

Women in business: from classroom to boardroom

Grant Thornton International Business Report 2014



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Women in business today: fast facts



gender split in US tertiary education

24% proportion of senior management roles held by women globally

67% of businesses have no women in senior management

Germany



63% have a woman as CFO

China

Japan

9% lowest proportion of women in senior management globally

43% highest proportion of women in senior management globally



Russia

64% Support introduction of Quotes

India



29% have plans to hire more women (next 12 months)

South Africa

13% graduate intake are women



Latin America

31% highest developed economy proportion of women in senior management

New Zealand

Foreword

Just one in seven delegates at the annual World Economic Forum gathering was a woman this year. This statistic alone explains why the issue of women in businesses inspires so much passion and debate, emphasising that the path from the classroom to the boardroom is anything but straightforward.

Ironically, attendees in Davos looked at the role improved gender balance can have on businesses' bottom lines, highlighting the example of the car market in which women influence 85% of purchases worldwide. Involving women at all stages of the production process, from design, to engineering, to marketing, could help businesses create products and services that appeal to both genders.

We have been tracking the proportion of women in senior management since 2004 and the research this year finds that the proportion of women in the most senior roles has stagnated at 24% - the same as the result in 2012, 2009 and 2007. The question this raises is: what are the roadblocks on the path to senior management?

This report starts by looking at education, an essential building block of any career. We find some positive news here, with female participation in education soaring in many economies over recent years, particularly emerging markets, which have traditionally lagged

behind. In fact, we have now reached a point where there are more women studying in tertiary education than men, although whether the subjects they are studying prepare them appropriately for jobs in senior management is debatable.

The figures gathered this year around the gender of graduates being hired by businesses add a further layer of complexity to this discussion; just 21% of the typical global graduate intake are women. The IBR surveys neither large corporates nor public sector organisations, both of which tend to hire more females at graduate level, but the results are nevertheless surprising. They suggest that mid-market businesses are closing themselves off to a huge swathe of potential workers – talent which numerous studies suggests would help them grow faster.

The focus turns to what should be done. Support amongst businesses for quotas is steadily growing and regulation in Europe seems to be moving in that direction. Personally I have mixed feelings about quotas – if they shine a spotlight

on the shortfall of women on boards then that is helpful, but we certainly do not want to get to a point where women are simply brought in to make up the numbers. I am more interested in what businesses can do to facilitate the path of women to the boardroom. Getting more graduates through the door would certainly be a good start, but very few businesses offer working mothers the childcare support that might help them better juggle home and work life.

At Grant Thornton, we have developed the Women's International Leadership Link, a programme to support and mentor women, but just one in ten businesses around the world have a similar programme. Perhaps this is something business leaders should consider if they want to benefit from the improved decision-making greater gender diversity can bring.

Francesca Lagerberg

Grant Thornton International Ltd
Global leader - tax services



Foreword

Welcome to the seventh edition of the Grant Thornton International Business Report focused on “Women in Business”, which forms part of Grant Thornton’s global research program into women’s representation in corporates. This report analyses the various gender diversity programs across the world to promote more women representation in the senior positions.

The underrepresentation of women in leadership positions in the corporate sector has been the focus of intense public debate since long. One of the most effective points in favor of this debate is the correlation that exists between women in leadership and business performance. In fact, the under-utilization of women in leadership positions is often considered indicative of a loss of economic growth potential, wastage of useful human capital and compromise to the quality of appointments to the highest positions.

Recognizing the need for encouraging a more expansive mindset about the role of women in corporates, the Indian Government, through the new Companies Act, adopted a legislative approach to enforce change. The provisions of the new Act, dictating certain sets of companies to mandatorily appoint a women director to their boards, represents a promising progress for talented Indian women to break the glass ceiling.

Providing a platform for boardroom diversity to flourish by introducing mandatory quotas for female board directors has remained on the top of the agenda for several countries since years such as Germany, Italy, Sweden, Spain, Belgium and France. By adopting a new structural reform in this regard, India Inc has taken a path-breaking step for female participation at board level.

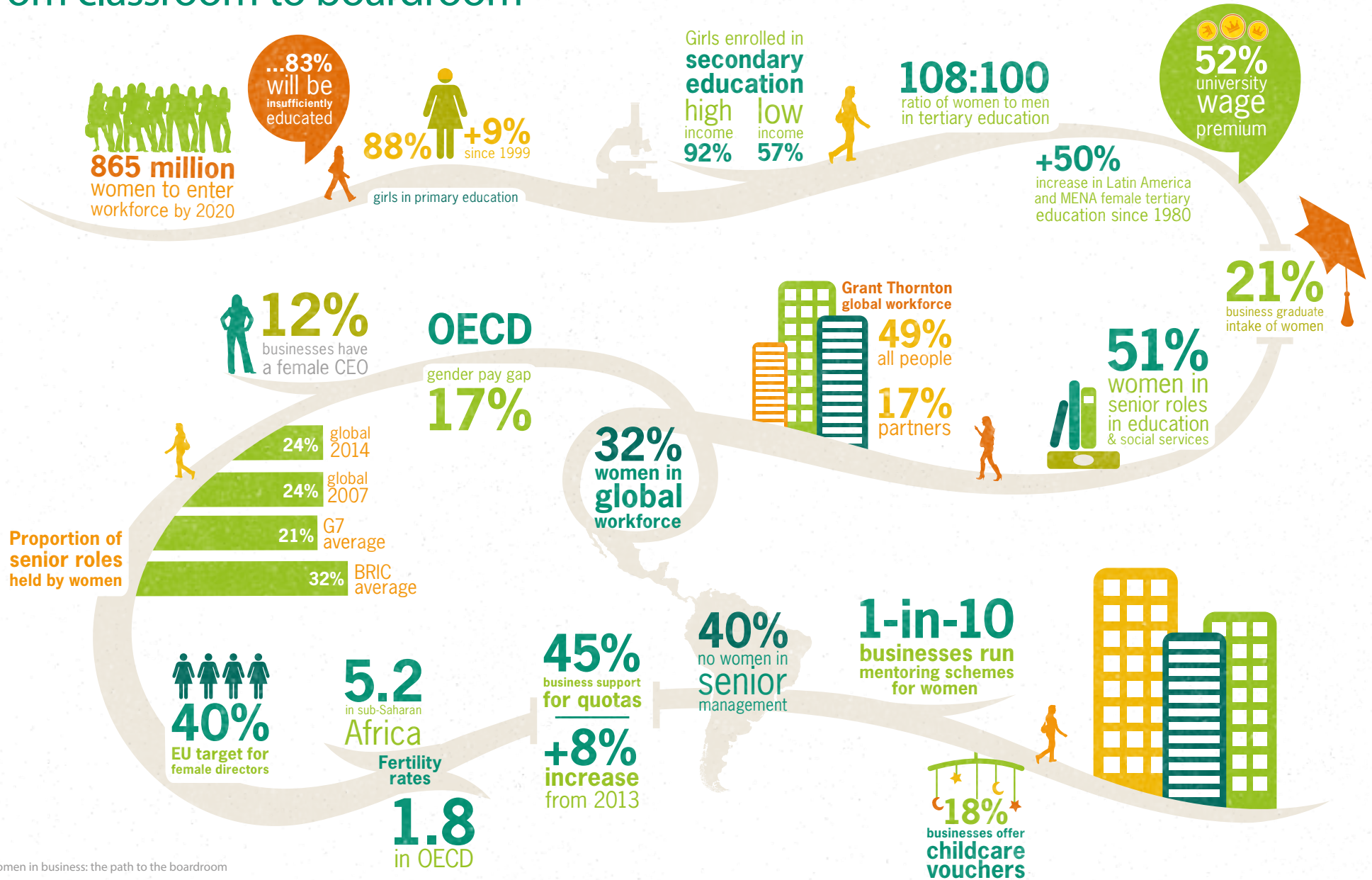
The commercial benefits of gender diversity across key decision-making positions is also progressively permeating the corporate world, driving business leaders to empower women through mentoring , leadership skill building programmes, networking and child care schemes. However, it is not surprising to note that women hold few of the top jobs in Asia and India as compared to Europe and the US. In order to affect a wave of change, legislative reforms need to be reinforced with a progressive transformation across institutional and individual mindsets.

