



DEI

DEI

WOMEN'S INCLUSION IN CAMBODIA

The Power of DEI:

"Empowering Cambodian women through dedicated DEI initiatives in the corporate sector"

Executive Summary

Diversity, Equity, and Inclusion (DEI) are significantly important for sustainable corporate success. The corporate landscape of Cambodia reflects a diverse environment in which gender roles have evolved over a period of time, but they continuously suffer many disparities in workplace representation and leadership opportunities. Women form a substantial proportion of the workforce but they remain underrepresented in the senior management and board positions. Although there are many advantages to promoting gender diversity and inclusion in the workplace, many organizations are careful in pushing this agenda. This whitepaper aims to examine the current status of women-centric DEI in the corporate sector of Cambodia. It questions reasons for the slow adoption of DEI and proposes suggestions on how to start and build on existing policies relevant to Cambodia's people and culture. It also proposes a series of recommendations and practical strategies that will help in developing gender-neutral corporations in Cambodia. Research shows that companies that focus on prioritizing DEI benefit from an increase in innovation, improvement in financial performance, and strengthening of corporate governance. Promoting an inclusive environment not only aligns with global best practices but also contributes to broader societal progress and economic development.

*"A garden's beauty never lies in one flower." —
Matshona Dhliwayo*

Table of Content

1. Introduction	4
2. The Core Values of Diversity, Equity, and Inclusion	5
3. Current Overview of DEI in Corporation of Cambodia	7
3.1 Survey Details	7
3.2 Key Findings	7
4. Statistical Analysis of Women's Representation in Corporate Cambodia	8
6. DEI Factors Contributing to Low Representation of Women	10
6.1 Limited Representation in Leadership	10
6.2 The Promotion Queue	10
6.3 Work-Life Balance	11
6.4 The Gender Pay Gap	11
6.5 Cultural Norms	11
6.6 Education and STEM Fields	11
6.7 Access to Training & Development	11
6.8 Lack of Maternity Leave Policies	11
6.9 The Culture of "Presenteeism"	11
7. Benefits of Taking Women centric DEI Initiatives	13
8. DEI Framework For Promoting Women Participation	14
8.1 Assessment & Planning	14
8.2 Building the Culture	14
8.3 Enhancing the Recruitment & Promotion Pipeline	15
8.4 Supporting Working Mothers	15
8.5 Engaging with External Stakeholders	16
9. Metrics for Evaluating DEI Efforts	16
9.1 Leadership Pipeline	16
9.2 Workforce Composition	17
9.3 Compensation & Benefits	17
9.4 Career Advancement	17
9.5 Employee Experience	17
9.6 Business Performance	18
10. Trends Shaping the Future of DEI in Cambodia	18
11. Conclusion	19
13. Bibliography	



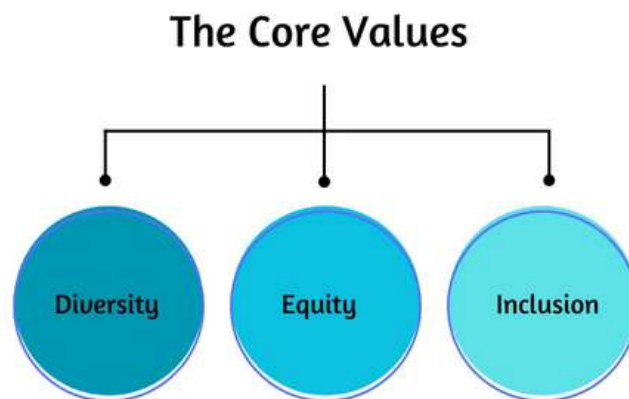
1. Introduction

Diversity, Equity, and Inclusion value the differences among people, ensuring fairness and creating an environment in which everyone is respected and accepted. This whitepaper seeks to explore the current status of DEI in Cambodian corporations from the gender perspective of representation and participation of women. Women make up around 49% of the current population of the country, but their representation in businesses is low as compared to their male counterparts. This difference is seen across different sectors of the country for example finance, IT, logistics, construction, tourism. Women also face many challenges such as limited opportunities for advancement, work-life balance issues and gender pay gap. DEI principles are more relevant for big cities like Phnom Penh, Siem Reap, and Sihanoukville. These are the places where diverse populations and dynamic economic activities require inclusive practices for sustained growth and development. We believe in developing an equitable and healthy corporate environment for the progress of this nation toward sustainable economic development.

