

Research on How ESG Investments Affect Workplace Gender Equality

Yunfei Miao^{1,a,*}

¹Law School, Zhejiang Wanli University, Ningbo, Zhejiang Province, 213000, China

a. 2895046793@qq.com

*corresponding author

Abstract: The investment concept of sustainable development has taken on a general trend as the world economy enters a new stage of high-quality development. At the same time, the idea of “Environment, Social and Governance (ESG)” is becoming a popular topic in society and is being included into the growth strategies of an increasing number of businesses. This paper focuses on how ESG investments affect gender equality at work and how to reduce workplace discrimination against women. This paper offers suggestions for how to more effectively employ the ESG approach to enhance gender equality in the workplace through the retrieval and examination of pertinent material. This paper concludes that ESG investing significantly affects workplace equality. Through excellent social and enterprise management, businesses can reduce gender discrimination at work.

Keywords: gender equality, workplace, discrimination

1. Introduction

As the global economy enters a new phase of high-quality development, the idea of investing in sustainable development has gained momentum. This paper examines the impact of ESG investment on gender equality in the workplace and ways to reduce gender discrimination in the workplace. In the meantime, the concept of “Environment, Social and Governance (ESG)” has not only been incorporated into the development strategies of an increasing number of businesses, but it has also emerged as a hot topic in society. This paper examines the causes of gender discrimination in the workplace through the analysis of pertinent facts, as well as the effectiveness of potential solutions. Several sizable businesses have already presented solutions that other businesses might adopt as models on how to reduce gender discrimination in the workplace. The goal of this paper is to address the issue of gender discrimination in the workplace and to identify business lessons that can be drawn from ESG investment-focused enterprises.

2. The Status and Causes of Gender Discrimination in the Workplace

In contemporary culture, in addition to the conventional family role, women also play an important social role in the workplace. In recent years, the debate concerning women in the workforce has intensified, moving from personal concerns like opinions on marriage, parenthood, and careers to social concerns like gender equality.

According to UN Secretary-General Antonio Guterres, women's income will still only be 77% of men's globally in 2020[1]. The overall income of Chinese working women is 12% less than that of men, according to poll data from 2021 from Zhaopin.com, although the difference has shrunk by 5 percentage points year and the degree of distinction has decreased for two years in a row [2].

The existing state of women in the workforce is therefore not promising. Compared to males, women have more life goals, value power less, link high-power jobs with more negative outcomes, and are less likely to take advantage of career progression possibilities, according to a 2015 study by Harvard Business School academics. Additionally, compared to men, more women temporarily reduced their paid work. Nearly a quarter of the women who participated in a study by the Center for American Work-Life Policy of about 3,000 high-achieving Americans (defined as those with graduate or professional degrees or highly regarded undergraduate degrees) said they had left the workforce voluntarily at some point in their careers. In order to balance work and family obligations, the same percentage chose a career that paid less and had less obligations. Only one in ten men, in contrast, quit the workforce largely due to family obligations. Family obligations are disproportionately carried by women, yet companies are hesitant to accept them. In the Harvard survey, many women expected to share child care duties equally with their partners and have equal professional priority, but the actual situation was less equal [3].

The mismatch between traits associated with women and leadership is one of the most difficult barriers to women's advancement. Most of the qualities that people associate with leaders are ones that are typically associated with men: dominance, authority, and confidence. Women don't appear to find these appealing. Even while there is some indication that these preconceptions are fading, people still find it easier to accept males as leaders.

Women may experience discrimination in the workplace as a result of gender differences. A Harvard study found that male academics are more likely than female academics to boast and self-promote. Male scientists are more likely than female scientists to employ adjectives like "novel," "unique," "promising," and "excellent." Comparatively to articles that didn't, research papers that used this constructive framework had a citation rate of up to 13%. In comparison to articles with first and last authors who were both males, articles with first and last authors who were both women were, on average, less likely to use these complimentary words to describe their research. In high-impact clinical journals, where 21.4 percent of women were less likely to convey their research in this positive way, the gender gap in positive expression was largest.

Women's possible propensity to present identical work less favorably than males could influence career advancement, the researchers add, and warrants more study because this gender difference was most pronounced in the highest-impact publications and was related with higher downstream citations. These results imply that gender disparities in academic medicine and the sciences more generally may be influenced by inequalities in the degree of self-promotion.

Positive comments of research findings that highlight gender inequalities may be especially significant if they generate more citations. While many businesses expressly utilize cumulative citation counts when making decisions about hiring, promotions, pay, and funding, citations are also frequently used to gauge the influence of researchers [4].

3. The Path to Gender Equality Is under ESG Model

ESG investment is the incorporation of the ESG concept into the process of doing investment research. The medium- and long-term development potential of businesses is examined through E (environmental), S (social), and G (governance) based on conventional financial analysis. ESG investing is considerably different from traditional investing since it looks for investment targets that may produce sustainable growth while also generating value for shareholders and society. In contrast to traditional investing, ESG investing places a higher priority on having a beneficial

influence on the environment and society than on generating high profits on investments. First, ESG investments are value investments, which are the physical manifestation of a certain sort of value; second, investments in sustainable development have the qualities of medium- and long-term investments; and third, investments based on assessments of environmental, social, and governance risks include ESG-based hazards. Significant hazards to sustainable development will ensue if the ruling is incorrect. Therefore, it is necessary to monitor and analyze risks associated with significant issues using scientific instruments when conducting investment and study. To collect ESG information about invested firms and projects, investors or stakeholders must pay a significant amount of money on tangible or intangible expenses. An informational link between investors and investees is established via ESG evaluation. ESG investing, however, does not contradict or differ from conventional investing. It is more of an improvement on the conventional framework for investment concepts.