We hope that you will find this report insightful and welcome your feedback.

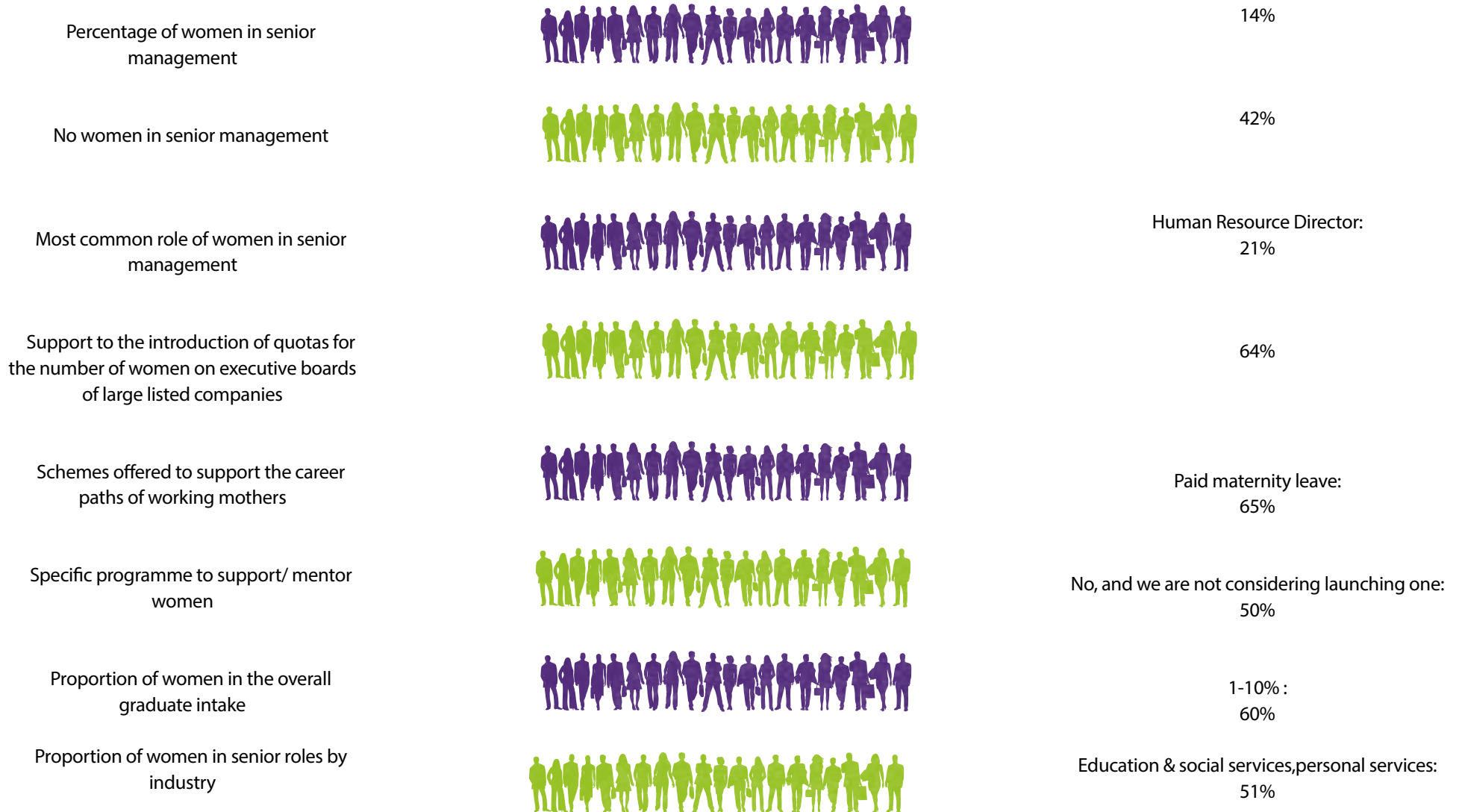
Pallavi J. Bakhru
Director
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From classroom to boardroom



The Indian perspective



Education

The importance of education to the progress of women down the path to senior management cannot be understated; it is an essential building block for all business leaders. Numerous empirical studies find education to be the single most important factor contributing to wage differentials around the world.

According to UNICEF¹, “Girls’ education is the single most powerful investment for development. When you educate a girl, you educate a nation. Investing in young girls can accelerate the fight against poverty, inequity and gender discrimination. An educated girl is more empowered, as she is likely to get a job and earn a higher wage, and her nation’s economy is likely to benefit as a result: one percentage point increase in female education raises the average level of GDP by 0.3 percentage points.”

However, Booz Allen estimates that of the 865 million women due to enter the global economy by the end of this decade, just 17% will have received a sufficient education. Historically, for a variety of social and cultural reasons, female participation rates in education have been lower than that of their male counterparts. But a huge amount of progress has been made in recent years; even since the turn of the century, female participation in primary education has gone up globally

from 79% to 88% by 2012 and is now approaching the rate for males (90%). This improvement has been driven by a 10pp rise since 1999 in developing economies to 87%. Over this time, the steepest rises (+21pp) have been observed in south and west Asia (88%) and in sub-Saharan Africa (75%). There has also been a marked increase in Arab States (+11pp to 84%). In all three regions however, the participation of males remains between two and five percentage points higher.

Similar improvements in levels of participation in secondary education have been observed, albeit from a much lower base. In 1999, just 50% of girls carried on with schooling after the age of eleven, rising to 61% by 2012. This compares to 64% of boys, up from 54% over the same period. Again, there is a huge disparity between developed and developing worlds: in higher income economies, 92% of girls are enrolled in secondary education, compared to just 57% of those in lower

Ratio of females to 100 males in tertiary education



Source: UNESCO 2013

Numerous empirical studies find education to be the single most important factor contributing to wage differentials around the world.

income economies. However, developing countries have made significant progress; female participation in secondary education is up from just 42% in 1999, driven by huge rises in east Asia (+18pp), south and west Asia (+14pp) and Latin America (+12pp), although rates in sub-Saharan Africa remain very low at just over one in five.

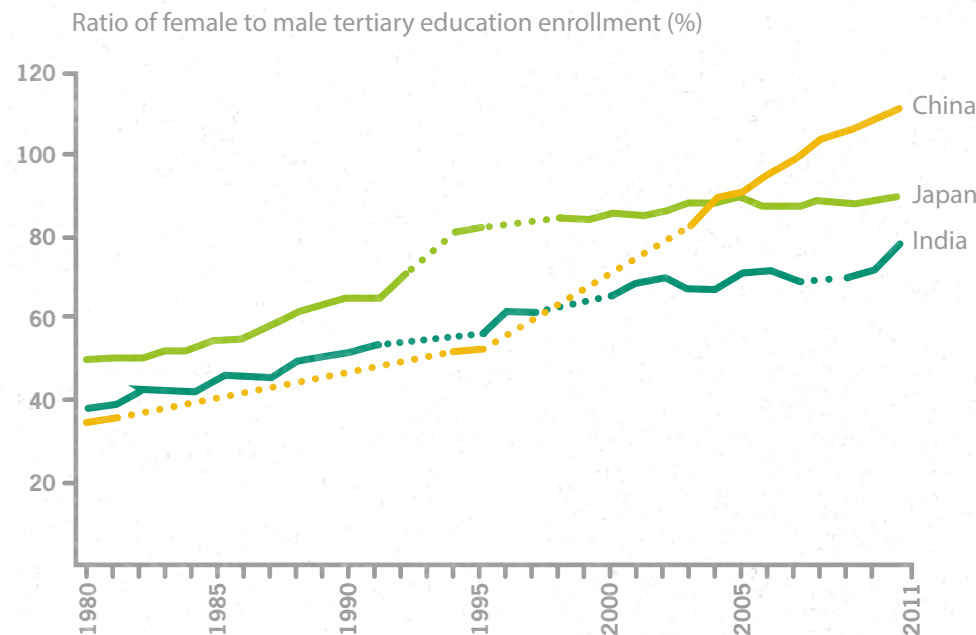
The impact of tertiary education achievement has arguably an even greater impact on the career paths of women. Across the OECD, the wage premium associated with gaining university-level qualifications is 52%; in other words, these graduates earn more than half as much again as their peers without degrees. Gender wage differentials will be discussed in the next section, but the positive news is that female enrolment in tertiary education has risen significantly over the past forty to fifty years. In fact, whereas there were 74 women for every 100 men enrolled into colleges and universities around the world in 1970, by 2011 female participation in tertiary education has actually risen to 108 women for every 100 men.

