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# Achieving gender balance - strategies for competitiveness

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*In a seminar organised for members of its Company Network, the European Foundation for the Improvement of Living and Working Conditions explored corporate practices leading to a better work-life balance for women and men, while also contributing to enhanced competitiveness and human resource management models in European countries. The seminar 'Achieving gender balance - strategies for competitiveness' was held in Lisbon, Portugal, on 18-19 November 2004. Four companies from Portugal, Denmark, France, and the United Kingdom (an SME in publishing and printing, a public/private consultancy firm, a multinational of the food and drink sector and a public health authority) presented both professional and personal experiences to an audience of 42 participants from 14 EU countries.*

## What?

If the EU is to attain the Lisbon employment targets (70% overall - 60% women) by 2010, one of the main challenges will be to ensure greater participation of women in the labour market. Companies, particularly those with recruitment and retention problems, need to become aware of this necessity and develop attractive workplaces in order to retain staff. At present, companies increasingly offer employees the opportunity to achieve a better work-life balance through flexible working arrangements. Some companies do not restrict these arrangements to women only, allowing both men and women to better reconcile work and family life. Thus, increased gender equality measures, achieving greater flexibility, improving work organisation patterns as well as increasing productivity and competitiveness were the topics discussed at a company network seminar organised by the European Monitoring Centre on Change in Lisbon on 18-19 November 2004. In the seminar *Achieving gender balance - strategies for competitiveness*, three companies active in the areas of consultancy, food and beverages, and publishing, and an organisation in public healthcare services presented their current work-life balance policies in the context of each national framework. Some 42 participants representing stakeholders from 14 EU Member States attended the seminar, ranging from leading multinational enterprises (MNEs), small and medium-sized enterprises (SMEs), EU social partner organisations, and consultancy firms, to government and intermediary organisations.

### About this document:

*Topics:*  
 Managing change, Competitiveness, Work organisation, Employment, Equal opportunities

*Types:*  
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*Countries:*  
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*Sectors:*  
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The invited seminar participants, 70% of whom were new members to the EMCC Company Network, represented a significant number of multinational and large companies, including Roche Diagnostics, Total S.A., Nestle S.A., Dexia Group, Novo Nordisk, Bank Giro Centralen, Gaz de France, Centrica plc, and Financial Services Union. Among the smaller participating companies were Provalue, Lda, Shapiro Consulting, Stratema, AB Kunstskapsfirman, Valbjorn Int, HR, Fritankaran, and Elector Wolff GmbH. The majority of participants had first hand experience with policymaking and/or implementing gender balance strategies, which brought a wealth of experience to the debate.

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## Why?

Increased gender equality measures are necessary to keep Europe as a contender in the competitive global market. These measures are also essential to: fight demographic decline by maintaining an active workforce; achieve adequate forms of work flexibility both for workers and employers; maximise available human resources to contribute to tomorrow's pensions; improve work organisation patterns; and to increase productivity and prevent poverty.

Over the last decades, women have increased their share of employment and have made important inroads into different types of jobs and sectors as well as to higher status professional and managerial occupations. Today, women outnumber men in upper secondary and tertiary education in most EU Member States. They also represent the majority of graduates in the EU. Women's employment rates have increased more than men's, standing now at 55.6%, compared with less than 50% in the first half of the 1990s. However, the gap between women and men remains considerable. Although societal patterns have changed by moving away from the male breadwinner model to dual earner families, statistics show that a gap between men and women in employment occurs when women reach 30 years of age. More significantly, this gap of about 20% between men and women does not close after the birth and childcare years are over. At the end of the active working life, the gender gap is still about 20% and gives reason for concern.


Not only do macro-economic aspects play a role but also, at corporate level and often in knowledge-rich disciplines, this is seen as a serious human resources (HR) problem. Many companies consider this a sign of the times and are learning to come to individual 'one-on-one' arrangements with their staff to achieve employee satisfaction. Where companies lack the financial means to recruit or maintain employees in the face of local employment competition, a trend is emerging whereby flexibility of working arrangements are offered instead of higher salaries. At the same time, companies are faced with potential employee demands as both female and male employees seek a better work-life balance. Traditionally, this has never been an issue or a difficulty to overcome in terms of recruitment and retention policies. Failure to address the issue of attracting and retaining qualified staff, may result in decreasing competitiveness, loss of investment and higher recruitment costs.

