

# Women Empowerment and Opportunity in Outsourcing: Survey Results by Avasant and IAOP



## Abstract

*"I raise up my voice—not so I can shout, but so that those without a voice can be heard...we cannot succeed when half of us are held back." —Malala Yousafzai, Nobel Peace Prize Laureate, 2014*

In 2016, the outsourcing industry was valued at almost US\$550 billion globally. Recruitment and career growth have been stimulated further by new income streams and entrepreneurship in various high growth emerging markets and sourcing destinations.

Despite the industry's phenomenal growth, women remain underrepresented in executive roles. Quite like in other industries, the higher you rise, the fewer women you see in leadership positions. In business today, only 5% of CEOs in the Standard and Poor's 500 company list are women.<sup>1</sup> Facebook COO Sheryl Sandberg notes that 21% of Fortune 500 CEOs are women and women hold about 14% of executive officer positions, 17% of board seats, and constitute 18% of elected congressional officials.<sup>2</sup>

To better understand the challenges, Avasant and IAOP surveyed a wide cross-section of outsourcing professionals. The "Women Empowerment and Opportunity in Outsourcing Survey," developed jointly by Avasant and IAOP, was launched in 2016. While the results indicate there have been positive strides made for women working in the outsourcing industry, they also point to glaring issues. These issues include a lack of fairness and equality in compensation, leadership positions for well-qualified women, executive level engagement in supporting women, and training and skill development programs.

This paper shares data on the perceptions of equal opportunity in the outsourcing industry and more specifically in the IT-BPO environment. The intent is to bring forward the positive effects that the outsourcing industry has had on the lives of women in many countries and to spark dialogue about creating additional opportunities for women in the industry.

According to Chitra Rajeshwari, Executive Director of Avasant Foundation, "The paper is also a very timely piece given the renewed focus on gender equality as a result of the Global Women's March."

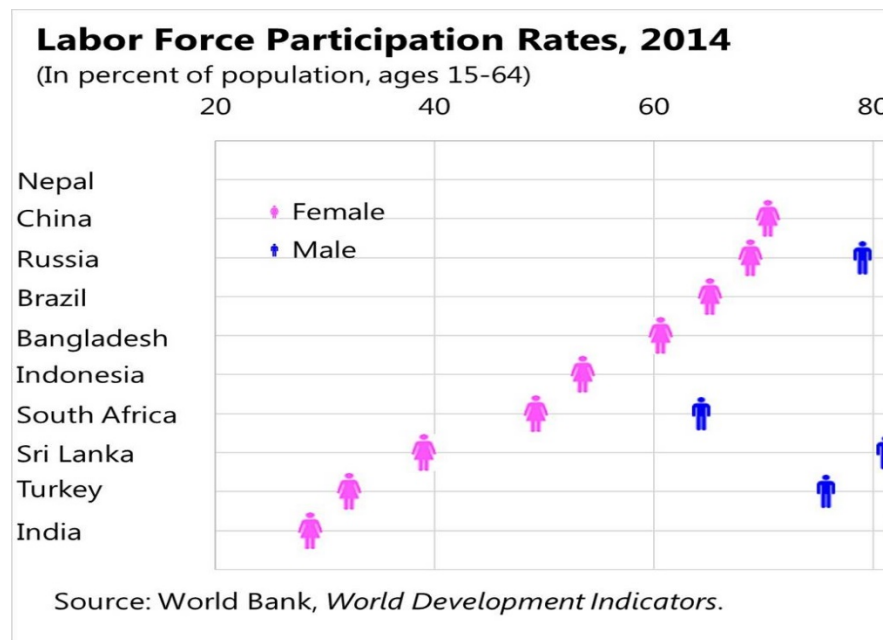
## Introduction – The Role of Women in a Changing Global Economy

Opportunities for women in the global workforce has emerged as an active topic of discussion and study in the past decade across all industries, not only the outsourcing industry.

In 2012, the 869 million women living in disadvantaged socio-economic classes were projected to take on the role of "producers, consumers, employees, and entrepreneurs"<sup>3</sup> by 2020. Called "The Third Billion," most of these women belong to the emerging and

developing nations and about 47 million live in North America, Western Europe, and Japan.

The chart below shows just a handful of many countries where women trailed men in the workforce. Lower representation continues today due to the many challenges women face as part of an emerging workforce.



