

IMPACT OF WOMEN IN INDUSTRIAL COMPETITIVENESS

Women in Industry



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

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

International Labour Organization. ILO. January 2021.

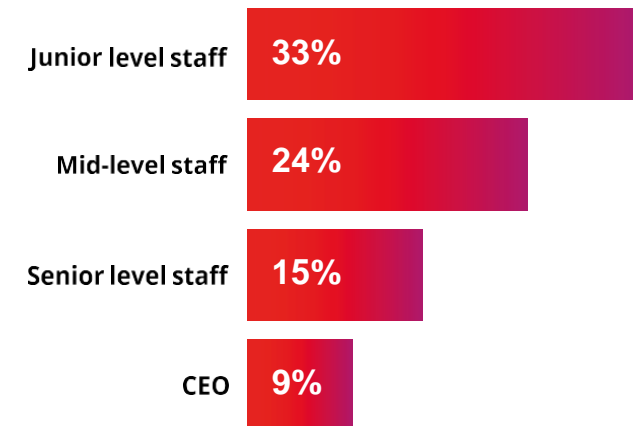
Only **1/3** manufacturing professionals and **1/4** manufacturing leaders are women

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

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.

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.

Investing in women to increase their participation in the labor force leads to economic gains, **29% outperformance** by the most diverse companies.

Blackrock. (November 2023). Lifting financial performance by investing in women.

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.





OBJETIVES

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

- 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.



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

EQUALITY 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"> · R&D activity · R&D department · R&D employees · Has taken part in some R&D program · Percentage of R&D revenues/total
4. Internationalization index	<ul style="list-style-type: none"> · Turnover percentage of exports · International R&D projects

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



CASE STUDY

A survey to collect the information to build the indexes was launched in August 2022 to 2 500 Basque companies that operate in the industrial and/or industrial related services sector. A sample of 474 companies was achieved. SPRI worked with The European House Ambrosetti to carry out the analysis.



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%

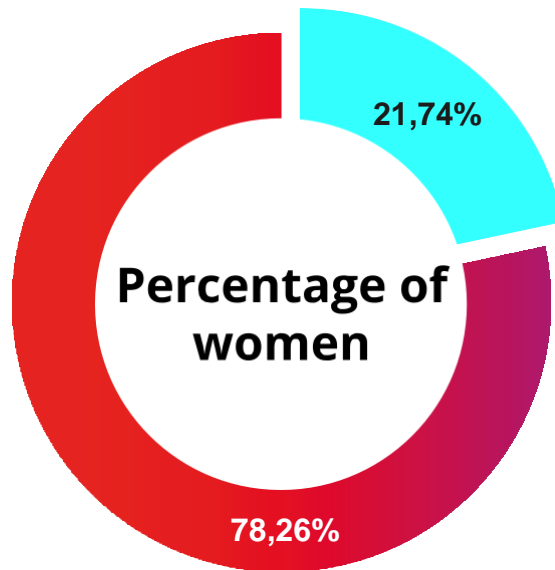
SAMPLE CHARACTERIZATION

MAIN FIGURES



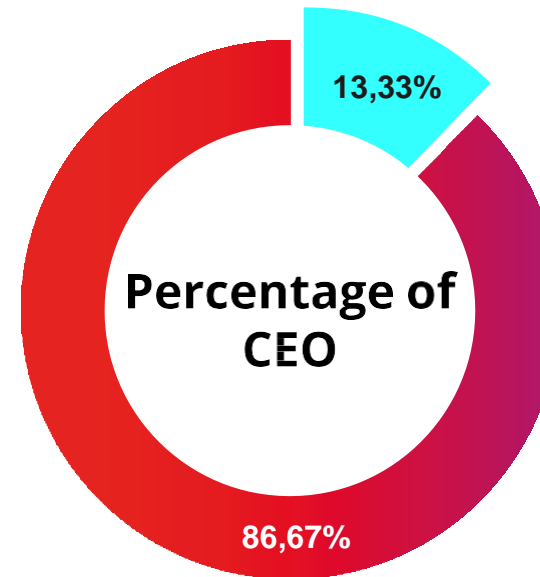
SAMPLE CHARACTERIZATION

Women represent 21.74% of the workforce in the sample.



● Men ● Women

Only 13% of the companies have a woman at the lead.



