



2. Gender-balanced promotion and retention

In your organization, are women and men equally represented in leadership roles, or are management positions predominantly occupied by one gender? Does the promotion process inadvertently favour one gender over the other due to unconscious biases instead of being based on merit and talent? Or is there a formal, systematic, and transparent promotion procedure?



What do we mean by gender-balanced promotion?

Gender-balanced promotion refers to a deliberate approach by organizations to ensure equal advancement opportunities for individuals of all genders within their workforce. This goes beyond mere numerical parity and strives to achieve a balanced representation of men, women, and non-binary individuals at various hierarchical levels and across different departments.

Why does gender-unbalanced promotion happen?

Promotion processes are often viewed as fair by most organizations. However, unconscious biases can influence decision-making at every step, starting with the evaluation process of

performance, which may not be sufficiently formalized to ensure the objective capture of the abilities of staff members, all the way to the final salary adjustment negotiations. Unconscious biases are automatic and often unintentional thoughts, attitudes, or perceptions about a person because of his/her/their gender that are deeply rooted in socially constructed ideas stemming from traditions, norms, culture, experience, and more generally mental constructs. Given that these biases are unconscious, they can influence any activity of the promotion process, leading to the unintentional favouring of one gender over others. Passivity might also result in unbalanced outcomes, as women will typically not ask for a raise, even when they deserve it, while men will typically be more demanding, earlier, and in more persistent ways, including on salary. Women will also seek strong confirmation before trusting they have reached a certain level of skills, making them less vocal about progress and success, contrary to men. For instance, research shows that women only apply for a job or promotion if they meet 100% of the requirements, while men move ahead when they meet only 60% of those [1]. In fact, studies have revealed that women face hurdles in climbing the professional ladder, with disparities such as a lower likelihood of being promoted and facing a preference for men candidates: on average, 75% of management positions are held by men globally and men are 30% more likely to obtain managerial roles [2]. In 2022, only 5% of the CEOs globally were women [3]. As such, gender-balanced promotion practices aim to prevent these traditional or unconscious notions that leadership roles are more suitable for one gender over others. It involves conscious efforts to challenge these stereotypes and eliminate unconscious biases throughout the evaluation and promotion processes in order to attain a balanced distribution of talent across leadership functions within an organization.

Why is gender-balanced promotion important?

Gender-balanced promotion is not just a matter of gender equality; it has far-reaching benefits for organizations. Research demonstrates that diverse leadership teams lead to increased innovation, improved productivity, and enhanced financial performance. A McKinsey report found that organizations with more gender-diverse leadership teams are 25% more likely to have above-average profitability [4]. They are also 21% more likely to outperform their counterparts on EBIT margin and 27% more likely to be industry leaders in terms of longer-term value creation [5]. Moreover, such companies also generated on average 19% greater proportion of revenue from innovation [6]. Besides, a workplace that prioritizes gender balance fosters a sense of fairness and belonging among employees, leading to increased job satisfaction and reduced turnover rates.

How does one implement gender-balanced promotion?

One of the easiest ways to rebalance one's leadership is to apply gender-inclusive evaluation

[1] <https://www.forbes.com/sites/jackzenger/2018/04/08/the-confidence-gap-in-men-and-women-why-it-matters-and-how-to-overcome-it/?sh=1bc5c5e73bfa>

[2] <https://www.spglobal.com/esg/insights/featured/special-editorial/women-in-leadership-what-s-the-holdup>

[3] <https://www.theceomagazine.com/business/management-leadership/countries-with-the-most-women-ceos/>

[4] https://www.mckinsey.com/~media/mckinsey/featured_insights/diversity_and_inclusion/diversity_wins_how_inclusion_matters/diversity_wins-how-inclusion-matters-vf.pdf

[5] <https://www.insurance.ca.gov/diversity/41-ISDGBD/GBDEExternal/upload/McKinseyDeliverDiv201801-2.pdf>

[6] <https://www.forbes.com/sites/forbesinsights/2020/01/15/diversity-confirmed-to-boost-innovation-and-financial-results/>

and promotion practices. Fortunately, there are many easy steps that one can apply to adopt more inclusive and unbiased processes. These include:

