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Executive Update: Gender equality at a snail's pace

New York, United States of America

The following is an article by [Lise Kingo](#), CEO & Executive Director, UN Global Compact published on 6 March 2020 on [GreenBiz](#).

Over the course of the past year, I have joined conversations with business leaders across the globe on what it will take to close the economic gender gap. From our Trailblazing Women's Reception during the UN General Assembly Meetings in New York, to a panel discussion at the Female Quotient House in Davos to Making Global Goals Local Business – Iberia, the message is clear and consistent: we need to stop making excuses and settling for incremental change.

Progress at a snail's pace

The reality is that the pace of change is alarmingly slow. In fact, according to the World Economic Forum's 2020 Global Gender Gap report, it will take 257 years to close the economic gender gap. That is ten generations of women! Not only is it a grave injustice and violation of basic human rights principles, it is also a missed opportunity: gender equality is a key accelerator for achieving the Sustainable Development Goals (SDGs).

Of growing concern is that we are not only stalling, we are also moving backwards, for example when it comes to [women's labour force participation](#). In India for example, it [dropped](#) from 30.4 per cent in 1990 to 23.4 per cent in 2019. And while the percentage of women in business leadership roles has increased, it's happening at a snail's pace. Only 27 per cent of managers and leaders are women (ranging from 11 per cent in the Arab States to 39 per cent in the Americas), a figure that has changed very little over the past 30 years. [Women may lead more Fortune 500 companies than ever before](#), but we've only managed to move the needle to 6.6 per cent. Globally, men occupy approximately [80 per cent of board seats](#) and [over 13 per cent](#) of companies have an all-male board.

That's why it is good to see that both men and women are finally speaking up against pervasive barriers to progress, escalating the gender equality agenda in business, policy, the arts, educational institutions, etc.

Take the “#MeToo” and “#TimesUp” movements that have also called out sexual harassment and the gender pay gap. Or the #HeforShe campaign and work by organizations like the Male Champions of Change that successfully have engaged men to champion gender equality. Not to mention the partnership between the UN Global Compact and UN Women to promote the Women's Empowerment Principles (WEPs), a holistic, practical framework for business action to advance gender equality. The WEPs were launched ten years ago with the endorsement of 39 CEOs and now have the commitment of over 2,700 business leaders.

Now it's time to do more than talk about it

Business leaders today know that women's representation and leadership is simply smart business. There is heaps of research supporting this claim. Morgan Stanley recently reported that annual returns for businesses that employ the highest proportion of women were 2.8 percentage points above those for the least diverse firms. This outperformance was a global phenomenon, despite big differences in gender equality between regions such as Europe, with nearly a third of board seats taken by women in May 2019, and Japan, with just 5 per cent. And according to [research by the International Labour Organization \(ILO\)](#), boardrooms with 30 to 39 per cent women are 18.5 per cent more likely to have improved business outcomes.

To close the economic gender gap, we need to address the gap between commitment and action. A new report from the UN Global Compact and BSR which analyzes data from over 2,000 companies that have used the WEPs Gender Gap Analysis Tool shows that while 68 per cent of companies have a leadership commitment to gender equality and over 40 per cent of companies publicly advocate for gender equality, less than 30 per cent of companies include time-bound, measurable goals and targets in the strategy. Perhaps that is at the root of why commitments have yet to translate into real impact.

30 per cent Women in top management - NOW

That is why the UN Global Compact is now rolling out [Target Gender Equality](#), a new programme with the clear ask that businesses take the necessary action to secure at least 30 per cent women in top management and supervisory boards – NOW. To me, that is a basic requirement for any company that wants to call itself responsible. And companies already on their way to achieving gender balance, my ask is: aim higher. We need leaders to help pave the way to gender equality by the 2030 deadline.

[Global research suggests](#) that 30 per cent women in leadership represents a critical mass and important tipping point where the benefits of gender diversity lead to better outcomes for shareholders and stakeholders.

Target Gender Equality is central to our new [SDG Ambition](#) initiative, which we launched in Davos this year to kickstart the Decade of Delivery. SDG Ambition challenges and supports companies in becoming more strategic and transformational in how they run their business to deliver on the 2030 Agenda. A new SDG Implementation Framework guides companies in how to raise ambition and deepen integration of the Ten Principles of the UN Global Compact and the SDGs. The Framework is organized in three primary areas: Anchoring ambition in strategy and governance; deepening integration across operations; and enhancing stakeholder engagement.

Target Gender Equality ensures that women's perspectives and voices are adequately represented in corporate decision-making, thereby transforming corporate governance and leadership to better deliver on the SDGs. And by setting ambitious and time-bound targets for women's participation as part of balanced scorecards and corporate strategies we can move the needle for change.

Together with our Global Compact Local Networks worldwide, the UN Global Compact will over the next three years work with over 1,000 companies to tip the scale for gender equality in senior management. Target Gender Equality will help companies develop a plan of action to enable progress, unpacking the policies, innovative practices and cultural shifts that are needed within organizations to achieve gender balance.

The programme will also bring companies together with Government, civil society and other actors to scale ambition and commitment to address key barriers to women's economic inclusion such as unpaid care responsibilities, which disproportionately fall to women. Target Gender Equality has already launched in twenty countries.

Women are at the heart of delivering on the 2030 Agenda

Accelerating the pace of advancing gender equality in all spheres of society – in the home and community, in the economy and workplace, in health and educational attainment, in political participation and leadership – leads to faster progress towards achieving the 2030 Agenda for Sustainable Development. That's why we cannot sit around waiting 257 years for women's economic inclusion.

We know what to do, and we have all the tools – what is our excuse for not having 30 per cent top leadership female representation?

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