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ENGENDERING UTILITIES: DEVELOPING A BUSINESS CASE FOR GENDER EQUALITY

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ENGENDERING UTILITIES: DEVELOPING A BUSINESS CASE FOR GENDER EQUALITY

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INTRODUCTION

When women serve as leaders and employees of companies in traditionally male-dominated industries, research shows that businesses benefit and company performance improves. Several recent studies demonstrate that gender diversity is correlated with improved business performance. A McKinsey & Company study of 1,000 companies across 12 countries concluded that gender-diverse companies are more profitable than their national industry averages.¹ A Catalyst study found that firms that have more women in management positions enjoy 35 percent more return on equity (ROE) than firms that lack gender diversity.

Despite these clear benefits, it can be difficult to convince managers and staff to hire more women, and women's participation in the global workforce remains low. Developing a business case for addressing gender equality is a critical first step in developing a gender diversity strategy. This guide helps organizations develop a business case for gender equality to persuade senior leadership that equality is good for business.



LOW FEMALE SHARES OF EMPLOYMENT ACROSS INDUSTRIES²

Women's labor participation in the energy sector is **only 25%**,³ and **only 23%** of engineers and managers in water utilities are women.⁴

The trend of low female shares of employment can also be seen in other sectors: in the manufacturing and IT sectors, women account for **only 23%** and **27%** of the workforce, respectively.⁵

THE GLOBAL BUSINESS CASE FOR GENDER EQUALITY

Workplace gender equality is a “win” for all. The equal involvement of women in the workplace contributes to meaningful returns on investment,⁶ and is associated with:

- **Increased profitability and organizational performance.** Engendering Utilities partner, BSES Rajdhani Power Limited (BRPL)—an Indian power utility—deployed all-women teams to work with neighborhoods where substantial revenue was being lost to power theft. By improving community relations, BRPL's female teams connected 200 new households in high-loss areas to the grid, enabling them to recover 100 percent of billed revenue from these homes. Research shows that the top 25 percent of companies in male-dominated industries that have the most gender diverse executive leadership teams are 47 percent more profitable than those in the bottom 25 percent.⁷

¹ McKinsey & Company. (2018). Still looking for room at the top: Ten years of research on women in the workplace. Available at <https://www.mckinsey.com/featured-insights/gender-equality/still-looking-for-room-at-the-top-ten-years-of-research-on-women-in-the-workplace>

² World Economic Forum, 2017.

³ Johnstone, N. & Silva, M. (2020). Gender Diversity in Energy: What we Know and What we Don't Know. Available at <https://www.iea.org/commentaries/gender-diversity-in-energy-what-we-know-and-what-we-dont-know>

⁴ The International Water Association (IWA). (2016). The Untapped Resource: Gender and Diversity in the Water Workforce. Available at https://www.iwa-network.org/wp-content/uploads/2016/08/The_Untapped_Resource_screen.pdf

⁵ World Economic Forum, 2017.

⁶ Solidaridad Network. (2017). Blog: Sustainable Development Demands Gender Inclusivity. Retrieved from: <https://www.solidaridadnetwork.org/news/blog-sustainable-development-demands-gender-inclusivity>

⁷ Foreign Policy. (2020) “Women as Levers of Change.” Available at: <https://womenasleversofchange.com/static/pdf/Women-As-Levers-Of-Change.pdf>

- **Improved national productivity and economic growth.** Excluding women from the workforce leads to inefficient economies, unequal growth, and missed opportunities for development. McKinsey estimates that achieving gender parity in the workplace could add as much as \$12 trillion to the global economy.⁸
- **Resilient workplaces and national economies that can withstand shocks.** Companies with gender-diverse boards outperform those with no women in terms of share price performance during times of crisis or volatility.⁹ Companies with greater gender diversity are better able to recruit and retain top talent, helping make them more versatile and resilient.
- **Enhanced organizational reputation¹⁰ and ability to attract talent and retain employees.** Companies with strong gender inclusion have improved employee satisfaction and reduced employee turnover and absenteeism.¹¹
- **Innovation:** Inclusive business cultures lead to 59.1 percent increase in creativity, innovation, and openness, and 37.9 percent better assessment of consumer demand.¹²

⁸ McKinsey Global Institute (MGI). 2015. The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth. Retrieved from:

https://www.mckinsey.com/~media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/How%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/MGI%20Power%20of%20parity_Full%20report_September%202015.pdf

⁹ Credit Suisse Research Institute. 2016. "The CS Gender 3000: The Reward for Change." Available at: <http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=5A7755E1-EFDD-1973-A0B5C54AFF3FB0AE>

¹⁰ Australian Government. Workplace Gender Equality Agency. Retrieved from: <https://www.wgea.gov.au/topics/workplace-gender-equality/the-business-case>

¹¹ Ibid.

