



# The role and contribution of women in the Scottish economy

***womenomics: Scotland***

*n. The theory that women play a primary role in economic growth*



# Contents

<b>Foreword from Professor Lesley Sawers</b>	<b>ii</b>
<b>Introduction from the Secretary of State for Scotland</b>	<b>iii</b>
<b>Executive Summary</b>	<b>v</b>
<b>1. Background</b>	<b>2</b>
1.1 Definition	2
<b>2. Review Scope</b>	<b>4</b>
<b>3. Methodology</b>	<b>6</b>
<b>4. Scottish Women and the Economy</b>	<b>8</b>
Key Findings	8
4.1 Employment and Inactivity	9
4.2 The Gender Pay Gap	11
4.3 Education and Skills	13
4.4 Family, Care Roles and Unpaid Roles	14
Conclusions	16
<b>5. The Scottish Gender Ecosystem</b>	<b>18</b>
Key Findings	18
5.1 The Scottish Gender Ecosystem	18
Conclusions	20
<b>6. The Business Evidence Base</b>	<b>24</b>
Key Findings	24
6.1 What is Happening and What Do We Know?	24
6.2 Women in Leadership	26
6.3 Women's Entrepreneurship	28
6.4 The Nordic Experience	29
Conclusions	32
<b>7. The Thousand Voices</b>	<b>34</b>
Key Findings	34
7.1 Methodology	34
7.2 Consultations and Discussions	34
Conclusions	38
7.3 Survey Results	38
<b>8. Final Conclusions and Recommendations</b>	<b>46</b>
8.1 Conclusions	46
8.2 Recommendations: Delivering the Change	47
<b>9. References</b>	<b>54</b>
<b>Appendix A: UK and Scotland: Additional Background</b>	<b>56</b>
<b>Appendix B: Survey Questions</b>	<b>60</b>



## Foreword from Professor Lesley Sawers

The current focus on equalities and the role and contribution of women to the economy and to business growth is both timely and welcome.

Since entering the workforce over thirty years ago, like many other women, I have witnessed very slow progress on the issues and challenges faced by women in their careers and in caring roles. This view is one shared by many others, both men and women, who increasingly recognise that we need a change in attitudes, culture and workplace practice if we are to unlock the full economic potential of our population. These individuals are themselves committed to the principles of womenomics and the economic benefits and business contribution that gender equality can deliver both to the workplace and the Scottish economy.

This Review has focused on understanding the role and contribution of women in the Scottish economy, but most importantly, I have sought to use, apply and develop the body of evidence that exists to identify an action plan and series of recommendations that will deliver lasting change for generations. This action plan has been developed through discussion and consultation with many working women across Scotland. In developing this plan, I acknowledge the work of many others who have built the body of evidence and data. I would also like to thank those businesses and organisations across Scotland who have shared their views and gender knowledge with me. Most importantly, I wish to thank the many women across Scotland who have given their time, shared their issues, hopes and ambitions and given me a window into their family and working lives. Their voices need to be added to the growing body of womenomics evidence.

I am grateful for the support of Alistair Carmichael MP, Secretary of State for Scotland, in allowing me to undertake this Review as a member of his Scottish Business Board. I would also like to thank my fellow Scottish Business Board members, who have shared their expertise and contributed directly to the business and sector evidence collected.

I would like to acknowledge the support I received from the Scotland Office team under the direction of Margaret Porteous. Specific mention needs to be made of Tereasa Bell, Jennifer Staermose-Johnson, Sven Baaz and Stephen Gildea. And I would also like to thank Jane Gotts for her contribution to this work. Completing this Review in the timescales established was due in large part to their efforts and support.

Ultimately, I take responsibility for its content and the Conclusions and Recommendations made. However, I hope that this Review will be seen as the starting point for “Delivering the Change” through a business-focused Action Plan that can more effectively leverage all the talents of women to help grow and develop the Scottish economy.

**Professor Lesley Sawers**

March 2015



## Introduction from the Secretary of State for Scotland

The creation of a fair and prosperous society, based on sustainable economic growth, is the key aspiration that drives coalition Government economic policies.

We should not, however, be blind to the fact that we are some way from achieving that goal. For many women in particular, disadvantage and discrimination are a fact of life in the workplace. That must change.

The genesis of this report lay in a roundtable discussion in the Scotland Office to mark International Women's Day 2014. Those participants came from a wide range of backgrounds but all had a similar tale to tell. It was one of frustration at a business system and community that failed to recognise gender inequality as a real issue. As the discussion progressed, it was clear that there was a missing link. There is a multiplicity of institutions across (and beyond) government but no one was providing the holistic and strategic view. That was how Lesley Sawers' Review was born.

In Scotland, we have a skilled, talented and dynamic workforce that should be well-placed to participate in and to deliver prosperity – but this needs to be true for the entire workforce. So it is imperative that we recognise, understand and support the role that women play in driving that economic growth, and the complex strands in women's working lives that affect their role and potential.

The issue was adopted by the Scottish Business Board as one of their key discussion topics and I am fortunate that Professor Lesley Sawers from Glasgow Caledonian University, one of the Board Members, agreed to lead an independent review into this very important and complex area.

Over the past six months, Lesley has shown phenomenal commitment to this task: collecting a huge amount of evidence and knowledge on how women contribute to the economy. She has

consulted widely across Scotland, examining the culture, behaviours and policies that help (or hinder) women's key role in driving business growth.

I have been privileged to be part of some of these sessions. They have all been fascinating. Whether speaking to young professional women in Edinburgh, female professionals working in the oil and gas industry in Aberdeen, or women working in the technological and engineering fields: all have provided an insight that has been compelling.

I am thoroughly grateful to all who have taken part. They have all contributed to a piece of work that I believe will help to make progress for future governments in this area much easier to achieve.

It goes without saying that I am grateful to Lesley for her efforts in producing this report, and I am grateful to Glasgow Caledonian University for allowing her to deliver this piece of work. I would also echo Lesley's own thanks for the help and support she has had from the Scottish Business Board and members of the Scotland Office team.

We have made real progress towards gender equality in the UK. Both the UK and Scottish Governments already have a range of policies and actions tackling specific issues such as low pay, child-care provision, board membership and STEM education. There are now more women in employment, and more women-led businesses than ever before, and the gender pay gap is the lowest on record, with women under 40 who work full-time actually earning more than men. The partnership of Government with business, working to get more women into senior positions, is also producing results: since 2011, we have seen an increase from 12.5% to 23.5% female representation on FTSE 100 boards.

Scottish individuals and businesses therefore have access to a large range of support. But a key conclusion of this report concerns the need for much better coordination of all these initiatives. It is incumbent on Scotland's two Governments, along with the numerous private and public sector organisations, to work towards that truly coordinated approach.

With a continued willingness to work together to tackle the culture and behaviours that hold women back from making their full contribution to economic growth, we can maximise women's potential to contribute confidently using all their talents and opportunities. This will benefit us all.

I originally commissioned a piece of work which has become a report. In fact that report is not the conclusion but is merely a significant staging post on a journey which will continue long after its publication. I look forward to being part of that journey along with many who have contributed to this report.



**Alistair Carmichael**  
**Secretary of State for Scotland**

March 2015

# Executive Summary

This Review has analysed and examined the scale and nature of “Womenomics” in Scotland. We have gathered data and evidence on key aspects of women and their contribution to the Scottish economy.

We know that:

- Scotland’s female employment rate is 72.4%
- The Gender Pay Gap is 17.5% in Scotland
- We have an aging female workforce, with growing care responsibilities, concentrated in low-growth or declining industry sectors
- Of Scottish-based companies in the FTSE 100, 17 out of 66 board positions are held by women – 25% of the total
- There is a need for better coordination of activity at UK Government and Scottish Government levels on initiatives to support women in work and those who are self-employed
- In Scotland, men are twice as likely as women to start a business
- The enterprise gap for women in Scotland is estimated to be 104,480 businesses, or 32% of Scotland’s business base, equating to a £13bn contribution to GVA (or a 5.3% growth in the Scottish economy)

This Review also consulted and surveyed over 1,000 women and organisations. Despite the highest levels of employment for women and the lowest gender pay gap on record, our engagement with women across Scotland has identified that they do not consider that they have yet achieved gender equality in the workplace, in entrepreneurship or in the home.

This Review therefore concludes that the womenomics potential in Scotland is significant. However, to address this challenge, and to unlock the potential to maximise the economic contribution that women can make to the Scottish economy, we will need to undertake a range of specific measures and actions.

We believe that, within Scotland, there is a need to consider policy and measures to address three specific areas:

1. **Mainstream Attitudes and Behaviours**
2. **Measure for Impact**
3. **Mentor and Lead for Change**

We need to **Mainstream Attitudes and Behaviour** towards gender and equality in the workplace, so that it becomes the way we do business or how we make economic investment decisions, not a “women” or “feminist” issue. Similarly, we need to change cultures and behaviours in the home, at school and in wider society so that we neutralise prejudice and social conditioning linked to work, caring roles and career choices and maximise lifetime earning opportunities for everyone.

We need to **Measure for Impact** by introducing a range of impact measures linked to scale and expected return on investment in national policies and programmes to address gender inequalities in the workplace and in female entrepreneurship. We need to ensure a coordinated and joined-up approach by both Government and the private sector, at Regional and City levels. This Review believes that “if it gets measured, it gets done”. We also need to measure the scale, focus and nature of workplace innovation within Scotland, sharing best practice and knowledge across private, public, third sectors and from academic resources.

We need to ensure that, within the public, private and third sectors, we **Mentor and Lead for Change** through a programme of sustained, accessible and relevant support, mentoring and coaching programmes. We also need to demonstrate leadership and to have relevant role models at school, work and boardroom level. We need our public agencies and private companies to provide encouragement and support through transparency in pay, roles and training opportunities, and we need to invest in developing our young female future leaders.

## Mainstream Attitudes and Behaviours

- **Mainstreaming Womenomics:**  
Creating a “Collective Culture” and developing a Gender Action Plan with agreed timescales and objectives
- **Coordinating a National Approach:**  
Need for Joined-Up Solutions
- **Changing Behaviours:**  
Education, Family and Culture

## Mentor and Lead for Change

- **Investing in Tomorrow’s Leaders:**  
Application of gender quotas on Public Boards, with “sunset” clauses and greater consideration of supporting younger women into leadership roles
- **Developing the Talent Pipeline:**  
“Voluntary Equalities Disclosure Code” for companies in Scotland in line with emerging UK legislation, but going beyond legal requirements
- **Building Confidence and Skills:**  
A national joined-up approach to female mentoring programmes and improved access to networks

## Measure for Impact

- **Measuring Policy Impact:**  
Develop a Gender Equalities Index, measuring economic growth and the impact of gender policy measures at National, City and Scottish Local Authority levels
- **Return on Investment:**  
Measures of a “Gender Dividend” should be established, in addition to impact assessments, measuring not just the cost of capital allocated to gender policy measures but also the ROI
- **Implementing a Coordinated Approach:**  
Creating a Virtual Gender Resource Network across Scotland, linking throughout the UK to share best practice, knowledge, information and data
- **Driving Innovation:**  
Establish a cross-sector Scotland-wide “Workplace Policy Innovation Group”



# Chapter 1



## Background

# 1 Background

In recent years there has been a renewed focus on the issue of equalities, and in particular on gender, the role and contribution of women in society and their participation in the economic, civic and social wellbeing of the nation. This was reinforced recently at the World Economic Forum held in January 2015.

The Scottish Business Board, an advisory group providing guidance and expert business input to the Secretary of State for Scotland, also identified gender and its impact on Scottish business performance as an area that they would like to consider in more detail as part of their on-going work.

Much of the recent public debate and national policy discussion has focused on issues linked to childcare provision, board quotas, female labour force participation and business start-up rates. Whilst recognised as important, the Business Board discussion highlighted the need for a wider and coordinated understanding of the issues and challenges that confront women in the workplace within Scotland in fulfilling their potential at all levels in society and within the economy. It was recognised that there was a need to better understand the levers and support structures that are required to address these barriers and opportunities to ensure that all Scottish women can fulfil their potential.

Ahead of commissioning this Review, the Secretary of State for Scotland chaired two working groups on the impact of gender in Scotland, exploring and examining these issues. These sessions were also complemented by a roundtable held in Glasgow during the 2014 Commonwealth Games, hosted by Jo Swinson MP, Minister for Employment Relations and Consumer Affairs and Women and Equalities Minister, focusing on gender and business legacy.

Discussion at these sessions and by Board members recognised the link to the wider issues of social justice and inequality in relation to economic growth; however, it was agreed that the terms of reference of this Review should focus on gender in terms of its economic impact and contribution to growth, providing a better understanding of the wider implications within a business and economic context.

## 1.1 Definition

The term “womenomics” refers to the increasing role that women are now playing, and will continue to play, in economic life, including increased purchasing power on the economic and cultural front. Its application as an analysis tool ranges from nation-state macroeconomics, through sector or business talent management to individual application at a consumer purchasing behaviour level.

Its origins, as a term, are attributed to Kathy Matsui, a Goldman Sachs Investment Analyst and her team, who in 1999 coined the term “womenomics” in their seminal report on the need for Japan to leverage more fully the skills, talent and expertise of half of its population. Earlier references can be found in the USA from 1995, when Chrysler’s Women’s Advisory Committee noted that females accounted for 80% of all consumer spending, including \$65bn on vehicles.

In addition, its application at a business level was coined by Wittenberg-Cox (2009), who also used the term womenomics to outline how businesses need to become “savvy” in managing talent and investing in leadership. She identified that a gender-neutral approach to business cultures, systems and processes can integrate, develop and support female career progression and improve overall business performance.

Womenomics is now a widely used term and is applied at both a business and economic level.

**In this Review we are defining “womenomics” within the context of the Scottish economy and identifying how we can address inequality within the workplace and in economic activity. And, most importantly, how we can apply this knowledge and understanding to more effectively leverage “all the talents” of women to grow and develop the Scottish economy.**

# Chapter 2



## Review Scope

## 2 Review Scope

The Review has examined specific issues linked to:

- Education, skills and training – including STEM, Modern Apprenticeships, career guidance
- Establishing benchmarks and measures for example within pay, labour force participation rates and hours worked
- Career and work patterns – by sector and age
- Business start-up and entrepreneurship – including access to finance, business support and internationalisation, personal aspiration, attainment and life choices
- Women in leadership, including women on boards in both the public and private sectors

The Review has also sought to identify areas of “best practice” where knowledge and experience

can be shared across sectors and organisations, and policy actions that will help address challenges or support economic opportunities linked to gender.

Given existing work under way by both the UK and Scottish Governments and other expert groups, this Review did not cover the areas of female health, domestic violence, criminal or climate justice or the role of women within the arts. However, the wider impact and causal relationship between these areas and wider social inequalities linked to economic growth and performance is acknowledged. In addition, the availability of information and data did not allow us to conduct a detailed analysis on race and ethnicity and we have therefore identified a need for greater knowledge and evidence to be collated for future research.

# Chapter 3



## Methodology

## 3 Methodology

The Review began in September 2014, led by Professor Lesley Sawers and supported by Scotland Office officials.

It involved other Scottish Business Board representatives and selected external participants and groups. This Review has drawn heavily from the knowledge base and expertise of a number of existing women's groups, researchers, academics, private and public sector organisations and individuals both in Scotland and across the UK. It has also included consideration of work under way on gender-related policy by the Scottish Government and the UK Government Equalities Office and Department for Business, Innovation and Skills. This collaborative approach has ensured that we share knowledge, learnings and insights from previous economic policy work on gender to identify those areas where more effective joint working and joined-up activities can be progressed.

In total, over 1,000 women and organisations from across Scotland have contributed to this Review. Twelve discussion sessions have been held across Scotland, in cities and rural communities. We have conducted one-to-one meetings and probed in more detail on specific issues and concerns raised by women across Scotland. We have also looked to supplement these views with a male perspective gathered within group discussions and through individual interviews.

Whilst many male contributors were happy and comfortable to discuss the issues of gender and womenomics on a one-to-one basis, our Review has found that too often issues of gender, leadership and career progression are seen as the responsibility of the HR Department or as issues that are delegated to a "senior female representative" to discuss. This finding suggests that, within Scotland, we have significant work to do to mainstream womenomics into the wider business and economic debate and in encouraging men to become change agents for gender equality.

Much of our analysis and recommendations are based on publicly available data and information, and also on the views, opinions, experiences and insights of those individuals and organisations who contributed to the study. Their candour and honesty in sharing with us (much in confidence) has enabled the Review to benefit from a richness of personal experience and insights not previously included in any business-led reviews in this area.

