



DIMENSION 3

Women's development and leadership

Analía Avella • Julia Hakspiel • María Teresa Villanueva



This dimension is part of the
***'Guide to Promote Gender Equality in
Latin American and Caribbean Companies'***

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strategy development

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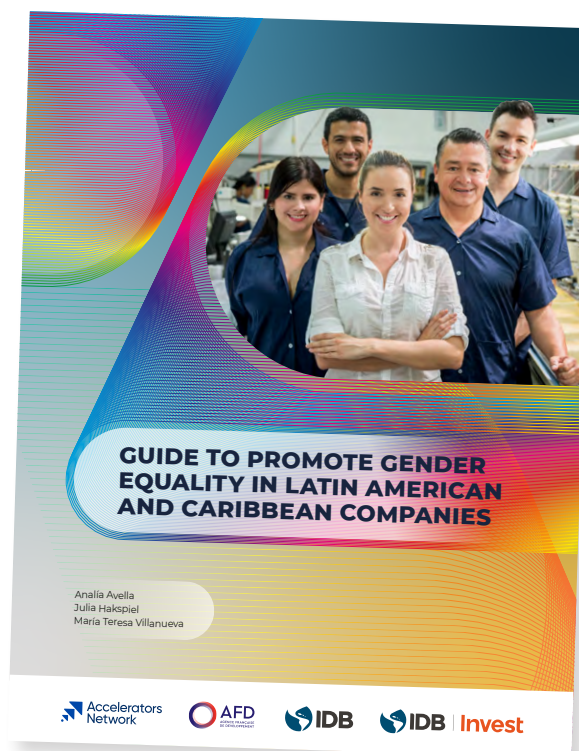
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Women's development and leadership

Even if they have the necessary competencies and skills, women continue to face barriers that limit their opportunities to occupy leadership roles.

Context and evidence

Despite the progress made in recent decades, much remains to be done in the region to ensure equitable representation of women in leadership positions, both in business and in government and the public sector. **The lack of women in these spaces not only has direct costs for them, but also has broader consequences in terms of efficiency**, since despite having the necessary skills or even more training, many women are systematically excluded from leadership in the areas in which they operate. This phenomenon is often referred to as the glass ceiling, i.e., an invisible but insurmountable ceiling that limits women's career advancement (see [Box 5](#)).

In Latin America and the Caribbean, women have higher levels of education than men. However, **the unequal burden of domestic and child-rearing tasks, the lack of childcare services, and social and organizational norms are some of the obstacles that limit their labor trajectory**. These barriers are even deepened in specific groups of women due to intersectionality. For example, migrant, indigenous, Afro-descendant, LGBTQ+ and/or disabled women face greater challenges. In addition, lack of career progression and underrepresentation in the higher ranks becomes a key determinant of the gender pay gap (section 4.4).

One of the main factors associated with the lower presence of women in the leadership of companies is family formation. **With the arrival of children, women (unlike men) suffer penalties in the labor market**. The effects of motherhood on employment have been empirically documented in developed countries such as Austria, Denmark, Germany, Sweden, the United Kingdom and the United States (Kleven et al., 2019). Emerging evidence in the region suggests a similar effect, although regional differences aggravate these effects, as **many women fail to re-enter the formal sector, seeking greater flexibility in informal jobs to reconcile their family and work tasks**.

In all economies in the region, women are underrepresented in these positions, although there are differences between countries. According to Flabbi et. al (2016), **women represent on average 5.6% of CEO positions and 10.6% of board members in listed companies in the region**. Caribbean countries have a higher representation, with 6.7% and 20.1% respectively, while Southern Cone countries are below regional averages (3.9% and 7.3%).

Likewise, IDB estimates based on data extracted from LinkedIn in 2023 show that, although more than 45% of entry-level positions in the region are held by women, just over 20% of senior management positions are held by women. **The higher the rank in a company, the lower the proportion of women at the top** (IDB, 2023)¹. Other research in large companies in the United States and Canada finds a marked disparity

1. For these estimates, IDB staff used 2023 data obtained through LinkedIn via the Data for Development Partnership.



in initial promotions up the hierarchical ladder, which translates into a narrower talent pipeline of female candidates to occupy the upper levels of organizations (McKinsey and LeanIn, 2023).

Emerging studies have attempted to identify the impact on company performance of increased representation of women on boards and in executive management. These studies find that their effect on performance is positive, especially when there is a sufficient number of women in the companies.

The study by Flabbi et al. (2016) identifies a **positive correlation between the proportion of women on the boards of regional companies and their financial performance**, especially when a critical mass of women above 30% is reached in these spheres of influence. At the international level, a study conducted in the manufacturing sector in Italy points to positive effects on business performance when executive leadership changes in favor of a woman: sales per employee increase between 3.2% and 18.5% as the proportion of women in the organization increases (Flabbi et al., 2019).

