

CEO BRIEF TO PROMOTE INCLUSIVE LEADERSHIP AND GENDER EQUALITY IN VIETNAM

Promoting inclusive leadership and gender equality is good for your organization; it is also good for you as a leader.

This CEO Brief is a collaboration between Investing in Women, the Australian Government, the Vietnam Business Coalition for Women's Empowerment (VBCWE), Lightpath Leadership and Wardhaven Capital Ltd.

It is designed as a resource 'from executives for executives', using real life examples.

It covers the **WHY** and the **WHAT** of inclusive leadership and includes easy first steps – 'quick wins' – that you as CEO can implement quickly and cost-effectively, whether you are leading:

A large or small company; a Vietnamese or a multinational company; a state-owned or a private company.

International and Vietnam based research presents a compelling picture. Inclusive leadership and gender equality drive positive business outcomes:



1. GREATER PROFITABILITY



2. INNOVATION & VALUE CREATION



3. IMPROVED TALENT MANAGEMENT & RETENTION

**BOTTOM LINE:
+115% IMPROVEMENT
ON PRE-TAX PROFIT
OVER 5 YEARS**

The pre-tax profit growth of a portfolio of listed Vietnamese companies with above average gender equality on Boards and key leadership positions versus the aggregate growth of all Vietnam Index constituents.

“Leading for legacy - Think about how this is good for you as a leader who cares about people, about generations, about legacy.”

HA THI THU THANH, CHAIR, DELOITTE VIETNAM AND CHAIR, VBCWE

Business leaders of the following companies have generously contributed to this CEO Brief through sharing their experiences of championing workplace gender equality in Vietnam.



WHY INCLUSIVE LEADERSHIP & GENDER EQUALITY?

"It's not a charity. With diversity & inclusion you're a stronger organisation"

DENIS BRUNETTI, PRESIDENT OF ERICSSON VIETNAM, MYANMAR, CAMBODIA & LAOS; BOARD MEMBER OF VBCWE

"Talent is distributed equally, opportunities are not. That's the issue and the business driver."

SAI RAMANA PONUGOTI, COUNTRY MANAGER & GENERAL DIRECTOR, VIETNAM AT PROCTER & GAMBLE

Profitability. Innovation and Value Creation. Leveraging Human Capital. The case for inclusive leadership and gender equality is clear – both globally and in Vietnam.

Here are the **three key reasons** why inclusive leadership and gender equality can benefit your business:



1. GREATER PROFITABILITY

GENDER DIVERSE COMPANIES ARE MORE PROFITABLE

- Wardhaven Capital's Gender Equality Study in Vietnam (2021) compared a portfolio of the largest 15 listed companies, with above-average gender equality across Boards and key leadership positions, with the Vietnam Index constituents and found that over a 5-yr period the portfolio of **gender diverse companies' pre-tax profits outperformed by 115% and share price by 31%.**
- A 2020 FP Analytics global study found that the most gender diverse companies in male dominated industries are 47% more profitable than the least gender diverse companies.¹

Corporate Profitability by Quartile of Women's Representation

The top quartile companies with the highest percentage of women in executive management roles, on average, are 47 percent more profitable than those in the bottom quartile.

8.8

AVERAGE
EBIT (%)

+47%
PROFIT

13.0

AVERAGE
EBIT (%)

BOTTOM QUARTILE COMPANIES WITH THE LOWEST PERCENTAGE OF WOMEN IN EXECUTIVE MANAGEMENT ROLES.

TOP QUARTILE COMPANIES WITH THE HIGHEST PERCENTAGE OF WOMEN IN EXECUTIVE MANAGEMENT ROLES.



WHY INCLUSIVE LEADERSHIP & GENDER EQUALITY?



