



# Impact of Women in Industrial Competitiveness

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**Women in Industry**

# Context

There is still few research regarding the impact of women in industrial competitiveness. The Women in Manufacturing Expert Group 2021 Report gathered some of it:

- Women are underrepresented in Manufacturing and STEM education

**47%** of the labor force is made up by women, but only **20%** of the manufacturing workforce

*International Labour Organization. ILO. January 2021.*

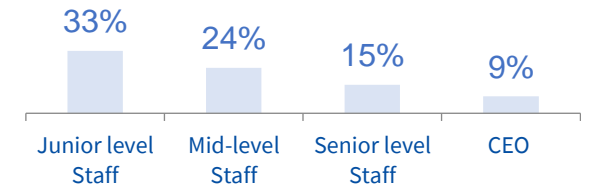
**3/4** of the female population don't even consider manufacturing as a potential career

*UNIDO. Nelson, Judy. (2020, November 10). Why We Have Gender Inequality in Manufacturing.*

Only **1/3** manufacturing professionals

and **1/4** manufacturing leaders are women

*Deloitte. Women in manufacturing study. Exploring the gender gap.*



Across all industries, women make up on average:  
*World Economic Forum (2016) The Industry Gender Gap Women and Work in the Fourth Industrial Revolution.*

- “Gender equality no longer remains just a matter of human rights, but a fundamental question to ensure competitiveness and economic recovery.” UNIDO, 2019

Companies in the **top quartile of gender diversity** on executive teams were **25 percent more likely to experience above-average profitability** than peer companies in the fourth quartile. *McKinsey&Company. (2020, May). Diversity wins How inclusion matters.*

A profitable firm at which **30 percent of leaders are women** could expect to add **more than 1 percentage point to its net margin** compared with an otherwise similar firm with no female leaders. *Marcus Noland, Tylor Moran, Barbara Kotschwar. (2016). Is Gender Diversity Profitable? Evidence from a Global Survey.*

# Objectives of SPRI 2023 Study on the Impact of Women in Industrial Competitiveness

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- The research has a **twofold objective**:
  - To provide a methodology to analyze the correlation between gender equality and industrial competitiveness.
  - To develop a case study that provides data as an objective basis to help prove that a higher rate of gender diversity benefits business competitiveness.

## METHODOLOGY

Multidimensional and comprehensive assessment of the concepts of competitiveness and gender equality in industrial companies.



## CASE STUDY

Survey launched to 2,500 Basque industrial and/or industrial-related services companies. A sample of 474 companies was achieved.



*Characteristics that make the Basque Country a suitable region:*

- *Weight of industrial activities on GDP: 23,9% (almost 40% of GDP of industrial-related services are considered).*
- *Weight of women in the labor market: 44%*
- *Weight of employed women in industry: 21%*

# Methodology

Two different composite indexes were created, one related to competitiveness and the other to equality. Each index is composed of a set of sub-indexes and variables that are weighted to reflect the importance of each of them.

COMPETITIVENESS INDEX	
Sub Index	Variables
1. Billing growth index	2021 turnover growth percentage relative to 2019
2. Employee growth index	2021 employee growth percentage relative to 2019
3. Innovation index	<ul style="list-style-type: none"> <li>R&amp;D activity</li> <li>R&amp;D department</li> <li>R&amp;D employees</li> <li>Has taken part in some R&amp;D program</li> <li>Percentage of R&amp;D revenues/total</li> </ul>
4. Internationalization index	<ul style="list-style-type: none"> <li>Turnover percentage of exports</li> <li>International R&amp;D projects</li> </ul>

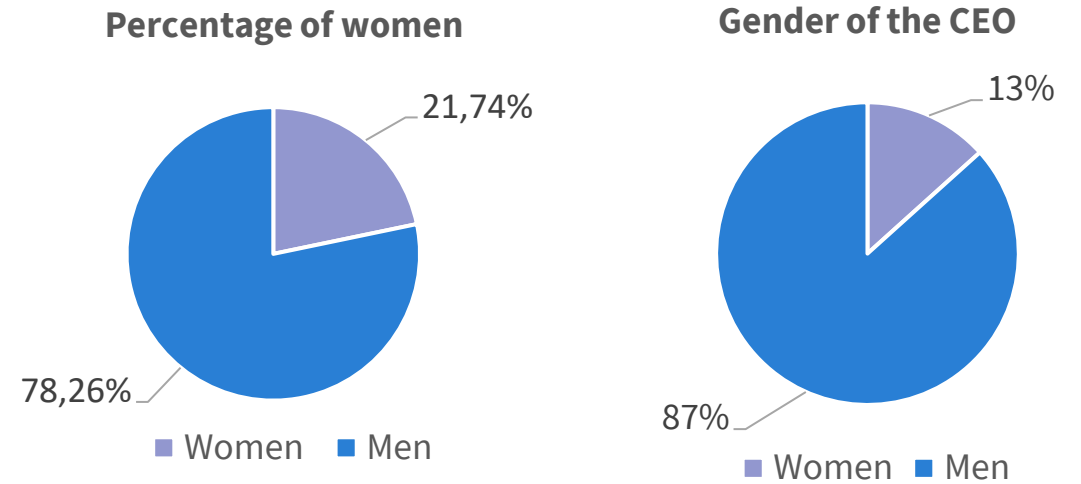
EQUALITY INDEX	
Sub Index	Variables
1. Index of equality between departments	<ul style="list-style-type: none"> <li>Percentage of women by department</li> </ul>
2. Index of equality between positions	<ul style="list-style-type: none"> <li>Percentage of women by position</li> </ul>
3. Equality index in selection processes	<ul style="list-style-type: none"> <li>Equal candidacy in the selection processes</li> <li>Equality training for HR staff</li> </ul>
4. Equality index in conciliation	<ul style="list-style-type: none"> <li>Flexibility in working hours</li> <li>Existence of paid parental leave for childcare</li> <li>Leave for serious illness of a family member</li> <li>Continuous working day to care for children</li> <li>Existence of Teleworking option</li> </ul>
5. Index of commitment to equality	<ul style="list-style-type: none"> <li>Existence of Strategic commitment to equality</li> <li>Existence of Equality Plan</li> <li>Existence of Equality Group</li> <li>Existence of Sexual harassment Protocol</li> <li>Existence of promotion policies for women</li> <li>Existence of positive discrimination</li> <li>Existence of equality training for employees</li> </ul>

# Sample characterization

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## Main figures

- **Women represent 21.74% of the workforce in the sample.**
- **Only 13% of the companies have a woman at the lead.**

