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and  
Gender Equality**

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# Introduction

In the last decades, the debate around gender equality and discrimination has become more pronounced around the world. An increasing interest has been shown by institutions and associations which encourage and promote a more inclusive environment for women. Notwithstanding the legal and cultural progress made so far and the advancements in the labour environment that have been achieved in the last years, women are still in a position of disadvantage with respect to men in many circumstances. Globally, women are facing many challenges regarding different aspects of their private and public life and many of the limitations they face are encountered and experienced in the workplace. Limited job opportunities, career advancements restrictions, discriminatory behaviors and attitudes are some of the barriers which create an imbalance in the working environment. From this point of view, businesses are the place where inequalities are reproduced and perpetrated, and where a stereotypical mindset restrains women's growth. Enterprises, both private and public, perform an important function in this sense, since they have the power and the ability to stop discriminatory practices and promote parity among men and women.

This work thesis starts from these premises and develops its analysis around the concepts of firm's social responsibility, gender equality and discrimination and corporate reporting on social issues. The investigation aims to provide some considerations on business effects on the social dimension specifically concerned with women parity and empowerment, and enterprise accountability on these issues. On the other hand, it contributes to the examination of corporate non-financial reporting by exploring the tools firms dispose of to communicate and show their commitment with respect to these issues. Moreover, the analysis is supported by an inspection of Italian firms disclosing attitudes, with the objective of evaluating the form and the substance of the information provided on the gender dimension.

The first chapter introduces the notion of Corporate Social Responsibility, which has started to develop during the 19th century and has continued to evolve up to the present day. As will be observed, a single definition of the concept does not exist, but every researcher has provided its personal meaning of the notion. In general, this approach recognizes to firms a responsibility which goes beyond the mere production of profits.

Indeed, businesses are considered as entities which operate in a specific context and they have to be held accountable for their economic, social and environmental outcomes. The second chapter examines the concept from a gender perspective. By referring to previously mentioned theories on social accountability, it inspects these contributions in the context of firm's gender responsibility. In support to the relationship between firm and gender responsibility, this section illustrates two of the most important theories coming from the feminist and institutional literature respectively. Feminists research explores the factors causing disparities among men and women, hence they look for the source of inequalities. Some theories identify the business as one of the main sources of discrimination. Indeed, the theory of "gendered organization" will offer a feminist perspective on workplace inequalities, referring to disparities as inherent in the business structure. On the contrary, institutions attempt to provide a way of overcoming inequalities and including these issues all-around by adopting a "gender mainstreaming" approach. This is intended as a strategy which incorporate a gender viewpoint in all aspect of policy construction, development and implementation. The perspective can be expanded to private businesses which can integrate a more gendered point of view when deciding on the activities of the firm, as well as the implementation of particular programs and initiatives.

Subsequently, the study proceeds by providing an overview of the themes of gender equality and discrimination. It will be observed that there are many situations in women's life in which they are disadvantaged and considered as the weaker party with respect to men. Moreover, this chapter examines which are the actions international institutions have put in place in order to limit discriminatory activities from a legislative point of view and from a policy-making perspective.

Chapter four specifically analyzes the type of barriers women come across when entering the workforce. Cultural, educational, corporate and legal barriers, create an environment where female workers are still underrepresented and mistreated. Starting from gender stereotypes, moving to the most heard metaphors such as glass ceiling and sticky floors, this section examines the restrictions and unfair behaviors women are subject to when willing to pursue their career in the working setting. This paragraph proceeds analyzing the gender pay gap concept and theories explaining the benefits of having more women in management.

The last two sections of the thesis focus on corporate social responsibility reporting. In particular, chapter five analyzes the reasons why firms should engage in non-financial disclosure concerning gender equality issues. Different are the aims of business reporting, from maintaining the relationship with current investors, to attracting potential ones, moving to brand and reputation purposes. In addition, the chapter will describe the reporting instruments through which firms can report their gender equality initiatives and the main standards to which they can refer for the disclosing procedure.

The last chapter, instead, examines the reporting patterns of a sample of ten public Italian firms. It consists of a content analysis of annual reports and sustainability reports for the year ending on 31st December 2018. Based on previous studies and on the literature formerly addressed, it investigates how many firms reports information and data on gender specific categories, as well as the type and form of information disclosed. The examination includes information on women's employment design, career and pay, work-life balance issues and the governance and management of gender.

# Chapter 1: Corporate Social Responsibility: evolution and definition

The purpose of this chapter is to discuss the concept of corporate social responsibility. First, a brief introduction to the concept of Corporate Social Responsibility is needed to understand the context. The first paragraph describes the evolution of the notion from the late 19th century until 1970s. A separate paragraph discusses three important theories that characterized the 1980s, i.e. Corporate Social Performance, Stakeholder's theory and Business ethics. Paragraph 1.3 comments on the modern conception of CSR, with a particular focus on the function of the concept as a driver of social change.

## 1.1 From the late 1800 to the 1970s

First traces of corporate social responsibility (CSR) or just social responsibility (SR) dates back to the end of 19th century. This period, which is well known as the Second Industrial Revolution, was characterized by the industrialization and standardization of the business processes.<sup>1</sup> This phase is well known to be a period of growth and innovation, but of extremes and contradictions too. New technologies and advancements did revolutionized the production of goods and services and the life of the population for the better. At the same time, these changes were the cause of significant effects on working and living conditions of people. On the one hand, firms were guided by profits' pursuit, and for this reason they demanded employees to be as much productive as possible. People's life was based around the factory, where employment and legal protection were almost absent: employees had to work long hours, they earned little money and were easily replaced. On the other hand, of businesses' major concern was the labour environment, they were required to actively participate in social issues improving individuals' presence in society. This controversial chapter of the history was characterized by the development of welfare programs, intended to improve workers' conditions and business performance, and forms of philanthropy such that underwent by C. Vanderbilt and J.D. Rockefeller,

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<sup>1</sup> Wikipedia, Second Industrial Revolution, [https://en.wikipedia.org/wiki/Second\\_Industrial\\_Revolution#cite\\_note-1](https://en.wikipedia.org/wiki/Second_Industrial_Revolution#cite_note-1)

who through donations and giving improved the life of many.<sup>2</sup> As corporations became large and influential, power was concentrated into the hands of a few holding society under control. R. Hay and E. Gray categorized this period under the name of the “profit maximizing management” years.

The concept of corporate social responsibility has expanded and consolidated during the 20th century. The evolutions has seen remarkable changes in terms of substance and form. After this first phase, the concept developed in a different historical context, a period in which the need for other interests were placed in the face of profits as ultimate business goal. In 1929 the Great Depression hit the economic world, causing unemployment and firms' collapse. The “trusteeship management” phase saw the development of a primitive form of the character of the manager as it is intended today. The figure had fiduciary responsibility towards stockholders and other constituents, such as customers, suppliers and society in its entirety. This period of economic and social turmoil took to the next phase, denoted as the “corporate period”. During the 1930s and 1940s, some authors<sup>3</sup> started to see businesses as institutions both economically and socially responsible for their actions. Moreover, the separation of ownership and control started to make its way in the managerial background, identifying the manager as the ultimate decision maker.

The 1950s marked the development of the concept of Corporate Social Responsibility in management academic literature. One of the most prominent representatives of that time was the economist Howard R. Bowen, who published the book *Social Responsibilities of the Businessman* (1953). His work provided one of the first definitions of CSR as the ability to take decisions, implement actions and policies which has impacts not only on stockholders, employees and customers, but on citizens and the society as a whole. Bowen saw businesses as the place where control resides and businessmen, through their actions, as those who have the power to affect economic development as well as social welfare. He argued that businessmen have an important position as “servants of society”.

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<sup>2</sup> Wren, D., *The History of Management Thought*, John Wiley & Sons, Inc. 2005

<sup>3</sup> Berle, Means, *The modern corporation and private property*, Transaction Publishers, New Brunswick, N.J., 1932; Eberstadt, N., *What History Tells us about Corporate Responsibilities*, *Business and Society Review/Innovation*, 1973, 76-81

Because of this power, they must not put their interests above the values of society nor overlook socially accepted values.<sup>4</sup> In terms of actions, 1950s were characterized by nothing more than philanthropy and corporate actions, as it was in the previous decades. This period was mainly centered around the development of the notion of CSR and the realization that firms had a social impact beyond the economic one.

It is during the 1960s that scholars tried to provide a definition of the concept of CSR. One of the writers who can be considered as the father of CSR is Keith Davis, who wanted to describe the relationship between corporate power and social responsibility. The “Iron law of responsibility” is based on five principles. In the first place, there exists a link between power and social obligation: businesses have an impact on the external environment and on society. For this reason, they should act responsibly and if firms do not engage in solving social issues, they will inevitably loose control leaving it into the hands of governments and institutions.<sup>5</sup> Secondly, he believed that between business and society there exists a two-sided relationship. On one side, businesses must pay attention to society’s needs and on the other side, society must take notice of businesses’ actions to improve the environment. Moreover, he asserted that the cost and benefits of socially responsible choices are in part not tight to economic or technical interest. Part of these decisions are the result of a long process which in the end may bring economic benefits to the business as a sort of payback.<sup>6</sup>

Other contributions to the theory of CSR came from Frederick and Walton, who both believed in the relationship between business and society and recognized that the scope of production can be intended to enhance human well-being. Economic and human resources are used by the firm not just for private purposes but for social ones too.<sup>7</sup> Moreover, Walton recognizes that when businesses commit to social issues, they will incur in costs for which there may not be any return.<sup>8</sup>

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<sup>4</sup> Bowen, H. R., *Social Responsibility of the Businessman*, Harper and Row, New York, 1953, pp. 4-6

<sup>5</sup> Ibidem

<sup>6</sup> Davis, K., *Social responsibility of businessmen need to be commensurate with their social power*, California Management Review, vol.2, Spring 1960

<sup>7</sup> Frederick, W. C., *The Growing concern over Business Responsibility*, California Management Review, vol.2, 1960

<sup>8</sup> Walton, C., *Corporate Social Responsibility*, Belmont, California, 1967, Wadsworth Publishing Co, Inc.

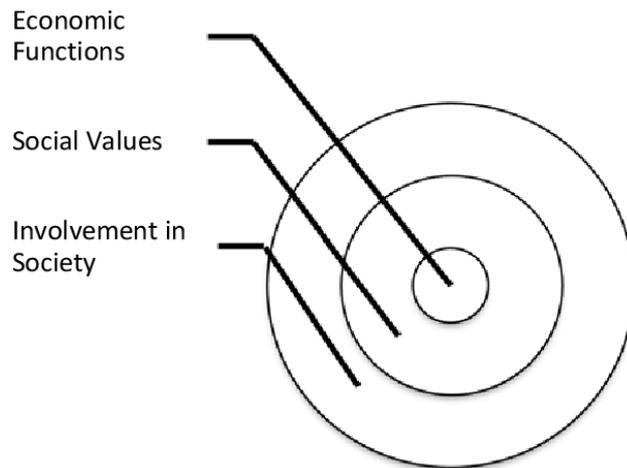
In 1971 Harold Johnson publishes the book *Business in Contemporary Society: Framework and Issues*, which enlists and analyzes the definitions around the theme of CSR provided so far. Johnson's examination is considered to have laid the foundation of Freeman's *stakeholders theory*. Indeed, in his book he presents what is defined as "conventional wisdom", that is "a socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation."<sup>9</sup> In business firms, the general manager is a character who is responsible for planning, organizing and deciding on the activities of the firm in place of its owners. For this reason, this figure has to run the company and act in the best interests of shareholders'. On the other hand, he/she has the responsibility to take into account different interests. For the first time, beyond the profit maximization goal, the corporation is said to pursue a variegated set of objectives to satisfy the interests of different groups.

In the same year, the Committee for Economic Development (CED), advances its own definition concerning the relationship between business and society. According to the Committee, organizations live to respond and deliver society's needs. Corporates' survival depends on the management's ability to react to dynamic social prospects.<sup>10</sup> Through a model called the "three concentric circles" (see Figure No.1), the CED illustrates the relationship between the business and the social environment. The inner circle represents the essential economic functions which are necessary to the firm's survival and are relevant for the pursuit of the firm's main goal, i.e. production, economic growth and labor force; the middle level, that of social values, includes the responsibilities an organization have in realizing the ever changing social needs and values. For instance, enterprises should pay attention to the development of employees' relationship and environmental impact. The most external circle, instead, represents those social issues of broad range, e.g. poverty, which bring the enterprise to higher level of responsibility and involvement in the satisfaction of social needs.

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<sup>9</sup> Johnson, H., *Business in Contemporary Society: Framework and Issues*, Wadsworth Pub. Co, Belmont, Calif., 1971

<sup>10</sup> Carroll, A. B., *A History of Corporate Social Responsibility: Concepts and Practices*, The Oxford Handbook of Corporate Social Responsibility, 2008



**Fig. No 1.1:** CED's three concentric circles of CSR

**Source:** Committee for Economic Development (1971)

Throughout the years the concept of CSR has evolved and expanded. A. Carroll provides his own version in the book *A Three-Dimensional Conceptual Model of Corporate Social Performance*<sup>11</sup>. He developed a pyramidal framework, which shows that a firm has different kind of commitments beyond the satisfaction of shareholders' interests. According to Carroll, there are four types of purposes a firm must commit to: economic, legal, ethic and discretionary responsibilities.

At the bottom of the pyramid Carroll places the economic dimension, because a firm is socially useful only if it generates profits by producing goods and services. Associating the economic dimension to the social responsibility of the firm may sound controversial. Instead, society expects firms to support themselves and to produce goods and services the public demands. The only sustainable way is to produce profits and reinvest resources in order to carry on the economic activity.<sup>12</sup> Secondly, a firm survives if it satisfies its legal responsibilities, obeys the law and regulations. This behavior translate into a form of "codified ethics", an ethical parameter against which society measures corporate's honesty and integrity of its operations.<sup>13</sup>

<sup>11</sup> Carroll, A. B., *A Three-Dimensional Conceptual Model of Corporate Social Perform*, Academy of Management Review, No. 4, 1977

<sup>12</sup> Carroll, A. B., *Carroll's pyramid of CSR: taking another look*, Int J Corporate Soc Responsibility 1, 3, 2016

<sup>13</sup> Ibidem

The third layer, instead, is represented by the act of behaving morally and ethically good, which means engaging in activities that goes beyond what is required by law, e.g. building a solid relationship with employees and suppliers. At the top of the pyramid Carroll places the philanthropic responsibility, which includes all discretionary activities linked with giving back to society, e.g. monetary gifts, community activities and donations. This dimension is defined as “corporate citizenship” and reflects a voluntary desire of the firm to engage in this kind of activities. Community expects firms to give back to society, but it does not describe a company as immoral depending on their degree of engagement. Often, enterprises engage in philanthropic activities because they have a strong strategic meaning in that they improve corporate image and reputation.



**Fig. No. 1.2:** Carroll’s pyramid

**Source:** Carroll (1979)

Besides this framework, Carroll (1979) introduced the concept of Corporate Social Performance (CSP), which comprises three dimensions: Corporate Social Responsibility (CSR1), which includes the previously analysed dimensions, Corporate Social Responsiveness (CSR2), which expresses corporate’s social awareness and the tools needed to implement social obligations, and lastly the identification of Social Issues (CSR3), which are the areas of interests.

Some years before, Sethi (1975) developed his model on Corporate Social Performance and identifies three patterns of behavior to respond to society's need and as a way of legitimizing its scope<sup>14</sup>.

The three dimensions are:

- Social obligation, which implies that corporate behavior is guided by legal and market constraints;
- Social responsibility is a prescriptive type of behavior adopted by the firm and it implies that the business will respect “social norms, values and expectations of performance” before they are transformed into legal norms;
- Social responsiveness relates to the ability of the firm to adapt to social requests anticipating wishes and requirements;

## 1.5 Corporate Social Performance, Stakeholder theory and Business Ethics

The 1980s were marked by the expansion of the Corporate Social Performance concept and the development of two crucial theories which characterized management studies: Stakeholder theory and Business Ethics.

### 1.5.1 Corporate Social Performance

In 1985 Wartick and Cochran build their version of the Corporate Social Performance model, based on Carroll's work<sup>15</sup>. Their framework is founded on “the underlying interaction among the principles of social responsibility, the process of social responsiveness, and the policies developed to address social issue”. Therefore, this theory is based on three elements characterizing the conduct of a business, i.e. principles, processes and policies. These aspects can be reconnected to the three dimensions of Carroll's model, which are responsibility, responsiveness and issues. Hence, according to Wartick and Cochran's theory, Corporate Social Responsibility is a component of a broader model of Corporate Social Performance and is associated with the ethical dimension of business behavior.

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<sup>14</sup> Sethi, S. P., *Dimensions of Corporate Social Performance: An Analytic Framework*, 1975, California Management Review, 17, spring 58-64

<sup>15</sup> Wartick, S., Cochran, P., *The Evolution of The Corporate Social Performance Model*, 1985, Academy of Management Review, 10, 758-69

Some years later, Donna J. Wood, in her article *Corporate Social Performance Revisited* (1991), criticizes the definitions and the theories developed so far and provides her own interpretation of what Corporate Social Performance is. In particular, she notes that the model developed by Sethi (1979) suggests three behavioral designs, but it lacks to offer a definition of CSP. As far as the model developed by Wartick and Cochran is concerned, she recognizes the importance of this framework as a progress in the explanation of the relationship between business and society. Nonetheless, she recognizes four important limitations.<sup>16</sup>

First of all, the two authors develop the model with the purpose of providing a definition of the concept of CSP. Wood (1991) asserts that the framework advanced by Wartick and Cochran is detached from a possible definition of the concept. Indeed, the term *performance* implies a result, an outcome, while the framework developed by the two relies on the integration of principles, process and policies and no result is contemplated. Secondly, social responsiveness is intended as a single process and not a series of processes. Moreover, she criticizes the last aspect of the definition, since it implies that the only way of addressing social issues and judging the performance of a company is through the implementation of policies. Firms may engage in informal social actions or programs, which may not be formally promoted. As a final point, Wood (1991) disapproves how the meaning around the concept of CSP has evolved and she blames not only Wartick and Cochran but also other researchers.

In her view, it is “as though corporate social performance is something that responsible companies do, but irresponsible companies do not. Even though such connotations are common in the literature, they are misrepresentations of CSP. Every firm can be evaluated on its social performance, and a firm’s social performance can be negatively or positively evaluated”. As though the engagement in social activities is necessarily a sign of good behavior.

Subsequently, based on the model of responsibility, responsiveness and social issues developed by Carroll and the three-dimensional framework of principles, processes and policies developed by Wartick and Cochran, Donna J. Wood (1991) provides her own definition of CSP and designs her own model. According to her, CSP is “a business organization’s configuration of principles of social responsibility, processes

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<sup>16</sup> Wood, D. J., *Corporate Social Performance Revisited*, *Academy of Management Review*, 1991, Vol. 16, No. 4, 691-718

of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships”.<sup>17</sup>

The model developed by Wood (1991) articulates on three dimensions, each of which investigates three aspects.

<b>The Corporate Social Performance Model</b>
<p><b>Principles of corporate social responsibility:</b></p> <ul style="list-style-type: none"> <li>• Institutional principle: legitimacy</li> <li>• Organizational principle: public responsibility</li> <li>• Individual principle: managerial discretion</li> </ul>
<p><b>Processes of corporate social responsiveness:</b></p> <ul style="list-style-type: none"> <li>• Environmental assessment</li> <li>• Stakeholder management</li> <li>• Issues management</li> </ul>
<p><b>Outcomes of corporate behavior</b></p> <ul style="list-style-type: none"> <li>• Social impacts</li> <li>• Social programs</li> <li>• Social policies</li> </ul>

**Fig. 1.3:** Wood’s Corporate Social Performance Model

**Source:** elaborated from Wood, D. J., *Corporate Social Performance Revisited*, Academy of Management Review, 1991, Vol. 16, No. 4, 691-718

The first dimension is based on the definition of basic expectations of corporate social responsibility. According to Wood (1991), defining principles is better than developing categories as did Carroll. Principles are values and truths which people believe to be essential in motivating firms’ actions. On the contrary, categories help discriminate occurrences but do not stimulate to take action. The author identifies three basic principles, that are legitimacy (institutional principle), public responsibility (organizational principle) and managerial discretion (individual principle). Legitimacy refers to the business obligation to act “socially responsible” for the simple reason that “they exist and operate in a shared environment”.<sup>18</sup> Corporations are endowed with social power and if they are not able to use it according to expectations, they will be deprived of. The second principle, public responsibility, refers to the idea that firms are to be held accountable for the problems associated with their area of operations, actions and interests or for the problems they have generated (primary and secondary area).

<sup>17</sup> Wood, D. J., *Corporate Social Performance Revisited*, Academy of Management Review, 1991, Vol. 16, No. 4, 691-718

<sup>18</sup> Preston, L. E., Post, J. E., *Private management and public policy: The principle of public responsibility*, 1975, Englewood Cliffs, NJ:Prentice-Hall

The third level is linked with managerial discretion towards society. This implies that decisions taken by managers are individual choices, that are not recommended by corporate procedures. For this reason, they are responsible for them as “moral actors”.<sup>19</sup>

The second dimension “Corporate responsiveness” is defined as the “action counterpoint” with respect to the responsibility level. A responsive corporation studies the environment in which it operates, so that it can react or adapt to the surrounding context. In addition, the firm must identify the type of stakeholders it interacts with and how to manage the relationship with them. Lastly, it must determine which are the social issues for which it is responsible and decide how to deal with them. Hence, context, actors and issues are intertwined dimensions, which explain why and how enterprises operate with respect to the environment and interest groups.

The third dimension concerns the result of engaging in corporate social behavior. Wood (1991) identifies three possible outcomes, i.e. social impacts, company programs and company policies. Social impacts regards the evaluation of all the effects a specific business behavior has on different social dimensions. It is not an easy task to assess the impact of company actions on society. For instance, as Wood specified, Rose (1970) has tried to quantify the cost of an intangible result, as it is air pollution.<sup>20</sup> Most often, the assessment is performed using specific instruments such as indicators, goal reporting, accounting and social balance sheet. Wood (1991) encourages the constant analyses and assessment of corporate social behavior as an integrated process to the ordinary corporate evaluation. If corporate and social performance are treated as two distinct aspects, then the recognition of the relationship between business and society falls short.

In addition, as a result of their being social responsible and responsive, firms may decide to adopt social programs or integrate social policies. Programs may take the form of either occasional projects or long-term commitments. Instead, policies are courses of actions which the firm integrates, so to prevent waisting time on recurrent problems or because the company has specific interests on particular areas.

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<sup>19</sup> Wood, D. J., *Corporate Social Performance Revisited*, Academy of Management Review, 1991, Vol. 16, No. 4, 691-718

<sup>20</sup> Rose, S., *The Economics of Environmental Quality*, 1970, Fortune, 81(2): 120-123, 184-186

## 1.5.2 Stakeholder theory

As already stated in the previous paragraph (1.1), first traces of stakeholder theory appeared during the 1970s. For the first time, Professor Schwab in his book *Moderne Unternehmensführung im Maschinenbau*<sup>21</sup> and Johnson's book *Business in Contemporary Society: Framework and Issues*<sup>22</sup>, both refer to the management of the enterprise as serving not only shareholders' interests, but the interests of a broader range of claimants. Subsequently, R. E. Freeman entrenches his own vision of the Stakeholder approach as an organizational management strategy. In his book, *Strategic Management: A Stakeholder Approach*, Freeman assesses that the organization serves the needs of many different groups, such as employees, customers, suppliers, governments and other interest groups, and he suggests methods through which the enterprise can satisfy those needs.

One of the first definitions of *stakeholder* is the one provided by the Stanford Research Institute (SRI) in 1963, as "those groups without whose support the organization would cease to exist". Later on, in 1984, Freeman provides his own version of the definitions as "any group or individual who can affect or is affected by the achievement of the organization objectives"<sup>23</sup>, which includes a wider range of subgroups influencing or influenced by the action of the organisation. Moreover, he distinguishes them into two categories: *primary stakeholders* are those who have a direct interest in the company and on which depends the survival of the enterprise's life, i.e. shareholders, employees, suppliers. Compromising the relationship with primary stakeholders can jeopardize the continuity of the business. Instead, *secondary stakeholders*, are those groups which have an indirect interest in the enterprise and can be influenced by the way in which the firm conducts its business. For instance, residents who live near and enterprise can be influenced by the environmental effects of the activities of the firm.

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<sup>21</sup> Klaus, S., *Moderne Unternehmensführung im Maschinenbau*, 1971

<sup>22</sup> Johnson, H. L., *Business in Contemporary Society: Framework and Issues*, 1971, Wadsworth Pub. Co

<sup>23</sup> Freeman, R. E., *Strategic Management: a stakeholder approach*, Boston, 1984

In Freeman's view, it is important that the organization identifies which are those diverse groups affected and effecting the firms' actions. When developing its strategic approach, it is crucial for the firm to take into consideration the interests of those who has a stake in the business. By taking care of this aspect, the firm is able to build a solid relationship with the various groups and use it strategically. According to Freeman, everything evolves around the idea of value creation and destruction. Through the provision of goods and services, businesses have the ability to create and destroy value for the diverse constituent groups.

Nowadays, the Stakeholder approach is still a very current topic, especially linked with entrepreneurship and innovation context. Indeed, it is a concept which can be applied to entrepreneurial spirit, since usually startups and small enterprises have ideas on how to change society and talking profits. Even though Freeman's theory is considered as the foundation for the subsequent theories around Corporate Social Responsibility, it has not been spared from criticism. Indeed, the author has been criticized for not taking into consideration the ethical and moral values of the business and for developing the theory as a strategic instrument for profit pursuit.

In contrast to the stakeholder theory, some years before, Friedman (1970) developed the *shareholders theory*.<sup>24</sup> As the name of the theory suggest, this approach affirms that the only interests managers should try to satisfy are those of the shareholders. Then, the final goal of the organization is to realize profits, so that the returns for the shareholders are maximized. The theory is based on the idea that managers act on the behalf of shareholders and are those responsible for running the business. It goes without saying that this interpretation is in sharp contrast with Freeman's view. There are no assumptions believing that enterprises may have interests other than gaining economics profits. Indeed, Friedman (1970) believes that "A corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in this vague sense".<sup>25</sup> The only ethical instruction he imposes on organisation is the idea that firms should pursue their profits' maximizing activities respecting laws and ethical behavior, that is the social responsibility of firms.

