







The power of parity in the workplace



An initiative of the Women's Forum for the Economy & Society

Knowledge Partner

McKinsey&Company

Foreword

CEO Champions has been an initiative of the Women's Forum for the Economy & Society, a Publicis Groupe company, since 2010, and in February 2016, this initiative was held in Dubai, on the opening day of the **Global Women's Forum Dubai**. The workshop was hosted by the **Women's Forum for the Economy & Society**, with **Dubai Women Establishment (DWE)** bringing expertise as a statutory body of the Dubai Government, and with **McKinsey & Company** as a knowledge partner.

For the first time in the MENA region, a group of global leaders, senior government officials, CEOs, top-level senior executives and gender diversity experts from the private and public sectors gathered in a closed workshop entitled, 'The power of gender parity in the workplace'. The group discussed the most important and concrete actions required to establish new and innovative ways to drive the corporate advancement of women in the MENA region, and came up with a list of actionable items to take away and apply in their organizations.

The working session was also attended by International Monetary Fund Managing Director **Christine Lagarde**, as well as the President of the Republic of Mauritius **HE Dr. Ameenah Gurib-Fakim**, both of whom shared inspirational perspectives on the topic of gender parity in the workplace.

Building on insights from the study recently published by the McKinsey Global Institute on Gender Parity¹, and from the McKinsey's *Women Matter* series of research², the CEO Champions brainstormed in breakout groups on the following three main issues:

- 1. What are the main barriers to advancing women in corporations in the Gulf Cooperation Council (GCC) countries?
- 2. What levers would be most relevant for addressing these issues? How can we bring more women into the workforce and at all stages of corporations?
- 3. If there were just one thing to do, what should it be?

The CEO Champions initiative reflects everything DWE was trying to achieve through the Global Women's Forum Dubai. It brought together male and female decision-makers from across the world, including the GCC, to explore new and innovative ways to enhance female participation in the business world and develop real solutions, which large global corporations have

implemented and will start to execute locally and regionally in the very near future. Hosting the first CEO Champions program in Dubai will remain a historic moment, which we believe will bring remarkable benefits for the country and the region in years to come. This initiative also highlighted the great work that the UAE and other Arab countries are doing to encourage female engagement in the workforce, supporting women in their journey to establish themselves as qualified, talented contributors to the sustainable development of economies and societies.

CEO Champions members showed a remarkable level of commitment, passion and conviction, which was illustrated in the ideas and key actions set out during the workshop. The group was unanimous in stating that gender diversity in the workplace requires the willingness of local, regional and global organizations to change their recruiting practices and also recognized that we need to address a number of barriers in society, legislation and in the mindsets of individuals, in order to drive significant cultural change. Workshop discussions focused on the broad ecosystem, and inspiring ideas were developed and shared on how to create a truly equal place for women in the workplace. We were particularly struck by the consistency of views across the six working groups, and the willingness of the CEO Champions members to make this change happen.

This white paper aims to capture the priorities and ideas debated in the workshop, and to provide a source of inspiration for public and private leaders in the region. The purpose of this effort was to provide a valuable source of reflection, which would lead to positive change throughout the UAE, as well as in the rest of the GCC region. All those who have participated in this initiative are deeply thanked for their contribution.

For the Women's Forum for the Economy & Society:

Clara Gaymard, President, Women's Forum for the Economy & Society, a Publicis Groupe company
Olivier Fleurot, Senior Vice President, Member of the P-12, Publicis Groupe

For the CEO Champions partners:

Shamsa Saleh, CEO of Dubai Women Establishment **Michael Rennie**, Director, and **Rima Assi**, Partner, McKinsey & Company

¹ McKinsey Global Institute, The Power of parity: How advancing women's equality can drive \$12 trillion in global growth

² McKinsey & Company, Women Matter, 2007, 2008, 2013 and GCC Women in Leadership



Introduction

What is at stake?

A case for economic growth

A recent report by the McKinsey Global Institute (MGI)3 has made the case that narrowing the global gender gap in the workforce would not only be equitable in the broadest sense, it also constitutes one of the largest opportunities for inclusive growth in the coming decade: it could double contribution by women to global GDP growth between 2014 and 2025, and deliver an additional \$12 trillion to global GDP by 2025 in a best-in-region scenario (i.e. if every country were to close the gender gap in the workplace at the same rate as its fastest improving regional peer). In the GCC alone, if each country were to improve to the best-in-region standard for women's participation in the workplace, it would add an additional \$180 billion, or 7 percent, to the regional economy in 2025 - and, in fact, full parity would bring those numbers up to an additional \$830 billion - 32 percent.