Real diversity and inclusion doesn't mean that we will always agree. It means that even when we disagree, we can still respect each other." — Justice Jones-Fosu

2. The Core Values of Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion are key elements in building strong, innovative, and successful organizations. We will present a brief discussion about all 3 concepts:



Diversity

The presence of differences within an organization is termed Diversity. It includes the differences of race, gender, ethnicity, religion, and disability. This looks like the human resource having people from different backgrounds, experiences, and hold various beliefs and values. It aims to improve collaboration and encourage innovation within an organization. Achieving diversity also means ensuring women are well-represented across different levels of the organization and not just in entry-level positions.

Equity

Equity is about fairness and making sure that everyone has access to the same opportunities by keeping in mind the differences in their needs and backgrounds. Equity promotes justice and impartiality within the procedures, processes and distribution of resources. It recognizes that women do not all start from the same place and hence adjustments must be continually made to the imbalances.

Inclusion

Inclusion means creating an environment in which every person is accepted, respected, and valued, and given room and opportunity to flourish and succeed. It is holding space for people to voice their opinions without judgement and without feeling the constant need to correct assumptions about themselves. The company believes strongly in allowing them to make a meaningful contribution.

Current Overview & Statistical Analysis



3. Current Overview of DEI in Corporation of Cambodia

Throughout the preparation of this paper, our focus has been on presenting information supported by evidence collected through a survey with local respondents - Cambodian nationals, and expats working in Cambodia. It paints a general overview of the current situation in the country. The survey respondents belong to different industries such as Hospitality, Education, Insurance, Human Resources, Media, Advertising, and Legal Services.

3.1 Survey Details

Title: DEI Research Cambodia **Purpose:** This survey aims to find out the current status of Diversity, Equity, and Inclusion (DEI) in Cambodia's corporate sector. Its objective is to understand how companies are addressing DEI in their day to day operations, the challenges they are facing and the impact of their efforts on employees, business outcomes and Cambodia as a whole. Respondents are anonymous. **Method:** Online Survey

Quantitative research where results are a percentage of

Exclusions: apart from the sector of economy, no information on demographics was collected. Questionnaire was only available in English, not Khmer.

3.2 Key Findings

State of Diversity

Gender Diversity: As per our survey, 36% of the employees believe that gender diversity is not a primary focus in their company.

Equal Opportunity: On average, 4 out of 5 companies perform well on this parameter.

Cultural Diversity: 20% of the companies do not value the various cultural traditions and diversity in their organization.

Leadership Commitment: Almost 45.5% of the employees feel that the leadership in their organization is undecided about diversity.

Diversity Metrics: 54% of the companies do not focus on diversity measurement.

State of Equity

Performance Evaluation: Nearly 70% of employees in Multinational Companies (MNCs) and Small and Medium Enterprises (SMEs) express doubts about the fairness of performance evaluations.

Leadership Commitment: Almost 30% of employees opt for neutrality when asked about leadership's commitment to equity in their organizations.

Disciplinary Actions: A notable 28% of employees feel that more transparent communication is necessary in disciplinary actions.

Effects of Equity Initiatives: 81.8% of employees have a strong belief that their company's equity-related initiatives positively affect the workplace.

State of Inclusion

Decision Making: 31% of employees believe that their input plays a substantial role in organizational decision-making.

Training & Developments: Approximately 55% of companies offer training programs on promoting inclusive practices within the organization while the remaining 45% lack structured programs.

