the most proactive in this domain, issuing a proposal for a directive on improving the gender balance on corporate boards as early as 2012[10]. As a result, six EU member-states have adopted binding quotas for gender board diversity: Belgium, Italy, Portugal, Germany, Austria and France. Another nine states have resorted to soft and non-binding quotas: Denmark, Ireland, Spain, Luxembourg, the Netherlands, Poland, Finland, Slovenia and Sweden. The UK has also put in place soft quotas. Greece, which up until then had a soft quota in place, announced the adoption of a 25% binding quota for the end of 2020. Beyond Europe, India issued the Companies Bill in 2013 which requires public companies to have at least one woman director. Malaysia adopted a policy in 2011 for companies with more than 250 employees to have boards that are at least 30% women by 2016. Brazil is still looking into a quota for state and mixed-cap companies, which would require them to have boards that are at least 30% women by 2022. In the US, California adopted quotas in 2018 for publicly traded companies, to be reached by 2019 or 2021 depending on the size of the board. Other countries have also adopted binding and non-binding quotas, as summarised in the table below:

Country	Type of quota	Threshold	Compliance year
Australia	Non-binding*	30%	2018
Austria	Binding**	30%	2018
Belgium	Binding**	33%	2018
Brazil	Binding**	30%	2022
California (US)	Binding**	2 women (for 5-person board) 3 women for 7-person board)	 2019 2021
Finland	Non-binding*	No specific threshold	2008
France	Binding**	40%	2017
Germany	Binding**	30%	2015
Greece	Binding**	25%	2020
Iceland	Binding**	40%	2013
India	Binding**	1 woman	2013
Ireland	Non-binding*	1 woman	2019
Israel	Binding**	1 woman	1999
Italy	Binding**	33%	2015
Luxembourg	Non-binding*	40%	2019
Malaysia	Binding**	30%	2016
Netherlands	Non-binding*	30%	2015
Norway	Binding**	40%	2008
Pakistan	Binding**	1 woman	2017
Portugal	Binding**	33%	2018
Spain	Non-binding*	40%	2013
Slovenia	Non-binding*	40%	2015
Sweden	Non-binding*	40%	2008
United Kingdom	Non-binding*	25%	2015

[10] European Commission (2020). A Union of Equality: Gender Equality Strategy 2020-2025.

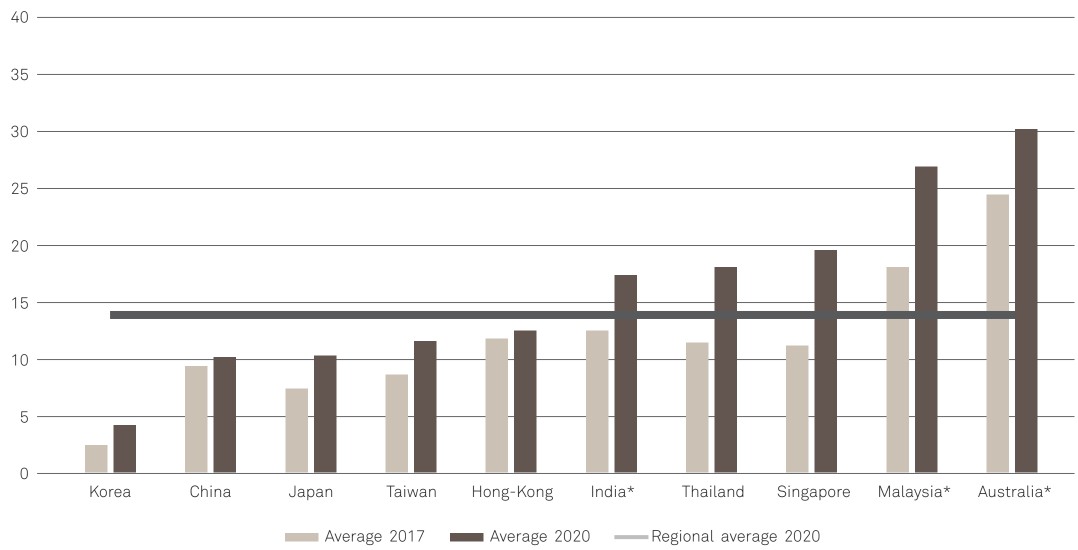
When analyzing the performance of companies across different countries within the Corporate Sustainability Assessment, we see that the countries with soft and binding quotas have performed better in terms of board gender diversity than those which have not adopted any quotas. Indeed, European companies headquartered in countries with regulations or recommendations on the number of women on the board mostly had an average percentage of women on the board which was higher than the regional average.

Europe: % of women on the board



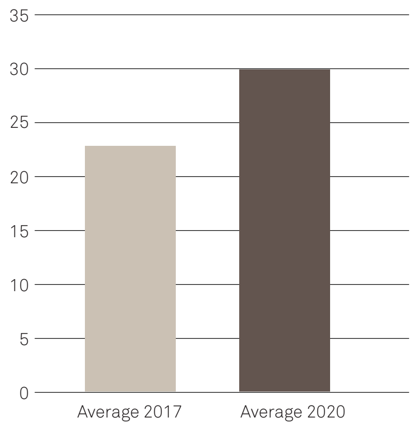
The same observation can be made in the Asia-Pacific region, where companies based in locations with regulations or recommendations in place performed better than their regional peers and than the regional average in terms of board gender diversity.