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<sup>24</sup> Friedman, M., *Capitalism and freedom*, 1962, Chicago: University of Chicago Press

<sup>25</sup> Friedman, M., *The Social Responsibility of Business is to Increase its Profits*, The New York Times Magazine, September 13, 1970

### 1.5.3 Business ethics

The concept of *business ethics* develops during the 70s in United States with the purpose of regulating the economic activities of the business regarding questionable issues, such as corporate governance, discrimination, corporate social responsibility etc. It studies the principles and practices adopted by firms in conducting their business activities. While Corporate Social Responsibility was born because of the social pressures corporations received, business ethics is the response of an internal pressure of the firm to provide answers to the external environment and gain public consent. Usually, business ethics is guided by law, but most of the time is a voluntary act on the part of the business to develop and introduce codes of conduct, norms or standards to guide business behavior.

According to Donaldson and Duffee (1994), *business ethics* is a form of applied ethics which analysis the business environment.<sup>26</sup> It consists of two dimensions: an empirical one, which applies corporate and management theories to study business behavior, and a philosophical one, which analyses the relationship between the behavior of the firm and that of the individual by providing a broad view of the theory. Sacconi (2004) identifies three layers of business ethics: macro-level analyses the network constituted by the State, the market and society; meso-level examines the business as an institution and the micro-level which investigates the choices taken by people engaged in economic activities, like managers and professionals.<sup>27</sup>

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<sup>26</sup> Donaldson, T., Dunfee, T.W., *Toward a Unified Conception of Business Ethics: Integrative Social Contracts Theory*, 1994, *The Academy of Management Review* 19 (2):252-84

<sup>27</sup> Sacconi, L., *Responsabilità Sociale come Governance Allargata d'Impresa: un'interpretazione basata sulla teoria del contratto sociale e della reputazione*, 2004, *Liuc Papers, Serie Etica, Diritto ed Economia* 11 (143).

## 1.6 Corporate Social Responsibility in 21st century

The 21st century is characterized by empirical research on the subject of Corporate Social Responsibility and in-depth study of existing theories, such as stakeholder theory and business ethics, and on the development of collateral topics, like sustainability and corporate citizenship.<sup>28</sup> Researchers are involved in providing a practical contribution to the Corporate Social Responsibility and Performance study, rather than a theoretical one. Indeed, the focus of interest has moved from the explanation of the concept to identifying which are the best practices for the implementation of social responsible activities. For instance, Kotler and Lee (2005), in their book *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*<sup>29</sup>, help explain how to identify business's social purposes and enlist the activities a firm may engage in to support that cause. Moreover, they suggest twenty-five best practices a firm might follow to do good, both for the community and the organization.

In the last decades, Corporate Social Responsibility has definitely become a global movement.<sup>30</sup> As mentioned in the previous section, the concept has been interpreted differently by researchers. Even though there is not a precise definition of what means to behave socially responsible for corporations, there exists an increasing concern around the subject. Institutions have also expressed interest with respect to this theme. The European Union has formalized the concept of CSR in its agenda since the Lisbon European Council of 2000. Corporate Social Responsibility is considered as a strategical tool to build a socially strong and competitive community and to update the existing European social structure.<sup>31</sup> In 2001, the European Commission enacted the Green Paper with the goal of becoming “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social

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<sup>28</sup> Carroll, A. B., *A History of Corporate Social Responsibility: Concepts and Practices*, 2009, The Oxford Handbook of Corporate Social Responsibility

<sup>29</sup> Kotler, P., Lee, N., *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*, Hoboken, 2005, John Wiley and Sons, Inc.

<sup>30</sup> Carroll, A. B., *A History of Corporate Social Responsibility: Concepts and Practices*, 2009, The Oxford Handbook of Corporate Social Responsibility

<sup>31</sup> Unioncamere, CSR - Cos'è, [www.unioncamere.gov.it](http://www.unioncamere.gov.it)

cohesion”.<sup>32</sup> The document defines CSR as “essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment”. Corporate Social Responsibility expresses the idea of behaving ethically good, this means acting in a way which transcends legal compliance with norms and regulations and identifies the set of actions and behaviors the firm adopt to benefit the business and the context in which it operates. The Green Paper distinguishes between an *internal CSR* and an *external one*. The external dimension analyses the relationship with outside partners (community, suppliers, etc.) and how organizations can create a solid alliance with them and implement specific actions in order to boost the link. The internal dimension examines the relationship with its resources, such as the human dimension, and how to manage them.

Both from a social and business perspective the interest in the theme of CSR grew exponentially. The attention to the issue is proved by the interest of many different groups. Business people, NGOs, politicians are just part of a broader group involved in the process. Besides, many consultancy and service firms, as well as standards and certifications are coming to life with the objective of guiding companies in their process and harmonizing practices. Governments and institutions have introduced regulations and plans to legitimize CSR practices and to prompt the participation in socially responsible activities. For instance, Japan has gone through a rapid increase in CR reporting, from 21 percent in 2015 to 42 percent in 2017, thanks to various initiatives promoted by the government and Codes which invite companies to adopt Integrated reporting.<sup>33</sup>

In its latest study on Corporate Responsibility Reporting, KPMG has evidenced that reporting on social practices has become the standard for mid-cap and large companies around the world. Of the 4,900 companies studied, three quarters release CR reports and 78 percent incorporate non-financial with financial information

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<sup>32</sup> Commission of the European Communities, *Green Paper: Promoting a European framework for Corporate Social Responsibility*, DOC/01/9, Brussels, 18 July 01

<sup>33</sup> see Stewardship Code, Japanese Financial Services Agency (FSA), 2014 and Corporate Governance Code, Tokyo Stock Exchange, 2015

because crucial for investors. All the economic sectors engage in CSR reporting, as a matter of fact each sector present a reporting rate of at least 60 percent.<sup>34</sup>

According to the study, the North and South America have seen a strong increase in reporting in the last two years becoming the leading areas in CR reporting. Other countries deeply involved in responsibility reporting are Japan, India, Malaysia and Taiwan. Italy has seen a slight increase in reporting, moving from 79 percent in 2015 to 80 in 2017.<sup>35</sup>

This period was characterized not by new theoretical interpretations, but by practical investigation connecting CSR to specific relevant themes. For instance, Grosser (2011) studies the link existing between CSR and gender equality. Analyzing corporate reporting and interviewing business managers, the author tries to understand how the social commitment of the firm can act as a tool for organizational change.<sup>36</sup> Jamali and Dirani (2014) overcome the old-fashioned idea that human resources and corporate social responsibility are two themes which cannot intersect. Through their analysis, they explain the interaction between CSR and diversity management and how these relationship can create growth and innovation inside the corporation.<sup>37</sup>

The reason why being socially responsible has gained so much attention can be attributed to many different factors. First of all, a voluntary willingness to contribute and to participate in the social dimension has arouse from businesses. This has been assessed by researchers throughout the years, as explained in the historical analyses specified above. Besides this voluntary participation, corporations have perceived the increasing pressure from outside parties to engage in social issues in a practical fashion and to disclose information about their involvement in society wellbeing. Some business scandals, like the recent garment factory collapse in Rana Plaza

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<sup>34</sup> KPMG, *The Road Ahead*, The KPMG Survey of Corporate Responsibility Reporting 2017, [kpmg.com/crreporting](http://kpmg.com/crreporting)

<sup>35</sup> Ibidem

<sup>36</sup> Grosser, K., *Corporate Social Responsibility, Gender Equality and Organizational Change: a Feminist Perspective*, March 2011

<sup>37</sup> Jamali, D., and Dirani, A., *Synergies of CSR and diversity management: a converging agenda*, 51-65, 2014

(2013)<sup>38</sup>, have moved the focus of interest on the real meaning of doing business. Are firms really engaging in socially good actions or are they concealing some aspects to society, while pursuing profit-maximization activities? Many businesses adopt social responsible behaviors and practices to gain a competitive advantage and exploit CSR policies to improve their public image. Moving to the environmental dimension, there is an increasing awareness that resources available are limited. Hence, organizations must realize that they cannot waste resources in order to continue performing economic activities.

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<sup>38</sup> [https://www.ilo.org/global/topics/geip/WCMS\\_614394/lang--en/index.htm](https://www.ilo.org/global/topics/geip/WCMS_614394/lang--en/index.htm)

# Chapter 2: The role of companies in gender responsibility

This chapter analyzes the relationship that exists between Corporate Social Responsibility and gender equality issues. Subsequently, the feminist theory of “gendered organization” and conversely the theory of “gender neutral organization” are presented as informative to the present study and support the idea of the gender responsibility of the firm. The last section describes the concept of “gender mainstreaming” as an approach which can be extended to all forms of enterprises and not only to the public sector organizations.

## 2.1 Corporate Social Responsibility and Gender Equality

As outlined in the previous chapter (chapter 1), the concept of Corporate Social Responsibility is a broad notion. Any theory analyzed have provided its own interpretation of the field and definition. The research on CSR can help explaining the relationship between organization and gender equality. Together with governments, NGOs, and society, businesses play a central role in the gender equality agenda. As the next paragraph will explain, according to some feminists theories organizations are, by nature, the place where inequalities are reproduced. For this reasons, businesses have a duty to implement actions to limit discriminations and make their own contribution to society.

As Grosser (2011) suggests, Corporate Social Responsibility can work as a process of organizational change, which in turn contributes to social development. In her study, the author analysis corporate attitudes towards gender equality examining corporate reporting on the issue and interviewing managers on the process of corporate disclosure. These findings show that there is an increasing commitment from organizations for what concerns the gender equality agenda. Companies express their responsibility by disclosing performance data, targets and actions information. Gender reporting proves to be useful for two main reasons: first of all, informing on the issue implies a previous collection of data. This process moves the attention on the topic of concern, including it in the organization’s agenda.

Secondly, it makes the firm accountable and responsible for its actions. Hence, through the disclosing activity, businesses can have an impact on organizational and social change.

In her study, Grosser (2011) groups the main CSR theories into four categories and explains the implications these have on gender equality. For what the categorization is concerned, she takes as example the classification previously developed by Garriga and Melé (2004), which divide theories into *instrumental*, *integrative*, *ethical* and *political* theories.<sup>39</sup>

Instrumental theories include those studies which consider CSR as admissible only if it includes activities linked with the production of profits. This set of studies can be represented by Friedman's *shareholder theory* (1970), which sees as only responsibility of the firm shareholders' profits maximization, and Porter and Kramer (2002) competitive advantage of philanthropy, which sees this practice as an activity satisfying business objectives.<sup>40</sup> Most often, CSR promoters follow the instrumental *business case* approach to present the strength and weaknesses or the risks and rewards associated with taking a specific course of action. For example, Lückerath-Rovers (2011) by studying a sample of Dutch firms, has demonstrated the positive relation that exists between having women on companies' board and firms' performance. As Grosser (2011) affirms, this approach has been strongly criticized by feminist scholars because it is not considered as the appropriate way of dealing with gender issues. Indeed, one of the problem associated with the implementation of gender equality policies and anti-discriminatory practices is tight to the fact that they are usually not profitable to the business (e.g. equal pay for women). On the other side, businesses receive pressures from the external environment, i.e. costumers, suppliers and investors, because of expectations the society has on their activities. These expectations are manifested by the different groups through changes in actions. Hence, corporations consider CSR as a way of modeling their relationship with these groups and gaining a competitive advantage over others.

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<sup>39</sup> Garriga, E., Melé, D., *Corporate Social Responsibility Theories: Mapping the Territory*, Journal of Business Ethics 53: 51–71, 2004

<sup>40</sup> Porter, M., Kramer, M., *The Competitive Advantage of Corporate Philanthropy*, Harvard Business Review, 2002

This process was defined by Grosser and Moon as the *socialization of market*<sup>41</sup>. Thanks to external pressures and for competitive purposes, firms are encouraged to engage in gender sensitive behaviors, so that they improve their image and reputation.

Integrative theories includes all those studies which analyze how enterprises incorporate social expectations in their business activities. This can be done by setting principles, introducing policies and monitoring performance. For this reason, integrative theories can be described with the studies linked with Corporate Social Performance. As Wood's Corporate Social Performance Model (1991) explains, the social conduct of a firm is evaluated on three dimensions: the *principles* which guide corporate's actions, the *responsiveness* in terms of environmental, stakeholder and and issues management, and the *outcomes* manifested in terms of programs and policies implementation. Grosser (2011), through her study of corporate reporting on gender equality, analyzes how companies incorporates the gender perspective in practices and programs.

Among the categories identified by Grosser (2011), ethical theories are those theories which support the moral behavior of business firms. According to the author, representative of this category is normative Stakeholder's theory, which sees the pursuit of stakeholders' interests as a moral or ethical act rather than an economic one. For what concerns gender equality, this is included among the fundamental human rights. It can be considered as moral act, if a firm decides to pursue a gender equality perspective when dealing with corporate social responsibility practices. United Nations 2030 Agenda, which promotes gender equality and women empowerment, represents an example of how these issue must be recognized and addressed by firms as a moral duty and not as having an economic return.<sup>42</sup>

Privatization and globalization has brought significant changes to the role of corporations in the world. As Grosser (2011) explains, these two processes have given more power to organizations, which has moved form being simple actors to leading

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<sup>41</sup> Grosser, K. and Moon, J., *The Role of Corporate Social Responsibility in Gender Mainstreaming*, International Feminist Journal of Politics, 2005a, 7, 532-554

<sup>42</sup> United Nations, *2030 Agenda for Sustainable Development*, <https://sustainabledevelopment.un.org/post2015/transformingourworld>

characters in managing responsibilities which formerly resided in governments' hands. In general, multinational organizations retain considerable power. This is not only linked with the quantity of assets they administer, but with their ability to manage and shift these assets from one country to the other, depending on profitability.<sup>43</sup> On one side, globalization has proved to be one of the driver for the increased corporate power, on the other it has reduced governments' ability to control international activities of the firm. Political theories, such as the "Iron Law of Responsibility"<sup>44</sup>, affirm that firms have power with respect to society and can use it consciously to bring about change. Corporations have been endowed with the responsibility of coping global environmental and social issues, as it is gender equality. Globalization has exacerbated gender related problems, multinational organizations operate in many different countries and have to deal with gender issues that may be different from those of the country of origin. For this reason, businesses have to take on the responsibility for their actions. This increasing importance in corporate role can make up for shortcomings in governmental intervention. Hence, businesses are part of a broader framework, together with governments and NGOs, as promoter and involved party in social issues.

## 2.2. Organization theory from a feminist perspective

When discussing about discrimination and equality, people get confused on the distinction between sex and gender. These (usually) binary categorization identifies two different aspects which belong to the individual. Gender is usually referred to as the set of social and cultural characteristics, behaviors and actions people are expected to manifest because of their sex, while sex is the set of biological features a person possesses. As this sections explains, while the concept of sex is specifically referred to individuals, the notion of gender can be used to explain organizational differences. Feminist researchers have investigated on the relationship between "gender" and "organizations" to explain why inequalities persist despite the continuous introduction of equality policies.

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<sup>43</sup> Grosser, K., *Corporate social responsibility, gender equality and organizational change: a feminist perspective*, 2011

<sup>44</sup> Davis, K., *Social responsibility of businessmen need to be commensurate with their social power*, California Management Review, vol.2, Spring 1960

## 2.2.1 The theory of gendered organizations

The concept of gender is one that can be extended outside the sphere of individual construction and applied to structures and organizations too. One application of this idea found its place in what Joan Acker (1990) has formulated as the “theory of gendered organizations”.<sup>45</sup> In her words “To say that an organization, or any other analytic unit, is gendered means that advantage and disadvantage, exploitation and control, action and emotion, meaning and identity, are patterned through and in terms of a distinction between male and female, masculine and feminine.”

Hence, gender, organizations and society are not completely independent aspects. On the contrary, entities are the place where social constructions and behaviors are reproduced. Due to the existence of a substructure inequalities are emphasized. The substructure comprises all the activities associated with organizing, coordinating, task setting, promoting, and assessing. Hence, the entire organizational logic is guided by gender and aspects characterizing the ongoing process of an organization are gendered in nature. For instance, internal interaction among groups, sees women as those who have to support the idea of others rather than actively participating in the debate.

Acker (1990) claims that structures are only apparently neutral in gender. Instead, the organization uses tools in the form of norms, contracts and standards which are already gendered in their nature. An example is represented by the process of job evaluation, which is a tool used by managers to establish roles, assess the value of a job and develop a consistent pay structure. It describes the set of tasks, duties and responsibilities which concern that particular job. The organizational logic uses as benchmark for evaluations a corrupted metric, which will help perpetuating inequalities.

Indeed, the most suitable worker for the abstract job is a worker who do not have any other constraints outside the working boundaries and is committed to the firm. The closest personification of the ideal worker is the male employee. Instead, the female worker has important family duties of nurturing and caring.

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<sup>45</sup> Acker, J., *Hierarchies, Jobs, Bodies: A Theory of Gendered Organizations*, Gender and Society, Vol. 4, No. 2, (Jun., 1990), pp.139-158;

Through this notion of “job” and consequently of “hierarchy”, Acker (1990) develops the theory of the gendered organization. She affirms that the organization is gender-based in nature, and in particular male-centered, because it starts from the assumption that the ideal worker presents masculine attributes.

Moreover, the organizational substructure helps explain why the conflicting gender division between paid work and unpaid domestic work still exist. Women are segregated to low level jobs because they cannot respond to the demanding organizational mechanisms. Family duties and responsibilities preclude women any possibility to put their jobs first. In this way, women are excluded *ex ante*, since they do not fit to the demands. This framework affects women’s life, due to the incompatibility between organizational and personal life needs. Governments can introduce policies to care for individuals’ needs and rights, but organizations ought to be responsive enough to adapt their activities to meet them. Indeed, most of the time this results in corporations selecting people based on who will make use of those rights.<sup>46</sup> Another way of combating discrimination is to even out responsibilities among men and women, so that both groups do not meet organizational expectations. But this enormous transitional process would imply a radical change of society.

In one of her subsequent studies, Acker (1998) questioned her previous assumptions on the relationship between gender and organizations. She affirms that there exist the chance to eliminate the gendered substructure if the old idea of “job” is disrupted. It is in this sense that an evolution of the organization towards flexibility, team working and less hierarchy, will create opportunities to limit inequalities affecting women.

Unfortunately, the understructure is guided by two principles characterizing capitalist societies, the *privileging* and *non-responsibility* of organizations. According to the first principle, for the individual, work must come first with respect to personal activities. Hence, organizations are those entities which, together with the State, dictate how people should manage their daily tasks. The *non-responsibility* principle implies that organizations have nothing to do with human reproduction, as well as the environment and other externalities. Instead, organizations have a great impact on the survival of the human species and by ignoring duties towards society, they exacerbate inequalities between man and women.

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<sup>46</sup> Acker, J., *The future of “gender and organizations”*, Volume 5, No. 4, October 1998

## 2.2.2 Gender neutral organizations

In contrast to the assumptions of the theory of gendered organizations, there are scholars who defend the idea that organizations are, instead, gender neutral. In her paper “*Men and Women of the Corporation*”, Kanter (1977) developed the “*job model*”, affirming that inequalities are inherent in the structural form of the business. She defines as *tokens* workers who are in minority and in a straining positions regardless of their sex, class or race. She claims that disparities faced by workers do not depend on their “feminine” dimension, rather on the nature of the position performed and on the idea of being the outnumbered.<sup>47</sup>

Usually, duties filled in by women are limited in power and present restrictions in career advancements. Due to limited tasks, women cannot express fully their abilities and therefore, it is the organization which relegate women to lower leagues. Instead, when in positions of power, women have to go through *tokenism*. *Tokenism* means that any group would experience the same adversities, if found in extreme minority. Hence, following Kanter’s reasoning, gender discrimination in the workplace would be two-fold, depending on which group is the minority. Her suggestion, as a solution to this problem, is to increase the proportion of people suffering unequal treatment, so that their token status is lost. Through this policy, women will have more chances to access male-dominated jobs too. Balancing out the two groups will inevitably lead to improvements and will limit discriminatory behaviors.

Contrarily to Kanter’s approach, Zimmer (1988) asserts that introducing more female workers is not a sufficient condition for the elimination of inequalities.<sup>48</sup> This attitude may intensify the problems of women’s working conditions and the obstacles associated with career mobility. It is important to first address relational issues between man and women inside the organization and the bias that exist around female workers. Zimmer (1988) suggests that being a minority is not always synonym with unequal treatment and sometimes the opposite result emerges. For examples, there are many studies demonstrating that being a male minority is more advantageous than being a female one. This means that status is more important than

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<sup>47</sup> Kanter, R. M., *Men and Women of the Corporation*, 1977

<sup>48</sup> Zimmer, L., *Tokenism and Women in the Workplace: The Limits of Gender-Neutral Theory*, *Social Problems*, Vol. 35, No.1 (Feb., 1998), pp. 64-77;

numbers when the relationship is between a dominant and a dominated group. Men enjoy higher privileges inside the organization and this happens even though they are a minority.<sup>49</sup> In this sense, gender still plays a crucial role in organizational discrimination.

## 2.3 Gender Mainstreaming

Gender mainstreaming is an intricate concept which was first introduced with the Treaty of Amsterdam (1997). It is often understood as a method for policy development and it is confused with the tools used for the implementation of the gender mainstreaming approach. Usually, this happens when the procedure is adopted in combination with the development of a program addressing other discriminatory issues. Most of the time, inequality on the ground of gender is associated with other societal problems, i.e. class, age, and race discrimination.

The definition provided by the European Commission and the Council of Europe sees the gender mainstreaming as a strategy to achieve gender equality. Equality is attained thanks to the introduction of the gender perspective in the policy-making process. During the designing, planning and improving stages of a policy, which can be a new or an existing one, people in charge must evaluate the effects and consequences on both men and women alike.<sup>50</sup> <sup>51</sup> The end goal is to promote equality and to fight discrimination through an institutional intervention. It regards developing policies which take into consideration the needs of society in its entirety and it is concerned with limiting and eliminating inequalities which damage specific minorities. Gender mainstreaming's aim is not only associated with the design of

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<sup>49</sup> Ivi, p. 68;

<sup>50</sup> "Gender mainstreaming involves not restricting efforts to promote equality to the implementation of specific measures to help women, but mobilising all general policies and measures specifically for the purpose of achieving equality by actively and openly taking into account at the planning stage their possible effects on the respective situation of men and women (gender perspective). This means systematically examining measures and policies and taking into account such possible effects when defining and implementing them."  
European Commission, *Communication: "Incorporating equal opportunities for women and men into all Community policies and activities"*, (COM(96)67final).

<sup>51</sup> "Gender mainstreaming is the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies, at all levels and at all stages, by the actors normally involved in policymaking."  
Council of Europe, *Gender mainstreaming: conceptual framework, methodology and presentation of good practices*, Strasbourg, 1998.

anti-discriminatory policies, but the process consists in analysing the current state and adjust existing mechanisms which may lead to unequal treatment and to perpetration of injustices.<sup>52</sup> In the long period, it focuses on changing social norms and cultural practices, so that unfair behaviors are stopped.

Gender mainstreaming is the official EU strategy addressing gender equality commitments. EU institutions and individual Member States are called to implement gender mainstreaming, as well as the entire staff of public organizations. It is also the strategy adopted by other international institutions too, i.e. World Bank and United Nations.

The European Union commits to achieving gender equality through two channels: the creation of “gender responsive content” and “equal representation of men and women”<sup>53</sup>. The first step is linked to the policy-making process, for which the actors involved in the elaboration must consider the gender impact and evaluate the impact of each step on the gender dimension. Sometimes, the process must be run in cyclical terms, as to consider the impact of changes in each stage. The cycle includes four dimensions: the defining, planning, acting and checking steps. For each area, the European Union has identified specific tools for a practical application. For example, gender statistics and gender budgeting are useful instruments for the defining and planning processes, while gender training and monitoring for the acting and checking phases. Instead, the “equal representation” objective regards men and women as recipients of the policies, as both groups must be considered and represented during the creation process.<sup>54</sup>

There are different views around the meaning of gender mainstreaming. Indeed, there are two ways of interpreting the concept. The practical view intends it as a political approach to program design for both organizations and businesses. Thanks to the introduction of policy mechanisms, authoritative bodies let the issue be known and try to address it. On the contrary, there are some scholars who theorizes the concept and sees it as an objective which has the power to contest and remodel existing and future polices. For instance, a different definition of gender

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<sup>52</sup> European Institute for Gender Equality, *What is gender mainstreaming*, <https://eige.europa.eu/gender-mainstreaming/what-is-gender-mainstreaming>

<sup>53</sup> Ibidem

<sup>54</sup> Ibidem

mainstreaming, which depart from the institutional one provided by the European Union, is the one provided by Rees (2005).<sup>55</sup> According to her, the gender mainstreaming approach has a “transformative” power and goes beyond the implementation of policies. It means putting on gender equality “lenses” on every dimension of one’s life, incorporating the concept in every system, policy, culture and everything people does and sees. The first step to be taken is to inspect the current events, recognizing “androcentric practices” and questioning them.

Rees (2005) recognized three principles which characterize gender mainstreaming. The first principle is to consider the individual as a “whole person”. It implies seeing the individual as a person irrespective of its gender and this goes through the acceptance that each individual is different. The assumption translates into action thanks to policies which benefits individuals in its entirety. For example, work/life balancing programs should not be developed from a female perspective only, that is personal time is needed for addressing family care issues. They should be designed keeping in mind that the recipient is a person, which seeks balance to accomplish personal activities, that may be different from family care ones.

The key aspect of this principle is that it, as in Rees (2005) words, “accepts difference and as such avoids some of the limitations of the equal treatment approach while seeking to ensure that women and men are valued equally rather than differently”. This concept mainly reflects the idea at the base of gender mainstreaming. The entire societal and organizational structure must be dismantled and reconstructed by eliminating the belief that a male-centered society is the rule. The transformative power of gender mainstreaming departs from other two gender equality related concepts, i.e. equal treatment and positive action.

