

June 2020

# The business case for women in business and management in the Philippines

## ► 1. Introduction and overview of the Philippines

The Philippines is a dynamic economy with robust services and manufacturing sectors fuelled by urbanization, strong consumer demand and a competitive workforce. In 2018, its gross domestic product (GDP) totalled US\$330.9 billion, of which services represented almost 60 per cent and manufacturing accounted for 19 per cent.<sup>1</sup> Key economic sectors include business processing outsourcing, electronics and electrical products, and food manufacturing.

The service and manufacturing sectors account for 57 per cent and 8 per cent of total waged jobs, correspondingly.<sup>2</sup> While most women (76 per cent) work in the service sector, relative to men (45 per cent), 25 per cent of men work in industry relative to 10 per cent of women. Labour force totals 45 million people and the share of working age women and men participating in the workforce accounts for 45 per cent and 72 per cent, respectively.<sup>3</sup> Female employment as a share of the working age population has stayed relatively unmoved at around 45 per cent since 1991 (figure 1).

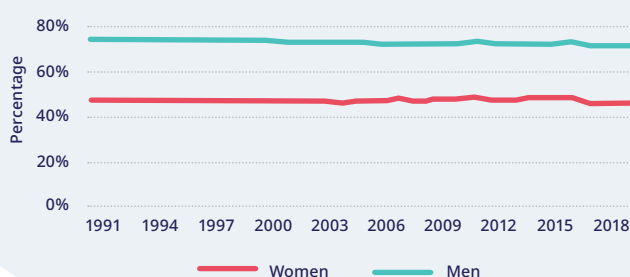
The Philippines is facing several challenges resulting from the COVID-19 pandemic. Early on in 2020 the government introduced measures to reduce the risk of transmission including locking down of affected areas, restricting travel and banning mass gatherings. These measures have reduced domestic demand, altered work arrangements, and disrupted supply chains, among others. As a result, economic growth has declined, particularly in key sectors including manufacturing, retail and sales, and services.

In the Philippines, the impact of the COVID-19 pandemic has been gendered.<sup>4</sup> Women are over-represented in temporary or part-time employment, and therefore are more at risk of losing their jobs compared to men. Women also comprise the majority of employees in the services sector, which has been particularly hit by restrictions to curb the spread of the virus. While this crisis has highlighted the importance of flexible work arrangements and telework, it has also exacerbated women's double burden in balancing family and work responsibilities.

This country brief demonstrates the business case for gender diversity in management and workplace gender equality in the Philippines considering the COVID-19 context.<sup>5</sup> The brief also showcases ILO's efforts to provide women workers with critical STEM-related soft and technical skills to improve their employability and career prospects in the Philippines.

This country brief highlights findings relevant to the Philippines from the International Labour Organization (ILO) report *Women in Business and Management (WIBM): The Business Case for Change*. These findings are complemented by ILO and Investing in Women (IW)

**Figure 1. Employment to population ratio (percentage), The Philippines, 1991-2019, women and men**



Source: ILO Stats (2020).

<sup>1</sup> World Bank Group, *World Bank Data* (2020).

<sup>2</sup> Ibid.

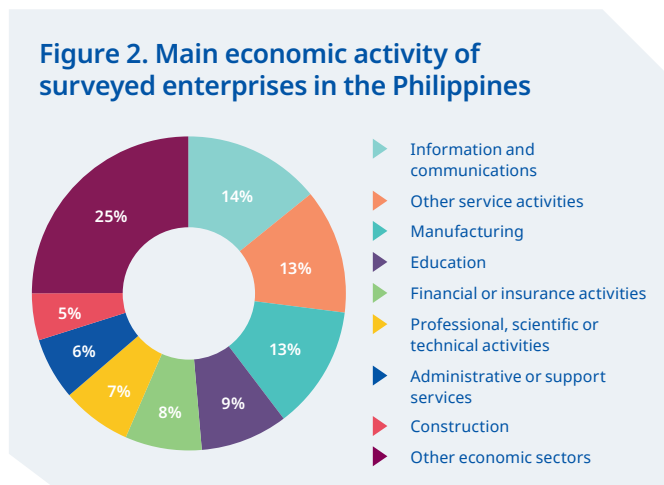
<sup>3</sup> ILO, *ILOSTAT Database* (2020).

<sup>4</sup> IW, *A Rapid Analysis on COVID-19 and Implications for Women's Economic Participation* (May 2020).

<sup>5</sup> This country brief was jointly developed by the International Labour Organization (ILO) and Investing in Women (IW).

research. The WIBM research examined how gender diversity at decision making levels of business improves organizational performance and increases profitability. As part of this, the ILO conducted a global survey with 12,940 enterprises in 70 countries.

In the Philippines, the survey was conducted with 389 enterprises of different sizes and sectors. Of surveyed enterprises, 46 per cent were large, 38 per cent were small and 16 per cent were medium.<sup>6</sup> About two thirds of surveyed enterprises operated at the national or local level, and one third of enterprises at the multinational level. The majority of enterprises came from the information and communications (14 per cent), other service activities (13 per cent) and education (13 per cent) sectors.