Asia-Pacific: % of women on the board

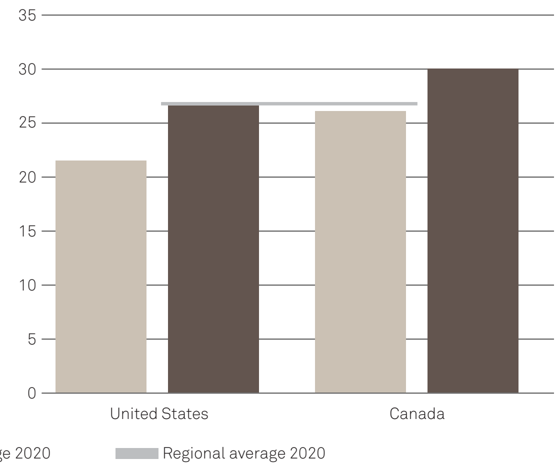


We see fewer countries outside of Europe and Asia-Pacific adopting binding or non-binding quotas. Although we observe a general global increase of the percentage of women in boardrooms, Latin America stands out as falling behind.

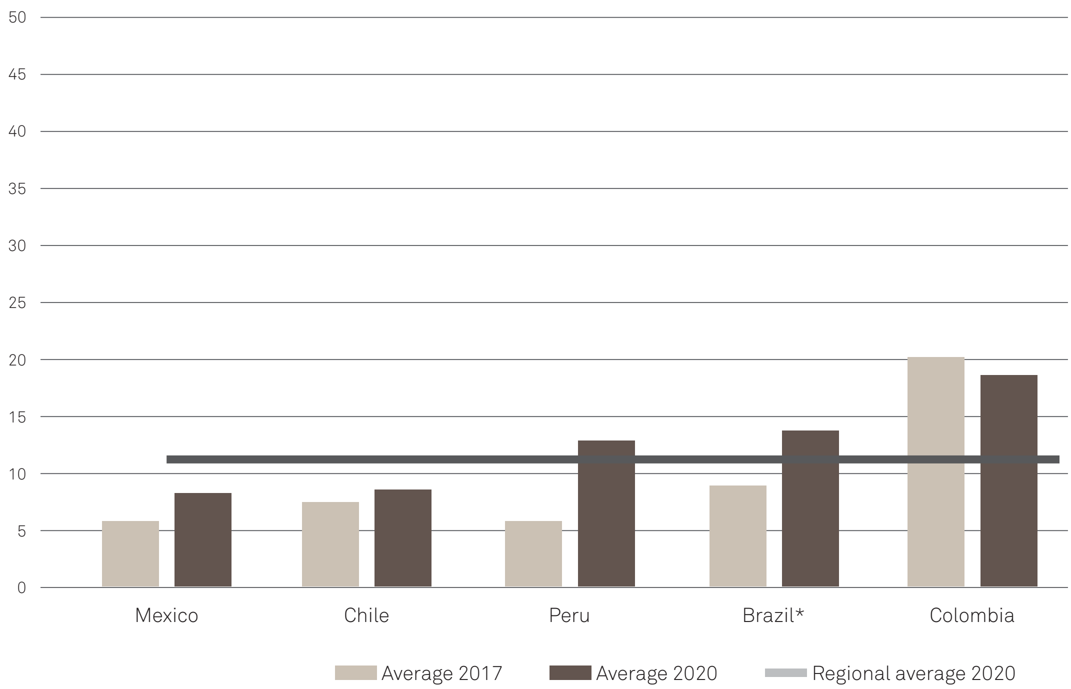
South Africa: % of women on the board



North America: % of women on the board



Latin America: % of women on the board



Why focus on women on the board?

The number of women on the board is an easily measurable gender performance indicator, which explains why this is a focal area. Furthermore, it is expected that having more women on the board will have trickle-down effects on the rest of the workforce. For example, it could break down stereotypes on women in leadership and encourage women to pursue their careers further, to seek for roles which they would have not otherwise considered and to ask for more raises and promotions[11]. Having more diversity on the board can break down gender barriers by broadening women's "professional imagination", providing them with role models and increasing their capacity to project themselves into leadership roles. Higher numbers of women on boards can therefore instigate cultural change and has a strong symbolic meaning, showing that women can be leaders[12].

Companies with more women on the board have a slightly higher proportion of women on average at different levels of responsibility.

Having more women on the board is also financially material. The McKinsey & Company Diversity Wins Report 2020[13] found that "companies whose boards are in the top quartile of gender diversity are 28 percent more likely than their peers to outperform financially" and the correlations are statistically significant. This might be linked to the fact that more companies have appointed women directors and there is an overall rise in the universe of companies included in the study, making it more likely to find statistically significant correlations. However, more research has been conducted showing that gender diversity in the boardroom matters because it brings a broader collection of experience, viewpoints and backgrounds which result in better decision-making[14]. Having more women on the board also tends to curb excessive risk-taking, decrease aggressive tax strategies and improve firm reputation, earnings quality and sustainability performance. These outcomes are not negligible for companies and their shareholders, especially in times of a global pandemic which will require companies to differentiate themselves from their industry peers.

The benefits of diversity apply not only at board level but throughout companies more broadly, and the question has therefore been raised whether better representation at board level improves overall diversity metrics of a company.

The impact on other diversity indicators

The development of women's "professional imagination", i.e. their career expectations and aspirations, within companies with more women on the board is difficult to measure and grasp through quantitative metrics, at least in the short term. Furthermore, the expected improvement in diversity metrics such as the percentage of women in leadership and management roles and the pay ratios has not translated into the data. Indeed, based on the analysis conducted on the data disclosed by companies within the Corporate Sustainability Assessment, the correlation between women on the board and other diversity indicators is low.