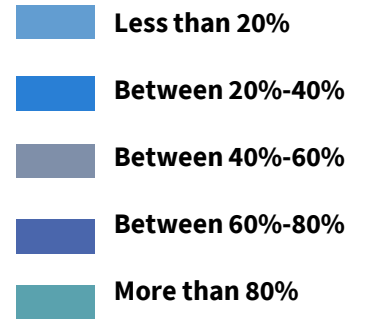
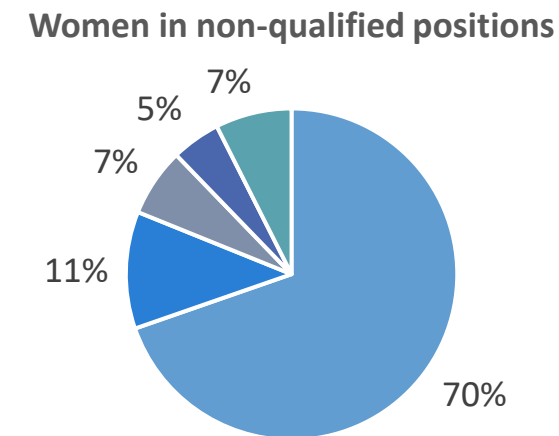
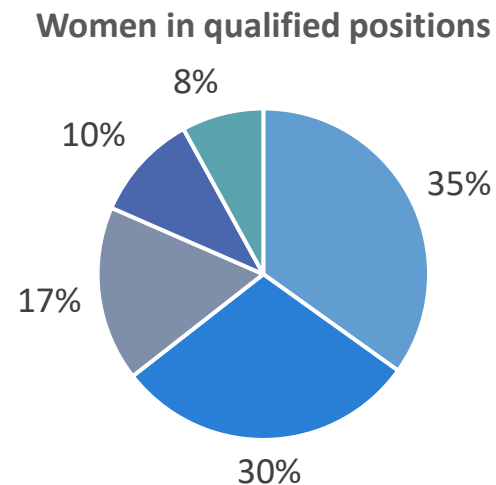
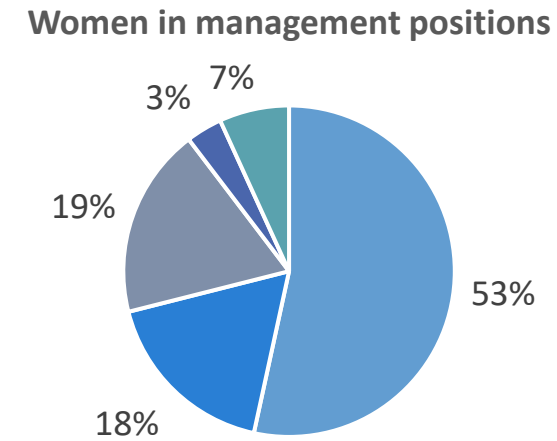
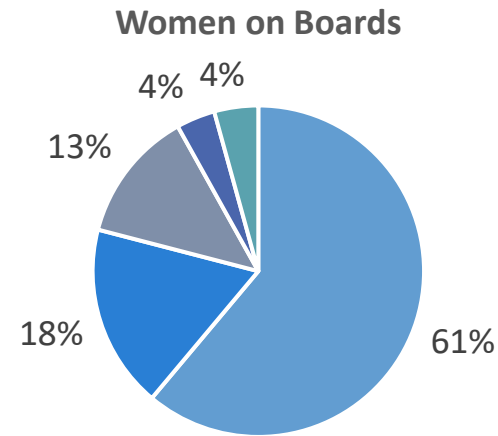


- **Women are underrepresented regardless their qualification, position or role**

# Sample characterization.

## Women are underrepresented regardless their qualification

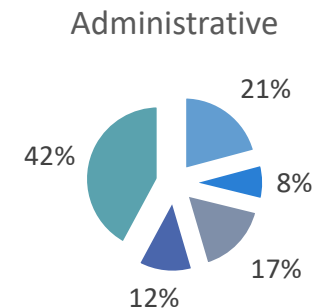
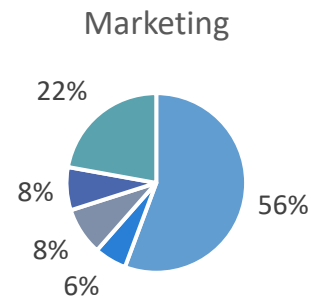
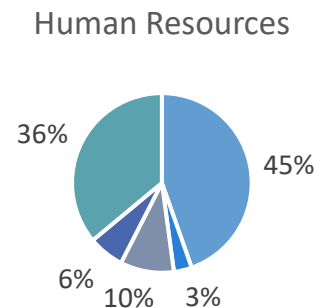
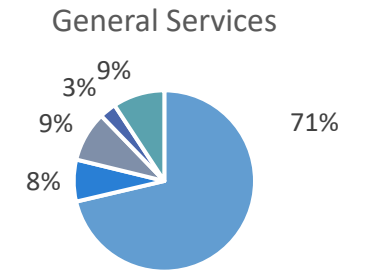
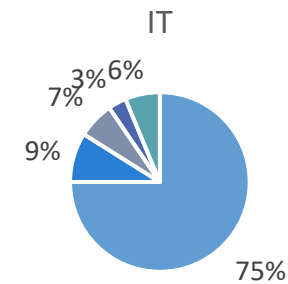
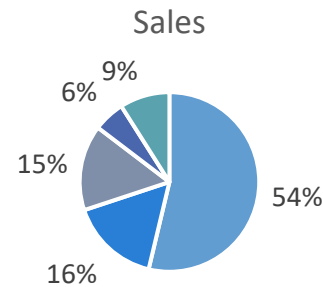
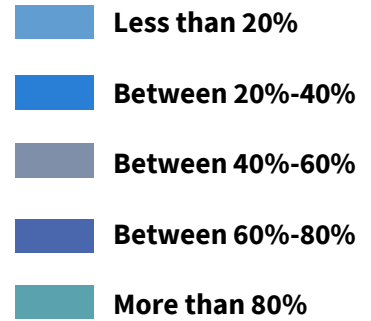
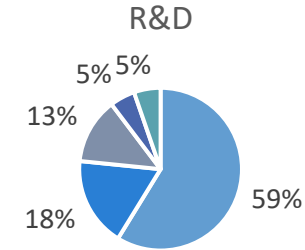
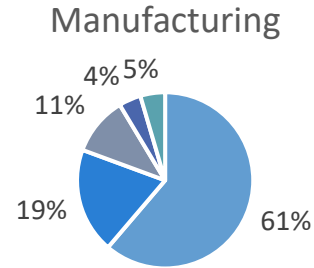
- Women represent less than 20% on the boards of more than 60% of companies and on management positions in more than 50% of companies.
- Women are more present in qualified positions than in non-qualified ones. This data reveals a significant under-representation of women in decision-making positions despite their qualification.



# Sample characterization.

## Women are underrepresented regardless their role

- Only 10% of companies show parity between women and men in average, dropping to a 7% in the IT department. In 67% of the companies that responded to the questionnaire, women are represented between 0% and 20% in these departments.
- Women are notably more present in the less technical departments such as sales, marketing, human resources, and administration. They even outnumber the presence of men in the administration departments. In fact, the percentage of companies that show parity in these departments remains at an average of 13%.

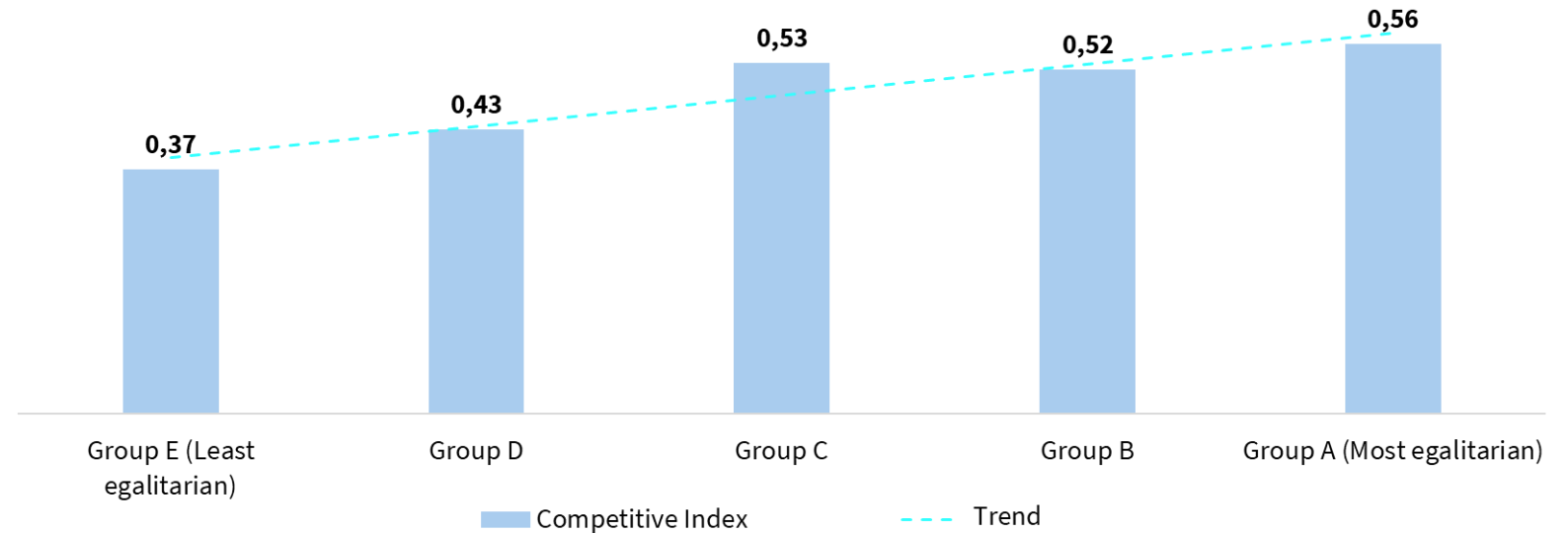


# Key Findings

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## Competitiveness perspective