There have been several studies to promote the interests of “The Third Billion.” The La Pietra Coalition, in collaboration with the Economist Intelligence Unit, published the Women’s Economic Opportunity Index (WEOI) in 2010 and 2012 based on a study of women in 128 countries. The WEOI compared policies and practices that either help or hinder women from active participation in the formal economy. The outcome of the WEOI study provides guidance to governments to introduce necessary steps to promote the welfare of women.

In 2014, TCS opened an all-women BPO center in Riyadh, Saudi Arabia. This was seen as a bold move as women have very little personal freedom in that country. To make the BPO center a reality, TCS would invite the family members of candidates to the applicant screening process so they could familiarize themselves to the work environment and feel comfortable having the women leave their homes to work. Similarly, in India, one of the largest hubs of the outsourcing industry, most often women need the “permission” of their family to work.

Such barriers are not just faced by women in developing countries. In developed countries, women often hit the “glass ceiling” at the mid-management layer.

Forbes notes that, “Globally, the proportion of senior business roles held by women stands at 24%, up slightly from 22% in 2015. However, this minor uplift has coincided with an

increase in the percentage of firms with no women in senior management, at 33% in 2016 compared to 32% last year.”<sup>4</sup>

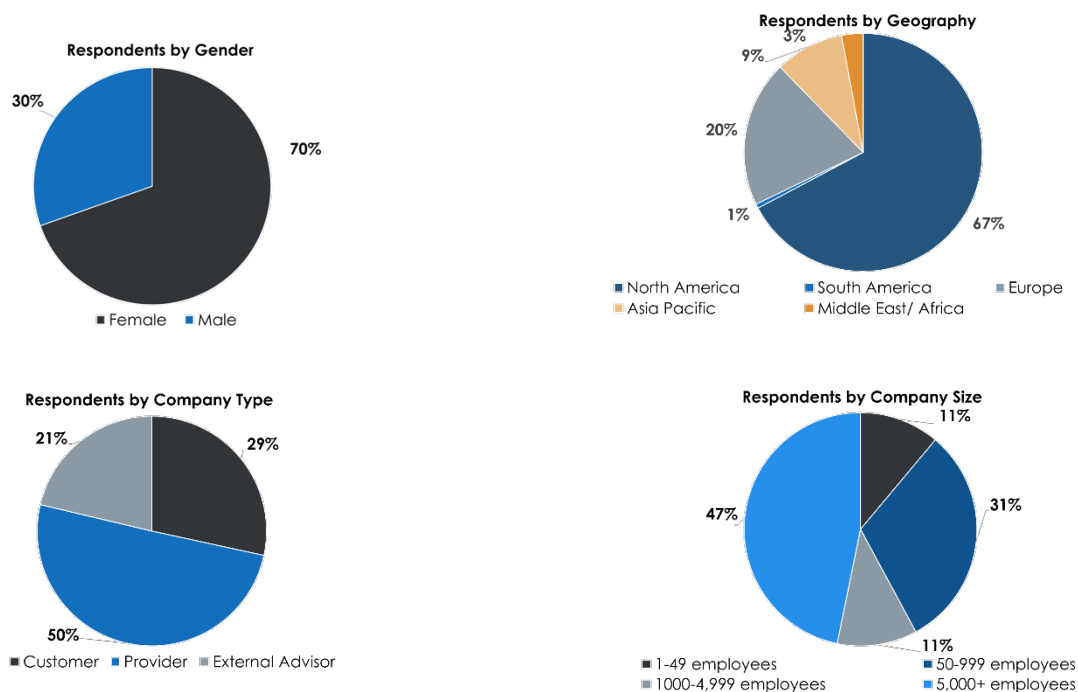
## Women Empowerment and Opportunity Survey

In 2016, Avasant and IAOP launched the Women Empowerment and Opportunity Survey. The key objectives of this exercise were to understand the perceptions on gender equality, empowerment and opportunities for women in the outsourcing industry, where and how outsourcing has empowered the lives of women, and to create awareness on the perceived and implicit gender gaps. To ensure these objectives were met, the draft questions were circulated to women and men in different geographies to gain feedback, keeping in mind cultural nuances.

In May 2016, the survey was released to women and men in the outsourcing industry. A marketing campaign was launched targeting outsourcing professionals across the globe via social media, articles, direct email contact, and activities during IAOP conferences.

In December 2016, the responses were analyzed by Avasant. A number of factors including geography of respondents, company size, company type and gender were taken into consideration while interpreting the responses and drawing conclusions.