Companies with more women on the board have a slightly higher proportion of women on average at different levels of responsibility. However, it is unclear whether greater board diversity drives this trend or whether companies with a more diverse workforce appoint more women directors. These companies might be more aware of diversity and gender

[11] Deloitte (2019). Data-driven change: Women in the boardroom – A global perspective. Global Center for Corporate Governance, 6th Edition.

[12] Kowalewska, H. (2020) Bringing Women on Board: The Social Policy Implications of Gender Diversity in Top Jobs. Journal of Social Policy, 49 (4).

[13] McKinsey & Company (2020). Diversity wins: How inclusion matters.

[14] Zukis, B. (30 June 2020) How Women Will Save The Future, One Corporate Board At A Time. Forbes.

equality issues, or simply have more women in their talent pool who can be appointed as directors. It is therefore unsurprising that companies with more women in the workforce tend to have more women on the board, and as the correlation is not statistically significant, it is difficult to make a strong statement about the relationship between both indicators.

Women on board trend and percentage of women by level for year 2020

The correlation between women on the board and equal remuneration ratios is even less pronounced. The data collected in 2020 does not show a significant relationship between having more women on the board and improved equal remuneration ratios, and the same analysis over the years did not suggest any strong correlation between these indicators either.

Women on board trend and pay ratio for year 2020

Why don't the benefits trickle down?

Simply focusing on appointing more women on the board is not enough to achieve gender equality across companies. But why? Several factors are of relevance.

1. As women have been facing discrimination in entering the corporate workplace for decades, they tend to have lower levels of experience in the industry, which can hinder their legitimacy[15].

2. Including women as non-executive or independent directors does not necessarily achieve the desired results, because executive members tend to have more say. This is especially relevant in the context of two-tier boards, where attention should be paid to have gender representation on both boards, and not just on the supervisory board[16].

3. Women often face negative stereotypes in the workplace, which lead them to be perceived as less capable than their male counterparts and therefore to their views not being considered as equally important in the decision-making process[17].

4. Simply because they are women does not mean that they have diversity and inclusion on the top of their agendas.

5. While we might observe an increasing percentage of women on boards, this does not necessarily mean that there are more women directors overall. In some countries, women simply hold more directorships than men on average, meaning that we see the same women increasing the board diversity numbers for multiple companies,rather than an increasing number of individual women taking up these positions[18].

Therefore, we cannot rely solely on the percentage of women on the board to measure a company's gender equality performance. Looking at the broader representation of women within a company can provide us with an opportunity to identify gaps in a more meaningful way.

[15] Smith, N. (2018) Gender quotas on boards of directors. IZA World of Labor.

[16] Kowalewska, H. (2020) Bringing Women on Board: The Social Policy Implications of Gender Diversity in Top Jobs. Journal of Social Policy, 49 (4).

[17] McKinsey & Company (2017). Women Matter: Time to accelerate. Ten years of insight into gender diversity.

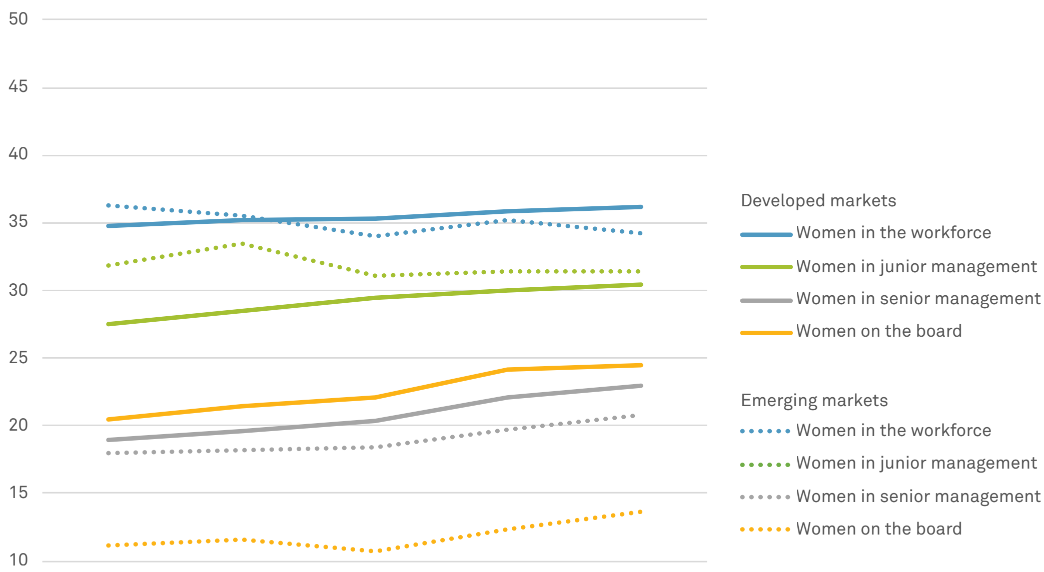
[18] Adams, R. B. (2015) Myths and Facts about Female Directors. IFC Corporate Governance Knowledge Publication 37.

Moving up the ladder

How many steps left?

While the percentage of women on the board has improved over the years in both developed and emerging markets, it stays significantly below the percentage of women in the total workforce, showing that women remain underrepresented in the boardroom. The percentage of women in the total workforce in developed and emerging markets has stayed relatively stable, averaging around 35% over the past five years. However, the proportion of women decreases as we move up the corporate ladder. Interestingly, in developed markets the percentage of women in senior management is even lower than the percentage of women on the board. This might hint to the fact that board quotas, mostly implemented in developed markets, have pushed companies to take action on their gender board representation faster than they have taken action on the representation of women within leadership positions across the company.

