Advancing Women in Business
Leadership & Management

CASE STUDY

Artistic Milliners Limited
Denim Manufacturing, Pakistan
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The case studies were completed with the active collaboration of 5 PBC member companies and our principal counterparts there: Artistic Milliners Limited (Murtaza Ahmed and Faiza Jamil), HBL (Jamal Nasir, Katherina Zubin Irani, Saira Halai Chundrigar, and Sanam Hasnani), Interloop Limited (Faryal Sadiq and Aqeel Ahmad), Packages Limited (Jawad Gilani, Zoya Zaidi, and Fatima Qadir), and National Foods Limited (Abrar Hasan, Saira A. Khan, and Sana Abbas).

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IN COLLABORATION WITH
FOREWORD BY IFC

Pakistan’s economy is presently growing at just under 6 percent annually. The country’s GDP could grow by 30 percent if women and men participated equally in the workforce. Women’s education levels in Pakistan have increased over time. Yet, only a quarter of women are working compared to over 80 percent of men. The gap is staggering and closing it represents a huge economic opportunity for Pakistan.

In addition to Pakistan’s economy, closing gender gaps is also good for Pakistan’s businesses. The competitiveness and growth of Pakistan’s firms could be significantly enhanced if firms could bring into their company diverse skills and talents, which are urgently needed to be more productive and innovative. Despite competition over attracting and retaining skilled employees, few companies have widened their search for talent and skills by tapping into Pakistan’s vastly underutilized female talent pool.

A 2017 study by The Pakistan Business Council’s (PBC) Centre of Excellence in Responsible Business (CERB) found that women represent less than 20 percent of the workforce of 90 percent of the surveyed PBC member firms. Although this is higher than the national average of less than 10 percent women in the formal, private sector workforce, in most cases, women continue to be underrepresented in formal employment and earn less than men for equivalent work. Pakistan’s private sector has a critical role to play in ensuring that women have access to more and better jobs.

A growing number of forward-looking Pakistani companies are now starting to see the business case for gender diversity, even in sectors considered non-traditional for women. To expand this awareness and turn it into action, IFC partnered with PBC to bring to Pakistan IFC’s global research and advisory expertise on the business case and good practices for advancing women’s employment.

These case studies are part of a series of initiatives that IFC and PBC have jointly led over the past year to mobilize more companies in Pakistan to increase gender diversity in their workforce. The aim of the case studies is to provide guidance to Pakistani firms on successful approaches for recruiting, retaining, and promoting more women and achieving better business outcomes.

The case studies feature five PBC member companies that are promoting greater inclusion of women in their workforce in five thematic areas: Artistic Milliners Limited for the Women in Business Leadership theme, HBL for the Anti-Sexual Harassment theme, Interloop Limited for the Women in Non-Traditional Roles theme, National Foods Limited for the Family-Friendly Policies theme, and Packages Limited for the Equal Opportunity Recruitment Practices theme. HBL and Packages are IFC investment clients and Artistic Milliners and Interloop are IFC advisory clients.

Our aim is that these case studies will reach many businesses in Pakistan and help them better understand the business case for women’s employment, get insights into the approaches that work, and learn from each other’s experiences while replicating solutions.

On behalf of IFC, I would like to thank the companies that participated in this project and generously shared their data and good practices, and PBC for their commitment to this important agenda. IFC is committed to working with the private sector in Pakistan to create equal employment opportunities, decent working conditions, and lucrative career paths for women, and we will continue to do more.

Nadeem A. Siddiqui
Senior Country Manager for Pakistan
International Finance Corporation, World Bank Group
The Pakistan Business Council (PBC) is a business advocacy forum composed of the largest businesses including multinationals that have significant investment in and a long-term commitment to Pakistan. Members’ turnover represents 11% of Pakistan’s GDP and they contribute 25% of the taxes and exports. Our key advocacy thrust is on easing barriers for Pakistani businesses in the wake of progressive regional and global free trade, as well as improving national investment flows to match target GDP growth rates.