## Who?


On day one, Sabrina Tesoka, Research Manager at the European Foundation, set the scene by presenting the findings of the Foundation Paper on [Quality of women's work and employment - Tools for employment](#) (December 2002). This provided a framework for the four company presentations, which addressed the issue from a corporate and human resources management point of view, and the debate that followed over the two

seminar days. The focus then moved to the first two case examples: Grupo Texto Editores, a Portuguese small and medium-sized enterprise (SME) specialising in the publishing and distribution of school books in Portugal as well as in Portuguese speaking African countries (Mozambique, Cabo Verde and Angola) and the Danish consulting firm Danish Technological Institute (DTI). On day two, the seminar looked at the case of the French subsidiary of the Swiss multinational Nestlé, Nestlé France, and the UK National Health Service (NHS) hospital Addenbrooke's Hospital.

## Case examples

The company case examples are downloadable for free as a pdf file ( 267 kb) by clicking on the company's name.

## About respect and personal development


[Grupo Texto Editores Portugal](#) ( 267 kb) is a 27-year old, privately-owned publishing company, employing over 290 staff of which 49.8% are women. This case example illustrates how an SME with a strong corporate culture fits into modern life while respecting each of its employees and thus enabling them to better reconcile work and family life as well as career development. Texto Editores firmly believes that providing more flexibility and gender friendly policies than those provided for by national legislative frameworks truly pays off in terms of staff productivity, motivation and loyalty.

Some interesting facts regarding the company profile include:

- more women than men in top and middle management positions;
- an induction manual for each member of staff, which outlines the principles of equal treatment and opportunities;
- positive career development and promotional practices;
- positive maternity leave policies and bonuses for mothers, such as discounts on text books for children.


In 2000, the Portuguese National Commission of Equality at Work (CITE) awarded the *Gender Equality and Quality Award* to Texto Editores.

## Parternity leave - a personal experience


In the case of the [Danish Technological Institute \(DTI\)](#) ( 267 kb), Senior Consultant Jonas Svava Iversen outlined his personal experience, and how he benefited from the generous legislation in Denmark and a supportive work environment when confronted with the birth of his first child. The case also looks at how DTI competes to become a preferred employer, on the basis of developing family-friendly policies as a means to

allow staff to reconcile their personal and professional lives. The form of parental leave chosen by Jonas, however, was not yet common in DTI at the time, but was appreciated and approved by colleagues and managers. This case shows the favourable impact of real life examples as a driver to change people's mindsets and with regard to the roles of men and women in society.

## Wallpapering over the imbalance

The case example of [Nestlé France](#) ( 267 kb) illustrates the struggle of a trade union representative in raising awareness for better gender equality policies. It looks at the concerns and challenges of achieving gender balance in a 'paternalistic' company where senior management controls all staff related policies and does not always respond to the demands of female employees or their union representatives. As a result, salary levels between women and men differ as well as training opportunities and career promotion possibilities. Although there are recent measures to correct these inequalities, they are considered to be only 'wallpapering over the cracks' rather than addressing the issues. The presentation explored such issues as factory shift work, training after maternity leave, difficulties in agreeing a common policy for a multinational group, career development and recruitment issues. The management at Nestlé France does not believe that gender balance policies contribute to better corporate performance as the company continues to grow. Only the legally binding national employment policy framework appears to force the company to move ahead in these areas and there is a marked lack of responsiveness to other internal and external factors.