Female empowerment and development go hand-in-hand and massive strides have

been made across the developing world; in 1980, the female tertiary education participation ratio in China and India was less than 40 (for every 100 males), but has now climbed to 111 in China and 78 in India. And some of the fastest gains over this period were made in Latin America (+51pp) and the Middle East and North

Africa (+50pp). Females in some of the least developed regions, notably sub-Saharan Africa (61) and south Asia (74), are much less likely to go to college or university than their peers in high income economies (126), but both regions have seen significant progress. Interestingly however, high female to male enrolment

ratios – for example in North America (140) and the European Union (126) – do not translate into higher levels of women in senior management (see Senior management).



Source: UNESCO 2013

“Girls’ education is the single most powerful investment for development. When you educate a girl, you educate a nation.”

UNICEF

The workforce

You would expect the graduate intake of businesses around the world to reflect this high level of women studying at universities and colleges. However 66% of businesses globally report that fewer than half of the graduates they employ are women, rising to three-quarters in southern Europe (75%) and Latin America (74%), where the 'macho' culture perhaps weighs on women entering the workforce.

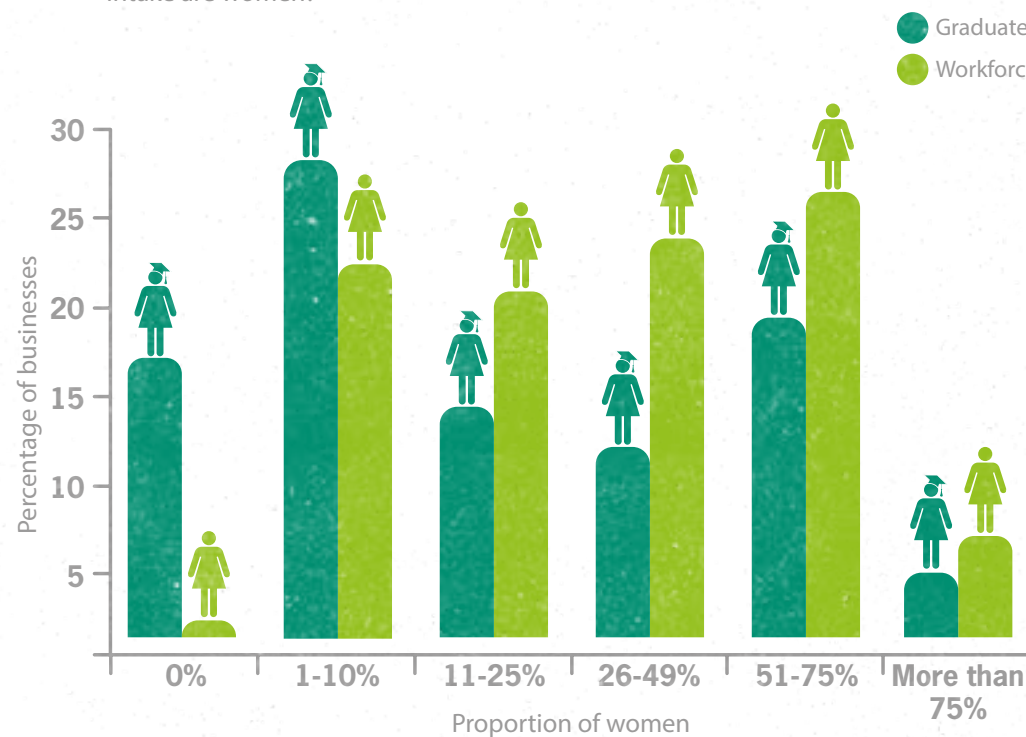
But even in societies regarded as more progressive, such as North America (59%) and the Nordic region (60%), well under half of graduate roles are taken by women. Overall, just 21% of graduate roles globally are awarded to women in an average year.

Data from IBR 2013 tells us that 32% of employees globally are women, a proportion which varies very little between regions with Asia Pacific the highest at 35% and North America the lowest at 30%. However, comparing the graduate intake of women with their proportion of the total workforce provides some stark variations that elicit questions around equality of opportunity and the jobs women are doing. In Latin America there are 19% more women in the workforce compared with women entering as graduates; southern Europe (17%), Asia Pacific and eastern Europe (both 14%) are also above the global average (11%). The Nordics (2%) and North America (7%) have graduate intakes of women which most closely resemble their overall workforce.

The fact that far fewer women enrol in subjects such as science and mathematics, which many businesses look for, is one contributing factor. Women are also more likely to take jobs in the public sector; indeed, looking at the IBR results by industry we find that women hold over half of senior roles in education and social services (51%), more than double the global average.

However, this has clear drawbacks for the business world; talking about the role of gender equality in economic development, Professor Jeffrey Sachs, of Columbia University, says: "any economy only using half its human resources is bound to fall behind." Empirical studies suggest that greater gender diversity correlates directly to higher sales, growth, returns on invested capital and equity. Indeed, data from the IBR reveals that the fastest-growing businesses have more women in senior roles (26%) compared with the global average (24%).

What proportion of your workforce/graduate intake are women?



Source: Grant Thornton IBR 2013/14

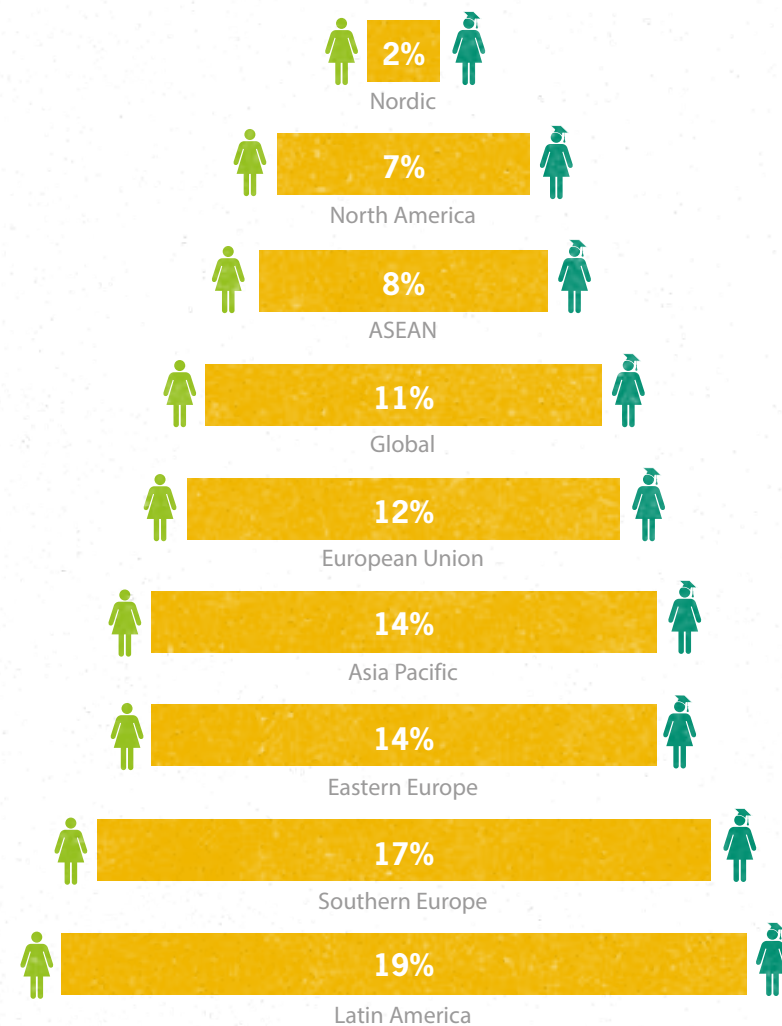
The upshot is that the pool of people fighting for the top jobs is weighted in favour of men; you might expect three or four men applying for senior management roles for every one woman. Research by the 30% Club suggests a man who starts work at a FTSE100 company is four and a half times more likely to reach the boardroom. This resonates with Grant Thornton's global workforce: 49% of our people are female, but this drops to just 17% of our partners

