

# 50 Leading Companies for Women in APEC

By APEC Office, Trade Policy Bureau, Ministry of Economy, Trade and Industry

## Background

Women's empowerment was recognized as an element of inclusive growth under the APEC growth strategy that was agreed upon at the 2010 APEC Economic Leaders' Meeting in Yokohama. This was followed in 2011 by the adoption of the San Francisco Declaration, which identifies four priority areas limiting women's economic participation — access to capital, access to markets, capacity and skills building, and women's leadership — and calls upon APEC economies to take concrete action to reduce barriers in these priority areas.

The ministerial statement issued by the 2014 Meeting of APEC Ministers Responsible for Trade reaffirmed that greater inclusion of women in economic activities will contribute to prosperity in the region. That same year, the 2014 APEC Women and the Economy Forum also urged all member economies to support the development of research on gender diversity and to share model examples and best practices.

Turning to Japan, there is a growing recognition that the participation of women will be indispensable to realizing a growth strategy that aims for sustainable economic growth. Furthermore, in order to increase women's economic empowerment, there is a need for companies and other organizations not only to actively hire women but also to promote women's participation through career

development, by appointing women to management and executive positions, and by cultivating the environment necessary for these things to happen.

Nevertheless, the "leaky pipeline" phenomenon — in which the ratio of women among managers, top executive staff, and key decision makers falls as the position level rises — can be observed at many companies; finding ways to overcome this is one challenge. On the other hand, many companies are also making efforts to nurture

an environment conducive to encouraging hiring, retention, career development, and promotion practices that enable women to maximize their potential.

In order to improve women's leadership — one of the four priority areas identified in the 2011 San Francisco Declaration — we launched the *50 Leading Companies for Women in APEC* project to research what kind of efforts are being made at companies where the participation and leadership of women stands out and to widely disseminate examples of best practices.

## Objectives, Survey Methodology & Participating Companies

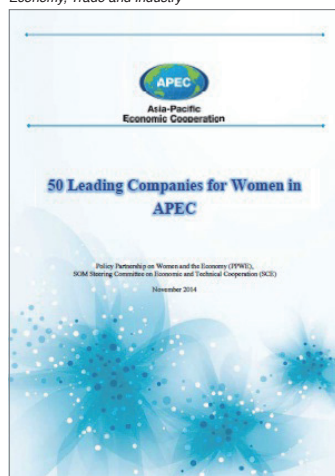
Project objectives are 1) to raise awareness of women's contributions to economic activities so far and 2) to support the expansion of opportunities for women to contribute further to economic activities by assuming leadership roles in corporations and other organizations. To achieve these objectives, the project sought to gather examples of women's participation and leadership at approximately 50 companies and other organizations from the APEC region and to broadly disseminate and share such examples within and beyond the region.

The project was conducted in four distinct phases between June and October 2014, as follows: 1) defining objectives and establishing criteria, 2) nominating companies and other organizations by each economy, 3) distributing questionnaires to each organization and collecting responses, and 4) compiling concrete examples of best practices from among the main initiatives undertaken by each organization.

As a result of this process, 48 organizations representing a diversity of regions, economies, industries, and sizes contributed to the research. As shown in *Chart 1*, these organizations were nominated by 14 economies from the Americas, Northeast Asia, Southeast Asia and Oceania. Southeast Asia had the highest number of nominations among all regions (20 organizations, representing 42% of the total) followed by Northeast Asia (13 organizations; 27%), Oceania (eight organizations; 17%), and the Americas (seven organizations; 14%).

Seen by economy, the United States had the highest number of nominated organizations with seven, followed by the Philippines (six; 13%), Japan (five, 11%), and Malaysia (five, 11%). *Chart 2* shows the actual location of each participating organization.

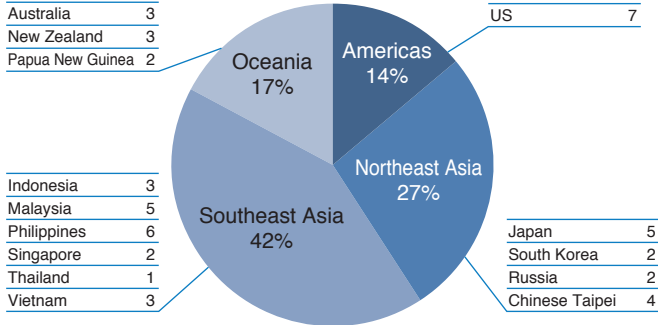
Photo: APEC Office, Trade Policy Bureau, Ministry of Economy, Trade and Industry



"50 Leading Companies for Women in APEC"