## Flexible working policy as a competitive tool

For [Addenbrooke's Hospital](#) ( 267 kb), as a public sector organisation, the main challenge is to recruit and retain healthcare workers in a highly competitive environment. Competing with corporate financial benefits is often difficult in the public sector, so greater work flexibility arrangements were developed in order for employees to maintain a good work-life balance and for the hospital to compete with higher salaries in the private sector. Addenbrooke's has shown great sensitivity in arranging individual and flexible working opportunities, as well as increasing the work-life balance of their employees across the organisation. The case example describes both the organisation's approach and two individual experiences, one from a HR manager and the other from an employee.

## Highlights

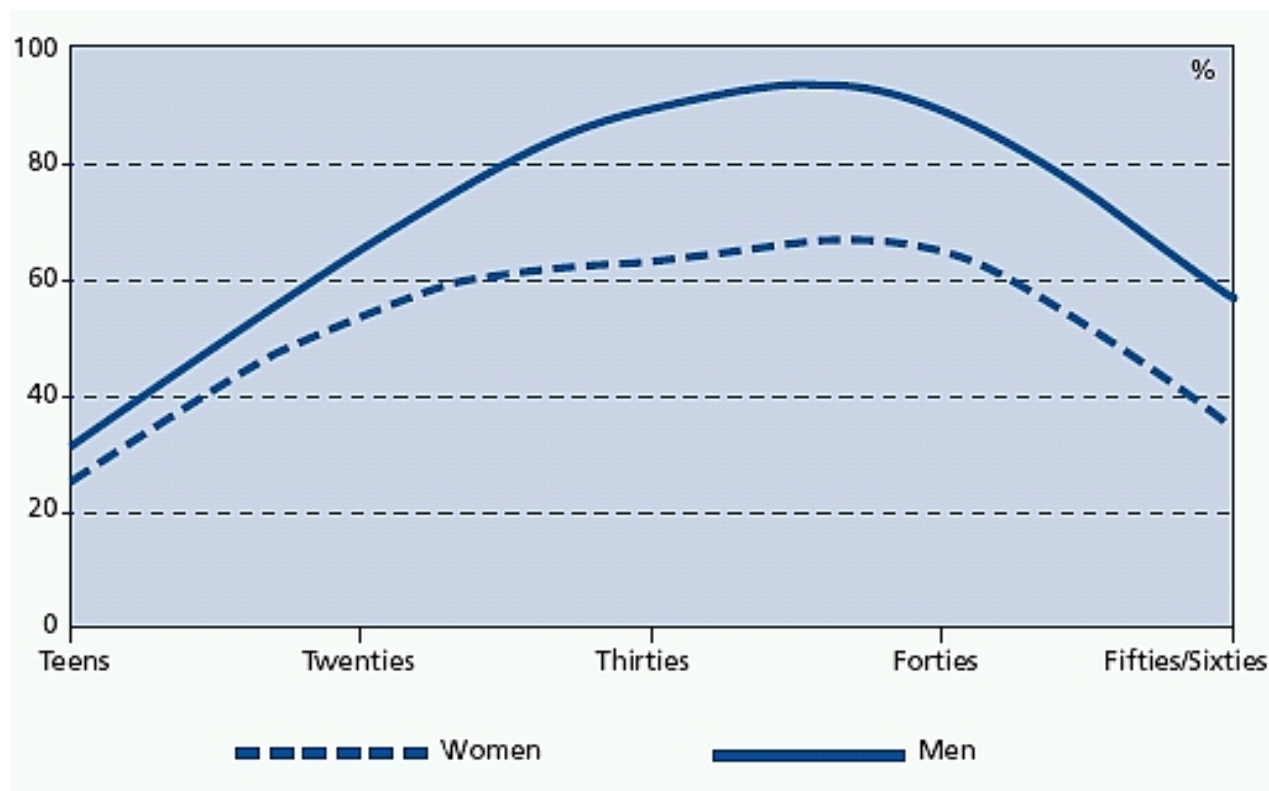
### Setting the scene: Gender Balance - salient data

### Promoting work-life balance: The best way to attract and retain both men and women to the labour market?

As the size of the working population steadily declines, public authorities, social partners and companies become aware that more needs to be done to increase the participation and retention of women in the labour market.