● Men ● Women

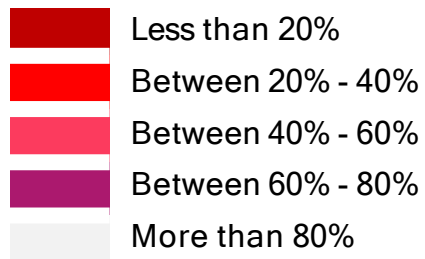
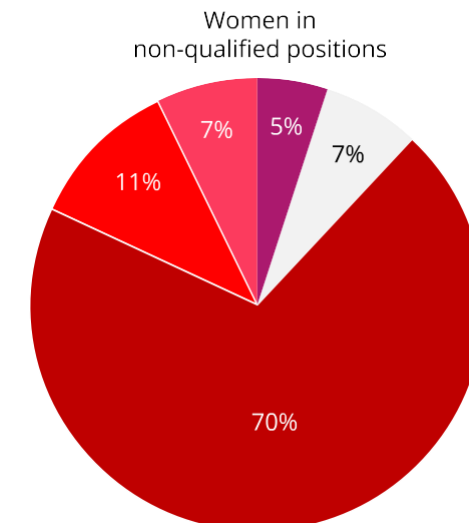
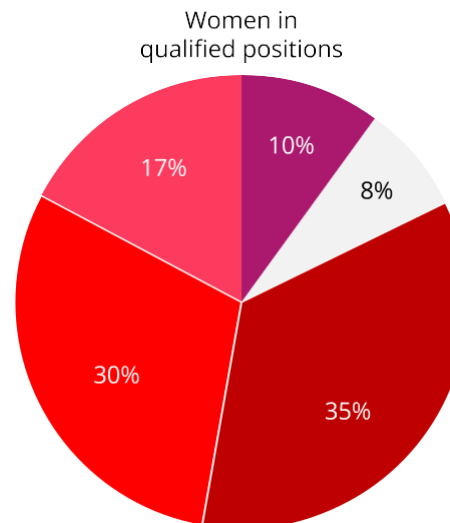
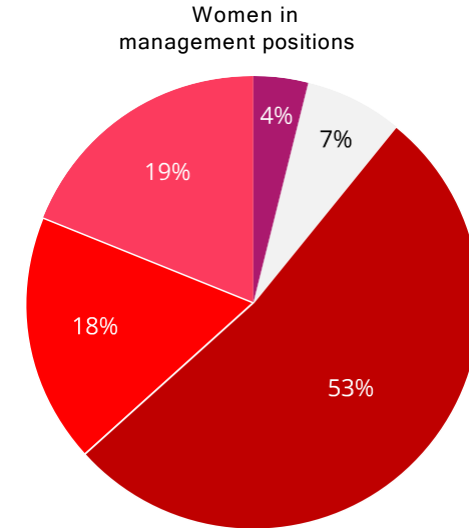
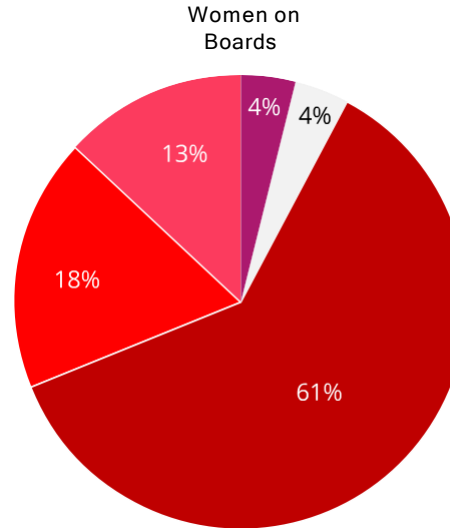




SAMPLE CHARACTERIZATION

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.



