

# GENDER-SMART BUSINESS SOLUTIONS

Bauducco's  
Commitment to  
Gender Equality: A  
Strategic Approach  
to Increase their  
Customer Value



A woman wearing a white lab coat and a yellow hairnet is working in a factory. She is looking towards the camera with a slight smile. The background shows industrial machinery and a clean, well-lit environment.

## The International Finance Corporation's Women's Employment Program

provides gender-smart business solutions to IFC clients in Manufacturing, Agribusiness, and Services. Through the program, IFC partners with private sector businesses globally to assess their practices on gender equality and advise them on how to advance women's employment in their workplace. This series highlights the results of these partnerships and their impact on company diversity and bottom line. We also acknowledge and appreciate the generous support provided by the Government of Canada, which made possible these advisory initiatives on women's employment.

## CLIENT

Pandurata Alimentos Ltda. (group formed to encompass all brands of the Bauducco family) is the largest manufacturer of baked goods in Brazil and the largest producer of panettone globally.

## THE CHALLENGE

Nearly half of Pandurata Alimentos' (Bauducco) lowest-level staff were women, yet few served in management roles. To enter new markets and respond to the needs of new consumers—largely women—they needed to increase gender equity in their ranks.

## IFC'S ROLE

Analyze the composition and gender dynamics of Bauducco's workforce to define a road map of strategies, policies, and solutions to close gender gaps and help the company position gender equality as a strategic priority to create new business opportunities.

## RESULTS

Pandurata Alimentos (Bauducco) became the first local company to receive the EDGE Certification, and one of seven certified companies in Brazil. In addition, with IFC guidance, the company strengthened its commitment to gender equity and consolidated its reputation as an employer of choice:

- The retention rate for women returning from maternity leave jumped from 57 to 93%
- Staff voluntary turnover has dropped from 5 to 0.4%
- The share of promotions awarded to female staff rose from 41 to over 44%.
- The share of Bauducco's female board members increased from 11% to 25%.

## CONTEXT

Brazil has made significant strides in leveling the playing field for women in the workplace. Fifty-four percent of women in Brazil work—a national labor force participation rate exceeding the global average of 51 percent. Yet Brazilian women continue to face barriers in developing their careers. Girls are more likely than boys to drop out of school, whether to work to support their families or to get married, or because they have no means of getting to school. Working women face challenges, too. They earn 23 percent less than men on average and remain underrepresented in management and leadership positions.<sup>1</sup> Many struggle to get to work due to lack of transport or childcare services.

Companies in Brazil's private sector have the potential to bolster women's participation in the labor force while benefiting from their contributions. One promising sector is consumer staples, which produces food, beverages, and nondurable household and personal goods. The sector is a major driver of growth and employment in Brazil, due in part to the country being one of the world's largest consumer markets. Of its 212-million-strong population, a majority is aged between 25 and 54 and half are classified as middle class, a demographic with growing purchasing power.<sup>2,3</sup> While women tend to be the ones making purchasing decisions for their households, they make up only 37 percent of workers in the consumer staples sector. One factor discouraging participation is the limited opportunities for advancement in the sector, with the number of women decreasing up each rung of the corporate ladder.<sup>4,5</sup> Women's lack of representation in the industry is causing consumer staples companies to miss out on an important channel for better understanding the preferences and needs of their target demographic.



## COMPANY

Brazil's Pandurata Alimentos (Bauducco) is the largest producer of panettone cakes in the world. The company got its start when Carl Bauducco emigrated from Italy to open a pastry shop in São Paulo in 1952, making panettone, a traditional Italian Christmas bread. Today, Bauducco's panettone are a pantry staple in homes across Brazil, and parent company Pandurata Alimentos Ltda. is a leading producer and distributor of cakes, toasts, and wafers in the Americas. Besides its São Paulo headquarters, Pandurata Alimentos has five production sites in Brazil, as well as sites in Argentina and the United States.

The company, which has remained family-owned and operated, has a reputation for innovation. It has successfully launched new products to meet the changing demands of consumers and has a history of protecting its core markets from competitors. As it continues to expand its product lines and markets, Bauducco must keep up with and respond to the needs of new consumers—largely women. The company partnered with International Finance Corporation (IFC) to better understand the gender composition and dynamics of its workforce using the EDGE (Economic Dividends for Gender Equality) assessment and certification methodology. The EDGE Gender Certification is designed to help companies create gender-equitable workplaces that provides a competitive advantage for business growth.

## ASSESSMENT

The gender diagnostic methodology employed quantitative and qualitative tools to analyze Bauducco's employment and financial data, HR policies, and worker remuneration. The process incorporated interviews and focus group discussions with workers and management.

Overall, employees really enjoyed working for Bauducco. Female employees said they appreciated the company's close-knit culture, and many working mothers said they felt supported by the company's maternity programs. Employees across all levels reported feeling proud to work for a family-run company with strong values and a good reputation.

Despite 85 percent of all surveyed employees indicating that they would highly recommend working at the company, IFC found opportunities to strengthen Bauducco's commitment to gender equality. While women comprised 46 percent of staff at the lowest levels of employment, their overall representation was 24.4 percent, shrinking further as one went up the corporate ladder. Bauducco had only one woman in upper management and one woman among its 9 board members.

