

Advancing Women in
Mexico's Economy and Society:
Main barriers and needed policies to develop gender parity



CEO Champions Women's Forum Mexico 2016

Partnered by

Foreword

The members of CEO Champions, an initiative of the **Women's Forum for the Economy & Society**, a Publicis Groupe company, since 2010, met in Mexico City, on the opening day of **Women's Forum Mexico**, in April 2016. These CEO Champions members participated in a workshop titled "**Advancing Women in Mexico's Economy and Society: Main barriers and needed policies to develop gender parity.**" The workshop was hosted by the **Women's Forum for the Economy & Society** and was presented by **Sanofi** and **McKinsey & Company**, which served as a knowledge partner.

For the first time in Mexico's history, global leaders, CEOs, top-level senior executives, and private- and public-sector gender-diversity experts discussed in a closed workshop key, concrete, and innovative ways to promote the advancement of women in Mexican companies, and to develop actionable ideas that participants could apply in their respective organizations. **Felix Scott**, Country Chair of Sanofi Mexico and a partner of CEO Champions Mexico 2016, and **Mary Goudie**, member of UK House of Lords and founder of the 30% Club, also attended the working session. Both shared their inspirational perspectives on gender parity in the workplace.

Building on insights from a recent McKinsey Global Institute study on gender parity¹ and from McKinsey's *Women Matter* research², the CEO Champions brainstormed in nine breakout groups on two main issues:

1. How can Mexico's executive teams champion gender diversity more effectively?
2. What policies and key initiatives – for instance, HR policies, recruitment, retention, promotion, and corporate culture – are required to support gender balance in the Mexican workplace?

The CEO Champions seek to enrich our national conversation about raising the status of women, to diversify the workforce in a society where unconscious biases and stereotyping block their ability to advance, and to build the country's economy. They unanimously acknowledged that Mexican companies will not achieve gender diversity unless local, regional, and global organizations change their business policies. They also recognized that significant cultural change in attitudes toward women will not happen until Mexico addresses a number of barriers in its society and in the mindsets of its people. Workshop discussions focused on how to create gender-diversity strategies and a business environment that encourages women to develop their talents, and on the importance of deliberate action and policies to raise their status. The consistency of views across the nine working groups and the enthusiasm of the CEO Champions members for the necessary changes were particularly striking.

1. *The Power of Parity: How advancing women's equality can drive \$12 trillion in global growth*, McKinsey Global Institute, www.McKinsey.com.

2. *Women Matter*, 2007, 2008, and 2013; and *GCC Women in Leadership*, McKinsey & Company, McKinsey.com.

This White Paper aims to capture the priorities and ideas debated in the CEO Champions workshops and to inspire other executives and leaders to act.

We would also like this White Paper to serve as a checklist of initiatives for the CEO Champions members themselves, so they can not only help advance the condition of women in Mexico's economy and society but also build a robust pipeline of female leaders in their own organizations.

And since "walking the talk" is one of our key principles, the CEO Champions members have agreed to meet several times a year to track one another's progress in carrying out the strategies and best practices they have committed themselves to, and implement in their companies.

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Introduction

What's at stake?

A case for economic growth

A recent report from the McKinsey Global Institute (MGI) argued that narrowing the global workforce-gender gap would not only be equitable in itself but also one of the coming decade's biggest and best opportunities for inclusive economic progress. If every country closed the workforce-gender gap at the same rate as the fastest-improving country in its region, the contribution women make to the growth of global GDP would double from 2014 to 2025, and global GDP itself would rise by \$12 trillion.

MGI looked at 15 indicators³ of gender inequality across four categories. The first dealt with gender issues in the workplace. The other three focused on gender issues in society: gaps women face in essential services, such as education, healthcare, financial services, and the digital economy; in legal rights and political representation; and in physical security and personal autonomy.

Inequalities in the workforce are apparent from the simple fact that the workplace includes 655 million fewer women than men in the world as a whole. Although many countries have bridged the gap in essential services and enablers of economic equality, critical issues remain. For instance:

- 240,000 women die every year from complications in pregnancy.
- 195 million more adult men than adult women can read.
- Women spend nearly three times more hours on unpaid care than men do.
- Women have only 77 and 84 percent of the access men have to financial services and to the Internet and mobile phones, respectively.

All of these inequalities help explain why women contribute to only 37 percent of global GDP.