Cultural Inclusion: 36.4% of employees believe that individuals from different cultural backgrounds are respected within their company.

4. Statistical Analysis of Women's Representation in Corporate Cambodia

4.1 Overall Workforce Participation

According to the International Labour Organization (ILO) report of 2021, women make up around 49% of Cambodia's total workforce. However, their representation in leadership roles remains low.

4.2 Management Positions

According to 2016 World Bank Gender data, 57.3% of the firms have female top managers in Cambodian corporations.

4.3 Important Data Points

- Employed women in 2019 represented 41% of the female workforce, as compared to men who accounted for 54% of the male workforce.
- The percentage of self-employed persons is slightly higher for women than men, at 38.8% and 36.8% respectively.
- Marital status is the most important determinant of women's wage employment. Women who are married are 38% less likely to be in paid employment
- The wage gap between women and men for equivalent work, attributable to gender discrimination, is 19%.

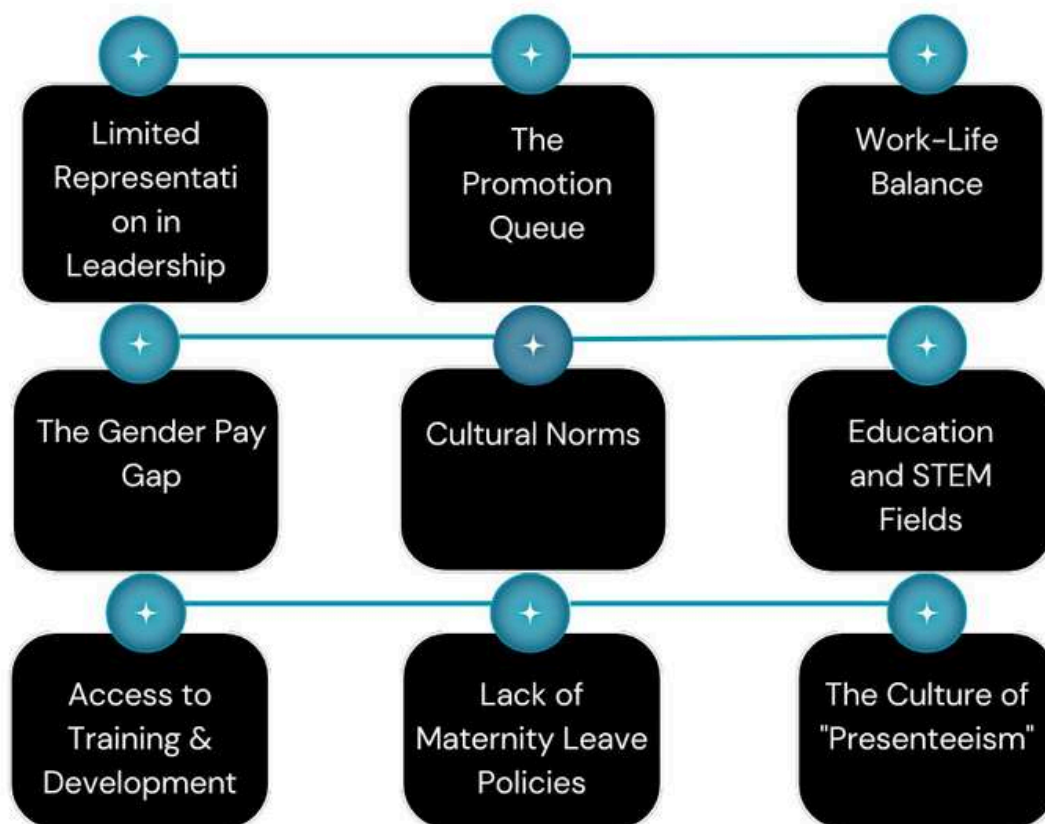


DEI Factors for Low Representation of Women



6. DEI Factors Contributing to Low Representation of Women

Though Cambodia is experiencing economic growth and women make up nearly half the workforce, they are often left behind when it comes to leadership positions and career advancement. This lack of DEI for women in Cambodian corporations hinders not only their personal growth but also the overall success of the companies. Below are some factors contributing to low representation of women:



6.1 Limited Representation in Leadership

As discussed above, according to the World Bank gender data, only 57.3% of board seats in Cambodian companies are held by women. This lack of female role models discourages younger women from pursuing leadership aspirations and reinforces the perception that leadership is a domain for males only.