PBC works closely with the relevant government departments, ministries, regulators and institutions, as well as other stakeholders including professional bodies, to develop consensus on major issues which impact the conduct of business in and from Pakistan. It has submitted key position papers and recommendations to the government on legislation and other government policies affecting businesses. PBC also serves on various taskforces and committees of the Government of Pakistan as well as those of the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulators with the objective to provide policy assistance on new initiatives and reforms.

The Centre of Excellence in Responsible Business (CERB) is the first of PBC’s outreach initiatives to build capacity and capability of businesses in Pakistan. CERB’s vision is to assist Pakistani businesses to pursue long term sustainability and value creation, and its mission is to contribute towards inclusive social development. As part of its strategic objectives, CERB engages with businesses and industry leaders to provide a clear direction towards conducting responsible business in Pakistan. It leverages private sector growth as a means for development and poverty reduction taking guidance from the United Nations Sustainable Development Goals framework.

CERB’s aim is to identify and impart good practices from within the PBC member companies and work towards changing the mind-set of the many businesses that are not members of PBC but contribute equally to Pakistan’s economy.

In the context of gender equality, PBC is privileged to have partnered with the International Finance Corporation over the past year and, as part of our collaborative efforts to enhance women’s employment in Pakistan, we have together worked on five case studies where opportunities among domestically-owned companies to do so have been highlighted. On behalf of PBC, I would like to thank our member companies for allowing our respective teams to carry out in-depth analyses of their good practices in this area and sharing with us their data that may be published.

Ehsan Malik
CEO
The Pakistan Business Council
**Case Study: Advancing Women in Business Leadership and Management**

**WOMEN IN BUSINESS LEADERSHIP IN PAKISTAN**

A growing body of research establishes a strong correlation between business performance and gender diversity in leadership. A study by McKinsey and Company highlights that companies with gender diversity in top management and boards are 15 percent more likely to reap financial returns greater than their national industry median. Similarly, Credit Suisse surveyed 2,360 companies globally and found that companies that had at least one female on the board delivered better share performance by 26 percent compared to companies that had no women on their board.

Another study by EY and the Peterson Institute for International Economics shows that a company with 30 percent female leaders could add up to 6 percentage points to its net margins. Furthermore, the study highlighted that even though the positive relationship between women in C-level ranks and the bottom line is well-established, one-third of companies do not have women in either C-suite positions or on boards, 60 percent have no women on boards, 50 percent have no female top executives, and less than 5 percent have female CEOs.

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1. **Methodology:** Information presented in this case study is based on HR data gathered and analyzed between September to November 2018 with Artistic Milliners’ HR team as well as a focus group discussion with 10 employees and 10 one-on-one interviews with AM’s Director, the HR team, department heads, and male and female employees. This research was conducted by IFC Gender Secretariat in collaboration with PBC.


Research by the International Labour Organization also enhances the strong link between financial performance and women on boards. Gender-balanced boards are more likely to focus on non-financial indicators such as customer satisfaction and corporate social responsibility, leading to improved corporate governance. Although these studies establish a strong correlation rather than causality, they highlight that companies that prioritize gender diversity in their leadership perform better, which has already inspired various companies around the world to take action.

In Pakistan, a baseline survey conducted by the Pakistan Business Council’s Centre of Excellence in Responsible Business (CERB) found that female representation across all sectors was the highest at entry level, with numbers decreasing at each incremental tier of the organization. Across sectors, female representation as department heads is highest in the fast-moving consumer goods (FMCG) industry at 18 percent while in the textile sector it stands at 5 percent. One of the reasons for women’s low representation in senior leadership roles is a leaky talent pipeline characterized by high turnover rates amongst women with family and caregiving responsibilities.

Leading companies recognize that efforts to advance more women in senior leadership roles require going beyond target-setting and focusing on strengthening the entire female talent pipeline, starting from entry-level positions all the way up to the top. Artistic Milliners is one such company that is stepping up to this challenge and giving women the skills, confidence, and support they need to deliver results and advance in their careers.