There is also some disturbing data around pay differentials. Across the OECD, the gender pay gap in average full-time earnings is 17.3%; women aged 35-44 with tertiary education on average earn just 73% of what their male counterparts do. Even for people at the very pinnacle of the corporate ladder, huge gender wage gaps exist. Bloomberg reported recently that the top female executives at Standard & Poor's 500 Index earned 18% less than their male counterparts on average. This is partly explained by the paucity of female CEOs (20 out of 500) but even when they reach the very top, compensation is not equal. Mary Barra was recently appointed CEO of GM, becoming the first woman to lead any global car maker, but recent analysis suggests she will earn less than half what her (male) predecessor took home.

A myriad of reasons could explain these pay differentials. Type of occupation, experience, and skill all have an impact; Facebook COO, Sheryl Sandberg, thinks women are less likely to ask for pay raises and stretch assignments to facilitate a path to the top. One of the biggest drivers is women leaving the workforce to raise children, slowing their progress to the boardroom. But females who reach the pinnacle of the business world clearly have levels of experience, skill and drive comparable to male counterparts. Research² also suggests that there is cultural bias surrounding a lack of so-called 'executive presence' amongst women and that mothers have too many competing demands to be thought of as the 'ideal worker' who are 'always there' for their employer – the so-called 'motherhood tax'.

What is clear, is that ability does not explain gender pay gaps. Data collected by the Financial Times suggests that on average, by the age of 27, men earn 22% more than women with equivalent qualifications. And a study of almost 10,000 MBA students from across the world by Catalyst found that, even after controlling for a range of variables such as skill, parental status, aspiration, experience and industry, males got better jobs with starting salaries almost US\$5,000 higher.

Difference between % of women in workforce and % of women graduates



Source: Grant Thornton IBR 2013/14

² Getting a Job: Is There a Motherhood Penalty? <http://gender.stanford.edu/sites/default/files/motherhoodpenalty.pdf>

Workforce: The Indian perspective

As per a recent report by the US-India Policy Institute, India witnesses a huge gender diversity as far as the access to higher education is concerned. Of the total population, falling in the age group of 22-35 years, having access to higher education in the north-central region of the country, a mere 6% constitutes women, while the number is a disheartening 4% in the northeast. In order to enhance women enrollment in the higher education sector in the country, a number of steps are being undertaken such as tuition fee waiver for girl students - proposed by All India Council of Technical Education (AICTE) and Indira Gandhi Scholarship for Single Girl Child for pursuing Higher and Technical Education, among others.

Our study shows that across maximum Indian corporates, the representation of women graduate cohorts lies between 1-10%. The lack of higher education, in a way, explains the scarcity of women across corporate India. With the number of women

joining colleges and taking up specialized courses on the rise, Indian corporates that thrive on talent with specified technology degrees are set to divert their focus on women recruits. Further, a large number of companies prefer to hire women for entry-level positions in profiles such as healthcare or retail management.

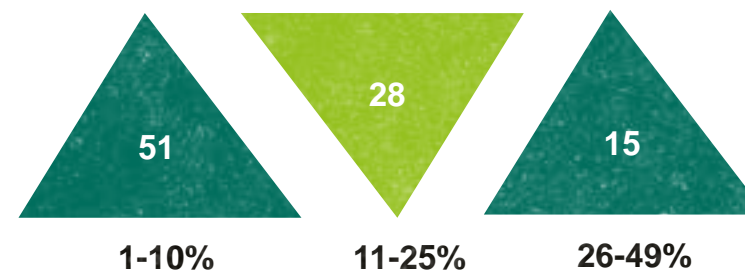
A need to follow gender diversity policies to drive varying results, which, in turn, leads to robust and better business decisions, is another favorable reason behind enhancing the proportion of women in the overall graduate intake of corporate India. IBR 2014 shows that across corporate India, women represent 14% of the overall workforce. The changing status quo for women in corporates is being driven by a need to capitalize on female insight into consumer buying patterns, performance benefits, good relationships with female clients, etc.

Proportion of women in the overall graduate intake



Source: Grant Thornton IBR 2013/14

Proportion of women employees in the overall workforce



Source: Grant Thornton IBR 2013/14

Senior management

For proponents of greater gender diversity in the leadership of businesses around the world, the results from our IBR 2014 report are a disappointment. The data shows that less than a quarter of senior management roles are held by women (24%). This is unchanged from 2013, and even from 2007, and suggests that the proportion of women in senior management has returned to its 'natural level' following the financial crisis during which women were disproportionately hit.

Economies in eastern Europe (37%) and southeast Asia (35%) lead the way on women in leadership. Globally, Russia (43%) has the highest proportion of women in senior management, a figure that has held fairly stable since 2004, helped by a gender ratio that favours women by 6:5. Elsewhere in Eastern Europe, the Baltic states of Estonia, Lithuania and Latvia (39%), Georgia, Armenia (both 35%) and Poland (34%) are all well above the global average. This can be traced back to the promotion of women in the former Soviet Union. The communist leaders promised 'equal opportunity for all', best demonstrated through the promotion of women in the rapidly expanding services sectors, such as health, education and accountancy.

In east Asia, the relatively high proportions of women in senior management can be partly explained by the tendency for families to live with or near parents and grandparents which provides free, in-built childcare

infrastructure, allowing mothers to go out and work. Women in Indonesia (41%), the Philippines (40%) and Thailand (38%) all seem to benefit from the support provided by their families. Women are also well-represented in the leadership of Chinese businesses (38%); similarly to Russia, the focus of socialism on equality may have a role to play here, as well as the one-child policy which lowered the childcare burden and rapid urbanisation (see next section).

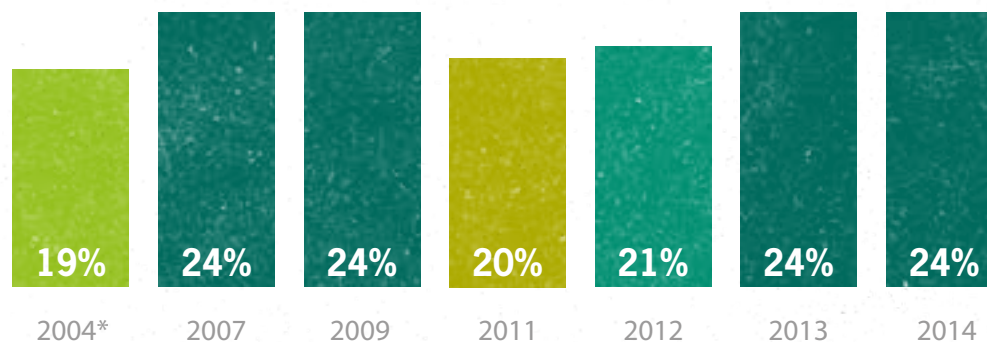
On the whole, developed countries tend to have lower proportions of women in senior management: across the G7, just 21% of senior roles are held by women, compared to 32% in the BRIC economies. Again, there are many possible explanations for this but the development of the 'nuclear family' without the childcare infrastructure described above; lower career aspirations in the West compared to in emerging economies that are experiencing significant growth and cultural shifts that have spurred female

ambition; and the higher proportion of family-owned and run businesses in emerging markets are amongst the most significant.