6.2 The Promotion Queue

Women often face hurdles when seeking promotions. This happens because of bias in performance evaluations, a lack of mentorship from senior women leaders, and the perception that women are less committed due to their family responsibilities.

6.3 Work-Life Balance

Balancing childcare and household duties with demanding work schedules in the corporation is a significant challenge for women. A lack of affordable childcare options and inflexible work arrangements often push talented women out of the workforce or limit their career progression.

6.4 The Gender Pay Gap

Despite possessing equal educational qualifications, Cambodian women earn less than men for doing the same work. This pay gap is demotivating and creates a financial strain that hampers their economic independence and career advancement.

6.5 Cultural Norms

Deep-rooted societal norms sometimes view men as natural leaders. Recruiters and managers may unconsciously favor male candidates, even if a woman possesses stronger qualifications. This unconscious bias can also impact performance evaluations and promotion decisions.

6.6 Education and STEM Fields

Women in Cambodia face challenges pursuing higher education, particularly in Science, Technology, Engineering, and Math (STEM) fields. Cultural norms prefer women to stay at home and manage the household. If a family has limited budget, the males will get the opportunity to continue education, women will enter the workforce at a young age to bring home a salary. This restricts the talent pool for MNCs and SMEs operating in these sectors.

6.7 Access to Training & Development

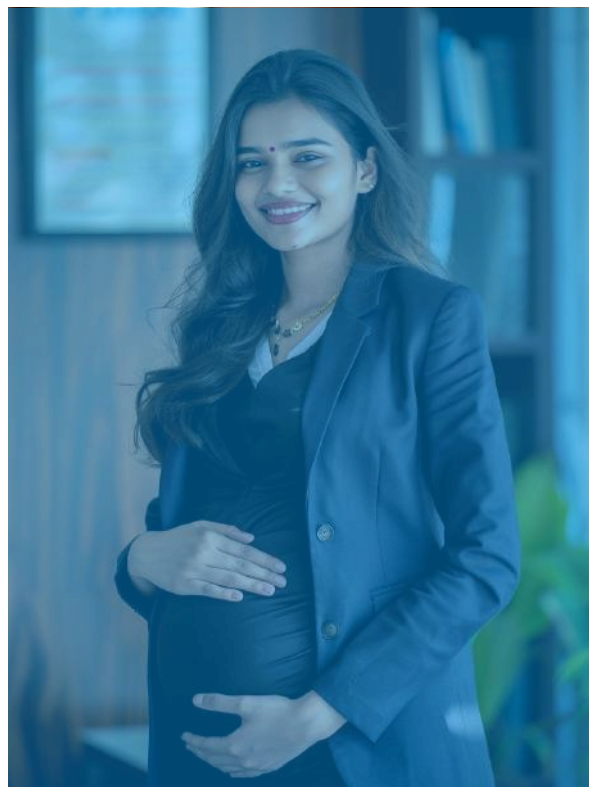
As an extension to lesser access to education opportunities, women may have less access to training programs and development opportunities crucial for career advancement. This can be due to factors like inflexible work schedules or a lack of awareness about available programs.

6.8 Lack of Maternity Leave Policies

Inadequate maternity leave policies can force women out of the workforce or discourage them from pursuing leadership roles in MNCs and SMEs.

6.9 The Culture of "Presenteeism"

A culture that values long working hours and physical presence in the office is unfavorable to women.