% of women at different levels of responsibility in developed and emerging markets



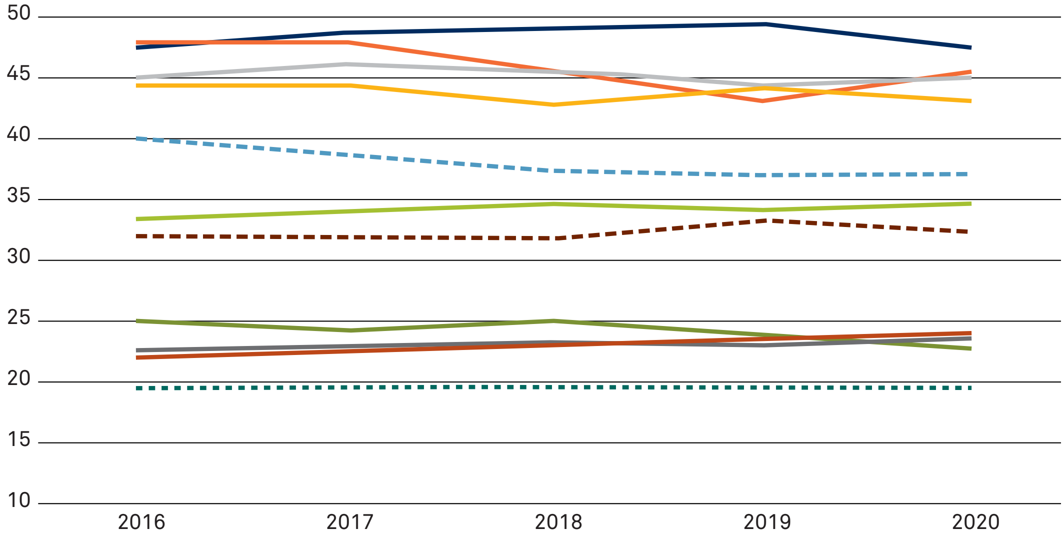
This suggests that companies will have to make more significant efforts to increase the representation of women, as the approaches taken so far have not led to notable developments over the years. EDGE Certification, the leading global assessment and business certification for gender equality, with which S&P Global has been collaborating over the years, determines 30% as the critical threshold for a group to achieve substantive representation. Companies will therefore have to adopt targeted strategies to build a more solid bridge between junior and senior management roles. Investors will also play a role in this transition and can influence this development by moving beyond the board of directors to also focus on the percentage of women in leadership positions.

Increasing the number of women in leadership positions is important for board diversity because it broadens the talent pool for board nominations, and ensures that the women appointed have the experience, skills and legitimacy required, which as mentioned earlier are essential to have a meaningful say in the decision-making process. Having more women in executives positions will therefore make it easier for companies to appoint women directors with the adequate skill set and this could in turn increase these directors' influence on the overall decision-making process, potentially improving the trickle-down effects on other women in the workforce.

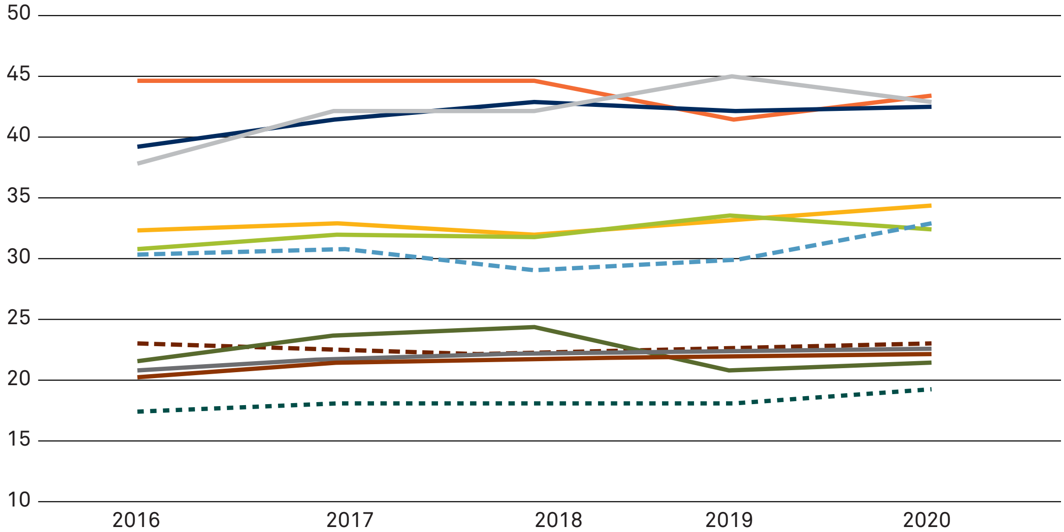
Industry perspective

Taking an industry-specific approach helps us to identify which sectors are leading positive trends and which ones are lagging behind. As expected, more client-facing industries tend to have better representation of women in their workforce and at junior management level. The trends for both indicators have however stayed alarmingly stable over the past 5 years, and the 11 industry groups mostly divide into three brackets: 20-25%, 30-35% and 40-50%. The best performers are the financials, healthcare and real estate sectors, while the laggards lie in the information technology, industrials, utilities, energy and material sectors.

