

# Gender friendly policies: a necessity?!

***More and more companies are interested in diversity related and gender friendly measures. This rising interest in work related issues is rooted in a number of fundamental social and industrial changes. Nowadays, companies must maintain or enhance productivity with fewer workers, who differ from their predecessors and from each other in terms of values, work ethic, expectations and motives. This must be accomplished at a time when the skills demands of many jobs are increasing, the structure of organisations and the manner in which work is done is undergoing remarkable change, and international competition for workers with the new skills is intensifying (Olgiati & Shapiro, 2002). In a study financed by the European Social Fund and Toyota Motor Europe, SEIN documents the business case for diversity and evaluates the policies that can be used by organizations to attract, retain and promote women (and men). In this article, we explore the business case for diversity.<sup>1</sup>***

## **Changing demographics**

The demographic composition of the workforce has changed dramatically in recent years. The workforce now includes more women in general, more dual-earner couples who are responsible for the care of children or/and elderly dependents, as well as more dual-professional couples where both have careers, not just jobs (Bond et al., 2002). This influx of women is very desirable, considering the ageing workforce and, as a consequence, the shrinking labour pool.

## **Ageing workforce**

The population in general and the workforce in particular is ageing (Olgiati & Shapiro, 2002). The percentage of the population aged 65 years or older is rising in all Western countries and is expected to continue doing so. The number of inactive elderly as a ratio of the numbers in the total labour force is also increasing. These trends have a number of implications for economic growth and welfare. Flemish data show that on January 2004, the group of 60-year-olds comprised 24.4% of the total female population and 19.1% of the total male population. For 100 females younger than 20, there were already more than 109 women older than 60 years, whereas for 100 young males, there were 79 male 60-year-olds (Kuppens et al., 2006). Demographic projections

for Belgium predict that, in 2010, the ratio of 60-year-olds with 20- to 59-year-olds will amount to 50% for women and 38.3% for men. In 2050 it is expected that this proportion will add up to 75.2% for women and 62.7% for men.

## **Working women**

Throughout the twentieth century, the percentage of male workers married to full-time homemakers fell steadily (Lee et al., 2002). A surge in the number of working women – mothers with children, female heads of households, and wives in dual-worker families – is producing economic and social realignments (Women's Bureau, 1992). In the year

2005, 57.8% of Flemish working age women (between 15 and 64 years old) had a paid job, up from 52.9% in 1999. In the same period, the female labour force, which comprises both employed and job-seeking women, rose from 56.8% to 61.7% (Leyman, Kuppens, & Van Aerschot, 2006). It is expected that these numbers will continue to rise in the next years because of the generation-effect: each young generation of women participates more actively in the work force than the older generations (Leyman et al., 2006).

### Dual-earner couples

The proportion of married wage and salaried employees who live in dual-earner couples has increased substantially over the past 25 years. The 'dual participant' households have become the dominant form in most EU Member States among households with two people of working age. The growth of dual earner households was particularly pronounced in Belgium: in 2003 68% of couples aged 20-49 were dual participant households, up from 67% of couples in 2000 (aged 20-59) and 58% of couples in 1992 (aged 20-59) (Aliaga, 2005; Franco & Winqvist, 2002). In Belgium, the most common form of dual participant households (60.6%) is one where both participants work fulltime (Aliaga, 2005).

### Educational levels

Over the past 25 years, women have achieved increasingly higher educational levels: today, female employees are significantly better educated than male employees (Bond et al., 2002). Companies recruiting and advancing women will benefit from tapping an important and growing source of talent. In the late fifties, for every 100 men who entered a Flemish university, there were only 20 women who did the same. Nowadays there are 120 women for every 100 men who attend the university (Geurts & Van Woensel, 2005). In 2005, the share of highly skilled female 25- to 34-year-olds was remarkably higher than that of males in the same age group, namely 47% versus 37%. If the advance of young women compared to men continues, within 40 years the overall picture regarding educational level will be altered drastically in favour of women (Leyman et al., 2006).

### Family structure

During the last 15 years, the average family structure has changed. This change reflects the increasing incidence of divorces and separations, and a growing number of women establishing families without marrying (Sachs, 1994). In Belgium, single parenthood for women rose from 7.3% in 1991 to 9.5% in 2005. For men, the increase was even more pronounced: from 1.8% in 1991 to 3.6% in 2005. In all, the group of single parents has increased by 62.2% since 1991 (Kuppens et al., 2006).

### Dependant care

There is the growing problem of senior dependent care, in combination with child care. Women are marrying at later ages, increasing the likelihood of caring for younger children and elderly parents at the same time. Declining birth rates will also lead to smaller sibling networks. Because of the high divorce rates, there will be fewer spouses to provide care for each other, and adult children may be faced caring for divorced parents living in separate locations (Singleton, 2000).

### Changes in labour ethics

Along with population demographics, employees' expectations are changing as well. Today's workers want employers to offer more than just a job. They want to work for a socially responsible company that recognizes (even values) the importance of home, family and personal time (Kossek & Grace, 1990).

### A shift in values

Values have been moving away from materialistic goals towards concern with the 'Quality of Life'. Perhaps not surprisingly, workers have become more vocal about their wishes for a greater sense of balance between their work and personal lives (Lee et al., 2002). In the eighties employees focused on work, work and more work to increase their purchasing power. However in the nineties, we witnessed a shift in values, with employees wanting satisfying careers that allow them to bal-

ance the responsibilities of work with those of home and family (Ewing, 2002). In 2005, the Flemish SCV-survey (Sociaal-culturele verschuivingen in Vlaanderen) assessed the work orientations of the Flemish population in a sample of 1,500 persons between 18 and 85 years. The survey found that the Fleming wants more time for leisure activities (64.8%), family (54%) and friends (50.6%). These figures are higher for highly skilled respondents than for shortly skilled respondents. Almost one in three Flemings wants to spend less time on the job (Vanweddigen, 2006).