- **Companies with higher gender inclusion are more competitive**



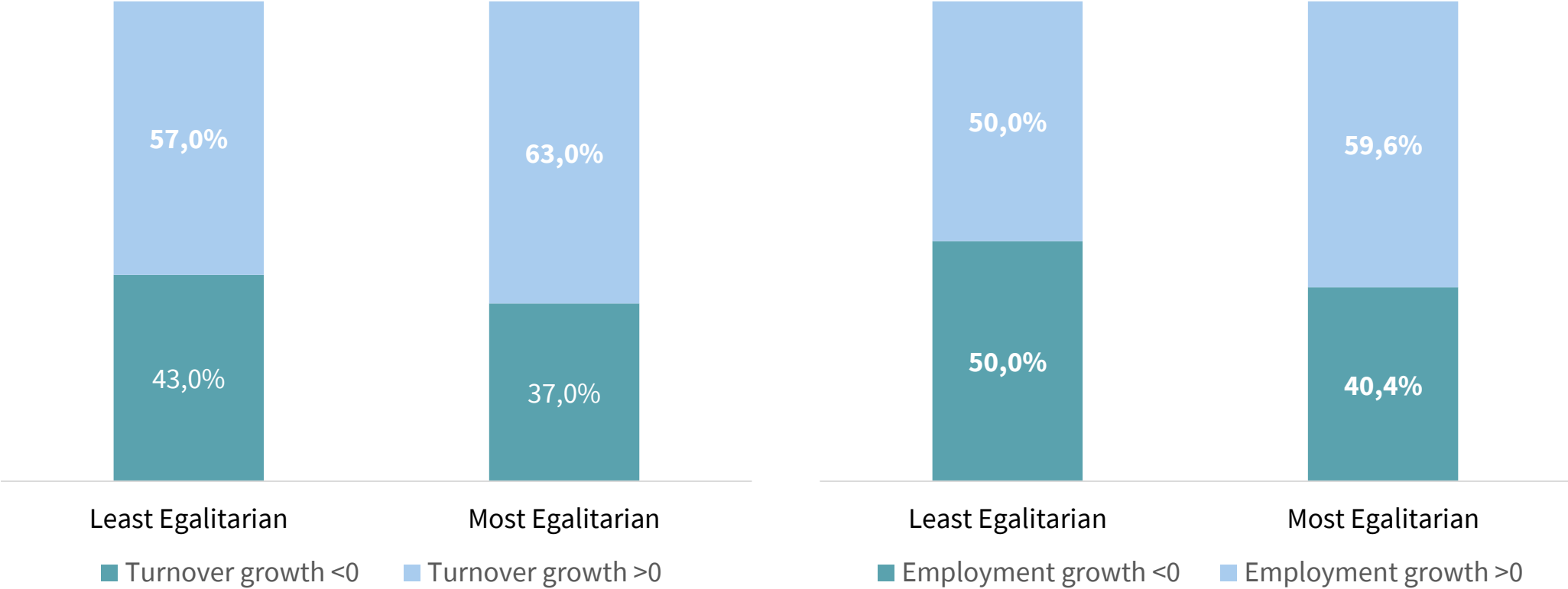
- **The most egalitarian companies have better results in:**
  - **Turnover and employment**
  - **R&D intensity**
  - **International activity**

*NB: The indexes in the chart shows the average results for each group. The dataset has been distributed by quintiles. The index range is between 0 (Min) and 1 (Max).*



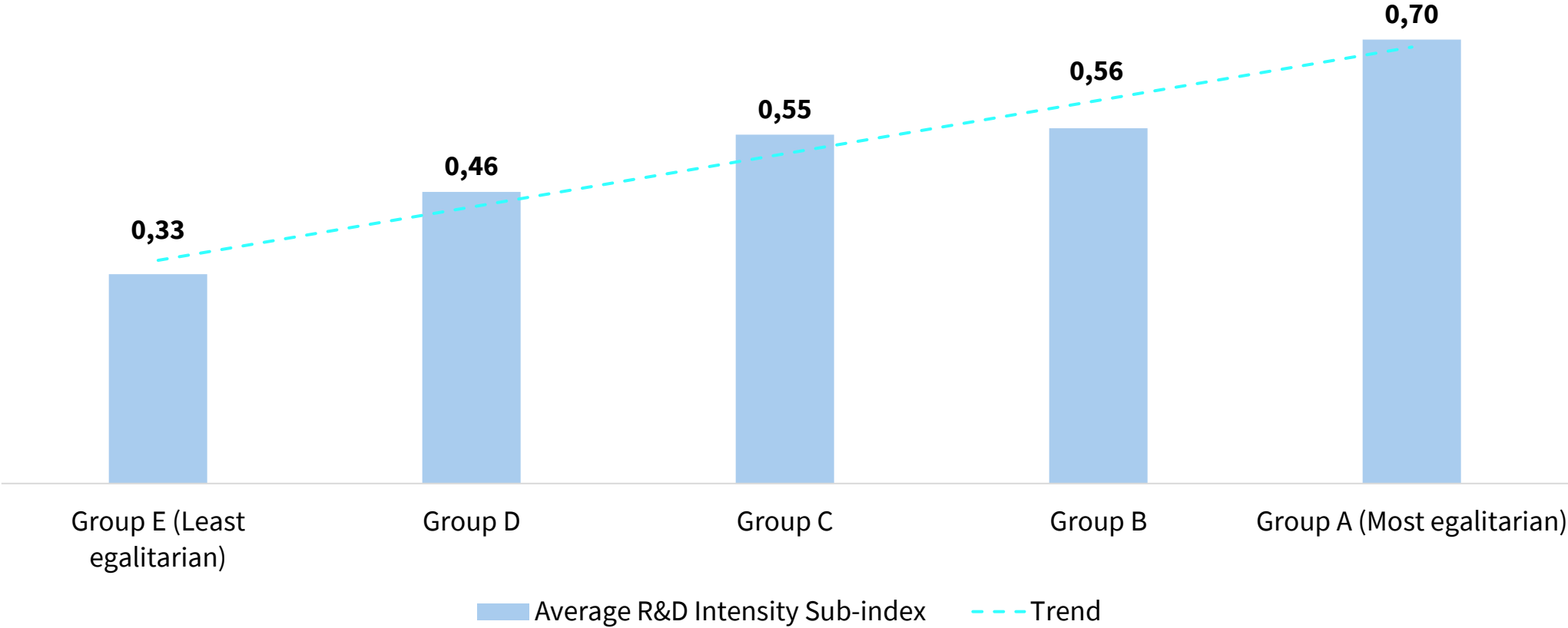
# The most egalitarian companies have grown more than the least egalitarian

'19-'21 Billing and Employment Growth Sub-Index according to the equality ranking