Japan ranks bottom of the 45-economy survey, as it has done every year since 2004, with just 9% of senior roles held by women, barely changed from a decade ago (8%). Other patriarchal societies, such

as India and the United Arab Emirates (both 14%) also rank in the bottom five, although the huge strides these economies have made in recent years in terms of tertiary education (see Education section) could boost the aspirations of a generation of young women, just as it seems to have done in China.

Proportion of women in senior management globally



*did not include China or Brazil

Source: Grant Thornton IBR 2014

Perhaps more surprisingly, they are joined in the bottom five by two European countries: the Netherlands (10%) and Switzerland (13%).

European businesses are amongst the most likely globally to have no women at all in their senior teams.

And despite a great focus on increasing female participation on boards across

Europe (see Quotas), Germany, Denmark (both 14%), the UK (20%) and Spain (22%) also rank in the bottom ten countries for women in senior roles, with the EU average at just 23%.

Some progress has been made at the EU-wide level since 2004 (17%), but European businesses are amongst the most likely globally to have no women at all in their senior teams (38%), led by Denmark (71%), Germany (67%) and Switzerland

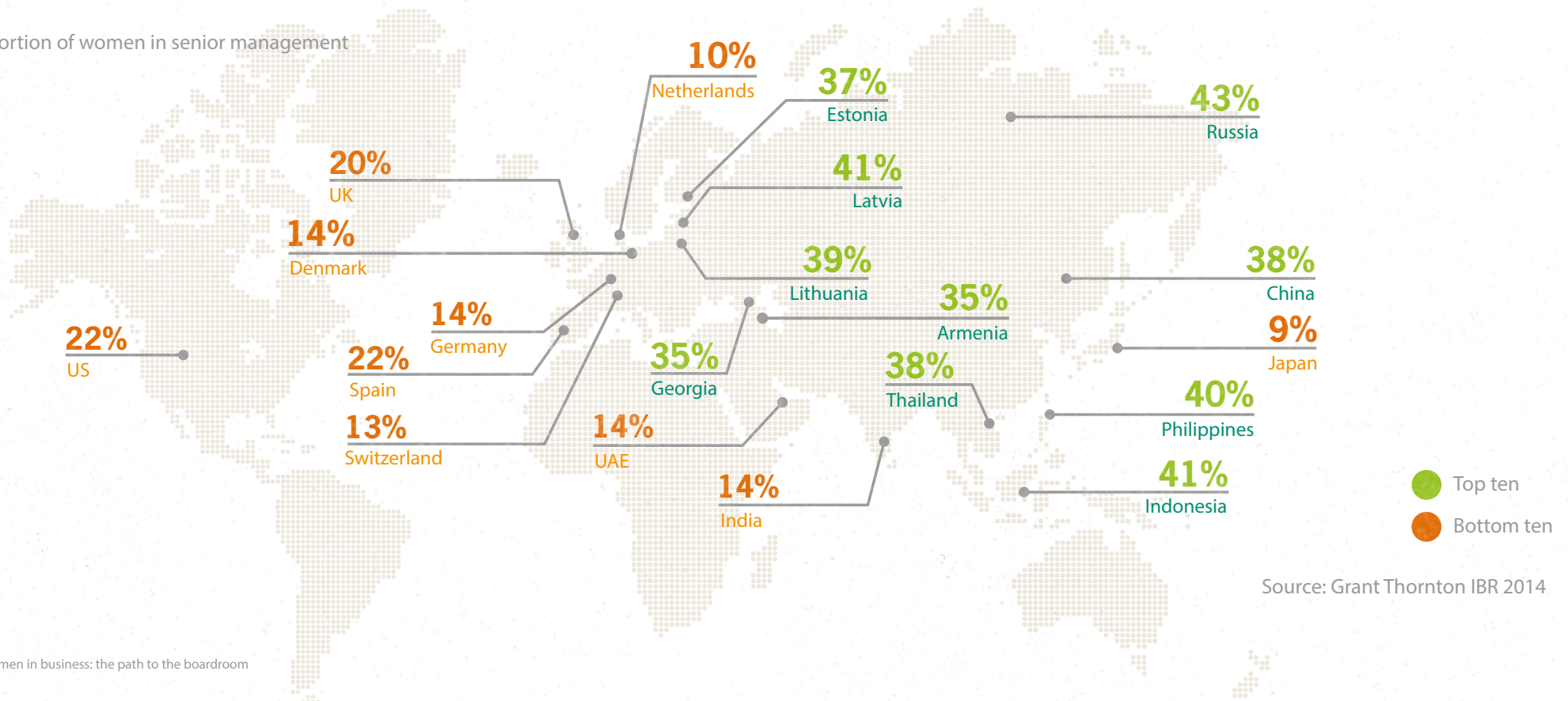
(64%). This drops to 29% across North America, but both Canada (22%) and the United States (23%) have seen no significant increase in the number of women holding top jobs over the past decade.

In Latin America, 40% of businesses have no women in senior management, but women in two of the continent's fastest growing economies - Peru (35%) and Chile (30%) - hold relatively high

proportions of top jobs. Brazil (22%) and Argentina (25%), despite both having female presidents, continue to lag behind.

In Africa, where great strides have been made to increase female participation in politics, both Botswana (32%) and South Africa (26%) rank above the global average.

Proportion of women in senior management



Source: Grant Thornton IBR 2014

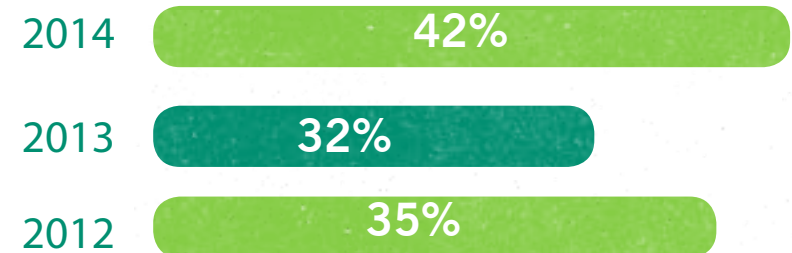
Senior management: The Indian perspective

“ Gender diversity is swiftly becoming a strategic priority across corporates globally. Corporates are exploring varying channels to create an environment wherein diverse capabilities are tapped to improve business performance. Diversity at the workplace drives innovation, multi-tasking, practical solutions, structured thinking, team work, etc. While fulfilling the commitment to gender diversity goals, Indian corporates need to ensure that only talented women are put forward as candidates for top jobs. Care should be taken that promotion of gender balance initiatives are not used to window-dress the lack of codes in a company to promote women through the executive rank. ”

Darshana Kadakia
Partner – Valuation
Grant Thornton India LLP

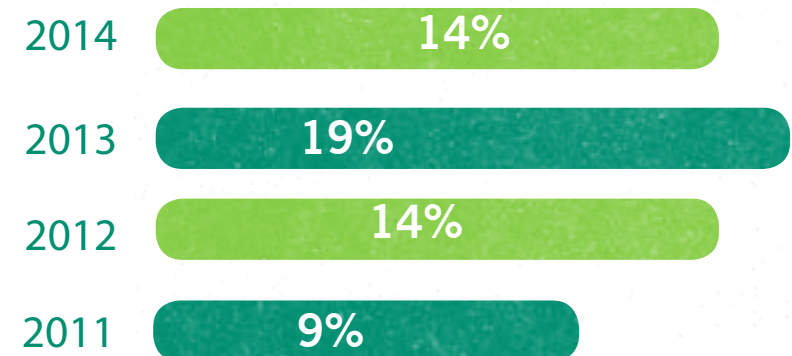
IBR 2014 shows that women representation in the senior management of Indian corporates stands at 14%, a drop from the IBR 2013 results of 19%. The results show that there exists an imminent need for Indian corporates to make the women workforce an integral component of the succession planning process, and create an environment in which women can contribute and succeed. Despite creating a conducive environment for the women workforce, a large number of Asian corporates are promoting very few women to top positions. The biggest burden for working women in Asia to climb up the corporate hierarchy is managing a job with the additional burden of family commitments. The challenge for women becomes more pronounced in the Indian culture which requires women to take up the sole responsibility for family and household duties. This might be one of the chief reasons for the fall in the number of companies planning to increase the pool of women in senior positions over the next 12 months from 42% in IBR 2013 to 38% in IBR 2014.