Gender mainstreaming is characterized by other two principles, that are democracy and participation, and justice, fairness and equity. It is important that women actively participate in political life and in the decision-making process in general. Having a gender-balanced participation enhances the process with different perspectives which are beneficial for the system. Thanks to the collection and study of data, the EU provides up-to-date statistics about the participatory sphere. Some

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<sup>55</sup> Rees, T., *Reflections on the uneven development of gender mainstreaming in Europe*, International Feminist Journal of Politics, 2005, 7:4, 555-574

Member States are committed to encourage female engagement in public life. For example, Italy has introduced some measures to increase female participation in government public bodies (Law No. 215 of 2012). Female engagement is important in the decision-making process too.

Gender mainstreaming is about doing the right thing by encouraging equality and inclusion. This state of mind is beneficial for individuals, who are not treated according to stereotypes, and for organizations, because this approach can be broadened to other non-gender dimensions, such as class, disability and race discrimination.

Gender discrimination and equality see many actors at play. Hence, gender mainstreaming is a concept that should not be limited to the public and institutional dimension, but it can be an approach used in the private sector too. For instance, businesses can take the cue from the political approach, to addressing the gender equality issue in the workplace. Committing to gender equality is beneficial for the companies which decide to achieve this objective, but at the same time it is a positive message of openness and innovation sent to stakeholders. It can be a powerful tool introduced in the form of programs to promote the integration of women at all levels, a program related to maternity leave, work-life balance or mobility issues. The key aspect is that the process is not reduced simply to the implementation or introduction of a business policy. Adopting a gender mainstreaming approach inside an organisation means to revolutionize completely the way in which leaders see their businesses and all the parties involved in the course of events. It implies men and women working together on planning and designing activities and processes so that both groups are better off. Businesses should review their goals according to this new vision, re-planning their activities and adjust their relationship with stakeholders.

# Chapter 3: Gender Discrimination and Equality

## 3.1. Definition and Overview

Since the beginning of the twentieth century, gender equality and discrimination has become significant issues and vast grounds of research. Indeed, these subjects involve many intertwined dimensions of women's life creating a complex structure, which should be approached by a variety of different angles. Each aspect of this structure needs to be changed to achieve a sustainable life for women and for all. Poverty, access to education, early marriage, physical and psychological violence, work-life balance and unpaid domestic work are just few points on which institutions and organizations are committed to bring about a change.

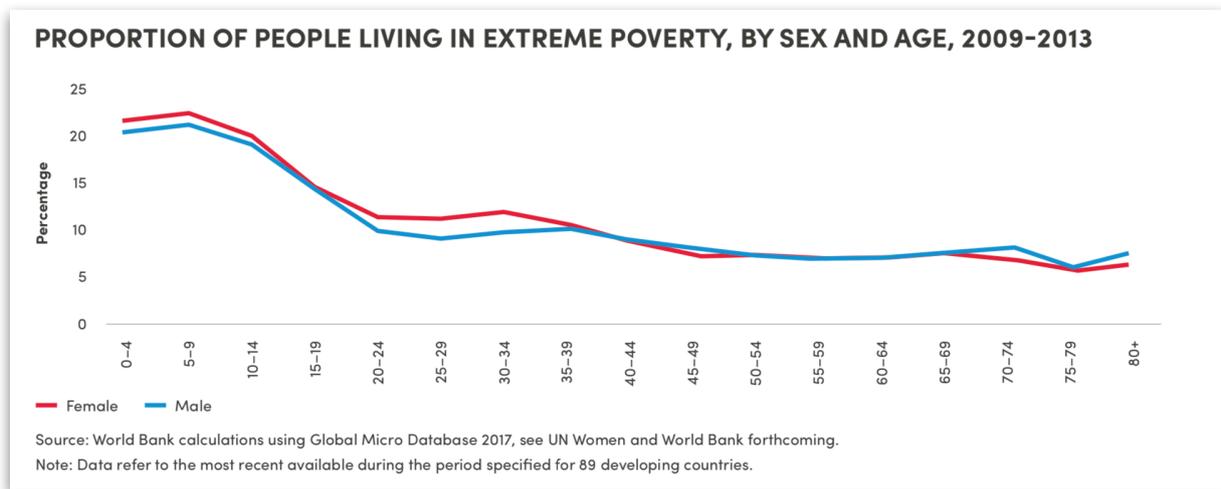
The European Institute for Gender Equality (EIGE) defines gender discrimination as “any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on the basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.”<sup>56</sup> Thus, according to this definition, whenever sex is the decisive factor in any situation then we can talk about discrimination. This implies economic, social, cultural and political limitations imposed on women or circumstances in which she is limited in exercising fundamental rights, and she is put in a level of disadvantage with respect to men.

Despite cultural and legislative progresses made so far, which will be analysed in the subsequent paragraph (3.2), the current situation is at a stalemate and the world is far from the complete eradication of discrimination. Nowadays, limitations still exist which put women in an unfavorable position, especially in developing countries. For instance, groups of women still experience difficulties in earning an income due to restrictions, such as limited access to inheritance, land, property and credit. In general, women are less wealthy with respect to their male counterparts, increasing inequalities in the households.<sup>57</sup>

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<sup>56</sup> United Nations, *Convention on the Elimination of all forms of Discrimination Against Women*, 1979, Article 1

<sup>57</sup> UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*, 2018, p. 76



**Fig. 3.1:** Proportion of people living in extreme poverty, by sex and age, 2009-2013  
**Source:** *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*, UN Women, 2018, p. 77

As Fig. 3.1 shows, the proportion of individuals living in extreme poverty conditions, women are more subject to this vulnerable state. This happens especially in the 20-39 age range, which is the period of maternity and breeding and the most difficult stage to combine caregiving and paid work.

For what concerns education, the key indicators show there are improvements for girls accessing primary and secondary education. In 2015 the percentage of girls enrolled in primary school were 90.3 per cent. A significant improvement, considering that in 2000 they were just 82.2 per cent globally<sup>58</sup>. Some studies<sup>59</sup> have demonstrated that girls perform better in school than their male counterparts. Nevertheless, girls are not in a position of advantage when accessing the labour market. This is actually a contradiction, since they should be considered as more attractive work-wise because more diligent and educated. Indeed, employing more women in the labour market provides benefit to the economy as a whole and to businesses. As a matter of fact, it has been shown that having more women participating in corporate boards leads to better company profits with respect to those corporations which have a higher percentage of men.<sup>60</sup> The same is true for women participating in political life, they lead to less public spending.

<sup>58</sup> *ivi*, p. 83

<sup>59</sup> Fortin, N. M., Oreopoulos, P. , Phipps, S., *Leaving boys behind: gender disparities in high academic achievement*, working paper 19331, National Bureau of Economic Research, August 2013

<sup>60</sup> Beaman et al. 2012, Gonzalez et al. 2015, ILO 2015a

Unfortunately, they are still underrepresented in both fields. Indeed, national parliaments present only 23.7 per cent of the seat occupied by women, while they occupy more than 30 per cent of the seats in just 46 countries.<sup>61</sup>

When women have the chance to have a stable and paid job, they have to deal with different types of discrimination because of their sex: gender bias, job segregation, differences in salaries, sexual harassment, restrictions on social security contributions are just a few examples of the issues linked with female labour participation. In 2018, according to the Sustainable Development Goals report<sup>62</sup>, the gender pay gap was 23 per cent, meaning that women make only \$0.77 for every dollar men make.

Considering that the gender pay gap index accounts for salaried employment and does not take into consideration who works on his/her own, leaving out a huge slice of workers, it is a considerable difference in salaries. Moreover, women have to handle another type of work, i.e. domestic unpaid work.

Household management, children and elderly caring accounts for 18 per cent of a woman time, with respect to 7 per cent of men's.<sup>63</sup> This implies that female population has less time for developing other areas of their lives besides work, such as time for education, rest and political and social participation.

Despite all the advancements that have been made since the introduction of the principle of equality in the Universal Declaration of Human Rights in 1948, the scenario presented is not comforting. At the current state, women around the globe have just three fourth the rights of men. This is the result of a study conducted by the World Bank on how the law affects the decision making process of a woman with respect to economic choices throughout her life.<sup>64</sup>

The World Bank has been devoted to these issues during the last decade. By collecting information and data about the economic decisions women make throughout their working and non-working lives. The index developed by the World Bank shows the level of gender equality each country has. The result demonstrates that just six

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<sup>61</sup> United Nations, *Goal 5: Achieve gender equality and empower all women and girls, Facts and figures*, <https://www.un.org/sustainabledevelopment/gender-equality/>

<sup>62</sup> United Nations, *The Sustainable Development Goals Report 2019, New York, 2019*

<sup>63</sup> UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*, p. 93

<sup>64</sup> The World Bank Group, *Women, Business and The Law 2019, A decade of Reform*, 2019

countries show complete parity: France, Latvia, Luxembourg, Sweden, Belgium and Denmark. While other countries have introduced reforms towards a better female inclusion, others have fallen behind and made little progress.

Countries presenting higher level of parity, show a higher participation rate in the workforce.<sup>65</sup> Those countries which introduce reforms for gender equality, experience more women entering or staying in the workforce. This benefits both women, who can feel free to make better decisions for themselves and their community, and economy as a whole.

As already stated, women are more subject to live in poverty than their male partners<sup>66</sup> and their inability to earn a constant income jeopardizes their freedom. This increases a woman's dependence on her partner by limiting and compromising social and work life too. Indeed, in many countries they are not free to take decisions for their own lives on diverse grounds: husbands can prohibit women to work in 18 nations around the world, just 52 per cent of married women can take decisions on birth control, relations and health care<sup>67</sup>, 12 millions girls are forced to marriage before they reach age 18 every year.<sup>68</sup>

National and supra-national institutions are committed to reduce discrimination on the ground of religion, ethnicity, race, and sex. The United Nations has developed the 2030 Agenda for Sustainable Development, a 17 points program whose objectives include the termination of poverty, the fight against inequalities and working on climate change.<sup>69</sup> According to the project, growth can be realized with a global commitment on many fronts, i.e. economic, political, social and environmental. Goal No.5 specifically addresses gender equality and women empowerment as a crucial area of research and action. It comprises 9 areas of improvements of women's life:

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<sup>65</sup> International Bank for Reconstruction and Development/The World Bank, *Women, Business and the Law 2019: A decade of reform*, 2019, p. 8

<sup>66</sup> UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*, 2018, p. 77

<sup>67</sup> United Nations, *Goal 5: Achieve gender equality and empower all women and girls, Facts and figures*, <https://www.un.org/sustainabledevelopment/gender-equality/>

<sup>68</sup> United Nations, Human Rights, Office of the High Commissioner, *Child, early and forced marriage, including in humanitarian settings*, <https://www.ohchr.org/EN/Issues/Women/WRGS/Pages/ChildMarriage.aspx>

<sup>69</sup> United Nations, Sustainable Development Goals, *The Sustainable Development Agenda*, <https://www.un.org/sustainabledevelopment/development-agenda/>

the elimination of violence, both in the private and public sphere; equality at home and at work, in terms of access to political, economic and public life; introduction and enforcement policies to increase awareness and woman strength.<sup>70</sup> One of the features of this goal is its cross-cutting application to all the other objectives of the plan. Besides specific targets, the program adopts a gender perspective on the overall project, analyzing which is the impact of each action on both women and men. Indeed, the 17 objectives of the plan are not independently developed, but they are addressed in a synergic fashion. The Global Indicator framework, which collects data to oversee the evolution of the program, divides SDGs into three categories depending on their level of gender responsiveness: there are gender-sensitive goals (SDG 1, 3, 4, 5, 8 and 16), whose purpose is gender equality or require collection of data divided by sex; gender-sparse goals (SDGs 2, 10, 11, 13, and 17), which indirectly address the gender equality issue; and gender-blind goals (SDGs 6, 7, 9, 12, 14, and 15), which do not consider gender impact at all.<sup>71</sup>

As just states, of all objectives of the plan some are not gender-specific, but they are directly involved in the fight against gender discrimination. This feature is particularly important because it shows how the gender equality issue is related to other sustainable matters and how it can affect the achievement of these goals. Vice versa, a commitment on other fronts can help improving the gender equality field. Gender equality is a challenge for all countries around the world and it is one of the limitations to a sustainable development. For instance, the “Zero hunger” objective addresses an issue that concerns everyone. In this case, women are affected more heavily by hunger than men. Indeed they are define as “shock absorbers”, because when food runs short or prices increases, they are those who consume less food and dedicate more time in processing meals.<sup>72</sup> Due to income inequality, they are more vulnerable to the issue too. Hence, the interlinkages between objectives create a complex structure and a network for which stagnation or regression on one aspect may hinder progress in others. For this reason, it is important to keep improving on

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<sup>70</sup> United Nations, *Goal 5: Achieve gender equality and empower all women and girls, Goal 5 targets*, <https://www.un.org/sustainabledevelopment/gender-equality/>

<sup>71</sup> UN Women, *Turning Promises into Action: Gender Equality in the 2030 Agenda for Sustainable Development*, 2018, p. 49-51

<sup>72</sup> Ivi, p. 79

areas that concern a woman's life, but on all the other areas too, which benefits women and men in their entirety.

For what concerns the labour environment, the 20th century has seen an increase in the labour force participation rate of women, but the pace has almost stopped as the new century begun, as the two charts below show. In 2018 women labour force accounted for 48.5 per cent of world employment, while that of men 26.5 per cent higher.<sup>73</sup> In almost twenty years, the difference in labour force participation has diminished of 2 percentage points and it is estimated that it will probably come to a stop in the next couple of years. The global gap in the participation rate depends on the trends of emerging, developing and developed countries.

**Table 1**

**Level and trends in rates of labour force participation and unemployment by sex, 2009–21**

Country/region	Labour force participation rate (percentages) and gender gap (percentage points)					Unemployment rate (percentages) and female-to-male unemployment rate ratio				
	Men	Women	Gap (Men – Women)			Men	Women	Ratio (Female rate/Male rate)		
	2018	2018	2009–18	2018	2018–21	2018	2018	2009–18	2018	2018–21
<b>World</b>	<b>75.0</b>	<b>48.5</b>	▼	<b>26.5</b>	▲	<b>5.2</b>	<b>6.0</b>	▲	<b>1.2</b>	▲
Developing countries	81.1	69.3	▼	11.8	▶	4.6	6.1	▼	1.3	▲
Emerging countries	76.1	45.6	▲	30.5	▲	5.2	6.1	▲	1.2	▲
Developed countries	68.0	52.4	▼	15.6	▼	5.3	5.6	▶	1.1	▶
Northern Africa	71.9	21.9	▼	50.0	▼	9.1	19.5	▼	2.2	▲
Sub-Saharan Africa	74.0	64.7	▼	9.3	▼	6.4	8.2	▼	1.3	▲
Latin America and the Caribbean	77.1	51.5	▼	25.6	▼	6.8	9.5	▼	1.4	▲
Northern America	67.9	55.8	▶	12.1	▼	4.6	4.4	▲	1.0	▼
Arab States	77.2	18.9	▲	58.3	▼	6.8	16.3	▲	2.4	▼
Eastern Asia	74.7	59.1	▲	15.6	▲	4.8	4.2	▲	0.9	▲
South-Eastern Asia and the Pacific	79.4	56.5	▼	22.8	▼	3.5	3.3	▼	0.9	▶
Southern Asia	79.0	27.6	▼	51.4	▲	3.7	5.2	▲	1.4	▼
Northern, Southern and Western Europe	63.4	51.6	▼	11.9	▼	7.9	8.2	▲	1.0	▶
Eastern Europe	67.0	51.8	▲	15.2	▼	5.6	4.9	▶	0.9	▶
Central and Western Asia	73.5	45.1	▼	28.4	▼	8.0	9.4	▲	1.2	▼

**Fig. 3.2:** Level and trends in rates of labour force participation and unemployment by sex, 2009–21

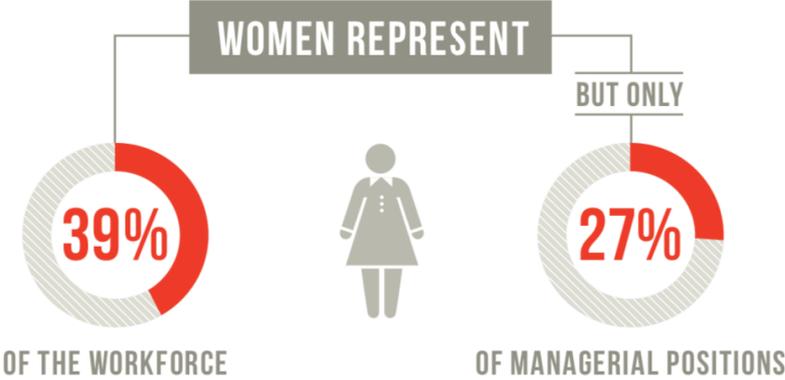
**Source:** International Labor Organization, *World Employment Social Outlook: Trends For Women 2018 - Global Snapshot*, Geneva, 2018

In emerging countries (e.g. Africa, South Asia and Arab States) the gap is wider (30.5 per cent in 2018), mainly due to cultural patterns of behavior, which impose more limitations in women's access to the labor market. On the other side, the reduction in the educational gap explains the difference in the labour one. Indeed, it has shown

<sup>73</sup> International Labor Organization, *World Employment Social Outlook: Trends For Women 2018 - Global Snapshot*, Geneva, 2018, p. 6

that more and more women have completed their learning experience, delaying the entrance in the labour market. Developing countries, instead, have the lowest gender gap (11.8 percent), while developed regions are experiencing the lowest gap of the last twenty years (15.6 percent). In the first case the difference is so small due to poverty obligations and the urgency of entering the working environment; developed countries have achieved a good level of equality in education and policies implementation. The difference may be linked to disparities in treatment in the workplace, e.g. hiring processes, career advancements.<sup>74</sup>

Referring to other gender equality issues, United Nations identify a set of difficulties women face that threaten and challenge their parity to men. According to the data collected, in least developed countries still 18 per cent of girls and women aged 15-49 experience physical abuse by former/present partners and many girls has to deal with child marriage. Moreover, studies shows that the gender gap widens when women are involved in unpaid domestic work. Women are responsible for child and family care more than men are. For this reasons they have to sacrifice time that would eventually be dedicated to work and career. Decision-making power is another aspect that have seen improvements, but have not achieved complete parity yet. The SDG report evidences 24.3 per cent of women sit in national parliaments and 26 per cent in local bodies. Women in managerial positions are still underrepresented, with only 27 per cent of the female workforce covering the role.<sup>75</sup>



**Fig. 3.3:** Women in managerial positions  
**Source:** United Nations, *Goal 5: Achieve gender equality and empower all women and girls, Infographics: gender equality* , <https://www.un.org/sustainabledevelopment/gender-equality/>

<sup>74</sup> Ibidem

<sup>75</sup> United Nations, *Goal 5: Achieve gender equality and empower all women and girls, Goal 5 Facts and figures* , <https://www.un.org/sustainabledevelopment/gender-equality/>

Social change requires the identification of the problem, acting and monitoring. The UN has developed three strategies to keep countries accountable for their gender-related actions. Firstly, UN representatives recommend to develop a system for the collection of data, which enables comparability across countries and to develop standards against which nations can measure themselves. Secondly, countries must engage in developing programs and policies consistent with SDG goals. To do that they must allocate adequate financial resources and integrate plans into their national budget decisions and legal framework. Monitoring and control are fundamental steps for an effective implementation of the commitments.

What has Italy been making? Italy has made solid improvements on Goal 5, even though it is well below European benchmarks. Gender violence, work-life balance and paternity leave has been the focus of Italian reform proposals. Paternity leave has been extended from two to four days of mandatory leave in 2018 and five days of mandatory leave plus one optional day in 2019.<sup>76</sup> Moreover, greater subsidies will be granted to businesses wanting to promote work-life balances initiatives. Less attention was put on female participation, both political and economic, for which the attendance is still low. After the elections of the 4th march 2018, 35 per cent of the members of the Parliament are women: 109 in the Senate and 225 in the House. Piemonte and Trentino Alto-Adige regions are the only regions undergoing improvements in regional councils.

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<sup>76</sup> No. 145 Law of 30th December 2018, art. 1, sub-clause 278, (legge di bilancio 2019)

## 3.2 Gender Equality regulations and guidelines

### 3.2.1 International framework

The adoption of measures for the protection of women's rights occurs at the international, supranational and national or regional level. The first traces date back to the end of 19th century and the beginning of the 20th century. During this period some associations took form, such as the International Council of Women (ICW) in 1888, the International Alliance of Women (IAW) in 1904 and the Women's International Democratic Federation (WIDF) in 1945. These associations were crucial in bringing the woman position to the international attention. Their actions led to the creation of the League of Nations Committee of Experts on the Legal Status of Women in 1937.<sup>77</sup>

From an international perspective, the first legal manifestation for the protection of women's rights appeared in the preamble of the UN Charter of 1945, which established equal rights to men and women. Later on, the principle of equality based on sex was included in the Universal Declaration of Human Rights enacted in 1948. Article 1 recites as follows "All human beings are born free and equal in dignity and rights", while article 2 reads "Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status."<sup>78</sup> Initially, article 1 reported as recipients of the provision "All men". Then, the very first words went through a correction and they were changed into "All human beings", which looked more appropriate by addressing mankind and not just men. The second article explicitly refers to the fact that no distinction has to be made on the basis of sex for what concerns the rights detailed in the declaration. UDHR is the first attempt to provide a guiding principle on equality, but apparently this had little effect on discrimination.

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<sup>77</sup> De Haan, F., *A Brief Survey of Women's Rights*, Vol. XLVII No. 1 2010 February 2010, <https://unchronicle.un.org/article/brief-survey-womens-rights>

<sup>78</sup> United Nations, *Universal Declaration of Human Rights*, 1948, <https://www.un.org/en/universal-declaration-human-rights/>

Discrimination against women was tackled by the CEDAW, the Convention on the Elimination of All Forms of Discrimination Against Women, which provided a definition of what discrimination is (see Paragraph 3.1) and encouraged equality. The Convention is one of the most relevant pieces of legislation because it implies changes to the domestic legislation of adopting States and it includes periodic reporting for updates on the matter. It was formalized by 189 countries around the world.

From an international point of view, two covenants need to be mentioned on the ground of gender discrimination. The Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, which came into force in 1973 and 1976 respectively. The first covenant deals with labour, social security and family life rights. In particular, it refers to the following claims: equal access to employment and no discrimination in the workplace,<sup>79</sup> equal pay for equal work<sup>80</sup>, free marriage and reproduction decisions<sup>81</sup> and equal access to education<sup>82</sup>. The Covenant on Civil and Political Rights refers to individual liberties, such as the freedom of movement and expression, and make explicit reference to women.<sup>83</sup>

In 1975 the United Nations General Assembly enacted a resolution (3010)<sup>84</sup> which establishes 1975 as International Women's Year. During that year the First World Conference on Women took place in Mexico City. It was the first time women were asked to collaborate and participate in policy-making process. The results were the World Plan Action and the Declaration of Mexico on the Equality of Women and Their Contribution to Development and Peace. On one side the Plan focused on reducing inequality and discrimination by setting out five missions regarding health, education, employment, housing and family planning to be achieved in the following decade. On the other side, the Declaration acknowledged equality between man and women. Moreover, it stressed that Member States can achieve equality only if they

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<sup>79</sup> Ibidem, article 6

<sup>80</sup> Ibidem, article 7

<sup>81</sup> Ibidem, article 10 and 12.2

<sup>82</sup> Ibidem, article 13.2

<sup>83</sup> United Nations, *Covenant on Civil and Political Rights*, 1976, Part 2, articles 2-5

<sup>84</sup> UN (1972), General Assembly Resolution 3010 (XXVII), *International Women's Year*, 18/12/1972

absorb these principles in their system, thanks to the implementation of adequate action plans, the cooperation among nations, and the support by NGOs.

The Second World Conference took place in Copenhagen in 1980, one year after the enactment of CEDAW. The main task was to analyze progress made so far, after the recommendations of the First Conference. The resulting program was centered around nationality, access to inheritance, ownership of land and property and child custody. After five years, the third World Conference was held in Nairobi as a last assessment of the tasks set out during the First World Conference. Participants recognized the failure in achieving the goals and the need for an effective commitment by nations. The Conference suggested that women should actively participate in the decision-making process of every field, i.e. social, political and legal.

The biggest and most important conference was the Fourth World Conference held in 1995 in Beijing. The importance of this conference revolved around the establishment of a framework of women's rights and empowerment. The Platform of Action is a twelve-points agenda which encourages cooperation between man and women in all areas of life, action on the matter of equality, active participation by governments and distribution of resources for the implementation of activities.

### 3.2.2 European framework

From a supranational perspective, the European Union has played an important role in the determination of equality between men and women, at least from a legislative point of view. As suggested by Ghailani (2013), the EU went through three stages defined as the “dormant stage”, the “awakening stage” and the “constitutionalisation stage”.<sup>85</sup> The Union relies on both “hard laws” and “soft law” instruments for gender equality. As far as “hard law” is concerned, treaties and directives were the main binding instruments adopted by the Union.

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<sup>85</sup>Ghailani, D., *Gender equality, from the Treaty of Rome to the quota debate: between myth and reality*, Social developments in the European Union 2013, 2013

In 1957, the Treaty of Rome introduced the “equal pay for male and female for equal work or work of equivalent value”<sup>86</sup> principle, which set the basis for parity between male and female workers. Other provisions on gender equality and discrimination are found in Part Two “Non-discrimination and citizenship of the Union” of the Treaty. Article 19 reads “Without prejudice to the other provisions of the Treaties and within the limits of the powers conferred by them upon the Union, the Council, acting unanimously in accordance with a special legislative procedure and after obtaining the consent of the European Parliament, may take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.”<sup>87</sup> Moreover, article 153 regulates the relationship between the Union and the Member States by encouraging and supporting their activities connected to “equality between men and women with regard to labour market opportunities and treatment at work”<sup>88</sup>

Forty years later the European Union approved the Treaty of Amsterdam (1997) which, together with the Lisbon Treaty (2009), enshrines the progressive phase of the Union. Article 2 sets the main goal of the European Union as achieving equality between man and women, while article 141 expands the scope of the goal outside the boundaries of the workplace, making it a social issue and not just an economic one. The main task is to combat injustices and to prevent unfavorable or different treatments towards people because of specific characteristics, e.g. gender. The principle prohibits both formal and substantive discrimination: in the first case, each law, norm and policy enacted by the Member States must not discriminate according to the characteristics listed in the principle; in the second case, the State must eliminate the attitudes and behaviors which may lead to discriminatory acts in society. These provisions are reinforced in the Lisbon Treaty too. It is only with the introduction of the Charter of the Fundamental Rights (2000) that equality based on gender is established as a fundamental right for all citizens of the European Union.