# The most egalitarian companies show a level of R&D&i intensity significantly higher than the least egalitarian

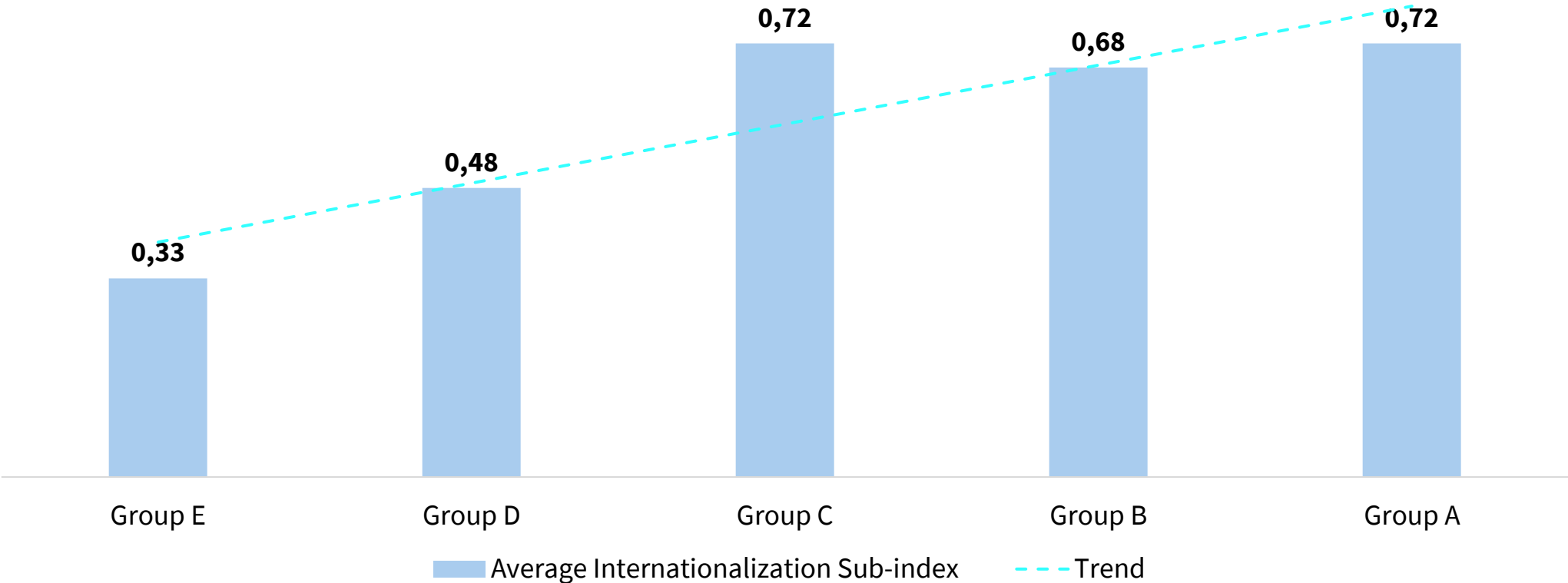
Innovation Sub-index Average of Companies according to the Equality Ranking



NB: The indexes in the chart shows the average results for each group. The dataset has been distributed by quintiles. The index range is between 0 (Min) and 1 (Max).

# The most egalitarian companies are more projected on the international business scenario than the least competitive

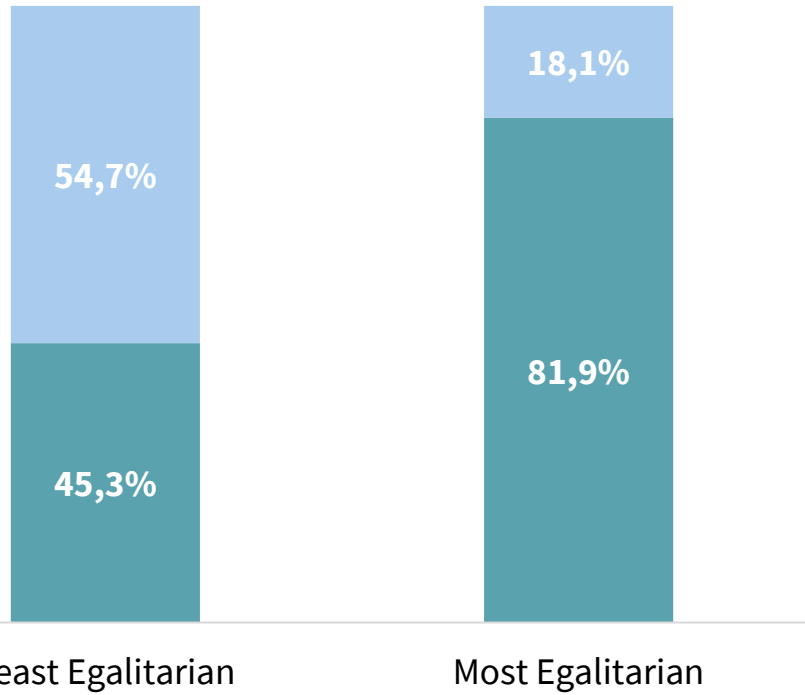
Average Internationalization Sub-index of Companies according to the Equality Ranking



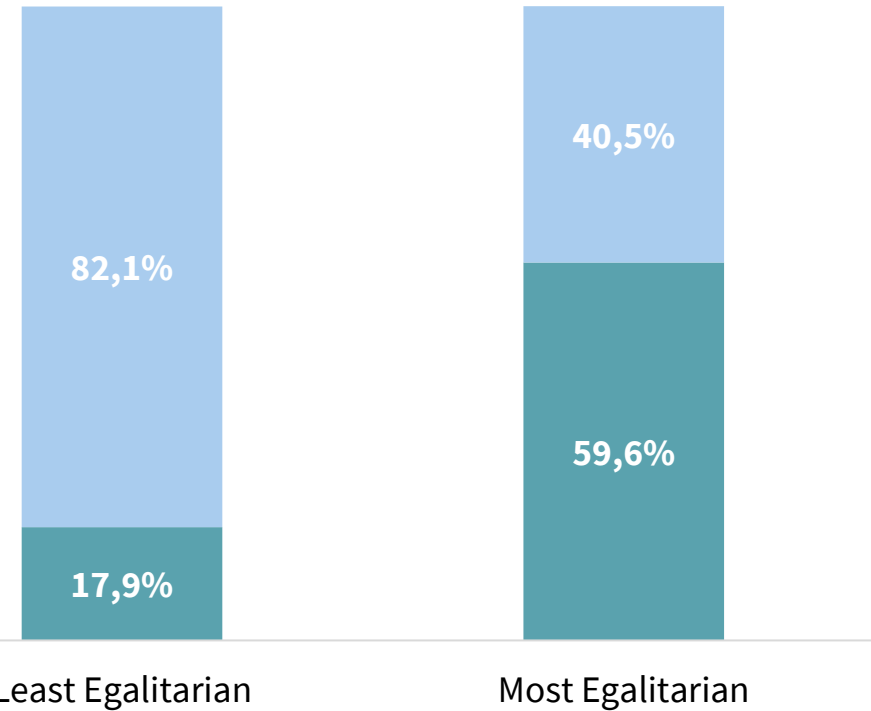
NB: The indexes in the chart shows the average results for each group. The dataset has been distributed by quintiles. The index range is between 0 (Min) and 1 (Max).

