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ENGENDERING INDUSTRIES: DEVELOPING A BUSINESS CASE FOR GENDER EQUALITY

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DISCLAIMER

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INTRODUCTION

Research shows that gender diversity is correlated with improved business performance. A McKinsey & Company study of 1,000 companies across 12 countries concluded that gender-diverse companies are more profitable than their national industry averages.¹ A Catalyst study found that firms that have more women in management positions enjoy 35 percent more return on equity (ROE) than firms that lack gender diversity.

Despite these clear benefits, it can be difficult to convince managers and staff to hire more women, and women's participation in the global workforce remains low. This guide helps organizations develop a business case for gender equality to persuade senior leadership that gender equality is good for business.



LOW FEMALE SHARES OF EMPLOYMENT ACROSS INDUSTRIES²

Women's labor participation in the energy sector is **only 25%**,³ and **only 23%** of engineers and managers in water utilities are women.⁴

The trend of low female shares of employment can also be seen in other sectors: in the manufacturing and IT sectors, women account for **only 23%** and **27%** of the workforce, respectively.⁵

THE GLOBAL BUSINESS CASE FOR GENDER EQUALITY

Workplace gender equality is a “win” for all. The equal involvement of women in the workplace contributes to meaningful returns on investment⁶ and is associated with:

- **Increased profitability and organizational performance.** The top 25 percent of companies in male-dominated industries that have the most gender-diverse executive leadership teams are 47 percent more profitable than those in the bottom 25 percent.⁷
- **Improved national productivity and economic growth.** Excluding women from the workforce leads to inefficient economies, unequal growth, and missed opportunities for development. McKinsey estimates that achieving gender parity in the workplace could add as much as \$12 trillion to the global economy.⁸

¹ McKinsey & Company. (2018). Still looking for room at the top: Ten years of research on women in the workplace. Available at <https://www.mckinsey.com/featured-insights/gender-equality/still-looking-for-room-at-the-top-ten-years-of-research-on-women-in-the-workplace>

² World Economic Forum, 2017.

³ Johnstone, N. & Silva, M. (2020). Gender Diversity in Energy: What we Know and What we Don't Know. Available at <https://www.iea.org/commentaries/gender-diversity-in-energy-what-we-know-and-what-we-dont-know>

⁴ The International Water Association (IWA). (2016). The Untapped Resource: Gender and Diversity in the Water

Workforce. Available at https://www.iwa-network.org/wp-content/uploads/2016/08/The_Untapped_Resource_screen.pdf

⁵ World Economic Forum, 2017.

⁶ Solidaridad Network. (2017). Blog: Sustainable Development Demands Gender Inclusivity. Retrieved from: <https://www.solidaridadnetwork.org/news/blog-sustainable-development-demands-gender-inclusivity>

⁷ Foreign Policy. (2020) “Women as Levers of Change.” Available at: <https://womensleversofchange.com/static/pdf/Women-As-Levers-Of-Change.pdf>

⁸ McKinsey Global Institute (MGI). 2015. The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to

- **Resilient workplaces and national economies that can withstand shocks.** Companies with gender-diverse boards outperform those with no women in terms of share price performance during times of crisis or volatility.⁹ Companies with greater gender diversity are better able to recruit and retain top talent, helping make them more versatile and resilient.
- **Enhanced organizational reputation¹⁰ and ability to attract talent and retain employees.** Companies with strong gender inclusion have improved employee satisfaction and reduced employee turnover and absenteeism.¹¹
- **Sustainable development outcomes.** Studies show that women who are economically empowered are more likely to invest their money back into the family, spending money on children’s nutrition, health, clothing, and education. This generates positive, sustainable development outcomes.¹²
- **Innovation.** Inclusive business cultures lead to a 59.1 percent increase in creativity, innovation, and openness and 37.9 percent better assessment of consumer demand.¹³

Global Growth. Retrieved from:

https://www.mckinsey.com/~media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.pdf

⁹ Credit Suisse Research Institute. 2016. “The CS Gender 3000: The Reward for Change.” Available at: <http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=5A7755E1-EFDD-1973-A0B5C54AFF3FB0AE>

¹⁰ Australian Government. Workplace Gender Equality Agency. Retrieved from: <https://www.wgea.gov.au/topics/workplace-gender-equality/the-business-case>

¹¹ Ibid.