CHART 1

## Number of company nominations by economy



Source: "50 Leading Companies for Women in APEC" by APEC Office, Trade Policy Bureau, Ministry of Economy, Trade and Industry

### Observations Based on Organizational Case Studies

Looking at the 48 organizations that took part in the project and their efforts to achieve gender diversity revealed a number of common characteristics despite regional or economy-based environmental differences pertaining to social or cultural context, labor practices, and related legislation. It would be unwise to conflate examples of individual organizations that have completely different management strategies or that operate under entirely different

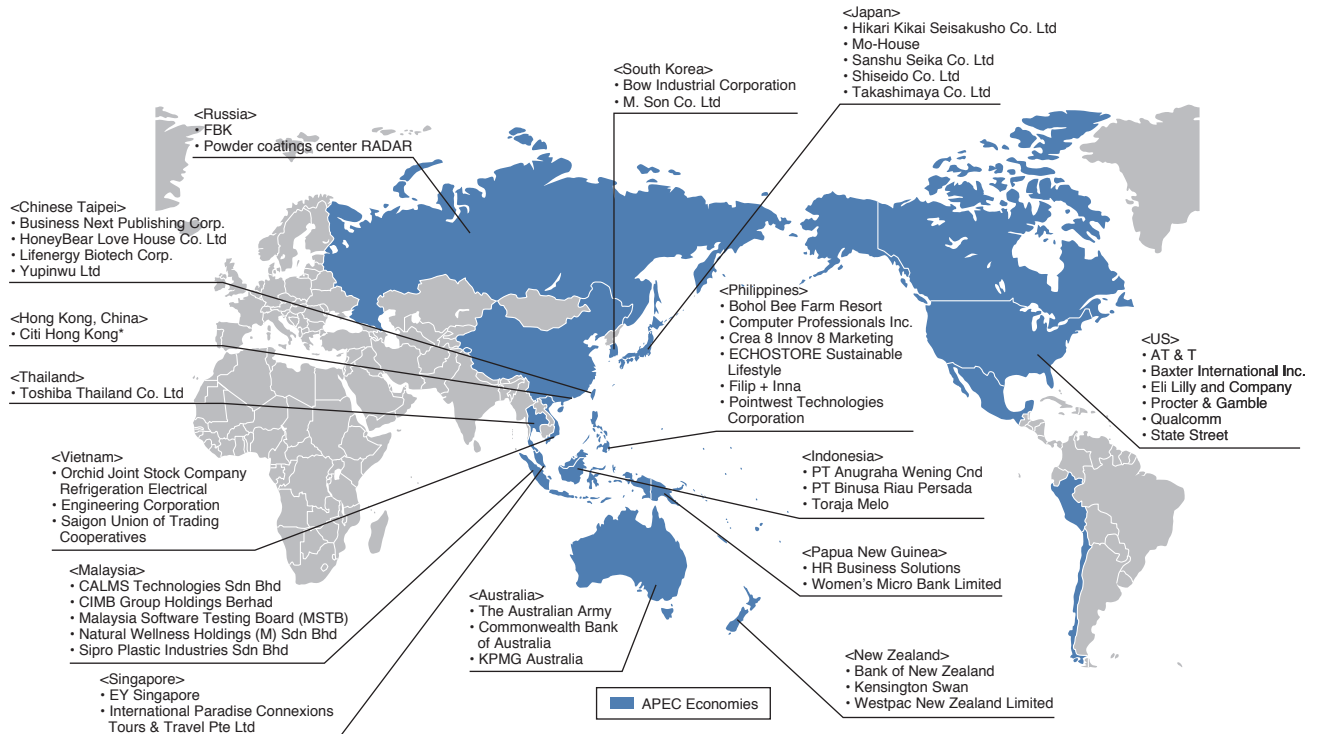
conditions, but categorizing or classifying individual initiatives can reveal possibilities for applying to one's own company or in one's own economy even those initiatives undertaken at different organizations or in different economies. Rather than searching for a single "miracle cure" for expanding opportunities for women's participation and leadership, companies need to implement a variety of diversity measures, addressing the issue in a sustained manner from a variety of angles. It is hoped that categorizing initiatives will make them easier to review with perspective when prioritizing efforts under such a comprehensive approach. The sections below summarize some of these categories and offer observations on each.

### Commitment of Leadership, Action Agendas, & the Establishment of Responsible Departments

Top management at many of the participating organizations showed a strong commitment to increasing diversity. Many organizations shared an understanding among leadership of the significance and importance of diversity management, and made efforts to permeate such thinking throughout the organization from above. In some cases, they carried out employee surveys and focus groups early in the process of drawing up guidelines to ensure that their efforts did not end up one-sided. The Bank of New Zealand, for example, conducted a detailed internal survey in 2010 that clearly identified a lack of commitment among top management to gender

CHART 2

## Map of APEC economies & participating companies/organizations office locations



\* Citi Hong Kong was nominated by the US since its parent company is headquartered in the US.