# Innovation intensity in the most-egalitarian companies is mainly based on higher level of investment and internal R&D activities

### R&D call participation in the last three years



### R&D internal department

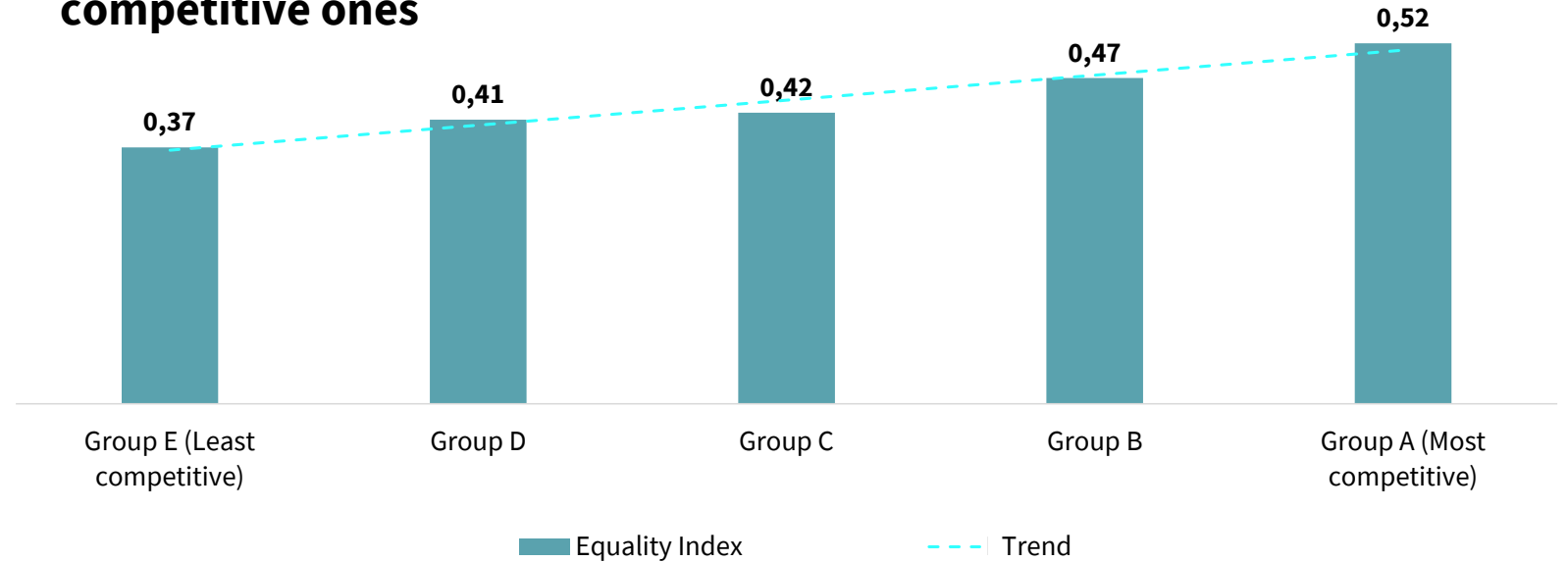


# Key Findings

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## Equality perspective

- **The most competitive companies are more egalitarian than the least competitive ones**



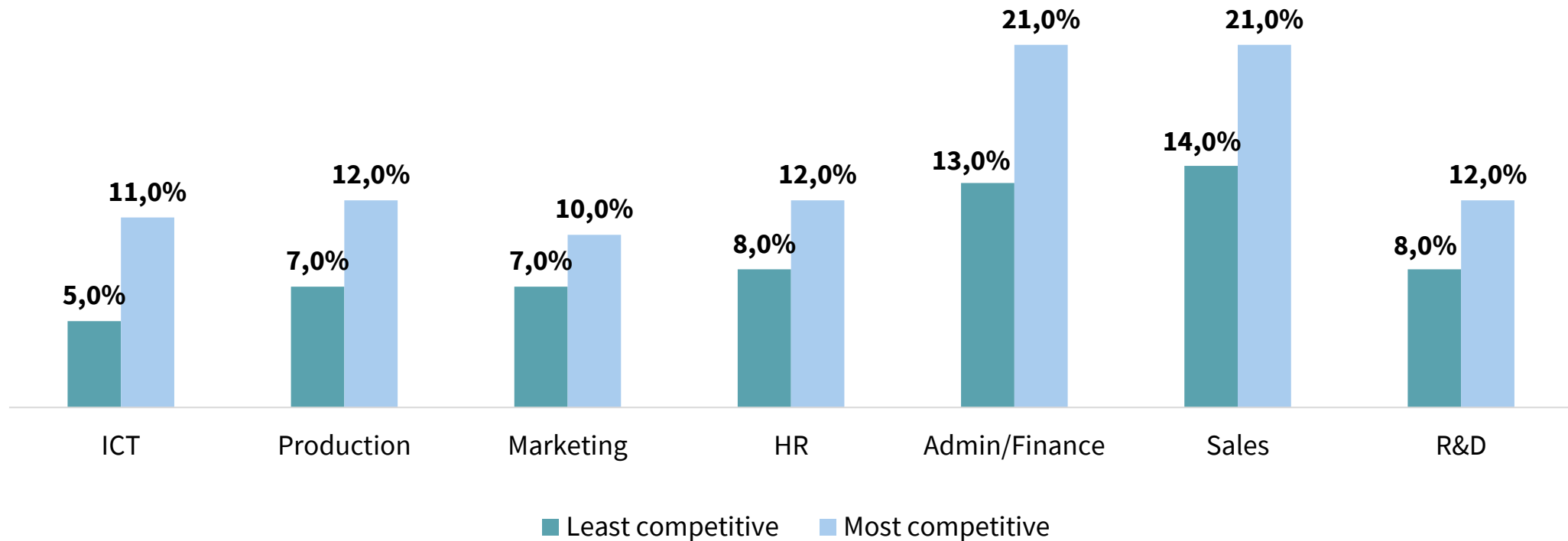
- **The most competitive companies :**

- **Have more gender-balanced departments**
- **Have more gender-balanced structure by role/position**
- **Apply more work-life balance policies more efficiently**
- **Show greater commitment to promote women and in the implementation of gender-based policies**

*NB: The indexes in the chart shows the average results for each group. The dataset has been distributed by quintiles. The index range is between 0 (Min) and 1 (Max).*

# Most competitive companies have more gender-balanced departments

Least competitive vs. most competitive: 40%-60% men to women ratio of employees by department



\*The focus on this range is explained by its greater representativeness of gender equality compared to all other ranges of the same index

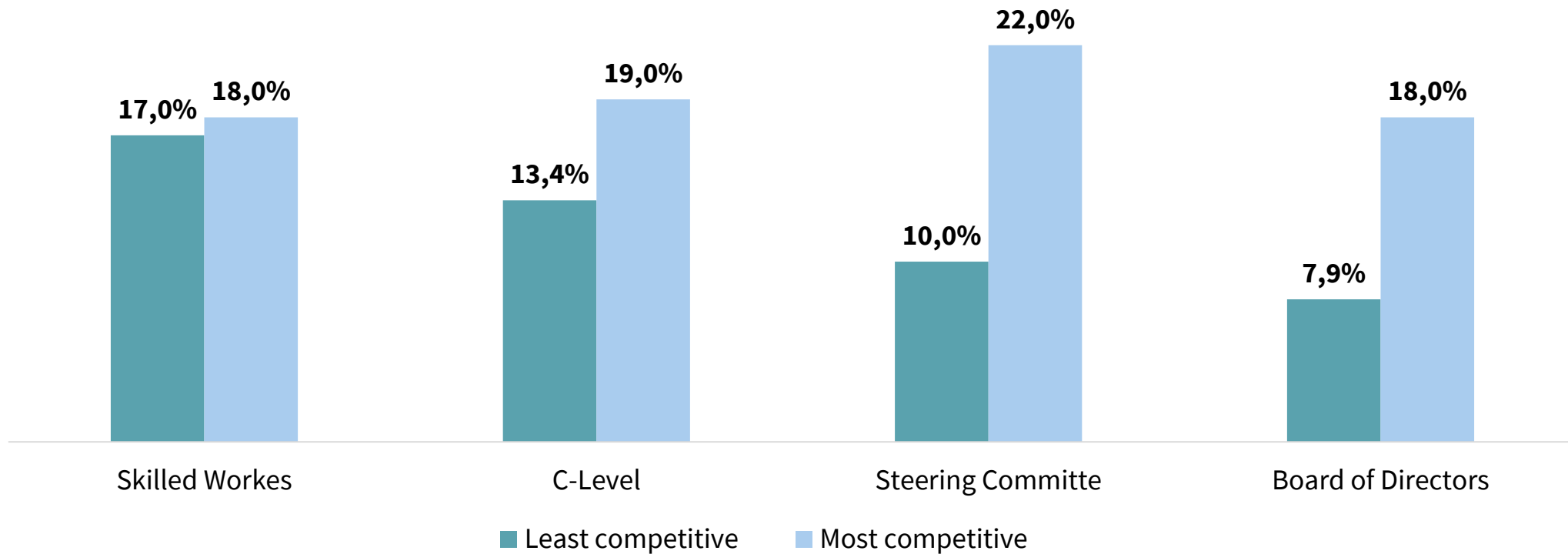
# Most competitive companies have more gender-balanced departments