**Note:** Other economic sectors refer to sectors accounting for less than 5 per cent individually.

**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change* (Geneva, 2019).

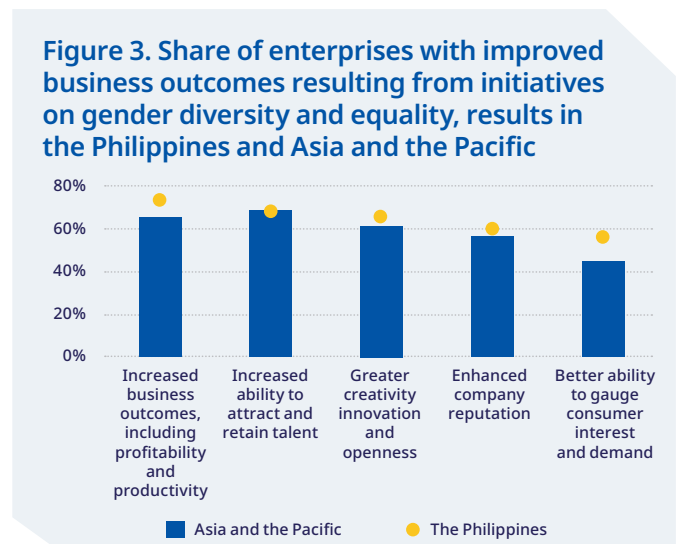
## ▶ 2. The business case for advancing women in business and management

Improving gender diversity in the workplace creates business benefits for enterprises including higher profitability and productivity, increased ability to retain talent, and greater creativity, among others. Enterprises in the Philippines are faced with skill shortages, which could be addressed by recruiting and advancing more women into management positions.

### 2.1. Gender diversity initiatives enhance business outcomes

The ILO enterprise survey examined whether gender diversity initiatives enhanced business outcomes. Over 84 per cent of Filipino enterprises agreed this was the case, significantly higher than enterprises in Asia and the Pacific (68 per cent). Among Filipino enterprises, medium enterprises (89 per cent) and those from construction (90 per cent), professional, scientific or technical activities (89 per cent) and education (88 per cent) sectors were the most likely to report better business outcomes.

Most surveyed enterprises in the Philippines recognized that gender diversity brings several benefits to their businesses. Of Filipino enterprises reporting improved business outcomes, over 73 per cent reported increased profitability and productivity, 69 per cent reported increased ability to attract and retain talent, 66 per cent reported greater creativity, innovation and openness, about 61 per cent said their company's reputation had been enhanced, and more than half reported better ability to gauge consumer interest and demand (figure 3). These reported benefits were higher than those reported by average enterprises in the region.



**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

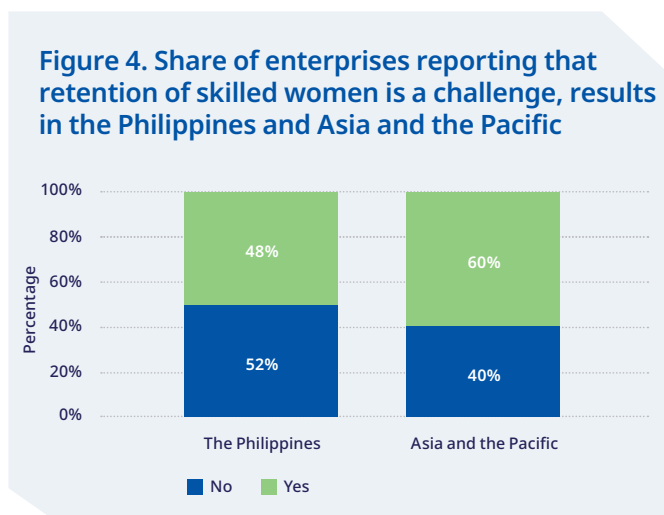
Enterprises reporting better profitability due to gender diversity initiatives experienced quantifiable profit increases. **Of enterprises in the Philippines reporting profit increases resulting from gender diversity initiatives, 68 per cent reported profit increases of between 5 and 20 per cent, and 25 per cent reported profit increases over 20 per cent.**

<sup>6</sup> Small enterprises employ between 2 and 100 employees, medium enterprises employ between 101 and 250 employees and large enterprises employ over 250 employees.

Having an equal employment opportunity or diversity and inclusion policy, a gender balanced workforce and a woman chief executive officer (CEO) are factors that are positively associated with achieving better business outcomes. Filipino enterprises with an equal employment opportunity or diversity and inclusion policy were 14 per cent more likely to report that they had better business outcomes than those that did not have such policies. Across Asia and the Pacific, enterprises with a gender balanced workforce were 3 per cent more likely to have better business outcomes.<sup>7</sup> Additionally, Asia Pacific enterprises with women CEOs were 5 per cent more likely to have better business outcomes.

## 2.2. Attracting and retaining skilled staff is challenging

Retention of productive employees is a key human resource challenge for enterprises particularly as it is difficult and costly to find and attract skilled people. High employee turnover affects enterprises' bottom line, as they need to invest in the hiring, training and development of new recruits. Surveyed enterprises were asked whether retention of skilled women was a challenge. Almost half of enterprises in the Philippines reported that retention of skilled women was indeed a challenge, compared to 60 per cent of enterprises in Asia and the Pacific (figure 4).



**Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The IW Working Women in Southeast Asia study examined the conditions, policies and practices that influence retention of women. In the Philippines, 54,000 employees were surveyed across nine enterprises to analyze three factors influencing women's retention, namely, overall job satisfaction; views on fairness and opportunities for career advancement; and work-life balance. This analysis was conducted for sub-groups of employees, including women and men who were married, who were primary caregivers, and who worked in management. Analysis of these sub-groups provides insights into the unique challenges faced by women at different stages of their life and career.

In the Philippines there is a clear level of job dissatisfaction among female employees, compared to their male counterparts. Every sub-group of women had more negative views on career/family compatibility, and placed higher value on flexible work compared to men. The career/family incompatibility was particularly strong for married women and married female managers. However, married women working for companies that had flexible work policies were more likely to agree that career and family were compatible and that they had the flexibility needed to balance work and life. Additionally, women managers were less likely to think they were remunerated equally for work of equal value compared to men managers. Overall dissatisfaction among Filipino women could prompt them to leave their jobs for potentially better offers.

Violence and harassment at the workplace also impact employers' ability to retain talented women.<sup>8</sup> IW research shows that Filipino women disproportionately experience harassment at work compared to men. These findings are based on IW's Social Norms, Attitudes and Practices (SNAP) survey, conducted with 2,000 women and men aged between 18 and 40 years of age in urban Philippines.<sup>9</sup> The majority of women (72 per cent) and men (68 per cent) agreed or strongly agreed that women experienced harassment from bosses and peers. By comparison, about half of women and men surveyed agreed or strongly agreed that men were harassed at work by bosses or peers.