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<sup>86</sup> Article 157 TFEU, former article 119 (1) ECC, Treaty of Rome (1957), Treaty establishing the European Economic Community (not published in the Official Journal)

<sup>87</sup> Article 19, Treaty of Rome (1957), Treaty establishing the European Economic Community (not published in the Official Journal)

<sup>88</sup> Article 153, (ex Article 137 TEC), 1 (i), Treaty of Rome (1957), Treaty establishing the European Economic Community (not published in the Official Journal)

As stated by article 23 of the Charter, “Equality between men and women must be ensured in all areas, including employment, work and pay”.<sup>89</sup>

All these provisions were reinforced by the introduction of Directives to encourage and thrust Member States in implementing the norms set out in the treaties. From the 1970s, the EU enacted the main following decrees: Directive 75/117/EEC on equal pay for man and women; Council Directive 2000/78/EC on equal treatment in employment and occupation; Directive 2002/73/EC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions; Regulation (EU) 606/2013 on mutual recognition of protection measures in civil matters; Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation; Directive 2012/29/EU on establishing minimum standards on the rights, support and protection of victims of crime. All these norms are supported by a network of policies and non-binding acts and provisions the European Union put in place.

Regarding gender diversity in corporate management, EU institutions and Member States have tried to narrow the gap through the adoption of legal instruments and voluntary regimes.<sup>90</sup> One of the first countries regulating gender quotas in corporate boards is Norway. In 2003, it enacted a law which mandates 40 per cent of the members of the board to be of each gender. It addressed all publicly listed companies, state owned and municipal companies. Another country which has decided to take the situation under control is Italy, which has introduced law No. 120/2011, the so-called law on “quote rosa”. It addresses publicly held companies by imposing at least one fifth of the members of corporate bodies to be held by the underrepresented gender, i.e. female, in the first renewal. In the second and third renewal, the share of female directors must be at least one third of the members. The law has a limited duration and it will expire in 2022.

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<sup>89</sup>European Union, *Charter of Fundamental Rights of the European Union*, 2000/C 364/01, article 23, chapter III

<sup>90</sup> Armstrong, J., Walby, S., *Gender Quotas in Management Boards*, 2012, Directorate-General for Internal policies, Policy Department Citizens’ Rights and Institutional Affairs

Many other States have introduced norms to regulate on women's participation in corporate boards, each with its own peculiarities. The distinguishing aspects evolve around these areas: the recipient of the law (whether public or private companies), the size of the firm, the duration of the norm (temporary or unlimited validity), the deadline for reaching the target and the type of sanction for non compliance.

Other measures adopted by Member States fall into the group of "voluntary regimes". They have been categorized into three main groups: corporates' good practice, sector measures and industry initiatives.<sup>91</sup> These actions comes in the form of recruitment and promotion procedures, awards, education and training initiatives, corporate guidelines, data collection and research.

### 3.2.3 National framework and the Italian case

From a national point of view, the majority of States include the principle of non-discrimination on the basis of sex in their own constitution. The risk is that each State interprets international regulations on women's rights adapting it to the society in which it is applied. Some countries present cultural or religious contexts which may hinder the implementation of women's rights. For this reason, the Istanbul Convention has introduced a norm<sup>92</sup> which probates any kind of justification on the basis of religion, culture and honor.<sup>93</sup>

Our country has introduced art.3 in our constitution in 1947, which determines equality in front of the law without any distinction made on sex, race, language, religion, political opinions, personal and social conditions. Moreover, the provision adds that the state has the duty to remove any economic and social barrier which limits the development of the individual and his or her participation to economic, political and social life. In 1950, law n. 860 passed, its aim is to protect working mothers employed in private companies and public entities.

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<sup>91</sup> Visser, M., *Advancing gender equality in economic decision-making*, European Conference on *Equality between Women and Men* Brussels, Sept 19-20, 2011;

<sup>92</sup> Council of Europe, *Action against violence against women and domestic violence*, Istanbul Convention, 2011, article 38

<sup>93</sup> De Vido, S. , *Women's Rights and Gender Equality in Europe and Asia*, Y. Nakanishi (ed.), *Contemporary Issues in Human Rights Law*, 2018

According to art.3 of the law, working mothers and mothers-to-be cannot be dismissed during pregnancy and until the baby reaches the age of one.

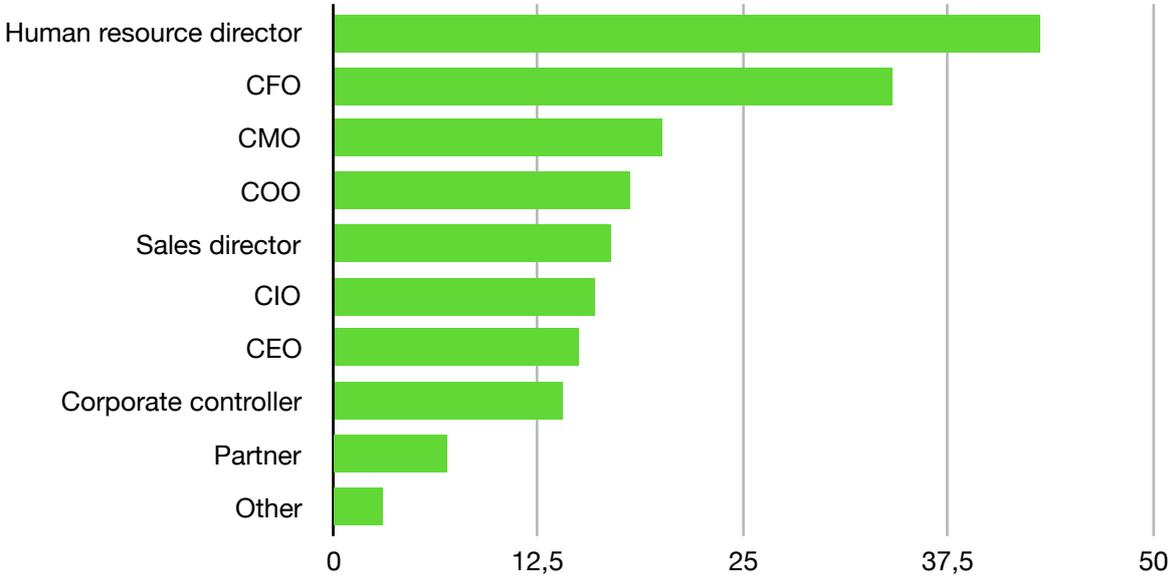
The law specifies other dispositions regarding the working condition of the pregnant worker. Other legal advancements that need to be mentioned are: law n. 1204 of 1971 which introduces an optional maternal leave up to six months; law n. 546 of 1987 which acknowledges a maternity daily allowance to future mothers; Law Decree No. 198/2006 which reorganizes the existing regulation on equal opportunities by establishing the Equal Opportunities Committee and other bodies in charge of monitoring and implementing legal provisions. Indeed, the law probates any type of discrimination on the matter of job access, salary, social security contributions, military careers and many others.

This short informative and legislative excursus shows that institutions and associations have put great effort to bring attention on the matter of gender discrimination and equality. As explained in the previous sections, world leaders and entities have decided to act in response by introducing binding rules and non-binding instruments for achieving greater equality between men and women. Having *de jure* equality is important because it creates a normative structure for protection. More importantly is to have *de facto* equality, through the implementation of actions which ensure equal treatment. States and society need to undergo radical and persistent changes, which disrupt the existing social structure.

# Chapter 4: Gender Discrimination in the Workplace

## 4.1 Worldwide Overview

Even though women have made considerable advancements in workforce participation, they are still mistreated and underrepresented. With respect to 2018, woman participation in senior roles has increased significantly. Globally, 29 percent of senior manager positions are held by women and 87 percent is the proportion of businesses having a woman occupying senior roles. A growth of 5 and 20 percentage points respectively with reference to 2018. Such a remarkable improvement seems to be less striking if the time range considered is expanded: since 2009 the proportion of women in senior positions have grown of just 10 percentage points, while the number of firms comprising women in top positions were just below 70 per cent. In ten years the progress has been slow and steady and the existing gap is larger if diverse contexts are considered. Fig. 4.1 below shows for which type of positions the presence of women is more frequent.<sup>94</sup> CEO, controller and partners are still men’s jobs, while women find more room in human resource and finance departments.



**Fig. 4.1:** Women’s presence in organizational positions  
**Source:** adapted from the report *Grant Thornton IBR 2019*

<sup>94</sup> Grant Thornton, *Women in business: building a blueprint for action*, March 2019

The situation is somewhat similar if the analysis is narrowed down to the European Union. Women represent half of the employed workforce in the EU labour market, but they are still marginalized in top positions. According to Eurostat, one out of three managers is a woman.<sup>95</sup> The total number of managers is 9.4 million, while 64 per cent are men (6.0 million) and 36 per cent are women (3.4 million). This percentage has been constant since 2012. Countries presenting a higher concentration of women in senior roles are found in East Europe, with Latvia being the only country where women managers are a majority, i.e. 56 per cent. The others are Bulgaria and Estonia (49 per cent), Poland and Slovenia (47 per cent), and Hungary (43 per cent). Italy is placed at the lowest segment of the ranking. Indeed, less than one third of managers are women (29 per cent). In recent years East Europe has undergone a modernization process in social and political environments. Not surprisingly it is leading the way on what concerns diversity and inclusion by offering many chances for women to learn and develop technical skills. As follows, women can make their way in male-dominated jobs and fields. From an international perspective, African countries are among the leading states. Indeed, entities are engaging in inclusion and diversity programs, which demonstrates a commitment towards the reduction of discrimination. At the other end of the spectrum, Latin America is one of the region which has made less improvements in this sense. It is followed by Asia and Pacific and North America, for which the mobilization has been almost non-existent.<sup>96</sup>

For what concern boards representation, data suggests that women have been more involved in management. Board membership has seen an increase in participation in the last 5 years, moving from 18 percent in 2013 to 27 percent in 2019. In this case, France is the country with the highest participation (44 per cent), Italy comes right after together with Sweden (36 per cent), followed by Finland (35 per cent) and Germany (34 per cent). Looking at the group of public listed companies, the situation worsens: just 6.9 per cent of CEOs are women, while 17.6 per cent held executives positions among EU-28, against 93.1 per cent and 82.4 per cent of men respectively.

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<sup>95</sup> Catalyst (2019), *Women in management: quick take*, August 07 2019, <https://www.catalyst.org/research/women-in-management/>

<sup>96</sup> Grant Thornton, *Women in business: building a blueprint for action*, March 2019

In 2012 the numbers were 2.5 per cent for women CEOs and 10.4 per cent for the executives, showing an improvement of 4.4 and 7.2 per cent in seven years.<sup>97</sup>

## 4.2 Gender Barriers

The literature around the subject of gender discrimination is vast and fragmented. Discrimination has different forms which span from the psychological to the economic one. Since some behaviors are considered to be perfectly normal, it is difficult to categorize it as a discriminatory situation. Indeed, throughout the years researchers have moved from a normative analysis to an empirical one, collecting information and analysing events from women who experienced them. Studies have tried to understand the type of discriminatory activities and the factors leading to disparities in the workplace, both in the private and public sector. Workplace discrimination can manifest during the selection process, the employment, career advancement or particular events of the life a woman, i.e. pregnancy.

Adler (1993) identifies four types of barriers women have to faced in their run to the top positions of the business. Cultural, educational, legal and corporate barriers are those which prevents women accessing the workplace and pursue their careers. The following section analyses which are the organizational barriers women have to face during their working life and tries to provide a categorization of the different prejudices. The literature identifies the areas which help explain why and how workplace inequality manifest. Some scholars believes that discriminatory activities are unleash from a combination of cultural beliefs on women and organizational practices. Instead, others are convinced that the composition of the business is determining in this sense, while some others blame the workplace structure and stereotyping.

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<sup>97</sup> European Insitute for Gender Equality, *Gender Statistics Database*, [https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm\\_bus\\_bus\\_\\_wmid\\_comp\\_compex/bar](https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm_bus_bus__wmid_comp_compex/bar)

## 4.2.1 Cultural Barriers: Gender Stereotypes

One of the first barriers encountered by women, and perhaps one of those mostly entrenched in our society, are cultural barriers. Women are expected to play a role in society which is distant from the idea of the successful manager. Jobs are categorized into male and female positions, preventing women even to aspire or apply for top positions.<sup>98</sup> Society is guided by beliefs around how men and women are and how they should be. These categorizations hinder the development of an inclusive society and the elimination of job discrimination.

As defined by Heilman (2012), “Stereotypes are generalizations about groups that are applied to individual group members simply because they belong to that group, and gender stereotypes are generalizations about the attributes of men and women”<sup>99</sup> People has a tendency to categorize others according to specific characteristics, i.e. nationality, race, gender and so on. Hence, a stereotype is an over-simplified assumption about a group of people. For instance, in the male-female dichotomy, men are associated with agency characteristics, meaning that they are usually perceived as assertive, confident, and rational, while women are associated with communality, that is they are perceived as kind, emotional, unreliable, respectful. Hence, a man’s role is to produce and provide, while a woman’s role is to care and look after. The two groups present different attributes that are antithetical too, the dominant aspect in men is what is nonexistent in the female subgroup and vice versa. Stereotypes are quick and lazy measures people use to form an opinion or make intuitions about others. They are not necessarily true and they are not necessarily negative per se. Instead, how this social categorization process intertwines with the workplace inevitably produces forms of discrimination and it may hinder one’s career mobility and advancements, as in the case of women.

Some scholars believes that discrimination is directly linked with sex categorization and stereotyping. In their study on stereotyping, Burgess and Borgida (1999) identifies two categories of this process: descriptive and prescriptive stereotypes.

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<sup>98</sup> Adler, N. J., *An International Perspective on the Barriers to the Advancement of Women Managers*, *Applied Psychology: An International Review*, 1993, 42 (4) 289-300;

<sup>99</sup> Heilman M.E., *Gender stereotypes and workplace bias*, *Research in Organizational Behavior* 32 (2012) 113-135

In their words “the descriptive components of gender stereotypes consists of beliefs about the characteristics that woman do possess, whereas the prescriptive component consists of beliefs about characteristics a woman should possess”.<sup>100</sup> This is a subtle distinction, which involves a different process of leading to discriminatory activities, but it may be crucial for understanding which aspects to be changed in order to prevent inequality behaviors.

Researches have shown that stereotyping is a process which comes naturally and people unconsciously activate it without even knowing the implications of their perceptions. Then, to cite Heilman (2012) “people can be disadvantage (or advantaged) in how they are viewed not because of what they are like or what they have done, but because of the gender group to which they belong”. As stated in the previous paragraph, stereotypes are not negative categorizations, they are just different classifications.<sup>101</sup> Descriptive stereotyping is not necessarily intentional and may be perpetrated by both women and man because it reflects cultural beliefs that are equally shared by both groups. The problem arises when these divisions are placed in the business context. Women are perceived as women first and then as employees and for this reason they are expected to behave and perform in a certain way. These beliefs and ideas around women have significant implications on their careers.

When a woman presents features which are inconsistent with those required by the job (usually male-dominated job) or are thought to be necessary for the task, then it is said that they present a “lack of fit”. For instance, top managers and executives’ characteristics are those associated with playing the tough guy: assertive, determined and emotionally detached. These attributes contrasts with the stereotyped idea of what is a woman like, resulting as “unfitted” to the position. The Lack of fit model suggests that stereotypes create negative expectations on people and influence the way in which information about the recipients are processed.

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<sup>100</sup> Burgess D., Borgida E., *Who women are, who women should be: Descriptive and prescriptive gender stereotyping in sex discrimination*. Psychology, Public Policy, and Law 3:665-82

<sup>101</sup> Diekmann, A. B., & Eagly, A. H., *Stereotypes as dynamic constructs: Women and men of the past, present and future*, Personality and Social Psychology Bulletin, 26, 1171-1188

In particular, expectations affect the attention of the evaluator by creating a barrier against what is inconsistent with the stereotype. This means that if the evaluator will notice contrasting attributes with respect to the typical idea, he or she will blame external factors and/or these characteristics may be interpreted differently.<sup>102</sup> Moreover, researchers have demonstrated that people remember more easily behaviors which are in line with the gender-based stereotypes rather than the contrasting ones.

This framework results in adversities towards a woman's working life, especially during the hiring and promotion processes. Due to gender-based stereotypes, women prove not to possess the required qualifications to perform the job. Even if they are able to get the job, their performance will be negatively judged by their superiors, especially in male-dominated environments and occupations. Moreover, some studies have shown that some stereotypical gender manifestations, such as good physical appearance and motherhood are detrimental to the worker assessment because they exacerbate the female cliché. This form of stereotyping may be diluted thanks to the introduction of organizational policies designed toward an objective elaboration of information.

Prescriptive stereotypes dictate how people *should behave* and which characteristic they *should* possess.<sup>103</sup> In particular, prescriptive gender stereotypes manifest as guidelines that tell how men and women *should* be. Psychological research has shown that there are positive and negative aspects which are required (the "should") or forbidden (the "should not") in prescriptive stereotypes. Frequently the attributes identified in the descriptive stereotype process overlaps those suggested by the prescriptive stereotypes. This happens because those aspects which are deemed as predominant are also those expected. For instance, one of the prevailing trait of a woman is communality, i.e. they show concern towards others, they are kind and respectful and they exhibit high levels of emotional sensitivity.

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<sup>102</sup> Heilman M.E., *Gender stereotypes and workplace bias*, Research in Organizational Behavior 32 (2012) 113-135

<sup>103</sup> Bobbit-Zeher D., *Gender discrimination at work: Connecting Gender Stereotypes, Institutional Policies, and Gender Composition of Workplace*, Gender and Society, Vol. 25, No. 6 (December 2011), pp. 764-786

These characteristics are those that are immediately associated with the typical female employee, but at the same time they are those which are required from the individual. If they are entrenched and other behaviors are manifested, then they create a “backlash” effect, which is defined as “social and economic reprisals for behaving counterstereotypically”.<sup>104</sup> This means that if women are required to be cooperative, they cannot be pushy, otherwise they are perceived as aggressive; and men are allowed to be competitive but not emotional, otherwise they will be seen as fragile. It must be noted that usually the same set of attributes are considered as positive traits for a group of people, while negative for the other, e.g. authoritative behaviors and weaknesses are granted to men and women respectively, but they are not allowed vice versa because considered as unacceptable.<sup>105</sup>

Engaging in the “should not” in the working environments is similar to breaching the norms of behaviors and leads to unequal treatment and hostile behaviors exercised by superiors and colleagues. Most of the time resentment give rise to sexual harassment, which is seen as a punishment for unconformity to traditional feminine attributes. Hostility comes from male coworkers, who feel threatened by female colleagues who show attributes or behaviors which deviates from the usual female direction. Unfortunately, this kind of behaviors and reaction cannot be eradicated through the application of procedures or policies, since prejudices are instilled in people from an early age.

There are some cases in which women’s behaviors deviate from their standards. The variance produces responses which create an unfavorable environment. For instance, when women reach top positions, they are said to have a different management style, as well as a different communication style with respect to those shown by men. If a woman exhibits authority, she communicates firmly, behaves independently, or shows confidence, she is immediately considered as rude, bossy and impudent. For this women are penalized because they show characteristics that should not be part of their behavior. At the same time, they are penalized if they fail to conform to the standards imposed by stereotypes.

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<sup>104</sup> Rudman, L. A., *Self-promotion as a risk factor for women: The costs and benefits of counterstereotypical impression management*, *Journal of Personality and Social Psychology*, 74, (1998) 629–645.

<sup>105</sup> Koenig A. M., *Comparing prescriptive and descriptive gender stereotypes about children, adults and the elderly*, 2018, *Front. Psychol.* 9:1086. doi: 10.3389/fpsyg.2018.01086

Punishments come in many different forms: from unfriendly work environment, hostility and harassment, to forms which jeopardize the career of a woman, like distorted performance evaluations, scarce rewards or no rewards at all, obstacles in promotion. As a result, women may take decisions which compromise their career too or buried it.

#### 4.2.2 Corporate Barriers: about sticky floors, glass ceilings and glass cliffs

Many terms have been coined to point out the limits and obstacles a woman have to deal with throughout her career. Theoretically, hiring and promotion processes should reflect the employer's expectations of how productive a worker will be. As a matter of fact, when screening applicants and advancing existing workers, employers do consider many different factors. Some groups of people, such as women, are treated unequally even at the start of their career. With the term *sticky floors* researchers describe "the pattern in which women are, compared to men, less likely to start to climb the job ladder".<sup>106</sup> Women are indeed confined to entry-level jobs and find it more difficult to advance in the career ladder. Sometimes it's a woman low-self esteem and little skills awareness that limits the ascension and certainly these factors do not help a woman in pursuing her career. Most of the time, the obstacles a female employee finds during her path are externally imposed by the society and labour market.

During the selection process, discriminatory attitudes may manifest for two different reasons. On one side, the evaluator may have a natural inclination to show bias with respect to the sex of the candidate. On the other side, unequal behaviors are dependent on the sex of the evaluator.

Indeed, psychologists have shown that unequal treatment is driven by two opposing forces. According to the *attraction paradigm*, people who are similar will be attracted by similar candidates. Hence, when the selector is a woman, she will tend to hire female candidates because similar to her. On the contrary, the *self-enhancement drive* theory affirms that minority groups tend to identify with predominant ones.

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<sup>106</sup> Baert S., De Pauw A., Deschacht N., *Do employer preferences contribute to sticky floors?*, ILR Review (69) 3, May 2016

In this case, the female evaluator may be driven by this force and be inclined to select male workers to confirm her identity and conform to her superiors.<sup>107</sup> This is an interesting assumption because it shows that discriminatory behaviors are not performed by men only, but that women may fall in the trap of prejudices too. Moreover, it demonstrates that gender has an implication in the screening and selection process, both for the applicants and for the evaluators.

On their study of Spanish public examination Bagues and Esteve-Volart (2010) found out that “a female (male) candidate is significantly less likely to be hired whenever she (he) is randomly assigned to a committee where the share of female (male) evaluators is relatively greater”.<sup>108</sup> Hence, the gender of the selecting committee is an important factor in the recruiting process. When the majority of the commissioners are female, this influence the outcome of the selection toward a more favorable male inclusion. This may happen for two reasons: female selectors tend to value more the quality of male applicants, or male selectors favor same-sex candidates due to the threat of women in the committee.

Not in all the cases at study gender discrimination is intentional. According to Bjerck (2008) some groups experience inevitable discrimination even though they have the same level of skills of equally skilled groups and if apparently there is no discrimination in hiring and promotion by the firm. This happens in three particular cases: when the group presents a little number of skilled workers, when the evaluation of skills is done less accurately and when there are less opportunities for the member of the group to signal their abilities in the pre-market for labour or during the employment. This model applies to discriminated groups and hence women too. Women usually have different style of communication than men which lead to difficulties to show and signal their skills and abilities to employers. For example, during the hiring phase, extra activities (e.g. dancing or cooking classes) may be assessed differently by employers than those carried out by male coworkers (e.g. group sports), as well as proposals and ideas during the employment.

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<sup>107</sup> Bagues, F. , Esteve-Volart B., *Can Gender Parity Break the Glass Ceiling? Evidence from a Repeated Randomized Experiment*, Review of Economic Studies 2010, 1301-1328

<sup>108</sup> Bagues, F. , Esteve-Volart B., *Can Gender Parity Break the Glass Ceiling? Evidence from a Repeated Randomized Experiment*, Review of Economic Studies 2010, p.1303

Moreover, women are subject to maternity leave and high probability to quit the job making it more difficult to signal their experience and skills. These facts prevent them the access to specific jobs and promotions to higher ranks causing underrepresentation at the top of the organizations. *Glass ceiling* is a metaphor used to explain the organizational barriers women frequently encounter when trying to achieve senior positions. As already explained in the previous paragraph, good leadership skills are those usually identified with abilities possessed by men. When a women achieves a leading role, she ends up in a difficult position. They will be perceived as unqualified, if she presents stereotypical female characteristics, on the other side, she will be perceived as too harsh, if she conforms to masculine leadership attributes.

Another term coined to explain a phenomenon linked to the relationship between women and management is the one of *glass-cliffs*. The notion was conceived by Ryan and Haslam (2005a) when studying the composition of the board of directors of FTSE 100 companies in Britain. Analyzing the situation before and after the election, they discovered that the gender of the representative has an impact on company performance. The effects did not depend on the skills of the director, rather on the context. Indeed, female directors were appointed more frequently when the company was experiencing a period of crisis.<sup>109</sup>

### 4.2.3 Educational Barriers

Knowledge is power and education goes hand in hand with women's empowerment. One of the basic human right sees the access to education for everyone<sup>110</sup>. Education is a critical step for the access in the labour market and career advancement.

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<sup>109</sup> Haslam, S. A., Ryan, M. K., *The road to the glass cliff: Differences in the perceived suitability of men and women for leadership positions in succeeding and failing organizations*, *The Leadership Quarterly* 19 (2008) 530-546;

<sup>110</sup> Article 26: 1- Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit; 2- Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace; 3- Parents have a prior right to choose the kind of education that shall be given to their children;

Besides, a literate women is a better citizen and a person who can make conscious decisions for herself. However, there exists an education gender gap among students depending on the field of study. The difference arouses during the high-school period, in which girls' attention is directed toward human sciences, while boys prefer scientific and technical curricula. The gender gap widens as far as students move upward in the education paths enrolling in higher education. Indeed, as reported by UNESCO, less than 35 percent of female students engage in STEM (Science, Technology, Engineering and Mathematics) disciplines around the world.<sup>111</sup> These differences in education inevitably lead to job segregation issues and hence work fields where women are underrepresented.