¹² Catalyst. (2020). Why Diversity and Inclusion Matter: Quick Take. Retrieved from: <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/#:~:text=Catalyst%20has%20organized%20these%20findings.and%20responsibility%2C%20and%20financial%20performance.>

DEVELOPING A BUSINESS CASE FOR GENDER EQUALITY

Developing a business case for gender equality is critical for achieving buy-in and strategic action from all staff; particularly senior leadership. The business case can serve as the “guiding light” so all stakeholders know how improving gender equality can contribute to better business outcomes.¹³ Your business case can be specific to your particular industry, or to your organization. The global evidence noted above can support your organization’s business case, but it is also important that your organization identifies its own strategic business priorities, examines sex-disaggregated organizational data, and determines how gender equality can help achieve the organization’s strategic business goals.

Your business case should:

- **Identify a business need or challenge**, and explain how the organization plans to address them. Ideally, the business case should address a specific pain point, such as loss of revenue, and links to the organizations strategic business objectives.
- **Describe the root causes of the business challenge**, and articulate how gender equality can help solve the challenge.
- **Identify what specific actions or changes are needed.**
- **Articulate expected outcomes**, including the expected quantitative and qualitative results.
- **Include SMART targets** that are specific, measurable, achievable, realistic and timely.
- **Motivate organizational leadership** and help drive change at the organization. The business case should reflect an analysis and understanding of decision-makers’ interests.
- **As closely aligned with organization’s gender equality business case, but flexible**, ensuring it is tailored to what is motivating the organization’s leaders and employees to actions (e.g. in some instances an organization wants to be “first in class” or legally compliant with SDGs).
- **Identifies risks and limitations**, including staffing and resource limitations, or a hiring freeze.
- **Is flexible and supported by data.** The business case should articulate the need for monitoring, evaluation, and re-formulation over time.



WHAT IS A “BUSINESS CASE FOR GENDER EQUALITY?”

A business case provides justification for undertaking a project, program, or portfolio. It evaluates the benefit, cost and risk of alternative options and provides a rationale for the preferred solution.¹⁴

¹³ PMI. (n.d.) Retrieved from: <https://www.pmi.org/learning/library/need-business-case-6730>

¹⁴ APM. (n.d.) UK.



ROADMAP FOR WRITING A BUSINESS CASE

WHAT IS YOUR CASE?

Justification, opportunity, or problem statement. You are telling "a story" about how to meet a business need

POSSIBLE SOLUTIONS

Clarify the need. (What opportunity are you pursuing? What pain are you trying to alleviate?) Give stakeholders options for addressing the need. Seek counsel from those who know what persuades decision makers in your company.

LIST ADVANTAGES

Articulate the positive quantitative and qualitative outcomes that are expected. Fill out 'Business Benefits Evaluation' worksheet.

BUILD SUPPORT

Assemble a cross-functional team from across the organization to ensure multiple perspectives are heard.

MINIMIZE RESISTANCE AND ANTICIPATE ROADBLOCKS

Predict the scope and potential risks. What is the main goal and how long will it take us to accomplish it?

PLAN OUTLINE

Plan next steps, including milestones, to-dos, deliverables, and the right medium to make your case and "make it shine." Think through the "how" at a high-level and be realistic.

BUSINESS CASE EXAMPLES

ORGANIZATION A

Organization A is developing a business case that links gender equality with increased revenue collection. They predict that if they employ more women in revenue collection, billing, connections, and disconnections they could increase revenue collection by 2 percent (\$2M USD) per year. They believe these efforts will also increase the trust, loyalty, and satisfaction of its customers.

CHALLENGES TO SOLVE

- Revenue collection and energy theft are high.
- Revenue collection teams have inconsistent performance.
- Customer relations need to be improved.