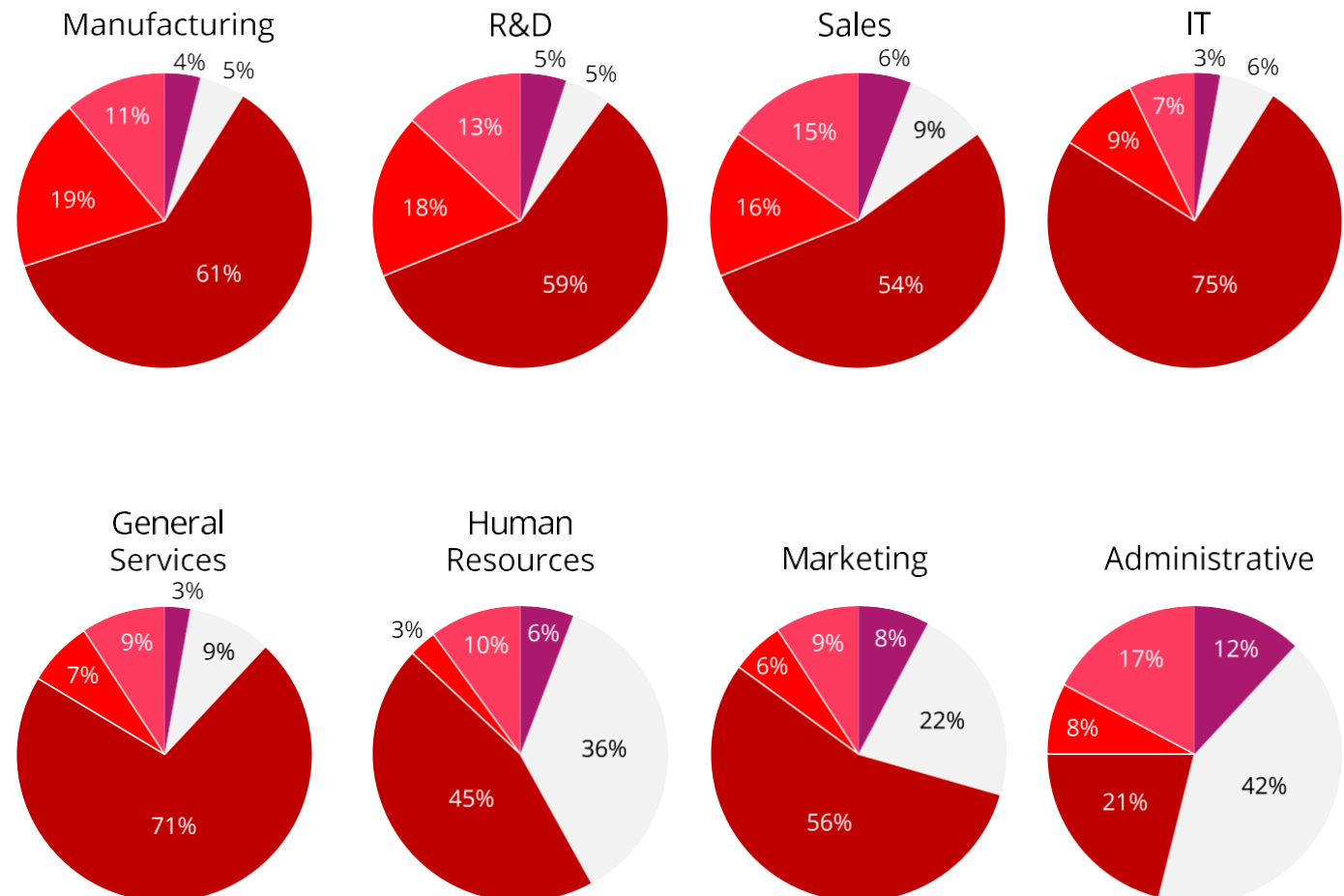


SAMPLE CHARACTERIZATION

- 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%.