The MGI looked at 15 indicators of gender inequality across four categories. The first category is gender equality in the workplace. The other three categories pertain to gender equality in society – gaps women face in (1) essential services such as education and healthcare, financial and digital inclusion; (2) in legal rights and political representation; and finally (3) in physical security and autonomy. While progress has been made on some aspects of gender inequality, large gaps still remain in many parts of the world. MGI has found that 40 out of the 95 countries studied have high or extremely high levels of inequality in more than half of the 15 indicators.

Inequality in the workforce is overtly apparent in the simple fact that there are 655 million fewer women than men in the labor force. Besides, women spend nearly three times more hours on unpaid care work than men. On essential services and enablers of economic equality, many countries have bridged the gap, however some critical issues remain. For instance, 240,000 women still die every year due to pregnancy complications and there are 195 million fewer literate adult women than men. The world's women still have only 77% of the access men have to financial services, and only 84% of the access men have to the Internet and mobile phones. All of these inequalities impact the total contribution women make to global GDP – which is currently only at 37%.

Clearly, closing all these gaps is critical from both a humanitarian and moral perspective. The MGI report however showed that additionally significant economic growth would be achieved. It also demonstrated that it is

3 McKinsey Global Institute, The Power of parity: How advancing women's equality can drive \$12 trillion in global growth not possible to achieve gender equality in the economy and in the workplace without achieving equality in society.

Gender parity is good for business

Businesses have a role to play in helping close the gender gap - both in society and in the workplace - and they have a vested interest in driving an agenda for change. Several studies, including McKinsey's Women Matter series⁴ demonstrate that gender diversity in corporations (in particular at the top) results in better corporate performance. In particular, these studies have shown that companies with 3 or more women in top management positions score significantly higher in every single measure of organizational effectiveness than do others, and that companies with the largest representation of women leaders have much higher financial results that those with no women at the top. Currently, women in the GCC hold less than 2 percent of executive committee and board positions, and most of the high-ranking women surveyed say they are still the only woman 'at the top.'5 With GCC women already performing highly in secondary and tertiary education, there is ample opportunity for corporations to tap into the region's existing talent pool.

We believe that successful interventions should involve multi-sector coalitions. This is why we gathered leaders from the private and public sectors in Dubai, for the CEO Champions workshop. These public and private sector leaders discussed the main barriers to advancing women in corporations in the GCC countries and more importantly, what levers would be most relevant for addressing these issues in order to bring more women into the workforce at all stages of corporations.

In six breakout groups, the CEO Champions members brainstormed and contributed to the identification of three main barriers to advancing women in GCC's corporations, and to the development of 5 priorities for actions. Barriers and ideas are highlighted in the next two sections of this paper, and we hope they will be inspirational sources for driving change in the GCC countries.

⁴ McKinsey, Gender diversity: A corporate performance driver, Women Matter 2007; Gender diversity in top management: Moving corporate culture, moving boundaries, Women Matter 2013; Women Matter: GCC Women in Leadership. 2014

⁵ Source: Women hold just 1.5% of boardroom seats in the GCC (source: http://gccbdi.org/wp-content/uploads/2013/09/bdinewsletter_q212.pdf)

I. What are the main barriers to advancing women in corporations in the GCC countries?

Overall, the CEO Champions members highlighted three significant barriers to be addressed in order to bring more women into the workforce at each level of GCC organizations.

1. Unconscious bias in predominantly male organizations

There is no labor law preventing employment of women. Most of the barriers are in companies' actual practices, in the culture and in the unconscious bias in organizations. The workforce in GCC countries is overwhelmingly male. If we take only UAE nationals for example, 51% of our UA nationals are women, who are often better educated, but only 28% of them are in the workforce⁶. According to the CEO Champions members, obvious barriers appear in recruiting practices. Corporations are mostly run by male leaders who are possibly predisposed to think that there are no qualified or talented women to hire when they seek a position in top management. Sometimes there is also a belief that we cannot hire a woman for a certain type of job, for example in sales representation, because we believe clients - who are predominantly male - will not like it. "This is a question of mindsets and of willingness to change the way we see and do these things," a participant said.

2. Social segregation

Discussions in the workshop highlighted how the cultural context imposing social segregation sometimes imposes a number of barriers to hiring women. For example, a typical company in Saudi Arabia needs to have separate rooms or buildings for men and women, therefore integrating women means higher costs in infrastructure. Furthermore, restricted access to Majlis – where men gather to work or discuss various issues – affects the ability of women to position themselves as men's peers, or to have a voice in important discussions. It also reduces the chances of men of being exposed to women leaders, which does not help change their vision to correct unconscious bias.