Women centric DEI Initiatives & Framework

7. Benefits of Taking Women centric DEI Initiatives

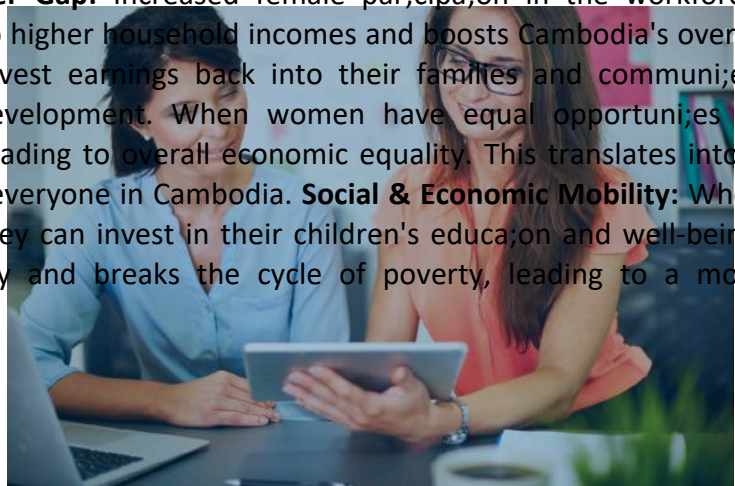
Women-centric DEI measures have the potential to advance Cambodia as a nation, both socially and economically.

Benefits for Corporation

Fresh Perspectives: Women bring unique viewpoints and experiences to the table, encouraging a wider range of ideas and problem-solving approaches. This fosters innovation in product development, marketing, and organizational strategies and boosts team dynamics. It helps companies tap into new customer segments, develop health and wellbeing policies for staff, and encourage everyone to work at their maximum potential. **Untapped Market Potential:** Women understand women's needs better. Increased female leadership can lead to products and services designed specifically for women, expanding the market and boosting sales. In the textile industry, it may be beneficial for female designers to contribute to creation of women clothes, or a tourism sector where women shape experiences that serve all genders. **Enhanced Brand Reputation:** Our world is experiencing a change in consumer behaviour where consumers appreciate and support ESG policies. Companies with a strong DEI track record attract positive attention from consumers, especially female consumers who identify with leadership that reflects their needs. This translates to brand loyalty and increased market share. **Talent Magnet:** Companies with good reputations for DEI attract top talent, regardless of gender. A competent workforce will naturally improve innovation, productivity, and team morale and challenge each person to give their best.

Benefits Beyond the Corporate Sphere

Economic Growth & Closing the Gender Gap: Increased female participation in the workforce, particularly in leadership positions, leads to higher household incomes and boosts Cambodia's overall economic growth. Women tend to reinvest earnings back into their families and communities, further contributing to the country's development. When women have equal opportunities to advance, the gender pay gap narrows, leading to overall economic equality. This translates into a more robust and equitable economy for everyone in Cambodia. **Social & Economic Mobility:** When women are economically empowered, they can invest in their children's education and well-being. This creates a cycle of upward mobility and breaks the cycle of poverty, leading to a more prosperous and stable society.



8. DEI Framework For Promoting Women Participation

8.1 Assessment & Planning

Conducting Gender Audit: Gender audit helps in measuring the current state of women's representation across all levels of the organization. This includes analyzing recruitment practices, promotion rates, and salary structures to identify any existing gender gaps. **Developing a DEI Strategic Plan:** Based on the findings of the gender audit, establish clear goals and objectives in line with company's overall direction, for increasing women's representation in leadership positions and throughout the company. Set measurable targets with timelines for achieving them. **Secure Leadership Support:** Obtain commitment from senior management, including the CEO and board of directors. Their view points and active support is crucial for the success of any DEI initiative. They set the tone and pace for all departments to work together.