Women are underrepresented regardless their role

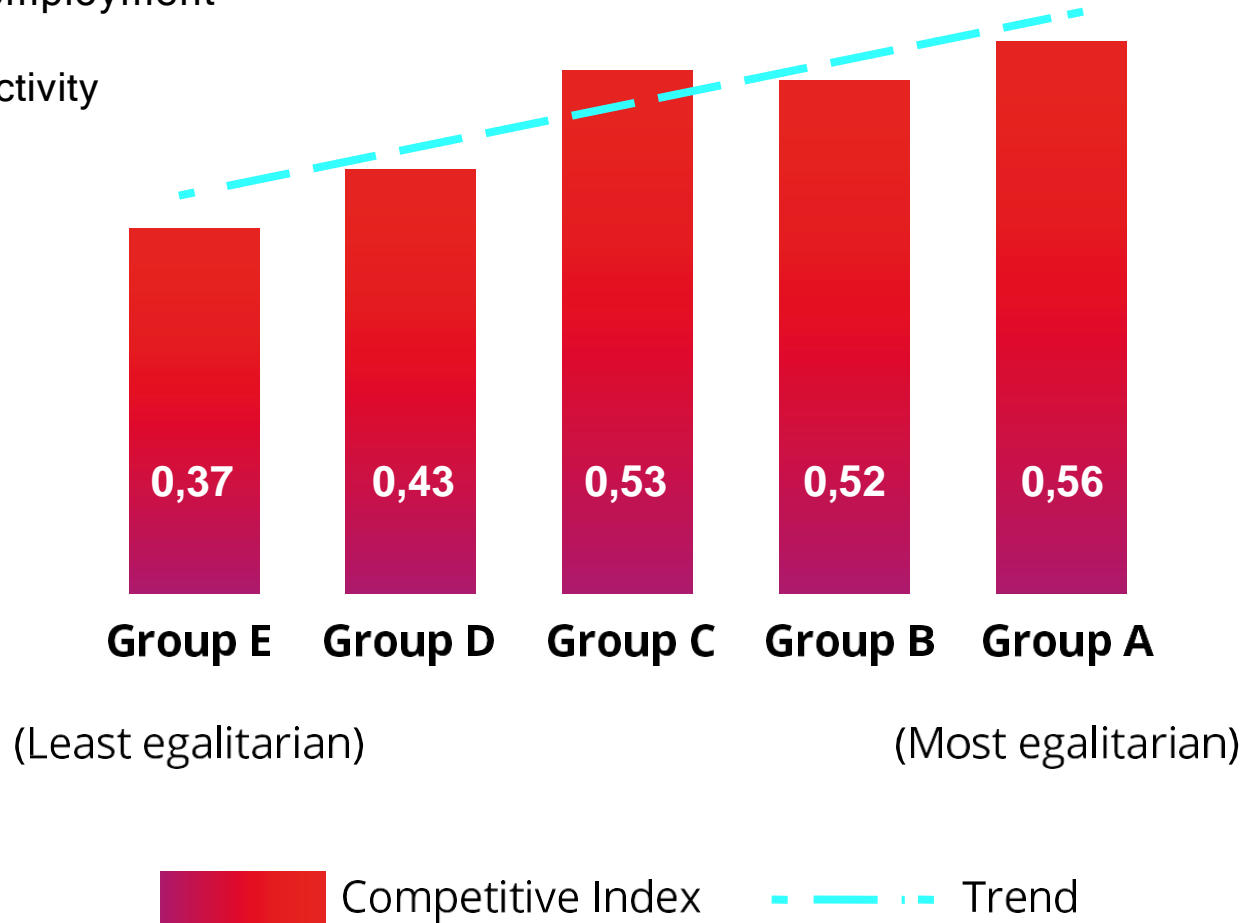


KEY FINDINGS

COMPETITIVENESS PERSPECTIVE



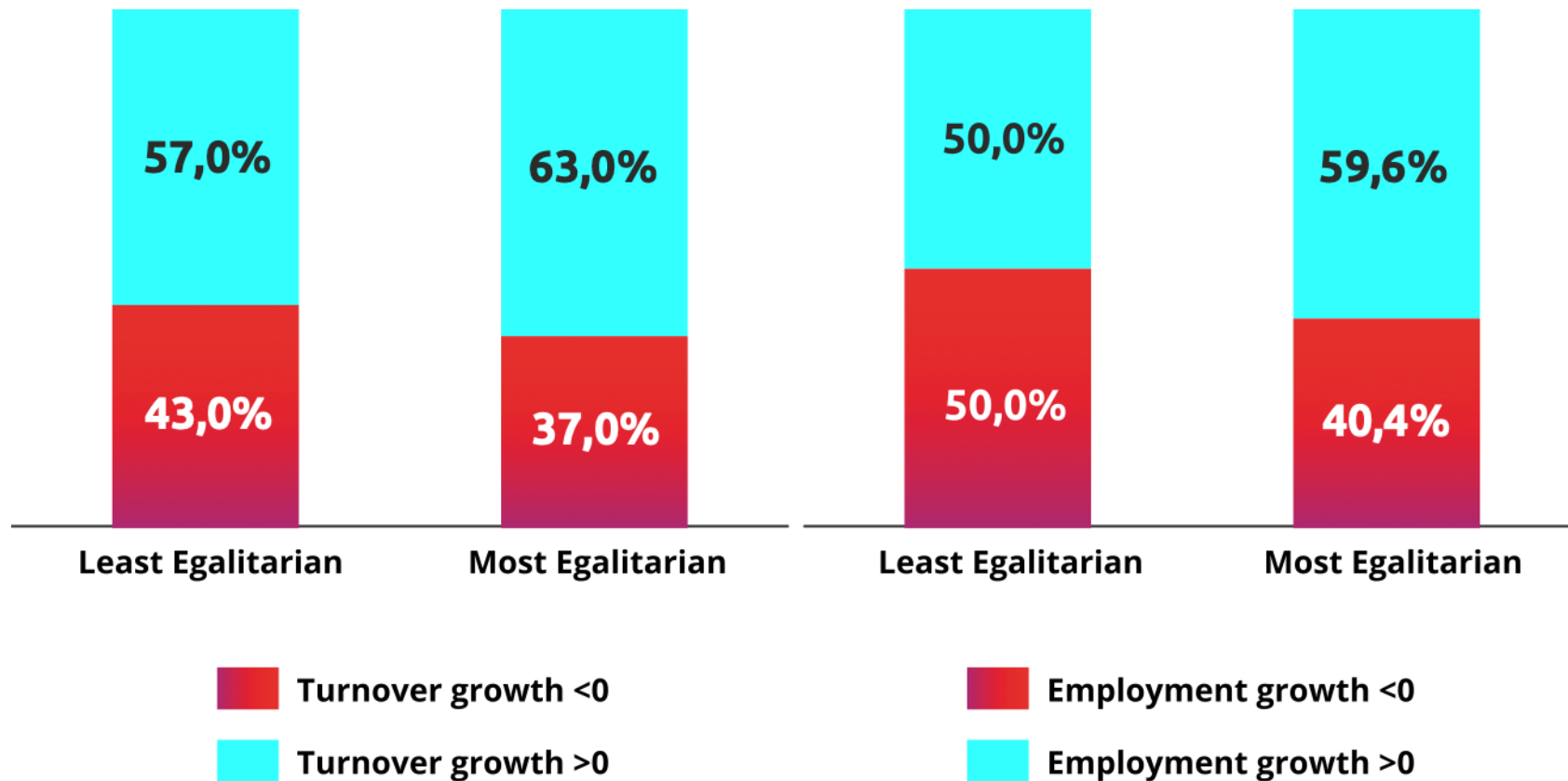
- Companies with higher gender inclusion are more competitive
- The most egalitarian companies have better results in:
 - Turnover and employment
 - R&D intensity
 - International activity