3. Women's mindsets

Some barriers lie in the mindsets of women themselves. While women are highly educated in the GCC countries, they still tend to believe that they cannot apply for leadership positions. There is a perception that having a leadership role is not compatible with maternity, and that a woman who "sacrifices" her family for professional reasons is not being a good wife or mother. The lack of female role models in a predominantly male work environment makes it even harder for young women to

identify themselves and to build their conviction that they can succeed. It means we need to find ways to get the first women in, and they will attract more women. We need the critical mass, but where do we start?

Despite the availability of many educated and talented women in the GCC countries, the situation is very slow to evolve for several reasons: there is a lack of momentum in corporations that tend to "live with the status quo" and a lack of pull from those same corporations due to their perceived constraints. There is also a low push from the women themselves, who do not feel the model can work and who are not confident in the idea that they can succeed.





⁶ Source: https://hawkamah.org/wp-content/uploads/2015/01/ UAE_Women_Board_Directors-Research_Report.pdf

II. What can corporations do to bring more women in their organizations up to the top?

The robust commitment of the CEO is where it starts. We also need to change the behaviors of companies with regard to recruiting and promoting. The leadership in the organization would also need to establish gender parity as a visible priority. Setting clear ambitions, expectations, and driving change is the responsibility of CEOs who need to understand that change is not going to happen on its own.

Participants highlighted that change comes from the top, with formal statements from the CEO, and with a company statement: "Deciding to make gender balance and equality a priority and repeating it every single day", someone explained. These statements should then be translated into policies: "We need to set clear objectives and communicate the progress being made and publish the numbers, to better engage the whole organization", explained a CEO.

2. KPIs, targets and HR policies

CEO Champions members agreed that every job opening should have 50% female candidates: "For every open position, we should make sure we have 50% women in the pool of candidates who apply for it".

HR training on equality seems to be an important first step. Human Resources departments need to understand that tackling this issue requires implementing a proactive change program: developing key gender-parity indicators, reviewing the processes to ensure equal opportunities in recruitment and promotions, and providing equal pay for the same job. It is crucial to train HR – from directors and leaders to managers and employees - and to work with them to deconstruct the unconscious bias affecting recruiting and promoting women. For each position, in each sector, companies can ensure that they will recruit 50% female candidates by setting certain rules: "For example, we should leave a position open until we have received 50% female applications" a participant suggested. Discussions also highlighted the importance of avoiding segregation across departments, with some areas being mainly occupied by men or mainly occupied by women.

3. Working on mindsets to build a new norm

How do we start building the critical mass? It starts with education and the mindsets of women. "We need to teach parity in schools, and educate our children to let them know that they have the choice," a participant said.

However, the mindset issue goes beyond women's issues. CEO Champions members highlighted the importance of defining a "new norm". Collectively, we need to change the

vision of the norm: "It has to become abnormal to have no women in executive committees or in politics, it should strike everyone's mind when there are no women in a professional forum", someone explained. "Building a new vision of what is the norm starts early in education and we have to lead by example," someone commented.

A group raised the idea to provide companies with an index assessing gender parity in executive committees or boards, and building public transparency about scores towards parity standards. "When you have no women, it should be clearly stated that there is a problem," a senior executive from the audience concluded.

"It starts with the rules according to which you operate. Check the rules, verify your bias, set targets, measure and deliver. And if you don't deliver, go back to the drawing board and figure out why you aren't delivering."

Christine Lagarde



"Set yourself KPIs for what you want to do. You have to go back to the policy drawing board."

Ameena Gurib Fakim

Finally, corporations can also provide coaching for males and females, to help deconstruct unconscious bias and drive new behaviors and cultural change.

4. Access to mentors and sponsors and build the critical mass to provide role models

The CEO Champions members acknowledged the importance of mentors, sponsors and role models for change in culture and mindset. Women could benefit greatly from mentors (men and women), who build their confidence, who open doors and help them grow professionally. "We need more leaders, most of them being male, to take your hand and help you stand for a job". At more junior levels, female role models can be very powerful because they show that "you can make it". The question is "how can we start building the critical mass"?

One participant suggested to focus the first step on recruiting "tough women, because it is hard to be the only women in a man's world". Once they have hired a critical mass, companies can start implementing targeted recruiting campaigns, and the first role models can help new female hires.