The responses were fairly consistent in regard to perceived opportunities for women and areas of improvement. Not surprisingly, a large majority of the respondents were women and more than half worked for the outsourcing service providers. Almost 70% of the participants were from the United States, with the European countries being a distant second.

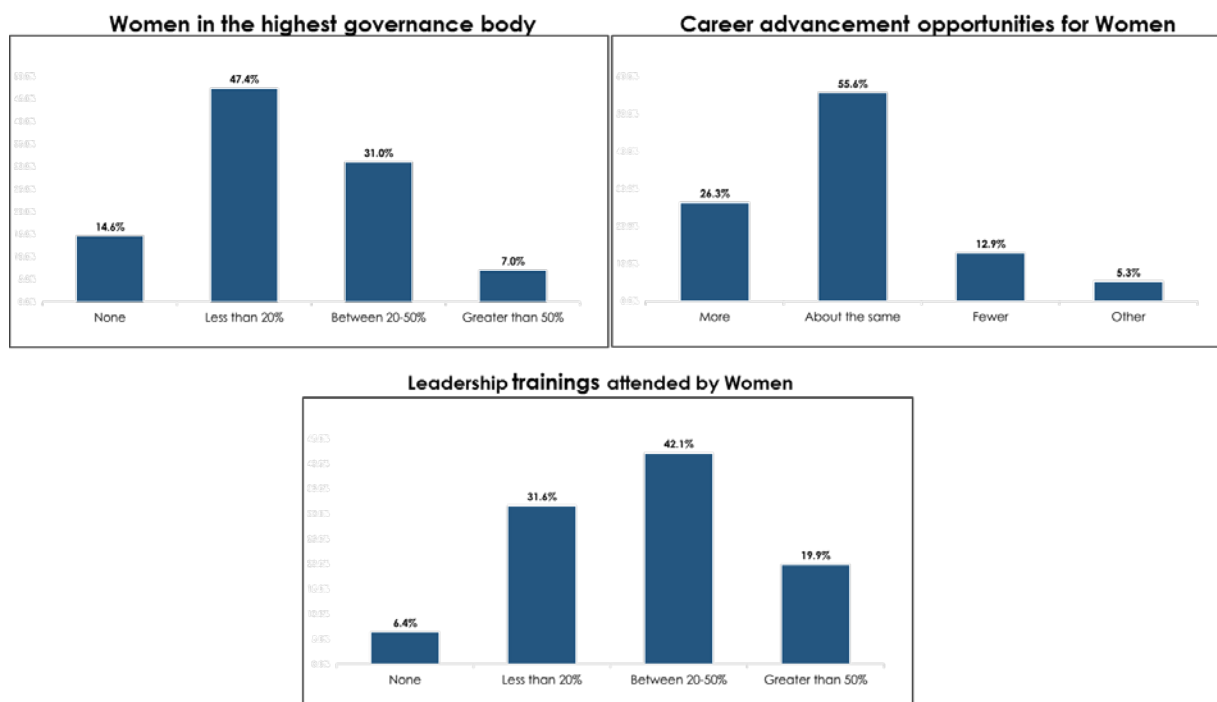


The results of the Survey indicated both positive aspects and areas for improvement within the industry. Trends that contribute to a fairly conducive environment for women in the outsourcing industry include:

- 59% of the respondents agreed that companies offer management roles without gender discrimination
- 75% of respondents were satisfied with their organization's policy of zero tolerance towards gender-based violence and harassment and the confidential complaint procedure
- 91% felt physically secure in their office facility and environment
- 52% of respondents acknowledged their organizations have satisfactorily addressed female health and safety issues

Interestingly, male and female respondents were not entirely in agreement in some critical areas.

- 57% of the female respondents felt that women need to be make a stronger effort to be heard; only 35% of male respondents agreed
- While 77% of the male respondents said that their firm offered management roles without gender bias; only 51% of the female respondents concurred
- 84% of women acknowledged that there is a need to enhance the opportunities for women in the outsourcing industry; the corresponding figure for male respondents was 61%





Notable areas of improvement that were revealed include:

- Factors other than merit often used when awarding work assignments
- Perceived lack of support from executive leadership to empower and promote women
- Limited initiatives that catapult deserving women into executive governance roles
- Policies that limit assignments requiring travel due to concerns about women's safety, resulting in lost opportunities
- No support mechanisms or women-oriented programs that promote leadership, skill development, etc.
- Low attendance of women in training and leadership development programs
- Weak family and social networks that provide opportunities for families to familiarize themselves with the outsourcing industry and be supportive of women in this industry
- Unequal compensation for same role and rank