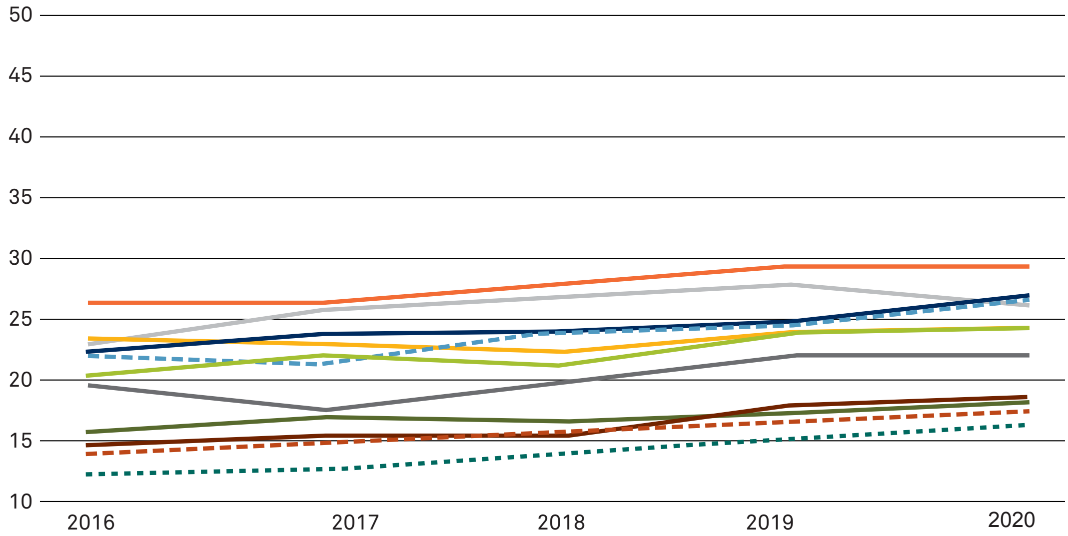
Share of women in the total workforce per industry



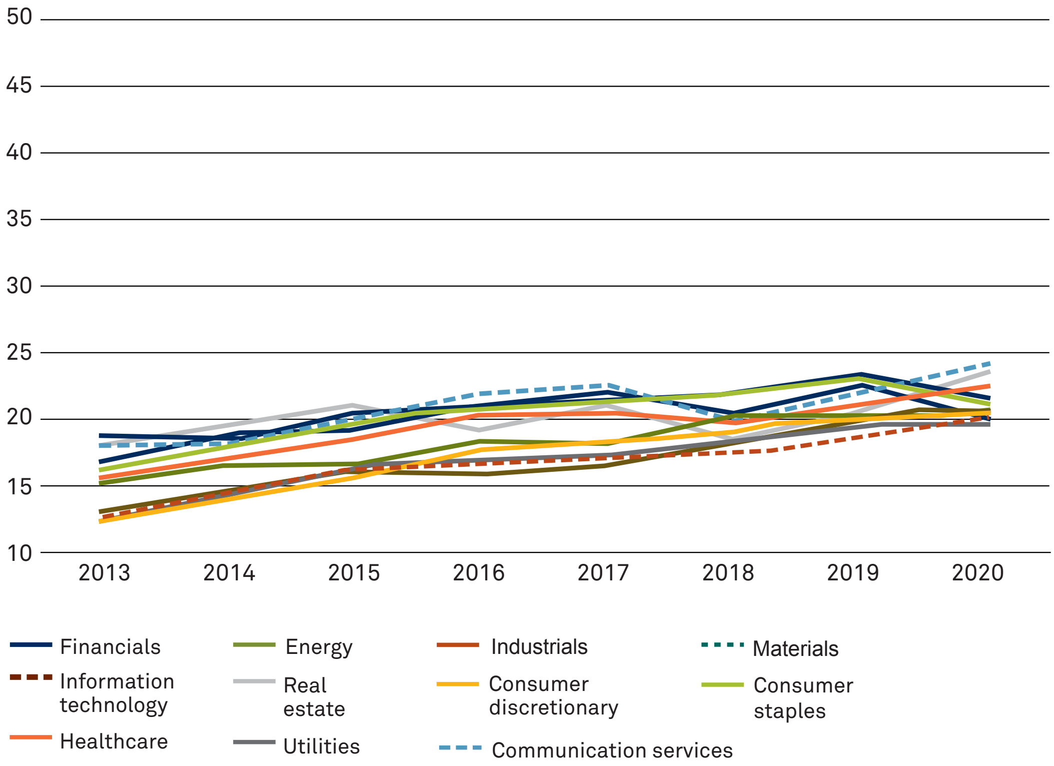
Share of women in junior management positions per industry



Share of women in senior management per industry



Share of women on the board per industry



Methodology: The list of sub-industries included in every GICS sector is available at https://www.spglobal.com/spdji/en/documents/methodologies/methodology-gics.pdf

While there is some degree of comparability between the percentages of women in the workforce and in junior management roles, the share of women in senior management positions drops significantly across industries. Nonetheless, the percentage of women in senior management positions has improved over the past few years. This improvement has been slow, with setbacks along the way, but considering that it takes time to build up the skills and experience and to fight through several layers of bias, this trend is encouraging.

