



20 Women's turnover ratio

Retaining talented women a key to creating healthy workplaces and profitable businesses

Employee turnover signals much about what's working (or not) in an industry or organisational culture. When it comes to hiring, developing and retaining talented women, the challenges can be complex but the dividends of a gender-positive strategy include greater innovation and a strong workplace brand.

It's rare these days to find boards and leadership teams that aren't concerned about the lack of women's representation in their workforces. While it varies depending on industry and country, the gender gap is a headline issue that's refusing to go away.

Advocates, gender lens investors and researchers argue that this is costing organisations, communities and economies dearly in terms of foregone growth and corrosive social impacts.

First, there's the gender imbalance in the workforce, reflected in the labour participation rate. The International Labour Organisation puts the global rate for women at just under 47 per cent compared with 72 per cent for men.

Then there's occupational segregation: the fact that women are over-represented in sectors such as aged care, hospitality and food services, all highly casualised industries that are vulnerable to disruptive events like the Covid-19 pandemic.

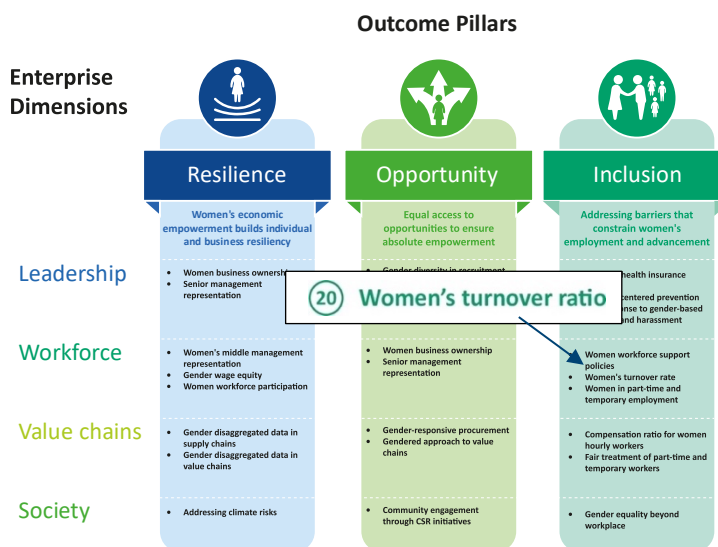
Finally, when women do make it into paid employment, the gender gap often manifests as decreasing numbers of senior women along the pipeline of key decision-making roles. The lack of role models is one of

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many factors that might influence women to resign or leave.

The causes of gender gaps are many and varied and they're often heavily influenced by socio-economic constraints and pressures to conform to traditional gender and caring roles, especially in developing economies.

Smart leaders know that a reputation for recruiting and retaining talented women is a clear edge with consumers as well as potential employees, so organisations are starting to collect and analyse data to understand why women want to join the enterprise – and why they might leave.



Sweef Capital Gender ROI™ indicators



Sweef Capital's Vice-President for Indonesia, Ms Samantha Tedjosugondo, says it's imperative that leaders take a strategic approach to hiring and retaining talented women. There are practical and financial implications if they don't.

"Employee turnover carries a high cost for organisations," Ms Tedjosugondo says. "Generally, the higher the turnover rate, the higher the direct and indirect costs will be – think about hiring and training costs, let alone lost business as a replacement comes onboard. Longer term, that kind of attrition negatively affects employee morale, productivity and reputation in the market."

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- Samantha Tedjosugondo, Sweef Capital

Australia's multi-billion dollar construction industry is a frustrating case study. One of the nation's biggest employers, it has largely failed to stem the outflow of talented women and recruit new talent at a time when the industry is struggling to fill roles to deliver a massive project pipeline.

Women comprise just 12 per cent of the construction workforce. An industry taskforce report, *Cost of Doing Nothing*, called for urgent action to address cultural issues "that are costing the economy close to A\$8 billion annually due to workplace injuries, mental illness, suicide, long work hours and a lack of diversity". The gender pay gap is part of a new Culture Standard adopted at industry level.

In contrast, Australia's Muslim-majority neighbour, Indonesia, offers an inspiring success story of the benefits of making women a core part of business and operational strategies.

Paragon Corp's Founder, pharmacist Dr (HC) Nurhayati Subakat, started her home-based haircare products enterprise in 1985 while raising her children. A pioneer in halal cosmetics, the private company now holds 30 per cent market share in Indonesia as it continues to make inroads in Malaysia and other markets through a portfolio of beauty and wellness brands and products. The group handles product development, manufacturing and distribution in-house.

Paragon is now run by the family's second generation and its thriving ecosystem-based business model is underpinned by 12,000 employees – 85 per cent of whom are women – and an ambitious corporate social responsibility program (see breakout).

According to Paragon's Vice President of Research and Development, Dr Sari Chairunnisa, while the company itself has transformed over the decades, its purpose remains the same.

"Through our business, we want to create benefits for society and the environment," Dr Chairunnisa says. "We believe that giving benefits to others will help Paragon keep growing in a sustainable way."

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- Dr Sari Chairunnisa, Paragon

Ms Tedjosugondo says Paragon's holistic focus on nurturing talent, empowering women and supporting communities through good business practices demonstrates the value of 'and/and' leadership thinking. That's a powerful proposition for employees.

"Organisations need to provide an inclusive work culture that addresses women's needs and responsibilities, and counter gender biases and stereotypes through their strategies, policies and practices," she says. "They must understand what those needs are and provide flexible work options that support and motivate talented women, and men, to stay with the enterprise. Otherwise, productive employees will go elsewhere."#



The *Sweef Capital Gender ROI™* identifies gender equality and diversity gaps and informs interventions to build resilience, equal opportunity and inclusion. This Insight Series explores how each indicator contributes to delivering social, financial and economic returns: <https://sweefcapital.com/gender-roitm/>

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Paragon Corp – blazing a purpose-driven trail for women

Paragon Corp was named Indonesia's best managed company in Deloitte's 2023 business achievement awards. It's the latest honour for the pioneering private company established in a home garage nearly 40 years ago. Paragon is now run by the family's second generation, who have embraced the company's mission to create commercial outcomes through good businesses.

Paragon is the market leader for make-up and face care in Indonesia. Its pioneering Wardah product is the top halal beauty brand in the nation and the sixth-fastest growing cosmetic brand in the world. Its Kahf male grooming brand rocketed to second spot with two years of launch. Innovation and experimentation are prioritised across the company.

More than 80 per cent of Paragon's women-dominated workforce are under 35 years old. These Paragonians, as they're known, are energetic advocates for the company culture, feeding strong employer brand recognition and talent retention rates. A resonant part of the employee proposition, especially for younger workers, is Paragon's corporate social responsibility program, built around pillars of education, health, the environment and women's empowerment.

Paragon is part of a cross-sector collaboration to develop and strengthen Indonesia's education ecosystem. It also supports health organisations, especially those related to women's and children's needs, and has a range of responsible business practices and programs to reduce waste and environmental impacts, raise consumer and public awareness and support land care.

Empowering women is a major focus. Paragon's flagship program Women's Space provides a safe space for women to come together and build their skills, confidence and networks. Through collaborations with non-government organisations and community groups, the company offers programs to help women increase their income and pursue careers such as make-up artistry.

"We're committed to developing the capacity, leadership and skills of women in Indonesia," says Paragon's Vice President of Research and Development, Dr Sari Chairunnisa. "We want to empower women to be their best selves. So no matter their role in society, as a mother, a CEO, a public figure or anything else, they can play their role to the fullest."#

For more about Paragon Corp's CSR program, visit: <https://www.paragon-innovation.com/csr>



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