8.2 Building the Culture

Unconscious Bias Training: Create awareness to all employees, including managers and recruiters, that an unconscious bias is not uncommon. Do not deny its presence but rather recognize its impact on decision-making and find solutions to mitigate this. Identify some bias and create a checks and balance system where the final decision does not rest on one person or one department. **Technology:** Use of technology such as artificial intelligence (AI), not only simplifies processes but removes a large part of human bias. It helps with volume screening, is dependent on applicants' merit or markers that are important to the company and enables a closer match of skill sets and job descriptions. **Mentorship & Sponsorship Programs:** Create formal mentorship and sponsorship programs connecting experienced women leaders with aspiring female professionals. Mentorship provides guidance and support, while sponsors actively advocate for women's professional advancement. **Flexible Work Arrangements:** Offer flexible work options like remote work, compressed workweeks, or part-time schedules to help women manage work-life balance, a significant challenge for many. **Inclusive Work Environment:** Promote a culture of respect and inclusion where everyone feels valued and has a voice. This includes celebrating female achievements and creating employee resource groups (ERGs) for women to connect and support each other.

8.3 Enhancing the Recruitment & Promotion Pipeline

Diversity on Interview Panels: If interview process does not include AI in any aspects, then panel should include women and people from a range of backgrounds and lifestyles. This reduces biases and creates a more welcoming environment for female candidates. **Standardized Promotion Criteria:** Establish clear criteria for promotions based on merit and performance. This ensures women have a fair chance of advancement based on their skills and accomplishments. **Leadership Development Programs:** Provide leadership development programs specifically designed for women. These programs can equip women with the skills and confidence needed to advance into leadership roles.

8.4 Supporting Working Mothers

Affordable & Accessible Childcare: Companies may consider partnering childcare providers to offer affordable and accessible childcare options for employees. This can significantly help working mothers balance their professional and personal responsibilities. **Parental Leave Policies:** Consider other children care policies such as childcare leave for both mothers and fathers should their family require a caregiver during critical situations. **Lactation Rooms:** Provide designated lactation rooms for nursing mothers to express and store breast milk during the workday. This demonstrates a commitment to supporting working mothers and their needs. **Supervisor Support:** Encourage team leaders and supervisors to be flexible and adapt to the changing needs of team members especially with working from home and movement during the work week. Periodically adjust deliverables and discuss responsibilities at different stages of the child's development. The goal is staff retention and loyalty. **Open Door policy:** Communicate to the females that they can speak with their direct supervisor, HR personnel or provide channels within the company for feedback and honest conversations. Each person is entitled to their thoughts and feelings. Be open to finding solutions and adapting structures and systems that are not in conflict with company's goals and direction.