The most egalitarian companies have grown more in **TURNOVER AND EMPLOYMENT**

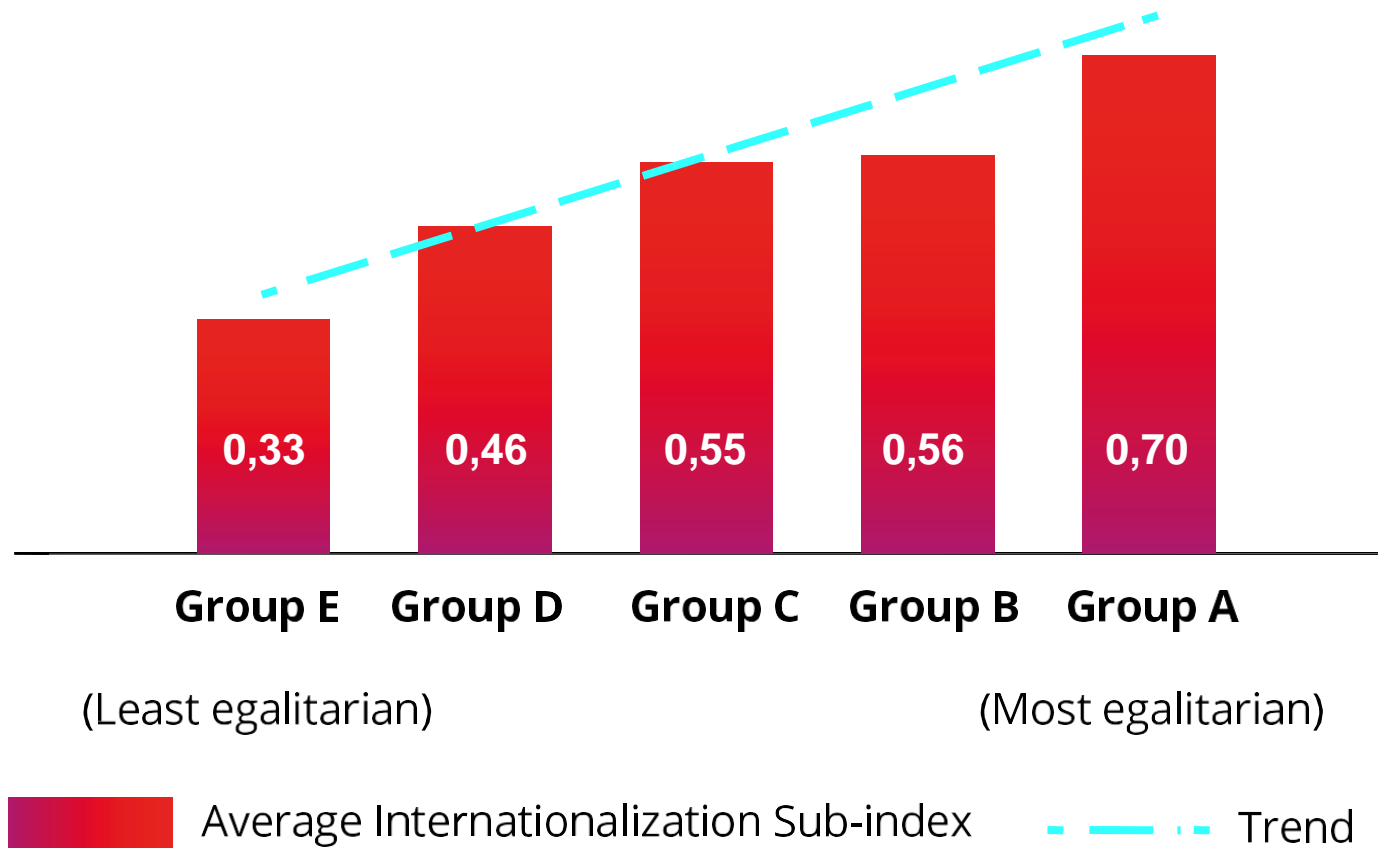
'19-'21 Billing and Employment Growth Sub-Index according to the equality ranking