# Chapter 4



## Scottish Women and the Economy

## 4 Scottish Women and the Economy

*“...gender inequality in the labour market is the result of the wider context and circumstances of a structured system of institutions and norms in which gender plays a very important part.”*

(Razzu, 2014)

**Within this Review we have attempted to deconstruct this complex system and consider the component parts of the Scottish female labour market linking to:**

- Employment and Inactivity
- Underemployment
- Self-employment
- The Gender Pay Gap
- Education and Skills
- Family, Care Roles and Unpaid Roles

### Key Findings

- 51% of Scotland's population are female and 49% male
- Scotland's female employment rate (16–64) is 72.4%, above the UK average of 68.5%
- Scotland's female inactivity rate is 24.5% (the lowest in the UK) but higher than males in Scotland at 18.0%
- Scotland's male unemployment rate (16+) is 6.6% compared with females at 4.1%
- The gender employment rate gap has narrowed in Scotland from 10% to 5% (UK 9.8%) over past five years
- There has been an 8% increase in the number of women with second jobs since 2008
- Post-devolution (1999) the female labour participation rate has been on an upward trend from 68.4% (1999) to 75.5% (2014)
- For all employees (full-time and part-time) the gender pay gap in the UK is the lowest on record 19.1% (2014), 19.8% (2013) and 27.5% (1997). The equivalent figure for Scotland in 2014 was lower than the UK as a whole at 17.5%
- 55% of students in HE are female, and 52% in FE
- 32% of Modern Apprenticeships (MAs) trainees are female
- The majority of female MAs are in health care, social work or arts and crafts
- Of school leavers, 29.4% of females went into FE (26.2% of males) and 41.3% of females into HE (31.9% of males)
- The arrival of a first child marks a dramatic fall in work participation for women
- 50% of women return to work within one year of childbirth, 25% within five years, but 10% will not have returned within eight years
- The gap in earnings between men and women is much greater with the presence of children
- Relative wages for women decline steadily following first childbirth
- There is a sharp movement into part-time work for women following first birth
- There is a general transition into non-permanent, non-supervisory roles for women following childbirth
- There is a “double whammy” gender impact in later years for female workforce participation rates, with a growing older female workforce and increasing caring responsibilities for elderly relatives and grandchildren



## 4.1 Employment and Inactivity

There has been a huge change in women's labour market participation over the past 50 years. In the early 1960's, 45% of women in Scotland (aged 16–64) were in paid employment; in 2011 this figure was 66.5% and in December 2014 it was 72.4%. This compares with 76.4% male employment in 2014, falling from 95% in the early 1960s.

In 2014, the female labour market in Scotland outperformed the rest of the UK in terms of the employment, unemployment and inactivity rates. However, the economic inactivity rate for women in Scotland is still 6.5 percentage points higher than for males (24.5% as opposed to 18.0%). Of the 466,000 women who were classified as inactive, 29% gave "looking after family" or "home commitments" as the main reason for inactivity.

Female participation rates – those in work and those looking for work – in Scotland have

increased since 1999, up 7.1 percentage points in this 15-year period.

Similarly, the gender employment gap – the difference between male and female employment rates – in Scotland has also been on a downward trend over the past 20 years.

The real improvement in Scotland seems to have happened in the past five years. This narrowing of gender employment gaps can be partly explained by the greater impact of the recession on sectors that have been traditionally male-dominated such as construction, manufacturing and transport. In comparison, sectors in which women dominate have typically been more immune to the economic cycle, e.g. public administration, health care and education. Razzu et al. (2014) in their study of the impact of economic recessions on gender conclude that male and female employment changes differ "because they do different jobs" and that "this difference is exacerbated during recession and recovery".

Table 1: Headline Indicators by Gender and Region, October–December 2014

(%)	Females			Males		
	Employment Rate (16–64)	Unemployment Rate (16+)	Inactivity Rate (16-64)	Employment Rate (16–64)	Unemployment Rate (16+)	Inactivity Rate (16-64)
<b>Scotland</b>	<b>72.4</b>	<b>4.1</b>	<b>24.5</b>	<b>76.4</b>	<b>6.6</b>	<b>18.0</b>
England	68.5	5.5	27.5	78.6	5.8	16.4
Wales	65.3	6.1	30.3	73.1	7.3	21.0
Northern Ireland	62.9	5.4	33.5	72.8	6.1	22.3
<b>UK</b>	<b>68.5</b>	<b>5.4</b>	<b>27.5</b>	<b>78.0</b>	<b>6.0</b>	<b>16.9</b>

Source: ONS

Table 2: Female Participation Rates (Scotland) 1994–2014

Comparison Period	Period	Female Participation Rate (16–64)	Percentage Point Change to Latest Period
Latest data	Oct–Dec 2014	75.5	+3.2
5 years ago	Oct–Dec 2009	72.3	+4.0
Pre-recession	Oct–Dec 2008	71.5	+3.3
10 years ago	Oct–Dec 2004	72.2	+7.1
15 years ago	Oct–Dec 1999	68.4	+8.6
20 years ago	Oct–Dec 1994	66.9	

Source: ONS

Table 3: Gender Employment Rate Gap in Scotland

Comparison Period	Period	Gender Employment Rate Gap (16–64) Scotland	Period UK	Gender Employment Rate Gap (16–64) UK
Latest data	Oct–Dec 2014	4.0	Q4 2014	9.5
5 years ago	Oct–Dec 2009	9.4	Q4 2009	7.6
Pre-recession	Oct–Dec 2008	9.6	Q4 2008	11.8
10 years ago	Oct–Dec 2004	9.7	Q4 2004	12.7
15 years ago	Oct–Dec 1999	10.4	Q4 1999	13.5
20 years ago	Oct–Dec 1994	13.3	Q4 1994	13.6

Source: ONS

Whilst this may seem intuitive, and the narrowing of employment gaps, participation rates and labour market rebalancing cross-gender is welcome (though not at the expense of male employment activity), the nature of this structural change within the female labour market has itself exacerbated structural legacy issues of occupational gender segregation, low pay and part-time working concentrations within the female labour market within Scotland, as outlined later.

### Scotland Compared with the UK

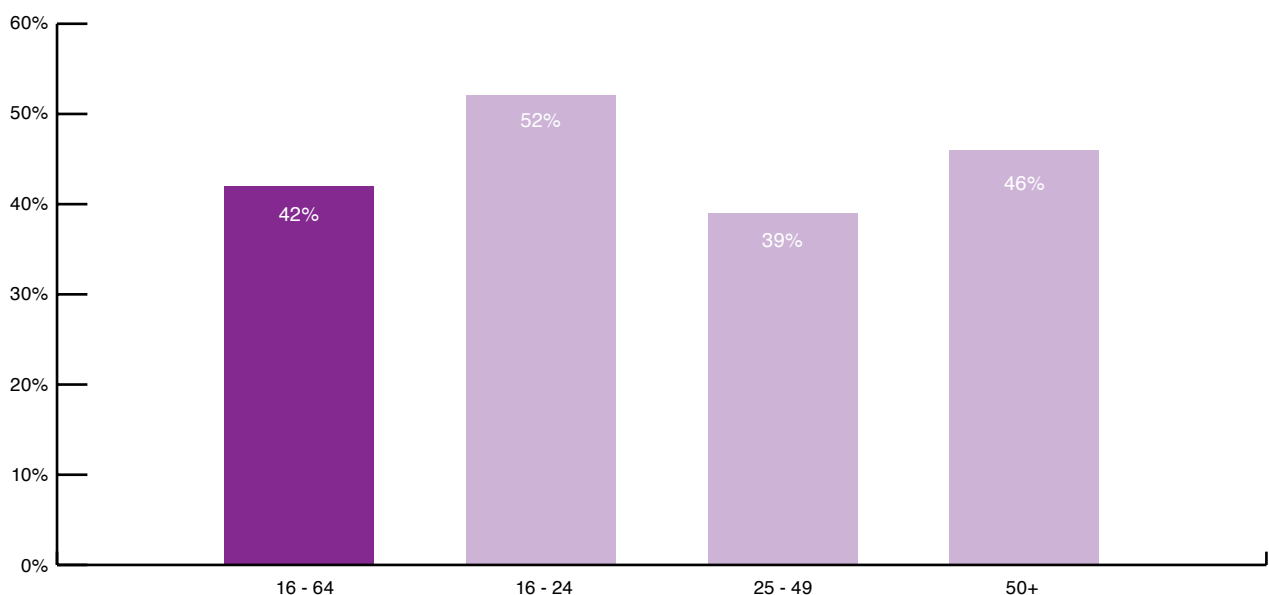
Over the past 12 months, in terms of labour measures, women in Scotland have fared better than their counterparts across the UK. The unemployment rate for women, in Scotland, is 1.3 percentage points lower than across the UK

(4.1% vs 5.4%), whilst female employment is 3.9 percentage points higher at 72.4% as against 68.5% for women across the UK as a whole (SPICe Labour Market Update February 2015).

### Working Patterns

Latest estimates suggest that 26% of people aged 16–64 work part-time. When analysed by gender, this shows that 42% of women in Scotland work part-time and 11% of men (Annual Population Survey 2014; SPICe Labour Market Update February 2015). In addition, this highlights the likelihood that more women work part-time in mid and late career stages, mainly due to the primary childcare and caring roles those women perform in households. These part-time jobs also tend to be less skilled and lower paid.

Table 4: Women in Scotland in Part-time Work by Age (%)



Source: ONS

Within Scotland, the number of people with second jobs has increased by 2%, driven primarily by an increase of 8% for women, but a decrease of 6% for men since 2008 (ONS data).

As a percentage of the total workforce, the number of people with second jobs has increased from 3.9% in 2008 to 4% in 2014 because of more women now undertaking additional earning roles.

In addition, the Institute for Public Policy Research recently highlighted the trend towards what they term “maternal breadwinning” (IPPR, 2013). In this paper they have identified that working mothers are earning as much as, if not more than, their partners. This trend, they believe, will lead to an increase in women’s employment rates, shift dynamics of family life and also change male employment patterns and earnings.

Their analysis suggests that, at a UK level, there are now 2.2 million working mums who are main breadwinners, an increase of 83% since 1996–7. The research also suggests that 30% of all working mothers with dependent children are now the primary breadwinner for their families, or that as single mothers they provide the sole income for their families.

Whilst this analysis was not undertaken within a specific Scottish labour market context, the implications of these findings could be significant with respect to longer-term trends within male versus female labour markets and will likely require a review of traditional gender stereotyping of care and work roles going forward.

#### 4.1.1 Underemployment

Underemployment, within a labour market context, is defined as when individuals work fewer hours than they would wish to work or take on jobs that do not utilise all of their skills, and can provide an “indication of underutilisation of labour”. The Scottish Government estimates suggest that this has also been increasing in recent years, with 11.3% of women wishing to work additional hours in 2011 as compared with 10.1% in 2008 (Scottish

Parliament, 2013). This is a concerning trend, as it highlights the scale of untapped female potential within the Scottish economy.

#### 4.1.2 Self-employment

In 2013 there were approximately 286,000 people classified as self-employed. This equates to 11.5% of the total workforce, an increase of 6.5% since 2008. This growth in self-employment has been mainly driven by women; of this additional 17,000 people, 13,000 are female. (ONS data).

There are now 94,000 self-employed women in Scotland, an increase of 16.3% since 2008 (the increase for men was 2.3%). Women now make up around one third of all self-employed people in Scotland (ONS data).

## 4.2 The Gender Pay Gap

The causes of the gender pay gap are complex and, as identified by the Scottish Government (Women’s Employment Summit, 2013), are related to issues of occupational segregation, lack of flexible working practices, discrimination in pay and grading systems. However, Olsen et al. (2010), in their study into the gender pay gap in the UK, also cite a number of additional drivers that underpin the UK gender wage gap including, for many women, employment within smaller companies, shorter job tenure, slightly lower education levels of women in some occupations and lower rates of trade union membership.

However, across the UK there has been a downward trend in the overall gender pay gap (median full-time and part-time), from 27.5% in 1997 to the lowest on record at 19.1% in 2014. This is also true for Scotland, where it has decreased from 27.5% in 1997 to 17.5% in 2014. (Annual Survey of Hours and Earnings (ASHE) November 2014).

This is also highlighted in the Scottish Government Communities Analytical Services Report: Maximising Economic Opportunities for Women in Scotland, March 2015.

#### 4.2.1 Occupational and Sector Segregation

Research by Close the Gap (2014) highlights “that women working in Scotland are more likely to be concentrated in certain industries. For example, 48% of working women work in public administration, education and health industries. Women represent over half of workers in only 6 of the 20 Standard Industrial Classifications, whereas men tend to be more evenly spread across industry groups. Analysis also suggests that sector segregation by gender has changed little since 2003. Their research indicates that within Scotland:

- around 80% of administrative, secretarial and personal service jobs are undertaken by women
- women are more likely to work in the public sector (67% local government and 81% NHS), but only a third of chief executive officers are women
- 97% of child care and early years education roles are performed by females and 98% of classroom assistants are women
- less than 3% of chartered civil engineers in Scotland are women
- 10% of senior managers in science, engineering and technology professions are women
- Modern Apprentices continue to be gender segregated, where women accounted for only 2% of engineers in training in 2012 and 93% of hairdressers”

Table 5: Occupation by Gender 2011, Scotland

Occupation	Female %	Male %
Managers & Senior Officials	6	10
Professionals	20	17
Associate Professionals	12	15
Administrative Staff	18	4
Skilled Tradespeople	2	22
Caring, Leisure & Other Services	16	4
Sales & Customer Service	13	6
Process, Plant & Machine Operators	2	11
Elementary Staff	11	12

Source: Annual Population Survey (Jan–Dec 2011, ONS), Scottish Government Women’s Employment Summit Evidence Paper, 2013

OECD research (<http://www.oecd.org/gender/closingthegap.htm>) suggests that better allocations of women workers across occupations and sectors can contribute significantly to economic growth. They estimate (quoting Hsieh 2012) that 17–20% of US economic growth from 1960–2008 was due to changing participation of underrepresented groups in the workforce, including women. It is likely that a better allocation of gender across occupational sectors within Scotland would similarly lead to greater economic performance.

The recent report from the UK Government Equalities Office (The Gender Pay Gap Matters, Everywoman 2015) also identified a similar picture of occupational segregation at a UK level. The report also identified that women are not as well paid in many organisations as men, even when they achieve similar levels of seniority.

The report recognises that this may be due to discrimination, but it also identifies that sometimes pay gaps can be attributed to reasons they cite as “unintentional”. These are identified within the report as: historical pay rates for different roles or jobs; a legacy of mergers and acquisitions; past deals with staff associations; inconsistency in discretionary bonuses; unconscious bias; and men’s greater willingness to negotiate and ask for pay rises.

It remains, however, that the lack of women in senior management and executive positions is well evidenced. The OECD estimate (OECD, 2012) that, within OECD countries, women earn on average 16% less than men and that female top earners are paid 21% less than their male counterparts. They believe a “glass ceiling” exists, and that women across the OECD are disadvantaged. When it comes to senior management and decision-making roles, this becomes more pronounced, with only 1 woman in 10 for every man at board level. This lack of female progression into senior management represents a significant talent loss to the economy and many public and private sector organisations.

### 4.3 Education and Skills

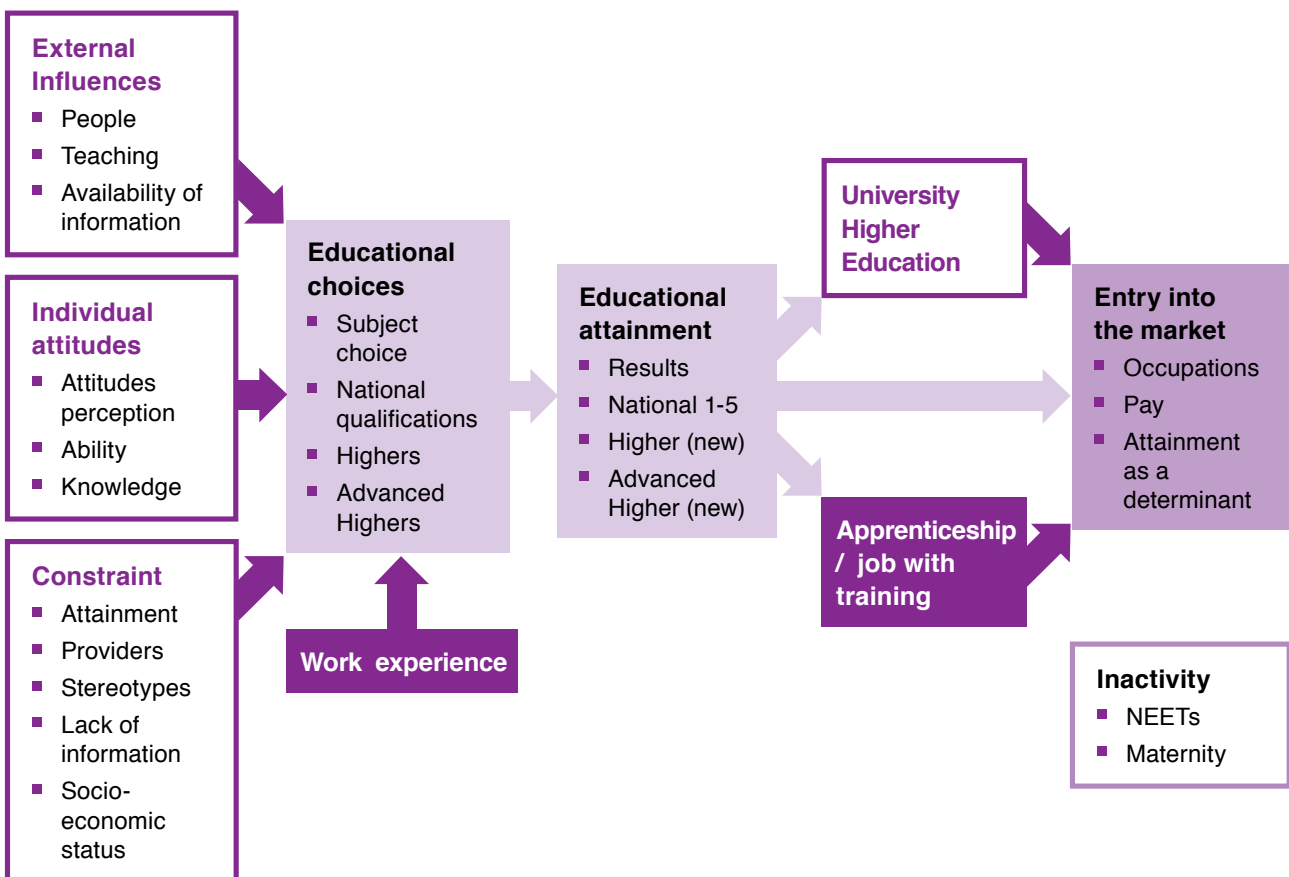
The OECD estimate that greater gender attainment in education has accounted for approximately half of economic growth in OECD countries in the past 50 years, delivering an average growth of 2.1% per annum for 30 countries from 1960–2008 (OECD, 2012).