It is important to understand the factors that impact retention of skilled women, particularly if enterprises have invested in them. In the Philippines, women appreciate workplaces that provide flexible work options. Corporate initiatives addressing factors affecting women's retention could help avoid losing talent. According to the ILO enterprise survey, some Filipino enterprises had initiatives to deal with

<sup>7</sup> Gender balance is defined as 40 to 60 per cent of either gender.

<sup>8</sup> ILO Convention 190 aims to protect all employees irrespective of their contractual status from workplace violence and harassment. The Convention recognizes that such behavior can constitute a human rights violation or abuse and is incompatible with decent work.

<sup>9</sup> Investing in Women, *Attitudes to Equality: Understanding social norms, perceptions and practices around gender in Indonesia, the Philippines and Vietnam* (2019). The survey was conducted with equal shares of women and men.

these issues. Of surveyed enterprises, 68 per cent implemented initiatives for flexible working hours, 58 per cent implemented initiatives to prevent sexual harassment at the workplace, and 38 per cent implemented part-time or remote work initiatives.

## 2.3. Female talent pool is increasing

While enterprises face an overall shortage of skills and retention challenges, the female talent pool continues to grow. More women graduate from tertiary education than men. In the Philippines, women accounted for 58 per cent of total tertiary education graduates.<sup>10</sup> Similarly, in Asia and the Pacific and the world women represent 51 per cent and 53 per cent of total tertiary education graduates, respectively.<sup>11</sup>

Women also are increasingly expanding their skills in STEM disciplines, which are in high demand by employers. Women account for 36 per cent of STEM tertiary graduates in the Philippines, and 40 per cent in Asia and the Pacific.<sup>12</sup> Even though the majority of STEM tertiary graduates continue to be men, more women are taking up STEM fields and ultimately STEM-related occupations. This also means that in the long-run enterprises will benefit from a bigger and more educated talent pool.

According to IW research, women also have career ambitions and aspire for senior management positions. More specifically, of Filipino women participating in the SNAP survey, 79 per cent hoped to get promoted in the next 24 months and 70 per cent wanted to transition into senior management. This compares to almost equal shares of men hoping for a promotion (83 per cent) and wanting to work as senior managers (75 per cent).

Women in the Philippines are both increasingly better educated and have growing ambitions and aspirations. Better integrating women with STEM skills in the labour market can create long-term benefits for enterprises. Efforts to support and expand the talent pool for women in STEM are highlighted in box 1 below.

<sup>10</sup> United Nations Educational, Scientific and Cultural Organization – Institute for Statistics (UNESCO- UIS): UIS Data Centre (2020).

<sup>11</sup> ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>12</sup> UNESCO UIS (2020); ibid.

### Box 1.

#### Supporting women's career advancement in STEM sectors in the Philippines

The Business Process Management (BPM) industry is one of the strongest drivers of the Philippine economy, accounting for about 13 per cent of the global Information Technology (IT) BPM business, and with an annual revenue forecasted to reach \$US55 billion by the end of 2020. Over 200,000 workers are needed each year in the IT-BPM sector, but only 50,000 graduates have the right skillsets to be hired.

As of 2019, the IT-BPM sector employed over 1.1 million employees, and women represented 53 per cent of total jobs, but faced a 13 per cent pay gap, largely representing the lower paying and skilled positions they occupy. Over the coming years, automation processes in this sector will increasingly replace routine tasks with modern algorithms to enhance the productivity of back-office work. Women in the IT-BPM sector are primarily concentrated in low skilled jobs, and therefore are at higher automation risk compared to men.

To facilitate women's future work transitions and respond to business needs in the Philippines, since 2017, the ILO has implemented the Women in STEM workforce readiness and development programme supported by J.P. Morgan Chase Foundation. The Women in STEM programme provides women workers with critical STEM-related skills to increase women's employability and improve workplace productivity. Through skills provision delivered in partnerships with the Employers Confederation of the Philippines (ECOP) and Philippines Business Coalition on Gender Equality (PBCGE), the programme ultimately supports enterprises fulfilling the skills requirements of enterprises in the Philippines.

The ILO Women in STEM programme, designed and implemented a unique set of training modules for enterprises to improve soft skills such as creativity, critical thinking, teamwork and problem solving. Following training, a sample of 55 supervisors of ILO trainees from five large companies in the IT-BPM sector was surveyed to identify key changes in behaviour and workplace practices among employees as a result of the ILO training. Of surveyed supervisors:

- ▶ Eighty-four per cent reported that self-confidence among team members improved.
- ▶ Almost 68 per cent reported that the ability of their team to solve problems at work without needing management support improved;
- ▶ About 81 per cent said that communication of their team improved;
- ▶ Almost 73 per cent reported that workplace collaboration with team members improved.

The ILO Women in STEM programme has provided much needed incentives to fulfil skills requirements and productivity needs in the Philippines. It is critical that enterprises in the Philippines promote women's access to training on soft skills in order to respond to workplace transformation resulting from technological advances and ultimately improve women's career prospects and business outcomes.

*Source: ILO: ASEAN in Transformation: How Technology is Changing Jobs and Enterprises (Bangkok, 2016); IBPAP: "Skills and career mapping for women employment and career progression in the Philippine IT-BPM sector" (2019).*

## ► 3. Gender diversity in business and management

Despite having more women in the talent pool, with increasing aspirations for promotions and managerial positions, employers are hiring more men in management and decision-making positions. While enterprises place men in strategic positions allowing for professional growth and promotion, women are placed in positions with reduced chances for career upward mobility. In the Philippines, this occupational segregation within management functions is associated with stereotypes about the skills and abilities of women and men.<sup>13</sup>

### 3.1. Women in management

Women's underrepresentation in management positions becomes more prevalent at the highest levels of management. This phenomenon is known as the "leaky pipeline", which is also prevalent across Asia Pacific and the world. While enterprises increasingly place more women into middle and senior management positions, top executive positions are male dominated. Women are less likely to be appointed or promoted into these positions.