Looking at the trends by industry group, we see that although improving, some sectors are still far from reaching the 30% threshold, and at this rate of progress, will take many more years to get there. This is for example the case for the Information Technology industry, which has gone from 14% to 17% of women in senior management roles between 2016 and 2020. In this context, the 2020-2025 EU Gender Equality Strategy's focus on gender issues in artificial intelligence and in the digital transition is extremely important to ensure that women will play a meaningful role in building and shaping the digital world of tomorrow[19]. As digitalisation will increasingly change our lives and that of future generations, companies and governments have the responsibility to ensure that all genders, combined with other identity markers such as race, age, ability, religion, sexuality, are represented in these developments.

How can companies ensure that they retain their women talent and close this gap between the proportion of women in junior management and in senior management? Family-care policies are one avenue to explore, as we know that women tend to take on more responsibility and workload in their private lives. This creates considerable challenges for their career development, when it does not lead them to drop out of the workforce completely. Therefore, companies need to focus on improving their work-life balance policies to ensure gender equality in the workplace. This is especially the case in the face of the Covid-19 pandemic, which has greatly impacted women in the workforce.

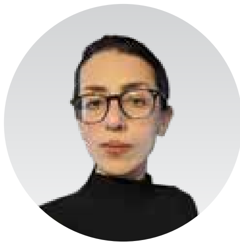
Care responsibilities in times of a pandemic

To understand women's advancement in the workforce, it is also necessary to consider flexible working policies and the impact they have on women employees in particular. That is especially true now, as the coronavirus crisis has caused a clash of professional and personal responsibilities, reshaping work and home life worldwide. Women still bear the brunt of childcare responsibilities and home care duties in much of the world. "Gender stereotypes that emphasize the role of women as the main caregivers and that of men as the main breadwinners remain deeply ingrained in some regions," the International Labour Organization's World Employment and Social Outlook Trends 2020 report found[20].

Working women facing a crisis

During the pandemic, those responsibilities in the home have only grown. Many employees transitioned to working from home full- or part-time. Daycare facilities and nursing homes closed and schooling moved online in many parts of the world, leaving many

Section contributors



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[19] European Commission (2020). A Union of Equality: Gender Equality Strategy 2020-2025.

[20] International Labour Organization (2020). World Employment and Social Outlook: Trends 2020..

[21] Stovall, N.; Nematzadeh, A.; White, L. & Skufca, L. (2020). Something's Gotta Give: COVID-19 Could Rapidly Expand Family-Leave Policies; It Could Also Deal A Serious Blow To Women In The Workforce. S&P Global.

The threat of burnout is real and could have dire consequences for women's advancement in the workforce in particular.

caregivers with fewer support options during the traditional workday. In a survey of U.S. parents and family caregivers that S&P Global conducted in partnership with AARP[21], more than half of respondents said they are spending more hours at home taking care of children or caring for adults since the pandemic began.

Unsurprisingly, many parents and family caregivers are experiencing significant increases in stress with the changing work conditions and increased duties in the home. Since their commitments have grown, more than 30% of family caregivers in the S&P/AARP survey said they were experiencing a strong increase in stress due to the pandemic's implications for their work-life responsibilities. Nearly 43% of all respondents reported a moderate increase in stress. The threat of burnout is real and could have dire consequences for women's advancement in the workforce in particular. McKinsey's Women in the Workplace 2020 study[22] found that more than one in four women are considering stepping back in their careers or leaving the workforce entirely — a situation that McKinsey called "an emergency for corporate America." Many of those women are mothers who cite childcare responsibilities as a primary reason for considering downshifting or leaving the workforce.

Some companies have responded to the stresses of the pandemic by providing flexible work arrangements, recognizing that a number of employees have found themselves balancing work with childcare or care for a loved one during the crisis. Close to 37% of respondents to the S&P Global/AARP survey said their companies have added flexible work hours to their policies since the pandemic began. In some instances, employers have moved quickly to adapt their policies for working parents. Tech giant Microsoft[23], for example, recently began offering a new "pandemic school closure" and childcare leave benefit that gives parents as many as 12 weeks of paid leave to care for their children at home. Other firms have provided employees with ad-hoc days off to allow them to recharge.

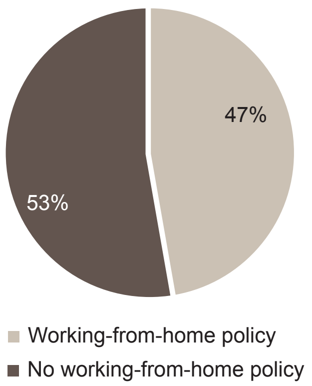
[22] McKinsey & Company (2020). Women in the Workplace 2020.

[23] Stovall, N.; Nematzadeh, A.; White, L. & Skufca, L. (2020). Something's Gotta Give: COVID-19 Could Rapidly Expand Family-Leave Policies; It Could Also Deal A Serious Blow To Women In The Workforce. S&P Global.

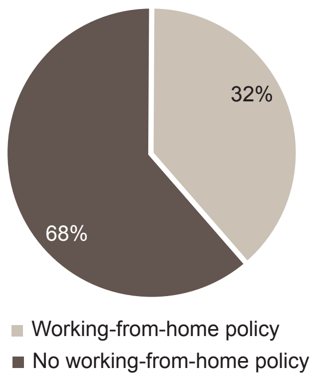
Women on the board and well-being policies

Globally, CSA data shows a positive correlation between women being represented on the board and the existence of work-from-home options and flexible working arrangements. Only a third of companies with a low representation of women on the board — defined here as less than 30% — offer work-from-home options. But nearly half of companies with more than 30% of women on the board offer some form of remote-work option.