However, being a crucial component of S (social) and G (governance) in ESG, gender equality must grab businesses' attention. Both commercial performance and humanism are important in this.

As evidence of the pressing need to address the ESG issue in the modern world, the international rating agency Standard & Poor's recently announced that listed firms around the globe are coming under increased pressure from investors to increase the diversity of their board ranks. Additionally, studies have shown that businesses led by women are more likely to be profitable and have stock prices that perform better than the market as a whole. Additionally, studies have indicated that organizations with more women on their boards of directors are more successful and larger. This further motivates investors to evaluate companies for their capacity to address ESG-related risks and opportunities by taking gender diversity and equity into account.

Follow-up studies of businesses over many years have demonstrated that the issue of "gender equality in the workplace" is not merely one of CSR, but also contributes to quantifiable competitiveness. Results that reflect the benefits of gender equality are more likely to be produced by businesses that are setting the bar high in this area. The performance of the laggards differs significantly from the leaders. Companies with a long history of gender equality earned 15% more than the median of their peers in each of the four nations studied by McKinsey's assessment of 366 companies [5]. Beginning in 2015, McKinsey surveyed more than 1,000 significant businesses across 15 nations. In the most recent study, published in 2020, it was discovered that businesses with "gender equality" scores in the top quartile had a 25% higher likelihood of posting above-average earnings than businesses with scores in the lowest quartile. In the 2015 and 2018 studies, the difference between the leaders and the laggards was 21% and 15%, respectively. In addition, businesses that prioritize gender equality can save a lot of money annually by spending less on public relations, retaining staff, and recruiting and training new employees [6]. This implies that a corporation may become more competitive if it makes an ESG investment in gender equality.

However, most businesses have been hesitant to advance workplace gender equality. The small number of people who have advanced significantly have done it in a methodical, top-down, closely controlled manner, displaying great bravery and tenacity.

4. Learning from Successful Experiences

4.1. Goldman Sachs

Founded in the United States, Goldman Sachs is a global investment bank that also offers other financial services. It is referred to as one of the "Wall Street banks" by those who work in the field.

The largest company with an executive program, Goldman Sachs, often provides current students with brief, light training, lectures, internships, or work experience opportunities.

For female students, Goldman Sachs offers a variety of programs, including the Women's Leadership Camp Program, the Women's Possibilities Summit, the Women's MBA Summit, etc.

These one-week courses can assist female students who have not yet assimilated into society in "seeing the world," comprehending the workplace, and finding employment in investment banking.

They can avoid getting sucked into the "elite aura" of investment banking by learning more about the industry and determining whether Goldman Sachs or that industry is a suitable fit for them. Additionally, the aforementioned seminars feature female senior executives from Goldman Sachs. Female students can interact with them in-depthly, learn about the organization and the roles they are interested in from a female perspective, and receive guidance and insight to help them become more self-assured in the field.

Whether or not they ended up at Goldman Sachs, several of the female students who posted their job search experiences online said the workshops helped them develop confidence in their field. They were also assisted in their future job hunts by the networking and education they received from those in the business. Girls' employment chances are significantly influenced by confidence. In high-impact clinical journals, where 21.4 percent of women were less likely to convey their research in this positive way, the gender gap in positive expression was largest.

Women's possible propensity to present identical work less favorably than males could influence career advancement, the researchers add, and warrants more study because this gender difference was most pronounced in the highest-impact publications and was related with higher downstream citations. These results imply that gender disparities in academic medicine and the sciences more generally may be influenced by inequalities in the degree of self-promotion.

If the discovered positive comments generate more citations, the findings on gender differences in these claims may be very significant. While many businesses expressly utilize cumulative citation counts when making decisions about recruiting, promotions, salary, and financing [6], citations are frequently used to measure the influence of researchers.

4.2. Accenture

Accenture serves as a good illustration. With 674,000 workers globally, Accenture is a consulting company that offers services in 22 different fields, such as strategy, infrastructure, big data analytics, technological innovation, artificial intelligence, change management, and marketing. Accenture, an Irish-born company, is well-liked by foreign students in Europe and the UK. Accenture made 19 consecutive appearances on the list of "World's Most Admired Companies" published by Fortune magazine. Accenture tracks the percentage of women on its employees, board of directors, senior officers, percentage of women new recruits, and percentage of gender departures on a monthly basis due to its size and the volume of people it hires each year. Women at all levels can engage in Accenture's online training plans to better plan their careers. Accenture also offers women professional planning plans or leadership development of various positions to speed up the career growth of new assistant directors -level women.

Today, female power is a significant and unavoidable component of every industry. However, there are still several obstacles in the way of women's advancement. A necessary condition for the growth of The Times is to further encourage women's potential and to support the excellent development of young women. The rights and interests of female employees in the workplace cannot, however, be adequately protected by the aforementioned measures alone. To ensure that women hold the same position as males in the workplace, more measures must be adopted.

5. Conclusion

There are many factors that prevent women from advancing, and there are still many obstacles in their way. For a multitude of reasons, including educational possibilities, the corporate climate, and others, women are at a disadvantage in the workplace. In today's world, female strength is a significant aspect that cannot be disregarded in any field. Through a number of strategies, including equitable training of female talent, equal chances for female employees to perform, and protection of the legal rights and interests of female employees, businesses need to address the inequality experienced by women in the workplace. The most crucial thing is for businesses to avoid taking token actions without genuinely enacting rules and to commit to long-term ESG investments that will lead to gender equality in the workplace. Businesses must improve both the internal and external environments of the globe, a society free from gender bias, where everyone has an equal say and voice, and where equality is embraced by everyone. In such a world, economies would progressively expand, communities would be stronger, businesses would succeed, and life would generally be better.

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