In the last fifty years, female school enrollment has seen a rapid increase, moving from 34.47 percentage of girls enrolled in secondary education in 1970 to 75.11 percent in 2018.<sup>112</sup> On the same level, the number of girls accepted to tertiary education has moved from 8.26 percent to 40.61, over the same time span. UNESCO uses another index to show the relationship between male and female school enrollment, that is the gender parity index (GPI). GPI measures the ratio between male and female access to education with 1 being parity, less than 1 meaning that more boys have access to school, and more than 1 indicating more girls participating in education with respect to boys. Studying data provided by UNESCO, one can see that there is parity (1.004) in primary education, and almost complete parity in secondary education (0.988), but in tertiary education the distribution is skewed towards girls (1.139). This signifies that there are more women who complete tertiary education than man.<sup>113</sup> These figures are striking for two reasons: in the first place, it is evident that many are the girls who wish to continue and complete their education path voluntarily, since in most countries education is compulsory until the age of

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<sup>111</sup> UNESCO, *Cracking the code: girls' and women's education in science, technology, engineering and mathematics (STEM)*, 2017, Corporate author: Director-General, 2009-2017 (Bokova, I.G.);

<sup>112</sup> Source: The World Bank Data, *School enrollment, secondary, female (% gross)*, UNESCO Institute for Statistics ( [uis.unesco.org](https://uis.unesco.org) )

<sup>113</sup> Source: The World Bank Data, *School enrollment, primary (gross), gender parity index (GPI), School enrollment, secondary (gross), gender parity index (GPI), School enrollment, tertiary (gross), gender parity index (GPI)*, UNESCO Institute for Statistics ( [uis.unesco.org](https://uis.unesco.org) )

16<sup>114</sup>; secondly, since the female labour force participation rate is less than half of the female population (47.66%)<sup>115</sup>, many of the girls and women who have completed their education path do not work. This means that the economic environment is not efficiently exploiting human resources it has at hand.

#### 4.2.4 Legal Barriers

Since the first half of the 19th century, international institutions, the European Union and national legislations have started to introduce measures to support gender equality and tackle discriminatory issues. As analyzed in the section related to the legal framework, in the last decades states and organizations have deployed many legal instruments and bodies of law, both hard and soft laws, for the protection of women's rights.

The problem is that the process goes at a slow pace and it takes too long to see any significant result. Notwithstanding such improvements, there exists countries that legally are way behind on gender equality. For instance, United States's constitution do not present an article which says that people are equal regardless of sex. The country is still under the process of passing the Equal Rights Amendment (ERA) which proposes to integrate the constitution with an article intended to ensure equality between man and women on the ground of employment, divorce, property and so on.<sup>116</sup> The amendment was proposed back in 1923 and was approved by the House of Representatives and the Senate in 1972, almost fifty years later. For the Constitution to be changed, ERA must be ratified by at least three quarters (thirty-eight) of the States.<sup>117</sup>

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<sup>114</sup> This assumption should be investigated further by analyzing the number of female who complete their studies. Since this information is not available, this assumption is supported by the fact that the percentage of female adolescents out of school has dramatically decreased from 28.84% to 15.63% in the same time period. Source: The World Bank Data, *Adolescents out of school, female (% of female lower secondary school age)*, UNESCO Institute for Statistics ([uis.unesco.org](https://uis.unesco.org))

<sup>115</sup>Source: The World Bank Data, *Labor force participation rate, female (% of female population ages 15+)* (modeled ILO estimate), UNESCO Institute for Statistics ([uis.unesco.org](https://uis.unesco.org))

<sup>116</sup> Law, T., The U.S. Constitution Doesn't Guarantee Equal Rights for Women. Here's Why, New York Times, 23 August 2019

<sup>117</sup> Equal Rights Amendment, <https://www.equalrightsamendment.org>

At the moment, thirty seven states have ratified the amendment and hopefully, next year the state of Virginia will play the determining step in this process, which has lasted almost a hundred years.

As Adler (1993) suggests, there exists a gap between legislation and reality. Actions are needed in order to have concrete results. What has been introduced until now legally-wise are merely codes and guidelines. At the same time, it is important to have both a legal framework, which provide statutory guidance, and reinforcement mechanisms, so that unacceptable behaviors and actions are detected and corrected. National legislations should commit to update norms and implement action plans and build a binding legal structure which regulate on the ground of equal opportunity and discrimination.

### 4.3 Mind the Gender Pay Gap

One of the discriminatory aspects that characterizes a woman's working life is the Gender Pay Gap. Looking for the sources and causes of this discrepancy involves exploring many different dimensions, i.e. economic, sociological, and psychological. For this reason, it is not an easy task for institutions to design a task which will solve, or at least limit, this issue.

The gender pay gap, named also gender wage gap, is defined as “ the difference between the average earnings of women and men in the workforce” as suggested by the last KPMG report on the economics of gender pay gap.<sup>118</sup> As many people mistakenly interprets it, it is not the remuneration differential that exist between a man and a woman performing the same work or work of comparable value. The “Equal pay for equal work” principle implies that women and men have to receive the same wage and job benefits when performing the same job. The equal pay for equal work is promoted by article 7 of the International Covenant on Economic, Social and Cultural Rights and breaching this norm is illegal.

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<sup>118</sup> KPMG, DCA, WGEA, *She is Price(d)less, The economics of the gender pay gap*, 22 August 2019. A report written by KPMG in collaboration with the Diversity Council Australia and the Workplace Gender Equality Agency.

When talking about the gender pay gap, one must be careful to the information conveyed. It is important to specify how the index has been calculated, so that it leads to different implications. The *unadjusted* gender pay gap expresses the difference in salary for hour worked by male employees and female employees. Considering women and men's average hourly gross wage and calculating the difference, this amount is expressed as a percentage of the male gross hourly wage. This method is usually adopted by the European Commission when confronting the index among Member States.<sup>119</sup>

There are noticeable discrepancies among EU countries. In 2017, the top five countries with the highest gender pay gap among European Member States were Estonia (25.6 per cent), Czechia (21.1), Germany (21), United Kingdom (20.8) and Austria (19.9). Well above the the European Union average that was 16.0 percentage points.<sup>120</sup> The gender pay gap lies among those inequalities between men and women which has decreased very slowly throughout the years.<sup>121</sup> In Italy the gap is around 5.5 per cent, positioning itself at the low end of the scale together with Belgium among the Western countries. The bottom of the hierarchy is occupied mostly by Middle and Eastern European countries.<sup>122</sup>

The *unadjusted* gender pay gap offers some advantages. Indeed, it can be easily calculated and enables a quick comparison across countries. That's why it has been widely used by policy makers and Member States. Despite its simplicity, it presents strong limitations due to the type of data considered. Indeed, the index may not be an accurate measurement unit to identify the existing pay inequality between man and women because it presents just a limited picture. The two populations have different individual characteristics (e.g. education, age, work experience etc.), they work in different sectors and job positions. Women, in particular, experience differently the

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<sup>119</sup> "The gender pay gap is defined as the relative difference in the average gross earnings of women and men within the economy as a whole", European Commission, *The gender pay gap situation in the EU*, [https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu\\_en](https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_en)

<sup>120</sup> Eurostat, *Gender pay gap in unadjusted form*, Code: SDG\_05\_20, last update 17/07/2019 23:00, [https://ec.europa.eu/eurostat/web/products-datasets/-/sdg\\_05\\_20](https://ec.europa.eu/eurostat/web/products-datasets/-/sdg_05_20)

<sup>121</sup> In 2010 the average EU gender pay gap index was 17.1 per cent (source: Eurostat). This implies that it has decreased of 0.9 per cent in over 10 years.

<sup>122</sup> Boll C, Lagemann A., *Gender pay gap in EU countries based on SES (2014)*, European Commission - Directorate-General for Justice, 2018.

career advancement process and they have to deal with job segregation. The *unadjusted* gender pay gap does not include independent contractors, the divergence in salary between the private and public sector and part-time jobs.

Hence, Eurostat has developed the *adjusted* gender pay gap thanks to a methodology (Structure of Earnings Survey (SES) microdata), which is able to distinguish and analyse additional information regarding personal, job and business characteristics.<sup>123</sup> Instead, the *adjusted* gender pay gap distinguishes the differences existing in the workforce and the discrepancies in the individual and occupational characteristics. It embodies the social and economic factors which put women in economic disadvantage with respect to men, compromising their earning potential. Therefore, the gender pay gap index is influenced by all those factors that characterize the work life of a woman. Women spend more time than men out of the workforce, for caring or unpaid domestic activities. For these reasons, they usually tend to work part-time to cope with all the tasks, compromising their access to job opportunities and career advancements. Moreover, women are subject to hiring and salaries discrimination, undermined at the outset. Collective norms sees the secretary as women, so when looking for that figure, an employer will tend to hire a woman for that profession rather than a man.

For instance, Italy presents an *unadjusted* gender pay gap of 5.5 per cent, meaning that female employees earn on average 5.5 per cent less than their male counterparts. However, this number does not capture many aspects that are crucial in the determination of the wage inequality between men and women. In 2018, Italy had a female labour force participation rate of 40 per cent<sup>124</sup>, one of the lowest rates in Europe, against a 58.42 per cent of male participation. This means that 60 per cent of women in Italy has no salary because unemployed or out of the workforce.

The decision to participate to the labour force depends also on the earnings potential. If the gender pay gap would consider this factor too, the result would be somewhat different.

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<sup>123</sup> European Commission, Eurostat, Directorate F: Social statistics, *Item 3 - Adjusted gender pay gap*, Doc. DSSB/2017/Dec/3, Meeting of the Board of the European Directors of Social Statistics, Luxembourg, 4-5 December 2017, Bench Building, Romm B2/404

<sup>124</sup> World Bank, *Labor force participation rate, female (% of female population ages 15+)* (modeled ILO estimate), <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS>

Indeed, the Gender pay gap in EU countries based on SES (2014) report shows that there is a positive correlation between the gap and participation rate: countries with high participation rates show high pay gaps.<sup>125</sup> The research conducted by Boll, Rossen, Wolf (2016) confirms that there exist an earnings gap across Europe as many other studies before theirs. In particular, they found out that the causes are heterogenous across countries and cannot be reconnected to a single set of results.

## 4.5 Women in Management: effects on company performance

When talking about women and organizations, one of the themes mostly debated evolves around the apparent benefits a firm receives because of the presence of women in management. Many studies affirm that there exists a relationship between corporate governance and firm performance. This relation, defined as the “business case”, hold on the idea that increasing the presence of women in top management positions and on the board of directors has a positive impact on firm’s conduct. Whether it is something that must be done because it is right to do or because it is actually beneficial, board diversity has gained popularity in the last decades, but there are uncertainties around the existence of a concrete link. Indeed, some other empirical analysis has found a negative correlation or no correlation at all.<sup>126</sup>

In the United States, the 2020 Women on Boards Gender Diversity Index (GDI) analyses firms’ gender diversity on *Russell3000* index. In 2019 women occupy 20.4 per cent of the boards seats, an increase with respect to the previous year in which women covered 17.7 per cent.<sup>127</sup> Higher female presence is linked with the expansion of board’s size. Indeed, 64 per cent of companies have increase women presence rising the number of seats available in the board.

The chart shows a strong growth in *Winning* companies (companies with more than 20 per cent of women board members) and a decline in *Transforming* and *Zero* companies (1 and 0 women on board respectively). *Very close* firms (11-19 per cent of women) has remained stable in the 2017-2019 period.

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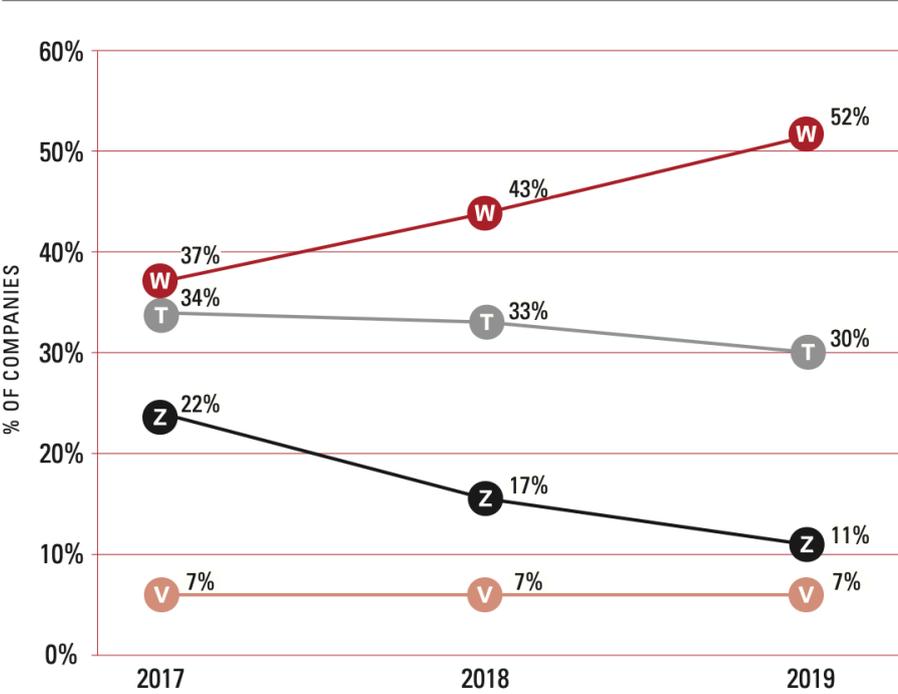
<sup>125</sup> Boll C, Lagemann A., *Gender pay gap in EU countries based on SES (2014)*, European Commission - Directorate-General for Justice, 2018, p.20

<sup>126</sup> See Rose (2007), Van Ees at al. (2001);

<sup>127</sup> 2020 Women on Boards, Gender Diversity Index report, 2019, available at [www.2020wob.com](http://www.2020wob.com)

Breaking down the analysis by sector, five of the nine sector present more than 20 percent of women directors (conglomerates, consumer goods, industrial goods, services and utilities).

**2017–2019 TRENDS** *RUSSELL 3000 INDEX*



**Fig. 4.2:** 2017-2019 trends of Russell 3000 Index companies (2019 progress of women corporate directors of Russell 3000 Index Companies by company size, state and industry sector  
**Source:** 2020 Women on Boards Gender Diversity Index report

The European Gender Diversity Index studies instead the behaviors of 600 Stoxx Europe companies over the year 2019. The results show that women represent thirty-three percent of the board seats, but other managerial categories presents strong inequalities.<sup>128</sup> Indeed, when considering other governance functions just 8 percent of the sample have forty percent of women in leadership positions, while 25 percent of the companies have 20 percent or less. Moving to the executive category, just 16 percent are represented by women and 14 percent belongs to C-suite categories. Women are more likely to be appointed as CFO and COO rather than CEO or chair of the board.<sup>129</sup> Generally speaking, women are still marginalized in the decision-making process of businesses.

<sup>128</sup> European Women on Boards, *Gender Diversity Index 2019, 2020*

<sup>129</sup> Ibidem

The board of directors is a committee of appointed managers, who can be internal or external to the company, whose responsibilities and duties are to manage and supervise the activities and operations of the business firm. The ultimate function is to represent shareholders' interests.

Decisions taken by the board influence the performance of the company. Good corporate governance should result in progressive results. If this is not the case, then who sits on the board is not committed in meeting the firm's interests. As stated by Brown et al. (2002) "if good board governance doesn't contribute to stronger organizational performance, then who sits on the board or how the board operates is of no practical value. If this is true, having women on boards may be of symbolic value, which is of more than passing interest, but may not be of practical value."<sup>130</sup>

The majority of studies around this issue has focused on the normative aspect of the board composition or on the effects of the number of outside directors relative to the number of inside directors.<sup>131</sup> However, a body of literature has tried to empirically prove that improving board diversity enhances shareholders' value. Carter et al. (2003) provides a good example of analysis on the relationship between corporate governance, board diversity and firm value. Analyzing Tobin's Q of *Fortune* 1000 firms and board composition, the study finds a positive link between the presence of women (and other minorities) and firm's worth. Moreover, the study found that the number of women in the board increases as the size of the business increases, but there is a decline in the composition with a more solid presence of internal directors.

There are a number of reasons explaining why having proportionately more women in the board of directors is beneficial for the firm. Robinson and Dechant (1997) enlists some intuitions around the subject. A heterogeneous board is more sensitive and responsive to market needs. The marketplace is in continuous evolution and includes several variegated groups, which are potential customers or suppliers. Having a board which is able to take into consideration this variety creates a channel to the external environment, which gives an advantage to the firm.

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<sup>130</sup> Brown, D. A. H., Brown, D. L., Anastasopoulos, V., *Women on Boards: Not Just the Right Thing . . . But the "Bright" Thing*, 2002, Ottawa: The Conference Board of Canada;

<sup>131</sup> Hermalin, B.E., Weisbach, M. S., *Boards of directors as an endogenously determined institution: A survey of the economic literature*, 2000, Working paper, University of California at Berkley;

This connection turns out to be a source of information and communication with different constituents, as well as a form of legitimizing organizations with respect to customers and investors.<sup>132</sup>

Appointing female directors is a way of complying with the expectations of society and the public, which expect firms to reflect societal diversity. Showing cultural sensitivity can be useful, because it consolidates company's image from a global perspective.

A diversified board is beneficial in terms of enhancement of the creative and innovative dimension. Innovation and creativity are valuable assets in economic terms and managing it strategically helps gaining a competitive advantage. Indeed, a late study conducted by WIPO assumes that “in modern manufacturing intangible assets like inventions, designs and specialist knowledge are worth nearly twice as much as tangible assets such as raw materials.”<sup>133</sup> Such characteristics are not restricted to the male sphere, but they are found among women as well. Widening the pool, companies have more chances to attract talents. Moreover, having female directorship helps in the decision-making and supervisory process. Indeed, women with different backgrounds bring a broader view and diverse perspectives. Under such circumstances, the company will evaluate the effects of different alternatives and lead the company in taking better decisions by improving business performance and effectiveness.

Carter et al. (2003) investigates the link between agency theory and board diversity. Agency theory is connected to one of the role of the board of directors, that is monitoring and ratification. As Fama and Jensen (1983) explained, managers may take decision that are not in shareholders' best interest. If managers are not the “residual claimants”, they do not bear the risks of their decisions. The board of directors, which function is also of intermediary between ownership and management, must monitor managers' behavior and has the authority to set rewards

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<sup>132</sup> Lückerath-Rovers, M., *Women on boards and firm performance*, J Manag Gov (2013), 17:491-509;

<sup>133</sup> WIPO, *Innovation, Creativity and the Gender Gap*, [https://www.wipo.int/ip-outreach/en/ipday/2018/innovation\\_creativity\\_gender\\_gap.html#imbalance](https://www.wipo.int/ip-outreach/en/ipday/2018/innovation_creativity_gender_gap.html#imbalance) ;

or replace managers who do not create value for shareholders.<sup>134</sup> There are two characteristics that make a board of directors a good one: an *active* board of directors interact with management to understand internal and external processes, asks uncomfortable questions to managers and participate in developing the company strategy; an *independent* board is one which act and take decisions autonomously from management.<sup>135</sup> Carter (2003) affirms that agency theory is not a sufficient theoretical framework to justify for a connection between company value and board diversity. Diversity may increase board's independence and activism, since different arguments may be brought up by people with different background, but the risk is that they may be marginalized.

As already stated, there are some cases in which there is unclear evidence of the correlation between board diversity and firm value. Indeed, Lückérath-Rovers (2013) criticizes two of the most popular studies in this field, that is the Catalyst (2007) and McKinsey (2007) researches. In her analysis, she identifies several factors which hinder the result of the business case. Women participation can be observed as both a static measure, i.e. at a point in time, or as a dynamic model, i.e. over a period of time. Frequently, women are appointed as board members during difficult time periods because shareholders feel the need to have a more independent board. These two aspects have a determining influence on the final result of the studies. For instance, if women are selected in case of miserable conduct, then the study will find a negative relationship between the board composition and firm's results. Finally, researches based on company which present just one or a few women in top management may be not sufficiently for a final conclusion. According to critical mass theory, there must be an adequate number of people (critical mass), to see tangible effects of a subcategory.

Lückérath-Rovers (2013) asserts that having a woman in the board of directors does not imply firm's good performance. She recognizes there may be a link between the two aspects, but it is not necessarily true that the relationship is one-directional.

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<sup>134</sup> Fama, E. F., Jensen, M. C., *Corporations and Private Property: A Conference Sponsored by the Hoover Institution*, (Jun., 1983), *Journal of Law and Economics*, Vol. 26, No. 2, pp. 301-325

<sup>135</sup> Brown, D. A. H., Brown, D. L., Anastasopoulos, V., *Women on Boards: Not Just the Right Thing . . . But the "Bright" Thing*, 2002, Ottawa: The Conference Board of Canada;

Innovative, open-minded, up-to-date companies are those that experience a competitive advantage with respect to others and demonstrates a higher sensibility towards diversity issues. Moreover, firms which have more women who sit on the board, are a good example for low level employees, who can aspire to career advancements.

# Chapter 5: Corporate Social Reporting and Gender Equality

## 5.1 Introduction

As already stated in this thesis, corporate responsibility reporting has gained increasing attention in recent years. Globally, it has become a common practice to report on responsibility issues for medium and large enterprises in annual reports and sustainability reports. Contemporary practices are moving away from the *non-responsibility* of the organization with respect to social and environmental issues as was defined by Acker (1998). Instead, they are converging towards an acknowledgment that corporate activities have an impact on these dimensions and are relevant to stakeholders.<sup>136</sup>

Nowadays, enterprises recognize issues, such as climate change and human rights, as business issues and not as subjects unrelated to the business activity. Indeed, the last KPMG report in corporate responsibility reporting highlights the increasing involvement of companies in addressing the financial risks associated with climate change, for instance, or the values of managing the human capital dimension.<sup>137</sup> In the past, corporate social responsibility information have been treated as not significant from the financial point of view. Instead, in recent years, their importance has been recognized especially for the link with the financial dimension, as KPMG study reports “*non-financial is the new financial*”.<sup>138</sup> Moreover, there has been an increase in regulatory commitment: on one side, governments have introduced mandatory frameworks on corporate disclosure; on the other hand, firms want to be in line with the latest international standards, to be able to respond to the increasing demand for information.

The following paragraphs examine which are the reasons why firms engage or should engage in corporate reporting on gender equality issues. Both external and internal circumstances and voluntary and non-voluntary factors serve as drivers that guide

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<sup>136</sup> Acker, J., *The future of “gender and organizations”*, Volume 5, No. 4, October 1998

<sup>137</sup> KPMG, *The road ahead*, The KPMG Survey of Corporate Responsibility Reporting 2017

<sup>138</sup> *ibidem*

the reporting process. As Leoci (2012) states, citing Carnevale (2005), the mere commitment to social issue is not a sufficient condition for the firm to exploit long-term competitive advantage. What is important is the communication of firm's involvement in such social matters.<sup>139</sup><sup>140</sup> For this reason, the second part of this chapter is dedicated to the analysis of the main tools and standards organizations adopt to inform about their commitment on social responsibility. The most relevant international institutions have developed some projects with the aim of standardizing the reporting procedures of firms, but developing standards which can be applicable to any country has proved to be a very complex process.<sup>141</sup> Indeed, there exists different instruments firms can use to legitimize their engagement to behave socially responsible. However, at the moment a single commonly recognized framework which can acknowledge the level of responsibility of a firm does not exist. The examination will consist in a description of the most prominent frameworks from a gender perspective.

## 5.2 Why it is important for firms to report on gender equality

One of the striking features of the last KPMG report on corporate responsibility reporting is that, of the 2017 key trends, reporting on the ground of human rights is among the predominant ones.<sup>142</sup> According to this study, the majority of the sample enterprises publicly recognizes that human rights are a business issue and two thirds have implemented a human rights policy. Considering that human capital is a building block of a corporation and that UN Guiding Principles on Business & Human Rights have been enacted in 2011, not much has been done to protect this kind of resource in recent years from a business point of view. Hence, corporations should be engaged in the protection of human rights and should be able to communicate their involvement. The interaction with the internal and external environment must be a continuous and effective communication.

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<sup>139</sup> Leoci, P., *La Responsabilità Sociale delle Aziende ed il Bilancio Sociale: novità e prospettive*, Cacucci Editore, 2012

<sup>140</sup> Carnevale, C., *L'informazione etico-sociale nella comunicazione d'impresa*, Franco Angeli, Milano, 2005, p.8

<sup>141</sup> EU Green Paper, *Promoting a European framework for Corporate Social Responsibility*, Commission of the European Communities, Brussels, 2001

<sup>142</sup> Ibidem

Thus, there is a growing need for standards which guide businesses in their informative processes, so that they provide information which are relevant, reliable and precise. The reasons why reporting on gender equality and discrimination is important are not distant from why a firm should report its non-financial information. Notwithstanding, an explanation in this sense is necessary as a completion of this chapter on corporate responsibility reporting.

First of all, the primary aim guiding disclosure on gender equality can be traced back to one of the basic reasons for external reporting, that is maintaining current investors and attracting potential ones. When deciding whether to invest in a company or not, investors consider both financial and non-financial information. Nowadays, governments, institutions and non-profit organisations are more sensitive to the effects corporations have on society. Media have also helped bringing the attention to the gender equality issue, movements such as #timesup and #metoo campaigns have raised awareness around this subject. Since one of the objectives of the firm is to attract investments, disclosing information on diversity shows awareness and commitment on gender equality, which can be significant to capital providers. Hence, CSR reporting can be seen as a proxy for good governance of the firm.

Enterprises are not held accountable only by those who contributes financial resources to their activities, but they are responsible to a broader public. Employees, suppliers, customers and the government are interested in the activities of the firm. Indeed, Stakeholders theory<sup>143</sup> has taught that one of the goals of the enterprise should be the maximization of the interests of the various groups which have a stake in the firm. In this sense, corporate reporting on gender equality issues can be relevant to different constituents other than shareholders and it is considered as a channel of external communication of the firm's social duties. For instance, governments may be interested in acknowledging whether companies comply with current regulations on non-financial information.

