

ANCHORED IN EQUITY





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Working with the administrators of a major port in Mexico, the IDB put its new Gender Appraisal to the test to identify ways to promote equal opportunities for women and men.

The Port of Manzanillo, Mexico, hums and pulses day and night to the rhythms of far-flung places across the Pacific Ocean. So attuned is it to Asia that the Chinese New Year brings a noticeable lull.

You might think that Mexico's largest container port would be a man's world—and down on the docks, where shipments of appliances and shoes and cars and tequila come and go, that tends to be the case. But the company that manages the port—a state-run port authority called the Administración Portuaria Integral de Manzanillo, S.A. de C.V. (APIMAN)—has worked hard to ensure that women within its ranks have the chance to thrive too.

By all accounts, the company has been making great strides. APIMAN was the first of Mexico's port authorities to have a female director, and several women have made it into middle management. The organization also performed well on a rigorous government certification test on gender equality.

"There's respect here between men and women," said Ana María Bautista Magaña, an accounting coordinator. Elisa López Núñez, who oversees two cargo storage yards, said she had received nothing but support from her bosses, adding, "This institution is giving me the opportunity to grow."

Despite the progress already made, APIMAN was interested in working with the Inter-American

Development Bank (IDB) to keep improving the work environment for women and men. In 2014, the port authority became the pilot site for the IDB Gender Appraisal, a new methodology designed to assess corporate gender equality and identify the business case for investments. Implemented over the course of several months, the assessment broke down the costs and benefits of specific actions the company could take to treat all of its employees more equitably. APIMAN would be the first port authority in Latin America and the Caribbean to undertake this exercise.

The results were "eye-opening," said Rogelio Valencia Sánchez, APIMAN's head of administration and finance. Although the company had already been taking steps to promote gender equality, the IDB's financial analysis reinforced the practical importance of doing so and demonstrated new avenues to take, Valencia Sánchez said. "It's very clear to us now what benefits this brings."

A HUB OF ACTIVITY

The Port of Manzanillo, in the state of Colima, is the main gateway for merchandise shipped into Mexico along the central Pacific coast. In 2014, more than 2.3 million containers—around 47 percent of all shipping containers handled in the

country—entered or exited through Manzanillo, according to official figures. The fast-growing port funnels merchandise into and out of a large swath of central Mexico, including Mexico City.

Located at the entrance to the enormous complex that makes up the Port of Manzanillo, APIMAN is one of 16 federal port authorities under Mexico’s Ministry of Communications and Transportation; other ports are run by state governments or private enterprises. The port authorities, which were established under the 1993 Ports Law, have somewhat of a hybrid identity. While predominantly state-owned, with government-appointed management, they do have a minimal level of private capital participation and are expected to turn a profit.

Like its counterparts along the country’s extensive coastlines, APIMAN does not actually run the port terminals; rather, it leases space and provides other services to private sector operators. Although on any given day more than 2,000 people come to work at the port—cargo handlers, tugboat captains, maintenance crews, and truck drivers, among many others—APIMAN itself has fewer than 110 employees.

The IDB first became involved with the Port Authority of Manzanillo when it was putting together a loan to help finance a new container and logistics facility being built at the port by Contecon Manzanillo S.A. de C.V., a Mexican subsidiary of International Container Terminal Services, Inc. of the Philippines. An IDB loan of up to \$65 million, approved in November 2014, will go toward some of Contecon’s capital expenditures through 2021, including yard development, ship-to-shore cranes, and other infrastructure.

In laying the groundwork for the loan, the IDB began to engage not only with the borrower but with the port authority, and it soon became clear there were areas of shared interest where the Bank might be able to provide technical assistance, according to IDB Investment Officer Joana Pascual, who worked on the project. For example, it was determined that the IDB could help APIMAN prepare a Plan for Climate Change Adaptation and also identify ways to reduce the port’s carbon footprint.