2. INNOVATION & VALUE CREATION

GENDER DIVERSITY HELPS COMPANIES THINK DIFFERENTLY AND MORE CREATIVELY

- A Catalyst study from 2020 concludes that inclusive business cultures lead to a 59.1 percent increase in creativity, innovation, and openness and 37.9 percent better assessment of consumer demand.²

- Harvard Business Review (2021): Research: Adding Women to the C-Suite Changes How Companies Think:

The authors examined 163 multinational companies over 13 years. Their finding was that “when women are appointed to the C-suite, they catalyze fundamental shifts in the top management team’s risk tolerance, openness to change, and focus on M&As versus R&D. ... ultimately [the research] suggests that including more women in executive decision-making may lead firms to consider a wider variety of value creation strategies.”³



3. LEVERAGE HUMAN CAPITAL

GENDER DIVERSE COMPANIES ARE BETTER ABLE TO RECRUIT AND RETAIN TOP TALENT, HELPING MAKE THEM MORE VERSATILE AND RESILIENT

- Esquel Group in Vietnam (the largest woven shirt maker in the world) has 47% of women in its senior management team and reports:

“Our investment in employees’ wellbeing has led to a stable workforce. The retention rate is very high, 50% higher than general; the quality of products is better, and 90% of workforce returned post Covid lockdown”.

HANH DO, DIRECTOR OF BUSINESS DEVELOPMENT, RETAIL & DISTRIBUTION, ESQUEL GROUP

- A 2020 ILO enterprise survey across the Asia Pacific found that 69% of businesses implementing gender diversity initiatives reported an increased ability to attract and retain talent, while 57% said their company’s reputation had been enhanced.⁴

Businesses implementing gender equality and inclusive leadership report

+59%
INCREASE IN CREATIVITY AND INNOVATION

+69%
INCREASE IN ABILITY TO ATTRACT AND RETAIN TALENT

WHAT ACTIONS CAN CEOs TAKE TO PROMOTE INCLUSIVE LEADERSHIP & GENDER EQUALITY?

“My observation over 30 years of PNJ experience is: with the same job, same foundation, same starting point, women grow remarkably, because they’re looking for an opportunity to learn, although they have the family responsibility. Women leaders grow more than men when you provide opportunities”.

CAO THI NGOC DUNG, CHAIR, PNJ; BOARD MEMBER OF VBCWE

There are several immediate actions you as CEO can take to promote inclusive leadership and gender equality in the workplace, to the benefit of your business.

The actions below are drawn directly from the experience and best practices from your peers - business leaders in Vietnam. They are easy first steps - ‘quick wins’:

IMMEDIATE

ADOPT BALANCED HIRING POLICIES

1. Introduce gender balanced interview panels; regularly review to check gender balance in hiring outcomes.

“We standardised interview questions to ensure they are consistent for all candidates, and stopped passing comments, so biases are not being passed on to the next round of interviews. Now we are 50/50”.

EDDIE THAI, GENERAL PARTNER, ASCEND VIETNAM VENTURES

CREATE A CONDUCIVE ENVIRONMENT

2. Provide flexible working options for your employees, which enables women to perform their professional roles while also managing other responsibilities. This can include **flexible working hours, and providing online training options rather than in person trainings after work that may conflict with family responsibilities.**

“Give employees the flexibility to adapt their roles - to make the role their own. It is about performance and outcomes, not doing things in a certain way. We can’t change what’s going on in employees’ homes, but we can create the environment for women at work that enables them to excel at their roles.”

DENIS BRUNETTI, PRESIDENT OF ERICSSON VIETNAM, MYANMAR, CAMBODIA & LAOS; BOARD MEMBER OF VBCWE

3. Encourage language in the workplace **that makes employees feel safe and welcomed.**

“In order to thrive, women have to feel safe. Ensure that the language you use does not objectify women.”

SYLVIA NGUYEN, CEO ALPHANAM REAL ESTATE JSC.; BOARD MEMBER VBCWE

WHAT ACTIONS CAN CEOs TAKE TO PROMOTE INCLUSIVE LEADERSHIP & GENDER EQUALITY?