Clearly, closing all such gaps is essential from both a humanitarian and moral standpoint. However the MGI report established that progress toward gender equality would also significantly increase the level of economic growth around the world. It also showed that women cannot achieve equality in the economy and the workplace unless they achieve it in society as well.

3. (1) Female/male ratio of labor-force participation; (2) female/male ratio of representation in professional and technical jobs; (3) female/male ratio of wages for similar work; (4) female/male ratio of representation in leadership positions; (5) male/female ratio of time spent on unpaid-care work; (6) percent of married or in-union women 15–49 who want to stop or delay childbearing but don't use contraception; (7) maternal deaths per 100,000 live births; (8) female/male adult literacy rate and secondary- and tertiary-education enrollment rate; (9) female/male ratio of rates of holding financial accounts, borrowing, and mobile banking; (10) female/male ratio of Internet and mobile users; (11) index of legal protection for women (right to inherit, job access); (12) female/male ratio of representation in parliamentary and ministerial posts; (13) male/female birth ratio; (14) percent of married females 15–19; (15) percent of women experiencing violence from intimate partner.

In MGI's "full potential" scenario, with women and men participating equally in the current work force, global GDP would rise in 2025 by up to \$28 trillion – roughly equivalent to the size of the combined U.S. and Chinese economies today. That is 26 percent more than it would rise in a "business as usual" scenario, reflecting current trends. MGI also considered the impact of an alternative "best in region" scenario, in which every country matches the improvement rate of the best-performing country in its region: annual GDP would rise by as much as \$12 trillion in 2025, equivalent to the current combined GDP of Japan, Germany, and the United Kingdom. This is twice the likely global GDP increase that female workers would contribute from 2014 to 2025 in a business-as-usual scenario.

Both advanced and developing countries stand to gain from empowering women. In 46 of the 95 countries analyzed, the best-in-region outcome could raise annual GDP in 2025 by more than 10 percent over its business-as-usual level. Latin America and India would enjoy the highest rates of increase.

MGI's Gender Parity Score, or GPS, measures each country's and region's distance from full gender parity (set at 1.00). South Asia, excluding India, has the lowest regional GPS, at 0.44, and North America and Oceania the highest, at 0.74. The GPS helped MGI establish strong links among three goals: practical gender equality in society, positive attitudes and beliefs in the role of women, and gender equality at work, which cannot be achieved without the former two goals. (MGI, for example, found virtually no countries with high gender equality in society but low gender equality in work.)

Economic development enables countries to close gender gaps, but progress in four areas in particular – education, financial and digital inclusion, legal protection, and unpaid care – could help accelerate the progress. While some aspects of gender inequality have abated, large gaps remain in many parts of the world: 40 out of the 95 countries MGI studied have high or extremely high levels of inequality in more than half of the 15 indicators.

In Mexico, these indicators give cause for concern. In the case of female representation in senior management positions, for example, Mexico has Latin America's lowest score. Mexico is also the Latin American country where the highest proportion of executives regard gender diversity as a top priority and are working actively to achieve it. Mexico (0.62) and Argentina (0.62) had the lowest average GPS scores within the region as a whole (0.64). The Dominican Republic and Ecuador had the highest (0.68).

The McKinsey Global Institute finds that the GPS scores for all basic metrics of economic and social relationships between men and women in Mexico could improve:

- labor-force participation – to 0.81, from 0.56
- the share of professional and technical jobs women hold – to 1.79, from 0.67
- the perceived wage gap between men and women for similar work – to 0.57, from 0.46
- leadership positions held by women – to 1.1, from 0.44
- unpaid care – to 0.59, from 0.30

Increasing the labor-force participation of our country's women could realize approximately 50 percent of the potential impact of gender equality on Mexico's GDP. About 20 percent would come from increasing the number of hours women work (by moving from part- to full-time work) and about 30 percent from increasing the productivity of Mexican women in their current sectors, shifting them to more productive sectors, or both. If this immense gender gap is closed, Mexico's industries will have a vast new pool of labor, our country's annual GDP could rise by up to \$800 billion by 2025, and our GDP would be 11 to 43 percent higher than the level in the business-as-usual scenario.

For individual companies, the benefits would be equally great. Today, Mexico is wasting the talents and skills of about one million qualified and highly qualified women: 75 percent of those with a bachelor's degree equivalent or higher do not hold paying jobs. The nine dimensions of corporate organizational performance, for example, rise by up to seven points in companies that include three or more women on their boards.