¹² International Finance Corporation (IFC). 2013. Investing in Women’s Employment – Good for Business, Good for Development. Retrieved from: <https://www.ifc.org/wps/wcm/connect/53d46b07-63d9-4f16-8649-43891032aa25/InvestinginWomensEmployment.pdf?MOD=AJPERES&CVID=k6FdFMc>

¹³ Catalyst. (2020). Why Diversity and Inclusion Matter: Quick Take. Retrieved from: <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/#:~:text=Catalyst%20has%20organized%20these%20findings,and%20responsibility%2C%20and%20financial%20performance.>

DEVELOPING A BUSINESS CASE FOR GENDER EQUALITY

Developing a business case for gender equality is critical for achieving buy-in and strategic action from all staff, particularly senior leadership. The business case can serve as the “guiding light” so all stakeholders know how improving gender equality can contribute to better business outcomes.¹⁴ Your business case can be specific to your particular industry, or to your organization. The global evidence noted above can support your organization’s business case, but it is also important that your organization identifies its own strategic business priorities, examines sex-disaggregated organizational data, and determines how gender equality can help achieve the organization’s strategic business goals.

Your business case should:

- **Identify a business need or challenge** and explain how the organization plans to address it. Ideally, the business case should address a specific pain point, such as loss of revenue, and dovetail with the organization’s strategic business objectives.
- **Describe the root causes of the business challenge** and articulate how gender equality can help solve the challenge.
- **Identify what specific actions or changes are needed.**
- **Articulate expected outcomes**, including the expected quantitative and qualitative results.
- **Include SMART targets** that are specific, measurable, achievable, realistic, and timely.
- **Motivate organizational leadership** and help drive change at the organization. The business case should reflect an analysis and understanding of decision makers’ interests.
- **Identify risks and limitations**, including staffing limitations, like a hiring freeze, or other resource limitations.
- **Be flexible and supported by data** and articulate the need for monitoring, evaluation, and re-formulation over time.



WHAT IS A “BUSINESS CASE FOR GENDER EQUALITY?”

A business case provides justification for undertaking a project, program, or portfolio.

It evaluates the benefit, cost, and risk of alternative options and provides a rationale for the preferred solution.¹⁵

¹⁴ PMI. (n.d.) Retrieved from: <https://www.pmi.org/learning/library/need-business-case-6730>

¹⁵ APM. (n.d.) UK.



ROADMAP FOR WRITING A BUSINESS CASE

WHAT IS YOUR CASE?

Justification, opportunity, or problem statement. You are telling a "story" about how to meet a business need.

POSSIBLE SOLUTIONS

Clarify the need. (What opportunity are you pursuing? What pain are you trying to alleviate?) Give stakeholders options for addressing the need. Seek counsel from those who know what persuades decision makers in your company.

LIST ADVANTAGES

Articulate the positive quantitative and qualitative outcomes that are expected. Fill out the Business Benefits Evaluation worksheet.

BUILD SUPPORT

Assemble a cross-functional team from across the organization to ensure multiple perspectives are heard.

MINIMIZE RESISTANCE AND ANTICIPATE ROADBLOCKS

Predict the scope and potential risks. What is the main goal and how long will it take us to accomplish it?

PLAN OUTLINE

Plan next steps, including milestones, to-dos, deliverables, and the right medium to make your case and "make it shine." Think through the "how" at a high-level and be realistic.

BUSINESS CASE EXAMPLES

ORGANIZATION A

Organization A is developing a business case that links gender equality with increased revenue collection. They predict that if they employ more women in revenue collection, billing, connections, and disconnections, that they could increase revenue collection by two percent (\$2 million) per year. They believe these efforts will also increase the trust, loyalty, and satisfaction of its customers.

CHALLENGES TO SOLVE

- Revenue collection and energy theft are high.
- Revenue collection teams have inconsistent performance.
- Customer relations need to be improved.