The Foundation's data on the participation of men and women in paid work over the life course shows that women are overall less likely to be active in remunerated employment than men, irrespective of their age. The figures reveal that this difference becomes most marked from the 20 to 40 age group. As the net entry rate of women slackens off during their twenties, the employment rate for men of the same age continues to increase. This means that as middle age approaches, almost all men (90%) are in paid work, but over a third of women are not. In later life, however, both groups become less likely to be working in the paid economy, although the gap between them tends to narrow.

**Figure 1: Participation in paid work, by age and gender**

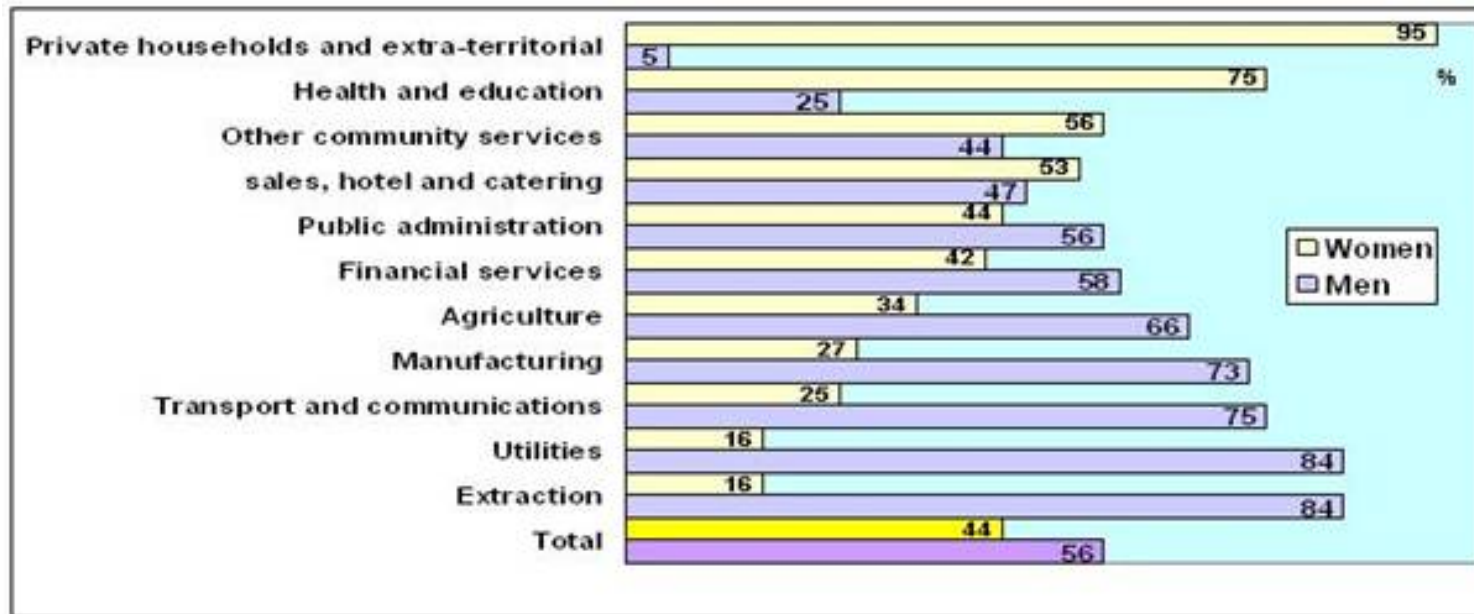


**Source: European Foundation, December 2002, p.7. Based on data from the Employment Options of the Future Survey (Atkinson, 2000).**

## Sectoral segregation

The gender gap in labour market participation is more accentuated in certain industrial sectors as illustrated by data from the Foundation.

**Figure 2: Gender segregation by industrial sector: % of the jobs in each sector occupied by men and women in employment**



**Source: Based on data from the Third European Working Conditions Survey 2000, 2001**

Some company cases commissioned by the Foundation ([Olgiati E. and Shapiro G.](#), 2002) clearly demonstrate an increasing awareness among organisations and companies of the key role of work-life balance initiatives in order to attract and retain valued employees in today's competitive markets.