To maximise women’s contribution to economic growth, it is important to ensure that young women are leaving education with the skills that will be in demand in the future. The Women’s Business Council have undertaken extensive analysis into education, skills and career choices of young women. They have labelled this the “starting out stage”, and Figure 1 identifies the component stages.

Work undertaken by the Women’s Business Council (Women and the Economy: Government Action Plan, 2013) identified that the choices young women make about education and careers are shaped by the interplay between cultural messages, peer and parental pressures, people they meet from the world of work and their individual self-determination. They also identified that stereotypes about “men’s work” and “women’s work” are a strong influence, even at primary school, and GCSE/Higher grade level gendered career ambitions are clearly evident.

Evidence suggests that, within Scotland, young women consistently outperform young men at all stages of education and at all attainment levels (Scottish Government “Women’s Employment Summit Evidence Paper”, 2013). As in the rest of

Figure 1: Starting Out Stages



Source: Women’s Business Council, Evidence, Starting Out (amended)

the UK, young women are more likely to stay on at school and to go into further and higher education. Gender differences are strongly evidenced in subject choice at school, in higher and further education, and in Modern Apprenticeships (although there is evidence of movement over time in some areas – for example, when taken together, entries for the three main science Higher subjects show strong interest in science learning from both genders).

This finding has been consistent within our Scottish research base, with many participants in our Review highlighting the importance of role models, family and peer groups in influencing career and subject choice at school stage. Whilst we recognise the considerable effort, resources and support given by many individuals, businesses, trade and professional organisations to local schools in this area, we would echo the recommendations of the Women's Business Council in identifying the need for a more effective, joined-up approach from businesses, careers advisors, parents or guardians and schools to promoting career and subject choice to young women.

A significant report, "Education Working For All", was published in June 2014 by the independent Commission for Developing Scotland's Young Workforce, chaired by Sir Ian Wood. It recognised that, within Scotland, "gender stereotyping in education does exist as does gender segregation in a significant number of occupations and careers young people pursue". The report cites a number of examples of gender imbalance within Modern Apprenticeships, with only 3% females in engineering and 3% males in childcare, concluding that three-quarters of Modern Apprenticeships have a gender balance of 75%/25% or worse. The report also highlights that this trend continues into female participation rates in key growth sectors such as life sciences, renewables and IT.

This subject of career choice has a continued impact in terms of earnings and the types of roles women undertake. It is estimated that 22% of the gender pay gap can be explained by the industries and occupations women work in (Olsen et al. 2010).

## 4.4 Family, Care Roles and Unpaid Roles

### Starting a Family and the Effect of Childcare

Considerable research has been undertaken into the economic case and rationale for the provision of improved childcare provision within Scotland.

This has been championed by the work of a leading economist, the late Professor Ailsa McKay, supported by the Women in Scotland's Economy unit (WiSE, 2013) *The Economic Case for Investing in High Quality Childcare*. Professor McKay's work has helped inform both the deliberations of the Scottish Government's Council of Economic Advisers and the Scottish Government.

The Council of Economic Advisors has highlighted the potential economic benefits of improving childcare provision in Scotland (CEA, Second Annual Chair Report May 2014). It is noted that "the combined efforts of the Scottish Women's Budget Group, the Equal Opportunities Committee of the Scottish Parliament and the Scottish Government's Equality and Budgets Advisory Group have resulted in a more 'equality' aware approach to the resource allocation process in Scotland" (McKay, Open Democracy 11 April 2013) than within other parts of the UK. However, the results of this approach in addressing equality outcomes have yet to be determined.

The case for expanding childcare provision within Scotland, and the financial impact it will have on the economy, is well made. It is not the intention to detail this extensive body of work in this Review. Rather it will highlight the potential economic benefits, on both the demand and supply side, from expanding childcare provision, and reducing barriers to women's labour market participation (Scottish Government, 2014).

In 2014, the TUC published "The Pregnancy Test: Ending Discrimination at Work for New Mothers", which identified that, within the UK, pregnancy and motherhood can still seriously impact upon a woman's career. This report identified that, even in 2014, and with protective legislation in place, around 25% of women do not return to work after

maternity leave, and one in six of the mums who do go back change jobs because their employer will not allow them to work reduced or flexible hours.

Scottish Government research has also identified that starting a family can have negative, long-term consequences on female labour market participation. Their work suggests that, in Scotland, many women with children lose out on experience, training and promotion opportunities.

### **Older Women**

The same report also identifies that, within Scotland, the proportion of older women (50+) has been increasing steadily since 2004, rising from 24% in 2004 to 28% in 2011. Economic evidence (Altman, 2015) also suggests that occupational segregation continues as people age, with older women likely to earn less than older men and to have more responsibility for caring duties (elderly relatives or grandchildren). This trend is likely to become more pronounced as older people become a growing proportion of the workforce.

The Women's Business Council, in their recent report, have also identified the aging workforce as an emerging resource for economic growth by increasing labour supply and raising levels of consumption and potential GDP.

However, the work by the Women's Business Council has identified the potential challenge facing many women in this older age group, as their jobs and skills do not match those sectors and occupations that are growing. Older women, on average, have lower levels of formal qualifications and are less likely to engage in training. They are also concentrated in a small number of sectors. The report identifies that, within the UK, three in five female employees (aged 50+) work in three sectors: education, health and retail. They are also likely to work in the public sector: 40% of all public sector workers in the UK are aged 40 or over. Employment in this sector is predicted to fall over time.

The UK Commission for Employment and Skills (UKCES) has identified those sectors and occupations predicted to grow up to 2020 (UKCES, 2010). This data highlights the mismatch between jobs done by older women and economic growth. It identifies that older women workers are currently concentrated in sectors predicted either to shrink or remain static, or to be concentrated in growing sectors characterised by lower paid jobs, such as retail and wholesale or caring and personal service.

### **Family and Unpaid Roles**

The additional responsibility for care and household tasks undertaken by many females is not unique to Scotland. Across the OECD women do more unpaid work than men, many choosing part-time work to enable them to combine work and family responsibilities. The OECD study, however, also recognises that this comes with a cost to many women's long-term career and earning prospects. They recognise that social norms and attitudes, such as the division of paid and unpaid work, influence social and economic outcomes for many women and girls. The impact of pregnancy, childcare, elderly relative support and unpaid household work on their career choice, progression and job mobility were all factors mentioned by women in our national discussions. We would therefore share the OECD's view that to address this issue there is a need to link Government policy interventions aimed at tackling gender inequality to wider measures designed to address discriminatory social and cultural norms.

## Conclusions

- There is a requirement to address the gender pay gap and occupational and sectoral segregation that exists within Scotland. This can only be properly addressed by the private sector, government, trade unions and the third sector working together
  - This partnership approach will ensure a coordinated range of policy and programme measures at a national level that recognise the regional variations and unique labour market conditions which exist across the UK
  - There is a need to progress innovative and flexible childcare policy implementation
  - Additional work is required to better understand the impact of career breaks on the wider career progression of women, linking to social, cultural and workplace behaviours in Scotland
  - There is a need to consider wider care roles performed by women and growing responsibilities linked to the aging care base that may impact upon later years' career prospects
  - Gender policy interventions should be linked to changing social and cultural behaviours
- Specific consideration should be given to developing work-based training aimed at older female workers. Additional efforts should be made at an early stage to ensure that older employees are encouraged and supported to retrain or reskill, and that employers look at flexible arrangements to support those older workers with carer roles
  - The area of female activity and labour market participation requires further work to understand better the reasons underlying this trend by sector, skill levels, pay rates etc., in particular in the areas of female underemployment and second jobs
  - There is a need to link gender issues to education and the curriculum for excellence, with specific measures to prevent gender stereotyping in subject choice
  - Career aspirations and knowledge for young women in schools needs to be broadened through more effective partnerships between schools, career professionals, parents or guardians and employers. A global mind-set needs to be developed encouraging greater workforce mobility in our young people. This Review agrees with the Women's Business Council work that identified a need for an increased focus on careers support in this area



# Chapter 5



## The Scottish Gender Ecosystem

## 5 The Scottish Gender Ecosystem

### Key Findings

- There is no coordinated approach or overview as to what activity is happening where or by whom. For many businesses in Scotland this leads to a perceived lack of support in some areas (e.g. returners, aging workforce, caring roles)
- In many programmes, there are no measures as to whether these are addressing issues or opportunities that many Scottish women themselves consider most important
- There is a disconnect around those initiatives and organisations focused on delivering economic and business growth and those focused on social justice or wider equality issues, which therefore makes it difficult for companies and organisations to share common objectives and to work in partnership
- There needs to be better signposting of available economic support; and access to services for women and businesses across Scotland should be made clearer

In order to better understand the issues and opportunities facing women in Scotland in achieving their full potential, we considered the wider primary legislative and support frameworks and additional Government-led programmes and support measures in place at UK and Scotland levels. These measures are outlined in Appendix A.

We also mapped the range and diversity of gender-focused support organisations and measures in Scotland that are relevant within an economic performance context. We have labelled this the “gender ecosystem”.

Figure 2 outlines those organisations that we have identified in this space.

### 5.1 The Scottish Gender Ecosystem

The ecosystem mapping model reinforces the complexity and interconnectedness of gender-focused support activity in Scotland. It has not been the intention of this Review to cover in detail the focus or modus operandi of all the organisations that we have identified, nor is this list exhaustive.

Many of these organisations are self-funding, offering support and services delivered by volunteers; others are subsets of national organisations, business or trade organisations with specific sector focus or industry mandates. Some services provided are free; others charge as appropriate. Some receive public funding but with no published criteria for public funding selection, and others do not. Some focus on specific Scottish regional issues or geography, whilst others are Scottish units of UK national programmes.

It is a varied, diverse and active space. However, within it there are a number of key programmes and initiatives that are delivering real value and step-change to the Scottish economy. Whilst it has not been possible to cover every initiative, programme and organisation in detail, of specific note, and mentioned by many participants in our discussions, are Women’s Enterprise Scotland, LeanIn Scotland, Scottish Women’s Convention, Institute of Directors (board mentoring), Changing the Chemistry, Women on Boards, An Inspirational Journey, Close the Gap and the Association of Scottish Businesswomen.

Figure 2: Schematic of Scottish Gender Ecosystem



(Source: Updated and enhanced – Women's employment and support networks and resources – Scottish Government 2013)

The scale and extent of the organisations highlight the very fragmented nature of the business and public sector approach to gender support and business development issues that we have identified within Scotland. Whilst we recognise and support the valuable contribution that many of these organisations make to the promotion and support of women's issues and representation, we believe there is a need to improve the effectiveness of this framework. This Review recommends the need for better connections and collaboration between many of these organisations, working to shared national economic objectives and an agreed Gender Action Plan linked to goals and objectives. This coordinated approach would also enable better measurement of progress and impact over time.

Many women and organisations who have contributed to this research have themselves identified the need for a more "joined-up approach" in Scotland across the private sector, public sector and Government to the delivery of support programmes and better access and signposting to services.

In addition to the legislative, political, geo-demographic and socio-economic frameworks in which businesses and organisations operate within Scotland, we also need to consider the support organisations, trade associations, business groups and networks, civic and third sector organisations, lobbying groups and sector specialists that businesses themselves have created to support their activities. Many of these organisations have implemented a range of programmes and initiatives to address specific member or organisational needs linked to women in the workplace, skills development and business start-ups and support services. This is in addition to company and workplace specific activity and best practice frameworks already used by many companies within Scotland to promote gender and address equality issues.

Whilst we have not tracked in detail the growth and development of many component organisations within this ecosystem over time, much of it has emerged in recent years, certainly post-devolution, in response to the increased focus on equality, and

gender. In particular it has also been characterised by a move towards more Scottish localism in addressing gender issues, which has also resulted in a fragmentation of UK-wide gender activities and initiatives. Within the Review context, it has not been possible to determine whether this localism approach has been more effective in tackling gender issues in an economic context.

## Conclusions

Analysis of the gender ecosystem within Scotland suggests that, from a womenomics perspective:

- There are a number of initiatives supported by the UK Government that have direct relevance for Scotland for example the Women's Business Council's Action Plan and Think, Act, Report but which do not appear to have high levels of awareness amongst Scottish companies. Similarly, we have identified a number of specific Scottish programmes and initiatives that could have wider impact and greater economic value if applied more broadly across the UK. We therefore conclude the need for a more joined-up approach on a programme of initiatives by both the UK and Scottish Governments and greater cooperation across industry and business sector groups to address common issues of gender inequality
- There is not enough coordination on gender programmes across the public, private or third sectors and it is unclear how many of these initiatives could translate
- There is a need for greater evaluation and measurement of the effectiveness of Scottish Government policy linked to gender in terms of economic growth, output, and impact on business performance
- Better connections and collaboration between many gender-focused organisations and Government, working against shared national economic objectives and an agreed Gender Action Plan linked to goals and objectives is required

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- Agreed evaluation measures and impact assessment models are needed to measure ROI or effectiveness of Scottish Government or UK Government programmes aimed at addressing gender issues in terms of economic growth and output
  - Within Scotland there is little structured business or corporate input to many of the gender-focused forums
  - There is a need to create a “connection service” to help support business networks on gender-related issues to develop in response to local workforce and business needs
- Whilst it is hoped that the introduction of increased parental leave in the workplace will help overcome barriers and career breaks that impact upon the earnings and career progression of women, which have been highlighted in Section 4.4, appropriate measures should also be put in place to enable the evaluation and impact of this policy on both male and female workers over time in Scotland
  - Sufficient legislative frameworks exist within Europe, UK and Scotland to protect and promote gender in the workplace; the gaps identified are not due to inadequate legal measures



# Chapter 6



## The Business Evidence Base

## 6 The Business Evidence Base

### Key Findings

- As of 1 March 2015, women made up 23.5% of FTSE 100 boards, up from 12.5% in 2011. All companies in the FTSE 100 have female representation on their boards. When looking at the FTSE 250, women made up 18% of boards, up from 7.8% in 2011
- Of Scottish-based companies in the FTSE 100, 17 out of 66 board positions are held by women – 25% of the total
- At FTSE 250 level the number of women on the boards of Scottish-based companies is 13 out of 67 positions – 18% of the total
- 94,000 women in Scotland are self-employed; 80,000 women are registered business owners
- 21% of Scotland's 339,000 SMEs are majority led by women, with a further 22% equally led by women and men
- It is estimated that women-led businesses contribute £5bn to GVA. In Scotland, men are twice as likely as women to start a business
- The enterprise gap is estimated to be 104,480 businesses, or 32% of Scotland's business base, equating to a £13bn contribution to GVA (or 5.3% growth in the Scottish economy)

### 6.1 What is Happening and What Do We Know?

An extensive body of research and analysis exists around the issue of gender and its impact on education, career progression, family, leadership (in both the public and private sectors), entrepreneurship, and its impact on economic performance and growth. Allied to this, there is a considerable bank of business-led and informed knowledge and information that provides practical insight, outlines business experience and identifies tried-and-tested actions and programmes to address inequality in the workplace.

The Women's Business Council has undertaken considerable work in this area. In addition, the findings, conclusions and recommendations of their work are equally applicable within a Scottish context. This Review has therefore looked to draw upon this body of business work and to identify relevant key insights and learnings that can be applied within the Scottish context.

In our discussions and consultations across Scotland, many women and contributors to this Review were keen to understand in more detail the Norwegian model of family-friendly policies and board quota legislation and its relevance and value within the Scottish context. In this chapter we have therefore summarised those aspects and the lessons we believe are relevant for Scotland.