Companies with more than 30% women on the board

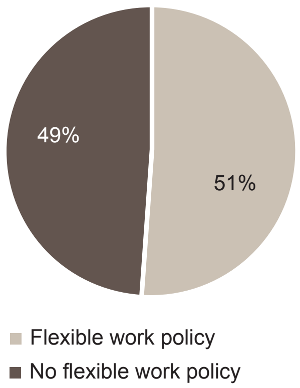


Companies with less than 30% women on the board

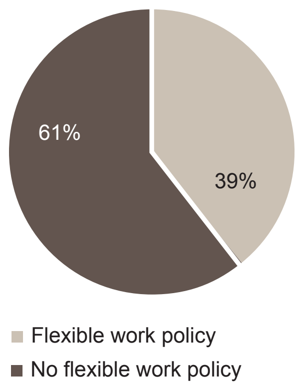


Similarly, companies with greater gender board diversity appear more likely to offer flexible working arrangements. Just 39% of companies with low proportions of women on the board offer flexible working arrangements, compared to 51% of companies with high proportions of women on the board. According to another analysis also integrating data from Equileap, a provider of gender-equality data and insights, greater representation of women on the board and in executive positions tends to be associated with flexible hours offered to employees.

Companies with more than 30% women on the board



Companies with less than 30% women on the board



"Because there is a gender pay gap, so often in a couple situation, the one with the higher-paying job is going to stay working. And it's the women that are going to pull back, go to part-time, or stop working completely," according to Natasha Lamb, Managing Partner and Director of Equity Research & Shareholder Engagement at Arjuna Capital

The benefits of flexibility

Flexibility can be an effective tool in recruiting and retaining women. S&P Global and AARP analyzed data from Equileap and found that 319 companies of the 1,389 in its sample offer flexible hours and ensure equal recruitment policies. Companies with equal recruitment strategies commit to ensure non-discrimination against any type of demographic group and equal opportunities to ensure gender parity. The research found that companies with equal recruitment policies and flexible hours tend to recruit more women.

Flexible work arrangements also appear to help with retention of employees. The research found that companies that offer flexible hours tend to see lower voluntary and total turnover rates, and the correlation was statistically significant. Turnover is also lower when companies have flexible location options, according to our analysis of data from Equileap and S&P Global's CSA, and the correlation was statistically significant.

Women are more likely to use flexible work arrangements and in particular part-time work to balance their work and family commitments, according to an October 2020 report on flexible working from Gapsquare[24], a research firm that uses equality and diversity data to analyze pay disparities. Gapquare's research found that in the face of COVID-19, flexible working is now seen as "essential for any employee, instead of inherently gendered." However, "this does not mean that the gender aspect has been erased — mothers spend more time on domestic responsibilities than fathers during the lockdown," GapSquare wrote. Still, the firm suggested the pandemic could mark the beginning of "real, long-term change." If men were able to and made use of flexible hours and locations policies to take on more domestic and care responsibilities, women in the workforce would benefit greatly.

Long-term impacts of the pandemic

While the pandemic has greatly accelerated the discussion around more family-friendly policies, fears that current conditions will become permanent and significantly set back women's participation and advancement in the workforce are crystalizing. The pandemic has increased the time required to meet family responsibilities and has brought more stress for many workers. As the investor community puts increasing emphasis on sustainability issues in general and treatment of employees in particular, companies cannot afford to ignore this issue.

The gender pay gap could also contribute to pushing women out of the workforce amid the pandemic. In the U.S., for example, American women earned about 81% of what men earned in 2018, according to the country's Bureau of Labor Statistics[25]. "Because there is a gender pay gap, so often in a couple situation, the one with the higher-paying job is going to stay working. And it's the women

[24] Gapsquare (2020). Report not publicly available.

[25] TED: The Economics Daily (22 March 2019). Women's had higher median earnings than men in relatively few occupations in 2018. U.S. Bureau of Labor Statistics.

that are going to pull back, go to part-time, or stop working completely," according to Natasha Lamb, Managing Partner and Director of Equity Research & Shareholder Engagement at Arjuna Capital, a sustainable-investment firm she co-owns. When asked in an interview with S&P Global[26] how the pandemic will affect women's advancement in the workforce and progress toward closing the gender pay gap, she was blunt: "I think it's going to be a disaster." Taking this risk into account, companies can decide to act now in order to decrease the probability and adverse effects of losing their women talent.