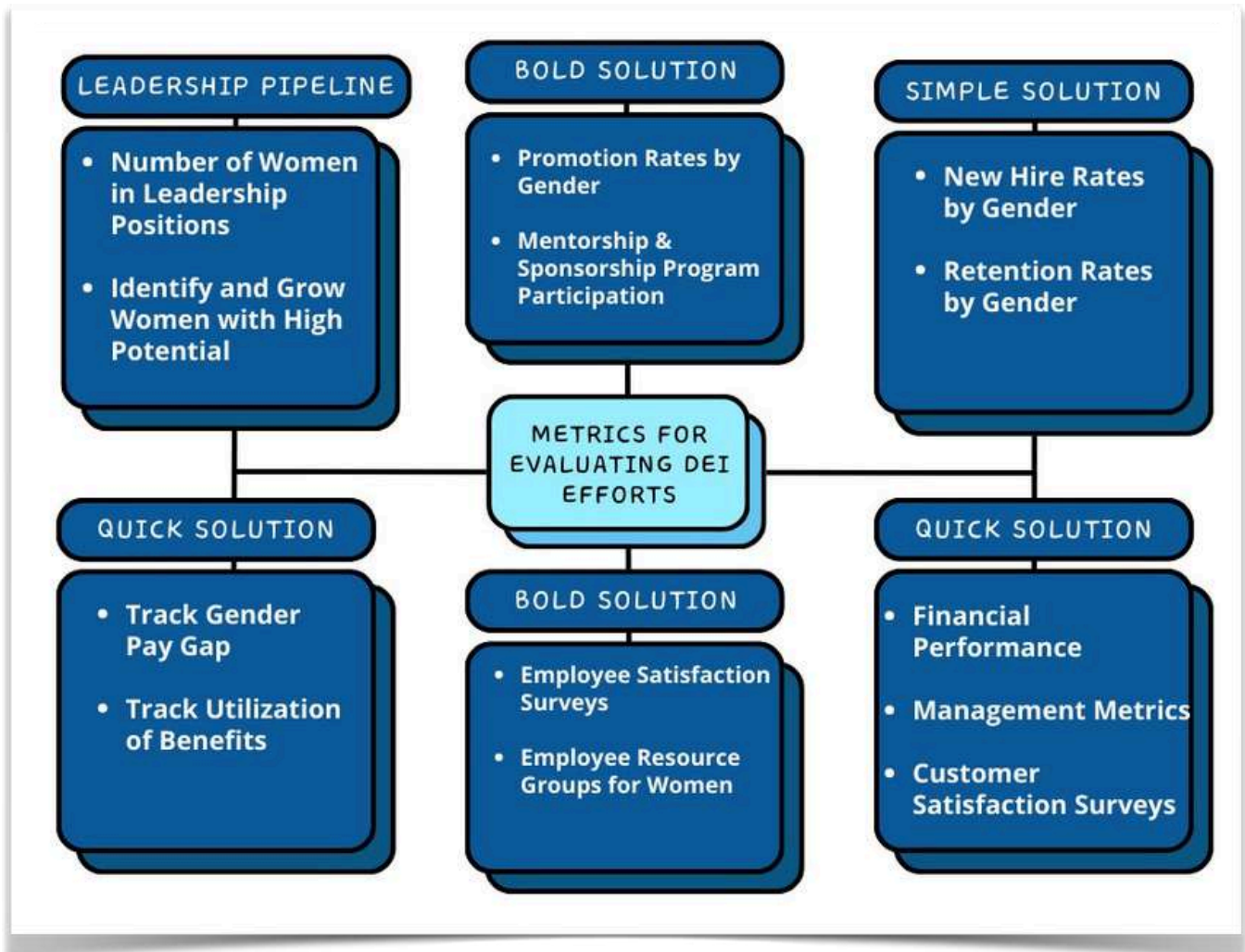
8.5 Engaging with External Stakeholders

Partnerships with NGOs & Educational Institutions: Companies can partner with non-governmental organizations (NGOs) and educational institutions that focus on women's empowerment and up-skilling them. Collaborate on training programs, mentorship initiatives, and outreach activities to attract more women to the workforce. **Industry Collaboration:** Work with other Cambodian companies to share best practices and learnings regarding DEI initiatives. Collective action and raising awareness together can create a more systemic shift towards gender equality. **Advocacy for Gender-Inclusive Policies:** Advocate for government policies or create a supportive legal framework that promote gender equality in the workplace, which will benefit the entire workforce and Cambodian economy.



9. Metrics for Evalua@ng DEI Efforts

Implemen;ng DEI ini;a;ves in Cambodian corpora;ons requires ongoing monitoring to ensure effec;veness. Here's a breakdown of key performance indicators that can help to track progress



9.1 Leadership Pipeline

Number of Women in Leadership Posi@ons: Track the percentage of women holding leadership posi;ons at all levels, including board posi;ons, senior management, and department heads. Aim for year-over-year balance in female leadership. **Iden@fy and Grow Women with High Poten@a:** Talent reten;on policies may differ for women and each company should be aware of the different career pathways needed for females. Inves;ng in talent development builds a strong pipeline for future female leaders.

9.2 Workforce Composi;on

New Hire Rates by Gender: Track the percentage of women hired across all levels to assess if recruitment efforts are effec;vely ahrac;ng female talent.