#### 6.1.1 Workplace Culture and Behaviours

Significant coverage was achieved by EY at the World Economic Summit in Davos in January 2015, when they announced that it would take until 2095, or another 80 years, for women to achieve gender parity in the workplace (EY, 2014). Their report and research recognised the international economic imperative for every nation to utilise and optimise the talent of its workforce and women. It also highlighted that most large corporates around the globe now recognise the need to engage more women effectively at all levels in the organisation, and they identified the need to develop what they term "a third culture" that supports different career



paths, career paces and leadership styles for everyone. Their report also suggests that many more men are now aware of and appreciate how an “inhospitable” corporate culture affects the women working around them.

Whilst the report did not include Scottish-based businesses, the need for inclusive work cultures and behaviours, genderless talent pipelines and specific, targeted measures to support more women in the workplace and into leadership was recognised by many business contributors to this Review. Indeed, in our cross-Scotland discussions, the need to mainstream “gender” in the workplace and stop referring to it within the terms of a “business issue” was a recurring theme.

A study conducted by McKinsey & Co concluded that 40% of female respondents believed their leadership and communication styles did not fit with the “prevailing habits” required to be effective top managers in the organisations where they worked (McKinsey Global Survey Results, Moving Mind-sets on gender diversity 2012, 2014).

Unconscious bias has also been cited as one of the top barriers to women in the workplace. A recent study from the Pew Research Centre in the US (Pew Research Centre Survey, 12–21 November 2014) identified that 40% of respondents (from a mixed gender sample of 1,800 respondents) considered the application of unconscious bias or the application of “double standards” to women in the workplace was the dominant factor impacting on women’s career progression.

This finding was reinforced in a recent survey by EY of 400 companies from around the world, in which men cited unconscious bias as the number one barrier for women in the workplace. Furthermore, 27% of men in the survey said that, in their own experiences, having a supportive culture is the best way to support women’s career advancement. Therefore, to advance women, leaders must spread an organisation-wide message that bias is unacceptable and cannot be tolerated at any level in an organisation. This is a finding reinforced by the Women’s Business Council.

In recent years, there has also been significant progress in terms of the introduction of legislation aimed at addressing the role of women in the labour market. This reflects changing social attitudes and workplace practice as well as a response to changing labour force demographics and sector skills needs.

Many commentators highlight the importance of recent regulations and policies at a UK level on parental leave entitlement, flexible working and tax credits, all of which will help address gender inequalities within the labour market. To this we can also add the Children and Young People (Scotland) Act 2014, which expanded statutory early learning and childcare provision, and the proposed introduction of gender diversity quotas on public boards, all of which are aimed at increasing female participation in the workforce and in leadership positions.

There is, however, the need to consider the real costs against the perceived costs of these policy measures to business.

Whilst most businesses recognise the economic imperative of having a diverse workforce and access to a broad pool of talent and skilled and trained labour, our discussions linked to this Review would suggest that, for many smaller businesses, access to knowledge and support resources to help them better manage labour market changes would be welcome. This requirement has also been matched by the offer from larger business contributors who have indicated a willingness to share best practice and in-house specialist expertise on workplace gender and equality with their smaller supply chain partners or smaller, local businesses.

### 6.1.2 The Talent Pipeline

The Women’s Business Council have undertaken extensive analysis, from a business and economic perspective, into the role and economic contribution of women in the workplace.

They identify two specific stages in the work lifecycle (in addition to education and enterprise). These are what they term “Getting On” and “Staying On”.

In the “Getting On” stage, which they define as the mid phase of a woman’s working life, they have identified that women are looking to capitalise on the progress they have made, either by securing their position or by seeking a move into more senior or managerial roles. It is also at this stage that many women decide to have children, and as a consequence experience a change in their work and career trajectory when returning to the workplace. (Houston and Marks, 2003).

The Women’s Business Council estimate that one third of all women returners face a downward shift in status at this time. They believe that the lack of women progressing through the talent pipeline is the reason why there are so few female senior executives (6.1% FTSE 100 Executive Directors are women). (Sealy and Vinnicombe, 2013).

**Table 6:** Sector Job Growth 2020 and Current Female Employment Rates

Occupational Sector	Current Female Employment Level (%)
Professional and associate professional jobs in business services, e.g. architects, actuaries, engineers, scientific research and development etc.	36%
Associate professional jobs in community, social and personal services, e.g. artistic, literary and media, sports and fitness etc.	44%
Professional and associate professional jobs in transport and communications, e.g. computer programmers, IT specialists and technicians, pilots, air traffic controllers, ship officers etc.	25%
Professional jobs in health and social work, e.g. health, nursing and therapy, social work and probation officers etc.	75%
Caring jobs in health and social work, e.g. childcare, care workers and home carers etc.	85%

To address these challenges in the workplace, and to ensure that women achieve their full potential at this stage in their working lives, the Women’s Business Council have identified that businesses must ensure effective talent management (including mentoring, networking and formal training) and also drive culture change within their organisations through the promotion and adoption of flexible working. They also identify the need for government support to facilitate access to affordable, accessible and quality childcare.

However, given the structure and size of the Scottish business base, many smaller companies may not have the resources or expertise to develop these aspects of their talent pipeline.

### 6.1.3 Future Work Patterns

The anticipated future change in employment patterns indicates that many older female workers may become “stranded” in declining sectors without appropriate training or opportunities to reskill or retrain.

The UK Commission for Employment and Skills has identified the greatest job growth will be in professional and associate professional jobs over the next eight years. Table 6 identifies the current female participation rates in these sectors, highlighting the opportunity within Scotland to encourage more young people, and particularly more young women, to pursue training or education opportunities in these fields.

## 6.2 Women in Leadership

The enhanced performance value and benefits to organisations of having more women on boards is well documented in both business and academic studies. These include improved performance at board and operational levels, accessing and attracting talent from the widest pool available, enabling businesses to be more responsive to the

market, achieving better corporate governance and avoiding the risks of “group think”.

It is noticeable and welcome that the representation of women on corporate boards has increased steadily in recent years. A review undertaken by Institutional Shareholder Services (2014) for firms in Australia, Canada, the United Kingdom and the United States shows that the largest jump in the percentage of women on boards in markets (with no diversity quotas) was in the UK, within firms in the FTSE 350. Their study reveals that, between 2001 and 2014, the proportion of female directors at FTSE 350 firms grew by 8% (as opposed to 4% in Canada and 2.4% in the USA over the same period). It is recognised that a major driver for this growth in the UK was the commitment by many listed companies to commit to the recommendations of the Davies Review (2011), which called for FTSE 100 companies to target a minimum of 25% female representation on their boards by 2015.

The Davies Review also followed on the work of a small number of private sector business leaders who founded The 30% Club in 2010 with the specific aim of achieving a 30% goal of female representation on corporate boards.

An additional recommendation of the Davies Review was that a greater focus on gender diversity was required within company reporting guidelines. This was implemented through the UK Corporate Governance Code, which recommended that companies include in their annual reports, on a comply or explain basis, a description of their board's policies on diversity, including gender, any measures or objectives that the boards have set for implementation of such policies and progress to achieve these objectives. Therefore, the role of gender and diversity within companies, linked closely to corporate governance and compliance, has also helped to move towards the overall Davies target within the UK.

A study by Napier University in 2014 (Overcoming Barriers to Equality and Diversity Representation on Public, Private and Third Sector Boards in Scotland) identified that 91% of FTSE 100 companies make reference to boardroom diversity in their annual reports. However, findings from FTSE 250 companies showed only 18% had a clear policy on boardroom diversity.

Within the public sector in Scotland, the numbers of women appointed to boards has also increased in recent years; but there is still significant gender inequality on public boards, with women filling only 36% of board places and 21% of the current board chairs (Scottish Government, 2014). In England, the number of women on public boards is progressing, with 44% of all public appointments in April to September of 2014 being female. (Employment Research Institute, 2014).

The Scottish Government (2014) have undertaken a Scotland-wide consultation to gather views from individuals, public bodies and other organisations on the introduction of mandatory quotas to ensure a minimum of 40% female representation on public boards.

The research work undertaken by the Scottish Government has also identified a number of factors affecting female representation on public boards within Scotland. These are: general lack of awareness of public appointments amongst underrepresented groups (not just women); a tendency of women to undersell themselves and feel the need to meet all aspects of a person/job specification before applying; the effectiveness of different recruitment marketing channels; and the public appointment process itself. (<http://www.gov.scot/Resource/0046/00466992.pdf>).

To address these gender barriers, and in the absence of legislated quotas, the Scottish Government have put in place a programme of improvement measures that they believe will increase female representation both on boards in the public sector and within the Government's own workforce. The "Public Bodies and Corporate Diversity Programme" was established in December 2013 to oversee the development and delivery of a programme of work. Its objectives include providing leadership and influence to improve female representation in public life, to broaden the diversity of public appointments by 2017 and to ensure the Scottish Government's own workforce reflects the Scottish population by 2025.

In addition, they have sought to affect change by facilitating direct engagement between existing public body chairs, officials involved in board recruitment processes and a pool of potential female candidates. They have put in place a support programme of mentors and mentees, including public board shadowing opportunities, aimed at helping to achieve the 40% objective.

Whilst welcomed, it will take some time to determine the effectiveness of these measures in addressing inequality and gender diversity in Scottish public life and the impact on economic growth and public body performance, and to determine how this programme of measures could translate into the private sector.

The Scottish Government's Programme for Government published in November 2014 encourages the public, private and third sectors to set a voluntary target for gender balance on their boards of 50:50 by 2020, by signing up to the Partnership for Change, which is a network of organisations and individuals who share a common ambition to improve gender balance on boards. The First Minister has indicated her commitment to addressing gender inequality by ensuring that the Scottish Cabinet has a 50:50 gender balance.

Within Scotland, Changing the Chemistry (CtC), a Scottish-based voluntary peer support network, has contributed significantly to the work of this Review in the area of leadership and board representation. Through wider consultation and discussion with their membership base, they recommend three specific areas for further action

and research to improve boardroom diversity in Scotland. Firstly, the need to better understand the application process and poor female participation rates. Secondly, the need to "demystify" the application process. Thirdly, the need for greater transparency in the application process. Whilst CtC support the introduction of female quotas for public bodies, on a temporary basis, they also propose that specific consideration be given to the application of female quotas to chair roles (thereby driving faster change within organisations) and that consideration also be given to programmes to encourage more younger women (21–28 years) to participate at senior business levels, thereby providing experience and demystifying the process at an earlier age.

### 6.3 Women's Entrepreneurship

Across the UK, there has been considerable interest and activity in both understanding and developing appropriate frameworks to support female entrepreneurship, business start-ups and growth.

The Women's Business Council (2012) also considered female entrepreneurship as part of their deliberations and identified women's enterprise as a key area of focus for the UK economy. The UK Government's Ambassador for Women in Enterprise, Lorely Burt MP, has recently published her report and findings into issues of women's enterprise (Burt Report, 2015).

Whilst focused primarily on the English Local Enterprise Partnerships, her findings also have some relevance within a Scottish context. Her report recognises the need for diversity in business and government procurement and recommends adding gender and diversity criteria on data collection to both procurement and VAT registration. It also recognises the need for both gender-neutral and gender-specific initiatives to support entrepreneurship, a view that has been advocated by many female entrepreneurs in Scotland for some time. In addition, the report also identifies the need for mentoring, networking and alternative finance models to be developed at a regional level across the UK.

Within Scotland, there is a significant amount of work under way in support of women's enterprise and business start-ups. It is acknowledged by the Chair of Women's Enterprise Scotland (Jackie Brierton MBE) that, in Scotland, "the enterprise ecosystem is arguably more developed here than in any other part of the UK". There is also an extensive academic research base, including specialist researchers at Strathclyde Business School and the Hunter Centre for Entrepreneurship, as well as considerable private sector support and resource commitment from Royal Bank of Scotland and many business organisations.

The Scottish Government, working in partnership with Women's Enterprise Scotland, launched the Women in Enterprise Framework in March 2014, aimed at closing the gender gap in business start-ups in Scotland. The Framework was developed in consultation with female business owners and business organisations and identifies five key areas for development and support. These include mentoring and networking, role-models, markets and finance, and some gender-specific measures, as well as a commitment to supporting development and training and awareness-raising support across the public, private and third sectors. (Women's Enterprise Scotland, 2014).

This framework is supported with direct funding aimed at establishing a network of women's enterprise ambassadors and supporting a gender-focused investment programme run by Investing Women.

Professor Sara Carter, based at Strathclyde University, has extensively investigated the economic rationale and potential impact of female entrepreneurship in Scotland. Her work estimates that the contribution of women-led businesses to the Scottish economy is £5 billion (GVA). It further suggests that, if female business ownership rates equalled those of men, this would equate to a 32% increase in Scotland's business base, equivalent to an additional 108,480 businesses. This could potentially increase Scotland's GVA to £13 billion (from £7.6 billion in 2014), the equivalent of a 5.3% growth. (Women's Enterprise Scotland, 2014).

The economic opportunities for Scotland in terms of overcoming the barriers and challenges to women's enterprise are huge and the Women

in Enterprise Framework goes some way in addressing these challenges and supporting development and growth. The main representative groups for women entrepreneurs in Scotland have themselves identified the need for recognition of the different growth patterns of some female-owned businesses and the challenges for many female-business owners in accessing mainstream business support services.

However, as Jackie Brierton highlights, in 2014 there is still no coherent source of data on women's business ownership in the UK from government sources (Brierton, 2014). She further notes that reliance is placed on the biennial Small Business Survey, GEM reports and Labour Force/Annual Population Surveys to provide information on female entrepreneurs, estimates of ownership and self-employment.

## 6.4 The Nordic Experience

Norway has been cited by many contributors, commentators and policymakers as a potential model that could add value and insights to addressing gender inequality within Scotland. Gender equality and progressive welfare policies that address inequality have been a defining feature of Nordic culture, far beyond that of many other OECD countries.

Within the scope of this Review we have focused on three specific aspects of Norwegian equalities policy that have particular relevance to this Review and for Scotland, namely:

- Board Quotas
- Gender Indexing
- Family-friendly Policies

### 6.4.1 Norwegian Board Quota Legislation

There is extensive academic research analysis of the effectiveness of these policy measures in addressing inequality within Norway and also their impact on female employment, career progression, wage gaps, income and wider economic performance, though little by way of the practical application and potential value within a Scottish or UK context.

Indeed, a recent programme of events across Scotland held by the Nordic Experience Group stimulated widespread discussion and focus on this issue, looking to learn and hear first-hand from Norwegian academics and businesses on the effectiveness of legislation in addressing gender inequalities in the workplace.

In assessing the application and impact of the Norwegian legislation, it is also important to understand the composition and nature of the Norwegian economy and its distinctiveness in terms of business size, ownership and traditional board structures from those of the UK.

The Norwegian Quota Law was passed in 2003. It legislated for the introduction of a “minimum” 40% of each gender on a range of “corporate” boards. The Quotas were focused specifically on Public Limited Companies, those listed on the Norwegian Stock Exchange, but also extended to include boards of state-owned and municipality companies and cooperatives. The legislation was introduced over a phased period to give companies time to implement it (given the severe penalties for non-compliance), with full compliance and application by 2009.

Bertrand et al. (2014) note that the “primary objective of the reform was to increase the representation of women in top positions in the corporate sector and decrease gender disparity in earnings within that sector”. However, their analysis demonstrates that whilst earnings of those women at the top end increased within companies required to comply with legislation, it did little to impact women in less senior positions within those organisations. Similarly, the legislation did not impact the earnings of senior women not appointed to board positions.

Their analysis would suggest that its impact and economic value seems restricted to the small group of women appointed to board positions. It did not lead to any “discernible uplift” in female participation in business school programmes nor in the “convergence” of earnings between male and female graduates from business school programmes. Whilst they report that many younger

females were aware of the legislation and expected it would improve their career prospects, it did not appear to influence their marital or future family plans. It may be that within Norway marital and family decisions are less relevant to younger women in career planning than they are in the UK due to the more progressive and family-friendly welfare and employment programmes that exist. However, within the consultations and discussions held across Scotland, this was a career and business start-up factor that was raised by many women in the 25–35 age group.

In private limited companies in Norway, 15% of general managers are women, whilst the corresponding figure for public limited companies is 6%. From 2004 to 2014, the share of female managers in private limited companies rose by 2.4%. In public limited companies, this level has increased by only 1.8% since 2004.

Another recent study in Norway by Kunze and Miller (2014) into 4,000 private sector workplaces found that women had a significantly lower level of promotion rate across all ranks of corporate hierarchy than men. However, their study did suggest that, where there is greater female representation in more senior ranks within an organisation, this can have “spillover” benefits to more junior women within these companies.

#### 6.4.2 Regional Gender Index

Norway currently measures and tracks equality on an annual basis across 428 municipalities. This is measured through a set of 12 key indicators that have been identified as important and relevant within the Norwegian context. These indicators also correspond to internationally used indicators of gender equality, such as the Gender Empowerment Measure (GEM).

The 12 indicators are split into two groups along six dimensions that measure variables such as percentage of children in kindergarten, share of employees in gender-balanced industries, ratio of men/women in public/private sector, ratio between male/female average gross income, share of female managers etc.

