The potential for women in Asia to raise their economic position is great, but automation will present unique challenges for women in the workforce.
As automation changes the nature of work across the globe, women in Asia face specific challenges as they strive to better their economic position. In this video, Anu Madgavkar, a partner with the McKinsey Global Institute, discusses the range of opportunities and challenges facing women in the workforce in Asia and how CEOs can further accelerate the integration of women. An edited version of her remarks follows. This conversation is part of our series on the future of Asia.

What are the top three most disruptive forces shaping women in the workforce ten years out?

Women in the workforce in Asia have tremendous opportunities but also face significant challenges. Let’s look at the starting point: women in Asia contribute about 36 percent of Asia’s GDP, which is in line with the global average, but there’s a wide range. For China, this is higher, at about 41 percent; for India, this is lower than 20 percent.

So there is a lot of scope for women to actually raise their economic contribution and role in the region. The potential is very high. We think that by 2025, women in Asia could contribute an additional $4.5 trillion of GDP, which is a 12 percent increase over Asia’s projected GDP at that point in time.

And there’s something in this for every country. India has the biggest potential, at 18 percent of GDP, but it’s high for China as well, at 13 percent. And even for Japan and Singapore and some of the more mature economies, a 5 percent to 6 percent GDP uplift is possible just by bringing more women into the workforce and helping them be engaged in more productive work.

Asia is also one of the most dynamic regions when it comes to showing the world that the needle can be moved in terms of raising the role of women. To give you a few examples, in China, the explosion in the tech sector has actually made the country home to 114 of the world’s 150 self-made women billionaires. China really has a disproportionate share of very successful women in the tech sector. In India, 160 million unbanked women actually got banking accounts in just a three-year period. A basic need like financial inclusion has been bridged very dramatically.

So there’s dynamism, there’s change, but there’s also challenge. The proliferation of digital and automation technologies is going to fundamentally change the nature of work. And this will impact women in Asia. There will be job displacement due to automation. For an economy like Japan, up to 20 percent or more of the women in the workforce will have to find new kinds of work as part of what they’re doing right now gets substituted by intelligent technology that does a lot of the cognitive functions that human beings do today. In India, up to 10 percent of the female workforce would need to make that adjustment. Now, there will be new job opportunities, as well, across a range of sectors, but women aren’t that well placed in some of them—professional and scientific and technical occupations, in particular.

Overall, it’s going to be an era of massive transitions. Women are going to have to reskill themselves with a new set of skills that are relevant in the future. For example, in the healthcare sector, women will need to spend much less time on routine clerical types of activities, because you’re going to have patients registering themselves on mobiles as they get into hospitals, and you’re going to have artificial-intelligence-led tools that do some of the diagnostics.

But the healthcare worker is going to have to spend a lot more time actually interacting with patients, with stakeholders, employing a whole lot of interpersonal skills and higher-order problem-solving skills. These transitions will be challenging, and they have to be made in very large numbers. In India and China, ten million to 40 million workers will have to make such transitions just to stay where they are and to stay in the workplace.
How should CEOs be responding to these forces as they think about their business strategies for the next decade?

CEOs should take action to help women transition into the future of work in Asia. And the biggest reason is that their companies stand to be the major beneficiaries. Today, the dropout rates are actually quite high. About 40 to 45 percent of entry-level positions in Asian companies are occupied by women, but at the C-suite level—at senior-management levels—this ratio drops to about 25 percent in Singapore but as low as 4 percent and even lower than that in Japan and India.

That is a huge loss of talent to companies. And to address this, CEOs need to do something. We’ve learned that a top-level CEO commitment to narrowing gender inequality or inequality for women is crucial to helping companies make this transition.

Based on that top-level commitment, some companies are doing many innovative things that others could learn from and do. For example, in Australia, some companies are reinventing their whole operating model to allow women to, for example, work out of their homes and also step out to a small regional business center or regional mall where an office is set up for them. This really helps women who find it difficult to commute on a regular basis over long distances. They can work out of the home, as well as from a regional center. Companies in Australia are also experimenting with things like job sharing, where women can work four-hour shifts in rotation, and contractors can chip in for the rest of the time. Basically, models that boost and make available more flexibility for women are going to be quite important to capturing this opportunity. And companies can do this.

The other thing that companies can do is to work with stakeholders—particularly in the area of reskilling and particularly for digital and technological skills. And here, there are many very interesting partnerships and collaborative efforts that we’re seeing across the region. CEOs can certainly do more of this.

For example, in China, the All-China Women’s Federation is working with a range of tech companies to boost tech-based skills and entrepreneurship for women. In India, companies like Google and Tata Trusts are working on massive women’s digital-literacy programs in villages. In Indonesia, what we’ve seen is that the largest e-commerce platforms are cultivating women and training them.

And women have a disproportionately high share of businesses on online marketplaces: something like 35 percent of online businesses are female owned in Indonesia, relative to only 15 percent in the offline world. So by encouraging collaboration with a broader set of stakeholders—women’s groups, social and self-help groups, companies, trade unions, and the tech world—these partnerships and collaborations can actually help women and help these national economies in Asia to capture more of the economic opportunity.

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