No Women in senior management



Source: Grant Thornton IBR 2014

Women in senior management



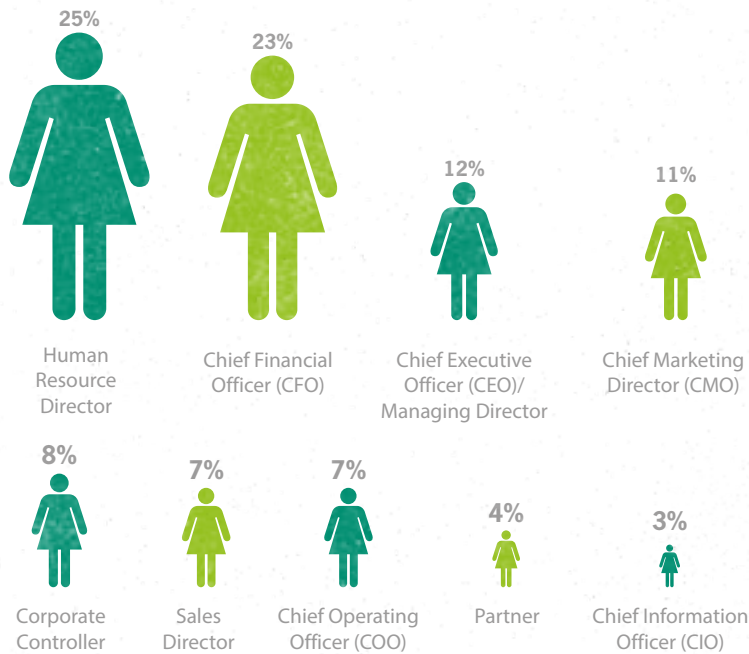
Source: Grant Thornton IBR 2014

Roles

More positive news comes from the proportion of women running businesses across the world, which has risen to close to 12% up from 10% last year and just 5% in 2012.

The role of CFO remains more common for women (23%) – behind only HR Director (25%) - and while still relatively low, such positions appear to be important stretch roles which provide opportunity for greater exposure for women progressing towards the role of CEO, perhaps explaining the progress observed in recent years.

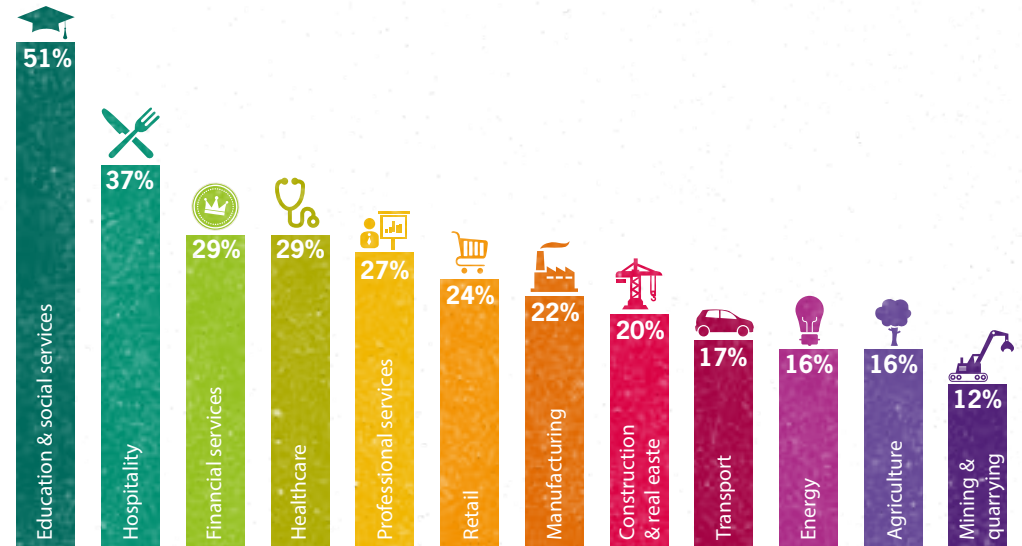
Percentage of roles held by women



Source: Grant Thornton IBR 2014

Industries

Proportion of women in senior roles by industry



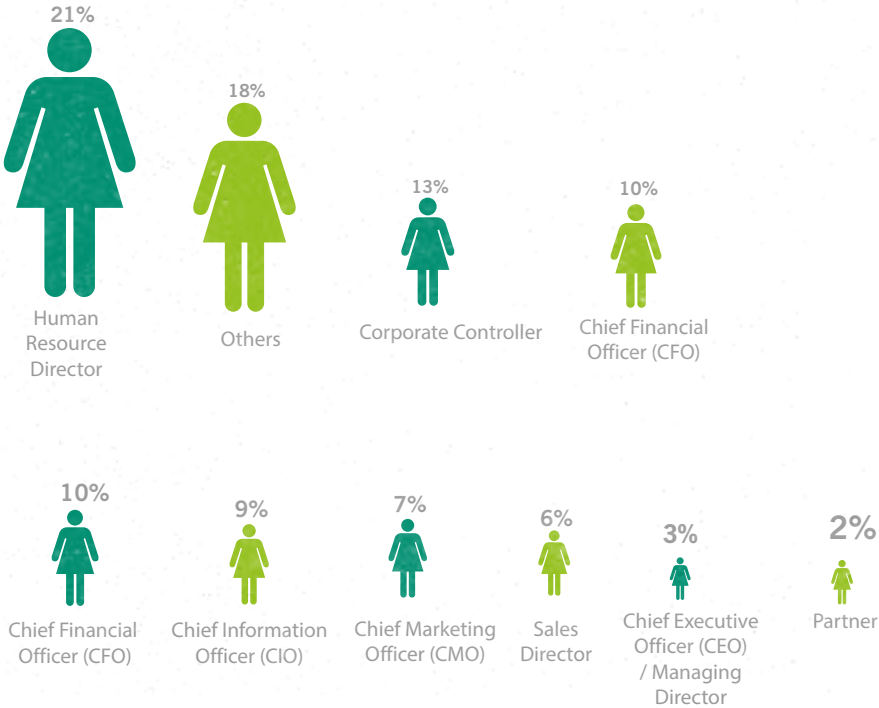
Source: Grant Thornton IBR 2014

Businesses with strong links to the public sector are most likely to have women in their leadership teams. More than half of education & social services (51%) firms have women in senior management, while healthcare (29%) is also well above the global average. Businesses in services sectors such as hospitality (37%), financial services (29%) and professional services (27%) also have relatively higher proportions of women in senior roles. Women are more poorly represented in primary sector businesses such as mining (12%), agriculture and energy (both 16%).

Roles

In Indian corporates, Human Resource Director (21%) is the most common role filled by women in senior positions. 18% women representatives occupied other leadership positions in corporates. What is interesting to note is that Indian corporates have negligent female representation in senior roles such as General/ office manager, other Director and President/ Vice President. The results call for a need for Indian companies to set targets with a set proportion of women in senior roles in each part of the business.

