

EXTRACT

WHY WOMEN MEAN BUSINESS

**Understanding the Emergence of Our Next Economic
Revolution**

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**Chapter One
Womenomics**

*“Forget China, India and the Internet: economic growth is
driven by women”*

The Economist, 12 April 2006

Guarantors of growth

Carlos Ghosn, the CEO of Renault and Nissan, says that Nissan is not responding as well as it could to the needs and expectations of most of its consumers. Addressing 500 of the world's most powerful women at a self-styled 'Davos for women' conference in Deauville, Franceⁱ, he said that women directly make or influence two-thirds of car purchases in Japan. Nissan conducted surveys, which revealed that 80% of women buyers would prefer to have women salespeople in the showrooms. So would 50% of men. Yet today, Mr. Ghosn acknowledges ruefully, women represent only 10% of salespeople in Japan and only 1.9% of Japanese car industry managers.

This book is dedicated to the companies that are waking up to 'womenomics': the economic revolution created by women's growing power and potential. No business can afford to ignore it.

The 20th century saw the rise of women. The 21st century will witness the economic, political and social consequences. Few developments have had such far-reaching effects on the lives of every man, woman and child today than the rapid change in the status and role of women. Over the past 30 years, and for the first time in history, women have been working alongside men in the same jobs and the same companies, with the same levels of education, the same qualifications, and

comparable ambitions. Today, they represent most of the talent pool and much of the market. They have unprecedented economic influence. In America, for example, women make 80% of consumer purchasing decisions.

Women's mass arrival into the world of work in the 20th century is emerging as an economic revolution with enormous consequences. In developed countries, women are becoming central to labour market solutions to the combined challenges of an ageing workforce, falling birth rates and skill shortages. In the developing world, women's economic participation is increasingly seen as the key to sustainable development.

There has never before been such a confluence of international attention given to the economic importance of women and the need to enable them to fulfil their potential. The position of women – in companies, countries and governments – is seen as a measure of health, maturity and economic viability. The World Economic Forum, organiser of the influential Davos conference, created a Global Gender Gap Report in 2005, ranking 115 countries on how they score for women's education, health, and participation in the economy and the political process.

The Organisation for Economic Cooperation and Development (OECD) has declared that 'gender equality strengthens long-term economic development'. In 2007, it set up a gender website to focus on 'the implications of [gender]

inequalities for economic development and what can be done to develop policies for parity'. In a similar vein, the World Bank launched a Gender Action Plan in 2007.

Goldman Sachs, the leading investment bank, is one of those now using the term 'womenomics' to sum up the force that women represent as guarantors of growth. It points to the huge implications that closing the gap between male and female employment rates would have for the global economy, giving a powerful boost to GDP in Europe, the US and Japan. 'Encouraging more women into the labour force has been the single biggest driver of Eurozone's labour market success, much more so than "conventional" labour market reforms,' it says.

Reducing gender inequality further could play a key role in addressing the twin problems of population ageing and pension sustainability. Crucially, Goldman notes, female employment and fertility *both* tend to be higher in countries where it is relatively easy for women to work *and* have children.

Governments are looking anxiously for solutions to the persistent undervaluing of women's skills. Vladimír Špidla, the European Commissioner for Employment, Social Affairs and Equal Opportunities, points out that women have filled 6 million of the 8 million jobs created in the European Union since 2000, and that 59% of university graduates are female.

‘Women are driving job growth in Europe and helping us reach our economic targets,’ he says. ‘But they still face too many barriers to realising their full potential.’

Angela Merkel, the German chancellor, has pointed to women’s under-representation in top jobs, arguing that this must be corrected to help Europe become the world’s most dynamic economy. In the UK, a government-appointed commission on women and work has reported that the country could gain £23bn – or 2% of gross domestic product (GDP) – by better harnessing women’s skills. ‘Many women are working, day-in, day-out, far below their abilities and this waste of talent is a national outrage at a time when the UK is facing some of its strongest competition from around the globe,’ said Baroness Margaret Prosser, who chaired the commission.

Why Women Mean Business takes these powerful economic arguments for change to the heart of the corporate world. We analyse the opportunities open to companies which really understand what motivates women in the workplace and the marketplace. We explain the impact of national cultures on women’s participation in the labour force. We show how corporate policies that make women welcome will help business respond to the challenge of an ageing workforce and the demands of the next generation of knowledge workers. We examine why many of the current approaches to gender have not worked and why we need a new perspective: one

that sees women not as a problem but as a solution – and that treats them not as a mythical minority but as full partners in leadership. With the new perspective, we offer companies and managers a step-by-step guide on how to integrate women successfully into their growth strategies.

Gender is a business issue, not a ‘women’s issue’. The under-use of women’s talent has an impact on the bottom line. Taking action to address this will require sustained courage and conviction from today’s corporate leadership. This is an opportunity that must not be missed. It is time for CEOs to get serious about sex.

Extract from Chapter Five

Chapter Five

Seven Steps to Successful Implementation

“This will give us a tremendous competitive advantage. The available population of top female talent to non-women-friendly competitors is ever declining. We’re already five years ahead of the game. And we’ll be increasing our lead. It’s a very hard issue to play ‘catch up’ on.”

Jim Andrews, Gender Diversity Manager, Schlumberger

Key success factors



Becoming bilingual begins with a shift in perspective. It depends on recognising that responsibility for better gender balance lies with all managers, not just with women. It focuses its efforts on teaching the current majority to become bilingual, fluent in the language and culture of both men and women. Only once all managers understand that the methods and messages used to recruit, manage and evaluate men do not necessarily work for women will women’s talents stand a chance of being accurately recognised and optimised.

Gender initiatives are far from simple. Companies often underestimate the reactions they elicit – both from men and women. To add a layer of complexity, attitudes to gender and the respective roles of men and women differ sharply from country to country and from region to region, as we explain

in Chapter Six.

The way a gender initiative is launched is the key to its success. Getting it wrong can stir up resentment and hamper the very objectives it was meant to achieve, sometimes for years. Getting it right requires a sound understanding of what the issues are about – and what they are not about.

Below, we outline seven steps to launching an effective gender strategy, one that is inclusive of both men and women.


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