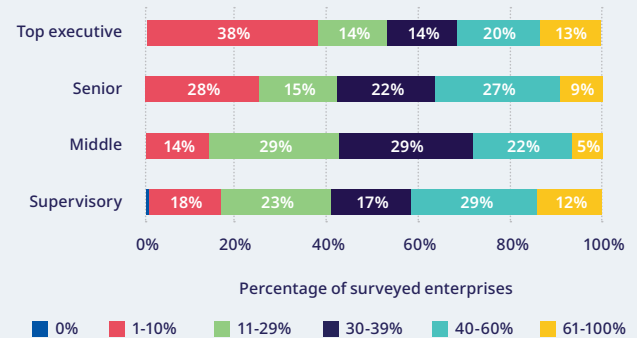
The ILO enterprise survey found that women and men are concentrated in different middle and senior management functions. Women are over-represented in support management functions, including human resources and finance and administration. Men are concentrated in management functions deemed strategic such as profit and loss and research and development, which often lead to top and decision-making positions. This phenomenon is known as "glass walls". The over representation of women in support functions limits women's possibilities for upward career mobility, and restricts the talent pool enterprises are able to tap into for candidates to fill top executive, board and CEO positions.

Of surveyed enterprises in the Philippines, 83 per cent employed women supervisory managers, 66 per cent employed women middle managers, 62 per cent employed women senior managers and 50 per cent employed women top executives. As seen, the share of enterprises with female managers decreases as seniority in management increases. It is worth highlighting **that only half of surveyed enterprises employed at least one woman at the top executive level**. Filipino enterprises displayed this trend, even if

the majority (88 per cent) employed over 30 per cent of women in their workforce.

Enterprises in the Philippines were also asked about the shares of women in each managerial level (figure 5). For junior management, the largest share of enterprises (29 per cent) said that women represented between 40 and 60 per cent of these positions. Regarding middle management, 29 per cent employed both between 11 and 29 per cent, and from 30 to 39 per cent of women middle managers. With respect to senior managers, 28 per cent of enterprises employed both between 1 and 10 per cent women senior managers. For top executives, the largest share of enterprises (38 per cent) reported that women hold between 1 and 10 per cent of these critical roles.

**Figure 5. Share of enterprises by proportion of women at supervisory, middle, senior and top executive management levels, results in the Philippines**

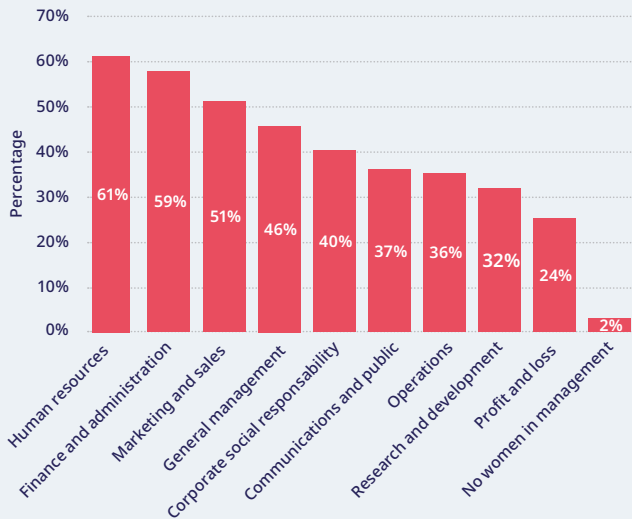


Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The top three areas where most Filipino enterprises employ women middle and senior managers are human resources (61 per cent), finance and administration (59 per cent) and marketing and sales (51 per cent) (figure 6). By comparison, the lowest shares of enterprises with women in functional middle and senior management areas were found in profit and loss responsibilities (24 per cent), research and development (32 per cent) and general management (36 per cent).

<sup>13</sup> Batara, M., et al: Second Generation Gender Bias: The effects of the Invisible Bias Among Mid-Level Women Managers (2018) in *Asia Pacific Social Science Review* 18(2), pp.138-151.

**Figure 6. Share of enterprises with women in functional middle and senior management areas, results in the Philippines**

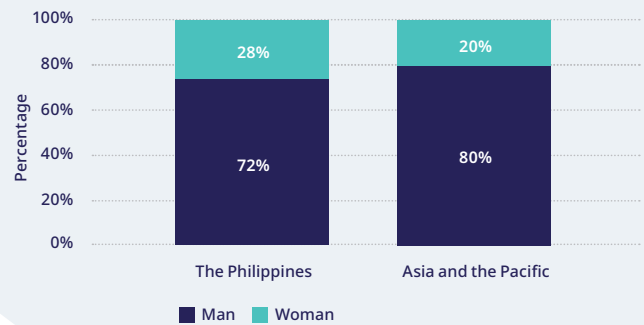


Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

### 3.2. Women CEOs

Surveyed enterprises were also asked whether their CEO was a woman or a man. Of Filipino enterprises with a CEO, 72 per cent reported having a male CEO, slightly lower than the regional average of 80 per cent (figure 7). Other surveys including the World Bank enterprise survey revealed that 70 per cent enterprises in the Philippines had male CEOs.<sup>14</sup> A distinctive trend from the ILO enterprise survey emerges in the Philippines: a higher share of small enterprises (35 per cent) had female CEOs compared to medium (21 per cent) and large (25 per cent) enterprises. The highest shares of enterprises with female CEOs came from enterprises in the education sector (43 per cent) and other service activities (28 per cent).