EXPECTED BENEFITS

- Increased women's participation in operations may result in improved customer relations with women and families in communities where energy theft is high. The organization predicts that women will be able to increase customer loyalty, attract new customers, increase customer satisfaction, and make female customers feel more comfortable interfacing with utility staff.
- Improved community relations will increase revenue by reducing losses by up to 2 percent (or \$2 million) annually, increase the collection rate, improve energy efficiency, and improve the quality of the power supply.
- Less internal organizational corruption could also be a potential benefit, further accelerating the collection rate.
- The business case is linked to existing national strategies to alleviate poverty through increased earning opportunities for women, which contribute to the financial benefit of families and improve opportunities for children to get quality education.

ACTION REQUIRED

- Achieve gender parity by hiring new people and evaluating women's potential in new positions.
- Address the safety concerns of women.

ORGANIZATION B

Organization B seeks to expand their talent and recruitment pool. The high rate of out-migration by male professionals seeking employment opportunities abroad has left gaps in the national talent pool. The organization hopes to hire and train more women to fill this gap.

CHALLENGES TO SOLVE

- Increasing gender diversity in the talent and recruitment pool, particularly for technical positions.
- Countering talent gaps caused by the out-migration of male professionals seeking employment abroad.

BUSINESS CASE CONSIDERATIONS

- Out-migration numbers, resulting in “brain drain.”
- Number of individuals available for certain job types, disaggregated by sex.
- Identification of competitors that hire from similar talent pools.

ORGANIZATION C

Organization C seeks to address staffing shortages that will result from a forthcoming wave of retirement. Long term, the organization intends to diversify the gender and age structure of the organization, encourage more girls and women to pursue technical careers in the energy sector, and market the utility as an employer of choice for women.

CHALLENGES TO SOLVE

- Aging workforce.
- Lack of talent and strong competition in the market for human resources.

EXPECTED BENEFITS

- Create healthy pipeline for future hiring.
- Be recognized as an employer of choice to be more attractive to existing talent than the competition.

ACTION REQUIRED

- Conduct talent outreach (schools, internships).
- Use internships for direct hiring.
- Use business opportunities from alternative business models to hire new talent.



MAKING THE PITCH TO SENIOR LEADERSHIP

| DESCRIPTION | CHALLENGES TO IMPLEMENTATION |
|--|--|
| Familiarize all senior leadership with the global evidence for the business case for gender equality | Precise attribution of benefits, or causality, will not always be feasible |
| Conduct a comprehensive gender assessment of the company to identify gaps and opportunities to improve gender equality | Additional resources may be required for effective measurement |
| Develop a specific business case unique to the organization based on data, which is compelling and persuasive to key decision makers | Resistance to gender equality initiatives until the business case has been developed |
| Conduct a cost-benefit analysis of gender inequality to support the business case (e.g., benefits vs. employee turnover and decreased productivity and costs of sexual harassment and gender-based violence) | |
| Communicate the assessment findings and business case across the organization | |
| Identify priority areas for measurement, define indicators, and gather baseline and regular periodic data | |

EVALUATING BUSINESS BENEFITS WORKSHEET

Fill out this worksheet to brainstorm external and internal benefits of increasing the number of female employees in the organization.

DEFINITIONS

- **The business case:** Why should we do this? What will happen if we take this course of action?
- **The business benefits:** What were the outcomes of this initiative and what were the benefits for the company, its customers, and women and men working at the company?

| BUSINESS BENEFIT | DESCRIPTION | SUPPORTS OVERALL BUSINESS STRATEGY (YES/NO) | HOW WILL OUR ORGANIZATION BENEFIT? |
|--------------------|-------------|---|------------------------------------|
| CUSTOMERS | | | |
| MARKET SHARE | | | |
| TALENT | | | |
| PERFORMANCE | | | |
| INNOVATION | | | |
| AGILITY | | | |
| RISK | | | |
| COMMUNITY | | | |
| OTHER STAKEHOLDERS | | | |
| OTHER BENEFITS | | | |

2018 Engendering Industries 2.0, Self-evaluation Tool provided by J. Boehm; based on Gender Strategy Tool Kit by Workplace Gender Equality Agency of the Australian Government.



ADDITIONAL RESOURCES

[The Business Case for Change](#), ILO

[Understanding the Business Case for Gender Equality in the Workplace](#), PROMUNDO

[Sustainable Development Demands Gender Inclusivity](#), Solidaridad

[Gender Equity: The Business Case for Women in the Boardroom](#), The One Brief

[Investing in Women's Employment](#), IFC

[Engendering Industries, Business Case](#), USAID