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In its discussions with the port authority—which at the time was headed by a woman, Flor de María Cañaveral Pedrero—the IDB found that another area for potential cooperation was gender equality and diversity. In late 2013, APIMAN had gone through an audit to become recertified under a stringent set of national standards called the Mexican Norm for Labor Equality between Women and Men (Norma Mexicana para la Igualdad Laboral entre Mujeres y Hombres: NMX-R-025-SCFI-2012). Even though the company had performed well, it was interested in looking at how it could take concrete actions to improve equity in the workplace, and to understand the business case for doing so

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The IDB Gender Appraisal was carried out only at APIMAN, not the entire port complex. Although APIMAN is relatively small, the IDB is confident that the port authority will have a positive influence on other companies operating at the Manzanillo port, according to IDB Gender Specialist Sanola Daley.

“It’s impossible to change things overnight,” she said, “but we expect that over time, through its interactions with the terminal operators and other companies at the port, APIMAN will be able to raise awareness and show that gender equality is important not only because it makes the workplace more inviting, but because it’s good for business.”

ACTIONS, NOT WORDS

When she first started working at the port authority in 2013, Elisa López Núñez faced the double hurdle of being female and young, just 23 at the time. She is in charge of two storage yards, which cover a total of some 53,000 square meters (more than 13 acres), where cargo too large to fit into containers—whether steel pipes or vehicles or heavy machinery—is held until it clears customs.

Her responsibilities include managing the logistics of placing cargo so it can flow into and out of the yards efficiently, as new shipments come in and others are cleared to go. It is a position that requires regular interaction with workers outside APIMAN, including cargo handlers, ship operators, and customs agents.

López Núñez remembers that one day, when she was still brand new on the job, she was walking around with her boss when a cargo handler—a man in his 40s—openly challenged one of her decisions. “What do you know anyway?” he sneered. “You’re a woman and you’re too young.” Before she could answer, her boss jumped in to demand that she be shown respect—not only because she was a woman, but because she was in charge and

knew her job. That public backing not only sent a message to others, she said, but gave her a boost of confidence too.

In those first few months on the job, López Núñez said, plenty of people looked at her skeptically, but instead of confronting them she focused on doing the job. She made it clear to the three employees she supervises that she wanted to learn from them and work as a team to address the multiple challenges that arise every day.

“We’ve worked together, and we’ve worked well,” she said. In the end, she added, it was a matter of demonstrating “with actions, not just words. Sometimes words end up being unnecessary.”

These days, López Núñez not only holds a demanding job but attends the University of Colima on the weekends to earn a master’s degree in international trade, at her employer’s expense. “This is a company with excellent principles that seeks continuous improvement,” she said. She believes APIMAN’s efforts to make women an integral part of the company pay off for everybody, as fairness and respect lead to better teamwork and a higher quality of service.



Men still outnumber women by about two to one at APIMAN, and men still hold most of the high-level posts. Management positions are appointed by the central office or by coordinating committees that include local government officials, and turnover has been high in recent years, especially at the top levels. A preliminary analysis showed that women, who work in lower-level positions, have been less affected by the turnover and have more stable posts. At the same time, women were not actively ascending the ranks within the company.

Still, several employees said in interviews that they believe women generally have more opportunities for advancement than before. Rosa Aurora Quiroz Dahas, the port authority's deputy environmental director, said that when she first started working there 18 years ago as head of a department, most of the women working in and around the port held clerical or janitorial jobs. Now she sees women working in security, construction, engineering, and surveying, among other areas.

HIGH STANDARDS

The Mexican Norm for Labor Equality establishes a detailed set of standards that aim to level the playing field between women and men. Certification under these standards is voluntary and open to public or private companies or organizations. Becoming certified is seen as “a plus—a value added to the service the company provides,” as APIMAN Human Resources Director Miguel Angel Maldonado described it.

The standards include dozens of indicators that score companies on a wide range of subjects: Does the mission statement affirm principles of equality? Does the company actively promote work-life balance opportunities for all employees? Is there gender equity in salary and remuneration? Are there policies in place for both maternity and paternity leave? What mechanisms exist for reporting sexual harassment?

The questionnaire asks not only how men's and women's salaries compare, but also how long women stay in the organization, on average, and whether they are able to advance at a similar rate as men. Inclusive language is another category: Instead of using masculine pronouns as a catch-all, as is the usual practice in Spanish, the standards call



for written materials to specify both sexes—ellos y ellas—or to make job descriptions gender-neutral.

As Bárbara Martínez, an administrative assistant in Human Resources, described it, the standards help make the workplace more welcoming for everyone— not just women -“so that ‘human resources’ can be human.”