The industry leaders in Mexico agree on the potential of closing the gender gap. In the nine brainstorming breakout groups, the CEO Champions members identified five main barriers to the advancement of women in Mexico's corporations and developed four priorities for action. The next two sections of this White Paper highlight these barriers and priorities. We hope our work will inspire everyone who wants to drive change and promote gender equality in Mexico.

I. What are the main barriers to advancing women in corporations in Mexico?

In the workshop, the CEO Champions members discussed five key barriers to gender diversity in the ranks of top managers in Mexico.

1. The “double burden”

By far, the greatest barrier is the double burden that many working women bear: holding down jobs while taking care of their families. In our country’s culture, women assume sole responsibility for virtually all family and household duties. Men generally aren’t expected to play a significant role, let alone an equal one.

The dual responsibilities of work and family affect almost every aspect of the status of women in the workplace, not just the home. In fact, these caregiving roles help explain – and often serve as an excuse for – the lower level of pay that women receive. When employers deny them enough time to fulfill such roles, it is much harder to hold gainful employment; even when time is given, their mobility and advancement are impeded.

2. The “anytime, anywhere, anyplace” performance model

Today’s social and digital platforms measure an employee’s performance 24 hours a day, seven days a week, 52 weeks a year. As the saying goes, “You can run but you can’t hide.” Workshop discussions described how the corporate culture of Mexico (and, of course, other countries) judges a woman’s commitment to work by whether she is available to work anytime, anywhere, and anyplace, and showed how this expectation makes it harder for women to succeed if they must balance work with family responsibilities.

“Female employees feel pressure to accept all work demands made on them and fear consequences if they request “flex-time” schedules or take maternity leave.”

- Felix Scott, Country Chair, Sanofi Mexico

3. A lack of family-friendly work policies and services

Another important issue is a lack of family-friendly policies in the workplace. Recent McKinsey research⁴ shows that many or most Mexican women at the midcareer or senior level leave their jobs voluntarily because of family commitments. That’s hardly surprising, workshop participants observed. For example, many Mexican businesses still follow the traditional 9:00 a.m. to 9:00 p.m. work schedule, which severely hampers, if it doesn’t completely undermine, the careers of working women with children and elderly parents who need care. “Employers that do not have family-friendly practices are at risk of losing talented female employees,” warned one participant.

4. The Power of Parity: How advancing women’s equality can drive \$12 trillion in global growth, McKinsey Global Institute, www.McKinsey.com.

At most present day Mexican companies, flex-time schedules, working from home, or both, are not even topics of conversation, much less real possibilities. The lack of such nontraditional options gives women very few choices for formal careers based in offices.

4. Too few female role models and mentors

In just about all successful careers, role models play a critical part. Yet women rarely have them in our country's overwhelmingly male work environment. Participants agreed that one thing which would inspire Mexican women to pursue careers is seeing examples of women – particularly women with children – who have actually done so successfully. “If a woman does not know anyone who has gone into the management track and had children,” one participant noted, “she may not be sure it's possible.” More broadly, seeing women in charge can persuade all employees, male and female alike, that women can run organizations.

It's important to note that men need to see female role models as well. Given Mexico's paternalistic culture, many males in leadership positions have simply never seen any woman in a position of power, making it virtually impossible to bring about significant change in the gender composition of their companies. As one participant admitted, “My wife has never worked, nor did my sister or mother. I don't have any female friends who work. So many of these issues never occurred to me before now.”

Mentors are also important. Here, too, the relatively small number of high-ranking women in our companies is a problem. Creating a formal structure to support the development of role models and mentors was a top priority for all participants, as discussed in the next section of this White Paper.

“Formal mentoring can expand a woman's professional network by providing much-needed social skills and access to the top members of an organization.”

- Sergio Waisser, McKinsey Senior Partner

5. The unconscious cultural bias in favor of the “mother role”

Gender bias in Mexico has fostered a belief system that makes the role of women as mothers one of the main determinants of the female identity – a belief held by men and women alike. As one participant said, “The cultural burden of Mexican women is [the idea] that the role of the mother should be the aspiration, the pinnacle of all life achievements, and that nothing else should be needed, particularly an office job.” Women who explore careers violate these deeply ingrained cultural beliefs and may injure their relationships with their families and friends.