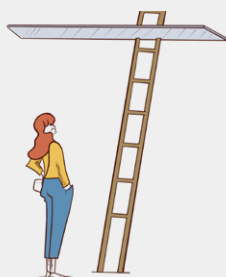
While cultural and societal barriers limit women's career goals and hinder their trajectories, today's work environments can provide opportunities to overcome these challenges and promote gender equality in leadership roles. **The reality is that there is no shortage of women with the qualities to be leaders; what is often absent are the opportunities for them to fill these roles.** Technological changes, flexible work arrangements and the advancement of the gender agenda are some of the factors that can reshape the opportunities and the way women lead in their workplaces. Organizations can promote more inclusive cultures that support equity in leadership and provide the necessary tools for women to occupy these spaces.



BOX 5

SIX CONCEPTS THAT ILLUSTRATE GENDER INEQUALITIES IN THE WORKPLACE

When talking about promoting diversity, equity and inclusion in the workplace, it is common to hear about the need to eliminate glass ceilings and walls or broken staircases. But what do these terms mean and how do they impact women's professional development?



GLASS CEILINGS

An intangible barrier within the scale of an organization that hinders the promotion and development of women to leadership positions; women's participation decreases as the hierarchical level increases.



CEMENT CEILINGS

Alludes to the limited opportunities for women to access leadership positions in highly masculinized industries.



GLASS WALLS

Invisible barriers within an organization that pigeonhole women in certain functions (for example, in administrative support areas), preventing them from accessing more strategic and influential spaces in the organization.



GLASS CLIFFS

Refers to situations in which women are promoted to higher positions when the context indicates a higher probability of failure. For example, this may occur during times of crisis, political tension or in the face of an economic recession.



BROKEN STAIRWAYS

This refers to the interruption of women's labor trajectories and professional careers due to the need to assume tasks associated with the unpaid care of children and dependents.



STICKY FLOORS

This phenomenon can occur when women are stuck in lower-skilled, less valued or more precarious positions.

Beyond the particularities of each case, these concepts describe the barriers that limit women's access, participation and development in the labor market, and reinforce the need to promote initiatives to move towards closing these gaps in organizations.

Source: own elaboration..



Potential actions

Addressing Gender Gaps in Leadership

The following are some flexible guidelines that companies can adapt to their particular contexts and realities to promote women's leadership in their organizations.

A Mentoring, skills development and networking

Mentoring and role modeling. Mentoring is a broad concept that encompasses a variety of activities, such as sharing information, offering professional advice, facilitating learning instances and providing a role model. Through these activities, senior members of an organization can increase the productivity and growth possibilities of the lower-level members with whom they interact. **Mentoring policies have become widespread in many organizations and can be a promising way to support women's career development.** However, systematic evaluations of these programs are rare, especially in the region.

Some research, such as a study by Athey et al. (2000), has analyzed the effects of mentoring programs implemented specifically among people of the same gender. These studies argue that such practices constitute a powerful mechanism to explain the lack of women in leadership positions. However, they can also be an important political tool if used intentionally to reduce this underrepresentation. That is, although men's tendency to mentor other men may contribute to the shortage of women in leadership roles, this same strategy can be used to address the problem. **When women in leadership roles act as mentors to other women and become role models, female representation in these positions can be increased with positive effects on the next generation of leaders².**

- **Sponsorship.** In the professional context, sponsorship refers to the active support that a person with power of influence provides to another to help her advance in her career and open new opportunities for career development. This practice, generally promoted by high-level leaders with extensive experience, is a promising instrument to make visible and highlight the contributions of women inside and outside the organization and can facilitate access to connections in professional and social networks.
- **Leadership training.** Combining different instances of training and support can enhance learning. In addition to mentoring and sponsorship, **leadership courses, whether face-to-face or virtual, offer another possibility for strengthening women's capacities and skills.** The virtual method allows for greater scalability and flexibility, making it easier to reconcile these trainings with family and personal responsibilities. These types of programs can be complemented with face-to-face instances to maximize their effectiveness.
- **Networking.** Companies can also facilitate and encourage women to establish contacts that will enable them to expand their professional networks, both within and outside the organization. Women tend to participate less in networking events than men, either because they are not invited or because these events are scheduled at inconvenient times due to their family and domestic responsibilities, which often excludes them from these opportunities and from professional socialization.

2. As a result of this perspective, mentoring among women has been explicitly promoted within companies and organizations to reduce female underrepresentation in leadership positions. See, for example, Hansford, Ehrich and Tennent (2004), Allen et al. (2004) and Hezlett and Gibson (2005).