Mexico's network of port authorities had been certified under the labor equality standards in 2012, based on a random audit of several locations. The national norms, first adopted in 2009, were modified in 2012, and the following year the Manzanillo site was among the port authorities selected for recertification. It performed well, scoring 250 out of 285 possible points, but the process pointed to areas for potential improvement.

That's where the IDB Gender Appraisal came in. As part of the technical assistance it provided to the port authority, the IDB retained the international consulting firm Deloitte to help conduct a detailed analysis of steps APIMAN could take to strengthen its commitment to gender equality and at the same time benefit its core business activities.

The point of the appraisal process wasn't to highlight what the company was doing wrong— after all, it was clear APIMAN already valued gender equity—but rather to determine what additional steps might prove to be a good investment, said the IDB's Sanola Daley.



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"If there's a business case to be made for investing in gender measures, if companies can see that certain changes will help them become more productive, it's more likely they will follow through," she explained. "It's in every company's best interest to improve employee productivity, because that has a direct impact on its core performance."

"Creating and building a day care costs much more than changing a policy," she explained. The appraisal team grouped its recommendations into three basic areas the company could address: improving its performance as measured by the certification standards established in the workplace norm; strengthening recruitment, training, feedback mechanisms and other human resources practices to ensure more fairness and opportunities; and achieving a better work-life balance for all employees.

THE APPRAISAL PROCESS

The IDB team started the appraisal process by gathering information related to gender equality at other ports around the world, to identify best practices already in place. It then assessed the local context in Manzanillo to take into account socio-economic factors beyond the workplace. Finally, it delved into the situation at APIMAN itself by analyzing human resources data, conducting surveys and interviews, as well as hosting focus groups to ask employees about their experiences and perceptions.

Based on all the information it collected, the team developed a menu of 19 different options the company might consider, with an analysis that weighed the potential cost and impact of each step. The goal was to identify opportunities to strengthen gender equity throughout the organization while recognizing the realities faced by a small company like APIMAN.

That last issue was the company's weakest area in the national certification process, and tends to come up frequently among employees. In one survey, only 65 percent of employees agreed with this statement: "My work allows me to devote time to my family."

The IDB team analyzed the potential impact of policies that would give employees more flexible work schedules, potentially enabling them to become more loyal and productive. Management had recently cut the two-hour lunch break to one hour, which pleased some employees who liked arriving home earlier; others, however, preferred having lunch with their families and were not happy about the change.

"Flexibility at work is key," said Kelle Bevine, Strategy Chief of IDB's Structured and Corporate Finance Department. "Even if people are working the same number of hours a day, it can make a big difference for productivity."

COUNTING PESOS

An integral part of the appraisal process was a detailed cost-benefit analysis. In this sense, the Gender Appraisal is modeled after the IDB Shared Value Appraisal—a mechanism the Bank developed to determine how companies could make social investments and at the same time benefit the bottom line.

By breaking down the costs and benefits of specific steps to advance gender equality, the Gender Appraisal showed that certain actions could lead to concrete, measurable payoffs, such as higher productivity, a better reputation, and the ability to attract and recruit more qualified talent, both male and female. Based on the results of the analysis, APIMAN would not have to invest much capital to achieve this; rather, most investments would be in the form of time and effort. The analysis calculates the monetary value of that investment, along with any out-of-pocket expenses, and quantifies the potential returns.

For example, the analysis found that investing in a more flexible work schedule would start to pay off in just two years in the form of lower turnover and higher productivity. According to an IBM study, employees on flex time work 0.5 to 2 days more per week. Similarly, new employees work at 60-70% of normal capacity the first 3-6 months on the job (IFC).

In addition, strengthening human resources procedures and expanding training opportunities would involve considerable staff time but produce multiple benefits, including lower learning curves for new employees, better teamwork, a healthier work environment, and more sensitive handling of issues such as sexual harassment. The analysis found that the initial investment would start to produce solid, positive returns within four years.

Putting a value on some of the more abstract benefits—such as a good reputation—is more challenging in the case of a company like APIMAN than it might be for a manufacturer or retailer with easily measurable sales. The appraisal team took a number of factors into account, including other studies that had measured the impact of reputation on logistics companies (such as trucking firms), and then made “conservative assumptions” to calculate potential returns on investment.