**Figure 7. Gender of CEO in enterprises that reported having a CEO, results in the Philippines and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

Having a female CEO is positively associated with a gender balanced workforce and board of directors. Enterprises in the Philippines with female CEOs were 16 per cent more likely to have a gender balanced board of directors and 15 per cent more likely to have gender balanced workforces relative to enterprises headed by men. Having a female CEO is also associated with greater diversity at different managerial levels. Asia Pacific enterprises with a female CEO were:

- ▶ Four per cent more likely to have gender balance at supervisory management;
- ▶ Five per cent more likely to have gender balance at senior management; and
- ▶ Three per cent more likely to have gender balance at top executive positions.

### 3.3. Women's representation and leadership on boards of directors

Enterprises need to reach a critical mass of women in top positions in order to reap the benefits of gender diversity. Increasingly enterprises in a number of countries aim to have at least 30 per cent women on boards, as this share represents a critical mass from which point women can impact boardroom dynamics.<sup>15</sup>

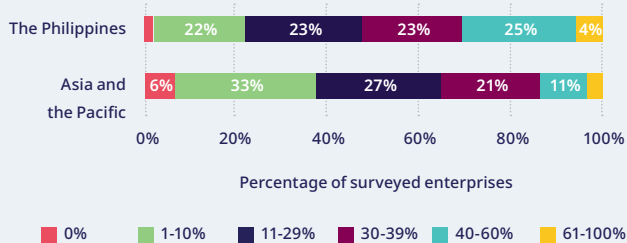
Of the almost 83 per cent of enterprises surveyed in the Philippines that had a board of directors, 25 per cent had attained a gender balanced board of 40 to 60 per

<sup>14</sup> World Bank, *World Bank Enterprise Surveys* (2020).

<sup>15</sup> 30% Club Growth Through Diversity: Who we are (2020). Some countries are following initiatives such as the 30% Club, which is a campaign launched in 12 countries encouraging enterprises to have at least 30 per cent women on boards of directors and senior leadership positions.

cent members of either sex; and 23 per cent said women represented between 30 and 39 per cent of board members (figure 8). By comparison, a smaller share of enterprises in Asia and the Pacific reported having gender balanced boards (11 per cent) and between 30 and 39 per cent women board members (21 per cent). Across ILO surveyed enterprises in the Philippines and Asia and the Pacific, the share of enterprises with all-male boards is relatively low at 2 per cent and 6 per cent, respectively.

**Figure 8. Share of enterprises reporting the proportion of female board members, results in the Philippines and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The board chairperson oversees the highest standard of corporate governance and is responsible for leadership of the board. Of Filipino enterprises that had a board, 63 per cent said the board chairperson was a man. This is lower than the share of enterprises in Asia and the Pacific reporting a male board chairperson (75.7 per cent). The highest shares of enterprises with a female board chairperson came from small enterprises (40 per cent) and those from the education (46 per cent) and construction (43 per cent) sectors.

**Diverse composition of boards and their leadership affect business outcomes**, as shown by enterprises in Asia Pacific. More specifically, enterprises with between 30 and 39 per cent of women board members were 6 per cent more likely to have better business outcomes. Likewise, enterprises with gender balanced boards were 12 per cent more likely to have better business outcomes. Additionally, when boardrooms were chaired by a woman, enterprises were 13 per cent more likely to have improved business outcomes.

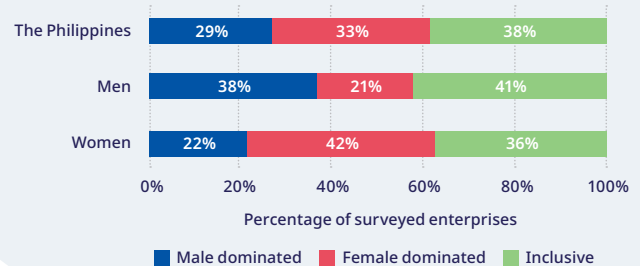
## ► 4. Transforming the wider business environment

Social and cultural factors influence how diversity of experience and thought is valued and workplace gender equality is practiced. However, there are practical ways in which enterprises can support gender diversity and promote an inclusive corporate culture. It is important to understand gender bias and the gender pay gap to address structural differences impacting women and men. Similarly, enterprises can promote flexible work arrangements along with effective human resources management policies and measures to encourage workplace diversity and inclusion.<sup>16</sup>

### 4.1. Shaping a gender inclusive organizational culture

Enterprises were asked about workplace culture and beliefs and specifically asked whether their corporate culture was inclusive, female dominated or male dominated.<sup>17</sup> Of surveyed enterprises in the Philippines, 38 per cent said their culture was inclusive, 33 per cent said their culture was female dominated and 29 per cent said their culture was male dominated (figure 9). Even though men dominated senior and top managerial positions, a third of survey respondents in the Philippines reported a female dominated company culture. Interestingly, surveyed men and women tended to report that their corporate culture was dominated by their own gender. About 42 per cent of surveyed women reported a female dominated culture, compared to only 21 per cent of surveyed men. Similarly, 38 per cent of surveyed men reported a male dominated company culture, compared to only 22 per cent of surveyed women.

**Figure 9. Assessment of gender diversity in corporate culture, results in the Philippines by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>16</sup>ILO Recommendation 195 provides policy guidelines on human resources development, education, training and lifelong learning. In particular, the recommendation encourages employers to adopt best practices in human resources development through training provision for women and men.

<sup>17</sup>The ILO WIBM report considered a workplace that is gender inclusive when both men and women can generate meaningful change through ideas, decision-making and performance.