In their study of corporate disclosure on gender equality of UK, US and Australian firms, Grosser, Adams and Moon (2008) have identified investors and employees as

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<sup>143</sup> Freeman, E., *Stakeholder View*, 1984

the two groups among stakeholders' classes, who are the most interested in social responsibility issues. Investors are attracted by the diversity and gender equality agenda of firms and the effects that these actions have on the overall performance of the business. Indeed, they perceive the enterprise's engagement in these issues as a "signal ... of the quality of the management and leadership of the company".<sup>144</sup>

Similarly, potential and existing employees are considered as main drivers for external reporting. Engaging in diversity programs and actions enhances the perception that the firm is committing to its human capital and consequently improves the perception employees have on the firm.

On one side, increasing transparency helps the firm in improving its credibility with respect to the public and helps legitimizing its actions. On the other hand, disclosing sensitive information on gender issues may damage the public image of the company and jeopardize its reliability. For instance, reporting on litigations or sexual harassment may represent a threat to company's image and for this reason it may choose not to disclose such information. Adams and Harte (1999) and Grosser, Adams and Moon (2008) recognized the non-reporting of such dimensions as one of the biggest limitations to corporate disclosure on equal opportunities. Indeed, in their study few to no firms reported information on performance or actions around lawsuits or sexual abuse.

A further reason in support of reporting on equal opportunities is that reporting is an internal control tool useful for managing activities and projects implementation. Gathering information on workforce composition, remuneration, work-life balance policies and programs helps understanding the current business' situation. The basic rule measuring = managing proves to be a principle to be followed for an effective internal organization. Reporting non-financial information, such as diversity and equal opportunities data, gives a clear picture of the company and lays the foundation for the future corporate strategy. Likewise, reporting proves to be useful as a benchmark for past performance and as a starting point for improvements.

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<sup>144</sup> Grosser, K., Adams, C., Moon, J., *Equal Opportunity for Women in the Workplace: A Study of Corporate Disclosure*, ACCA, 2008

## 5.3 Code of ethics

The Code of Ethics can be defined as “a statement of minimum standards together with a pledge by the company to observe them and to require its contractors, subcontractors, suppliers and licensees to observe them”.<sup>145</sup> It is a document describing the rights and duties of the individuals operating in the corporation and defines the set of behavioral principles that must be observed by the constituents involved. It is an instrument drafted on a voluntary basis, that the corporation decides to adopt to better manage its relationship with stakeholders. The Code of Ethics is not a binding document, nor has legal significance, but it can be an incisive document to limit unacceptable behaviors and complement legislative provisions.<sup>146</sup> It can be applicable to firm’s employees or to the employees of its subcontractors.

The risks associated with the adoption of the Code of Ethics are mainly linked to its application. On one side, the preparation of the code may be intended by the firm as a merely credit or marketing exercise. This attitude is counter-productive for the business, in that it does not help building the desired organizational culture, since it is drafted with a different purpose with respect to the original one. The enterprise must select carefully the contents of the code, so that the values and beliefs reflect employees and suppliers needs and not private purposes. The composition of the code highly depend on the industry in which the business operates. Those sectors which present a high concentration of women in the workplace, e.g. textile industry, may introduce principles for the protection of women’s rights and the promotion of gender equality. A further risk associated with the adoption of the code of ethics is that the company may fail to publicly advertise the document to its stakeholders. Not communicating to the different groups, they are not aware of its existence and cannot rely on the code for the reinforcement of their rights. Hence, besides the elaboration, application and monitoring are fundamental stages for an effective implementation of the code.<sup>147</sup>

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<sup>145</sup> EU Green Paper ‘Promoting a European framework for Corporate Social Responsibility’. Commission of the European Communities, Brussels, 2001

<sup>146</sup> Il Codice Etico, <http://www.bilanciosociale.it/codiceetico.html>

<sup>147</sup> Koyama, A., Landaburu, M., Mattei, A., Marinelli, F., Detienne, Q., Yildiz, G. B., Zurauskaite, E., *Multilevel Tools for Protection of Social Rights: a Hypothesis*, Ricerche giuridiche, Vol. 4 – Num. 1 – Giugno 2015

As stated, the preparation process of the Code of Ethics is not the same for every company, nor is the structure. Indeed, each document is developed differently and personalized according to corporate necessities and obligations.

However, a common framework can be identified and it defines four main areas of interest<sup>148</sup>:

1. General principles, describing the mission, the vision of the company, the values, the recipients of the code and general instructions;
2. Norms, characterizing the relationship between the enterprise and the stakeholders;
3. Behavioral standards, this section enlist the rules and standards on which the organisation establishes its activities;
4. Sanctions, the firm illustrates which are the enforcement mechanisms and the actions undertaken by the company in case of violation of the norms.

The Code of Ethics proves to be a useful instrument through which the company can integrate equal opportunity values and non-discrimination standards in its culture. Together with CSR report, regulations and initiatives, it is part of a wider set of tools defined as “a soft infrastructure of norms and expectations in processes that engage the participation of a broad range of stakeholders”.<sup>149</sup> Enterprises can exploit the code of conduct to set basic principles on the ground of gender equality and non-discrimination.

Since a general recognized framework does not exist, some entities have been active in providing guidance and support to firms which would like to prepare an effective code of ethics. For example, Business for Social Responsibility is an entity founded by entrepreneurs with the idea of promoting “business as a force for positive social change—a force that would preserve and restore natural resources, ensure human dignity and fairness, and operate transparently”.<sup>150</sup> BSR is non-profit organization committed to develop a more sustainable world. Together with the Dutch Ministry of Foreign Affairs, it has developed some guidelines on the integration of gender

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<sup>148</sup> Il Codice Etico, <http://www.bilanciosociale.it/codiceetico.html>

<sup>149</sup> Levy, D. L., Kaplan, R., *CSR and Theories of Global Governance: Strategic Contestation in Global Issue Arenas*, *The Oxford Handbook of CSR* (2007). Oxford University Press

<sup>150</sup> Business for Social Responsibility, *About Us*, <https://www.bsr.org/en/about/story>

equality in corporate codes of conduct.<sup>151</sup> Most often, these documents do not give enough space to gender issues and in the worst cases, they are not even mentioned. BSR's framework analysis major dimensions of concern associated with female discrimination and it has set out recommendations and good-practices on 9 principles: workplace discrimination, wage and benefits, forced labour, working hours, harassment and abuse, health and safety, freedom of association, employment relationship and management system. For each categories, it examines which are typical declarations in codes of conduct and how they can be replaced with statements with the objective of addressing and upgrading the gender sensitivity of the code.

One of the first recommendations is linked with language. In all those clauses addressing the workforce, the business should be careful in specifying that those principles refer to both women and men instead of workers. Terminology is important in manifesting the concern towards gender equality issues. Moreover, depending on the type of business and on the context in which it operates, they suggest organizations to include articles which cope with specific gender relevant issues. For instance, in developing countries and specifically in the textile industry, women usually work more hours than men and are paid according to piece-rates contracts or by the hour.<sup>152</sup> This situation put women in an adverse position, which inevitably takes them to work longer than men. Businesses can prevent this to happen by including specific provisions regarding equal compensation for work of equal value, contractual agreements and benefits.

BSR stresses the idea that the code of ethics per se is not a sufficient instrument to limit discriminatory behaviors. It is one of the methods corporations can use to integrate gender-related principles in the existing guidelines supporting the activities of the firm. However, the code of conduct becomes efficient when it is supported by a structure of communication, implementation, data collection and monitoring activities. For this reasons, performance indexes, assessment guidelines, and monitoring frameworks should be developed to assist the execution of the process. The following table summarizes the main gender-related issues identified and how the code of conduct can be updated to include a more gender sensitive dimension.

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<sup>151</sup> BSR, *Gender Equality in Codes of Conduct Guidance*, Report 2017

<sup>152</sup> Fontana M., Silberman A., *Analysing Better Work Data from a Gender Perspective: A Preliminary Exploration of Worker Surveys with a Focus on Vietnam*, Better Work Paper Series N.13, December 2013;

Discrimination	Wages and benefits	Forced Labour
<p><b>Issues:</b></p> <p>Women experience discrimination during the following processes:</p> <ul style="list-style-type: none"> <li>- Recruitment</li> <li>- Training</li> <li>- Career advancements</li> <li>- Termination</li> <li>- Maternity</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Women are paid differently with respect to men, e.g. piece rates, unpaid work</li> <li>- They may receive less benefits or suffer discrimination in case of pregnancy, maternity or sick leave</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Female workers are more subject to forced labour, through illegal forms of coercion, e.g. confiscation of documents, debt bonding and violence</li> </ul>
<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Equal opportunities in terms of recruitment, training, termination and promotion</li> <li>- No discrimination in employment on the basis of race, color, sex, religion, political opinion, national extraction, or social origin</li> <li>- Equal rights are not lowered due to specific statuses, i.e. pregnancy, marital status</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Equal compensation for men and women for work of equal value</li> <li>- Reference to living wage</li> <li>- Inclusion of provisions regarding safety, security and benefits such as maternity and sick leave</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Specific provisions regarding types of forced labour</li> <li>- Specific provision concerning recruitment agencies</li> <li>- Reference to migrant workers</li> </ul>
Working hours	Harassment and abuse	Health and Safety
<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Overtime requests put women in a vulnerable position due to family and childcare duties</li> <li>- They usually work longer hours if they are paid through piece-rates wages</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Women are subject to physical and psychological violence more frequently than men</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Risks associated with reproductive system/pregnancy, e.g. antigenic or dangerous work environment</li> <li>- Risks associated with employment, e.g. extra hours may prevent access to medical assistance</li> </ul>
<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Equal treatment in terms of working hours, basic wage, calculation of bonuses and overtime work</li> <li>- Specific reference to the fact that benefits should not depend on working hours</li> <li>- Unwillingness to work extra time should not be punished</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Specific provisions on sexual harassment, physical and psychological violence and abuse on both men and women</li> <li>- Introduction of training sessions for both workers and management</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Inclusion of workers well-being and reproductive health, instead of generic occupational health and safety</li> <li>- Supply of a variegated set of services and insurance, which are adequate to both men and women</li> </ul>
Freedom of Association and Collective Bargaining	Employment relationship	Management System
<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Women not aware of their rights, hence they cannot express their concerns</li> <li>- Women are not approached by representatives, hence not joining trade unions</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Women's vulnerable working condition</li> </ul>	<p><b>Issues:</b></p> <ul style="list-style-type: none"> <li>- Miscommunication of policies and programs</li> <li>- Lack of supervision</li> <li>- Lack of enforcement mechanisms</li> </ul>
<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- The right of joining associations and trade unions is granted to both women and men</li> <li>- The right to form independent associations</li> <li>- Representatives have not to be discriminated</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- Provisions of the code of conduct should be applicable to external parties, e.g. recruitment agencies, subcontractors</li> </ul>	<p><b>Code Provisions:</b></p> <ul style="list-style-type: none"> <li>- widespread communication of policies and programs</li> <li>- quantitative and qualitative collection of data</li> <li>- increase awareness on gender related issues, e.g. training sessions</li> <li>- monitoring and assessment of procedures</li> </ul>

**Fig. 5.2: Code of conduct guidelines**

**Source:** created by the author from BSR, *Gender Equality in Codes of Conduct Guidance*, Report 2017

## 5.4 Social Balance

Social Balance or Social report is a document that companies publish with the scope of integrating and analyzing the financial statements from a stakeholder point of view. As already stated previously in this work, the enterprise is no more seen as an entity which satisfies just shareholders' interest. Instead, this definition has evolved into a broader view where stakeholders have become the center of concern. Social Balance was born from the awareness that there exist different groups who have an interest in the business and has developed by the need to involve them in the firm's activities. Companies have to communicate their commitment to social and environmental issues to customers, suppliers, employees, government as well as their shareholders.

A single definition of Social Balance does not exist, but many are the interpretations that have been developed in recent years. It can be defined as an accountability model of quantitative and qualitative information between the business and stakeholders, with the scope of providing a homogeneous, complete and transparent framework of the relationship between economic and socio-political factors.<sup>153</sup> Many are the names used to identify the same document too. For instance, in Anglo-Saxon countries "Social Balance Sheet", "Social Report", "Sustainability Report" are used interchangeably.

The Social Balance can represent an answer to the requests in the gender context. Indeed, the Social Report serve as an instrument to integrate the gender perspective in the social analysis of the firm. Recognizing that women and men have different needs, working conditions, career paths and opportunities, is crucial for the development of ad hoc policy and program, which are able to have a different impact on both groups. Including the gender dimension can be beneficial for the firms in many ways. First of all, it creates awareness among administrative and control bodies of the organization, which can be informed on the interest of the different groups and encourages a deeper analysis of the subject matter. Moreover, the production of gender sensitive data and information enhances transparency towards stakeholders and increases the commitment of the firm.

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<sup>153</sup> Il bilancio sociale, [http://www.bilanciosociale.it/bilancio\\_sociale.html](http://www.bilanciosociale.it/bilancio_sociale.html)

## 5.5 GRI Standards

The Global Reporting Initiative (GRI) was born in 1997 in Boston, from a non-profit entity CERES (Coalition for Environmentally Responsible Economies) and the Tellus Institute. The organisation's objective was to develop a framework to support disclosure of firm's environmental commitment. The year after, the extent was expanded to social, economic and governance topics.<sup>154</sup> Throughout the years, GRI's framework developed into what now are called the global standards for sustainability reporting. GRI standards are the first global sustainability standards and they consists of best-practice references for any type of organisation, which want to disclose information on its activities concerning the environmental, social and economic impacts.

The current standards are the evolution of the previously developed model *G4*, which comprised two guidelines called "Reporting Principles and Standard Disclosure" and "Implementation Manual". These two documents have been updated and incorporated into a single framework.

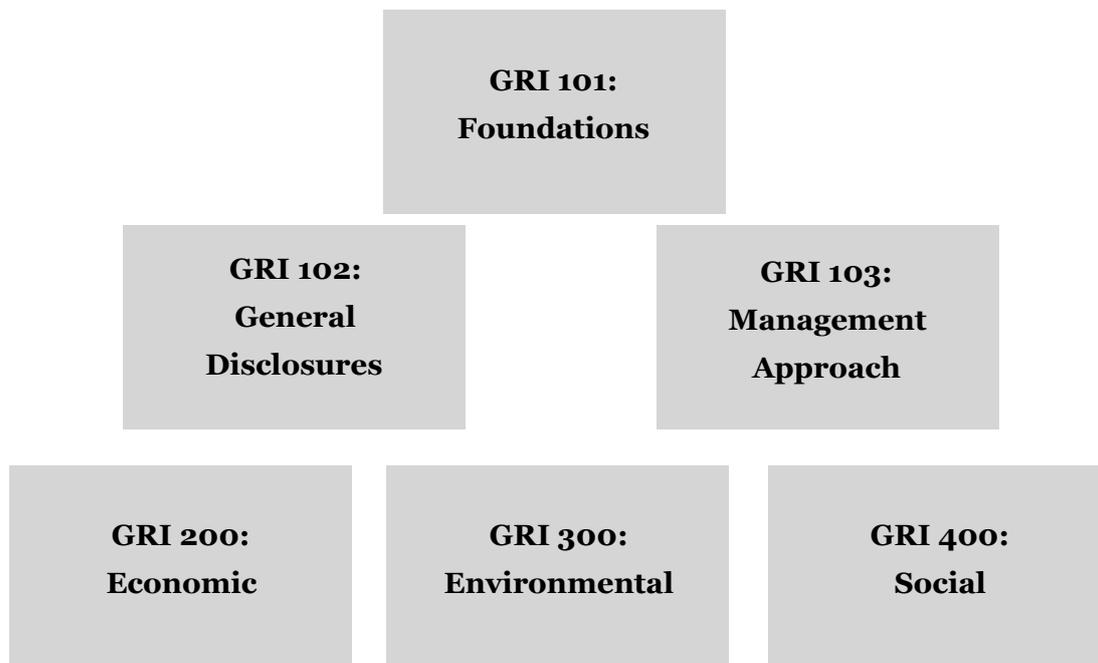
The model is divided into:

- Three universal standards, which can be used by all organisations. These core standards provide guidance on the preparation of the report, firm's information, reporting practices and on the management of the reporting topics;
- Three topic-specific standards, each dealing with a precise issue among economic, social and environmental. The usage is at the firm's discretion depending on the material topic of interest.

The main feature of the framework is precisely its modularity. Indeed, this structure facilitates the reporting process enabling the organisation to update the standards separately or adding a new one without altering the current set of standards. This configuration proves to be useful in the updating process to answer to new developments and to keeping it relevant for investors.

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<sup>154</sup> GRI, *GRI's History*, <https://www.globalreporting.org/information/about-gri/gri-history/Pages/GRI's%20history.aspx>



**Fig. 5.2:** GRI's framework  
**Source:** created by the author

Responsibility reporting helps firms to be more transparent about their actions and effects on the social system. This attitude allows enterprises to inform their public, to make visible their commitment towards these issues, to perform an internal analysis of the current conditions and identify the areas where improvements can be made. GRI standards provide the necessary support in exploring the gender sensitive aspects requiring attention. The following section analysis GRI 400, which are the standards which prove to be useful from a gender equality point of view.

### 5.5.1 GRI 400

GRI 400 is one of the modules of the GRI Standards which provides guidelines on how to disclose information on the social impacts. This set, in turn, is made up of single standards, each addressing a specific aspect of the social dimension.

#### GRI 401: Employment

This standard provides directions on the matter of employment and supply chain's working conditions. It addresses the company's attitude towards hiring, retention, and recruitment processes. Under *GRI 401-1 New employee hires and employee*

*turnover*, the enterprise is required to report the number and rate of new employees and employees turnover over the period of analysis, by gender groups, age groups and geographical area.<sup>155</sup> This standards helps companies and stakeholders to understand the ability of the firm to attract and retain a diversified workforce, not only by gender categories, but also in terms of other diversity indicators. On one side, thanks to the representation of the labour force by gender, it is possible to assess what is the composition of the firm's workforce and verify potential inequities. On the other, thanks to the turnover rate, it can be detected whether there are irregularities, such as disappointment among workers as in the case of a high turnover rate. The situation must be internally verified by managers and adjust where possible.

*GRI 401-3 Parental leave*, instead, requires firms to disclose the number of working people allowed to parental leave, the number of employees who benefitted of parental leave, the number of workers who returned to work after the termination of the leave during the reporting period and the number of employees who came back to work after the authorized leave ended and that are in service after 12 months from the end of the parental leave. When disclosed, this kind of information is important in order to assess which is the company's attitude to maternity and paternity leave. For instance, seeing the number of employees who returned to work after the parental leave ended can signal that the organization has a good relationship with its own employees and encourages them to take parental days available when needed. This in turn encourages women to take up their leave without the fear of compromising their working conditions.

#### *GRI 405: Diversity and Equal Opportunity*

This standards encourages companies to disclose information on diversity and equal opportunities. These data tell how organizations reinforce equality and limit gender discrimination. *GRI 405-1 Diversity of governance bodies and employees* requires firms to report on the percentage composition of the firms' governance bodies (e.g. board of directors, management committees, etc.) according to gender, age group and other diversity indicators. Moreover, it demands to provide a representation of the workforce by employee category and gender, age and other diversity indexes.<sup>156</sup>

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<sup>155</sup> GSSB, *GRI 401:Employment*, GRI Standards, 2016

<sup>156</sup> GSSB, *GRI 405:Diversity and Equal Opportunity*, GRI Standards, 2016

Learning that a company presents a board of directors or management ranks evenly spread among men and women, it is an indication of the value that company places on diversity and women empowerment at all levels in the organization.

*GRI 405-2 Ratio of basic salary and remuneration of women to men*, asks companies to report on the ratio of the basic salary or remuneration of women with respect to men, according to level and function.<sup>157</sup> Knowing which is the relationship between the salary of men and women reveals whether discrepancies exist and may prove to be useful, so that the firm may implement policies to reduce the deviation or improve existing ones. On the other hand, a company which value the work of men and women in the same fashion, can attract and retain talented employees.

#### *GRI 406: Non-Discrimination*

At the moment, *GRI 406-1 Incidents of discrimination and corrective actions taken*, is the only standard of the set belonging to the non-discrimination module. According to this principle, firms are called to disclose the number of discriminatory episodes they have experienced. This information should be supported by an analysis of the fact, the prospective actions to be implemented to restore the situation, the outcomes of internal assessment and whether an incident has been solved or not.<sup>158</sup> Companies disclosing information on discriminatory events means that they are really committed to the gender equality agenda and are ready to implement corrective actions to achieve socially responsible behavior. As stated in the previous paragraph (5.2), some firms may be unwilling to report such information because they believe it may threaten their reputation or because perceived to be confidential information.

## 5.6 SA8000

GRI standards are not the only way firms can prove their social commitments. In 1997, Council on Economic Priorities Accreditation Agency (CEPAA) has introduced the SA8000 Standard. The standard has developed into a framework which consists of additional material to support companies in cultivate their engagement in improving working conditions.

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<sup>157</sup> GSSB, *GRI 405: Diversity and Equal Opportunity*, GRI Standards, 2016

<sup>158</sup> GSSB, *GRI 406: Non-discrimination*, GRI Standards, 2016

SA8000 is in line with the principles set put in the Universal Declaration of Human Rights and International Labour Organization (ILO) conventions.

SA8000 international standard was born in response to the absence of a globally recognized norm on the matter of labour conditions. If a company is accredited with the SA8000 certification, this implies that it is compliant with social expectations for three years. Since the certification is voluntary, it is company's responsibility to periodically control and supervise activities to prove their conformity with standard requirements. In addition, an external support from audit bodies may guarantee that the organization is conducting operations in the best way to limit labour risks. Being accredited with the certification is a benefit for the company, which gain respectability and improves its reputation. Frequent control of the activities of the company and its supply-chain, makes SA8000 a valid certification to attest ethical and social responsible behavior.

One of the feature of SA8000 is its broad applicability. Indeed, the certification is granted by SAI<sup>159</sup> (Social Accountability International) to all entities irrespective of nature (public or private companies, associations, non-profit or for-profit organizations, governmental organisations), size (small, medium and large enterprises), and country of origin.<sup>160</sup> Moreover, the standard is relevant because it does not concern only the entity requiring the certification, but it investigates the relationship the firm has with different groups. Indeed, the organization must be responsible for the conduct of its suppliers, customers and external parties in general, regardless the duration of the relationship.

The standard's areas of investigation comprises 9 categories specifically related to working conditions. They are: 1. Child Labor, 2. Forced or Compulsory Labor, 3. Health and Safety, 4. Freedom of Association and Right to Collective Bargaining, 5. Discrimination, 6. Disciplinary Practices, 7. Working hours, 8. Remuneration, 9. Management System.

In particular, SA8000 request companies neither to actively participate nor to get involved in discriminatory activities and behaviors in hiring and termination practices, in providing access to training and promotion and in salary payment, on

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<sup>159</sup> In 2000, CEPAA has changed its name into Social Accountability International

<sup>160</sup> Social Accountability International, *SA8000 Standard*, <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1929>

the basis of gender, sexual orientation, family responsibilities, marital status, race, age or any other situation. Hence, the enterprise must forbid any type of conduct and practice which results in psychological and/or physical abuse, intimidation, and violence in the workplace, or third-party property.<sup>161</sup> Moreover, it prohibits companies from forcing female employees to undergo pregnancy, virginity and other health tests as a base for the evaluation of the employment status, unless it is required by law.<sup>162</sup>

The standard encompasses that no discrimination based on family responsibility and marital status must occur. These two categories are included to enhance protection of female workers, who are usually underprivileged when it comes to employment because of their child and elderly caring activities and their relationship status.

Other than requirements, SA8000 provides auditors with guidelines on how to recognize discrimination and assess organisations' performance. The ability of the auditor relies on the capacity of identifying the true attitude of enterprises towards injustices. They must be able to detect forms of discriminatory behaviors concealed behind cultural norms, forms of "passive policy on non-discrimination", as well as undeniable forms of discrimination based on gender, sexual orientation and gender identity. The guideline reports an example for which the boundaries between gender discrimination and observance of religious norms are blurred. Some manufacturing plants in Pakistan implemented policies for equal treatment between men and women, guaranteeing equal jobs and equal pay to both groups. At the same time, they also obeyed religious segregation laws, by establishing two different work units for men and women.<sup>163</sup> Cases like the one just mentioned, need a higher level of investigation and supervision, in order to detect whether these kind of attitudes and practices hide some forms of discriminatory behavior. For this reason, auditors must be aware of the national norms and regulations regarding discrimination, as well as the cultural context of study. A deep organizational analysis, conducted even through interview with employees, is necessary to understand the internal and external environment.

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<sup>161</sup> SAI, *Guidance Document For Social Accountability 8000 (SA8000®:2014)*, May 2016

<sup>162</sup> Ibidem

<sup>163</sup> Ibidem

# Chapter 6: Corporate Social Responsibility Reporting: an Italian perspective

## 6.1 Research aim

The aim of this research is to understand how Italian corporations address the issue of gender equality and discrimination in the workplace. It does so by examining corporate disclosure on gender issues of a sample of Italian companies. Moreover, it evaluates the content of the reporting process.

Hence, the study's objective is twofold: on one side, it identifies the nature of data and information companies report on the ground of gender equality in the workplace and the process of corporate reporting on social issues in Italy; on the other hand, the results are considered as a source to understand the Italian corporate attitudes with respect to the subject.

## 6.2 Company sample

The sample consists of 10 of the largest Italian public companies, according to Forbes Global 2000.<sup>164</sup> The indicator ranks the main listed companies considering the interaction of four parameters, i.e. profit, sales, assets and market value. The choice of selecting the biggest Italian companies has been guided by three main factors. Firstly, since the research is focused on a specific subsection of the wider diversity dimension, availability and accessibility of information and data were crucial factors. Collecting a significant amount of information was fundamental in order to arrive to relevant conclusions. Secondly, it was assumed that a theme as debated as gender equality was addressed by large firms, as those selected for the study. Indeed, previous examinations inform that large firms disclose more voluntary information on equal opportunities.<sup>165</sup> On the contrary, small and medium enterprises may have limited awareness of gender equality and pay equity issues and may have limited resources to implement programs and initiatives to promote the subject.