This data and information is then published (at a national level and by municipality) on an annual basis and is available to all organisations, agencies, and policymakers etc. to assist with decision-making. It also enables the Government and their agencies to accurately assess the impact of interventions to address gender issues and to monitor the effectiveness of their programmes.

### 6.4.3 Family-friendly Policies

The Scottish Government have undertaken detailed and structured analysis of current Norwegian policy to support family welfare, education and economic opportunity and have considered the application of similar programmes within a Scottish economic context. A detailed country overview is included within the Early Childhood Education and Care Provision (ECEP): International Review of Policy, Delivery and Funding <http://www.nls.uk/scotgov/2013/9781782564164.pdf>.

In summary, Norway has a fully integrated and universal early education and care system from age one to school entry, mainly paid for by the state. This links across paid parental leave of one year following birth (and a further entitlement of one year unpaid), ensuring there is no “care gap” and providing continuity of support for parental employment. Research indicates that this universality has led to a more “family-friendly” attitude within many workplaces.

The study indicates that take-up of the father's quota of parental leave is currently in the region of 89%, with 70% of fathers taking more than five weeks (2013).

It is not apparent how successful this ECECP policy has been in addressing structural gender inequalities within the workplace, the longer-term career progression of women or the lack of female business start-ups that still exist within Norway.

The focus of the Norwegian and Nordic policy model has been on recognising the importance of social investment in the early years of childhood as opposed to the short or medium-term impact

on economic performance or growth. It appears that, whilst female career progression and support is considered important, it has been a secondary outcome as opposed to the initial driver of ECECP policy. Indeed, some academics have argued that generous family-friendly policies in the Nordic countries have been counterproductive in achieving gender equality by facilitating long breaks for female workers from the workplace (Stats Norway, 2014). In conclusion, considerable variation in opinion still exists, even within Norway, on the effectiveness of policy interventions in this area.

### 6.4.4 Norwegian Lessons and Learnings for Scotland

Whilst the focus of this Review was not to undertake a detailed socio-economic analysis of Norwegian gender and welfare programmes, there is a vast body of research and findings that can provide insights and help guide future Scottish policy direction:

- Quotas have done little to address workplace or career inequality or to support female career leadership progression
- Many companies deregistered to avoid quota ruling, so legislation is not always an effective route to achieving an outcome
- Norwegian policy interventions have shortened women's employment interruptions and led to a more equal division of paid and unpaid work across parents
- Research also suggests that within Norway, despite significant policy interventions, female employment continues to be influenced by family beliefs and expectations around family and work balance
- Introduction of progressive early education and childcare policies may impact on equalities in the workplace in an unintended way
- Some researchers argue that generous family-friendly policies (particularly extended leave) can be counterproductive in the workplace in addressing equalities unless balanced by affordable day care provision and programmes specifically targeted at fathers

## Conclusions

- Greater equality at a national level will help drive GDP growth and improve productivity
- For those companies listed on the Stock Exchange, better gender balance on boards leads to better share price and financial performance, and for all companies or organisations those with gender-balanced leadership also deliver better all-round performance. For public bodies, this Review considers that greater diversity will improve the performance of the organisation and have greater impact on the performance of the economy
- There is a need to establish a process to share best practice in talent management programmes linked to returners and women in the “getting on” stages of their career. Businesses need to adopt more innovative workplace practice linked to women in mid and later career stages
- There is a need for further review of emerging employment trends for “third phase” workers, identifying workforce training and development needs. This Review agrees with the Women’s Business Council in the need for a range of specific measures to support women at this critical stage in their careers. This requirement was also identified by many women themselves in the discussion groups held across Scotland (detailed in Chapter 7)
- This Review believes that detailed work needs to be undertaken within Scotland as a matter of urgency to better understand these emerging employment trends, and to ensure that we can create balance between senior roles and caring responsibilities
- There is a need for a mechanism to allow larger businesses to share best practice and gender talent and multi-generational management programmes with smaller businesses across Scotland. A number of companies who have contributed to this work have themselves identified the need for best practice to be shared, and for a knowledge exchange mechanism to be established that allows the sharing of best practice and talent policies and support programmes across organisations and sectors. This may be a facilitation role that a business organisation could provide, or an aspect that could be supported by the Scottish Government’s Skills Development Scotland agency in their workforce development planning
- A business champion for older workers should be identified to promote the business benefits of retaining and recruiting older workers (particularly females) with a specific focus on Scotland
- There should be a focus on the most effective ways to accelerate change and put programmes and policy measures into practice that effectively meet business needs but also address the unique circumstances and life stage of employees or business owners
- There is a need for the collection and disaggregation of data to effectively measure and monitor policy measures to support female entrepreneurship at both the Scottish and UK level. There is also a need for disaggregated business datasets at both UK and Scottish levels to measure gender as a key economic variable
- Further work also needs to be undertaken to better understand the relationship between career stages, family/caring commitments, flexible workplaces and female business start-up rates, which may have implications for future policy development in this area
- This Review would support the proposition that “gender” consideration should be given to the framing of Government policies and initiatives to support business growth and development, and to the “levelling” of the public procurement “playing field” with regard to gender and business size qualifying criteria



# Chapter 7



## The Thousand Voices

## 7 The Thousand Voices

### Key Findings

- There is a recognition that the situation for working women has improved over the past 30 years, but that there is “still a lot of work to be done”
- The role of family, schools, career advisors and peer groups in academic subject selection and career choice is critical and there is a need to overcome a perceived lack of knowledge and awareness of wider opportunities
- There is a lack of high-profile female business or working mother role models (though the awareness of the female First Minister and balanced Scottish Government Cabinet was welcomed)
- There is a challenge in combining career and caring roles (both childcare and elderly)
- Change is required in male workplace cultures along with attitudes to childcare, paternity leave and caring roles
- More flexible working patterns, support for returners and childcare networks need to be introduced
- We need to recognise that “one size doesn’t fit all”, in terms of city, rural and deep rural (island) economic needs
- An increase is needed in mentoring and one-to-one career advice and support
- There is still a lack of confidence and self-belief in ability among some women
- Women have expressed difficulty in identifying suitable or appropriate support networks
- There is widespread support for legislated quotas for public board appointments (with sunset clauses)
- There is a need for greater recognition and support for the distinctiveness of women’s enterprise in Scotland, given its economic potential

### 7.1 Methodology

Over a period of six months, 12 roundtable discussions were held to determine women’s views and opinions on a range of issues linked to economic growth, including career progression, education, caring roles, leadership and entrepreneurship across Scotland. This consultation process has involved an estimated 1,000 participants across Scotland, with additional input from key gender specialists from government, business, trade organisations and specialist interest groups from across the UK.

In addition, these direct discussions were supplemented by an online survey distributed to over 500 participants. Detailed analysis of the survey results is given in Section 7.3 below.

In-depth interviews were also conducted with a range of sector and business leaders and private insight meetings held with the Secretary of State

for Scotland, the Minister for Employment Relations and Consumer Affairs and Women and Equalities Minister, along with the Scottish Government Minister for Youth and Women’s Employment, to share their thoughts, views and vision for the role that women can play in the economic success of Scotland.

### 7.2 Consultations and Discussions

The roundtable sessions arranged across Scotland, including Glasgow, Aberdeen, Edinburgh, Dumfries and Stornoway, captured insights from women at all stages of their careers and from all sectors of the economy. This was in addition to a number of personal interviews, conference sessions and meetings throughout Scotland during which views and opinions were sought on economic growth and gender.

At each event, women were hugely generous in sharing their own personal experiences, both good and bad, of their career journeys and their thoughts and views on how to achieve gender equality.

Eight main themes emerged from the consultations and discussions. These were issues related to:

1. Home, Family and Carer Roles
2. Education and Career Choices
3. Leadership, Mentoring and Role Models
4. Women on Boards
5. Entrepreneurship and Starting a Business
6. Culture of Work
7. Regional Factors
8. Sectoral Issues

There was recognition that a lot of good work is taking place to support women to achieve their career ambitions. However, there is a need to provide a more focused approach to this activity across the public and private sectors and a desire to create an ecosystem of support networks to ensure that knowledge can be shared and lessons learned. Businesses often find it difficult to get access to information, and it is also difficult for women in employment or who are self-employed to identify networks that could support them. The consensus was that information is fragmented and inconsistent north and south of the border. Whilst many larger businesses could afford to spend time and resources on promoting gender equality, the make-up of the Scottish economy and the large number of SMEs means that not all businesses have the time or resources to consider how they can address the issue. There was caution about overburdening small businesses with additional legislation and reporting on gender statistics; however, the opportunity for larger companies to share information and insights with smaller businesses was welcomed.

Many women expressed concern and disappointment over a lack of progress over a long period, despite all the initiatives that are in place, and considered that real change and achievement of equality is now a business imperative.

Despite different geographies, sectors and career paths, everyone was committed to working together to ensure change for the next generation of females in the workplace.

### 7.2.1 Home, Family and Carer Roles

The issue remains over who has the primary responsibility for the caring roles within a family unit. With current demographic changes and an aging population, a number of women at various sessions mentioned that there is now greater pressure on women to combine childcare with elderly relative care. Recent legislative changes on shared parental leave and more flexible working policies were welcomed, but opinions were strong on the need to promote flexibility to all – it should not just be seen as an option for women. There was still a belief that there remains a stigma around asking for flexible or compressed hours of working, with women believing that asking for more flexible arrangements would be seen as career limiting.

Many women are still faced with no choice but to pursue a flexible option during early years of work post-children. Women were highly vocal in their views that a cultural mind-set shift is required to get more men to consider part-time and flexible working options and, although legislation helped, gender bias continues to be passed down through generations and full equality will not be realised until cultures change.

### 7.2.2 Education and Career Choices

The consensus view was that gender bias begins at school. Schools, careers advice, parents and family networks all have a significant role to play in encouraging young girls at an early stage to consider all career options available to them, including entrepreneurship and STEM. There should also be early stage encouragement that no one should limit their ambitions because of their gender. There was a real appetite to get more businesses working with schools more effectively on career promotion, particularly on sectors where there is a clear gender gap, for example engineering and IT. The recent introduction of the Curriculum for Excellence is a potential opportunity for considering career advice and business engagement with schools. Many women were also supportive of mentoring in schools, with one suggestion from the Aberdeen roundtable event that girls could be allocated a business mentor in secondary school to give insights into the opportunities and roles in the workplace and dispel many of the myths that exist, particularly in choosing a career within the oil and gas industry.

### 7.2.3 Leadership, Mentoring and Role Models

Strong support was expressed for the need for leadership at the top of organisations to mainstream the gender equality issue, with leaders needing to “Walk the Talk”. Businesses should not consider this as a tick box exercise but instead recognise that equality is a business imperative and driver of economic growth.

In every session, women identified the issue that a lack of confidence still prevents women from aiming for promotions or applying for board roles. The benefit of mentors and sponsors was raised consistently, with suggestions that female talent should be identified at early stages, with coaching and mentoring throughout career development, along with interventions at stages where there are issues of self-doubt about ability, challenges to balance work and family life, and confidence to apply for promotions. A more coherent Scotland-wide approach to mentoring would be beneficial as many women in more senior roles were supportive to help others in the earlier stages of their career and were not aware of any signposting or facility to offer this.

The value of business mentors in supporting women in career choice, development and leadership positions is a consistent finding from across the business evidence, and a requirement listed highly by women themselves participating in the Review survey. Whilst 63% of respondents did not have a mentor, many considered it would be helpful in terms of providing impartial career and expert advice and in providing confidence, support and encouragement in many Scottish workplaces where it does not currently exist. Atkins Global, in their work to support more women into engineering, have identified the key role for industry role models in encouraging and supporting younger women. (Royal Academy of Engineering, 2013).

### 7.2.4 Women on Boards

The benefits or otherwise of introducing fixed quotas for women on public and private boards was a key theme raised during each roundtable and provided the greatest difference of opinion in thoughts on how to address the imbalance. A number of women in more senior positions were adamant that the lack of progress in women achieving board roles meant there was

no alternative but to introduce quotas to achieve change. This view was tempered by others agreeing with quotas in the short term, with “sunset clauses” until more parity is achieved. Other women expressed a desire for targets rather than quotas, citing concerns that quotas could disadvantage women who could be perceived by male counterparts as only getting the board position due to legislation and not through ability. However, full consensus existed on the need for “compliance” in some form to break the cycle of continuous male appointments.

There was also agreement over the process for board appointments, with many offering anecdotal evidence to suggest that women are not making board shortlists as they do not have access to the right networks and are not visible to those involved in the appointment process.

The introduction of quotas to public body appointments was an issue that provoked a wide range of responses from our discussions and survey respondents. The application of quotas was supported by many senior women in the third career phase, with many of them voicing concerns “that nothing had changed in thirty years”. Most mid stage or early career females were less inclined to support legislation to achieve boardroom diversity. In our survey, 56% of all respondents supported the introduction of quotas for public bodies.

For private companies, most participants and contributors to this Review supported the Davies recommendations and believed that voluntary targets and disclosure metrics linked to gender and diversity would provide the most appropriate method to drive change in organisational cultures and behaviours, on the basis of “if it gets measured, it gets done”.

### 7.2.5 Entrepreneurship and Starting a Business

A number of women recognised that to realise their ambitions of running a company meant that they had to set one up themselves. Issues over access to finance, and being taken seriously when approaching banks and legal firms, were raised, along with a desire to look at promoting entrepreneurship as a career choice in schools for younger women. A number of positive examples were mentioned, including the Entrepreneurial Spark

model and several initiatives of targeted lending by banks to women. However, most felt that more could be done to promote these at a national level.

In many instances, lifestyle choices were also mentioned as reasons for setting up businesses, with women stating that they had chosen to opt out of their careers and launch their own business as they did not like the culture or values in their place of employment.

### 7.2.6 Culture of Work

A common thread throughout discussions on all of the themes outlined above was the current structure of work and the ethos and values in businesses. There was recognition that the style of work and structure of working hours have not changed to reflect differences in 21st-century society. There was still the belief that an “old boys’ network” exists throughout Scotland and that unconscious bias remains an issue in the promotion of women at all stages of their careers.

Despite this focus and the commitment identified to gender-neutral leadership in the online survey undertaken as part of this Review, 49% of respondents believed that their careers had been affected in some way by their gender. This result was evidenced in our consultations and discussions, with many women citing negative examples of bias in their workplace or business life that had restricted their career choice or promotional opportunities.

In addition, there were still women experiencing discrimination due to their gender in different sectors of industry.

The need to tackle discriminatory behaviour instantly was strongly accepted by all the women contributing to the sessions, along with ensuring that men recognise these issues and support women who are challenging inappropriate behaviour. Women were vocal in the need for more male mentors and champions in the gender equality space.

Women were also vocal in their desire to address the challenges of the “perceived macho” culture and behaviour that they believe still exists within many sectors and organisations in Scotland. The

issue of “male cultures” and the lack of fit for many women was an issue that was consistently raised in our discussions, crossing sectors, age ranges and seniority.

### 7.2.7 Regional Factors

Although there were common themes and calls to action identified, several specific issues emerged in terms of rural versus urban versus islands. For example, the lack of childcare provision on the Isle of Lewis was recognised as a key barrier to women returning to work or seeking further career development. There are also no formal women’s networks on the Island, so women tend to seek support through informal relationships and conversations with colleagues. Specific challenges relating to STEM careers in Aberdeen were raised, with a need for a more joined-up approach between the public and private sectors and for schools to promote the oil and gas industry to younger women and the range of roles that exist in the sector. In Dumfries, women expressed concern that most networks and business engagement opportunities were central Scotland focused and the challenges of journey times and combining with their existing employment meant they could not attend events even if they wanted to.

### 7.2.8 Sectoral Issues

The actions needed to change behaviours and to address specific skills shortages have been identified by many of the Scottish companies we spoke to as part of this Review. We have identified that many organisations and sectors are already working to implement programmes and initiatives to support greater diversity in education, recruitment, career progression and leadership opportunities. Initiatives under way within the engineering and ITC sectors to address specific issues within STEM subjects can be seen as best-in-class examples and will over time change the diversity characteristics in many UK and Scottish workplaces. The range of initiatives under way and supported by many Scottish-based engineering organisations includes innovative sector agreements, such as the Engineering Diversity Concordat signed by the nine profession engineering Institutions in 2013, through the Royal Academy of Engineering, identifying the need to work collaboratively to address gender issues within the sector and compete globally in the “war for talent”.

## Conclusions

The roundtable sessions provided the Review with rich and detailed examples of the challenges women continue to face in the workplace to achieve gender equality. Despite the challenges identified, there was a recognition that, by working together and mainstreaming the issue of gender equality, real progress and change could be effected. In addition, all believed that this was not just an issue about equality but an imperative to ensure continued sustainable economic growth in Scotland and encourage opportunities for women at all levels, in all sectors, and in all parts of society.

Unless directly involved, many women within Scotland are unaware of women's initiatives. Many of the programmes are based in the central belt or cities and therefore exclude women in rural or island communities.

The discussions and consultations undertaken for this Review suggest that there is a lack of clarity within Scotland, not just across organisations but amongst women themselves, in terms of how we reconcile the concepts and language of "womenomics" and "social justice" to deliver against the single gender agenda.