Rogelio Valencia Sánchez, APIMAN’s head of administration and finance, said the company is accustomed to doing cost-benefit analyses for investment projects, but had never applied this approach to current expenditures such as training programs. “This opens up a much broader perspective in terms of the exercise of resources,” he said. “Now it’s not just about complying with a norm, but there is also going to be a quantified benefit. That economic perspective reinforces the importance of doing all of this.”

GENDER TOOLKIT

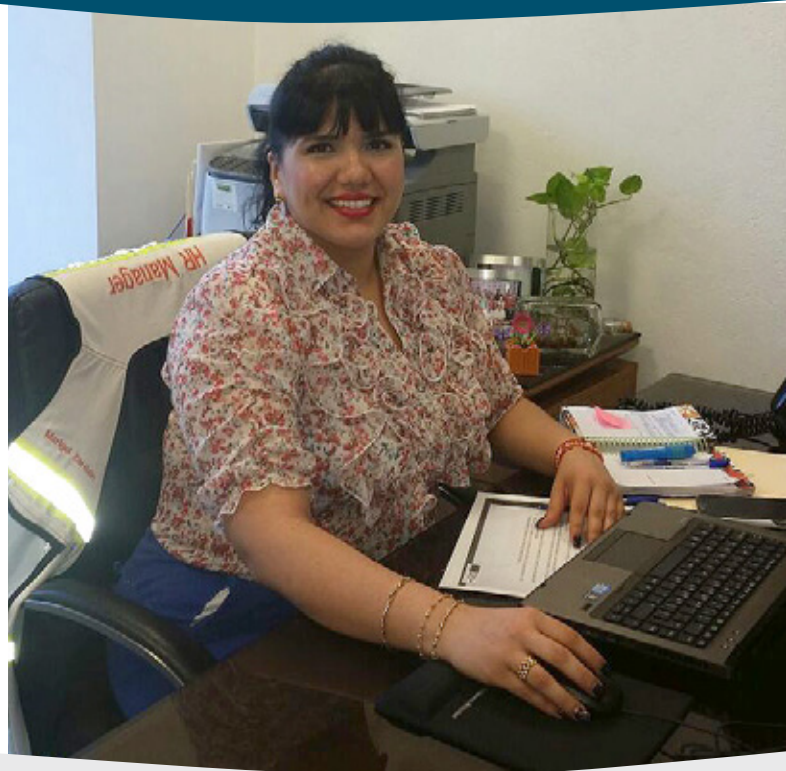
Once it had completed the appraisal, the IDB team went a step further and provided support to APIMAN to start implementing some of the recommendations. For example, the team developed a human resources toolkit that included sample recruiting materials, couched in gender-neutral, inclusive language, and model questionnaires to use in interviewing job candidates and conducting performance reviews.

“It’s important to have consistent, objective, and transparent measures for success,” Daley said. Ensuring that everyone is evaluated according to the same criteria promotes fairness and meritocracy; reinforces the idea that talent and ability are what matter; and give employees a roadmap for what they need to do to progress in the company. By instituting these types of systematic talent management procedures, over time the company can begin to address some of the entrenched unconscious biases that may explain why women haven’t been promoted at the same rate as men, Daley said.

The appraisal team also worked with APIMAN to develop a structured employee training plan, which covers initial training and mentorships for new hires as well as regular roundtables for managers and longer-term employees. The aim is to instill values related to inclusion and equity, but also to provide employees with skills they may need to move up the professional ladder. One recommended component for female employees is assertiveness training, to help them more effectively handle salary negotiations and day-to-day interactions with their peers.

A WORLD OF MACHISMO

Ports are for men.” That’s still the prevailing attitude, at least in the port environment in Mexico, according to Marigel Zardain, head of Human Resources for Contecon, a major port operator in Manzanillo and the recipient of an IDB loan.



Unionized workers make up more than 40 percent of Contecon’s employees, and machismo permeates the union structure, which is “headed by men, managed by men, operated by men, with labor done by men,” Zardain said. Union rules specify that before workers can advance to jobs like operating machinery, they must start out doing heavy labor, lifting and hauling bundles and crates. As Zardain has been told, politely, “That’s not something a lady can do.”