Least competitive vs. most competitive: women participation by department

	Women %	ICT	Production	Marketing	HR	Admin./Finance	Sales	R&D
Least-competitive	Less than 20%	83%	71%	77%	59%	31%	62%	82%
	20%-40%	6%	16%	6%	3%	12%	14%	5%
	40%-60%	5%	7%	7%	8%	13%	14%	8%
	60%-80%	5%	4%	7%	7%	9%	5%	2%
	More than 80%	2%	2%	3%	23%	36%	5%	3%
Most-competitive	Less than 20%	<b>70%</b>	<b>52%</b>	<b>42%</b>	<b>28%</b>	<b>11%</b>	<b>42%</b>	<b>64%</b>
	20%-40%	<b>8%</b>	<b>24%</b>	4%	2%	3%	<b>17%</b>	<b>12%</b>
	40%-60%	<b>11%</b>	<b>12%</b>	<b>10%</b>	<b>12%</b>	<b>21%</b>	<b>21%</b>	<b>12%</b>
	60%-80%	<b>7%</b>	<b>7%</b>	<b>11%</b>	7%	<b>21%</b>	<b>6%</b>	<b>6%</b>
	More than 80%	<b>4%</b>	<b>5%</b>	<b>34%</b>	<b>51%</b>	<b>44%</b>	<b>14%</b>	<b>6%</b>

# Most competitive companies have more gender-balanced structure by role/position

Least competitive vs. most competitive: 40%-60% men to women ratio of employees by role



\*The focus on this range is explained by its greater representativeness of gender equality compared to all other ranges of the same index



# Most competitive companies have more gender-balanced structure by role/position

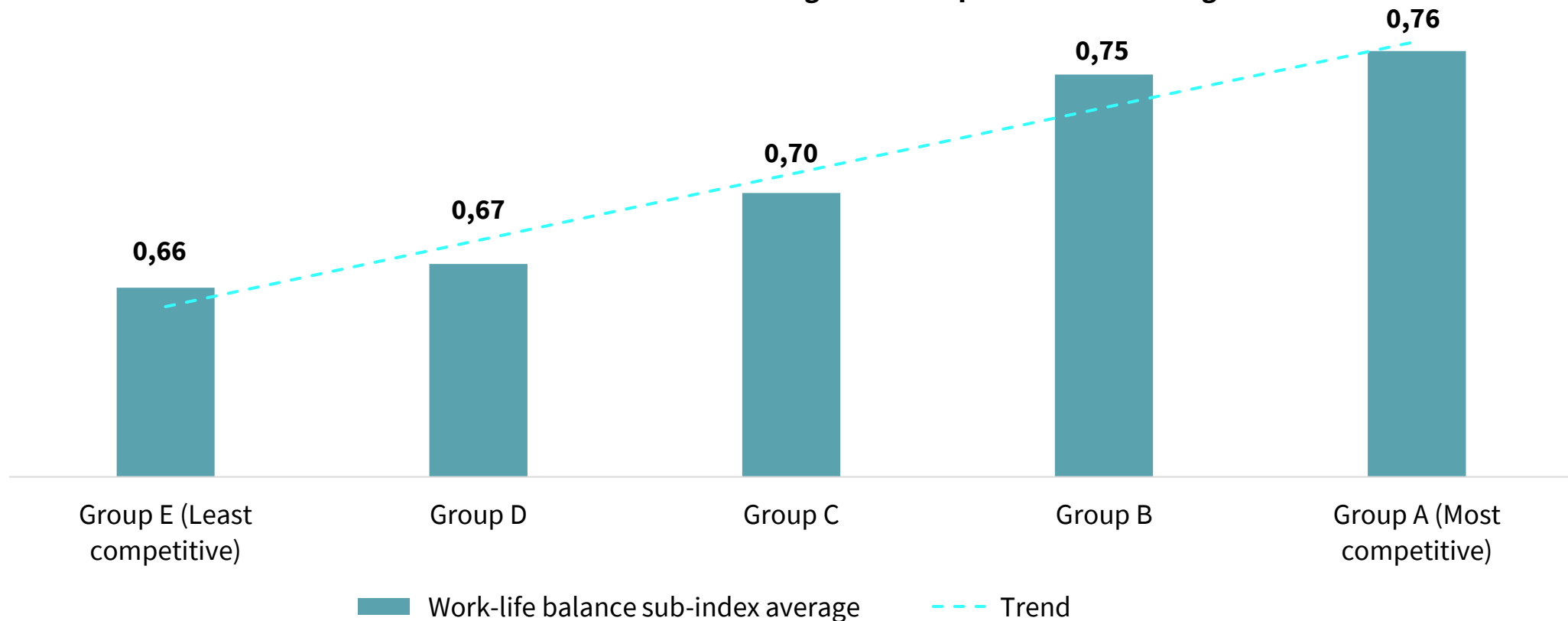
Least competitive vs. most competitive: women participation by role

	Women %	Skilled workers	C-Level	Steering Committee	Board of Directors
Least-competitive	Less than 20%	43%	66%	68%	70%
	20%-40%	24%	13%	19%	14%
	40%-60%	17%	13%	10%	8%
	60%-80%	8%	2%	1%	4%
	More than 80%	8%	5%	1%	4%
Most-competitive	Less than 20%	<b>21%</b>	<b>53%</b>	<b>46%</b>	<b>54%</b>
	20%-40%	<b>43%</b>	<b>20%</b>	<b>27%</b>	<b>25%</b>
	40%-60%	<b>18%</b>	<b>19%</b>	<b>22%</b>	<b>18%</b>
	60%-80%	<b>12%</b>	2%	<b>2%</b>	2%
	More than 80%	6%	4%	<b>2%</b>	1%

\*The focus on this range is explained by its greater representativeness of gender equality compared to all other ranges of the same index

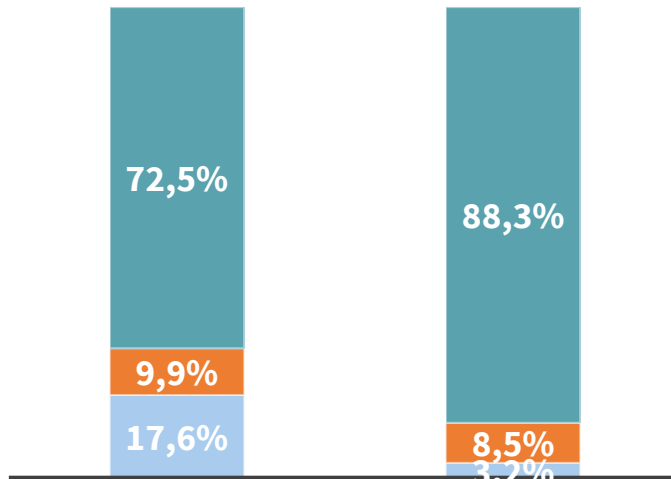
# Most competitive companies apply more work-life balance policies more efficiently