The most egalitarian companies show a higher level of INNOVATION

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

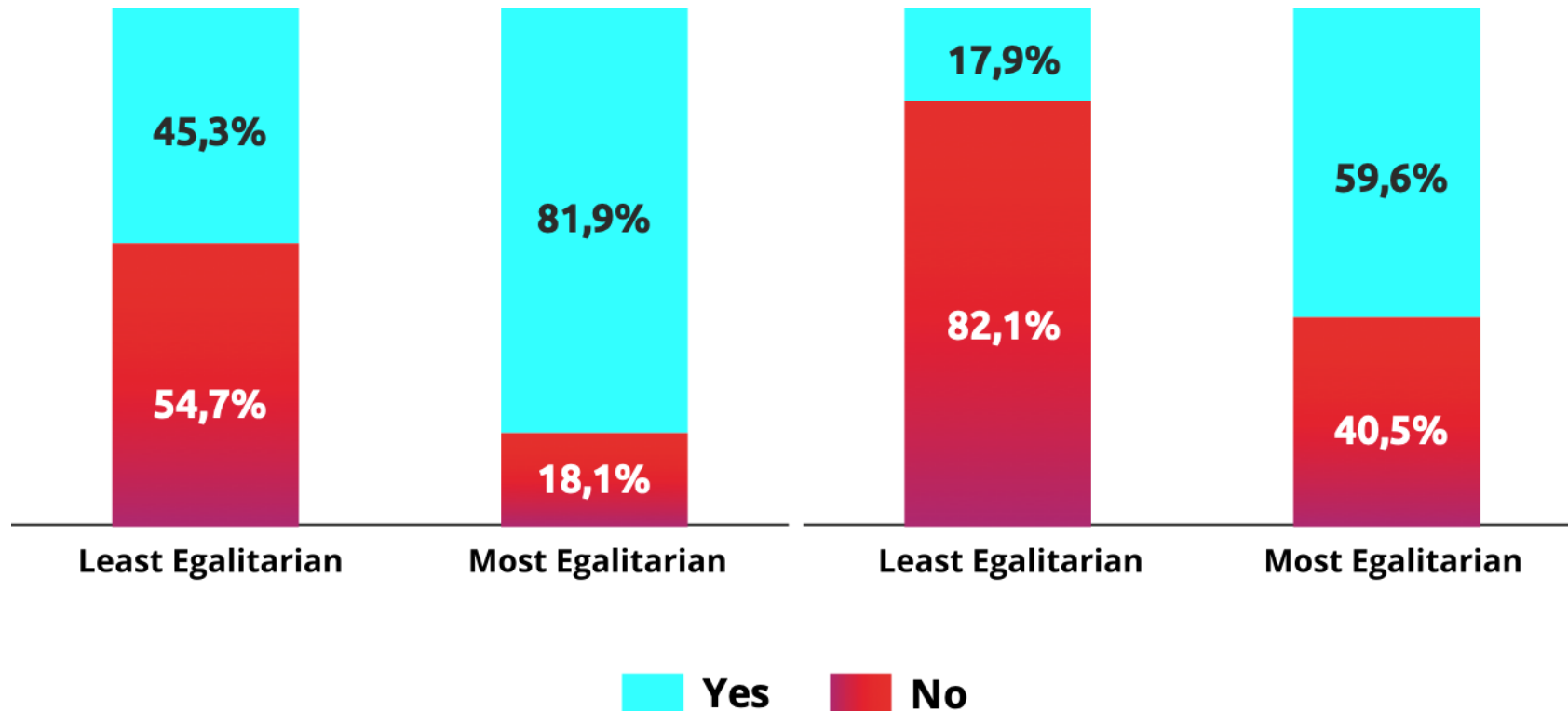




Innovation intensity in the most-egalitarian companies is mainly based on higher level of investment and internal R&D activities