## 7.3 Survey Results

In addition to the qualitative discussion and interview research work, an online survey was also undertaken to gain greater insights into the views and opinions of women on gender equality across Scotland.

The objective of the survey was to provide a wider benchmark on how women perceived gender issues in relation to their working life experience in Scotland.

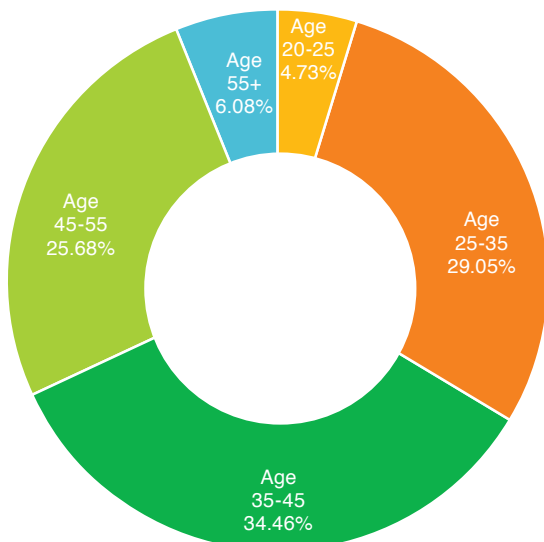
The survey was issued to a target list of 500 business women and entrepreneurs, many of whom had participated in the Review discussions and who shared the survey questions with their network. The survey was open for a two-week period. It was also cascaded through social media channels and business networks over this period.

A copy of the survey is contained in Appendix B.

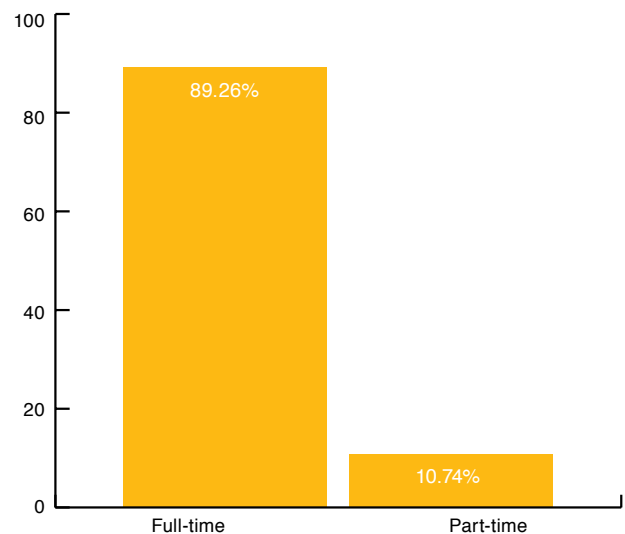
### 7.3.1 Response Analysis

Overall a 34% response rate was achieved to the survey. Of those responding, over 89% work full-time, over 10% part-time and 79% have jobs in the private sector, whilst 21% are employed in the public sector. This indicates that a larger

Responses by Age Category (%)



Respondents in full-time or part-time work (%)



percentage of our survey respondents work full-time than the Scottish national average (26%) and were more likely to be employed in the private sector. Within the survey we did not specifically explore details linked to self-employment or third sector jobs, although we would recommend that further research and analysis be undertaken in these specific areas.

In terms of age breakdown, respondents were broadly split across all age groups and career life stages, mirroring the age profile and demographics of our pan-Scotland discussion groups.

All survey respondents are female.

### 7.3.2 Key Results and Findings

Of those responding, over 90% did not believe that gender equality in the workplace has been achieved in Scotland, mirroring many of the views expressed within the discussion groups and interviews. When further probed on areas of action that are needed to promote greater equality in the workplace, a range of views and opinions were received. These ranged from the need for more mentors, role models and champions through to employee support programmes and greater flexibility.

**“ Equal pay for women, acknowledgement and support for flexible working for working mothers ”**

**“ To treat male and female employees the same. To focus on ability rather than gender ”**

**“ More support in the SME sector ”**

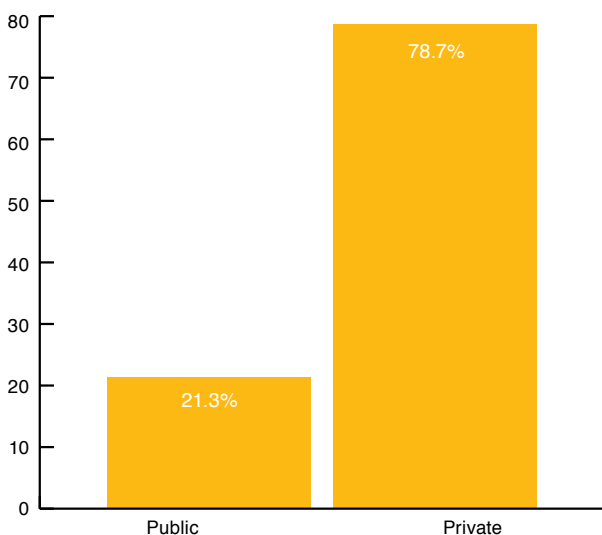
**“ Men championing the benefits of diversity; more case studies of women role models ”**

**“ Senior women leadership / director development ”**

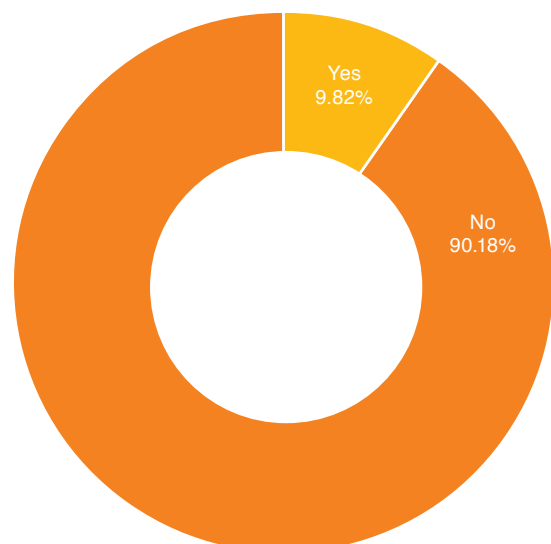
**“ More women on boards, more visibility ”**

**“ Put it on the board agenda, measure it, report on it ”**

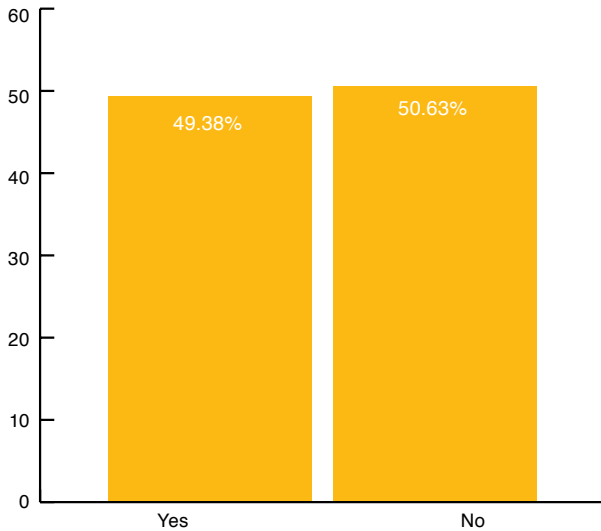
Respondents in public or private sector (%)



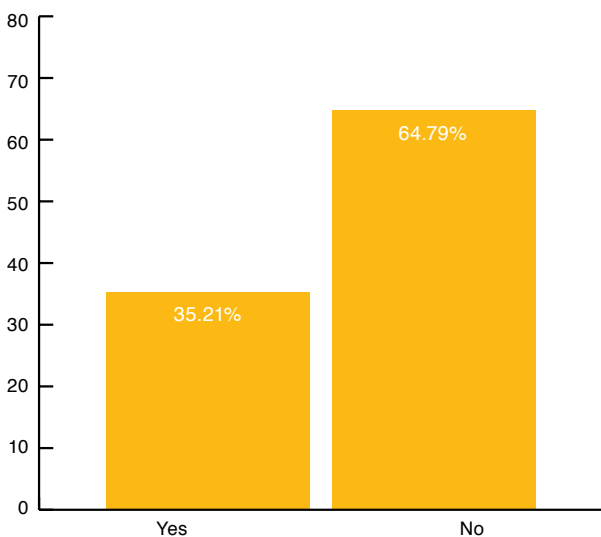
Do you believe that Gender Equality in the workplace has already been achieved in Scotland (%)



Do you consider your career has been impacted by or affected by your Gender? (%)

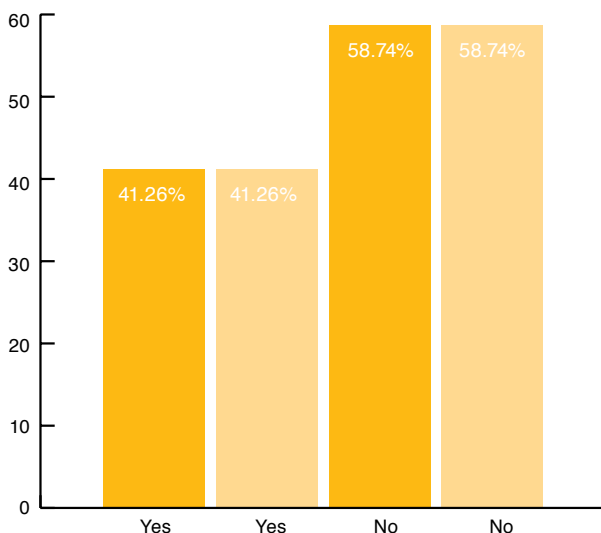


Do you have a mentor? (%)



■ Are you a member of a women's business organisation? (%)

■ Are you a member of a business organisation? (%)



Interestingly, whilst over 90% of respondents stated that they did not believe gender equality has been achieved in Scotland, only 49% of respondents believed that their own career has been impacted or affected by their gender. This response was quite different from the contributions obtained in the discussion groups, where many women (particularly those in the later phases of their careers) believed that their own career progression had been made more difficult than male peers as a result of their gender.

The reason for this discrepancy in the findings is not clear, particularly given that the age profile of respondents was split. We therefore attribute this difference to the method of questioning and the potential concerns around anonymity, and the belief of many women that, whilst their own career progression had been challenging due to their gender, they had overcome this impact over time.

When asked to provide examples of ways that those who felt their careers had been impacted, the quotations to the left were cited as reasons by a number of participants.

“ Slower promotions and smaller salary increases as compared to male peers ”

“ Male bias at the top ”

“ Maternity leave (whilst great) can leave you a year behind in experience with male counterparts ”

“ A man would not be asked in an interview if he was married ”

“ I feel that I'm not taken as seriously as my male colleagues ”



In line with the opinions and views gathered within our focus groups, when asked in more detail about the support required for women to achieve their career ambitions, a number of key themes emerged linked to mentoring, access to networks, more female role models, flexible working and the importance of access to strong family networks.

The key role of mentors in supporting career development was also highlighted in the survey, with just over one third of respondents having a mentor.

On the specific value of a mentor to career progression, many respondents gave examples on how a mentor could bring confidence and encouragement, be a good sounding board to raise opportunities or concerns, or provide alternative viewpoints and different perspectives.

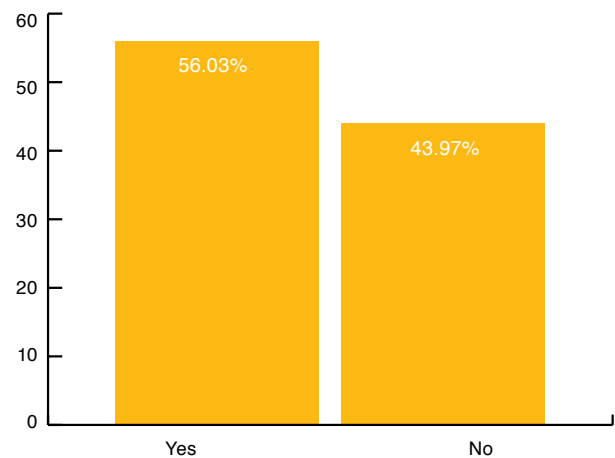
Access to support via business organisations, and specifically women’s business organisations, has been a key theme in the roundtable sessions. In this survey only 41% of respondents stated they were members of a business organisation, with the same figure for membership of a women-only business network. A small percentage of women were members of both types of organisations. The survey identifies that we need to support and encourage more women to join the existing business networks and ensure that access to external support networks is available in rural communities.

The survey and discussion groups also explored issues around the legislative framework and government policies that could support gender equality.

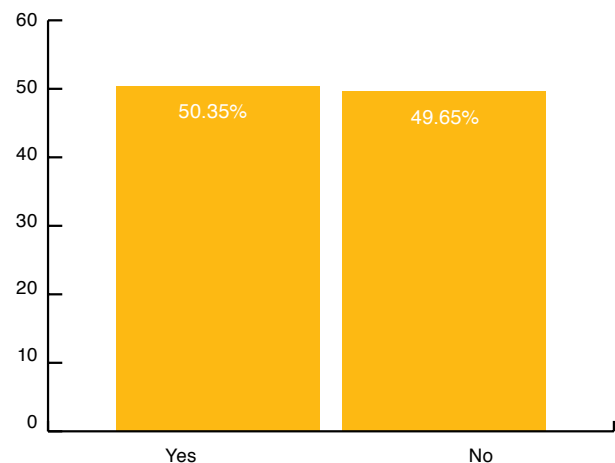
Over 56% of respondents were supportive of the introduction of fixed quotas for women on public boards and just over 50% supported the introduction of quotas for the private sector, mirroring the findings and conclusions within the discussions and interview sessions. However, the emphasis on the benefits of targets, and concerns raised over the potential detrimental effect of quotas by age, were not identified in the survey.

As within the discussion groups, the vast majority of women in the survey were in favour of private companies voluntarily reporting on gender statistics related to workforce breakdowns and pay gaps.

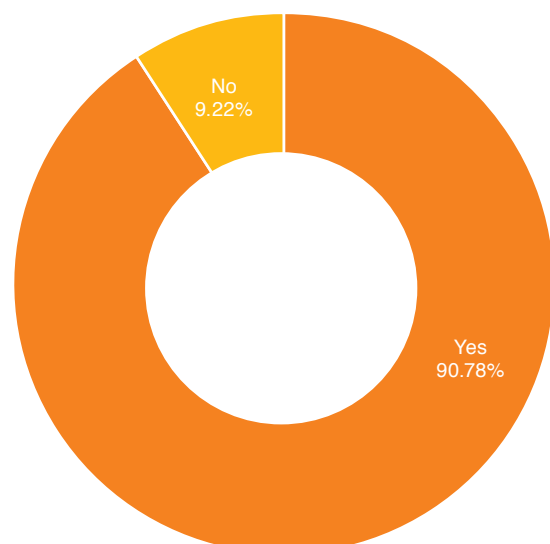
Do you support the introduction of a quota system which guarantees a fixed proportion of places for women on public boards? (%)



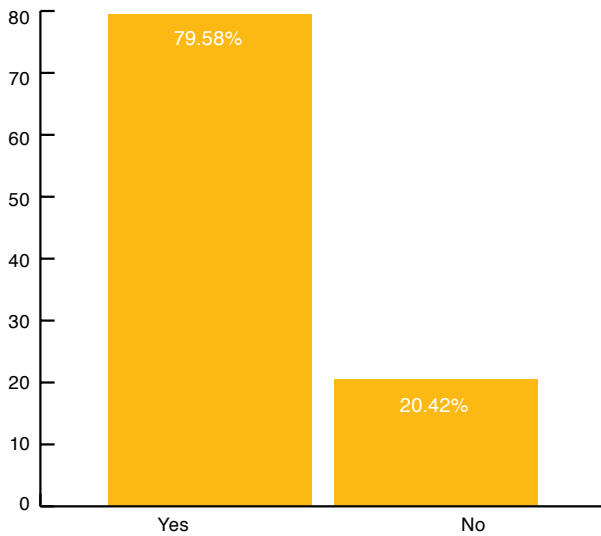
Do you support the introduction of a quota system which guarantees a fixed proportion of places for women on private boards? (%)



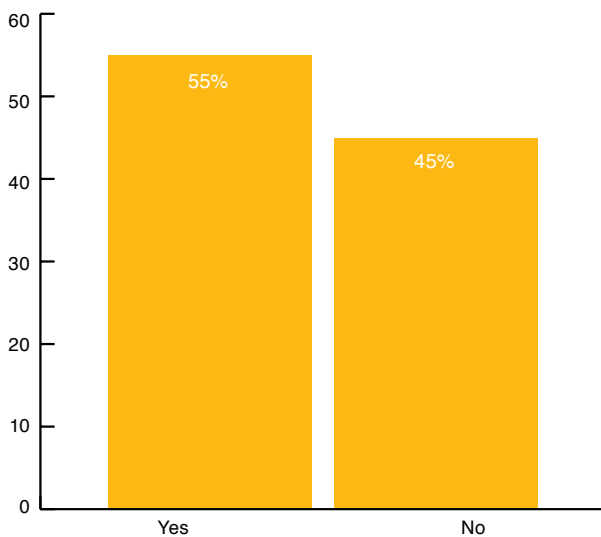
Do you think that private companies should be required to report on gender statistics related to their workforce and earnings? (%)



Do you think that more family friendly policies will improve gender equality in the workplace? (%)



In your opinion overall, do you think women and men are treated equally in your workplace? (%)



Almost 80% of respondents supported the need for more family-friendly policies and their ability to improve gender equality in the workplace.