Source: "50 Leading Companies for Women in APEC" by APEC Office, Trade Policy Bureau, Ministry of Economy, Trade and Industry

balance, unclear career paths for women, and the typical image of banking as a male-dominated industry as being among the barriers women face.

A number of participating organizations have established diversity-related action agendas linked to their overall strategies, and periodically evaluate their progress toward achieving such objectives. Some participating organizations go beyond looking only at the ratio of women among employees as a whole to address the “leaky pipeline” problem, taking “positive action” by setting numerical targets for the ratio of women in managerial and higher positions. Some have even begun leadership-driven initiatives that go a step further to link these targets to the performance evaluations and remuneration of senior executives. Specifically, some companies in the US and Australia have linked the results of diversity and gender-equal participation initiatives to executive performance evaluations and compensation.

Many organizations that have drawn up diversity strategies have also established dedicated departments to promote these strategies. Typical among such cases is the situation seen in several examples from the US in which a dedicated department with strong ties to management is established outside the human resources department to serve as the nucleus of efforts to promote the diversity strategy and to coordinate with contact people in related divisions. AT&T, for example, has established a diversity council on which its chairman sits. This council carries out quarterly progress reviews whose results are linked to executive evaluation and compensation. The Women in Leadership organization that State Street established in the Asia-Pacific region is open to participation by both male and female executives and acts as a governing body providing strategic guidance for gender diversity issues in the region.

## Creating Environment to Enable Diverse & Flexible Working Styles

Most participating organizations have incorporated a variety of flexible employment and working styles to accommodate employee lifestyles. Organizations that have sought to promote employee work-life balance have found that their efforts led to improved employee performance and morale, higher retention rates, and rising sales. Many of these organizations apply such policies not only to women but to all employees. Specific measures include flexible work schedules that are not limited to certain hours or locations (shorter working hours, flextime, working from home), career break schemes, maternity/parental leave (providing pay, extending length, expanding coverage to include fathers, etc.), family caregiver scheduling or leave, support for career resumption or change, re-employment schemes, and the establishment of in-house nursery facilities and mothers’ rooms. In terms of flexibility in working styles, the unique initiatives implemented by organizations with especially high overall percentages of female employees were of particular note. Japan’s Mo-House, for example, permits employees to bring their babies with them to work.

Some IT companies in Southeast Asia have established guidelines

concerning overtime work that are designed to achieve work-life balance. CALMS Technologies Sdn Bhd in Malaysia and CPI in the Philippines have established guidelines that, in principle, prohibit both overtime work and working on weekends and holidays, while Pointwest Technologies Corporation in the Philippines has implemented a system for controlling work volume and grants additional leave time commensurate with overtime.

## On-the-Ground Management Reforms & Personnel Evaluation Systems

In order to ensure that employees take full advantage of the above-mentioned “environments that enable diverse and flexible working styles”, many organizations have implemented measures to promote greater awareness among those in managerial positions. Specific initiatives include, as mentioned in the section about drawing up action agendas and objectives, providing financial and other incentives by linking executive evaluation and compensation to gender policy-related progress, but this is only one approach. Indeed, among the organizations participating in this project it was more common to see training programs for those in managerial positions. Among these, there were numerous examples of programs designed to eliminate bias. At KPMG Australia, for example, managers undergo a program to help them develop the skills necessary to understand the role unconscious bias has on their decision-making. All of the company’s managers and many of its senior leaders have also been trained in how to make appropriate hiring, performance, remuneration, and promotion decisions that are free of bias.

Among organizations that have been proactive in creating “environments that enable diverse and flexible working styles”, many have enabled women to contribute at all levels by implementing merit-based personnel policies that increase opportunities for all personnel with the skills the organization seeks. Since the time of its establishment, Bow Industrial Corporation in Korea, for example, has adopted a “piecework” system that compensates employees for their output rather than for hours worked. Kensington Swan in New Zealand determines employee compensation based on performance and enables even those employees who choose part-time or flexible work schedules to build fulfilling careers while maintaining work-life balance. Other companies that are scrupulous about merit-based personnel management include Toshiba Thailand Co. and the Orchid Joint Stock Company in Vietnam.