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<sup>164</sup> The Global 2000 - [forbes.com](http://forbes.com)

<sup>165</sup> Gray, R., Owen, D., and Maunders, K., *Corporate Social Reporting*, Hemel Hempstead, Prentice Hall, 1987

Finally, assuming that Legislative Decree No. 254/2016 has introduced the mandatory disclosure for non-financial and diversity information for large enterprises, the sample of the first ten largest companies in Italy represents a valid pool of firms to be investigated.

**Table 6.1: Companies sample (Forbes Global 2000)**

<b>Name</b>	<b>Revenues (billions US\$)</b>	<b>Profits (billions US\$)</b>	<b>Assets (billions US\$)</b>	<b>Market Value (billions US\$)</b>	<b>Industry Sector</b>
Enel spa	86.30	5.70	189.10	63.10	Electronic Utilities
Eni spa	89.40	5.00	139.50	62.50	Oil and Gas
Intesa Sanpaolo spa	28.10	4.80	900.5	45.90	Finance
Assicurazioni Generali spa	92.10	2.70	588.50	30.10	Insurance
Unicredit spa	31.10	4.50	950.50	32.00	Banking
Poste Italiane spa	35.10	1.70	238.80	14.00	Logistic
Atlantia SpA	6.90	1.00	91.20	21.10	Transportations
Unipol Gruppo spa	16.40	0.80	87.60	3.70	Insurance
Telecom Italia spa	22.40	-1.60	75.50	12.20	Telecommunications
Mediobanca spa	3.50	1.00	84.40	9.40	Banking

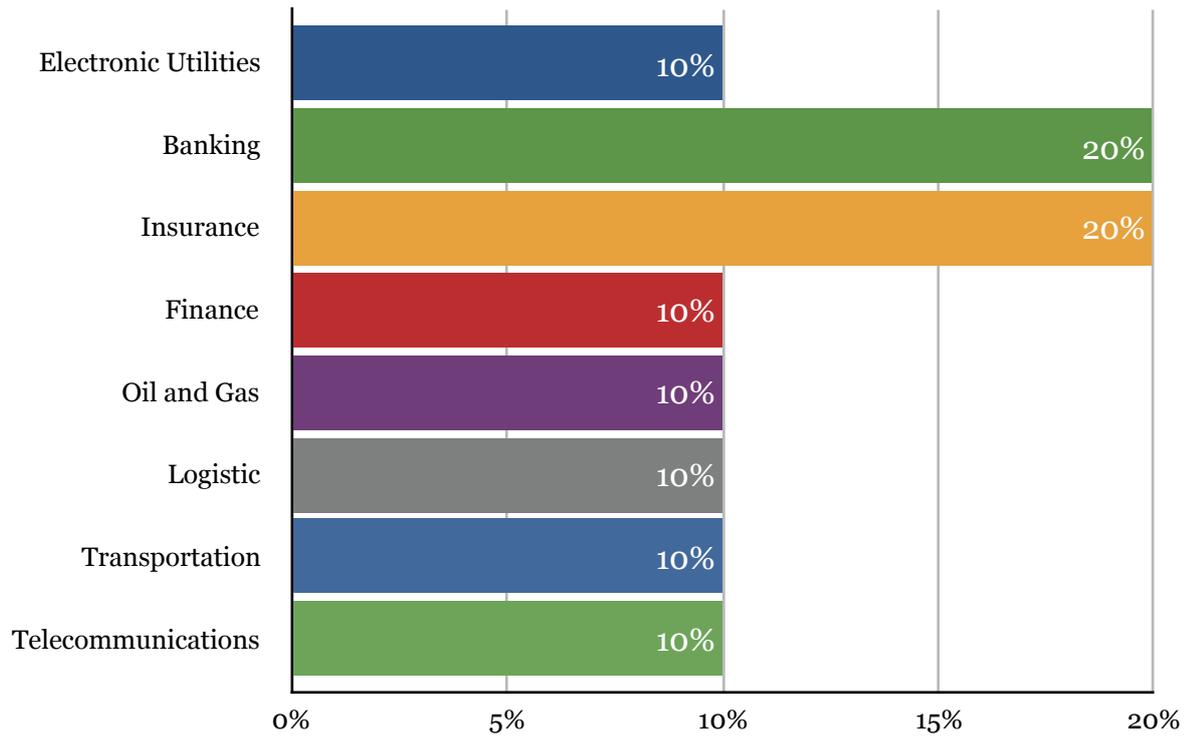
**Table 6.1:** Companies sample (Forbes Global 2000)

**Source:** The World's largest Public Companies - 2019 ranking - [forbes.com](https://www.forbes.com)

The group includes companies from a variety of industries. The sample gives proportionate space both to the financial sector and non-financial one. Indeed, the group can be divided into two macro categories: the financial sector, which includes banking firms (Unicredit spa e Mediobanca spa), insurance firms (Assicurazioni Generali spa) and finance firms (Intesa Sanpaolo spa); non-financial sector including oil and gas (Eni spa), electronic utilities (Enel spa), telecommunications (Telecom Italia spa), transportations (Atlantia spa) and logistics (Poste Italiane spa). The whole group is listed on the Italian stock exchange and belong to the FTSE MIB index.

Analyzing enterprises from different industries, for the most part male-dominated industries, makes the research more challenging and conveys a wider perspective on the gender equality issue.

**Table 6.2: Company sample by industry sector**



**Table 6.2:** Company sample by industry sector  
**Source:** elaborated by the author

## 6.3 Research method

The research method was informed by the study conducted by Grosser and Moon (2008)<sup>166</sup> and Grosser, Adams and Moon (2015)<sup>167</sup> on the largest UK, US and Australian firms. In *Equal Opportunity for Women in the Workplace: A Study of Corporate Disclosure* (2015), the authors analyzed how companies report on equal opportunities in the workplace and which are the main drivers guiding corporate public disclosure. They examined a sample of 24 companies, 8 from each country, and performed a content analysis of annual reports and CSR report for the years 2005 and 2006. With respect to the previous study *Developments in company reporting on workplace gender equality* (2008), this recent analysis has evidenced a progress in CSR reporting, especially in UK firms which disclose more information on employment and career paths of women. Moreover, they have found evidence of an improved reporting on performance, program implementation and actions.

Content analysis is defined as “a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use.”<sup>168</sup> It is a systematic research instrument, which helps developing different perspectives on a specific subject, appreciating facts and events and advising on actions.

In his definition, Krippendorff (2004) identifies as sources “texts (or other meaningful matter)”, not limiting the elements of analysis to written elements, but including figures, graphs, maps, mathematical data and any other item which may be significant to the study.

Krippendorff (2004) identifies two main characteristics this research approach must have:

- *Reliability*: investigation methods should be *replicable*<sup>169</sup>, that is the analyst must be able to arrive to the same outcome when considering the same set of data and

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<sup>166</sup> Grosser, K., Moon, J., *Developments in company reporting on workplace gender equality*, Accounting Forum, 32:3, 179-198

<sup>167</sup> Grosser, K., Adams, C., Moon, J., *Equal Opportunity for Women in the Workplace: A Study of Corporate Disclosure*, Research Report 102, ACCA, 2015

<sup>168</sup> Krippendorff, K., *Content Analysis: An Introduction to its Methodologies*, Sage Publications, Inc., 2nd ed., 2004, p.18

<sup>169</sup> *Ibidem*

when applying the same methodology. This should happen even under different situations and moments in time;

- *Validity*<sup>170</sup>: the techniques should be developed in such a way as to represent accurately and precisely the circumstances measured.

Bengtsson (2016) develops guidelines for helping perform content analysis. According to the author, a single investigation pattern does not exist, but there are some simple rules to be followed in order to organize the research study in the most effective way, so that relevant conclusions can be extrapolated. Firstly, the researcher must determine the subject of the investigation and the purpose of the study, which is stated in a few words.<sup>171</sup> Secondly, the analyst should define the sample of the inquiry and the methodological approach to be adopted. For what sampling is concerned, limitations are not imposed on the researcher. Instead, he or she must choose a sufficiently large sample to be informative for the study.

Referring to the investigation method, the analysis can be conducted collecting both quantitative and qualitative data.

The researcher should manifest a preference on conducting a *manifest analysis*<sup>172</sup>, which consists in an examination staying true to the text studied and reporting evident information or she/he can conduct a *latent analysis*<sup>173</sup>, which includes an elaboration by the author who provides an explanation of text of the analysis and the essence of it.

After collecting data and information, the analysis takes place. Bengtsson (2016) divides this phase of the investigation in four steps<sup>174</sup>:

1. *Decontextualisation*: the researcher must become acquainted with the source of investigation, grasping the general meaning of the subject of analysis. After this overview, he or she can divide into unit of analysis the information collected;

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<sup>170</sup> Ibidem

<sup>171</sup>Bengtsson, M., *How to plan and perform a qualitative study using content analysis*, NursingPlus Open 2 (2016) 8-14

<sup>172</sup> Ibidem

<sup>173</sup> Ibidem

<sup>174</sup> Ibidem

2. *Recontextualisation*: the content of the analysis must be re-examined keeping in mind the components previously identified. This process is useful to verify that the information included are relevant and at the same time for excluding meaningless information.
3. *Categorisation*: in this step, information and data are reorganized into categories and subcategories. A precise number of categories is not defined, but they depend on the context and the object of study. Most of the time, the researcher starts identifying a great number of categories, which subsequently is lowered to the most significant ones.
4. *Compilation*: the researcher performs the examination of the information collected and presents the results. The analysis must be conducted impartially and without bias. The results can be presented descriptively or through a combination of descriptive and quantitative information, such as the frequency with which a specific category appears.

For this study, an initial analysis was conducted by searching for quantitative/qualitative information on the items identified as relevant. One of the previous chapters (chapter 4), informing on the main barriers encountered by women in the workplace, proved to be helpful in the identification and determination of the categories related to gender equality for this study.

As a first step, the analysis examined the content of companies' websites, annual reports and sustainability reports for the fiscal year ending 31st December 2018 for 90 percent of the companies and 30th June 2019 just in one case.<sup>175</sup>

The research was conducted dividing information and data into two main categories: the first group includes descriptive, intentional and explanatory information on gender issues; the second group analyzes quantifiable data on targets, performance and results.

After this initial collection of data and information, the material was categorized and twenty-three gender equality issues were identified. These were grouped into five macro categories which cover the main dimensions and issues related to gender equality and discrimination in the workplace.

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<sup>175</sup> Mediobanca spa fiscal year ends 30th June 2019

They are: *Women's employment design, Career and Pay, Work-life balance, Governance and management of gender and Other issues*. At a later stage, these issues were reorganized taking into consideration four classes of data, i.e. performance data, targets, actions, and policy information. Performance data and targets include, on one side quantitative information referring to what companies have accomplished in the last year, on the other they consider which are the concrete objectives for the years to come. Instead, actions refer to initiatives and programs firms have implemented on the ground of gender equality and/or have launched. While policy information points out frameworks and guidelines developed for an effective management of equal opportunities and discrimination in the workplace. The following table (Table 6.3) enlist the items object of research.

**Table 6.3: List of items examined in the reporting**

	Women's employment design
1	Women in the workforce
2	Women in management
3	Women in different grades or job categories
4	Women as full-time workers
5	Women as part-time workers
6	Women with permanent contracts
7	Women with fixed-term contracts
	Career and Pay
8	Recruitment
9	Termination
10	Replacement rate
11	Career development and promotion
12	Training
13	Equal pay
	Work-life balance
14	Parental leave
15	Childcare and Family care
16	Flexible working
17	Absenteeism and injuries
18	Health and safety and gender
	Governance and management of gender
19	Responsibility for gender/diversity
20	Litigation, tribunal cases, and official complaints
21	Gender/diversity management/accountability
22	Partnerships with NGOs/Associations
	Other issues
23	Gender and other diversity indicators

**Table 6.3:** List of items examined in the reporting  
**Source:** elaborated by the author

## 6.4 Research findings

### 6.4.1 Companies reporting method

The research’s starting point was to study the means through which companies disclose information on gender equality, i.e. the first part tries to answer to the question of where information about the issue are found. All companies produce and publish annual reports supported by the management report as provided for in the Article 2428 of the Italian Civil Code. Except for one business, none of the companies selected has referred to gender equality issues either in their annual report or in the management report. The only company reporting on the subject does so in the performance section of its management report, manifesting its commitment on the promotion of gender equality in the workplace and on the fight against gender violence.

**Table 6.4 - Companies reporting method**

	<b>% of companies using this method</b>	<b>% of companies reporting gender equality information by this method</b>
<b>Annual report (including management report according to Civil code art. 2428)</b>	100%	10%
<b>Sustainability report</b>	50%	50%
<b>Consolidated report on non-financial information (Legislative Decree No. 254 of 2016)</b>	100%	100%
<b>Website</b>	100%	80%

**Table 6.4:** Companies reporting method  
**Source:** elaborated by the author

For what concerns the other methods of reporting, businesses either produce the sustainability report, a comprehensive report on non-financial information or both. Legislative Decree No. 254/2016 has adopted Directive 2014/95/EU and has introduced the mandatory disclosure of non-financial and diversity information. Provisions apply to public-interest companies compelling with specific size characteristics (net sales exceeding € 40.000.000 or balance sheet assets value exceeding € 20.000.000) and those having an average number of employees in excess of 500 during the fiscal year. The information regarding the non-financial dimension of the firms can be integrated with the management report (art. 2428), the sustainability report or presented as a single document as provided by art.5, clause 1 of the Decree.

All companies sampled satisfy the legislative requirements for the production of the consolidated report on non-financial information pursuant Legislative Decree No. 254/2016 and all of them address gender equality issues in this document. In addition, half of the businesses produces a sustainability report, or specific reports on sustainability aspects, as support documents evidencing environmental and social commitments of the firm.

For instance, Eni s.p.a. published both the 2018 sustainability report and the 2018 performance report highlighting its non-financial progress and achievements as a dual-purpose tool.

In the first place, this additional report is used an instrument for internal monitoring and evaluation of the activities put in place over a specific time period. Secondly, the enterprise use it as a communicative mechanism with its stakeholders through which it wants to attest its transparency and preserve a solid connection with them.<sup>176</sup>

As expected, all companies use their website as a channel of communication, where they publish the necessary documentation for stakeholders. On each website, a page dedicated to sustainability facilitates the access to such information. For what concerns the gender equality dimension, the majority of companies have demonstrated a greater attention to the subject creating an area which deals extensively with gender equality objectives, programs, awards won by the company and news which show the continuous commitment to the issue.

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<sup>176</sup> Eni s.p.a., *Performance di sostenibilità*, Eni for 2018

Two of the businesses analyzed have not proved to make use of their website to communicate on gender related issues, limiting their activities to publishing annual and sustainability reports.<sup>177</sup>

For what concern the location of reporting, the main findings are:

- Companies do not report gender equality or diversity issues on annual reports or management reports. They dedicate these reports to the financial performance only;
- Companies do report gender equality or diversity issues on the consolidated report on non-financial information, as required by law according to Legislative Decree No. 254 of 2016;
- Half of the companies voluntarily publish additional reports to support the annual report and the consolidated report on non-financial information, signaling that a legislative intervention is efficient in enhancing communication by the firms;

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<sup>177</sup> Assicurazioni Generali S.p.a. and Atlantia s.p.a.

## 6.4.2 Companies reporting on women’s employment

This section presents the results on the analysis of women’s employment patterns of the companies sample. The examination includes descriptive information and quantified data on women representation in the workforce and management, the type of contract (permanent or fixed-term) and the employment status. The results were classified based on data reference to performance (and trends), targets, and actions information. Women employment schemes is the category for which companies reported more data on performance and trends. One company only reported quantified data on the target section, while no enterprises provided details on actions or policy information relative to specific workforce category.

**Table 6.5: Women’s employment design**

<b>Women’s employment design</b>	<b>Performance (including trends)</b>	<b>Target</b>	<b>Action</b>
<b>Women in the workforce (n° or %)</b>	9	0	0
<b>Women in management (n° or %)</b>	10	1	0
<b>Women in different grades or job categories (n° or %)</b>	9	0	0
<b>Women as full-time workers (n° or %)</b>	6	0	0
<b>Women as part-time workers (n° or %)</b>	9	0	0
<b>Women with permanent contracts (n° or %)</b>	10	0	0
<b>Women with fixed-term contracts (n° or %)</b>	8	0	0

**Table 6.5:** Women’s employment design  
**Source:** elaborated by the author

For what concerns data on the overall workforce, nine out of ten companies provides information on the distribution of the personnel according to gender. The majority specify the percentage of women in the labour force<sup>178</sup>, while six out of the ten companies analyzed provides the number of women as additional information.<sup>179</sup>

<sup>178</sup> 8 out of 10 of the company sample

<sup>179</sup> one company provides the number only, i.e. Telecom Italia spa

Moreover, 60 per cent of the sample publish trends on the workforce divided by gender and the comparison is generally made with respect to the two years previous to the one of the analysis, i.e. 2017 and 2016. In addition, half of the companies provide evidence of the decomposition of the personnel into gender and geographical area. For example, Enel spa report a detailed table of the workforce composition by geographical area and gender. It provides the number of female and male employees for each region or country of operation, the variance with the previous year and the equivalent percentage. Referring to targets, no companies state specific and concrete targets on the gender composition of the personnel, but the only manifestations are limited to generic expression of intention. For instance, Eni spa set itself the goal of increasing the percentage of women employed at all levels<sup>180</sup>, while Poste Italiane spa commits to improve female presence in staff development plans.<sup>181</sup>

The number or the percentage of women employed as part-time workers is published by 9 companies out of ten, while those which additionally report data on women as full-time workers are just 6 of the sample, as is shown in Table 5.4. The majority disclose numerical data on female part-time employees, while four of the companies present the information in the form of a percentage.

As for the analysis of the entire workforce, half of the companies report trends and comparison with the two years preceding the inquiry. Moreover, five of the enterprises further supplement these information by breaking down data according to geographical area or strategic business unit. For example, Poste Italiane spa displays the evolution of the workforce in the years 2016, 2017 and 2018 divided by gender and strategic business unit, such as Mail, Parcels and Distribution, Financial and Insurance Services and Payments, Mobile and Digital.<sup>182</sup>

Instead, Telecom Italia spa disclose detailed information on workers employment status, gender, type of contract and location.<sup>183</sup>

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<sup>180</sup> ENI for 2018, *ENI Sustainability report*, 2018, p.9 and 26

<sup>181</sup> Poste Italiane spa, *Integrated annual report 2018*, p.174

<sup>182</sup> Poste Italiane spa, *2018 Integrated Annual Report*, Report on operations, ch.5 performance, p. 179

<sup>183</sup> TIM, *Sustainability Report 2018*, p. 80

Concerning women participation in management and at different grades, the study of Grosser et al. (2008) have demonstrated that investors are particularly interested in this kind of information as a signal of improvement on gender equality in the labour force. The examination of the Italian company sample shows that all companies report on female representation in management and at different level of the staff ladder.

Except for Eni spa which reports just the percentage amounts of senior and middle managers and no information on the distribution of the personnel by gender. The other enterprises either publish the number (8 out of 10), the percentage (7 out of 10) or both (5 out of 10), and almost all make the comparison with the two preceding years. Data are broke down into senior managers, middle managers, white/blue collars or professional/office staff depending on the belonging sector. A couple of firms integrate this information with additional knowledge on age or geographical distribution. Intesa Sanpaolo spa reports a very detailed picture of its staff by publishing the percentage amounts of employees at different grades, such as executives, middle managers and professional staff, and gender. The analysis is presented according to the year of reference (2016, 2017 and 2018) and geographical location (Italy, Abroad or Group). It further presents a breakdown of data according to categories, years and gender with respect to the total workforce. Instead, Poste Italiane spa presents its classification of personal categories according to gender, year and age.

Unlike the rest of the sample, Unicredit Group stands out for setting a target linked with female representation in management. In analyzing its contribution to the SDG goals, they measure the progress towards the target set for the year 2022, that is to increase women in senior leadership role to 20%. In 2018, they stand at 10%.<sup>184</sup>

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<sup>184</sup> Unicredit Group, *2018 Integrated Report*, p. 30

### 6.4.3 Companies reporting on career and pay

An interesting analysis is the one which delves into the career and pay dimension of the female workforce. As already debated in the previous chapters, the highest barriers, which impede women to have a career at all or progress in their position and have a satisfactory career, are found during their working path. For this reason, it is significant to analyze which is the corporate inclination with respect to this dimension. Through the examination of specific categories, the objective is two understand what type of information entities disclose in this respect and which are the actions companies have put into effect.

**Table 6.6: Career and Pay**

Career and Pay	Performance (including trends)	Target	Action
Recruitment	7	1	2
Termination	5	0	0
Replacement rate	7	0	0
Career development and promotion	1	0	1
Training	7	0	5
Equal pay	9	0	0
Appraisal system	2	0	1

**Table 6.6: Women’s Career and Pay**  
**Source:** elaborated by the author

Table 6.6 presents the results of the investigation on the female career path and salary scheme. In general, the information reported are sufficiently similar to permit a comparison. For what concerns the hiring and dismissal process, a sufficient number of firms have disclosed data regarding the recruitment rate, the termination rate and replacement rate. The majority of firms provide either the number of people hired or terminated (9 out of 10), or the percentage (7 out of 10), or both (7 out of 10). Four of the companies sampled report trends with the previous years, while just one makes the comparison only with the year before that of the analysis.

Two of the firms, Assicurazioni Generali spa<sup>185</sup> and Telecom Italia spa<sup>186</sup>, provides additional information by breaking down data according to geographical area, while Intesa Sanpaolo spa<sup>187</sup> and Mediobanca<sup>188</sup> spa divides it according to age.

For what concerns recruitment, termination and replacement rate, one company has disclosed information regarding targets and two firms regarding actions. Enel spa has manifested its intention to increase the number of women in the recruitment process, achieving a “a share of 50% of women for the 2021 selection process”.<sup>189</sup> The company recognizes the disadvantages that a woman encounters in trying to access a male-centered sector, as it is the one of electronic utilities, and promotes initiatives which transform the attitude at the root. For instance, Enel raises awareness and promotes the accessibility of girls to technical faculties (Science, Technology, Engineering, Mathematics - STEM), thanks to programs such as “Girls in ICT” and events in schools, universities and company offices.<sup>190</sup> The same project is supported by Eni spa, which encourages young women to consider the oil and gas sector as a potential place to work. “Think about tomorrow”, “Sistema Scuola Impresa” and “Inspiring girls” are the measures adopted by the company to combat gender stereotypes.<sup>191</sup>

Concerning the category related to career development and promotion, the only company disclosing significant performance data is Intesa Sanpaolo spa. It reports the average years of seniority divided into gender categories across years and the number of promotions of the group according to gender. The table shows that the company assigns more promotions to women than man in Italy, while abroad the reverse is true. Overall, men represent the category which is mostly promoted by the firm in 2018.<sup>192</sup>

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<sup>185</sup> Assicurazioni Generali spa, *2018 GRI Content Index in accordance with the GRI Standards: Core option*, p.8

<sup>186</sup> Telecom Italia spa, *TIM Sustainability Report 2018*, TIM People, p. 83-84

<sup>187</sup> Intesa Sanpaolo spa, *2018 Consolidated Non-Financial Statement*, p. 183-184

<sup>188</sup> Mediobanca spa, *2018 Consolidated Non-Financial Statement*, p.45-46

<sup>189</sup> Enel spa, *Sustainability Report 2018*, p. 34-35

<sup>190</sup> Enel spa, *Sustainability Report 2018*, p. 69

<sup>191</sup> Eni spa, *2018 Sustainability report*, p.24, 27

<sup>192</sup> Intesa Sanpaolo spa, *2018 Consolidated Non-Financial Statement*, p. 185

In this category, one company, Telecom Italia spa stands out for adding a new skill for the evaluation and promotion of its employees, which has been classified under the action section. Starting from 2018, the “Diversity and Inclusion” competence was added with the aim of “stimulate integration and enhance diversity throughout the company population, placing particular importance on gender equality”.<sup>193</sup>

Employee training is another subject for which companies disclose a considerable amount of data. Table 6.6 shows that 7 of the companies selected report information on employees training participation based on gender. The majority reports the average number of hours of training provided by category and gender in 2018 and they present a comparison with the previous years too. Six out of seven of the reporting companies, do not state the training field, while one of the enterprises sampled specifically refer to the subject of the courses being on sustainability themes. Telecom Italia spa, for example, held courses on Environment, Anti-corruption, Health and Safety, Human Rights and Privacy.

Concerning training activities, half of the sample has implemented actions to encourage the respect of human rights, cultural awareness and women empowerment. Mediobanca spa states that “To promote a culture of social responsibility and its implications for the financial sector, we launched a training course on Sustainability and Human Rights which delved deeper into the concept of indirect impact, focusing in particular on respect for human rights”.<sup>194</sup> Instead, Enel spa has launched two courses, one on women’s leadership to improve the role of female leaders inside the company, the other on self-defense to raise the attention on sexual abuse.<sup>195</sup> Four of the reporting companies<sup>196</sup> are also deeply engaged in what is called “MAAM - Maternity As A Master”<sup>197</sup>, a project addressing mothers-to-be or newly parents to explore and cultivate soft, innovative and managerial skills developing from the parenting experience. This program considers maternity and parenting as a learning environment which can help developing or enforcing abilities useful at work too.

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<sup>193</sup> Telecom Italia spa, *2018 Consolidated Non-Financial Statement*, p.60

<sup>194</sup> Mediobanca spa, *CSR Highlights 2018-2019*, p. 18, 19

<sup>195</sup> Enel spa, *2018 Sustainability report*, p. 70

<sup>196</sup> Enel spa, Eni spa, Poste Italiane spa, Unipol Gruppo spa

<sup>197</sup> Enel spa, *2018 Sustainability report*; Eni spa, *2018 Sustainability report*; Poste Italiane spa, *2018 Integrated Annual Report*; Unipol Gruppo spa, *2018 Integrated report*

Moreover, this study have found reporting of performance information on equal pay by nine of the ten companies sampled. Not all companies use the same method to disclose the relationship between women and man salary. Some of them calculate the differential based on gross salary,<sup>198</sup> basic salary<sup>199</sup>, remuneration<sup>200</sup> or a mix of these three categories. None of the companies involved has set targets or implemented actions to reduce the pay gap between man and women. Just one firm claims to monitor periodically the gender pay gap<sup>201</sup>, while no firms provide an explanation or analysis of the differentials.