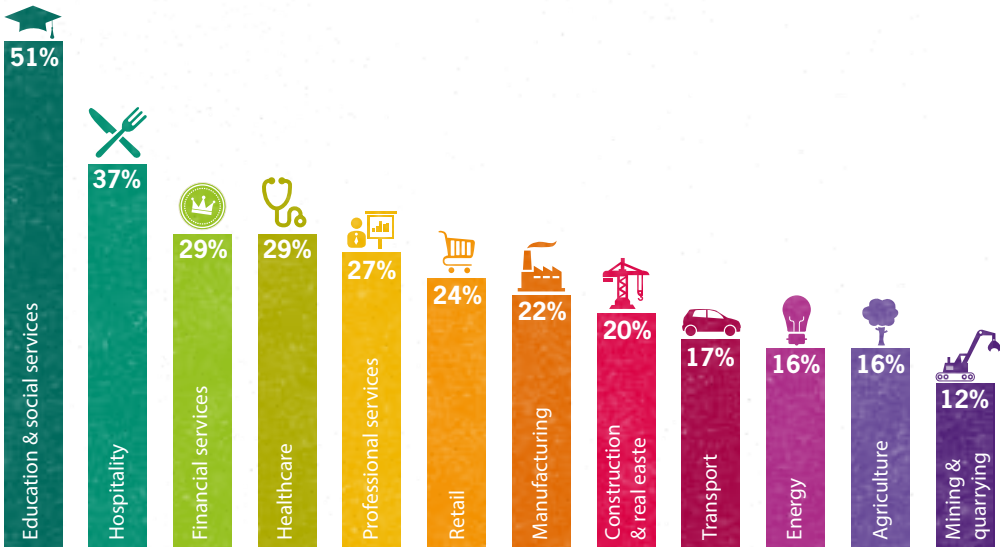
Percentage of roles held by women



Source: Grant Thornton IBR 2014

Industries

Proportion of women in senior roles by industry



Source: Grant Thornton IBR 2014

Industry which are viewed as male-dominated attract lesser female representation, a fact mirrored by our survey. Electricity, gas & water supply/utilities, construction & real estate, transport, manufacturing and mining & quarrying are some of the industries with underrepresentation of women at senior management level. Academic institutions and financial institutions, in contrast, have been successful in bringing in talented women into the senior levels.

Quotas

Introducing quotas to increase the number of women on boards is an idea that has gathered momentum over recent years, particularly in Europe. In November 2013, the European parliament voted by clear majority in favour of a proposed law on mandatory quotas on the number of women on boards. And a number of countries, including France, Spain, the UK and now, following September's election, Germany, have brought in their own guidance for businesses around gender diversity.

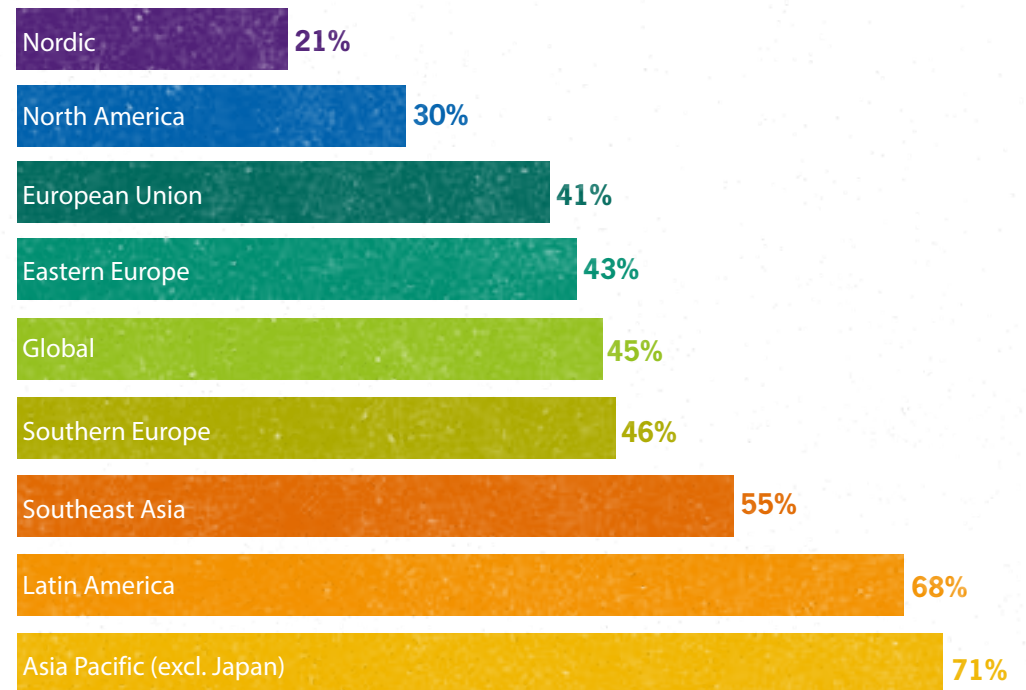
The paucity of women on boards around the world suggest that quotas may need to be introduced to produce the 'step change' required to get women on equal footing with men in terms of access to the most senior positions in companies. Indeed, the proportion of business leaders who support the idea of quotas has risen from 37% in 2013 to 45% this year, with support building in China, Europe and Latin America.

Quotas can be controversial and some women themselves have been hesitant to be seen in a tokenistic light rather than for their individual talent. However attitudes are slowly shifting: Christine Lagarde, managing director of the IMF has admitted to resisting the idea of quotas all her professional career, but admitted at Davos that without targets there "was no way we were going to jump the right step." The German Chancellor, Angela Merkel, has also previously resisted moves to introduce quotas, but her Social Democrat

coalition partners have insisted on a target of 30% of non-executive board seats being filled by women from 2016.

However, the data suggests that Germany, and others, have quite some way to go to achieve the EU aims. Across the EU, data from the European Commission suggests that 16% of board roles are held by women, ranging from around 11% in Italy, to 18% in Germany, 25% in France and 29% in Finland. In the UK, the proportion of women on FTSE 100 boards topped 20% for women for first time in 2013, although still below the government target of 25% by 2015, while just four of these companies have a female CEO. And the pattern is repeated across the developed world: just 16% of Australian ASX board members are women, rising slightly to 17% of those in the Fortune 500. Data from the IBR reveals that globally, just 17% are held by women, ranging from just 7% in the United Arab Emirates to 37% in Thailand.

Support introduction of quotas for women on executive boards of large listed companies (% of businesses)



Source: Grant Thornton IBR 2014

Quotas: The Indian perspective

Women representation on the corporate boards and executive committees has always been a cause of concern. As per a study by McKinsey & Co., female representation on executive boards of Indian companies currently stands at a meager 5%. The study also showed that India ranked in the bottom three among all the Asian nations in terms of the number of women on boards of directors and in executive committees.

“ The recent enactment of the Companies Act, 2013, is set to have far-reaching implications for the corporate boardrooms across India. The provisions of the new Act, which mandates every listed company to have at least one female director within a year, and other companies reporting minimum revenue of INR 300 crore to have at least one female director within three years, is set to create a wide career pipeline for women to rise up the corporate ladder.

Besides, the new rule will also open doors for more women candidates for boards. According to data compiled by Bloomberg, nearly half of the top 100 companies traded on the Bombay Stock Exchange (BSE) including the biggest two by market value, do not have even a single female member on their Boards. ”

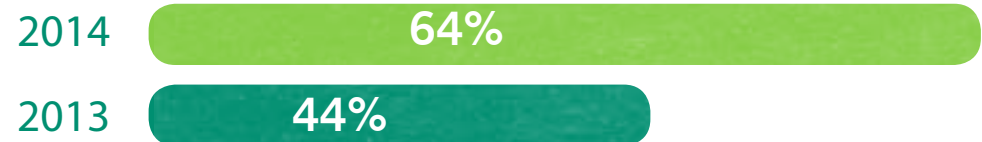
Fatema Hunaid
Partner – Transfer Pricing Services
Grant Thornton India LLP

Prior to India, several national governments such as those of France, Italy, Norway, Belgium and Sweden have drafted legally binding quotas for the representation of women on corporate boards. In recent times, many companies have begun to recruit their fair share of women into their overall workforce. However, as they move higher up the corporate echelon, women become increasingly underrepresented. This underrepresentation leads to a discouraging figure of future women representation on corporate boards and executive committees, something which the launch of legally binding quotas in the

new Companies Act is set to address.

The number of companies welcoming this mandatory rule is higher in IBR 2014 (64%) over those in IBR 2013 (44%). The aforementioned result shows that a large proportion of Indian businesses consider this provision of creating a multi-gender board a progressive change with the potential to improve the governance standards and business performance.