It’s not just a matter of tradition, she said, but codified in collective bargaining contracts, which specify that workers must be male. This persists in spite of the fact that port jobs are becoming increasingly mechanized, and are therefore gender-neutral. Zardain, who is not only female but just 33 years old, has received her share of snide comments, but she said she has developed a good relationship with the union leadership and jokes with them about training to be a crane operator.

“I don’t lose faith that something has to change,” she said. Contecon is a young company—it began commercial operation in 2013—so it’s not mired in the past, and non-union jobs are open to anyone, said Zardain, who supervises a staff of 29. “Ability is what sets us apart. It doesn’t have to do with gender.”

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Today, about 10 percent of the company’s 600 employees are women. Zardain wishes that number were higher, but she is especially heartened when she sees women at the port working out in the hot sun; they aren’t allowed to operate machinery, but some hold supervisory positions on the docks or yards. She believes that over time, “little by little,” they are marking the path for others to follow.

“It’s a challenge, but first and foremost the interest is there and the enthusiasm to show and prove that we can do this too,” she said.

The IDB team also provided training for senior management on inclusive leadership, incorporating gender-related issues into a more general perspective on how to become more effective leaders. This type of approach can be more successful than a heavy-handed focus on gender, which can make people uncomfortable or defensive, especially in a male-dominated environment.

APIMAN has now begun to implement the annual training plan and conduct exit interviews with employees who leave, according to Human Resources Director Maldonado, adding that the company started with “the most accessible steps, in terms of time and costs.”

Working with the IDB team showed the company just how much remains to be done on the gender equality front to ensure “that employees have the most optimal work situation,” he said. “It’s not enough to say, ‘I’m certified, and that’s that.’”

SMALL STEPS FORWARD

When APIMAN was going through the last certification process on workplace equality, Bárbara Martínez would often hear comments like this one: “That’s all well and good, but it’s paper.” She made it her personal challenge to “make sure that it’s not just paper, but that it’s real.”

Of course, she said, the subject can’t always be at the forefront of people’s minds: “If they tell you that you need to meet a norm and a ship is sinking, well obviously the ship will be the priority.” But, Martínez and others said, the company has gradually been devoting more attention and resources to equality and inclusiveness issues, and changes for the better have been taking place.

Some of the changes have made men’s lives easier too. For example, the company has started implementing paternity leave for new fathers. Javier

Bautista Silva, who works in payroll, was even given a baby shower at work—a first for a man at the port authority, but no doubt not the last. When he and his wife had their first child at the end of 2014, the five paid days he got off were a big help, and his employer’s flexibility has allowed him to sometimes pick up his son at day care in the afternoon. All this contributes to “a better work environment,” Bautista Silva said, adding that his wife, who works in sales at a hotel, has much less flexibility at her job.

Mexico’s national standards on workplace equality also include some indicators related to people with disabilities, and in recent months APIMAN installed an elevator to improve accessibility. This year, the port authority plans to set up a lactation area so new mothers will have a private place where they can pump their breast milk. APIMAN and other port authorities in Mexico have also been raising awareness about the problem of violence against women and children.

In general, awareness about gender issues has grown throughout the organization, Valencia Sánchez said. “This issue is viewed positively at every level,” he said. “Things are happening, though not always as fast as one would like.”

Valencia Sánchez believes APIMAN could also help raise awareness throughout the rest of the port, for example by posting signs or billboards to generate interest in the topic. One step, he said, might be to sponsor a Labor Equality Week to promote the importance of inclusion and equal opportunity among the companies that operate the terminals.

In his experience, women tend to bring a practical perspective to the table that lends clarity and diversity to company decisions. “The active, constant participation of women in every area of the work environment is always enriching from a corporate perspective,” Valencia Sánchez said. “This is here to stay; it’s taken root in the organization. I don’t think there’s any turning back.”

Through its Structured and Corporate Finance Department (SCF), the IDB partners with private sector entities to achieve breakthrough financial results with high development impact. The IDB works with large- and medium-sized businesses, including private utilities and infrastructure operators, banks and financial institutions and state-owned enterprises in a broad range of economic sectors.



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