Work-life Balance Sub-Index according to the competitiveness ranking



# The most popular policies to engage women at work are based on flexibility (1/2)

## Flexible Work Scheduling

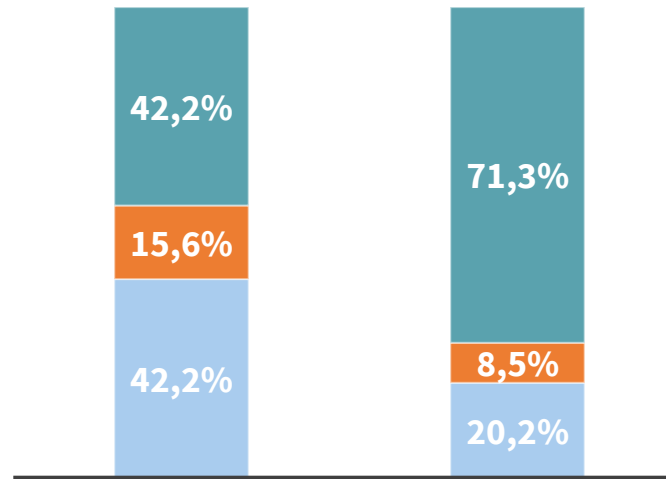


Least Competitive    Most Competitive

■ Not Implemented    ■ Not Equally Used

■ Equally Used

## Remote Working

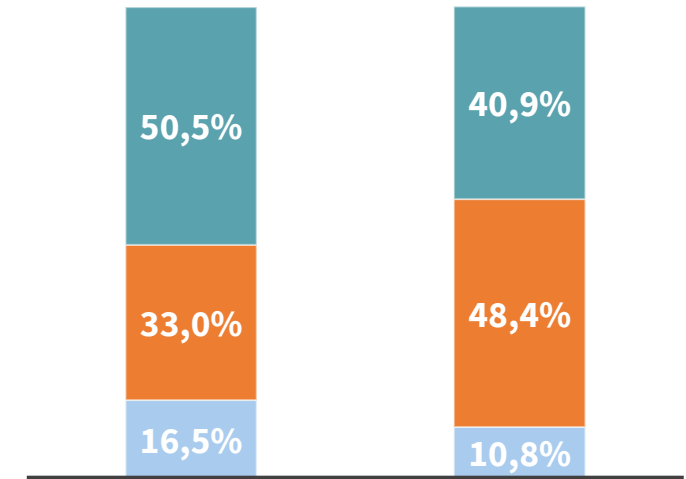


Least Competitive    Most Competitive

■ Not Implemented    ■ Not Equally Used

■ Equally Used

## Part-time work



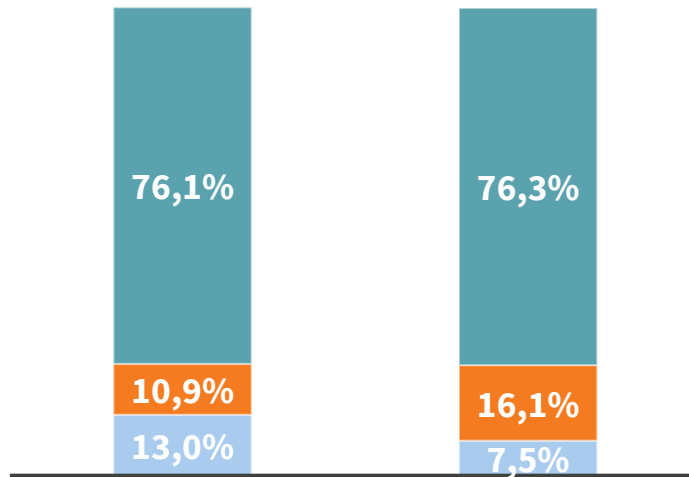
Least Competitive    Most Competitive

■ Not Implemented    ■ Not Equally Used

■ Equally Used

# The most popular policies to engage women at work are based on flexibility (2/2)

## Paid Parental Leave

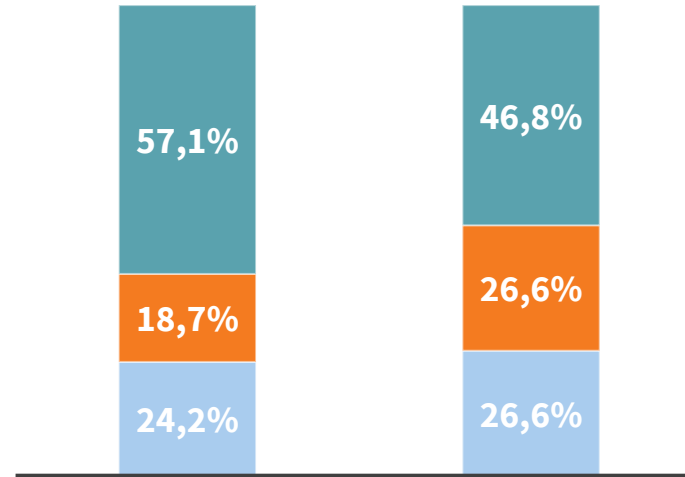


Least Competitive      Most Competitive

■ Not Implemented   ■ Not Equally Used

■ Equally Used

## Childcare Daily Permission

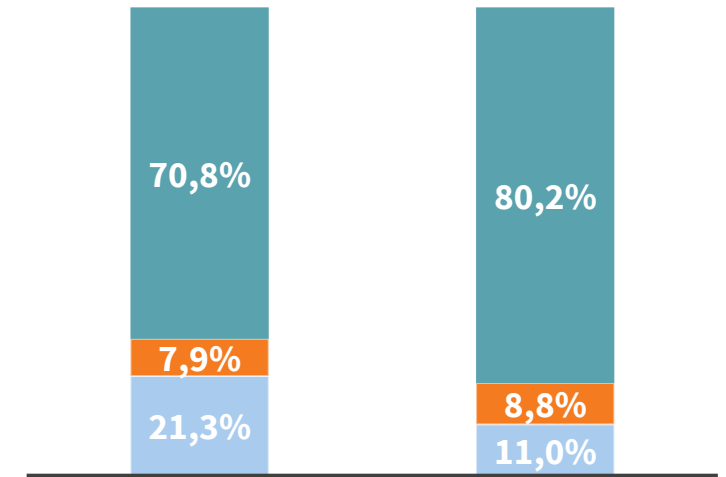


Least Competitive      Most Competitive

■ Not Implemented   ■ Not Equally Used

■ Equally Used

## Caregiving Daily Permission



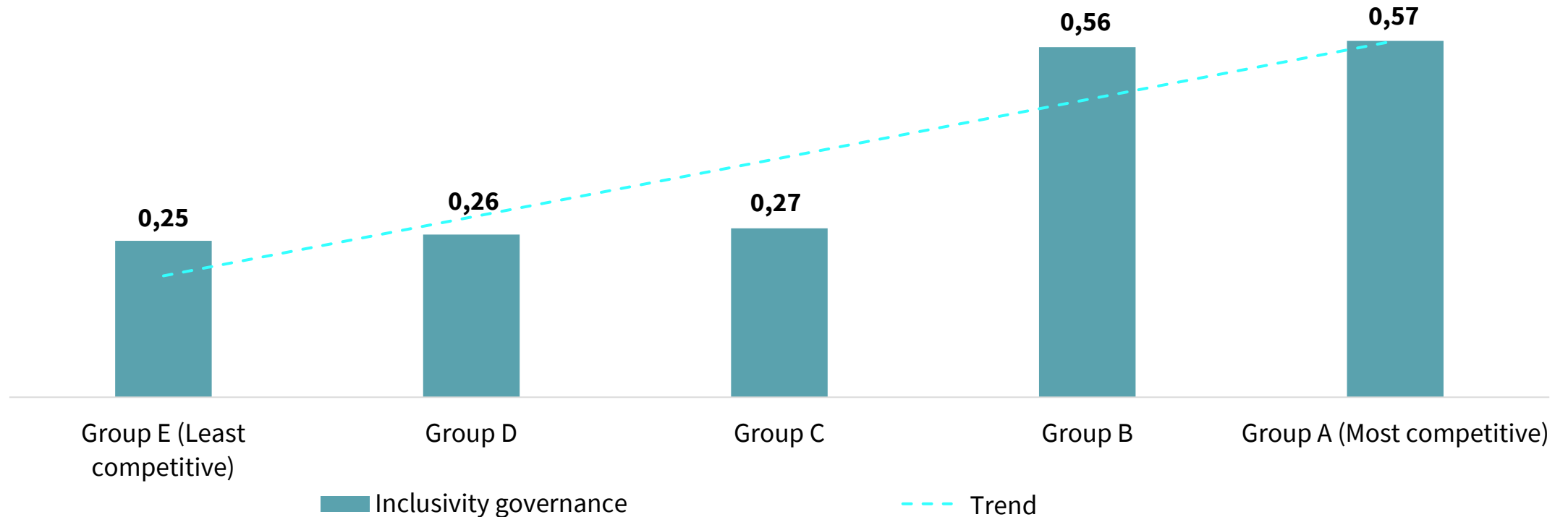
Least Competitive      Most Competitive

■ Not Implemented   ■ Not Equally Used

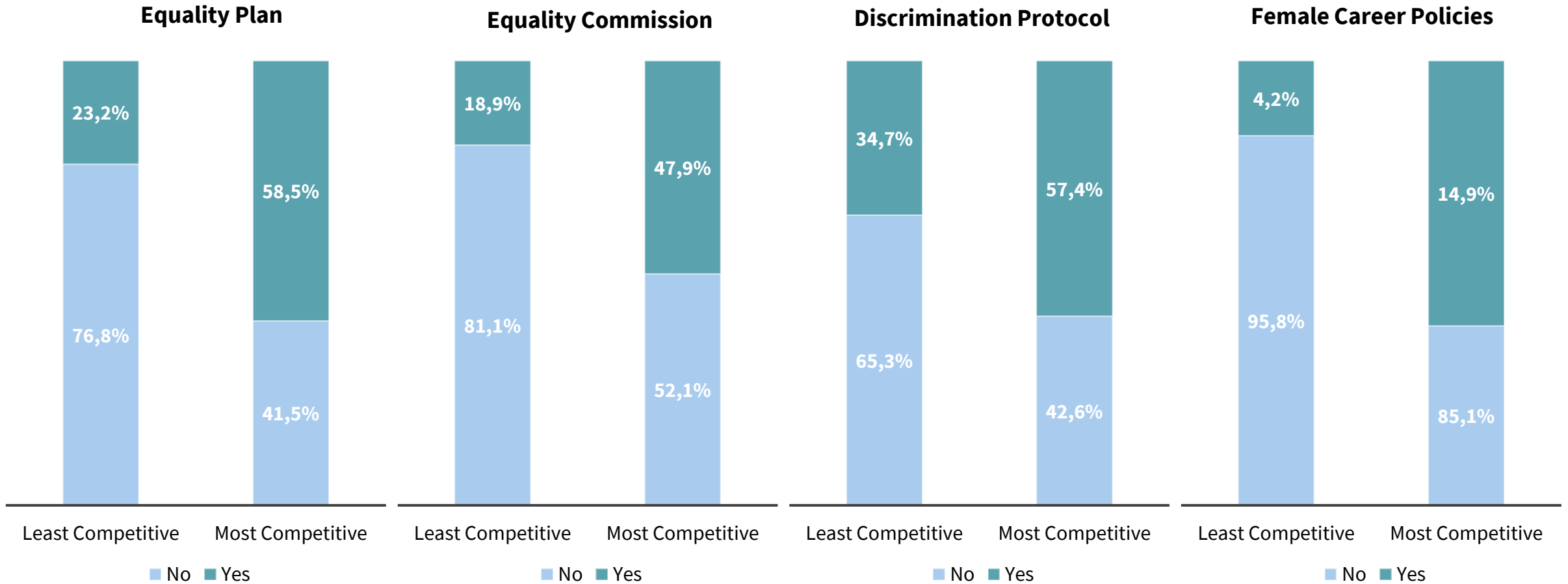
■ Equally Used

# Most competitive companies show greater commitment to promote women and in the implementation of gender-based policies

Inclusivity by governance Sub-Index according to the competitive ranking

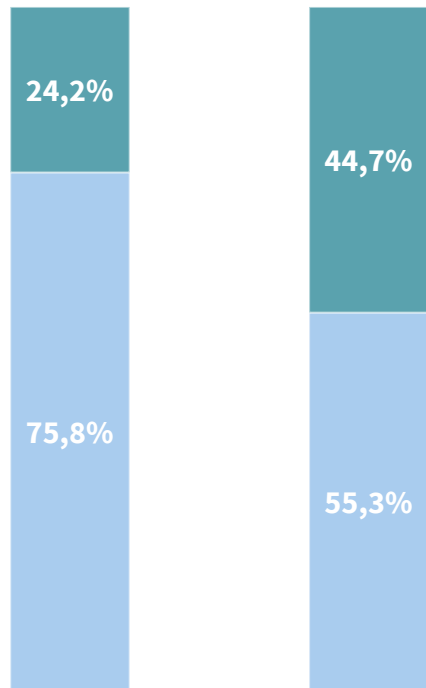