R&D call participation in the last three years

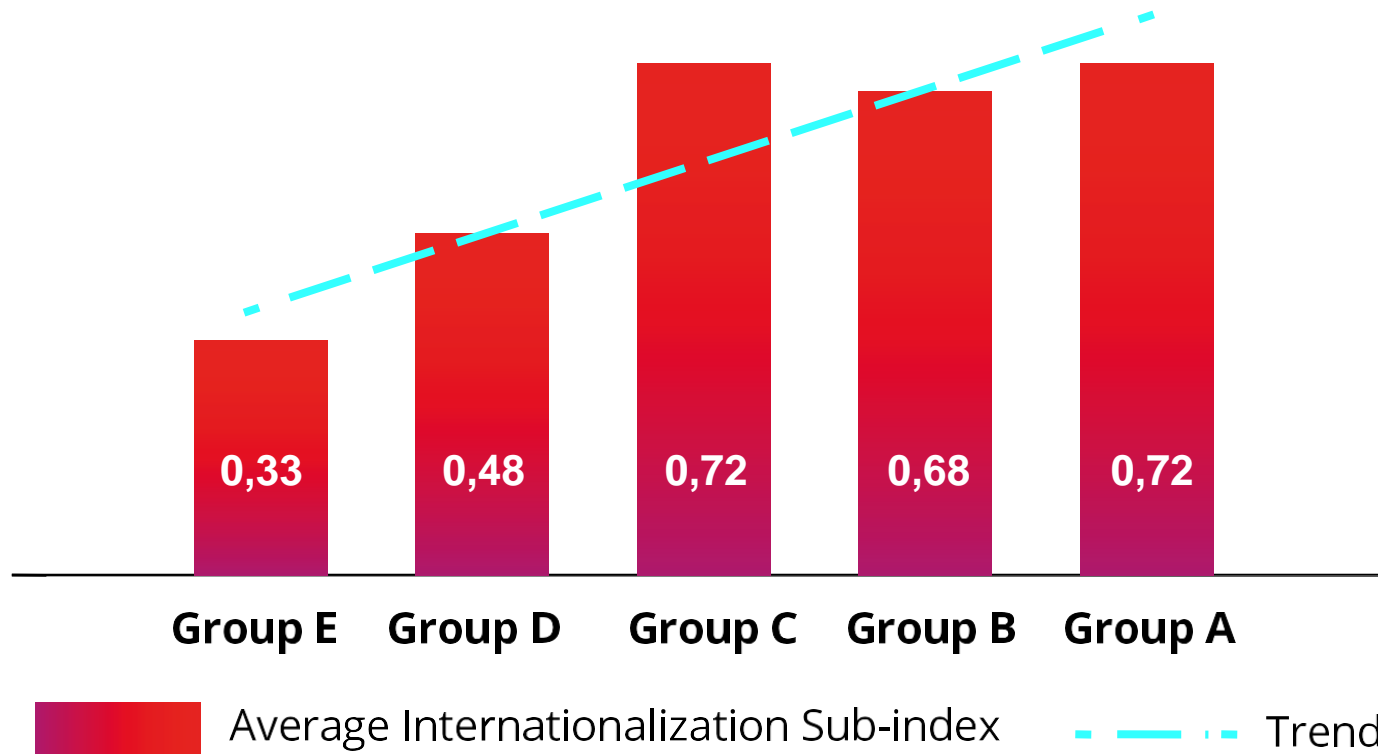
R&D internal department





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

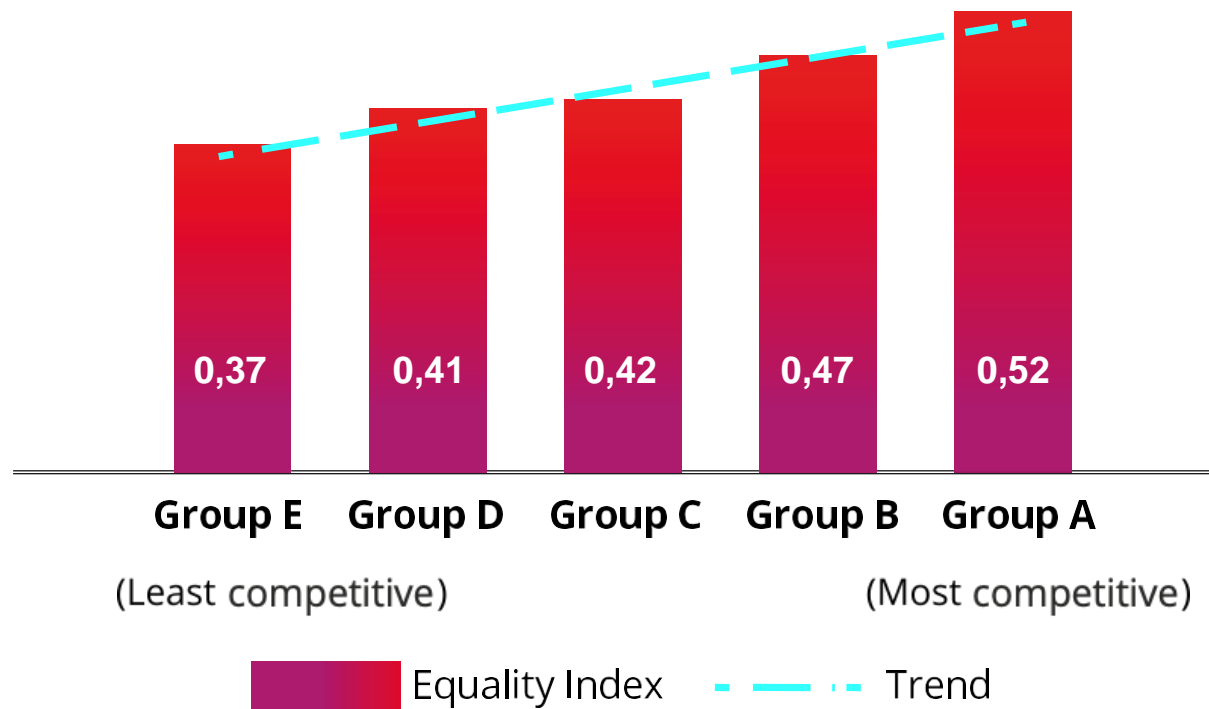


KEY FINDINGS

EQUALITY PERSPECTIVE



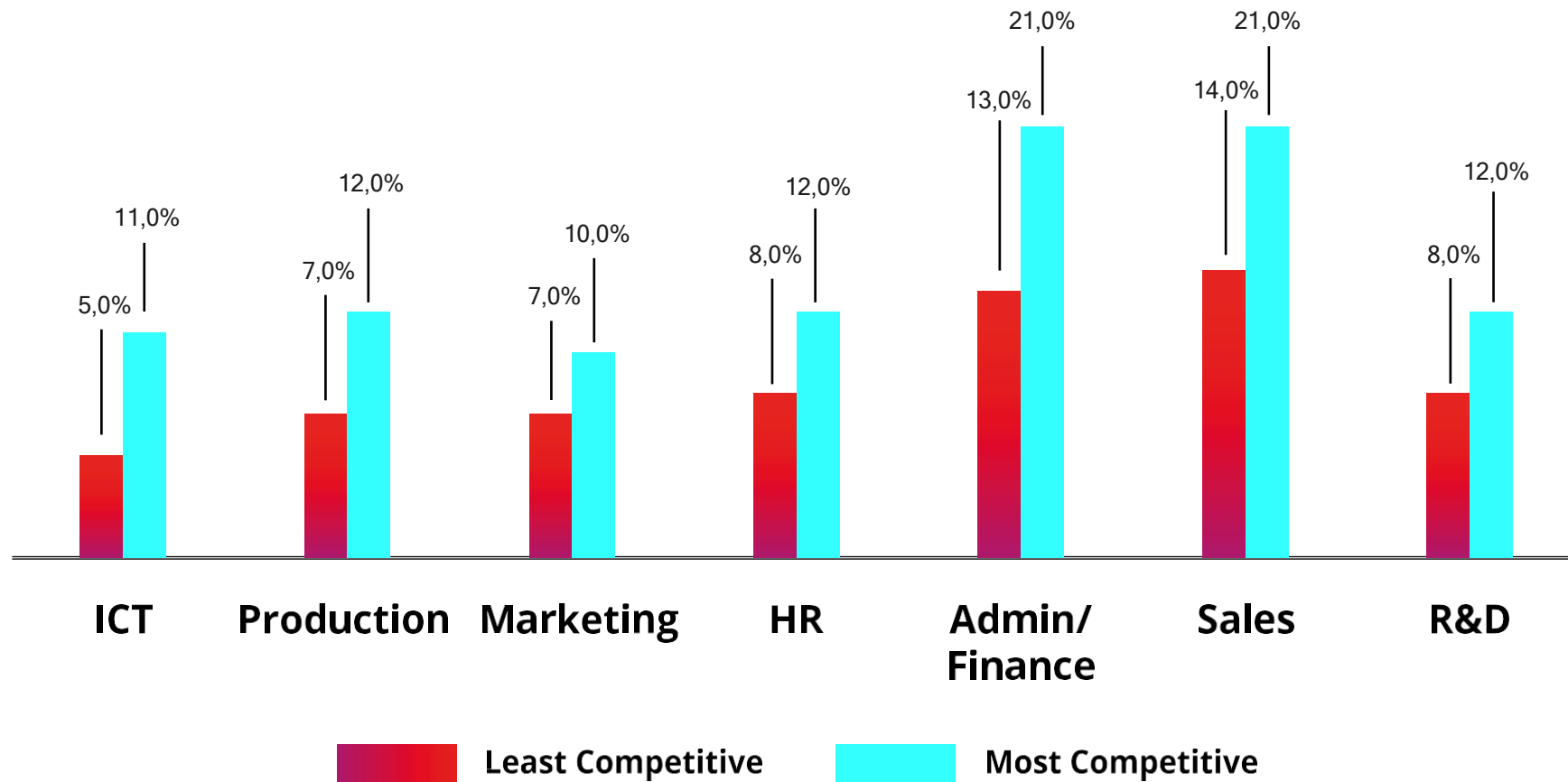
- **The most competitive companies are more egalitarian than the least competitive ones**
- **The most competitive companies :**
 - Have more gender-balanced departments
 - Have more gender-balanced structure by role/position
 - Apply more work-life balance policies more efficiently
 - Show greater commitment to promote women and in the implementation of gender-based policies