### A change in work ethics

A Dutch study among a representative sample of 15- to 65-year-old people, investigated the change in work ethics between 1985 and 1996. Two questions about norms and values on labour were especially interesting to take into consideration: "there are more important things in life than work" and "work always has to come first, even if this means less leisure time". During these eleven years, work received a less central position in people's lives. Interestingly, women and men barely differed in their opinion. There was however a distinct correlation with educational level: the higher the educational level, the less work was considered as an important issue. Taken into account the anticipated increase in highly skilled workers, it can be expected that the importance of labour will decrease even further (van Hoof, 2001).

### Not just a women's problem

In the past, work-life balance has been considered a women's issue; recent studies indicate that men are as likely as women to have difficulty managing work-family demands (Hill et al., 2001). Well over half of the working men have wives working full- or part-time (Women's Bureau, 1992). Catalyst's study among Generation X professionals (born between 1964 and 1975) revealed a remarkable level of similarity between women and men in the workplace. They join and leave their organisations for similar reasons and want access to many of the same programs and policies (Catalyst, 2005b).

## **Competitive position of companies**

For management the question arises in what way a company can gain sufficient flexibility to cope with the challenge of rapid environmental development. The pressure on firms to act quickly and to be responsive to customer needs and competitor threats is growing (Kauffeld, Jonas & Frey, 2004). Many companies now seek to differentiate themselves on the basis of added value, high quality and a unique value proposition for customers, rather than low costs. This highlights the importance of attracting, developing and retaining a skilled and committed workforce (Olgiatei & Shapiro, 2002).

### Recruitment

Recent economic growth launched a 'war for talent' by boosting the demand for workers just as growth of the labour force slowed down. By one estimate, the number of jobs to be filled in the next decade will grow about 40% as fast as the number of job seekers (Lee et al., 2002). With a shrinking labour pool and a thriving service sector economy, women's employment needs are becoming increasingly important in recruitment, productivity and other bottom-line considerations (Women's Bureau, 1992). If companies are unable to retain high-talent women, they are wasting the experience and talent of half the population.

### Retention

Because workers want more balance between work and personal life and are increasingly willing to change employers to get it, organisations must work harder than before to sustain worker loyalty (Stroh & Reilly, 1997). A study among 649 law associates found that associates' ratings of their firms work-life cultures were significantly related to the number of years they intended to stay with these firms. This finding was true even after considering differences among associates due to gender, level, marital status and other characteristics (Catalyst, 2005a). Companies invest significant time and money in recruitment and training, and when high-talent professionals leave, the firm suffers a reduc-

tion in productivity and client-service continuity (Hooks, 1996).

### Image

An organisation with a primarily homogeneous work force, can acquire an anti-female image. This image can disturb the relationships with stakeholders, mainly customers, future employees, the neighbourhood, et cetera (Doyen, Lamberts, & Janssens, 2002). In a study, performed among 1,200 professionals born between 1964 and 1975, 77% of the respondents reported that the organization's reputation was important in choosing their current employer (Catalyst, 2005b).

### Consumers

Through their growing employment, the economic power of women increases. As a result, the company that leverages its female talent internally, is assumed to be better able to develop products and services that could appeal to its external customers (Catalyst, 2004). For the automotive sector for instance, women comprise an important and growing customer group.

### Performance

Although the impact on performance is difficult to assess, it is reasonable to assume that more satisfied and committed employees – due to a positive diversity climate – will lead to increased performance measures. In a study of 353 companies, Catalyst found that the group of companies with the highest representation of women in their top management teams experienced better financial performance than the group of companies with the lowest women's representation (Catalyst, 2004).

### Creativity

A more diverse work force has more diverse views. Research on group behaviour demonstrates that diverse groups, when properly managed, make more innovative business decisions than non-diverse groups (Catalyst, 2004).

## To conclude

Companies are cautious about adding programs or establishing policies that might increase costs or decrease productivity because they are struggling to compete in a global and volatile economy. However, as population demographics continue to change rapidly and organisations strive to compete globally, they are compelled to develop strategies to adapt to the needs of the workforce (Sachs, 1994). The financial benefits of retaining staff who might otherwise leave due to lack of career development or due to the desire to combine a career with family must be stressed, as is the image of the organisation as a 'good' employer and hence its attractiveness to all members of society and its customers. Furthermore, the business case for recruiting, developing, and advancing women maintains that companies that aim at diversity and manage it properly make better decisions, produce better products, and retain several key business advantages compared to more homogeneous companies (Catalyst, 2004). For all of these reasons, companies are increasingly interested in gender friendly measures. In contemporary business literature, these measures are ascribed an abundance of advantages and benefits for the employee as well as the organization. Often however, these anticipated effects are rather based on common sense and 'gut feeling' than on empirically funded research. For Toyota and with the financial support of the European Social Fund, the research institute SEIN has developed a website wherein the anticipated costs and benefits of a selection of gender-friendly measures (flexible working schedules, mentoring and dependent care) are complemented and validated with empirical quantitative and qualitative research by means of an extensive literature research. Terms of use, preconditions of effectivity and step-by-step implementation plans are described as well. Have a look at [www.genderbalance.uhasselt.be](http://www.genderbalance.uhasselt.be).

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1. [www.genderbalance.uhasselt.be](http://www.genderbalance.uhasselt.be).

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