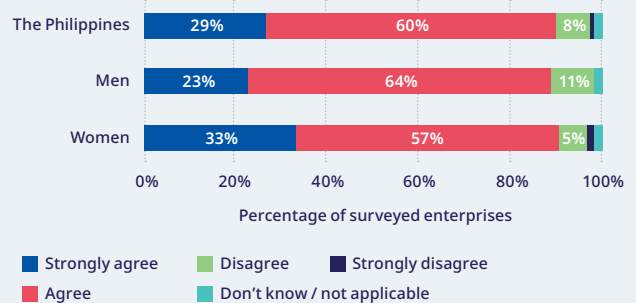


Having a gender inclusive environment creates benefits for enterprises due to diversity of experience and thought that men and women contribute. In fact, enterprises in Asia and the Pacific with inclusive corporate cultures were 8 per cent more likely to have better business outcomes. Further analysis of survey results in Asia and the Pacific reveals that enterprises with a gender balanced board were 6 per cent more likely to have inclusive corporate cultures. This means that engaging both women and men in corporate governance helps shape gender inclusive corporate cultures.

Shaping a gender inclusive corporate culture and improving business competitiveness involves eliminating gender bias within an enterprise. As a result of early education, learned behaviours and expectations on gender roles from their families, schools and society, most men and women have unconscious biases towards the opposite sex as well as their own sex. Gender bias can impact recruitment and promotion, work assignments, training, pay and mobility.

In the Philippines, the ILO enterprise survey found that 89 per cent of respondents agreed or strongly agreed that their corporate culture mirrors their society and traditions, with women respondents agreeing more strongly than men respondents (figure 10). Additionally, the IW SNAP survey asked respondents whether women and men were treated equally in the workforce. Sixty-four per cent of Filipino women strongly agreed or agreed with this statement, compared to 71 per cent of their male counterparts. Gender bias impacts the way women and men perceive workplace gender equality. Nevertheless, human resources systems and advocacy messages from senior and top management can help cultivate gender inclusive corporate cultures.

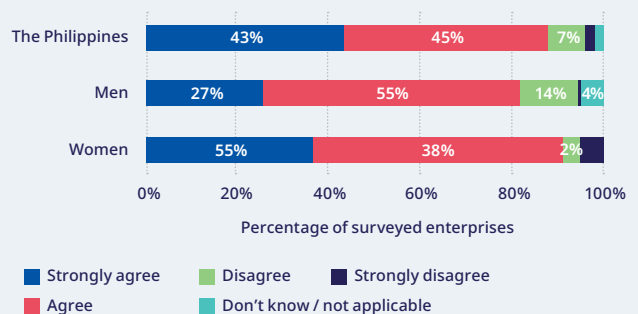
**Figure 10. Share of survey respondents who agreed that their corporate culture mirrors their society and traditions, results in the Philippines by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

A symptom of gender bias can be found in one of the ILO enterprise survey findings. The majority of survey respondents (88 per cent) in the Philippines agreed or strongly agreed that women lead just as effectively as men (figure 11). Nevertheless, there were gendered differences in views. Twice the share of women respondents agreed strongly agreed (55 per cent) that women lead just as effectively as men compared to the share of men respondents (27 per cent). Such gendered views could reduce recruitment and promotion of skilled women into leadership roles, particularly if most senior managers overseeing the selection and hiring process are men.

**Figure 11. Share of survey respondents who agreed that women lead just as effectively as men, results in the Philippines by gender**



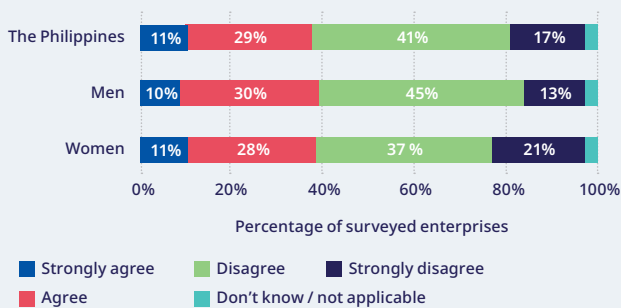
Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

The ILO enterprise survey also asked about the challenges that women face to reach top positions. Of respondents in the Philippines, 40 per cent agreed or strongly agreed that women with equal skills and qualifications to men face greater difficulties reaching top management positions (figure 12). In this case, the shares of women and men agreeing

and strongly agreeing was almost the same, revealing certain recognition of female workplace challenges, regardless of the gender of the respondent.

In the Philippines, a group of enterprises is leading change in the workplace by advocating for gender equality. These enterprises have benefitted from diversity and inclusion in their respective businesses, as shown in box 2 below.

**Figure 12. Share of survey respondents who agreed that women face greater difficulties reaching top managerial positions with equal skills and qualifications, results in the Philippines by gender**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

### Box 2.

#### Business leaders as advocates and role models for workplace gender equality in the Philippines

The Philippine Business Coalition for Women Empowerment (PBCWE) was launched in March 2017 through Investing in Women, an initiative of the Australian Government. In the Philippines, IW has partnered with the Philippine Women's Economic Network to create a business coalition to pursue gender equality in the workplace and women's economic empowerment nationwide.

PBCWE is made up of influential businesses that are large employers who have committed to act as advocates of and role models for gender equality. The coalition is committed to improving gender equity in their own workplaces, influencing businesses, both in their supply chains and other large businesses, and becoming better employers for women. PBCWE's member enterprises seek to influence other businesses by demonstrating the benefits and economic dividends of gender equitable workplaces, using their own company-level best practices and experiences backed up by data generated through diagnostic and gender assessment tools.

PBCWE also has a variety of capacity building programs and knowledge products to help enterprises develop increasingly inclusive and diverse workplaces. By being a member of the Coalition, enterprises are able to review and revise their existing policies with a gender perspective, specifically those that are related to human resource development, diversity and inclusion, talent and pipeline succession, and employee engagement and processes. In addition to this, enterprises are able to develop measurable action plans using a range of assessment and diagnostic tools.

The Coalition supports activities to promote gender diversity in board and executive positions, and drives initiatives to create more diverse and supportive workplace environments through partnerships with influential business groups. Key activities include providing diversity and inclusion training courses for corporate board members with the Institute of Corporate Directors; and collaborating with the Makati Business Club to redefine the role of male leaders in addressing gender inequality by establishing a Philippines chapter of the Male Champions of Change Initiative.