B Representation in spheres of influence, promotions and opportunities in non-traditional positions

- **Quotas.** Quota policies for leadership positions in companies are a fairly widespread initiative. The most commonly used approach tends to focus on **board positions, as these are the most influential areas in organizations and where the underrepresentation of women is generally more noticeable**. Quotas are usually supported by regulations or public policies and may entail legal or administrative consequences if they are not complied with.

While these practices specifically increase the proportion of women on corporate boards, the evidence is inconclusive as to whether they promote greater female representation in general. However, their implementation in the region is somewhat recent, so it may be premature to clearly assess and identify these effects.

In Latin America and the Caribbean, some countries have implemented mandatory quotas by law, especially on the boards of directors of public companies and state-owned entities. However, a growing number of countries are promoting voluntary quotas for private companies (see [Box 6](#)). Voluntary quotas represent goals that do not imply penalties if they are not met; however, it is key for organizations to identify and address the obstacles that hinder compliance and develop effective strategies to move toward these goals.

- **Promotions.** Succession or development plans are tools that help identify key positions and leadership profiles in companies. However, **it is important to ensure that performance and potential evaluation processes are fair and free of gender bias, to prevent these instances from negatively affecting women's promotion opportunities**. For example, during extended leaves such as maternity leave, it is important to reconsider previously established objectives and deadlines, adjusting them to the time actually worked. This helps to avoid unfair penalties in women's performance evaluations that could negatively impact their promotion opportunities.

On the other hand, quota policies in promotions represent a more recent measure in companies. Although the evidence is incipient, research indicates positive effects on the representation of women in leadership roles, without compromising efficiency factors.

- **Non-traditional positions.** Promoting the inclusion of women in central or strategic areas of the organization, such as operational, financial and technical areas, can be beneficial to improve the pipeline of women to leadership positions. **Having experience in these areas, mainly in masculinized industries, provides greater knowledge of the specific activity, a factor that is usually highly valued for access to hierarchical positions**. Alliances and agreements with universities and technical schools can support the training of women for their inclusion in these industries.

C Retention in leadership positions

- **Flexibility.** Flexible work arrangements can promote a change in social norms and balance opportunities in the workplace, but **only if they encourage equal adoption between men and women**. When these schemes are exclusive or disproportionately geared toward women, they can inadvertently reinforce gender roles and keep women away from high-level positions, salary increases, career development opportunities, and networking spaces.



A study of U.S. and Canadian companies identifies that one in five women believe that flexibility has been critical to keeping their jobs (McKinsey and LeanIn, 2023). Other studies also indicate that, after maternity leave, women are more likely to return to full-time work and apply for more senior roles when they can adopt a hybrid format (International Workplace Group, 2023). These schemes can improve work-life balance for all employees, and meet the expectations of younger generations, who are increasingly interested in prioritizing their personal and family life without sacrificing their career growth and development goals.

- **Awareness-raising.** To ensure recognition of initiatives and programs aimed at promoting women's leadership, it is important to disseminate them among all personnel, as well as to raise awareness of gender biases and non-restrictive masculinities. Involving men, who occupy the majority of leadership positions, as allies in gender equality can be a catalyst for change toward more equitable cultures that promote women's access to and retention in leadership positions.
- **Professional networking.** Professional networking is an increasingly popular tool that can influence expectations, perceptions and social norms about women leaders in fields such as science, politics, sports, medicine and technology. These networks leverage social networks and online networking to create platforms that promote and highlight the work of women leaders in their respective fields of influence.



BOX 6

QUOTA POLICIES IN COMPANIES: INTERNATIONAL AND REGIONAL EXPERIENCES

INTERNATIONAL EXPERIENCES	
Norway	In 2003, it was a pioneer in establishing a mandatory 40% quota for women on the boards of directors of publicly traded companies, with severe penalties for non-compliance. This law was very influential, driving similar rules in Europe and other parts of the world.
European Union	The European Union Directive, proposed in 2012 and approved a decade later in 2022, requires 40% female representation on the boards of listed companies.
U.S. and UK	Both countries promote voluntary compliance with gender quotas in large companies. However, some U.S. states opted for the European approach of mandatory quotas. California became the first state to require a gender quota on boards of directors in 2003.
Australia	Australia was one of the first countries to adopt disclosure reporting in 2012. Companies with more than 100 people employed are required to report the gender composition of their boards. Australia's approach has been more similar to that of the U.S. and U.K. than that of the European Union, as it does not impose explicit numerical quotas.
REGIONAL EXPERIENCES	
Brazil	Through Law 12,846 of 2014, it established the obligation to report gender composition of the boards of directors of public companies. This law does not impose a mandatory quota but promotes transparency and gender equality in corporate leadership.
Chile	Implemented a quota of at least 40% women's participation in the boards of directors of public companies and state-owned corporations through Law 21202 of 2019. However, these percentages are targets and not thresholds to be met immediately.
Colombia	Established a 30% quota for women's participation in the boards of directors of public companies through Law 1413 of 2010.
Costa Rica	Implemented a 50% quota for women's participation in the boards of directors of public companies through Law 9343 of 2016.
Ecuador	Through the Organic Law for Gender Equality of 2022, it established that boards of directors of private companies with at least three seats must reserve at least one for a woman,
Mexico	As of the 2019 constitutional reform, it implemented a policy of mandatory disclosure of gender composition on boards of directors of listed companies.
Panama	Established a 30% mandatory representation of women on the boards of directors of state-owned companies and the financial sector, through Law 56 of 2017.
Peru	Established a 30% quota for women's participation in the boards of directors of public and private companies through Law 30309 of 2015.