1. **Transparent and systematic evaluation processes:** Make the evaluation process transparent and systematic. This includes setting clear and formalized criteria and targets. Employees need to be given goals that are objective and measurable, with results recorded meticulously. The connection between reaching objectives and the resulting benefits or promotions must be clearly defined. Additionally, it is crucial to train existing managers in gender-sensitive management to help them address unconscious biases during this process, as such biases can influence target setting and evaluation discussions: women may be more modest and less secure, while men might tend to overstate their achievements. Such training could help ensure a fairer and more balanced evaluation process.
2. **Transparent promotion processes:** Make the promotion process transparent and fair. In particular, it should involve a broader group of individuals, to ensure diverse perspectives are taken into account and possibly biases mitigated. Promotions should be based on an objective review of evaluation forms rather than merely reflecting the preferences of individual managers. Additionally, it is important to clarify the specific requirements for the leadership role in question and critically assess whether any criteria are not 100% necessary but may exclude candidates in a gendered manner.
3. **Transparent and consistent salary grids:** Ensure that compensation is standardized and not subject to negotiation, which often favours more vocal individuals on this topic, such as men.
4. **Mentoring and sponsorship activities:** Given women team members tend to be less vocal and secure about their ideas and capabilities, it is essential to give them the space and confirmation they need to talk about their needs, progress, doubts and ambitions, either thanks to a mentor or through the creation of discussion spaces where more conscious efforts are made to hear women talent voices. Also, given that women typically lack role models and sponsors of the same gender within organizations, who will “show them the way”, it may be important to offer structured sponsorship and learning opportunities, which will give them the necessary guidance and support for their advancement.
5. **Flexible work arrangements:** Offer flexible work options, such as remote work or flexible hours, to accommodate the needs of employees, especially working parents. This can help retain women talent and reduce the “motherhood penalty” (i.e. the negative impact on a woman's career and earning potential that can result from becoming a mother). Working parents can climb the ladder but often require adjustments to continue to perform at the same rate as non-parents, and in particular men. Research shows that 38% of mothers with young children say that without workplace flexibility, they would have had to quit or reduce their work hours [7].
6. **Monitor and measure progress:** Implement a system to track and report on the gender diversity of your leadership. Regularly review this data to identify trends and areas for improvement (e.g. you could detect that a department systematically fails to promote more women, possibly due to the biases of some existing managers). In the longer term, regularly evaluate and adjust your evaluation and promotion practices based on feedback from candidates and employees.

[7] <https://www.mckinsey.com/featured-insights/themes/working-moms-are-fueled-by-flexibility-heres-why>.

How to measure progress and success?

Through our own, LeFil's [research](#), we identified a number of metrics that can be improved through gender-focused initiatives, and which are meaningful to track as you progress with the implementation of your efforts. For some of these metrics, we provide a benchmark value, which is the average that close to 100 ventures like yours recorded after having worked on this topic. These metrics are:

Metric	Benchmark
Annual growth rate in earned revenue	71%
Proportion of men/ women among leadership	38% women
Leadership turnover rate	N/A
Gender-disaggregated staff turnover rate	N/A
Proportion of men/ women in staff	42% women
Staff satisfaction	82%
Staff productivity	N/A
Gender pay gap ratio	N/A
Amount of annual investment/ funding raised thanks to/ for your gender work	N/A
Proportion of staff trained in gender mainstreaming	59%

Case studies



Removing barriers to women leadership by Agrojusto

Agrojusto significantly increased the representation of women in its leadership team and fostered a work environment more attuned to gender equality by establishing an internal women's support network and restructuring its promotion policies.

Agrojusto connects local agricultural producers in Argentina with consumers through a digital platform that integrates all actors in the food production and supply chain. This helps producers access markets more efficiently, expand their reach, and offer better value to customers. By providing real-time data on consumer demand and preferences, the platform allows producers to identify potential buyers and adjust their offerings to optimize customer satisfaction. Through this streamlined process, Agrojusto benefits small-scale farmers, cooperatives, and retailers, promoting both responsible consumption and sustainable agricultural practices.