ARTISTIC MILLINERS: COMPANY OVERVIEW

Established in 1949, Artistic Milliners (AM) is a vertical denim fabric and garment manufacturing and exporting company with a strong focus on women’s empowerment, innovation, and sustainability. Ranking third on the top 10 list of Pakistani textile exporters in the year 2017-2018, AM employs 19,860 people in 17 factories and mills in Karachi’s Korangi and other industrial areas, with a total annual turnover of USD 256 million. AM’s products are exported to various countries in Europe and the U.S., supplying to brands such as Gap Inc., Levi’s, Marks and Spencer, Target Inc., and Zara, while AM’s denim fabric is exported to Bangladesh, China, Sri Lanka, Vietnam, and a few countries in Africa.
ARTISTIC MILLINERS’ BUSINESS CONTEXT FOR ADVANCING WOMEN IN LEADERSHIP

Artistic Milliners differentiates itself from its competitors by building a strong reputation as the only textile company in Pakistan’s manufacturing sector with the most women in senior management positions. Currently, the ratio of women and men in senior management is 50:50. Over the years, women at AM have been recruited in various non-traditional senior leadership roles such as the Heads of the Planning, Supply Chain, Merchandising, CSR, and Communications Departments, which has further cemented AM’s position as a market leader when it comes to gender diversity in business.

For Artistic Milliners, its gender diversity efforts are critical to realizing its goals of business diversification, innovation, sustainability, and growth as well as geographical expansion within and outside of Pakistan. This in turn, AM believes, will help the company build and sustain long-term relationships with high-value buyers that place a significant premium on equal opportunity and sustainable business practices and urge their suppliers, including AM, to do the same. AM’s gender diversity efforts have gained international recognition and the company aims to continue building on this momentum to strengthen its female talent pipeline and achieve its long-term goals.

HOW ARTISTIC MILLINERS ADVANCES WOMEN IN LEADERSHIP

AM recognizes that strengthening the female talent pipeline requires four key ingredients: A strong tone at the top, female role models, taking a wide-spectrum approach by starting efforts at the factory floor and taking them all the way up to the board room, and engaging men.

Senior (Male) Leadership Support

Companies often come up with innovative measures to advance women in leadership. Yet measures can fail to have the desired impact if they lack leadership commitment and a strong tone at the top.

For Murtaza Ahmed, Director at Artistic Milliners, business leaders have a critical role to play in fostering gender diversity. Leaders are responsible for laying out the vision for what gender equality should look like in their organizations, a vision that is unique to the culture and needs of the organization and serves to unite leadership, management, and staff efforts to achieve workplace gender diversity. As a result, leaders can promote effective and lasting change.

Since joining Artistic Milliners in 2008, Ahmed set out on a journey to use AM’s factory floors as agents of social change. Ahmed initiated the Women at Artistic Milliners campaign under which a variety of gender diversity and women’s empowerment programs have been delivered.

“More often when we talk about gender equality, there is a backlash that women are being given an edge over men. I want to thwart this concept and emphasize that equality means equality in all aspects: opportunities, remuneration and accountability. At AM, women in leadership are held equally accountable and are expected to deliver the same quantum of results. There is no complacency because I believe women have the same strength, intelligence, stamina, and leadership potential as men.”

Murtaza Ahmed, Director, AM
Externally, Ahmed uses his position to raise awareness about the importance of gender diversity. He serves as a #HeforShe advocate and as a signatory of the UN’s Women Empowerment Principles (WEPs).9

Ahmed’s efforts have put Artistic Milliners on the world map. He was inducted in the Financial Times’ 2018 HERoes: Champions of Women in Business list as one of the top 50 global male executives who are committed to advancing women in business. The list also includes Paul Polman, the CEO of Unilever, and Marc Benioff, the CEO of Salesforce.