Fewer information were found relating to the performance appraisal system. Two of the firms<sup>202</sup> reported the number and percentage of employees receiving performance evaluation by gender category during the fiscal year. One has integrated into the performance evaluation system of managers the “Diversity and Inclusion” dimension, which accounts for 10% of the evaluation process. This action is intended to provide room for female know-how and promote their abilities.<sup>203</sup>

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<sup>198</sup> Enel spa, Intesa Sanpaolo spa, Unicredit spa, Unipol Gruppo spa

<sup>199</sup> Intesa Sanpaolo, Assicurazioni Generali, Unipol Gruppo spa, Telecom Italia, Atlantia spa

<sup>200</sup> Intesa Sanpaolo, Assicurazioni Generali, Unicredit spa, Atlantia spa, Telecom Italia, Atlantia spa

<sup>201</sup> Eni spa

<sup>202</sup> Intesa Sanpaolo spa, Poste Italiane spa

<sup>203</sup> Intesa Sanpaolo spa, *2018 Consolidated non-financial statement*, p. 22, 185

### 6.4.4 Companies reporting on work-life balance

This section describes the results obtained from the analysis of the company sample on issues related to work-life balance. Usually, work-life conflicts weigh on women more than this happens for men, especially on their career development. Balancing personal and working life is a necessary step to limit inequalities towards women and make men to feel responsible for their part on children and family duties. Hence, this part takes into consideration performance data and descriptive information of initiatives on parental leave, family care, flexible working patterns, absenteeism and injuries and actions related to health and safety and gender.

**Table 6.7: Work-life balance**

<b>Work-life balance</b>	<b>Performance (including trends)</b>	<b>Target</b>	<b>Action</b>
<b>Parental leave</b>	5	0	4
<b>Childcare and Family care</b>	2	0	8
<b>Flexible working</b>	1	0	3
<b>Absenteeism and injuries</b>	7	0	0
<b>Health and safety and gender</b>	1	0	2

**Table 6.7:** Work-life balance  
**Source:** elaborated by the author

Table 6.7 shows how many companies disclose information on the issues of analysis. Two of the categories which receive attention the most are implemented actions related to child and family care and performance data on absenteeism and injuries. Overall, the result is a group of scattered information that let understand that companies do not follow a clear pattern of reporting. In some cases, companies describe initiatives or programs but they do not report the performance results associated with the implementation. It may be the case that the program is of recent application or it may be due to the fact that companies do not want to publish the results, as they are used as an internal management tool.

However, having data on the performance of the programs may be useful for a concrete evaluation of the actions.

As already stated in the previous chapter, maternity and childcare-related activities represent an obstacle to women's career. The limit lies on the idea that parental leave is a cost to the firm which cannot be recovered in the form of labour services. In this case, the company knows that either it will have to give up on productivity, knowing that the number of labour units available are inferior, or that it must cover the lag with a replacement. In addition, women are the main providers of informal caregiving to the elderly and family member with disabilities and mental illness and consequently are those mostly affected by companies policies in this sense.<sup>204</sup>

Referring to performance data on parental leave and childcare, the number of people engaging in the activities are a proxy for the successful outcome of the programs. Table 6.7 shows that 50 per cent of the firms report data on parental leave, 20 per cent on childcare or family care and just one on flexible working performance. Indeed, the majority of the reporting firms disclose information on the number of people benefitting from parental leave, dividing the group according to gender, or the number of people participating to the initiatives set up by the company.<sup>205</sup>

Besides this kind information, other firms<sup>206</sup> engage in a more detailed reporting process. For instance, they specify the number of people who returned after having benefited from parental leave, the amount of employees at work after a year from the end of parental leave, the percentage of employees who returned to work after parental leave out of total employees benefiting from leave, the percentage of employees at work after 12 months from the end of parental leave out of total employees benefiting from leave.<sup>207</sup>

The category labelled as "action" comprehend all those programs and services put in place by firms and available to employees. The table exhibit the number of firms presenting at least one of their programs in their 2018 consolidated non-financial reports or sustainability reports.

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<sup>204</sup> Morris, M., *Gender-sensitive home and community care and caregiving research: a synthesis paper*, December 2001

<sup>205</sup> Enel spa, Unipol Gruppo, Mediobanca spa, Atlantia spa

<sup>206</sup> Intesa Sanpaolo, Telecom Italia spa

<sup>207</sup> Telecom Italia spa, *2018 Consolidated Non-Financial Statement*, p.84, 85  
Intesa Sanpaolo spa, *2018 Consolidated Non-Financial Statement 2018*, p. 190

Of those companies disclosing information, 40 per cent describe actions related to parental leave, 80 percent those which refer to childcare and family care initiatives and 30 per cent are disclosing information regarding flexible working. For sake of convenience, the results are grouped into the following categories of actions:

- Parental leave: two of the firms sampled have brought improvements to the parental leave policy. Eni spa has introduced a minimum for paternal leave and now grants 10 days paid 100% of the salary to new fathers. Moreover, they allow mothers to benefit 10 days of maternity leave at 100% of their salary included in the 14 weeks paid at 2/3.<sup>208</sup> Instead, Enel spa grants five months of maternity leave paid 100% of the salary and five days to new fathers in addition to those already granted by law.<sup>209</sup> Atlantia offers a counseling service for people returning to work after pregnancy or a long illness.<sup>210</sup>
- Childcare: three of the companies analyzed have developed crèche services in some of the company offices<sup>211</sup>, implemented agreements with nurseries and schools<sup>212</sup> or contributed part of the fee, depending on employees specific characteristics such as income status and working conditions.<sup>213</sup> Moreover, they provide for residential holidays and summer vacations for employees' children depending on the age profile<sup>214</sup>. In some cases, these costs are fully borne by the enterprise, as it is for Poste Italiane spa, which provides a summer camp for employees' children with disability supported by a dedicated assistant.<sup>215</sup> Examples of other initiatives related to childcare are: fathers' groups, pediatrics cards, courses on prenatal nutrition or on clearing airway obstruction and resuscitation maneuvers for children.<sup>216</sup>

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<sup>208</sup> Eni spa, *2018 Sustainability report*, p. 24, 27  
Eni spa, *Eni for Human Rights 2018*, p.49

<sup>209</sup> Enel spa,

<sup>210</sup> Atlantia spa, *2018 Integrated annual report*, p.85

<sup>211</sup> Poste Italiane spa, Eni spa, Intesa Sanpaolo spa

<sup>212</sup> Atlantia spa, Unipol Gruppo spa

<sup>213</sup> Poste Italiane spa

<sup>214</sup> Eni spa, Poste Italiane spa, Atlantia, Unipol Gruppo spa

<sup>215</sup> Poste Italiane spa, *2018 Integrated annual report*, p. 132

<sup>216</sup> Mediobanca spa, *2018 Consolidated Non-Financial Statement*, p.61 and *CSR Highlights 2018-2019*, p. 18, 19

- Elderly care: two firms support the project called “Fragibilità”, which offers support to people who are in charge of looking after elder family member or loved ones with illness/disabilities<sup>217</sup>. Instead, Enel spa has implemented the following initiative, i.e. “the possibility of transferring holidays and rest, as an act of solidarity between colleagues in the same company, to help minor or adult children, parents, spouses, parts of the civil union or cohabitants that require constant care or in the event of very serious personal or family situations”.<sup>218</sup>
- Flexible-working services: the category comprises all those forms of flexible working which helps reconciling personal and professional life. Usually these instruments are addressed to both men and women in order to move towards a more equal distribution of family or personal responsibilities.

Health and safety is a marginal category for which almost no enterprises have disclosed information. Nevertheless, two companies have stand out in this field respectively by setting up a plan for cancer detection by age group and gender and a helpline for women who wants to express their perplexities and worries, which is supported by a group of experts.

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<sup>217</sup> Eni spa, Unipol Gruppo spa

<sup>218</sup> Enel spa

## 6.4.5 Companies reporting on governance and management of gender

The examination continues with a further investigation on what companies report on the governance and management of gender. This implies looking for information on female board representation, potential or existing diversity committees, partnership with NGOs and associations. As the Barnier Directive<sup>219</sup> emphasizes, diversity in administrative, control and supervisory bodies leads to heterogenous competences and perspectives. Hence, the variety promotes a better understating of the company's functioning and activities. Moreover, it combats uniformity and support innovation during the decision-making process.

Italy has passed the “pink quotas” law in 2011, introducing specific obligations related to administrative and control bodies for public companies. The law No. 201/2011 establishes that at least 20% of the seats of the Board of Directors and Statutory Auditors are reserved to the less represented gender, without setting specific requirements or limitations. Since 2015, the 20% limits has raised to 1/3 of the seats available. This provision has been introduced with the precise objective of introducing companies to implement positive actions, in the hope of producing a cultural change.

The sample of companies analyzed is composed of public companies. Hence, they have all adopted the gender-equality provisions imposed by the Golfo-Mosca legislation including it in the bylaws.

Companies report that their Board of Directors and Statutory Auditors composition comply with the above-mentioned law, either with descriptive information or with numerical representation of the board structure. Poste Italiane spa reports a breakdown of the board composition by gender and age and provide a comparison with previous years, i.e. 2016 and 2017. Moreover, it has set up a Diversity Policy for administrative and auditing bodies with the aim of achieving a qualitative and quantitative adequacy in board composition. The document traces recommendations on board's characteristics, such as size, competences, experiences and gender.

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<sup>219</sup> Directive 2016/26/UE

Consistent with the Italian law n. 120/2011 and company bylaws, both the board of directors and board of statutory auditors must be made of at least one third of the less represented gender, i.e. the female one. Similarly to Poste Italiane spa, Enel spa has drawn up a Diversity Policy to manage the appointment of the Board of directors in accordance with legislative provisions. Instead, Telecom Italia spa presents in its 2018 Sustainability report a classification of the members of the Board of Directors by gender and age and specifies that the provisions are not limited to three mandates, but they are applied on an ongoing basis.<sup>220</sup>

For what gender management and accountability is concerned, the enterprises sampled do not present a specific function dedicated to this issue in their corporate bodies. Frequently, the gender equality and discrimination dimensions are addressed by the Sustainability function with the support of the Human Resources department, which support the respect and application of human rights. The majority of companies appoint a Sustainability Committee which is in charge of overseeing sustainability issues. It assists the Board of Directors and provides propositions on how the company conducts its strategic activities in terms of social and environmental projects. Moreover, it sets objectives and targets and monitors their implementation and compliance with international standards.

As integration to its sustainability reporting, Intesa Sanpaolo spa publishes a supplementary document on the matters of employees' protection, well being and growth and development. In the section regarding "Diversity and Inclusion management", the company argues that the new Diversity and Inclusion structure has been set up under the governance of the Chief Operating Officer.<sup>221</sup> The goal is to encourage and enhance diversity within the group at all levels and introduces the gender equality among its objective in the 2018-2021 sustainability plan. Moreover, the Diversity and Inclusion skill has been included in the assessment system to promote female talent.

In order to demonstrate its commitment towards the themes of diversity and inclusion, Unicredit spa has, instead, introduced the role of Group Diversity and

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<sup>220</sup> Telecom Italia spa, *2018 Sustainability report*, p. 60

<sup>221</sup> Intesa Sanpaolo spa, *Employees*, p. 128

Inclusion manager. Together with the Diversity and Inclusion Committee, D&I manager monitors the implementation of activities and the achievement of the targets by Unicredit on the matter of diversity. Besides the Sustainability function, the organization has set up the Corporate Governance, Nomination and Sustainability Committee (CGN&SC), which has met various times during 2018 to discuss progress and objectives on sustainability issues, review the materiality matrix and the integrated report.<sup>222</sup>

In addition, the majority of firms integrates provisions related to the management of gender and discrimination in their Codes of Conduct or Codes of Ethics. Both are self-regulatory documents which provide guidelines in terms of company processes, actions and decisions and set out the principles and values on which business conduct is based.

All companies articulate clauses on the respect of the individual, in the merit of:

- Non-discrimination and fairness in hiring, assessment and termination process: the company must maintain an impartial and professional behavior without pursuing favoritism;
- Equal opportunities for career development and growth: promotions and advancements are granted to employees because of merit and performance results;
- Impartiality with respect to compensation and rewards: wages and bonuses are based on merit and expertise and not on the individual's personal characteristics;
- Forbid violence and sexual harassment, as well as forms of psychologic assault, behaviors, and expressions which may be discriminatory on the ground of gender, sexual orientation, race, age and disability;

These provisions find application on employees, customers, suppliers and any third party having a stake in the company.

For what concerns the category litigations, tribunal cases and official complaints, almost none of the companies have reported information regarding this dimension. Unipol Gruppo spa<sup>223</sup> represents an exception, since it refers that no discriminatory event has happened during the year 2018 according to Legislative Decree No.

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<sup>222</sup> Unicredit spa, *2018 Integrated report*, p. 52,53

<sup>223</sup> Unipol Gruppo spa, *2018 Sustainability report*, p. 47

215/2003<sup>224</sup> and 216/2003<sup>225</sup>. Instead, Poste Italiane spa provides a breakdown referring to disputes with employees across years, but no specific reference to the nature of disputes (whether gender discrimination).<sup>226</sup> Similarly, Unicredit spa mentions three disputes concerning discrimination, but no additional information is provided.<sup>227</sup>

## 6.4.6 Awards and other initiatives

Firms report on the type and number of awards won with respect to their engagement in sustainable activities. The following table enlists the awards mentioned in the websites and sustainability reports of the company sample. Some of these indexes, such as FTSE4Good Index<sup>228</sup>, Dow Jones Sustainability World Index (DJS)<sup>229</sup> and the Canadian Corporate Knights Magazine<sup>230</sup>, focus their attention on corporate sustainability performance in general and among their indicators they have specific criteria for the gender equality dimension. Others, like the LC Diversity Award<sup>231</sup>, and Diversity & Inclusion Index (Thomson Reuters)<sup>232</sup>, measure company performance by grading the level of integration of the diversity, including gender, in the corporate strategy. Of those mentioned, the Equileap Index<sup>233</sup> is the sole indicator which specifically address the gender equality dimension.

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<sup>224</sup> Legislative Decree No. 215/2003 contrasts discrimination and harassment on the ground of racial and ethnic origins, and sets up the National Office Against Racial Discrimination (UNAR).

<sup>225</sup> Legislative Decree No. 216/2003 sets provisions on equal treatment in employment and occupation regardless religion, personal convictions, handicaps, age, sexual orientation.

<sup>226</sup> Poste Italiane spa, *2018 Integrated annual report*, p.182

<sup>227</sup> Unicredit spa, *2018 Integrated report*, p S.45

<sup>228</sup> FTSE4Good Index, <https://www.ftserussell.com/products/indices/ftse4good/>

<sup>229</sup> Dow Jones Sustainability World Index (DJSI), <https://www.robecosam.com/csa/indices/>

<sup>230</sup> The Canadian Corporate Knights Magazine, <https://www.corporateknights.com/us/about-us/>

<sup>231</sup> LC Diversity Award, <https://legalcommunity.it/evento/lc-diversity-awards/>

<sup>232</sup> Diversity & Inclusion Index (Thomson Reuters), <https://www.thomsonreuters.com/en/press-releases/2018/september/thomson-reuters-di-index-ranks-the-2018-top-100-most-diverse-and-inclusive-organizations-globally.html>

<sup>233</sup> Equileap Index, <https://equileap.org/2019-global-report/>

Award	Gender relation
<b>LC Diversity Award</b>	It rewards enterprises on specific subject matters concerning gender equality and diversity. The categories are: gender balance, family care, corporate social and sustainable management, equal opportunities and diversity, diversity management, value for diversity, gender equality, work-life balance, and many others.
<b>Diversity &amp; Inclusion Index (Thomson Reuters)</b>	Thomson Reuters classifies the 100 best companies worldwide integrating diversity and inclusion in their strategic objectives. Each company is graded according to its performance on specific areas. Those businesses receiving points in all areas are considered for the index. It includes gender related criteria.
<b>Equileap Index</b>	Equileap is an organization which gathers information on gender parity and studies firms' impacts on this theme under 19 dimensions. It assigns a score to each firms and ranks them according to their engagement level.
<b>FTSE4Good Index</b>	It analysis businesses' conduct on environmental, social and governance systems. Among its measures, it comprises gender benchmarks.
<b>Dow Jones Sustainability World Index (DJSI)</b>	This index measures public firms' sustainability conduct worldwide, on the economic, environmental and social dimension. The social dimension comprehends gender equality measurements.
<b>The Canadian Corporate Knights Magazine</b>	It is a sustainable corporate journal which examines the sustainability levels of companies across the world and list them according to specific categories, such as gender equality, innovative actions, human resource management.

**Table 6.8:** Awards and Initiatives  
**Source:** elaborated by the author

Companies report the awards they have won or their inclusion in specific indexes for two reasons. The first is as a way of manifesting their involvement in sustainable dimensions and the second is connected to public recognition of their commitments. Being admitted or achieving a high grade on these subjects by external entities means that third parties have acknowledged their responsibility, that they are proceeding in the right direction to achieve a better sustainable performance, and finally it signifies that their communication abilities are efficient in disseminating their involvement in these dimensions. Moreover, reporting on the awards improves the brand image and corporate's reputation worldwide.

# Conclusions

How businesses manage the surrounding environment affects the well-being of individuals every day. A sustainable development can be achieved if there exists an involvement in the economic, social and environmental dimensions and if there is a commitment by public and private parties, having among their goals that of equity and equality. Gender equality and discrimination are two broad dimensions and vast subject of research. They can be analyzed under different perspectives and they bring into play several research fields, e.g. sociological, economic and feminist theories. The objective of this thesis was to provide reflections on the debate on gender equality, by concentrating its attention on the relationship between businesses and gender issues. The first part of the work has analyzed whether a connection between organizations' activities and inequalities exists from a gender perspective. The concept of Corporate Social Responsibility has helped explaining the linkages and the effects that arise between companies and society, as well as the environment. Although, many researchers have tried to provide their own interpretation of the notion, all of them agree on the idea that businesses are responsible for the economic, environmental and social outcomes. The reasons for approaching the responsibility of the firm may be diverse: *Instrumental theories* conceal behind the engagement in social issues their profit maximizing purposes, *ethical theories* embrace the moral purposes of the responsibility, *integrative theories* introduce their social and environmental dimensions into business practices by acknowledging social claims, while *political theories* recognize business power as coming from managing the social context. Hence, what has been understood is that in the gender equality dimension, businesses have a responsibility in pursuing this objective and put in place actions to limit discriminatory behaviors with respect to women.

As stated, gender equality can be analyzed from different perspectives. Feminist theories comes into help in explaining the reasons and the processes through which inequalities are perpetrated inside organizations. Indeed, from a feminist point of view the analysis on organizational theory has shown how businesses are considered the place where the creation of inequalities takes place. As the theory of "gendered organizations" suggests, disparities are inherent in the organizational logic. Through hierarchies, norms and policies, enterprises exert their authority and individuals accept them as they are because they are presumed to be the right way of conducting

activities. As Acker (1990) explained, the very first form of discrimination resides in the idea of the “job”, which unconsciously is thought to have masculine attributes. Indeed, as seen in the section concerning the type of barriers women have to face in the working environment, cultural and corporate barriers fits into this context. Inside organizations gender stereotypes are the source for corporate limitations women come across and translate into higher obstacles to gain credibility and career advancements, especially for those covering typical male positions. Women are seen as individuals possessing characteristics which are far from those possessed by men and usually identified as imperfect. For this reason female employees must undergo such limitations as pay gaps, career stagnation or recession and limited access to leadership positions.

According to Acker, there is a chance for eliminating gender barriers inside organizations, but this process implies a radical change of the business. First of all the enterprise must recognize its responsibility in discriminatory practices and inequalities that might arise in its organizational structure. Corporations have impacts on human rights in general, and in preventing discrimination and encouraging gender equality specifically. Hence, firms can decide whether to exert positive or negative influence. On the other hand, it is true that nowadays enterprises operate globally, they conduct their operations in well developed countries as well as poor countries and consequently the impacts of their actions are global too. Managing all these activities becomes very difficult, since they have to deal with very different contexts and often, it is unclear who is responsible for the impacts businesses have on the countries in which they operate, whether it is their or local contexts. Anyhow, after recognizing the role they play in the elimination of inequalities, they should undergo a radical change in their goals and day-to-day activities, by adopting a gender mainstreaming approach.

The thesis has proceeded showing the importance of businesses reporting on human rights protection. The position corporations play is crucial in the gender equality agenda, but this is not sufficient. Information disclosure on actions, policies and programs has an important role both as an instrument of communication for both the internal and external environment. Internally, it is necessary for managing operations and benchmarking purposes. Externally, different groups, such as investors, suppliers, customers and governments hold the corporation accountable for gender sensitive actions. Moreover, firms disclose gender equality information as

a form of legitimization of their activities. In this way, enterprises' commitment is recognized by the public which can hold them accountable for their actions. Sometimes, firms report on anti-discriminatory behaviors mainly for improving their reputation, but unfortunately these are behaviors which are not easily detected. It is a firm's responsibility to be coherent with its values and beliefs, to identify which are the gender related issues that need attention and the way to tackle them.

Studying the reporting tools available to firms, what has emerged is that a universal reporting framework does not exist to disclose gender sensitive information. This fragmentation makes it difficult to identify which tool is best for informing the public but also for implementing activities. Moreover, the fact that these tools can be adopted on a voluntary basis and are customizable, leave doubts on the reliability of the information reported. Corporations may omit pieces of information or data because they are unwilling to report them or because they have not collected information on that issue. On the other side, what is noticeable is the increasing willingness to set standards and build framework to help firms in the reporting process. Associations, such as Business for Social Responsibility (BSR) and Global Reporting Initiative (GRI) are active in developing tools for promoting the recognition of sustainability issues. This is beneficial both for corporations which can adopt international guidelines and for information users who have access to relevant information.

The research on Italian companies' reporting behaviors has been important to assess firms' attitudes on the disclosure of gender equality information. All companies sampled have proved to consciously provide insights of their commitment to gender diversity and inclusion. As expected, this kind of non-financial information is reported on sections other than the financial ones, as the mandatory consolidated report on non-financial information and the sustainability report. It was not a surprise to see that annual reports do not contain any type of data concerning the issue. Half of the companies have prepared, though, a sustainability report containing additional or more detailed information with respect to the consolidated reports. This attitude can be perceived as a stronger commitment to gender equality issues.

Going into details there are some categories that have seen a more active participation by businesses and others for which firms have disclosed little to no information. For what concerns women's employment design, almost all companies have reported data on the workforce composition, female representation in management or different grades and employment status.

This type of information is important to understand whether there are patterns to women's employment and for stakeholders, such as investors but also existing and potential employees, to verify improvements on the gender equality commitment of the firm. Referring to other categories, such as work-life balance, pay and career and governance of gender, reporting was not extensive.

Overall, firms have demonstrated to be committed in disclosing information broken down by gender categories. What is noticeable, it is that businesses do not observe a specific reporting pattern referring to both the nature and the form of the information disclosed. In general, it has been recognized that the type of information reported are quantitative data in the form of number or percentages related to performance and trends. Concerning quantitative data, these usually refer to facts on the employment patterns, the type of contract, the work category, salary scheme, the number of people recruited/terminated, who has benefitted of parental leave and information regarding absenteeism and injuries. To a lesser extent, firms disclose descriptive information, especially related to initiatives and programs regarding childcare and family care or training activities. The majority of companies make reference to GRI standards, indicating precisely which of the principles are addressing. Nonetheless, the absence of a clear disclosing scheme, makes it difficult for stakeholders to compare the results among firms and to measure the level of gender equality and inclusiveness of the reporting firm.

One of the aspects which could be considered as a shortcoming in the reporting procedure is the almost complete absence of information on targets and actions for certain categories. Instead of declaring general objectives, such as pursuing a more inclusive workforce or increasing female presence among employees, businesses could set and disclose information on concrete targets. Targets can be useful as a benchmark to assess the performance and can be helpful as a reminder not to lose sight of the objective. Moreover, communicating targets may be beneficial to the public too, since they function as public declarations which convey a stronger commitment to the creation of an inclusive workforce. Furthermore, there are inconsistencies between the type of information reported on performance, targets and actions respectively. Most of the times, businesses are highly selective in the disclosing process and it is evident that there is a preference over performance information concerning employment patterns and on the other hand a preference for explanatory information about facts, especially related to work-life balance and career initiatives.

For none of the categories analyzed, firms disclose complete information on performance, targets and actions at the same time. For instance, when reporting the number or percentage of the workforce represented by women, this is never followed by an explanation discussing whether it is a situation needing improvements, which are the objectives and the actions the firm intends to implement. On the contrary, when firms disclose information on programs or projects, they rarely provide the targets set for the initiative or the results achieved.

Overall, the study has shown that firms has started to adopt a gender mainstreaming approach, which takes into consideration a gender perspective in the implementation of the activities. However, this practice has not firmly caught on in the business environment and the process of reporting incomplete or positive information on facts and initiatives, suggests that firms intend the disclosing practices on gender aspects as a procedure having reputational and brand image purposes.

Moreover, what has emerged from this study is that in order to aspire to greater gender equality and to the elimination of injustices, it is important to have a cooperation between different constituencies. Businesses are called to provide their concrete contribution for the achievement of an inclusive workforce and for the provision of a well-deserved space for women. This can be accomplished when all the parties involved create a system of support and organization. As seen throughout this analysis, governments and institutions play a significant role in guiding enterprises as well as the social system. On one side, these organizations have adopted a legal approach by introducing directives and regulations on the recognition of equality between man and women. Nowadays, women are recognized the same basic rights and duties as men have. On the other hand, the pervasive approach of the gender mainstreaming approach has introduced a set of actions whose purpose is the adoption of strategies and practices which will deeply change the culture in its entirety. Commitment from International institutions, such as the European Union and the United Nations, through the adoption of regulations and policies, has made clear to public and private parties that a joint effort is needed to improve the social dimensions. In addition, associations whose objective is the promotion of gender equality and women empowerment perform a fundamental task in providing support to companies, the institutional and the cultural system as a whole.

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