When asked to provide specific examples of how this could be implemented, the majority called for greater flexibility at work and more focus on the promotion of shared leave. Many of those surveyed considered that this should not just be promoted to women.

In terms of how female respondents “felt” with regard to attitudes and views in the workplace, most were positive when asked if women and men were treated equally, with 55% answering yes compared with 45% who said no.

We were also keen to understand views and opinions on how Government or the company they worked for could do more to improve gender equality at work. The following are a selection of responses received:

**“ Lead by example and promote successes ”**

**“ No – think the rules have gone far enough ”**

**“ Education from the earliest age needs to move away from gender stereotypes ”**

**“ My company has a severe cultural issue. I think it is past hope ”**

Finally, we asked respondents for any further suggestions or ideas to support women throughout Scotland to achieve their ambitions at work. From the vast number of suggestions received, most focused on school, education, culture, attitudes, employment practice and leadership. Many of these responses reinforced views expressed within the discussion groups.

- “My senior manager and area director are both women – very capable and have made their grade on their business qualities, not gender”
- “Networking is really important so that women have people to learn from and share issues and good practice with. The more joined up this can be the better”
- “I strongly believe that women are granted recognition in the UK based on their abilities. To say that a certain percent of a board should be female is in my opinion not correct – business should be based on people’s capabilities, not their gender, and by protesting that a certain number should be women could result in the opinion that certain women have attained board status purely due to the organisation needing to gain the relevant female representative percentage”
- “Start by educating children in school about equality in the workplace, greater use of mentoring for young women in education and in the early stages of their career, flexible affordable childcare, particularly for school age children”
- “Educate men and identify male champions within different sectors”
- “Groups like the LeanIn circle and Changing the Chemistry are doing great work to connect women and give them practical advice and access to others. The existing groups are primarily based in central Scotland. We need more help in the North East and rural areas too. Outside the big cities there is a bigger challenge”
- “More education for girls in schools; raising expectation of girls; having inspirational female leaders talking to 5th and 6th year pupils and explaining how they had got to their position and the kind of things they thought about. Showing girls and young women what they can do to help themselves succeed, a LeanIn approach”
- “We need the workplace to be more open to change rather than women having to adopt to fit the current models. We don’t need to be at a desk early/late to be effective. Women need to ask for more help rather than effectively stepping off the career ladder because it’s too hard to juggle family and career. We need to start asking/expecting our partners to share the work load at home”
- “Do we have a mentor match within Scotland? That would be a helpful start, for women at all levels to support those below. Seeing high-profile men telling their stories of support. Change will come through those with the current power base”
- “Keep challenging unfair behaviour, all-male panels at conferences, all-male nominations for awards etc”



# Chapter 8



## Final Conclusions and Recommendations

## 8 Final Conclusions and Recommendations

### 8.1 Conclusions

Over the past six months, we have sought to gather and collate evidence and create a knowledge bank of information to help understand the status of womenomics in Scotland, and to identify those key areas and issues that could deliver greatest impact to the economy of Scotland and to the role, position and self-confidence of women themselves.

This Review has been conducted in a very dynamic and fluid context, with almost weekly reports, findings and analysis being released on the role of women in the economy. Whilst challenging in terms of incorporating this flood of information and data into this Review, it has been welcomed. We believe that this clearly reinforces and highlights that we now have agreed universal acceptance of the importance of ensuring we are enabling, supporting and developing “all the talents” in the economy, not just within Scotland, but across the UK and globally.

Whilst many of these reports, analyses and surveys have been helpful in adding to the evidence and knowledge bank we have created as part of this Review, what is still lacking is an agreed national plan of action or recommendations that will address the fundamental issues or lead to the structural reform necessary within the economy.

There are many reports and policy documents within Scotland that list recommendations on actions to tackle specific issues such as low pay, childcare provision, board membership, STEM education, entrepreneurship etc. However, this Review has identified no single action plan or overview that seeks to bring these issues and the private, public and third sectors together in Scotland, or to look at ways in which Government and businesses can work more effectively in partnership to implement a “Gender Action Plan” to drive change and economic growth.

Many women and businesses have told us this is what they would like to see. Whilst we do not believe that this will be a panacea to address gender inequality across Scotland, we do consider it will be a significant first step.

The Women’s Business Council, at a UK level, has attempted to achieve this. However, it has no regional representation at a Scotland or UK level and approaches the issue of womenomics purely from a business-led perspective, with little context of place or geography or consideration of the economic impact of the Smith Commission and Devo settlement on gender in Scotland.

This is not intended as a criticism of the work of the Women’s Business Council, as in a short space of time it has made remarkable progress. It has highlighted the issue of gender and economic contribution at a UK Government level, but its impact across the UK and engagement within an economic policy context in Scotland has been minimal.

Whilst we recognise the importance and key role of businesses in driving growth, culture and behaviour change in the workplace, we also recognise that success linked to gender issues cannot be achieved in a vacuum. It is only by joining the dots and working in partnership with others who also control “levers of success” that we will be able to achieve the step change in economic growth linked to gender that we all want to see.

The Scottish Government recently published a report, undertaken by Napier University 2014, in which they provided a range of recommendations, based on best practice, to address the issues of women on boards. This report’s recommendations mirror many of our own findings and recommendations linked to improving access to training, mentoring, building the pipeline of talent, improving access to professional and business networks and the introduction of voluntary reporting and quotas.

However, the issue of gender and womenomics within Scotland extends beyond purely increasing the percentage of female board representation, childcare provision or pay gaps. To achieve the full economic potential of women in Scotland will require a concerted and joined-up effort by Government, businesses and trade unions to tackle structural and cultural gender deficits.

The evidence we have analysed suggests that there is a huge talent potential within the Scottish economy that is currently either untapped or wasted. We therefore conclude that the womenomics potential in Scotland is significant. However, to address this challenge and to unlock the potential to maximise the economic contribution that women can make to the Scottish economy, we will need to undertake a range of specific measures and actions.

This Review believes that, within Scotland, there is a need to consider policy and measures to address three specific areas:

1. Mainstream Attitudes and Behaviours
2. Measure for Impact
3. Mentor and Lead for Change

We need to **Mainstream Attitudes and Behaviour** towards gender and equality in the workplace, so that it becomes the way we do business or how we make economic investment decisions, not a “women” or “feminist” issue. Similarly, we need to change cultures and behaviour in the home, at school and in wider society so that we neutralise prejudice and social conditioning linked to work, caring roles and career choices and maximise life-time earning opportunities for everyone.

We need to **Measure for Impact** by introducing a range of impact measures linked to scale and expected return on investment in national policies and programmes to address gender inequalities in the workplace and in female entrepreneurship. We need to ensure a coordinated and joined-up approach by both Government and the private sector, at Regional and City levels. This Review considers that “if it gets measured, it gets done”. We also need to measure the scale, focus and nature of workplace innovation within Scotland, sharing best practice, knowledge and academic resources across private, public and third sectors.

We also need to ensure that, within the public, private and third sectors, we **Mentor and Lead for Change** through a programme of sustained, accessible and relevant support, mentoring and coaching programmes. We also need to demonstrate leadership and to have relevant role models at school, work and boardroom

level. We need our public agencies and private companies to provide encouragement and support through transparency in pay, roles and training opportunities, and we need to invest in developing our young female future leaders.

Within this Review, we have therefore identified ten specific measures that we believe will deliver step change in terms of economic growth and gender equality in Scotland.

## 8.2 Recommendations: Delivering the Change

### Mainstream Attitudes and Behaviours

#### 1. Mainstreaming Womenomics – Creating a “Collective Culture”: A Gender Action Plan

Much of the research, analysis and contributions we have received highlight the need for a change in “culture” at society, business, workplace, community and home levels around the role of women, careers, study or training choices and their role as homemakers and carers.

McKinsey & Co. in 2014 highlighted the importance of what they termed “moving mind-sets” on gender diversity. Whilst they focused on the need to change corporate cultures to support more women to reach senior positions, we believe this change in mind-set requirement can be equally applied at national level.

To unlock the economic value of diversity within Scotland we will require strong and visible public and private leadership, recognition of the length of time it will likely take to change deep-rooted social and cultural behaviours and a coordinated and holistic gender-neutral approach across the public, private and third sectors.

We believe the Scottish Government should progress their drive to achieve greater diversity in the workplace in Scotland. However, this needs to be undertaken in partnership with wider stakeholder groups, must cross political party divides and must resonate beyond a focus on issues of social justice.

Within the Review process, we have not identified a single example of a nation, outside the Nordic States, that has sought to change culture and mind sets on gender equality through joint working between the private sector, employer representatives and Government. There are many good examples within corporate organisations, cross sectors and within individual businesses of programmes aimed at addressing workplace gender issues. We believe that equality will be achieved through a coordinated “crowd” campaign and integrated action plan across the public and private sectors implemented at the same time and supported by a range of legislative and compliance measures.

We have achieved this in Scotland within the public health arena linked to smoking in public places and drink driving; we should aim to apply these learnings to gender equality and workplace diversity. We need to “call it out”, as many women across Scotland have told us.

We need to mainstream gender to neutralise its power to negatively impact upon performance and achievement, whilst still celebrating the diversity, talents and contribution of everyone to the economy of Scotland.

This Review believes a national Gender Action Plan will be a significant first step in delivering this ambition. This Review also believes that the UK and Scottish Governments have a leadership role in making this happen.

## 2. Coordinating a National Approach: Need For Joined-up Solutions

This Review has identified a fragmented and localised approach by government across the UK in tackling issues of gender and equalities. Post-1999 we have witnessed a move towards greater localisation in tackling gender inequality, with the establishment of Scottish offices or initiatives by many trade, industry and membership bodies. Similarly, the Scottish Government have moved to implement social policies and programmes that, whilst progressive in addressing issues of gender inequality within Scotland, can in themselves create greater inequality across the UK. Whilst the ability to provide solutions that address local

or regional economic need can be an effective use of public resources, within the gender context some contributors to this Review have identified the potential issue of “unintended consequence” through an emerging non-alignment of equalities policy measures across the UK.

Work undertaken within the area of women’s enterprise would also support this view.

Therefore, the need for greater national coordination, UK-wide support programmes and access to advice and delivery mechanisms has been identified by many contributors to this Review.

With the introduction of greater economic powers to Scotland through the Scotland Act 2012, and the Smith Commission bringing further devolution of powers to the Scottish Parliament, we would also suggest that it is timely to consider the role, focus, resources and remit within this devolved framework of the Equality and Human Rights Commission in Scotland. This, however, has been beyond the terms of this Review.

## 3. Changing Behaviours: Education, Family and Culture

Many participants and contributors to this Review identified the need to change cultures and mindsets on gender and equalities. The key roles of the home, school and peer groups are seen as essential, particularly in the early years. The Curriculum for Excellence (CfE) is also seen by many as an ideal platform to tackle cultural issues and gender stereotyping from an early age.

Within the timescales of this Review, we have not considered in detail those aspects of the CfE within Scotland that address equalities.

However, we consider that modules should be developed with educational specialists that seek to re-profile Scotland’s young people on issues and perceptions about diversity and equality. We should also address gender bias at home, at work and in the community from an early age.



## Measure for Impact

### 4. Measuring Policy Impact: Gender Equalities Index

The value of the Gender Equalities Index in supporting economic policy and decision-making within Norway is well documented. We believe the opportunity, expertise and data platforms exist within Scotland to allow similar benchmark measures to be introduced at a local authority or city region level. This Index would be developed to be relevant within a Scottish economic context, applying those measures appropriate to economic growth and enabling the tracking of progress over time. This would then link to measures of gender performance in employment, business start-ups, education pass rates etc.

### 5. Driving Investment: The Concept of a “Gender Dividend”

Within the timeframe of this Review, we have not been able to undertake an estimate of the spend or investment currently being made within Scotland on “women” issues (within public, private or third sector or at an individual level), nor to look at the ROI, progress made or value for the public purse from that expenditure. It is not even clear from preliminary analysis that sufficient data measures exist to enable this work to be undertaken.

Given the relative newness of many of the family-friendly policy measures being introduced by the UK and Scottish Governments, no longitudinal studies exist to measure impact. Gender budgeting frameworks already exist within Scotland and are well established in both challenging and supporting Scottish Government spending and budget plans.

We believe the concept of a “Gender Dividend” could be developed to allow more effective monitoring of and targeted investment on those issues that will deliver greatest impact for the Scottish economy, families and women themselves. Many of the tools and expertise needed to develop a gender dividend already exist, so it is anticipated that a similar methodology could be applied to support wider private and public sector investment planning at a city or regional level with regard to gender impact.

### 6 Implementing a Coordinated Approach: A Virtual Gender Resource Network

In collating information and data for this Review, we have identified a multiplicity of data sources, information sets, reviews and research outputs across a range of themes, sectors and timescales, most of which are not directly comparable. It has also proved difficult to extrapolate many national datasets to a Scottish national or regional level, and likewise to compare Scottish gender data at a UK or international level.

We were also struck by the volume of academic reports, sector or workplace-specific information and policy insights that, whilst being available within a teaching and learning context, were not being shared or circulated to policymakers, government or businesses who could apply this research knowledge within an operational, business innovation or improvement context.

In addition, during this Review process, many businesses welcomed the opportunity to share best practice, training resources and expertise with smaller businesses or organisations on gender-related issues. A similar willingness to share and exchange information and experience was identified within cross-sector accreditation bodies, trade organisations and industry groups.

Our detailed analysis of the Norwegian approach to gender policy has highlighted the efficiency and effectiveness of Statistics Norway in allowing open access to gender-specific econometric data and the analysis, information and academic research papers and gender-focused organisations that link to it.

This “one-stop shop” approach linking to economic data in both Norway (Statistics Norway) and Australia (HILDA) is an approach that could easily be replicated in Scotland.

However, we believe that combining national economic datasets, business intelligence, best practice and resources, and underpinning this with access to a Scotland-wide academic evidence and research base, would be unique in a global economic development context. We believe that there would be economic value

in having common gender datasets for policy and planning, but also to provide a centre of excellence to support SMEs and smaller charitable or third sector organisations who do not have access to gender training or support resources.

Such a Network or pool of resources could also have responsibility for impact measures and effectiveness monitoring, determining effectiveness of government-led gender or equalities programmes and for supporting international links to the United Nations and other international development organisations focused on women's economic issues.

It would also improve knowledge exchange from academic experts through to business owners and leaders and to policy decision-makers. This coordinated approach would also help deliver greater value and insights to the wider academic and research community by providing open access to an informed business evidence base.

Whilst the future format and remit of the Equalities and Human Rights Commission is a matter for the UK Government, we believe there is synergy and value to be gained in terms of economic growth by linking regulation or assessment to the practically focused resources and support services that could be provided by establishing a connected network of expertise and knowledge.

## 7. Driving Innovation: Workplace Policy Innovation

This Review has identified the trends in changing workforce and business needs that are emerging in many businesses across Scotland. All businesses participating in the Review identified the pace of business change and the need to ensure a trained, flexible and motivated workforce. For many sectors, there were strong business drivers in the need to recruit more female workers; not a "nice to do" but a "need to do". Allied to this was the recognition of the need to ensure family-friendly and flexible working arrangements that would retain and grow talent in an increasingly competitive and global marketplace.

Likewise, many women themselves recognised the changing needs of the workplace. However, for many women, particularly those in early to mid-career range, access to affordable childcare was seen as essential to support a return to work. The need for universal childcare provision and its benefits to economic performance have been widely documented and evidenced within Scotland. We would therefore add our support to that principle, but would add the proviso of the need to consider affordability and the cost of delivery to businesses, recognising the specific issues linked to rural and island communities.

We would highlight the desire for more innovation and flexibility within the workplace that was mentioned by many women, particularly those who seek to balance childcare and work commitments.

Similarly, we would recommend that consideration is given to community hubs and a localised approach to business start-ups and operations by public and private sector organisations. Access to transport and family and care commitments often impact upon career opportunities and access to business networks and support services. By considering female labour force concentrations, public transport access, female business support networks etc., this will help support and encourage more women to enter the labour force, return from maternity leave and progress their careers.

We would propose the establishment of a Workplace Innovation Group representing public, private, and third sector organisations and trade unions to help drive innovation in workplaces across Scotland. This could be linked to the work currently undertaken by Skills Development Scotland and be integral to the national skills development plans and national economic strategy.

## Mentor and Lead for Change

### 8. Investing in Leaders: Public Board Quotas

Within Scotland, there has already been an extensive public consultation on the proposal to introduce a gender quota system to all public bodies. It has not been the intention within this Review to revisit the decision by the Scottish Government to move to legislation on this matter in the near future.