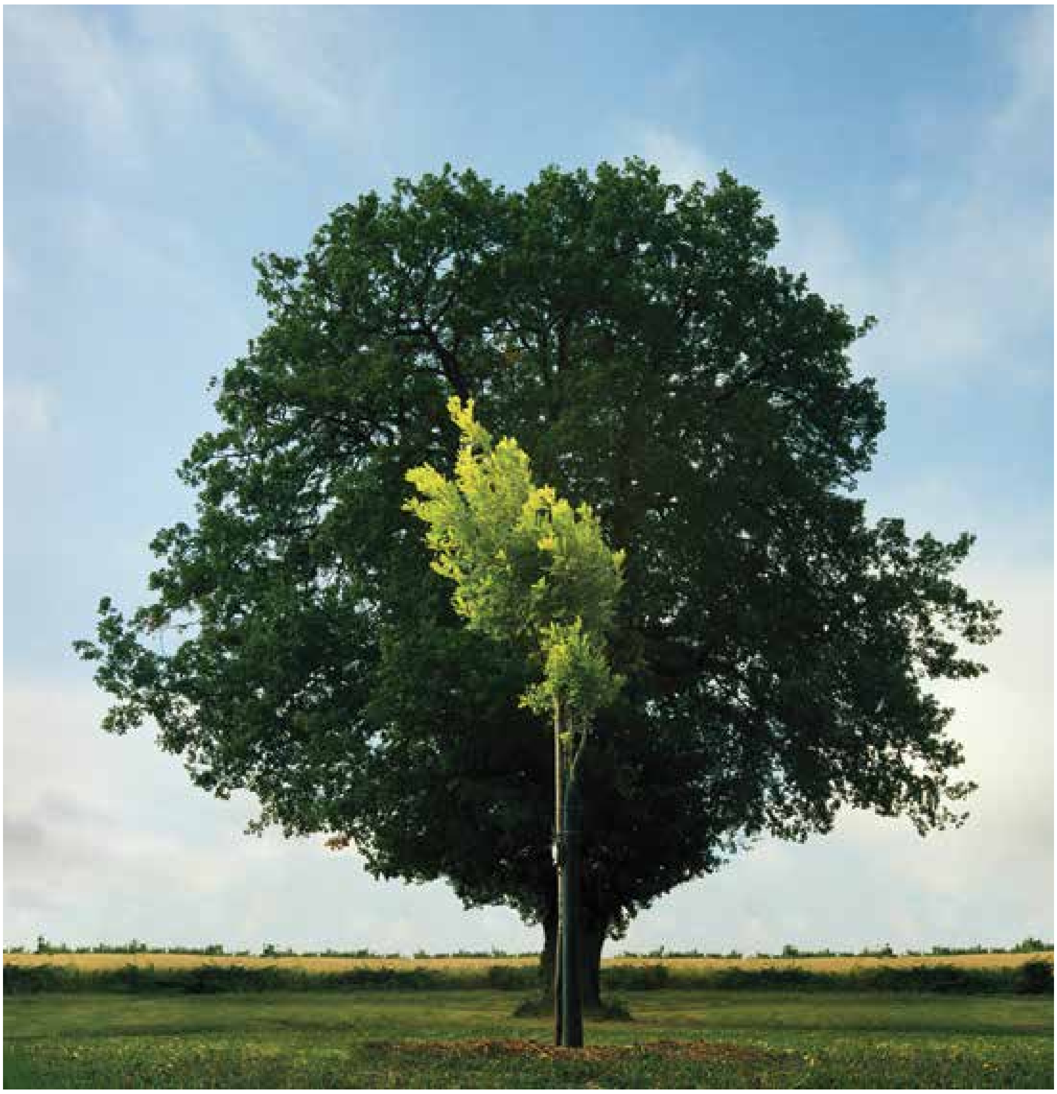
Having more women in leadership will also diminish the biases and negative stereotypes around women's ability to lead, hopefully addressing issues around unequal pay and gender pay gaps.

In combination with family friendly policies, other practices can have a great impact on a company's gender balance. Proactive management of pay equity, including conducting regular gender pay gap assessments, systematically eliminating identified gender pay gaps and communicating on these practices are key steps towards gender equality. Creating gender diverse recruitment teams and ensuring diverse candidate pools, as well as setting targets and objectives for the gender composition of management levels, are further practices that companies should adopt in order to improve their gender equality performance and counteract the potential setbacks caused by the pandemic.

Where are we going?

A key take-away from this article is that while increasing the proportion of women on the board is important, further steps are needed to improve gender equality in the workforce. Companies need to hire and promote more women into senior management positions. This presents opportunities for companies to access new talent pools and increase innovation and efficiency, as we know that diverse teams perform better. Having more women in senior management will in turn ensure that they have the adequate skill sets and required experience to be appointed as board members, enabling companies to reach their quotas and align with the increasing number of regulations around the percentage of women on corporate boards. Investing in women talent early on therefore diminishes regulatory risks down the line. Having more women in leadership will also diminish the biases and negative stereotypes around women's ability to lead, hopefully addressing issues around unequal pay and gender pay gaps. Considering the growing regulatory frameworks and transparency expectations around remuneration practices, companies tackling these issues now will profit from lower compliance costs in the future. Furthermore, fair representation and compensation practices lead to better employee engagement, talent attraction and retention, and efficiency. The operational opportunities of gender equality in the workforce will therefore enable companies to differentiate themselves from their peers in a competitive environment.

[26] Stovall, N.; Nematzadeh, A.; White, L. & Skufca, L. (2020). Something's Gotta Give: COVID-19 Could Rapidly Expand Family-Leave Policies; It Could Also Deal A Serious Blow To Women In The Workforce. S&P Global.



Shareholders have their role to play in this shift, as they can push companies to adopt better practices and improve their performance in terms of gender equality. They can act faster than governments by imposing their own quotas. This does not only ensure that their investment practices align with the UN Sustainable Development Goals, especially goal number 5 on gender equality, but also increases their opportunities for better returns, as gender-equal companies face lower regulatory and operational risks. Drawing from this research, investors can now adjust their focus to reflect the importance of diversity indicators beyond the percentage of women on the board.

Diversity also needs to expand its scope to move away from addressing women as one group and to instead recognise the heterogeneity of women's experiences in the workplace. More efforts need to be made to collect data on indicators such as race, ethnicity, caste, religion, disability, sexual orientation and other identity markers, in order to address the further inequalities that some women experience according to their intersecting identities. Eventually, the discourse should also shift to recognise women for their abilities, experience and skills rather than branding them as diversity trophies. Companies and investors can help the world to wake up to the possibility that women deserve a say in the decision-making process as legitimate leaders and fully-entitled human beings. ■