The Coalition envisions to achieve organisational transformation by leading collective action to promote gender equality in the workplace and harnessing the shared commitment of corporate leaders within its network.

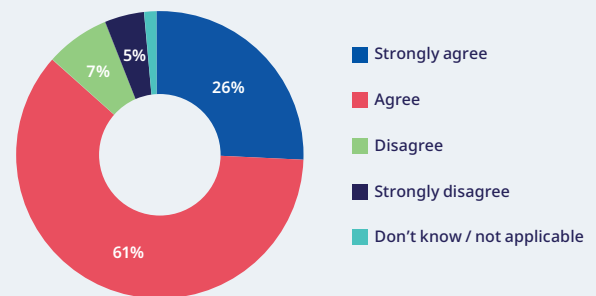
## 4.2. Promoting flexible work arrangements

Unpaid care work is caring for people or doing domestic work without any monetary compensation. This work is divided into two types: nurturing work such as looking after children, nursing a sick partner, and helping old family members, among others; and household work which includes cleaning, cooking, washing, among other maintenance tasks.

**Across Asia and the Pacific, women perform 80 per cent of total unpaid care work, which is about 4.1 times more time than men.**<sup>18</sup> In fact, men in the Asia Pacific region perform the lowest share of unpaid care work of all regions. The IW SNAP survey shed light on the extent to which women and men contribute to domestic duties. Filipino women bear most the housework responsibilities in terms of cleaning, washing and cooking. Almost half of women surveyed reported taking most of the responsibility, compared to 29 per cent of their male counterparts. The extent to which women disproportionately contribute to domestic work is also evident in the fact that 14 per cent of men reported that most of the housework was done by their spouses, compared to only 5 per cent of women surveyed.

The requirement of constant availability for work is an aspect of enterprise culture that can challenge women and men's ability to maintain a work-life balance and carry out family responsibilities. **With increasing digital connectivity, out-of-hours work is becoming common for many people. This can affect women more than men as they tend perform most of the unpaid care work.** However, according to the ILO enterprise survey the majority of respondents in the Philippines (87 per cent) agreed or strongly agreed that a top-level career implies "anytime, anywhere" availability to work and geographical mobility (figure 13). This approach to work may discourage skilled women from taking on promotions and higher levels of responsibility due to their unpaid care responsibilities relative to men.

**Figure 13. Share of survey respondents who agreed that a top-level career implies "anytime, anywhere" availability to work and geographical mobility, results in the Philippines**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

Changing an "always-available" corporate culture can lead to improvements in work-life balance and productivity. Increasingly, enterprises are using new systems and technologies to support flexible and/or remote work arrangements that allow both women and men to carry out their family responsibilities, while creating business benefits including better performance and productivity. Flexible work arrangements can be as effective, or even more effective and sustainable, as the "always available" approach.

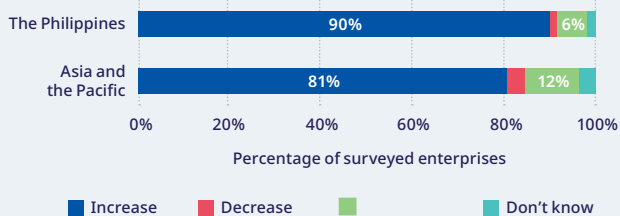
An IW case study of a Manila-based enterprise, which underwent a workplace gender equality assessment, highlights some of the benefits of flexible work.<sup>19</sup> One of the key recommendations of this assessment was to implement flexible working hours, as a way to provide employees with the ability to set work hours freely, as long as they worked at least eight hours daily. Employees across roles, genders, and seniority levels expressed that flexible work could help avoid traffic congestion, particularly for those living far from the office; and accommodate family or other personal responsibilities. Other benefits from flexible work included improving productivity and decreasing work-related stress.

The ILO enterprise survey also asked whether technology had enabled enterprises to provide flexible and/or remote work. About 84 per cent of enterprises in the Philippines and 77 per cent of enterprises in Asia Pacific reported that flexible and/or remote work was practiced. Of these enterprises, **90 per cent of enterprises in the Philippines and 81 per cent of enterprises in Asia and the Pacific reported productivity increases resulting from flexible and/or remote work** (figure 15). As a result, enterprises in the Philippines could further adopt technology as a way to enable remote work for women and men workers while improving performance and productivity.

<sup>18</sup> ILO, *Care Work and Care Jobs: For the Future of Decent Work* (Geneva, 2018). On average across Asia and the Pacific, men perform 1 hour and 4 minutes of unpaid care work daily compared to 4 hours and 22 minutes performed by women.

<sup>19</sup> *Investing in Women: Gender Equality Case Studies* (2018).

**Figure 14. Share of enterprises that experienced changes in productivity as a result of flexible and/or remote work or telework, results in the Philippines and Asia and the Pacific**



Source: Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

### 4.3. Reducing the gender pay gap

The factor-weighted gender pay gap calculates the difference in pay between women and men of same characteristics. This indicator considers important determinants affecting wage structures to form sub-groups of comparable women and men including “education”, “age”, “full time versus part time” and “private-sector versus public-sector employment”.

In the Philippines, the factor weighted gender pay gaps using hourly and monthly earnings account for 15.7 per cent and 16.2 per cent, respectively.<sup>20</sup> This means that on average Filipino men earn between 15.7 per cent and 16.2 per cent more than Filipino women. Overall, the gender pay gap is not explained by differences between women and men’s education, rather the pay difference is due to indirect discrimination and beliefs around the types of jobs that women and men can do. The gender pay gap is also related to occupational segregation and undervaluation of functions performed predominantly by women.