Female Role Models

Role models and mentors can play a critical role in ensuring that more women rise to the top.10 Female role models can contribute to breaking stereotypes around women’s and men’s traditional roles in the workplace and society and can inspire other women to step forward and take a seat at the table.

Artistic Milliners initiated its policy and efforts to achieve gender diversity at the management level by first recruiting several women as department heads who could then serve as role models and mentors for other female employees and help them gain confidence, unlock their potential, and navigate their career paths to leadership. Women who are hired at junior positions in all departments are trained directly under the department’s General Manager as their ‘successors’ to help strengthen the female talent pipeline for leadership. AM has noticed that within two years, these efforts at the top have trickled down and strengthened AM’s pipeline, contributing to AM’s 50-50 management ratio.

Developing Leaders on the Floor

While looking up is important, Artistic Milliners believes that real change happens on the factory floor. Approximately one third of AM’s minimum wage employees are women. To empower women at this level and inculcate leadership skills in them so that they feel ready to take on more challenging leadership positions, AM has led a series of initiatives.

In partnership with UNDP, Artistic Milliners delivered a Youth Employability Program through which women, who had never worked before, were taught employability skills by UNDP staff and subsequently hired by AM as full-time employees.

In partnership with its international buyer Gap Inc., Artistic Milliners launched P.A.C.E (Personal Advancement & Career Enhancement), an educational program that builds skills, knowledge, and confidence in women to advance their personal and professional lives. The program includes 47+ lessons and has been conducted in over 16 countries. To date, 310 women at AM have gone through the program and the majority of them strongly feel that the program has made a strong impact on their self-efficacy and communication with their peers and supervisors.

Similarly, Artistic Milliners also invested in Business for Social Responsibility’s HERproject11 to help women at AM gain

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8 HeForShe. Available at https://www.heforshe.org/en.
11 HERproject. Available at https://herproject.org/.
confidence and skills through workplace-based interventions on health, financial inclusion, and gender equality. The program concluded in June 2017 with 75 percent of the respondents feeling comfortable in talking to their factory management as compared to 24 percent in April 2016. Furthermore, 90 percent of AM’s female employees now take an active part in household decisions about education, health, and asset purchase. In addition, AM also regularly runs various adult literacy and financial literacy programs for AM’s female employees, which includes information on how to open bank accounts and save money.12

Artistic Milliners also designated an entire line to women for dry processing, which has traditionally been a male-dominated function. Although AM faced challenges in the beginning in terms of upskilling women and giving them the confidence to do this job and getting men on board, this effort ultimately had a ripple effect. Male employees would often work for a month and then take extended holidays but with an entire line designated to women, the turnover rate for men has significantly decreased in the face of healthy competition from women.

The Role of Men

While it is important to train women to take leadership roles, for AM it is equally important to sensitize men to this cultural shift and enable them to perceive this change as beneficial to women, men, and the company as a whole. In this regard, AM has now launched a 6-months program to train male supervisors to manage change and address their apprehensions and concerns surrounding gender diversity. For AM, it is critical to include men in this process because if men feel excluded, then it may lead to the exacerbation of the boys club phenomenon, further hindering the progress of women and the organization as a whole.

THE BUSINESS IMPACTS OF ADVANCING WOMEN IN LEADERSHIP

The Business Case for Middle Management

Female middle managers are the linchpin of a successful gender diversity strategy. Research has suggested that helping women progress from middle to senior management can have a ‘multiplier effect’ in the organization. Not only is there a healthy pipeline of female talent, women in middle management act as positive role models for the next generation and contribute to strong operational performance as well.13

Artistic Milliners’ Business Development Manager, Rumisa Rasheed, has helped increase AM’s sales by 70 percent in the UK market. Even with the management’s support, Rasheed believes that it is her performance that will create the acceptability that women “can

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“When women come into any profession, they come in with a passion for growth and accept challenges, which is critical to achieving excellence.”