In the context of this mindset, what it means to be a good mother (you put your children first) often contradicts what it means to be a good employee (you put work first). And when a woman is faltering in either her work or her family responsibilities, we mistakenly assume that work must be the culprit – and the first thing to go. “Today in Mexico, becoming a mother is seen as a career-stopper,” said one workshop participant, “whereas it should actually be an opportunity for a woman to really focus on where she wants to utilize her talents.”



Mary Goudie

Monica Flores Barragán

II. How can executive teams champion diversity? Which policies and initiatives are needed?

1. Encourage the top team to show its commitment to the cause

To be truly effective, change must come from the top. Equality in the workplace, in particular, comes about only when key executives make it a priority. If C-suite leaders set the example, gender diversity will become an important issue throughout their companies.

The responsibilities of the C-suite include making change initiatives a strategic priority, with real accountability for results; setting measurable targets for the number of women in top positions; and promoting a corporate culture consistent with these gender-diversity goals. “The overall focus” of such cultural efforts,” commented one participant, “must be to help women become better leaders, and to design conditions under which they can.”

2. Set clear gender performance targets, (not just quotas) that balance complexity with cohesiveness

Workshop participants unanimously agreed that achievable targets could give organizations the focus they need to improve and ultimately achieve gender balance. While quotas can be helpful at establishing importance, specific targets help companies plan and carry out initiatives that promote gender diversity and clarify who is accountable for realizing diversity. Targets also help them keep the focus on these goals, and demonstrate a commitment to achieving real change, at specific job levels, during every round of promotion to the top leadership. For example, measuring the number of women hired and retained by a company at all levels can help ensure that more women are brought on board and promoted to senior roles. “What is exactly measured is more likely to be prioritized,” said one participant, “and can help make the case that gender issues should be taken seriously.”

3. Implement tangible mentoring and role-model programs for women

Workshop participants agreed that Mexican corporations should implement mentoring and role model programs. In this way, women can learn to mentor and otherwise assist other women facing similar challenges, develop valuable skills, build wider networks, and gain acceptance and affirmation for their careers. Participants agreed that the leadership must establish a structured process to choose and train strong female candidates as mentors and to measure results.

One idea raised in the CEO Champions workshop was to make mentoring a part of employee evaluations, directly tied to bonuses. Another was to develop both internal and external mentors from various backgrounds and regions within Mexico. Participants also agreed that real-life examples of powerful women could provide more easily imaginable visions of success. “When it comes to motivating young women,” said one participant, “we need to lead by example and give access to examples.”

4. Reset mindsets

How can women realize their potential, lead organizations, and ultimately serve as examples for other women in the Mexican workplace? A change in mindset for both women and men, with different approaches for each gender, is part of the answer. Mindset problems are pervasive. As one group of participants noted, many Mexican organizations think that any woman who takes maternity leave will “want to stay at home” permanently and may therefore automatically “eliminate her from future roles,” without even asking her what she wants. This mindset has a powerful but negative effect on the advancement of women and on the way others perceive them at work.

When male CEOs and other leaders recognize that gender diversity starts with personal consciousness, they can more easily reach out to other senior male leaders and encourage them to join the effort to change our companies and society. As one CEO remarked, “it’s about asking the right questions to my executives – not just how can we create more opportunities for women, but what do you want for your daughters? What do you want for the future of women in our country?”

To control and ultimately eliminate those mindsets harmful to women, companies must first identify where they prevail. One idea was to distribute confidential company-wide surveys to measure gender bias and then start working to change mindsets from the bottom up, since problematic attitudes are rarely confined to the C-suite. Such surveys could reveal the “who, how, where, when, and why” of discriminatory thinking on all levels of a company and provide a blueprint supporting effective strategies to change it.

Women, however, also need to “own” this chapter of the story by changing their mindsets as well. Participants emphasized that some of the successful women they know have hampered their own careers by lowering their ambitions and expectations. As one participant observed, women “often lack self-confidence and self-belief, which leads them to make more cautious, ‘safe’ choices instead of going after what they want in the workplace.” That kind of thinking, which is hard to change, can become a habit undermining women at all levels. Ultimately, women must believe that they have the same career opportunities that men do and seize those opportunities themselves. No policy or principle is as important as “the fundamental belief that you can make goals happen,” said one participant. “Women have to be willing to not just think differently but also to experiment with new ideas and trust that they’ll discover a way to make them work.”