### Strategies needed to manage the change...

Across the EU, multinationals and SMEs as well as public service sector employers have put forward strategies to anticipate and manage this crucial change in the labour market, by developing a wide range of HR policies aimed at attracting and retaining women to the labour force. At present, recruiting and retaining the necessary highly skilled and qualified workforce - be it male or female according to sector - demands the development of *flexible schemes* by employers, such as, for example, new working time patterns and work organisation. Most schemes aim to promote an effective management of work-life balance for an organisation and its employees. Such strategies also require organisations and companies to evolve from stereotypical ideas about what constitutes key factors for career success at management level such as - working long hours, 'overtime culture', attendance at meetings during 'unsocial hours', 24-hour availability, etc. - to value instead the individual employee's output and productivity.



## ... factors impacting on the success of these strategies

It is clear that the success of such strategies depends on a broad range of factors, such as:


- the legislative framework;
- managerial commitment;
- individual motivation;
- education systems;
- cultural values and mindsets.


## Gender balance: A necessity

### Gender balance - to become competitive

Employees are becoming increasingly selective in their choice of an employer; high salaries are no longer the main criteria when selecting a job. Flexible work arrangements and gender friendly policies seem to play a key role in order to attract highly-skilled competent staff while also helping to create more competitive organisations. However, middle management in traditional companies still fails to see this in many cases. As a result, women continue to be discriminated against in terms of career opportunities as well as pay differences. A report on [Women's and men's wages](#), published in 2003 by the Confederation of Danish Employers, confirms this discrimination in terms of pay and financial remuneration today.

For organisations which have traditionally included a high number of women in their workforces, such as


[Addenbrooke's hospital](#) ( 267 kb), it gradually becomes the norm to offer work arrangements allowing for a better work-life balance. The increased competition in hiring sufficiently competent staff in the healthcare sector also creates a situation where the employer is forced to offer arrangements that often go beyond the national legal requirements. Although not easy to develop, initiatives for flexibility at work function best when they are customised and adapted to the immediate needs and objectives of the employee. This kind of arrangement results in better-performing workplaces as well as helping to reduce turnover and the costs associated with recruitment and retention of employees.

[Grupo Texto Editores](#) ( 267 kb) is characterised by a corporate culture of dynamism and shared corporate vision. The desire to be the first and the best in both services and products has led the group to employ only the very best possible staff. This has in turn resulted in an unbiased HR policy and the idea of capacity-driven career development. The company has, almost unconsciously, achieved total gender balance, with even more women in higher positions than men. As a result of this, when employees worry about how to organise child and elderly care the company considers it their responsibility to become active in alleviating these concerns. Furthermore,

the HR department becomes involved and is instrumental in organising support mechanisms for their employees such as day care, and flexibility on a needs basis.

For companies already confronted with the challenge of recruiting the best employees, optimising opportunities for increased flexibility at work and parental leave for both men and women, was deliberately chosen as a tool to energise the company, making it a preferred employer. According to Jonas Svava Iversen, young professionals in Denmark are often more interested in the possibility of creating a better work-life balance than in having a higher salary. Therefore, it could be argued, that offering flexibility for both men and women seems to be an effective means to attract new and young professionals.

Some evidence of this type of practice can also be detected among SMEs. The German firm Electro Wolff also offers flexibility as a means to compete for their mainly male staff members. As a small company it cannot afford the high local wages paid by large companies such as Siemens, but on the other hand, it is able to organise working arrangements on a personalised basis. This concern and care for the needs of individual employees creates strong loyalty and a feeling of belonging to the organisation. Thus, the worker achieves a good work-life balance compensating for a somewhat lower wage level.