### Programs to Support Inclusion and Opportunities for Women

Attempts have been made in the recent past to bridge the gap between the male and female workforces. The Calvert Women's Principles® was created by the Calvert Group jointly with UN Women in 2004 as the first global corporate code of conduct to empower and invest in women. It inspired the Women's Empowerment Principles in 2010. Developed by UN Women and the United Nations Global Compact to empower women in the workplace and community, it focused on establishing corporate leadership for gender equality, ensuring the health and safety of women and men workforce, promoting training and professional development for women, and advocating equality through community initiatives. The Workplace Gender Equality Act 2012 (Australia) is another example of the drive to empower women.

The outsourcing industry would benefit from similar initiatives to support inclusion and opportunities for women. The key areas that any initiative should address are the following:

- **Leadership buy-in** – Leadership level initiatives to support women in leadership, for example, increasing women leadership training, public commitment by executive management, skill development programs for women, mentoring/coaching programs led by women in leadership.
- **Pay parity** – Instituted merit-based payment policies, clear performance criteria set in place, transparent evaluation system.
- **Perception management** – General perception and regard for women working in the outsourcing industry (public awareness and corporate awareness programs).

- **Social support mechanisms** – Public awareness forums, communications programs, and informal family forums tailored to create awareness and discourage social and family resistance to women working outside the home.
- **Training programs** – A focus on training programs to develop necessary skills (online library/training programs, annual training programs, mentoring/coaching programs).
- **Women entrepreneurship** – An increase in initiatives that encourage women entrepreneurship within the organization (idea exchange forum, entrepreneurship skills training programs, female entrepreneur network, micro-funding and seed funding initiatives).

To support outsourcing companies in considering and implementing the above forms of initiatives, IAOP will be launching a Women in Leadership Chapter, with Avasant participating as a founding member. It is expected to attract active participation across the IAOP membership, based on the large majority (72.5%) of respondents voicing their enthusiasm and belief in this type of forum. This chapter will be launched at the IAOP World Summit in February 2017.

## In Conclusion

"We need women at all levels, including the top, to change the dynamic, reshape the conversation, to make sure women's voices are heard and heeded, not overlooked and ignored." —Sheryl Sandberg

Several studies show that gender equality has far reaching benefits including providing an impetus to the global economy. Christine Lagarde,<sup>5</sup> Managing Director, IMF, stated that the Fortune 500 firms with the best track record in raising women to prominent positions are 18-69 percent more profitable than their industry medians. When women get the chance to lead, they lead better. Firms with women on their board outperform the ones that only have males. It is also common knowledge that women are good managers and crisis leaders. A study of over 7000 leaders showed that women fared better in 12 of 16 competencies in 12 of 15 sectors.

So, what do the results of the Women Empowerment and Opportunity Survey tell us about the opportunities for careers for women in the outsourcing industry? And, more importantly, what we can do to encourage and support women's success, not only for their benefit but to improve company profits and overall industry performance?

1. **Awareness.** The first step is to overcome unconscious gender bias. We must strive for improved awareness in those areas where we see a gap in perceptions between men and women. This is not just a developing countries phenomenon - it may be subtle -- but unconscious gender bias exists most everywhere. One example highlighted by the Survey is that women must work harder to be heard. What holds women back is not competence, but confidence and taking risks. The

responsibility for this change does not rest on the shoulders of women alone. Certainly, training and coaching for women to learn to speak up with confidence and move out of their comfort zones is needed. However, we all need to better listen and encourage input from all of our colleagues. When we embrace diverse styles and viewpoints we naturally remove gender bias resulting in improved project and business outcomes.

More generally, organizations need to create awareness, reset the narrative and encourage inclusion, because our differences bring improved outcomes. When the mindset and belief has shifted, women will not only feel welcome but also empowered.

2. Integrity and fairness. The Survey highlighted other opportunities for improvements, many involving the fair treatment of women. Responsibility for this belongs to both the organizations and the women working in those organizations.

Whether perceived or real, both genders believe that women are compensated less for the same role and performance. Organizations can implement well-documented performance management programs and transparency in salary bands help to maintain integrity of equal pay for men and women. It is just as important that women expect fair pay and make their expectations heard.