Source: own elaboration.



Tools and resources

GUIDES AND PROGRAMS	
Women's Leadership: Boost your skills and drive change	<ul style="list-style-type: none">Leadership training course for professional women. Provides practical tools and knowledge to develop and strengthen women's leadership skills and abilities. The program is led by experts from the IDB Group and the INCAE Business School. It is free, online and has a duration of 20 hours. Entity: IDB / + Explore
A Roadmap for Women's Leadership Development in Latin America and the Caribbean	<ul style="list-style-type: none">Toolkit for developing and implementing a women's leadership program. It also offers practical advice and recommendations for actions to support gender equality in the workplace. Entity: IDB, IDB Invest / + Explore
School of Directors	<ul style="list-style-type: none">Executive program for the training of professional corporate directors launched by the Business School of the Universidad de las Américas (UDLA) in Ecuador with the support of IDB Invest. This program incorporates a gender perspective in order to strengthen the technical skills of women and encourage their participation on boards of directors. Entity: UDLA / IDB Invest + Explore
Mentoring in the Workplace	<ul style="list-style-type: none">This guide is based on international practices for developing and implementing a customized mentoring program within organizations. Entity: UN Mujeres / + Explore
Flexible Work Policy Template	<ul style="list-style-type: none">Template or model flexible work policy to support WEP signatory companies and organizations in establishing a remote work system. Entity: UN Mujeres / + Explore
ALLIANCES AND COMMUNITIES	
30% Club	<ul style="list-style-type: none">Global campaign led by company presidents and directors to increase the presence of women on boards of directors and executive committees. It is present in more than 20 countries worldwide, including Brazil, Chile and Mexico. Its mission is to achieve at least 30% female representation in these spaces worldwide. Entity: 30% Club / + Explore

Source: own elaboration.



Case studies

Global and regional business practices.



GLOBAL

Shiseido

Accelerating gender parity in senior management through inclusive labor policies and skills development.

- **Industry:** Cosmetics.
- **Country:** Global, based in Japan.

In 2017, Shiseido launched a campaign to achieve 40% representation of women in senior management positions in Japan by 2020, with a multifaceted initiative focused on the career advancement of its female employees. The initiative's internal solutions included skills development and mentoring for female employees, anti-bias training for the entire organization, and changes to hiring and work policies to address existing barriers. The initiative was particularly successful thanks to the CEO's leadership and direct contribution to the program, as well as strong accountability mechanisms with impact on compensation for senior leaders based on results achieved in the proportion of women in senior positions. Shiseido also collaborated with leading companies to work toward gender parity in the Japanese business community. Between 2017 and 2022, the company achieved a 24% increase in the proportion of women leaders, raising its target to 50% by 2030.

The full case study for this company is available in the World Economic Forum's [DEI Lighthouse 2023](#) report.



REGIONAL

FEMSA

Improving the representation of women in leadership roles, through training and personalized coaching.

- **Industry:** Beverage industry and retail trade.
- **Country:** Global, based in Mexico.
- Member company of the IPG Leadership Group in Mexico.

As part of the company's global Gender Equity strategy, in 2019 FEMSA launched the **For you, for everyone** program, an initiative that provides training and personalized coaching to enhance the professional development of women in various business units and countries where the company operates. It is based



on experiential learning and group experience, with a duration of 6 months, and includes face-to-face workshops and individual coaching sessions. Its objectives include strengthening leadership, addressing work-life balance, identifying internal and external barriers to advancement in the organization, and defining individual career development needs. Since its inception, 90 women have participated in the program. In the last 3 years, the company increased the number of women in leadership roles by 9 percentage points, reaching 30%. With this progress, the goal is to reach 40% by 2030.

See the complete case study of this company in Annex 5.1.

Source: Prepared by the authors, based on the DEI Lighthouse 2023 report of the World Economic Forum and information provided by the companies



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Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
www.iadb.org

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