Increasingly women and men have comparable education and skills. In the Philippines and across the world, more women graduate of tertiary education degrees than men. It is key that enterprises use a multi-faceted approach to address the gender pay gap. Such approaches should delink gender and specific job and/or occupations, that results in certain work being more suitable for men or women and further increases pay disparities. Enterprises should also promote corporate policies for gender equality that facilitate equal pay for work of equal value.<sup>21</sup>

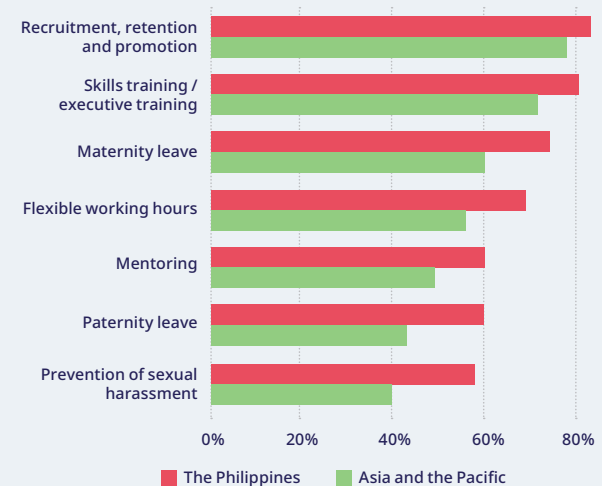
### 4.4. Implementing effective enterprise policies and measures

Cultivating a gender-inclusive corporate culture means having relevant policies in place to enact change. Almost 90 per cent of surveyed enterprises in the Philippines have an equal opportunity policy or diversity and inclusion policy in place, higher than the regional average of 72 per cent. Having such policies is associated with having more women at diverse management levels. Enterprises in the Philippines with a diversity and inclusion policy were:

- ▶ Twelve per cent more likely to have women supervisory managers;
- ▶ Twenty-seven per cent more likely to have women senior managers;
- ▶ Seventeen per cent more likely to have women top executives.

The ILO enterprise survey asked about the areas in which human resource system promoted and/or implemented initiatives for gender equality. In the Philippines, the top three areas were recruitment, retention and promotion (84 per cent), skills and/or executive training (82 per cent) and maternity leave (73 per cent) (figure 16). These three areas were also the most common across enterprises in Asia and the Pacific.

**Figure 15. Share of enterprises with selected initiatives to promote gender equality, results in the Philippines and Asia and the Pacific**



**Note:** Initiatives in other areas implemented by less than 40 per cent of surveyed enterprises in Viet Nam are not included in the figure. These areas are specific strategy that includes targets for gender diversity and/or inclusion at senior management level; career breaks; mentoring; part-time working hours; remote work or telework; prevention of sexual harassment; re-entry programmes; and child care and/or elder care. **Source:** Adapted from ILO, *Women in Business and Management: The Business Case for Change*, op. cit.

<sup>20</sup> ILO, *Global Wage Report 2018/19: What lies behind gender pay gaps* (Geneva, 2018).

<sup>21</sup> ILO Convention 100 aims to ensure equal remuneration for men and women workers for work of equal value, so that remuneration rates are established without discrimination based on gender.

There are several examples of enterprises in the Philippines implementing gender diverse and inclusive policies. For instance, a Filipino group of companies set up a day care facility which is accessible for free to all employees to promote work-life balance of its employees. Another large enterprise is working towards workplace gender equality by setting a 50/50 ratio of women and men senior managers and providing employees with guidance to transition to leadership roles.

## ▶ 5. Conclusion

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Greater gender diversity across different levels of the workforce creates business benefits for enterprises, including higher profitability and productivity, increased ability to retain talent, and greater creativity, among others.

In the Philippines, women are surpassing men in terms of educational attainment, and expanding their skills in STEM disciplines. They are increasingly well trained and more engaged in the workforce. However, women's career progression is impacted by attitudes associated with stereotypes about the skills and abilities of women and men resulting in occupational segregation. Such stereotypes can impact recruitment and promotion, work assignments, training and mobility.

The COVID-19 pandemic has changed the business environment, transformed work arrangements and highlighted differing impacts on women and men. While the crisis has resulted in unexpected challenges, it has also created opportunities to innovate and increase productivity through technology. The following recommendations aim to better integrate and leverage the female talent pipeline:

- ▶ Conduct workplace gender equality assessments that examine human resources data, staff perceptions data and company policies to deeply understand the glass walls and glass ceilings that are barriers to workplace gender equality.
- ▶ Understand and challenge gender bias, as this could affect the roles of women and men at workplaces and home, and impact recruitment and promotion, work assignments, training and mobility.
- ▶ Achieve a gender balanced workforce and appoint more qualified women into senior and top management as well as decision-making positions including CEO and board chairperson. As revealed by the ILO survey, enterprises in the Philippines led by

women were 16 per cent more likely to have a gender balanced board of directors and 15 per cent more likely to have gender balanced workforces relative to enterprises headed by men.

- ▶ Implement initiatives to prevent and address workplace violence and sexual harassment potentially affecting women's retention and overall job satisfaction.
- ▶ Promote flexible work arrangements in order to allow both women and men carry out their family responsibilities and improve their work-life balance. As shown by the ILO survey, 90 per cent of surveyed enterprises in the Philippines experienced productivity increases resulting from flexible and/ or remote work. It is important to assess what type of work arrangement fits employees' needs while meeting business demands and increasing workplace productivity.
- ▶ Reduce the gender pay gap, a visible indicator of inequality between women and men. In the Philippines on average Filipino men earn between 15.7 per cent and 16.2 per cent more than Filipino women. Analyze pay practices to identify pay differences between women and men doing equivalent jobs. Challenge unconscious bias potentially feeding into the gender pay gap and strive for an equitable workplace.
- ▶ Promote enterprise-based training prioritizing the development of soft skills such as creativity, critical thinking and problem solving, which are critical for enterprises to improve workplace collaboration and productivity and provide greater opportunities for career advancement of women.