Retention Rates by Gender: Monitor employee turnover rates disaggregated by gender. A higher turnover rate among women might indicate a lack of inclusion or support within the work environment.

9.3 Compensation & Benefits

Track Gender Pay Gap: Track the pay gap between men and women in equivalent positions. A significant pay gap may suggest inequity in compensation should be given attention.

Track Utilization of Benefits: Analyze the utilization rate of benefits like parental leave by both parents. Disparities can indicate biased policies affecting women.

9.4 Career Advancement

Promotion Rates by Gender: Compare promotion rates for men and women at all levels. Disparities suggest potential bias in promotion decisions and should be looked deeper into. **Mentorship & Sponsorship Program Participation:**

Track the number of women participating in mentorship and sponsorship programs. Allow feedback and open communication from participants to understand if programs encourage their career development and bring them closer to their professional goals.

9.5 Employee Experience

Employee Satisfaction Surveys: Include questions about DEI in employee satisfaction surveys. Analyze perceptions of fairness, inclusion, and respect within the workplace, with a focus on women's experiences. **Employee Resource Groups for Women:** Start Support Groups for women to encourage a sense of community and support. This also allows a safe space for peer and superior feedback so that the company can continuously do better.

9.6 Business Performance

Financial Performance: Track the company's profitability and financial performance over time. Research suggests companies with strong DEI practices often outperform those with less diverse Workforces. **Management Metrics:** Determine qualitative metrics according to the nature and make-up of each company such as success of project management in the areas of new product development, successful implementation of new policies or procedures, and general teamwork. Increased diversity can lead to more innovative solutions. **Customer Satisfaction Surveys:** Include questions related to gender representation or diversity in customer satisfaction surveys. Positive feedback can indicate that customers appreciate the company's commitment to DEI.

10. Trends Shaping the Future of DEI in Cambodia

The Cambodian corporate landscape is transforming, with DEI becoming increasingly important. Here's a glimpse into the future of women-centric DEI, exploring both trends and vision for a more inclusive corporate sector:

Technological Advancements: Technology like AI-powered tools instead reduce unconscious bias, streamlines processes and ensures a fairer process, from hiring to promotion to performance evaluation. Skills, and not connections are motivations for staying competitive in the job market.

The Rise of Gen Z: Generation Z, known for valuing social responsibility, is entering the workforce. Companies that champion DEI will be more attractive to this talent pool, including young women seeking purpose-driven careers.

Globalized Marketplace: As Cambodia integrates further into the global market, companies will recognize the value of diverse perspectives and experiences, making strong DEI practices a competitive advantage.

Focus on Mental Wellbeing: Companies are acknowledging the importance of employee wellbeing. Flexible work arrangements and support systems like stress management workshops can help retain talented women who might otherwise leave due to work-life balance challenges.

Increased Scrutiny from Consumers: Consumers are increasingly conscious of a company's social impact. A commitment to DEI, particularly regarding women's representation, will resonate with consumers who value gender equality.

11. Conclusion

Having Diversity, Equity, and Inclusion incorporated into company policies is no longer a nice addition to human resources tactics. DEI should be a driving force behind every company's success. If one is ready to invest time, effort, and creativity in an inclusive and diverse workspace, one can definitely expect a return on investment, both financially and socially.

With the right approach to creating, managing, and maintaining a diverse and inclusive environment, it is possible to increase revenue, reduce turnover, boost engagement, and much more. Together these benefits can easily increase profits, prevent unnecessary expenses, and improve the company's bottom line. Addressing these issues requires a comprehensive approach that includes policy reforms, active leadership engagement, and continuous education and awareness.

Journeying toward a fair and equitable workplace will not happen overnight, but it is a meaningful and worthwhile path companies are encouraged to take. This vision hinges on a collective effort from corporations, the government, educational institutions, and members of society as a whole. By embracing these trends and working towards a more inclusive future, Cambodia can unlock the full potential of its workforce, develop into a prosperous and equitable society, and make this nation globally competitive, worthwhile of foreign investment.

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