Agrojusto's team took part in our Gender Mainstreaming Workshop and realized that, while women represented 50% of its overall workforce, they held less than 10% of the leadership positions. The main reason behind this disparity was identified to be gender biases in promotions. The significant underrepresentation of women in leadership roles limited the diversity of perspectives and negatively impacted decision-making at top levels. Additionally, resources were being wasted to seek experienced workers externally, as the company overlooked internal women talent. To address these issues, Agrojusto created an internal women's support network to revise its promotion policies, aiming to reduce the cost of leadership recruitment and achieve at least 40% women representation in leadership. To do so, Agrojusto:

- analysed its existing leadership structure to identify gender biases in promotion processes
- surveyed women workers to establish a baseline of their current satisfaction levels and gather their input on how gender issues should be addressed
- reviewed and reworked its promotion processes from A to Z with the internal women's network, with the aim to remove barriers that prevented women from taking on more responsibilities within the organization and therefore accessing more leadership roles
- created workplace guidelines whereby mid-level women staff could make proposals and participate in decision-making in a comfortable manner
- established mentorship opportunities through which current leaders could guide and support emerging women leaders
- overcame initial resistance to change and difficulties in implementing the new policies by holding open forums that allowed staff to voice concerns and collaboratively adjust the policies to ensure effectiveness as well as inclusivity.

The initiative led to a 15% increase in the proportion of women in leadership and a notable improvement in team dynamics, with 80% of women employees stating that they are "very satisfied" with their day-to-day working experience, compared to a 40% satisfaction rate

before the initiative. Moreover, the internalization of gender issues created a cultural and structural shift within the company and fostered a more inclusive culture, where gender equality is a fundamental component of the company's DNA. As Agrojusto is expanding its operations to Mexico, it is committed to transferring the culture of women leadership to its new branch.



Supporting gender-balanced promotions by Avanza Sólido

Avanza Sólido worked to increase the representation of women on its leadership team by removing gender biases in promotion, creating opportunities for career development, and sensitizing all its employees on gender topics.

Avanza Sólido is a Mexican microfinance institution specializing in granting individual and group-based microcredit loans in both rural and urban settings. It offers responsible and inclusive financial products and provides non-financial services such as trainings on financial literacy, health campaigns, and agricultural extension services to empower its women clients.

Avanza Sólido's team took part in our Gender Mainstreaming Workshop and realized that, while on the surface Avanza Sólido seemed to be a gender-balanced company, with 50% women and 50% men employees overall, when looking at seniority of positions there were important gender imbalances, with only 27% of C-level roles held by women. With this realization, the team decided to aim for more women at the leadership level, offering them development opportunities, and as a result also improving the satisfaction of the whole team. To do so, Avanza Sólido:

- designed and conducted a gender-sensitive survey to measure employee satisfaction and organizational climate and identify employee needs
- reviewed and analysed its promotion policies and practices with the help of a gender expert to eliminate any possible gender bias
- implemented new promotion processes to ensure more inclusive and fairer development opportunities for women in its teams; this included promoting the vacant roles internally first, encouraging existing women staff to apply, removing unconscious biases when analysing the applicants (i.e. using blind CVs without photo or name), and introducing career development plans for all employees
- provided gender training to all employees.

Thanks to these efforts, Avanza Sólido added 3 women to its leadership team, increasing women representation from 27% to 32%. While gender balance is not reached yet, the team reports increased confidence and empowerment among women managers. Additionally, although results on changes in staff satisfaction are not available yet, Avanza Sólido has observed increasing interest and engagement within middle management on the topic of

gender inclusion. On the other hand, operational staff has displayed some resistance; the full support of the CEO has been crucial to address the concerns and continue prioritizing gender efforts without alienating some of the employees. For example, the venture organized a session on new masculinities to better involve men in the discourse. Avanza Sólido is committed to continue on its journey to improve gender inclusion, which led to the venture applying and being selected for funding from a large gender-lens investment fund.