However, this Review has investigated in some detail the Norwegian and European experiences with regard to board quotas, and we have also considered carefully the views and opinions of many female representative organisations and groups. We have also taken the opportunity to discuss this issue within our consultation process and on a one-to-one basis with many business and civic leaders.

In conclusion, we have found widespread support amongst contributors for the introduction of board quotas to public bodies. However, there is very strong support for this to be accompanied by “sunset” clauses, so that this will be phased out over time as behaviours and cultures change.

We have been mindful of the chequered success of quotas in Norway, in terms of creating a small cohort of individuals who secure appointments, and the lack of success of quotas in establishing a female talent pipeline into and from senior management at board level.

Therefore, the Review recommends that the introduction of quotas to public bodies also needs to be accompanied by a commitment and investment by the Scottish Government to a “public” programme of talent development linked to gender within public organisations and closely aligned with private sector initiatives. With appropriate measures, impacts and milestones established.

### 9. Developing the Talent Pipeline: Voluntary Equalities Disclosure (Code for Companies in Scotland)

In terms of the issue of quotas, a small minority of survey respondents did indicate

that they favoured legislation for public limited companies. However, the majority of contributors expressed widespread support for the development of a “voluntary code of conduct” for private companies. This principle could be extended to third sector, charity and social enterprise organisations.

It is recognised that all public sector organisations have equality reporting obligations, and that larger employees will soon be required to publish gender pay information. Whilst contributors considered it was not appropriate to extend this to the private sector, it was considered that Scotland could be seen to be leading the way in establishing a voluntary code that would provide information on gender performance linked to job levels, grades, pay bands etc. We recommend that more businesses should be encouraged to follow the Think, Act, Report Framework.

We recognise that this will require further discussion across the private and third sectors, but many organisations already collate and monitor this information and recognise its value in helping to create and support the female talent pipeline into leadership and board roles and have indicated a willingness to share with other companies.

### 10. Building Confidence and Skills: A National Joined-up Approach to Female Mentoring Programmes and Improved Access to Networks

The need for effective mentoring and support networks for women at all stages in their careers is a requirement that has been recognised in many studies, reports and research inputs to this Review. The Napier University study in 2014 on behalf of the Scottish Government also identified mentoring and business networks as key requirements to support more women in Scotland onto boards. It is also a requirement that has been high on the list of requests from many female contributors to this Review. The need for more effective mentoring and access to support networks was identified in our discussions with all ages, in all sectors and from across all areas of Scotland.

Most contributors considered it would assist with education and training planning, career choice, personal and business development, building confidence and helping to support access to leadership opportunities. The economic benefits and value are well documented in the research evidence.

The Review also identified the need for a life-stage approach to mentoring, starting from early years schooling through to senior management coaching for board positions. There is a need for a joined-up approach, which ensures that at every stage of a woman's career there are opportunities and external support networks available to offer guidance and advice. It was considered essential for economic growth by many contributors from key sectors including ITC, professional services, engineering, oil and gas, and life sciences.

A number of programmes operating within Scotland, in both the public and private sectors, have been held up by contributors as best practice examples, including those operated by the Institute of Directors, the Scottish Government, EY and Tesco Bank to name only

a few. There are also a number of programmes being delivered through organisations such as Women on Boards, Changing the Chemistry, Inspirational Journey, 30% Club, LeanIn Scotland etc. that are all aimed at supporting career progression, and which have been welcomed by female contributors to the Review.

Part of the challenge for many women is to understand and be aware of the range and focus of many of these programmes. Therefore, we would suggest that there is a need for a "National Mentor and Networking DataBank" to be established. That could provide details of and easy access to these mentor programmes and organisations, with a calendar of events and activities provided across the country.

We would also propose that the Scottish Government consider the provision of a "career mentor" to all young people in Scotland, over and above the programme of career guidance and advice. Moreover, we recommend that easier access to external mentorship is available to young women in the workplace.

# Chapter 9



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## Appendix A: UK and Scotland: Additional Background

In April 2011, a new public sector equality duty in the Equality Act 2010 came into force. This is often referred to as the “general duty”. This covers the relevant protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Through this Act, pay secrecy clauses are no longer enforceable. In addition, legislation was introduced in 2014 that requires employers who lose equal pay cases to conduct a full equal pay audit. In Scotland, the regime is different to that operating in both England and Wales, with additional “specific duties” linked to areas such as publishing pay gap information and equality outcomes, and reviewing policy and practices, award criteria and conditions for public procurement.

The 2010 Act builds on previous legislation but also follows three major European Directives: the Equal Treatment Directive, the Racial Equality Directive and the Directive establishing a general framework for equal treatment in employment and occupation. This legislative framework applies across Great Britain, though Northern Ireland has its own equality legislation.

The Smith Commission Agreement, published in November 2014, recommends that powers, including, but not limited to, the introduction of gender quotas in respect of public bodies in Scotland, be devolved to the Scottish Parliament. The UK Government published draft clauses in January 2015 that deliver the Agreement and give effect to this recommendation, and the main Westminster parties have committed to legislation in the first Queen’s Speech of the new Parliament to implement this.

### Extension of Flexible Working

In 2014, the UK Government extended the right to request flexible working to all employees that have worked for the same employer for at least 26 weeks. This doubled the number of employees

entitled to apply for flexible working conditions to over 20 million. It is estimated that this will create over two million requests a year.

Many contributors to this Review have identified the benefits of flexible working to their careers and family life. Research also suggests that flexible working can provide employers with access to a wider pool of skills and talent, improved recruitment and retention rates (76%), and increased staff motivation and productivity (73%) (CIPD, 2012). The UK Government estimates that the right to request flexible working will create business benefits of nearly £117 million over 10 years (ref [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/82794/12-1270-modern-workplaces-response-flexibleworking-impact.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/82794/12-1270-modern-workplaces-response-flexibleworking-impact.pdf)).

### Introduction of Shared Parental Leave

Shared parental leave and pay comes into effect for babies due on or after 5 April 2015 and adoptions on or after 5 April 2015. Under this new scheme, working couples will be able to share untaken maternity leave and pay, following the first two weeks recovery period that mothers have to take off after birth, so up to 50 weeks’ leave and 37 weeks of pay can be shared. A recent survey by BIS commissioned by the Department for Business, Innovation and Skills (2015) showed that, in Scotland 51.6% of people think that the main responsibility for childcare in a household should be shared equally.

It is anticipated that this new system will give both parents more choice and freedom in how they share the care of their child in the first year after birth.



## Other Relevant UK Government Initiatives

### The Women's Business Council

The Women's Business Council is an independent working group set up to ensure real action by the UK Government, businesses and others to maximise women's contribution to the economy. The members are all businesspeople working in a range of sectors – including advertising, recruitment, enterprise, retail, legal, financial and pharmaceutical.

Their initial findings showed that, by equalising the labour force participation rates of men and women, the UK could further increase economic growth by 0.5 percentage points per year, with potential gains of 10% of GDP by 2030. If women were setting up and running new businesses at the same rate as men, it is estimated we could have an extra one million female entrepreneurs.

Following the launch of the Women's Business Council report and recommendations in 2013, an implementation programme will run from September 2013 to June 2015. The programme complements the deliverables in the Government Action Plan, announced on 7 November 2013. (Women and Economy Action Plan, Government Equalities Office).

The Council have been very active in terms of business engagement in England through a programme of industry events and broadcast media. However, whilst a national initiative, it has had little direct engagement with businesses or stakeholder groups based in Scotland.

Many of the conclusions of the Women's Business Council are, however, equally relevant within Scotland and are therefore mirrored in this Review. There is a need to consider the predominantly SME business base and the higher levels of public sector employment that characterise the Scottish labour market compared with the rest of the UK (21% as opposed to 17.5% in 2014) (ONS Regional Public Sector Employment 2014, excluding Northern Ireland).

The focus on women in enterprise has also been enhanced by the recent publication of the Lorely Burt Review (The Burt Report: Inclusive Support for Women In Enterprise 2015), by

the UK Government's Women in Enterprise Ambassador, in which a number of additional actions were identified in relation to the promotion of women's enterprise linked to the "Business is Great" initiative. The conclusions of this Report mirror much of the work already under way within Scotland on women's enterprise and are outlined in Section 6.3.

### Women on Boards – Lord Davies Review

Lord Davies is leading a voluntary and well-publicised approach to increasing the number of women on boards to 25% by the end of 2015. The UK Government also have a target that 50% of new public appointees should be women by the end of this Parliament, with the aim that at least half of appointments to public boards by 2015 should be women.

### Think Act Report

Think, Act, Report is a voluntary initiative designed to increase transparency around women in the workforce, on issues such as recruitment, retention, promotion and pay. Over 275 companies have signed up, covering over 2.5 million employees, including many Scottish-based companies, such as Royal Bank Group, Standard Life and Aberdeen Asset Management.

As noted earlier, the gender pay gap is linked to the occupations and sectors in which women traditionally work, and these sectors tend to be lower paid. Therefore, transparency around gender equality in the workplace is seen as a key mechanism for driving progress on this issue. Think, Act, Report asks employers to take action to address issues of equality and share best practice so that companies can learn from each other.

### Additional Policy Initiatives and Measures

The "Gender Pay Gap Matters" report (Government Equalities Office and Everywoman, 2015) also identifies a number of additional measures to address career choice, to transform the workplace for women and to promote greater pay transparency. These include a number of specific programmes run in partnership with businesses including: Your Life, which aims to double the proportion of undergraduate degrees taken by women in engineering and technology by 2030; supporting the Inspiring Women campaign to

get more women to share career experiences in schools; and funding of the STEM Ambassadors Tomorrows Engineers campaign and the Opening Doors programme with the Institute of Physics.

In addition, a code of conduct has been launched for executive search companies aimed at improving gender balance on boards.

All of these initiatives and programmes operate on a pan-national basis, but feedback from target companies and participants in the roundtable sessions would suggest that, within Scotland, awareness and participation is relatively low.

### Other Relevant Scottish Government Initiatives

The Scottish Government have instigated a number of Scotland-specific measures aimed at linking gender and equality issues to wider economic growth, education and attainment, skills, career development and health policy. Through their own policies linked to equal pay, flexible working and public appointments, they are seeking to play a leadership role in addressing gender issues in Scotland.

These include expanding early learning and childcare provision, and increasing flexibility and choice for parents, with plans to increase funded early learning and childcare to 30 hours a week during the next Parliament. The Scottish Government are also implementing the recommendations of the Commission for Developing Scotland's Young Workforce, implementing the Women in Enterprise Action Framework and supporting CareerWise to encourage girls and young women to consider careers in Science, Technology, Engineering and Maths (STEM).

The First Minister, the first female First Minister appointed, has established a 50/50 Cabinet and has also committed to introducing gender quotas on the boards of public bodies.

In addition, there is an Equal Opportunities Committee within the Scottish Parliament with the remit to monitor and review progress and issues related to gender and wider equalities and to seek

evidence and expert input to inform the work of the Parliament. This has proved a helpful channel for civic and representative groups to both inform Scottish parliamentarians and raise issues of concern.

The Scottish Government also held a Women's Employment Summit in 2013 to bring key stakeholders and partners together to discuss and debate the issues of gender in the workplace and for the economy. This dialogue has continued through the Scottish Women's Convention network to help inform and develop future Scottish Government policy.

### Equality and Budgetary Advisory Group (EBAG)

EBAG is a non-statutory advisory group, convened by the Scottish Government. Their remit is to help shape the Scottish Government's equality approach to the budget planning process. Their role is to provide advice on considering the equality implications of budgetary decisions across all policy areas; contribute to mapping the pathway between evidence, policy and spend; improve the presentation of equality information in the Scottish budget documents; and contribute to improved commitment to, and awareness of, mainstreaming equality into policy and budget processes.

### Scottish Women's Convention

The Scottish Women's Convention (SWC) was set up by the Scottish Executive in 2003 in recognition of the need to ensure women's voices are reaching policymakers. They are funded by the Scottish Government to communicate and consult with women in Scotland to help inform public policy. The SWC have been a helpful channel in helping to campaign and lobby on behalf of women's issues since its inception.

### The Council of Economic Advisers

The Council of Economic Advisers is an independent advisory group to Scotland's First Minister. Membership consists of experts from across academia and the private sector, and includes two Nobel laureates (Professor Sir James Mirrlees and Professor Joseph Stiglitz). The Council provide advice on various issues related to Scotland's economic performance.

The Council considered the potential economic and social impacts of an expansion in childcare provision in Scotland in their meetings of August 2013 and March 2014, with background information that informed the Council's deliberations being presented in their Second Annual Chair's Report (May 2014). In their consideration of this issue, the Council recognised the potential for childcare to support economic and social improvements in Scotland, particularly with regard to reducing barriers to labour market participation amongst parents of young children.

It also considered the broader issue of economic opportunities for women in Scotland at their meeting in November 2014, taking in barriers to economic opportunity such as childcare, parental leave and flexible working (which reduce the gains to work for women and mitigate against labour market attachment), and the gender pay gap.

### International Aspects

Within Scotland, the Scottish Women's Convention have been strong advocates and have worked with women's organisations across Scotland to raise awareness of the UN Millennium Development Goals (MDG), as well as the Commission on the Status of Women (CSW) and the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). Engender, who provide a gendered analysis of Scottish Government policies, have also been very active in following progress against international obligations.

CEDAW is an international treaty that came into force in 1981 and is signed by 188 states. States are required to produce reports every four years. SWC acted to collate and input views of women across Scotland to the 2014 UK Government Report to the CEDAW Examining Committee.

Whilst there may not appear to be an obvious link between MDGs/CSW/CEDAW and Scottish economic growth, in their work, SWC highlight the need for the Scottish Government to raise awareness of these international obligations for Scotland. Whilst the overall aims of the MDGs are met, SWC, through their engagement with women,

have highlighted a number of issues still to be addressed, including access to full and productive employment due to lack of childcare provision and access to "decent" public transport, issues linked to discrimination and barriers that still exist within education and the perception of women in the media.

The UK Government's Equalities Office and the Scottish Government's Equalities Units work closely on this international agenda and ensure a cross-UK representative voice on key issues and compliance.

### Workplace Focus

In addition to the legislative, political, geo-demographic and socio-economic frameworks in which businesses and organisations operate within Scotland, we also need to consider the support organisations, trade associations, business groups and networks, civic and third sector organisations, lobbying groups and sector specialists that businesses themselves have created to support their activities. Within Scotland, we have a large number of membership, professional, geographical, sector and gender or race organisations that are active in promoting and supporting members' interests and objectives. Many of these organisations have implemented a range of programmes and initiatives to address specific member or organisational needs linked to women in the workplace, skills development and business start-ups and support services. This includes programmes delivered by Business in the Community, the Federation of Small Businesses, Institute of Directors, Scottish Chambers of Commerce, Scottish Council for Development and Industry, Confederation of British Industry, Scottish Financial Enterprise, Scotland IS, Royal Academy of Engineering, Institution of Civil Engineers, The Law Society of Scotland, Chartered Institute of Bankers, Oil and Gas UK and many others.

This is in addition to company and workplace activity and best practice frameworks already used by many companies within Scotland to promote gender and address equality issues.

## Appendix B: Survey Questions

### About You

- Please select your age from the following options:**
  - 20 – 25
  - 25 – 35
  - 35 – 45
  - 45 – 55
  - 55 +
- Do you currently work full-time or part-time?**
  - Full-time
  - Part-time
- Do you work in the public or private sector?**
  - Public Sector
  - Private Sector
- Please indicate the sector that you currently work in:**
- Please select your salary band from the following options:**
  - Less than £20,000 per annum
  - £20,000 - £40,000 per annum
  - £40,000 - £60,000 per annum
  - More than £60,000 per annum
- Is the organisation that you work for located in Scotland, the UK, or overseas?**
  - Scotland
  - UK
  - Overseas

### Your Thoughts on Gender Equality

- Do you believe that Gender Equality has been achieved in Scotland?**
  - Yes
  - No
- If you answered No to Question 7, what further actions do you think need to be taken to promote equality in the workplace?**
- Do you consider your career has been impacted by or affected by your gender?**
  - Yes
  - No
- If you answered Yes to Question 9 in what ways has your career been affected?**

### Your Career Ambitions

- What support do you need to achieve your career ambitions?**

12. Do you have a mentor?

Yes

No

13. If you have a mentor or would like one, what value do you think a mentor gives or could give you?

14. Are you currently a member of a business organisation?

Yes

No

15. Are you a member of a women's business organisation?

Yes

No

### The Legislative Framework

16. Do you support the introduction of a quota system which guarantees a fixed proportion of places for women on public boards?

Yes

No

17. Do you support the introduction of a quota system which guarantees a fixed proportion of places for women on private boards?

Yes

No

18. Do you think that private companies should be required to report on gender statistics related to their workforce and earnings?

Yes

No

19. Do you think that more family friendly policies will improve gender equality in the workplace?

Yes

No

### Final Thoughts

20. In your opinion overall, do you think women and men are treated equally in your workplace?

Yes

No

21. Are there any other ways that you think the Government or your company could do more to improve gender equality at work?

22. We would welcome any further ideas or suggestions to support women throughout Scotland to achieve their ambitions at work