## Proactively Appointing a Diverse Workforce

Organizations have devised a variety of measures to ensure that women are able to participate at all levels. Typical examples, as mentioned in the section about drawing up action agendas and objectives, include taking “positive action” like establishing by-position quotas for women or setting numerical targets for promotions. The Australian Army seeks to drive the advancement of women by requiring that all promotion board panels include at least one woman as well as one person external to the military.

Some organizations have established numerical targets to ensure a certain number of women are among candidates when hiring. Among organizations that have established numerical standards for use in making mid-career hires for senior positions, the Bank of New Zealand stipulates that at least one woman be included on the final shortlist of candidates. Baxter, from the United States, requires that women make up at least 50% of candidates when hiring for senior level positions. Some organizations also require the participation of women on their employment candidate selection committees.

Some organizations have adopted systems for proactively hiring women; the Australian Army and AT&T in the United States have dedicated recruiter teams for women. When making mid-career hires for managerial positions, Citi Hong Kong leverages its network of in-house female executives to identify talented women on the outside who might be drawn to join the company. In order to attract talented women with science backgrounds at an early stage, Qualcomm holds events specifically for female university students in the sciences. Other organizations, like Lifenergy Biotech Corp. in Chinese Taipei, engage in efforts such as working with non-profit staffing groups and prioritizing the selection of talented women from underprivileged backgrounds.

### **Job Assignments & Transitioning to Leverage Diversity & Maximize Individual Strengths**

Some organizations are creating opportunities for expanding the diversity of employee skills and experiences not only by prioritizing aspects of demographic diversity such as sex, race, and age but also through job assignments and transitioning. Japan's Sanshu Seika, for example, actively promotes the transitioning of fixed-term part-time workers to regular employees with opportunities for career advancement. Among efforts that go a step further to cultivate those in managerial positions, Citi Group of the US has instituted a sponsorship program that promotes mobility aimed at advancing the careers of women in senior positions. Under this program, the employee receives career advancement assistance from a team of four comprising their manager, a skills development specialist, an executive coach, and a senior executive sponsor.

There were numerous examples of companies providing products and services for which women make up an especially important part of the customer base that expanded opportunities for women's participation and leadership by taking advantage of their unique perspective and strengths as women. Binusa Riau Persada in the Philippines seeks to better meet customer needs by using the personal experience of female employees to inform the design of the homes the company builds. Japan's Shiseido has female team leaders for its core brands and has improved performance by developing cosmetics products that meet women's needs. Japan's Takashimaya department store and the Westpac New Zealand financial institution also count among those organizations that have, in light of the male-female breakdown of their customer base, made efforts to promote the participation of female employees as a way to better respond to the needs of their female customers.

On the other hand, an over-emphasis on the notion that women have special insight into specific products and services or jobs simply because they are women runs the risk of fostering stereotypes and bias that ultimately stand in the way of women making headway in other areas. In order to mitigate this risk, organizations that have adopted diversity strategies carry out training for managers and employees to eliminate bias, as mentioned above, and take other measures to ensure individual strengths are evaluated fairly while respecting diverse cultures and values.

### **Expanding Education & Training for Skills Building & Career Development**

Compared with other economies, the discrepancy in the percentage of women in managerial positions and at operating officer and above tends to be particularly large in Japan, but many organizations address this "leaky pipeline" issue through skills-building programs and mentoring for career development. Takashimaya, for example, has a mentoring program that matches employees in their fourth year with colleagues in their 10th year and carries out career support seminars designed to promote the early development of female managers.

There are also examples of organizations where mentoring gives employees with the potential to be candidates for executive positions the opportunity not only to develop a leadership mentality but also to gain the necessary knowledge of management strategy and finance. Citi Group, through a partnership with the Anderson School of Management at the University of California, Los Angeles, has offered the Women's Leadership Development Program since 2008. While not specific to women, Japan's Hikari Kikai Seisakusho educates employees in subjects such as marketing, accounting and management philosophy through a "management school" led by the president herself. One-third of those who attend are women. FBK in Russia has established its own in-house FBK Economic and Law School.

### **Conclusion**

As noted, the aim of this project was to widely disseminate examples of best practices with respect to women's participation and leadership in organizations and to provide support for such activities by women within the APEC region. The 2014 APEC Joint Ministerial Statement welcomed the report compiling the project's results and encouraged APEC members to share and disseminate these best practices within their respective economies.

The *50 Leading Companies for Women in APEC* report is available to the public through the APEC website ([http://publications.apec.org/publication-detail.php?pub\\_id=1586](http://publications.apec.org/publication-detail.php?pub_id=1586)) and contains many organizational best practices that we were unable to include in this article. We hope this report will be widely read and the living examples of best practices that it describes will be of use when organizations consider how to promote women's participation and leadership.

**JS**