One final point: contemporary Mexican organizations do not necessarily have homogeneous mindsets. Many of them have employees whose ages span 35 or more years, which can create a huge gap in attitudes and beliefs about gender roles. “I don’t want to assume that the millennials think the way that I think about diversity in the workplace,” noted one participant.

5. Talk about it

Open communication at all levels is essential for a successful gender-diversity transformation. Talking helps people assimilate their own experiences. A company that communicates its commitment to the success of women at work reinforces their emotional attachment to it and the belief that it's a great place to work. "By opening lines of communication," said one participant, "companies help female employees see that we are investing in them because we want to, not because we have to."

To encourage these women, participants suggested that Mexican corporate leaders should more consistently ask them what they want from their careers. These dialogues should not deal with any family issue. "Just leave it out of the conversation," said one CEO, "and instead, focus on what women can achieve in the workplace; otherwise, some of them will start to doubt themselves or think they should switch to less demanding career tracks." Initiating these conversations during reviews and evaluations could be particularly helpful as that helps incorporate the feedback into an organization's current and future goals.

Another idea explored during the workshops was established roundtables within the participants' companies specifically for women and women's issues, so that the institutional gender-equality transformation comes directly from them. "In my experience, your employees are your greatest resource for change," observed one participant. "They are the story we want and need to tell." Asking for help and suggestion from workers who have experienced a gender-diversity transformation in other companies, for example, could be extremely helpful.



Felix Scott



Alberto Chaia

Conclusion and next steps

The Women's Forum for the Economy & Society and its partners are most grateful to CEO Champions Mexico, whose outstanding energy and commitment made this workshop a success. Thank you for sharing experiences and convictions in an open way, and for contributing to highlighting priorities that are relevant to Mexico. We hope this first discussion has opened ways for others, and that each of you takes away inspirational ideas to make change happen not only in your own companies, but also in the communities in which you live and work.

These first discussions will be followed by many more to come this year, as the CEO Champions expands its membership and regional focus with Mexico. The Women's Forum and the CEO Champions will reconvene in Mexico City on November 8–9, 2017.

Get started: Four practical steps to promote gender parity

1. Ensure that the CEO and the whole top team are committed to making gender parity a top priority on your company's strategic agenda.
2. Develop and implement metrics to measure your company's progress toward gender parity.
3. Set clear, attainable gender targets and work with your company's HR processes so that they support achieving equal opportunity in recruitment and promotion.
4. Give women role models, mentors, and sponsors for their careers.



CEO Champions Women's Forum Mexico 2016

Perspectives from participants

“This is a real eye-opening initiative for Mexico and very learning focused. It became clear that unconscious biases and stereotyping are two major roadblocks in terms of women’s advancement within companies. Also, no quotas and no more ‘safe’ environments. Mentors and role models – that’s what women need in the workplace.”

– **Sandra Sanchez**, CEO, Probiomed

“The intention of this meeting is to have your valuable point of view, your talents and your expertise, to create an actionable platform where women can have equal career opportunities in México. We need 80 million Mexicans to hear what we are talking about.”

– **Alejandro Cardoso**, President and CEO, Publicis Latin America

“This venue enables us to talk about the issues that are really going on within our companies. One of the most important is that a women’s agenda should not be about gender equality; it should be about performance.”

– **Gayle Schueller**, General Director, 3M Mexico

“If we know women are more likely to leave work at some point in their career, we need to double down at the beginning of their trajectory; not have a 50/50 split, but maybe 60/40, tilted toward women, supported by focused leadership training.”

– **Nathaniel V. Hedman**, Director General, ExxonMobil Mexico

“MGI’s Power of Parity results point toward the same direction and conclusion —incorporating women into the labor force is beneficial not only for society but impacts our collective bottom line; it generates economic value. Up to \$800K million could be added to Mexico’s annual GDP in 2025 by bridging the gender gap . . . this is up to 40 percent higher than the business-as-usual GDP in 2025. Additionally, organizational health is improved by up to seven points when companies have three or more women within their executive boards, and we have also seen LATAM companies with one or more women on their executive committees outperform those with all-male colleagues.”

– **Alberto Chaia**, Partner, McKinsey & Company

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