MEDIUM TERM

MEASURE

4. Set and measure gender targets across your business – over 5 years, 10 years, which you and your leadership team are accountable to the Board. This includes targets on gender ratios at senior levels of your organization as well as narrowing the gender pay gap.

“Companies have to encourage women to go to the front – the moment of truth is when you trust them and create the right opportunities and positions for them to discover their abilities and contribute to society”.

CAO THI NGOC DUNG, CHAIR, PNJ; BOARD MEMBER OF VBCWE

ENABLE

5. Promote and champion role models; offer opportunities for your young stars to represent the company.

“We always stretch, empower, and encourage young women to go beyond their limits.

“We build more role models and give them a chance to interact with younger colleagues. If they see it in others, they will do it too.”

“Keep your doors open, be like a mentor.”

HANH DO, DIRECTOR OF BUSINESS DEVELOPMENT, ESQUEL GROUP

6. Facilitate the right infrastructure: a **women’s network** in your business, and **programs for young professional women** with leadership aspirations.

7. Mainstream coaching as a leadership and management style – which can drive culture change in a positive direction.

RECOGNISE

8. Formally recognise people in your organisation **who are living these values** through awards.

“As an ongoing effort, exemplify this behavior. We recognise the people who live these values with MARC awards”*

MICHELE WEE, CEO, STANDARD CHARTERED BANK VIETNAM

***MARC**, Men Advocating Real Change, is a Catalyst initiative that inspires men to leverage their unique opportunities and responsibilities to be advocates for equality.⁵

LEAD

9. Don’t delegate it! Own it!

“Don’t pass these actions right on to HR!

You, as CEO are leading the idea, the innovation”

HA THI THU THANH, CHAIR, DELOITTE VIETNAM AND CHAIR, VBCWE

WHAT NEXT?

Join the Vietnam Business Coalition for Women's Empowerment (VBCWE) and other Resources

The Vietnam Business Coalition for Women's Empowerment (VBCWE)⁶ was established in January 2018 under the Investing in Women⁷ initiative funded by the Department of Foreign Affairs and Trade (Australia).

VBCWE offers comprehensive solutions for Workplace Gender Equality (WGE), including WGE assessment, WGE related trainings and policy consulting.

"There is a huge return on a relatively modest investment. You can get the best practice from VBCWE. This is a huge opportunity to improve your HR policies, your brand and your employer recognition".

HUYNH BUU QUANG, CHIEF COUNTRY OFFICER, DEUTSCHE BANK, BOARD MEMBER OF VBCWE (ABOUT WORKING WITH VBCWE)

7 KEY DRIVERS OF CHANGE required to achieve Workplace Gender Equality identified by Investing in Women.

1.

Sustained Leadership Commitment & Accountability

2.

Gender Equality Company Strategy

3.

Gender Equality HR Policies, Processes & Programs

4.

Gender Equality Data, Insights & Analytics

5.

Gender Equality Employee Perceptions & Consultation

6.

Gender Equality Communications & Transparency

7.

Gender Equality Knowledge & Skills

These seven drivers of change provide a guide for firms, but the factors required to bring about organisational culture change and achieve WGE are contextual and will vary between firms.

Research quoted in this CEO Brief and other Resources:

1 FP Analytics: Women as Levers for Change (December 2020): <https://womenasleversofchange.com/>

2 Catalyst. (2020). Why Diversity and Inclusion Matter: Quick Take: <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/>

3 HBR (2021): Research: Adding Women to the C-Suite Changes How companies Think: <https://hbr.org/2021/04/research-adding-women-to-the-c-suite-changes-how-companies-think>

4 ILO Research Brief (October 2020). Leading to Success: The business case for women in business and management in Vietnam: https://www.ilo.org/hanoi/Whatwedo/Publications/WCMS_761063/lang--en/index.htm

5 More about the MARC awards: <https://www.catalyst.org/marc/>

6 Vietnam Business Coalition for Women's Empowerment: <https://vbcwe.com>

7 Investing in Women: <https://investinginwomen.asia>