EXPECTED BENEFITS

- Increased women's participation in operations may result in improved customer relations with women and families in communities where energy theft is high. The organization predicts that women will be able to increase customer loyalty, attract new customers, increase customer satisfaction, and make female customers will feel more comfortable interfacing with utility staff.
- Improved community relations will increase revenue by reducing losses by up to two percent (or \$2M USD) annually, will increase the collection rate, improve energy efficiency, and improve the quality of the power supply.
- Less internal organizational corruption by employees could also be a potential benefit, further accelerating the collection rate.
- The business case is linked to existing national strategies to alleviate poverty through increased earning opportunities for women, contribute to financial benefit of families, and improve opportunities for children to get quality education.

ACTION REQUIRED

- Achieve gender parity by hiring new people and evaluating women's potential in new positions.
- The safety concerns of women will need to be addressed.

ORGANIZATION B

Organization B seeks to expand their talent and recruit pool. The high rate of out-migration by male professionals seeking employment opportunities abroad has left gaps in the national talent pool. The organization hopes to hire and train more women to fill this gap.

CHALLENGES TO SOLVE

- Increase the talent and recruitment pool, particularly for technical positions.
- Counter talent gaps caused by the out-migration of male professionals seeking employment abroad.

BUSINESS CASE CONSIDERATIONS

- Out-migration numbers, resulting in “brain drain.”
- Number of individuals available for certain job types, disaggregated by sex.
- Identification of competitor companies, which hire from similar talent pools.

ORGANIZATION C

Organization C seeks to address staffing shortages that will result from a forthcoming wave of retirement. Long term, the organization intends to diversify the gender and age structure of the organization, encourage more girls and women to pursue technical careers in the energy sector, and market the utility as an employer of choice for women.

CHALLENGES TO SOLVE

- Aging workforce.
- Lack of talent and high competition in the market for human resources.

EXPECTED BENEFITS

- Create healthy pipeline for future hiring.
- Be recognized as employer of choice to be more attractive to existing talents, than competition.

ACTION REQUIRED

- Talent outreach (schools, internships).
- Use of internships for direct hiring.
- Use business opportunities from alternative business models to hire new talent.



MAKING THE PITCH TO SENIOR LEADERSHIP

DESCRIPTION	CHALLENGES TO IMPLEMENTATION
Familiarize all senior leadership with the global evidence for the business case for gender equality	Precise attribution of benefits, or causality, will not always be feasible
Conduct a comprehensive gender assessment of the company to identify gaps and opportunities to improve gender equality	Additional resources may be required for effective measurement
Develop a specific business case unique to the organization based on data, which is compelling and persuasive to key decision-makers	Resistance to gender equality initiatives until the business case has been developed
Conduct a cost-benefit analysis of gender inequality to support the business case, (e.g., benefits vs. employee turnover and decreased productivity and costs of sexual harassment and GBV)	
Communicate the assessment findings and business case across the organization	
Identify priority areas for measurement, define indicators and gather baseline and regular periodic data	

EVALUATING BUSINESS BENEFITS WORKSHEET

Fill out this worksheet to brainstorm external and internal benefits of increasing the number of female employees in the organization.

DEFINITIONS

- **The business case:** Why should we do this? What will happen if we take this course of action?
- **The business benefits:** What were the outcomes of this initiative and what were the benefits for the company, its customers, and women and men working at the company?

BUSINESS BENEFIT	DESCRIPTION	SUPPORTS OVERALL BUSINESS STRATEGY (YES/NO)	HOW WILL OUR ORGANIZATION BENEFIT?
CUSTOMERS			
MARKET SHARE			
TALENT			
PERFORMANCE			
INNOVATION			
AGILITY			
RISK			
COMMUNITY			
OTHER STAKEHOLDERS			
OTHER BENEFITS			

2018 Engendering Utilities 2.0, Self-evaluation Tool provided by J. Boehm; based on Gender Strategy Tool Kit by Workplace Gender Equality Agency of the Australian Government.



ADDITIONAL RESOURCES

[The Business Case for Change](#), ILO

[Understanding the Business Case for Gender Equality in the Workplace](#), PROMUNDO

[Sustainable Development Demands Gender Inclusivity](#), Solidaridad

[Gender Equity: The Business Case for Women in the Boardroom](#), The One Brief

[Investing in Women's Employment](#), IFC

[Engendering Utilities, Business Case](#), USAID