The [Nestlé France case example](#) ( 267 kb) is part of a larger picture: the only current pressure for change comes from a small group of union members fighting for gender friendly policies while management is not yet receptive to their pleas. Competing for good employees does not constitute a driver for change in Nestlé as yet as enough well-trained young employees still welcome the opportunity to work for a prestigious multinational company like Nestlé. Furthermore, Nestlé consumers do not demand change in its HR practices so there is little prospect of achieving full gender balance at Nestlé France in the near future. However, there may very well exist future plans for a more gender balanced human resources policy at corporate board level. These are in the process of being developed and will emerge in the longer term.

Seminar participants agreed that in order to change old fashioned employment assumptions and traditional perceptions of gender balance it is necessary to obtain a strong commitment from top management. Top level management must engage in the process and present such policies to staff so as to ensure that these are embraced by all.

## Gender balance - to follow societal change

Factors such as competition for talented employees and societal change are important drivers for achieving gender balance. Flexibility at work and the real desire to facilitate and promote a work-life balance for employees regardless of gender is the key to achieving societal change. Parental leave and time-out to care for elderly or sick dependents, regardless of the employee's gender, are key elements in a process of change.

'If it becomes trendy, it will become the trend' - the acceptance of a gender balance trend will help to avoid the common perception that hiring a woman of child bearing age represents a risk for a company, such as losing all investment in the employee as well as creating a HR problem. Seminar participants agreed that for companies who do not recognise the need for change, only external forces will provide the necessary stimuli to initiate a change process. Societal demands will eventually bring about the understanding that companies need to treat





their employees according to their needs as a matter of course and not out of some form of 'benevolent' employment ethic.


Although the cultural perceptions of primary and secondary needs on work-life balance and role patterns still differ widely from country to country, seminar participants agreed that societal change in Europe will advance in the direction of flexibility and work-life balance. There was also a consensus that it will cover all workers regardless of gender and age, and not only facilitate childcare, but also care for the elderly and other dependents or for other reasons at the discretion of the individual worker.


## Gender balance - a managerial task

### The individual: a driver of change?

In the case of [Nestlé France](#) ( 267 kb), a few individuals took the initiative to fight long established perceptions with regard to gender issues. However, the problem is also seen as an internal one in that the attitude of females in the company has not contributed to change so far: older female employees accept discrimination and younger ones do not recognise it as a problem. It is these engrained attitudes which have to change if things are to move forward. In this context, a small group of female employees have taken their case to the European Works Council in Nestlé with a view to developing a group-wide policy in this field.


For [Grupo Texto Editores](#) ( 267 kb), it is important to meet the personal needs of their employees as far as possible in order to retain its highly skilled and competent workforce.


The gender sensitive policy developed by [Addenbrooke's Hospital](#) ( 267 kb) was crucial in allowing two female employees to develop their careers and progress in the organisation. This particular case shows the adaptation of an organisation to the needs of its employees due to external factors resulting in change.

For the individual in [DTI](#) ( 267 kb), the Danish consultancy company, taking paternity leave was slightly outside the norm. The experience benefited the case study presenter considerably both as a person and an employee. It also contributed to the organisational goals of the company. This example will doubtlessly lead to others both inside and outside the organisation taking leave in a variety of ways to suit their own individual circumstances.


But, changing a corporate culture cannot be the task of an individual alone. It requires the support of top management and appropriate human resources practices. Many companies are aware that their competitiveness is partly linked to hiring the best qualified and skilled staff available. Increased societal awareness of gender issues is a major driver of change, and a factor that contributes to the development of better policies and legislation.

The case examples presented at the seminar demonstrated some of these elements.

In [Grupo Texto Editores](#) ( 267 kb), it was the company culture and the top management awareness of needing to adapt to the most basic requirements of their staff which led the group to develop more gender friendly policies. This, in turn, meant that the company was able to secure the loyalty of its employees and keep staff turnover to a minimum.


In the case of [Nestlé France](#) ( 267 kb), top management does not seem to feel the need for the development of new gender friendly human resource policies. Only changes in national legal frameworks, societal change or market demand will have the desired impact leading to possible changes in HR policies at Nestlé.