The assessment revealed that Bauducco had established gender-equality policies for recruitment, promotion and flexible work, however, some gender gaps in perception still remained. While both female and male employees said they supported having more women in leadership roles, the company could do more to proactively communicate on its promotion process and demonstrate its commitment to ensuring pay equity. This would address the concerns of female staff regarding opportunities for career growth and pay equity.

In terms of family-friendly policies, the company offered childcare support only to female staff. In addition, there were parental leave options for their employees in compliance with local regulations, but very few men took paternity leave.

Moreover, the assessment found that staff turnover was increasing costs and constraining growth for the company. IFC estimated that staff turnover cost Bauducco approximately \$300,000 in 2018 alone.

## RECOMMENDATIONS

Bauducco is on a growth trajectory, entering new markets, developing new products, and eyeing international expansion. To meet its business objectives, the company needed to make gender equality a strategic priority. Having more women in the workforce and in management would connect Bauducco more closely to female consumers, strengthen its corporate image, and potentially boost its financial performance.

IFC recommended eight strategies aimed at helping Bauducco create a gender-equitable workplace and attract, nurture, and retain top talent, especially women. Through a series of gender-inclusive actions, the recommendations seek to transform Bauducco into a corporate leader on gender equality and an employer of choice for women, including female business leaders.

1. **LEADERSHIP COMMITMENT:** To secure the support of senior managers, IFC suggested developing a Business Case Workshop for them to promote unconscious-bias awareness and inclusive-leadership best practices. The company should designate top managers as gender equality champions and launch a gender-sensitization campaign for senior management, which could be gradually rolled out to all staff.
2. **GENDER EQUITY AS A STRATEGIC PRIORITY:** Bauducco had gender-equity policies in place but they weren't effective. To change this, it should designate gender equity as a strategic priority and establish a Gender and Diversity Committee to track and monitor key gender goals and Key Performance Indicators (KPIs).
3. **SOPHISTICATED HR DATA ANALYTICS:** IFC found that Bauducco's data collection systems could be further systematized and strengthened. The company could then efficiently use data to analyze HR and recruitment trends and to inform policies aimed at reducing absenteeism and turnover and improving productivity.
4. **GENDER-INCLUSIVE BOARD:** Bauducco's Board of Directors had only one female member. IFC recommended that Bauducco put in place a strategy to create a more gender-inclusive board. According to the EDGE benchmark, Bauducco's board should aim to be at least 30% women.
5. **GENDER-SENSITIVE RECRUITMENT AND RETENTION:** IFC recommended that the company establish targets and metrics around gender equality to ensure that the company is attracting more female employees, including top female talent, and nurturing and retaining them.
6. **CLEAR PROMOTION CRITERIA AND PROCESS:** With female employees expressing more pessimism than male coworkers about promotion and career growth at the company, IFC suggested Bauducco work to improve employee knowledge of its promotion criteria and process.
7. **MORE FLEXIBLE WORK OPTIONS:** A significant number of employees expressed the need for flexible work options but said these were limited, especially for parental leave. IFC suggested Bauducco strengthen its flexible-work policies, including providing more options to work from home. The company could also consider extending paternity leave length to 16 weeks, as other leading companies globally are offering, and encourage more men to take leave.
8. **PAY EQUITY:** To address women workers' perception of a pay gap with male colleagues, IFC recommended Bauducco conduct yearly gender pay gap assessments using a regression analysis and systematically remediate any pay inequities.

## IMPACT

In 2019, Pandurata Alimentos (Bauducco) became the first local business to obtain the Economic Dividends for Gender Equality (EDGE) Certification and one of seven EDGE-Certified companies in Brazil. This milestone signified Bauducco's commitment to creating gender-equitable workplaces.

Staff retention and female promotion rates have already improved since the company received EDGE Gender Certification began implementing IFC's recommendations. The retention rate for women 12 months after returning from maternity leave has jumped from 57 percent to over 93 percent; staff voluntary turnover has dropped from 5 percent to 0.4 percent; and the share of promotions awarded to female staff has risen from 41 percent to over 44 percent. The share of Bauducco's female board members increased from 11 to 25 percent.

Bauducco established an internal sustainability department during its partnership with IFC, with the aim of improving governance and increasing diversity and inclusion, especially on gender. This department is currently overseeing the implementation of IFC's recommendations and gender action plan, reinforcing Bauducco's image as a progressive brand committed to furthering gender equality in its workforce.



## ENDNOTES

- 1 Prusa, Anya, and Lara Bartilotti Picanço, eds. 2019. A Snapshot of the Status of the Women in Brazil: 2019. Washington, DC: Wilson Center Brazil Center
- 2 Dossantos, Rebecca. 2019. “A Full-Blown Report on Brazilian Consumer Behavior & Trends Online.” Business in Brazil report published by Colibri Content, October 15, 2019. <https://www.colibricontent.com/brazilian-consumer-behavior-and-trends/>.
- 3 International Business Degree Guide. “The 25 Largest Consumer’s Markets... and the Outlook for 2015.” <https://internationalbusinessguide.org/25-largest-consumers-markets-outlook-2015/>.
- 4 Pandurata Alimentos EDGE IFC Assessment.
- 5 Women on average make up 15 percent of boards of companies in the consumer staples sector globally.



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