Noman Farooq, General Manager Internal Audit, AM

break barriers and bring results with their hard work.” Similarly, in less than a year, Fatima Mehmood, a Manager leading a U.S.-based brand, has increased the business from 1 million garment pieces in May 2018 to 2.4 million pieces in November 2018 in her market, a 140 percent increase over the last 6-month period. Mehmood has also been fundamental in increasing on-time shipments from 40 percent in April 2018 to 100 percent in November 2018.

The Business Case for Senior Management

Artistic Milliners recruited for several positions with equal opportunity in mind. For example, AM’s Head of Supply Chains, Hina Khan, is the first woman to lead a supply chain department in Pakistan’s textile industry. Following her recruitment, other women have also joined the department, increasing the percentage of women in the department to 27 percent of the total sourcing workforce. Diversity in the team has contributed to its improved performance, which translates to savings of approximately USD 2 million. Improved performance has also been reported in other departments led by women. In the Planning Department, another traditionally male-dominated function, the General and Senior Managers are both women and oversee AM’s production planning at the group and strategic business unit (SBU) levels.

The Business Case for “First Women”

Artistic Milliners hired its first woman, Syeda Faiza Jamil, in a senior management role as General Manager in the CSR and Communications Department. Since joining, Jamil has helped build a culture encouraging women’s empowerment in the company, by initiating the collaboration with Gap Inc. to launch P.A.C.E. (Personal Advancement & Career Enhancement) in Pakistan. P.A.C.E gives women in the apparel industry the life-skills training and support that helps them flourish both professionally and personally. This project has created a positive vibe in AM’s female employee population.

“Men have an important role to play. When they get on board and welcome this culture shift, they become male champions in their own rights and policies are even more effective. This is ultimately good for women, men, and the company. Some of our male leaders serve as role models for our male employees and they model good behavior in their interactions with AM’s female workforce.”

Faiza Jamil, General Manager—Group Working, Corporate Responsibility and Communication Department, AM

and Jamil has become a female champion not only in AM but in Pakistan’s textile industry.

Five out of six employees who report directly to Jamil are women and while her staff believe that she is their mentor, Jamil believes, “I have evolved immensely since I have joined. I have learnt a lot from my team and they have guided me as well and much of this has to do with women’s leadership because women by nature tend to be more collaborative”.

WHAT’S NEXT FOR ARTISTIC MILLINERS?

Artistic Milliners is determined to recruit more women while continuing to strengthen its talent pipeline and enable more women to rise to the top. AM’s long-term plan is to formalize the process of developing women leaders by mapping out the company’s gender equity indices. Based on this data, AM will then plan its next steps. Moving forward, AM plans to undertake the following actions in the short- to medium-term.

AM currently does not have a formal policy outlining leadership development training or mentorship programs. AM recognizes that such a policy and formal programs will help AM monitor and evaluate the business case for hiring women and training them to become leaders. AM has therefore started the process of developing such a policy and programs.

AM plans to focus on retaining and developing its female middle managers as it is often at the mid-tier level where women need the most work-life support (and often quit when such support is lacking) to get to the next stage of their careers and become senior managers. Therefore, AM is in the process of rolling out resources and benefits, including a daycare facility, for all employees, including middle managers, to give them the support they need to progress in their careers.

AM aims to strike a balance by ensuring that it continues to include its male workforce in the process of developing women leaders. A change in the mindset and work culture is already evident but regular awareness-raising sessions to sensitize men regarding gender diversity and its business benefits are critical to the success of AM’s gender diversity efforts.

Outcomes of Artistic Milliners’ HERproject in collaboration with Business for Social Responsibility

Baseline: 2017
End line: 2018

• Percentage of AM’s female employees who feel comfortable while speaking with factory management (baseline 24% – end line 75%)

• Percentage of AM’s female employees who take an active part in household decisions about:
  - Health (baseline 80% - end line 91.7%)
  - Education (baseline 78% - end line 91.7%)
  - Asset purchase (baseline 83% - end line 87%)
  - Mobility (baseline 74% - end line 91.7%)