The [Danish Technological Institute case example](#) ( 267 kb) shows that DTI was aware of the fact that it needed to allow for more flexible working practices in order to compete successfully for highly qualified professional employees. The strategies developed by DTI benefit both male and female employees inspiring changes in stereotypical role patterns.

[Addenbrooke's hospital](#) ( 267 kb) needs to fight for employees in a highly competitive environment with smaller budgets than its competitors. Flexibility was decided upon as being an effective competitive tool and has been a feature of the hospital's working practices for some time among nursing and support staff. As a result, medical staff at Addenbrooke's are now also requesting possibilities for flexibility at work and the need for a better work-life balance. As part of this new change in policy Addenbrooke's hospital organised a high level seminar on the subject and published a series of recommendations on part-time employment and flexible working for hospital consultants. This successful initiative is with the National Health Executive who is examining it with a view to developing a similar approach nationwide.

## Reflections and conclusions

### Can flexible gender policies have a positive impact on company performance? Is there a risk in neglecting this issue?

- Women are the single most important resource for European companies. By strengthening their participation in the labour market, women will not only become more vital participants in society but also contribute substantially to the sustainability of the European social model.
- Gender balance policies are driven forward by the requirement to attract and retain talented staff. Many women are still employed in sectors that are becoming less and less profitable (irrespective of employment by men or women) and there is little research to substantiate the positive economic impact of gender balance practices other than in the individual cases of successful companies such as [Grupo Texto Editores](#) ( 267 kb).

- Companies are already seeking to attract employees by means other than remuneration only. Societal change is creating the demand for more time for personal development making it incumbent on companies to offer opportunities for creating a work-life balance suited to each individual. If companies neglect this issue, they will lose their competitiveness and employees could well choose to move to organisations where their work-life needs are recognised.
- Offering gender friendly and/or flexible working arrangements is also a means to curb the exponential growth of salary budgets for the small and medium size company.
- The corporate culture of a company is often related to its ability to deal with issues in a flexible and proactive manner and recognise that these will enhance an organisation's competitiveness. This also reflects very positively on customer relations management. Companies used to organising their workforce in shifts (as in the case example of [Addenbrooke's](#)  267 kb) are already used to managing continuity regardless of the individual). In a 24/7 service organisation the need for back office support will become the norm to ensure the effective management of a flexible and effective workforce.
- Sectoral employment differences are acknowledged as is the view that gender balance does not necessarily mean a 50-50 balance.

## **What are the major obstacles to the development of more flexible gender initiatives in the workplace?**

- Change is often precipitated by internal and or external pressure. Once the need for change is recognised it will only be successfully implemented and become true attitudinal change when it is supported from the top down.
- Flexible work practices are becoming part of the corporate 'DNA' of companies regardless of their size. If there is an awareness and sensitivity to the issue then very often the necessary changes and arrangements are put in place to develop the correct corporate approach.
- For companies that have not yet experienced the commercial pressure to change, it would be wise to widen the debate and not to focus solely on gender. Gender issues alone can limit a discussion which should broaden out to consider how to create an adequate, cost effective and productive workforce to meet all the company's objectives of sustainability, profitability and of course increased competitiveness
- In order to achieve societal change, women have to be prepared to change their attitude towards work and female role models will be instrumental in supporting this change. Men too should change their attitude towards arranging a different work-life balance, and practical examples will help in achieving this. Both men's and women's reconsideration of their attitudes to traditional patterns and roles should be represented in the media, whose role in this debate should not be underestimated.
- It is also worth noting that legislative developments differ between countries and whereas in some cases these are enabling factors, in others they can act as obstacles.

## **Related Foundation work**

The Foundation has been committed to the promotion of gender equality since its origins, and has incorporated this aspect into numerous [research projects](#) throughout the years. In particular, it has looked at different initiatives taken by social partners, governments and companies in order to promote greater equality in labour markets.

The seminar's [Background paper on gender balance](#) highlights some of the Foundation work done in this area, by providing a brief summary of several reports. It also outlines the main legislative developments in the EU concerning gender policies and initiatives in recent years.

## References

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