# Gender governance in the most-competitive companies is carried out through of a wide range of instruments (1/2)



# Gender governance in the most-competitive companies is carried out through of a wide range of instruments (2/2)

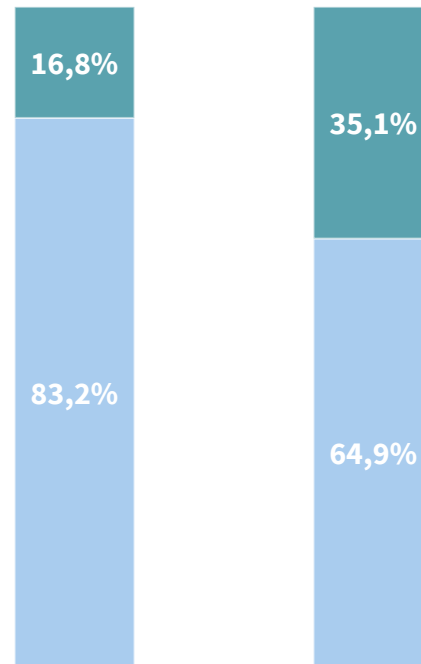
### Other Commitments



Least Competitive    Most Competitive

■ No    ■ Yes

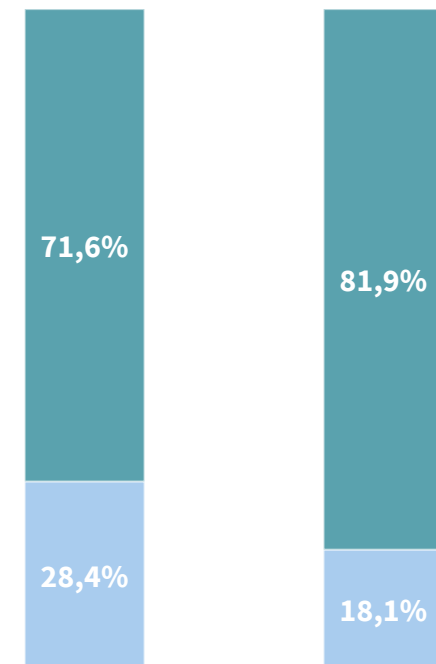
### Equality Training



Least Competitive    Most Competitive

■ No    ■ Yes

### Gender Sensitive Language



Least Competitive    Most Competitive

■ No    ■ Yes

# Conclusions

- **This report represents an important step to measure and demonstrate the impact of women in industrial competitiveness, as well as an innovative approach in understanding the phenomenon.**
- **The study identifies the keys to promoting competitiveness from equality:**
  - **Horizontal equality (by departments)**
  - **Vertical equality (by level of responsibility)**
  - **Work-life balance measures (flexible hours, teleworking, care leave...)**
  - **Internal equality policies (plans, commissions, training and equality protocols)**
- **The result of this research lays the foundation for further advancement by extending the application of this methodology to diverse contexts beyond the Basque region.**
- **The conclusions drawn from this research hold massive potential as a motivational tool for the implementation of gender inclusive policies in companies and governments.**





# Impact of Women in Industrial Competitiveness

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**Women in Industry**