One idea raised was to provide external mentors to ensure confidentiality of discussions, or to look for external role models and connect them with new female hires.

Another one pointed out the cultural issues and barriers surrounding networking: for example we need to allow women access to the Majlis, so that they can participate in discussions and be exposed to men leaders and mentors. One group suggested creating a female Majlis, with a female sponsor, so that women start to build their own network. Participation in the Majlis can provide opportunities to women to introduce themselves and present their skills to other leaders: "The work environment does not always provide these types of opportunities".

5. Laws and Policies

Participants mentioned the importance of reviewing the constitution, making gender parity part of the constitution.

We also need to review the policies in order to address all the laws that prevent women from participating fully in the economy and sharing leadership positions. "It is still the case that some laws are preventing women from doing certain jobs and that needs to be leveled", a participant explained.



"I know of an African country where it is stated in the constitution that there should be fifty percent women in parliament. And in that country, there are indeed half men and half women in the parliament."

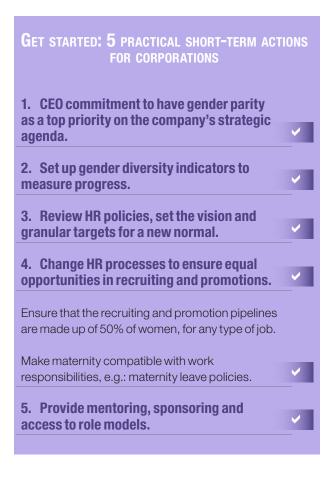
Christine Lagarde

Conclusion and next steps

The Women's Forum for the Economy & Society and the CEO Champions partners are most grateful to the Dubai CEO Champions members, who have shown an outstanding level of energy and commitment to make this workshop a success. Participants shared their experiences and convictions openly and the priorities that were defined were very specific to the GCC countries.

This first discussion will make room for many more to come. Participants were requested to take away inspirational ideas to make change happen in their own companies or to influence the communities in which they work. As one of the members suggested: "Why not create a permanent CEO Champions club here in Dubai?"

The plan is to continue to monitor progress in the GCC region and continue to have the conversation among different groups so progress may be achieved.







Perspectives from participants

[CEO Champions is] a great initiative. For the first time ever, it's happening here, and rightly so. We discussed that, first of all, there has to be a direction. There has to be focus, and only then will things happen. We have seen it in the private sector, especially in our organization when Emiratization started, and we all thought, "How is this going to work?" But today in our organization, UAE Exchange, we have more than 11% of the workforce who are Emirati. If you really focus on something, you can achieve it. The focus has to be from the top: right from the board level of the organization, there has to be a program, and then the HR and other initiatives will fall in line. I am very sure that in the years to come, we will see this is really working. Y. Sudhir Kumar Shetty, President, UAE Exchange

The UAE government has already taken steps into the future to make sure there is empowerment for women, so they can take their rightful positions. What we are adding here is some fine tuning to sustain this in the future and to increase the numbers of female representation in different positions. There were lots of good ideas that came up, and the challenge now is how to start implementing them.

H.E. Rashid Mahboob Mosabah, Acting CEO, Emirates Development Bank

Our society is accepting women and accepting the development that is happening in all different stages of their career lives. We see more ministers, we see a head of parliament, we see even C-suite women. So it's there. How far this can be taken, it is up to us women.

Fatima Obaid Al Jaber, Board Member & Chair of Projects Committee, Al Jaber Group

With 140+ nationalities, ABB prides itself on the diversity of its workforce and we are pleased to support and be part of the Global Women's forum. As part of our next level strategy and with the commitment of our senior leadership we actively support women in their development from vocational orientation into managerial roles.

Mostafa Al Guezeri, Managing Director, ABB in Qatar

I hope that 'CEO Champions' will be an eye opener to countries that do not have gender equality in their government systems or in the private sector. The points that were raised today were important points, and if they get embedded into the government system and the private sector, we can witness more involvement by women on the top level of the employment pyramid in both the private as well as the government sectors. Tariq Al Gurg, Chief Executive Officer, Dubai Cares

This first Global Women's Forum Dubai is a great success and an impulse of hope for women. I had the chance to attend the first Women's Forum in Deauville a decade ago with Baker & McKenzie. Looking at the strides made in ten years regarding diversity, leading positions, growing awareness in various countries, is very encouraging for new female generations even if there is still a tremendous amount of work to do: changing mentalities and improving female networking.

Raphaele Francois-Poncet, Principal, Baker & McKenzie

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We look forward to continuing the discussion and achieving progress together in the future.