Support introduction of quotas for women on executive boards of large listed companies (% of businesses)



Source: Grant Thornton IBR 2014

Working mothers... and fathers

The rapid urbanisation experienced by many developing economies has had a sharp impact on fertility rates. In rural areas, children are important sources of farm labour and support for elderly relatives, but in urban areas children cost relatively more in terms of education, health and housing.

China has experienced the largest internal migration in human history since 1978 with approximately 160m people moving from the countryside into the cities and the fertility rate has almost halved from 3.0 to 1.7 over this period. In South Asia, the fertility rate has dropped from 5.0 in 1980 to 2.6 today. The rate in sub-Saharan Africa remains high at 5.2, but this is down from 6.8 over the past 35 years. This compares to just 1.8 in OECD countries where levels of urbanisation are higher. However, given that of the 50 fastest growing cities in the world, 48 are found in the developing world, global fertility levels look set to fall further.

In theory, having fewer children alleviates childcare pressures, freeing up mothers to pursue their careers. Meanwhile urbanisation presents new opportunities and raises aspirations, leading to women choosing to have children later in life, further dampening fertility rates. However, the movement to cities also breaks down traditional models

of extended families that provide in-built childcare infrastructure, enabling women to work full-time. This is one of the reasons why we do not see much lower fertility rates in the developed economies – 1.9 in North America, 1.6 in the EU and 1.4 in Japan – translate into higher levels of women in senior management.

Clearly, one of the keys to attracting and retaining women in companies is supporting them through motherhood, allowing them the time and flexibility to work and raise children at the same time. While just 14% of businesses have specific plans to hire more women into their senior management teams over the next 12 months and just 11% run a specific programme to support/mentor women, businesses are running plenty of schemes ostensibly to support the career paths of working mothers. Principally, 63% globally offer flexible working, although this is clearly not a panacea given the high penetration across Europe (79%) and North America (75%), and a further 51% offer the opportunity to buy extra holiday

or take unpaid leave. But you would expect both of these to be offered to all employees as opposed to specifically for working mothers. Likewise, more than two in five businesses will reserve job roles of women on maternity leave for up to a year (44%), but this is required by law in many countries – the proportion drops to 19% beyond a year.

One of the keys to attracting and retaining women in companies is supporting them through motherhood, allowing them the time and flexibility to work and raise children at the same time

Just over a third of businesses try to keep women engaged by providing mentoring or coaching (38%) or access to continuing professional development during maternity leave (37%), but it is notable that schemes that would really help alleviate the burden of childcare are rare. Fewer than one in five businesses offer childcare vouchers/support (18%); just 16% offer salary

increases or other incentives that might make paying for childcare more financially viable; and just 6% offer onsite childcare facilities. The clear inference is that businesses could be doing a lot more to support working mothers.

Of course it may be that time and resources would be better invested in changing cultural perceptions, particularly around the role of the father. The New York Times* reported recently that working mothers on Wall Street with stay-at-home spouses have increased ten-fold over the past 30 years. However, the reaction in Germany, a relatively liberal country in many regards, to the decision by Jörg Asmussen to leave the European Central Bank and take up a more junior position in the government in order to spend more time with his family shows there is still much work to be done to shift perceptions around the role of the father.

*Wall Street Mothers, Stay-Home Fathers – New York Times, 2013

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Schemes offered to support the career paths of working mothers (% of respondents)



Flexible working (alternative times, locations etc)



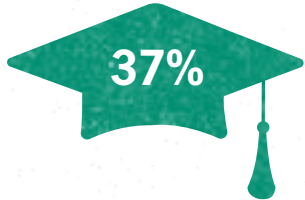
Opportunity to buy extra holiday or take unpaid leave



Reservation of job roles of women on maternity leave for up to a year



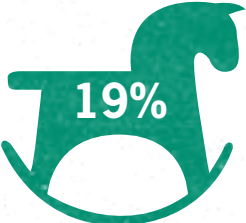
Mentoring/ Coaching



Access to continuing professional development



Paid maternity leave (beyond what is legally required)



Reservation of job roles of women on maternity leave for more than a year



Childcare vouchers/ support



Salary rise or other incentives to return to work



On-site childcare facilities

Source: Grant Thornton IBR 2014

Working mothers: The Indian perspective

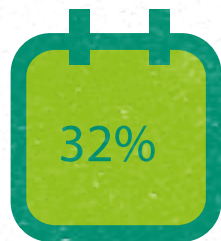
A large number of Indian corporates are adopting gender diversity practices with an aim to have a balanced leadership pipeline across the various profiles. Quotas are being put in place by a majority of companies to redress the gender imbalance. Mandating more women to high-profile board jobs and members of the C-suite opens the door for a large number of females in the mid-level to advance to higher levels.

Besides, several companies have been devoting precious resources to progress towards enhanced female representation in senior management. Introducing support measures from the wider business community can create a path for women to fill more senior roles and gain a firm footing in the workplace. IBR 2014 showed that gender diversity is being supported by corporates by offering paid maternity leave and flexible working hours to the women in the organization.

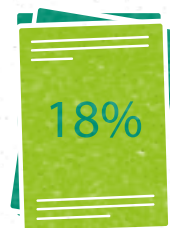
Schemes offered to support the career paths of working mothers (% of respondents)



Flexible working (alternative times, locations etc)



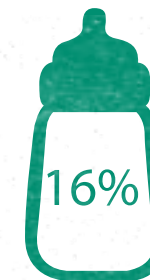
Opportunity to buy extra holiday or take unpaid leave



Mentoring/ coaching



Childcare vouchers/ support



On-site childcare facilities



Access to continuing professional development/ education during maternity leave



Paid maternity leave (beyond what is legally required)



Reservation of job roles of women on maternity leave for up to one year



Reservation of job roles of women on maternity leave for more than a year



Salary rise or other incentives to return to work



Others

Source: Grant Thornton IBR 2014

Working mothers: The Indian perspective

Several companies run trainings in soft skills and skill-building programs specifically for their women employees. These initiatives can help the women members in the workforce overcome certain difficulties to rising up the corporate hierarchy such as gender stereotyping, lower levels of ambition to reach executive level, an unwillingness to promote themselves, approaches to leading and communicating that are not always valued by men.

India, today, has one of the lowest female labor participation rate globally, owing largely to the gender gaps in basic literacy and in the numbers entering higher education. Through greater opportunities to enhance their education credentials and gain additional job-oriented skill enhancement trainings, females in a workforce can markedly enrich their career prospects.

IBR 2014 showed that 28% of Indian companies run a specific programme to support/ mentor women. What is surprising to note is that despite increasing impetus being given to improve female participation in the workforce and address the current lack of women at the top rung, 50% of the Indian business do not run a specific programme to support/mentor women, nor plan to launch one in the near future.

“ Considering that at times, family takes precedence over career for most Indian women, the investment in enabling initiatives from the organizations need to be revisited. Addressing this deterrent for Indian working women to scale the corporate ladder requires corporates to take up more gender diversity program capable of delivering concrete results.

Development initiatives for women such as mentoring schemes and access to continuing professional development/ education during maternity leave need to be taken up by companies more proactively to help the female workforce in its advancement to responsible and senior management positions.

Nidhi Maheshwari
Senior Director – Markets
Grant Thornton in India

Proportion of businesses running a specific programme to support/ mentor women



Source: Grant Thornton IBR 2014

IBR 2014 methodology

The Grant Thornton International Business Report (IBR) is the world's leading mid-market business survey, interviewing approximately 3,300 senior executives every quarter in listed and privately-held businesses all over the world. Launched in 1992 in nine European countries, the report now surveys more than 12,500 business leaders in 45 economies on an annual basis, providing insights on the economic and commercial issues affecting companies globally.

The data in this report are drawn from interviews with chief executive officers, managing directors, chairmen and other senior decision-makers from all industry sectors in mid-market businesses (defined as businesses with 100-499 employees in the UK or those with annual revenues of US\$20million – US\$2billion in the US). The data is drawn from approximately 6,700 interviews conducted between November 2013 and February 2014.

Ama Marston, director of Marston Consulting, was employed as a specialist technical adviser on this report.



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