Similarly, many believe that factors other than merit influence work assignments. Opportunity for advancement and success at more senior levels can only become a reality with solid work experience. In addition, training and leadership development programs are often a key element of building critical skills. Women must be afforded these opportunities and must also take the responsibility to utilize them.

The Survey provides an excellent launching pad to generate conversations to encourage improved fairness in the above areas and others, such as additional executive support to promote women and including women in governance roles. Improved perceptions and results can only be achieved with concrete roadmaps, actions, and with passionate executive sponsors to lead the change.

3. Continue. Repeat. Finally, we must keep doing what we do well. We must continue to assign management roles without gender bias. And, we must continue our zero tolerance toward violence and harassment and address health and safety issues for women.

We have also learned how critical an inclusive environment is to attract and retain women. Today we see mentoring programs and forums where women can freely discuss ideas and issues. Providing more access to these and similar programs with senior resources who can provide the required guidance, encouragement, and remove roadblocks will continue to provide additional opportunities for women in our industry.



We have certainly made great strides toward gender equality. Yet, while our foot might be in the door, many are still standing outside, waiting for the opportunity to shine. It is now time for women to be confident and to be recognized for their skills and trusted to lead.

As Aung San Suu Kyi put it, the empowerment of women “cannot fail to result in a more caring, tolerant, just and peaceful life for all.”

## About the Authors



**Chitra Rajeshwari** is the Executive Director of Avasant Foundation, and is an expert in Impact Sourcing and Digital Youth Employment. Chitra leads the development and implementation of global initiatives that leverage the expertise of Avasant to empower deserving youth through education, employment & entrepreneurship in the new digital economy. Chitra leads projects across the Caribbean, Asia, Africa and the United States including Avasant’s partnership with the Rockefeller Foundation on Digital Jobs Africa that Avasant is now continuing through the Global

Impact Sourcing Coalition since 2016. Chitra lives with her husband in San Francisco and is a fearless outdoor enthusiast who loves trekking and has climbed to Everest Base camp, Kilimanjaro, Machu Picchu and many more.



**Janet Gosche** is a Director at Avasant, LLC, focused on Strategic Sourcing and Managed Governance Services. She has more than thirty years of experience in defining, delivering and overseeing large change programs, with particular emphasis on communications and organizational change management, strategic alignment, solution planning, due diligence, service transition and transformation, governance design and implementation, governance services delivery, complex program management, and business operations improvement and management. Janet and her husband of thirty years’ have

three grown children and live in the suburbs of Cleveland, Ohio. They enjoy weekend travel and volunteering in their community.

## About Avasant

Avasant is a global management consulting firm that serves leading businesses, governments, non-governmental organizations, and not-for-profits. We focus on helping our clients translate the power of technology into realizable business strategies. Over a decade, Avasant's leadership has built a firm uniquely equipped to this task.

## About Avasant Foundation

Avasant Foundation (AF) leverages its expertise in digital strategy to empower high potential, disadvantaged youth through education, employment and entrepreneurship in emerging economies across the world. AF trains youth in demand-driven skills for employment and career success in the digital economies of today and tomorrow. Avasant Foundation is the non-profit arm of Avasant.

## About IAOP

IAOP is the global association that brings together customers, providers and advisors in a collaborative, knowledge-based environment that promotes professional and organizational development, recognition, certification and excellence to improve business service models and outcomes.



**Debi Hamill** oversees the entire scope of IAOP's global operations, driving the association's mission as the association for improving outsourcing outcomes by bringing together customers, providers and advisors in a collaborative, knowledge-based environment that promotes professional and organizational development, recognition, certification and excellence. Her leadership and steadfast focus on building innovative programs and member services has helped evolve IAOP into the global association it is today. A veteran, with more than 20 years experience working alongside the industry's biggest players, Debi was named CEO of IAOP in 2010. Prior to this, she was Senior Managing Director and made her mark producing more than thirty executive-level conferences around the world. Debi is a participating member of Meeting Professionals International (MPI), and the Professional Convention Management Association (PCMA).



**Dana Corbett** is the Director of Research, Training and Certification at IAOP. Driving the Certified Outsourcing Professional (COP) program, she oversees the development, implementation, and execution of training programs and certifications association-wide. She manages all content, including collaborative research programs and research partnerships with the end goal of providing value to IAOP members and the industry at-large. She received a B.F.A from Point Park University and an M.A. from The New York University Steinhardt School of Culture, Education, and Human Development.

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