Hosts & Partners:

Olivier Fleurot, Senior Vice President, Member of the P-12, Publicis Groupe

Clara Gaymard, President, Women's Forum for the Economy & Society, a Publicis Groupe company

Jacqueline Franjou, CEO Women's Forum

François-Alexandre Bertrand, Partnership & Business Development Director, Women's Forum for the Economy & Society

Michael Rennie, Director, McKinsey & Company
Rima Assi, Partner, McKinsey & Company
Julia Sperling, Partner, McKinsey & Company
Gemma D'Auria, Partner, McKinsey & Company
Eefke Post, Project Manager, McKinsey & Company
Cécile Kossoff, Director of Communications, McKinsey & Company

Rana Hamadeh, Communications Manager, McKinsey & Company

From Dubai Women Establishment

Shamsa Saleh, CEO Dubai Women Establishment **Hessa Tahlak**, Corporate Director of Development Research and

Project Department

Aznita Aziz, Sr. Manager, Strategy and Business Development Waad Omar, Research Officer

Maitha Al-Tayer, Business Development Officer

Asma Ahmed, Office Coordinator

2016 participants

Raphaele Francois-Poncet, Attorney at Law, Associate Partner, Baker & MacKenzie

Arwa Al-Ali, Co-founder, Forte

H.E. Afra Al-Basti, Member, UAE Federal National Council; CEO, Dubai Foundation for Women and Children

Christine Lagarde (welcome note) Managing Director, IMF Ameenah Gurib-Fakim (welcome note) President of Mauritius Majdi Abed, French Consul-General to Dubai

H.E. Razan Al-Mubarak, Secretary General, Environment Agency Abu Dhabi

Laurent Choain, Chief People & Communication Officer, Mazars **Jacqueline Franjou,** CEO, Women's Forum for the Economy & Society

Marc Godin, VP and General Manager MEA, Lenovo Catherine Pégard, President, Musée National des Châteaux de Versailles Valérie Pécresse, President, Ile-de-France region (LR), and Former Minister

Mostafa Al-Guezeri, Country Manager for Qatar, ABB Jad Ariss, CEO for Middle East, the Gulf, and Africa, AXA Philippe Blanchard, Advisor to H.E. Reem Al Hashimy, Expo2020

Andrew Shaw, Managing Director, Ducab

Dr. Aisha Bin Bishr, Managing Director, Smart Office Dubai **Agnes Lopez-Cruz, Managing Director,** French Business Council

Anja Wyden Guelpa, Chancellor of State, Republic and Canton of Geneva

Fatima Al-Jaber, COO, Al-Jaber Group

Khalid Al-Saleh, Glowork - Accompanying Khaled Al-Khudair **Catherine Donazzan,** Private Banker, Int'l Clients, Société Générale

Marc Cagnard, Director Near & Middle East, Business France Dubai, Middle East

Marina Hashim, Managing Director, Électricité de France Y. Sudhir Kumar Shetty, President, UAE Exchange Vivien Ivanyi, Advisory Board Member, Chief Marketing Officers

Amina Bouzguenda Zeghal, CEO, Université Paris-Dauphine Benoît Dubarle, President for Gulf Countries & Pakistan, Schneider Electric

Laudy Lahdo, General Manager, Servcorp Middle East Amelie Zegmout, General Manager, Legrand Group H.E. Rashid Mahboob, Acting CEO, Emirates Development

Huda Al-Ghoson, Executive Director of HR, Saudi Aramco **Abdullah Al-Saleh,** Undersecretary of Foreign Trade and Industry, Ministry of Economy

Dr. Ashraf Gamaleldin, CEO, Hawkamah
Dr. Robert Sebbag, VP for Access to Medicines, Sanofi
Karine Labaky, CEO for Global Pharma, Sanofi
Laura Hwang, Representative, Government of Singapore,
ASEAN Commission on the Promotion and Protection of the
Rights of Women and Children (ACWC)

Ayesha Sultan, Board Member & Independent Non-Executive Director, Tecom Group

Experts

Dr. May Al-Dabbagh, Assistant Professor, Social Research & Public Policy, NYU Abu Dhabi

Khalid Al-Khudair, Founder & CEO, Glowork

H.E. Tariq Al-Gurg, CEO, Dubai Cares

Prof. Yoko Ishikura, Professor Emeritus, Hitotsubashi University **Farak Foustok,** Managing Director and CEO for Middle East, Lazard Asset Management LLC

Lubna Qassem, Executive VP, Group General Counsel, & Company Secretary, Emirates NBD