Most competitive companies have more gender-balanced departments

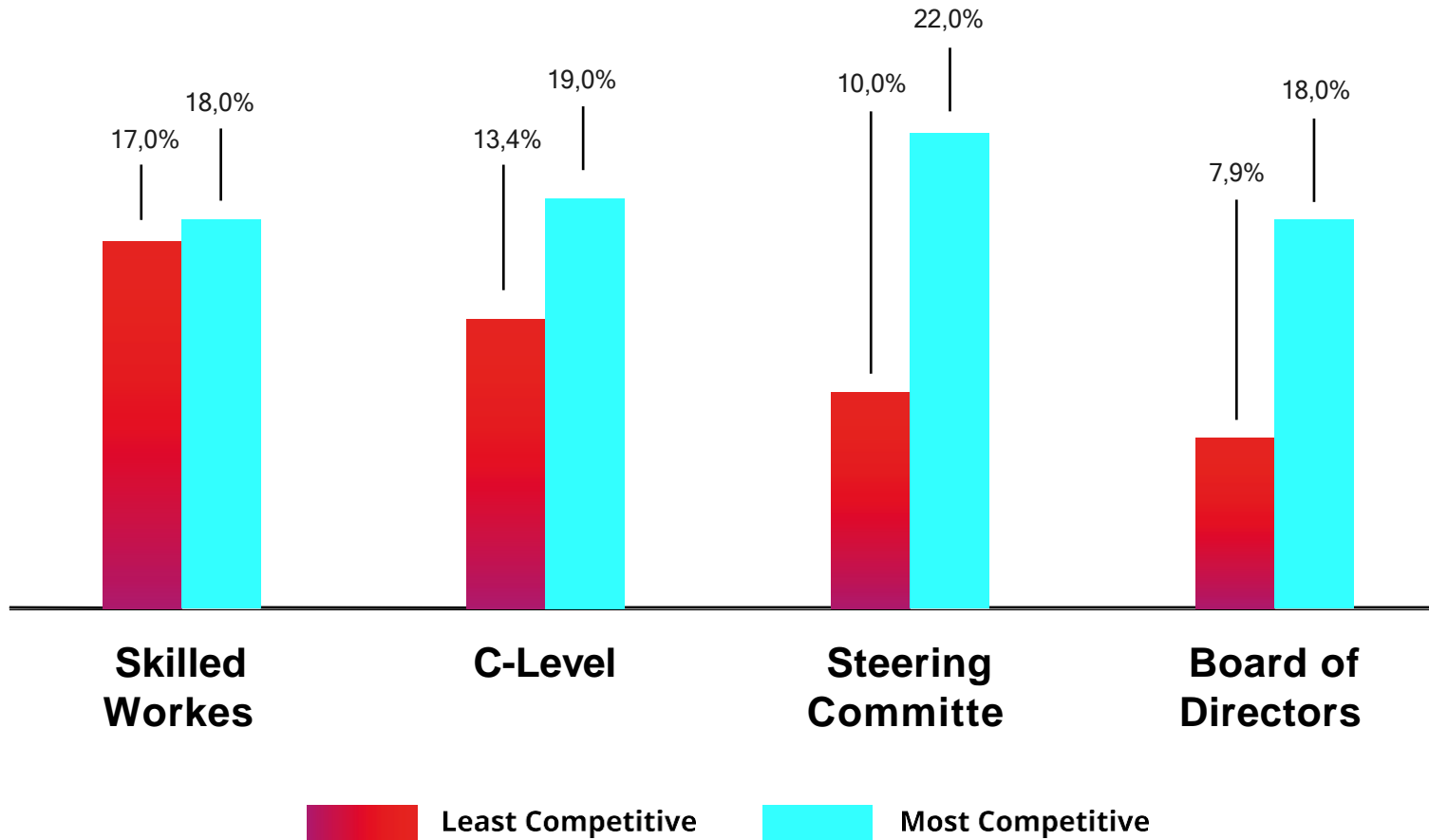
Least competitive vs. most competitive: 40%-60% men to women ratio of employees by department





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

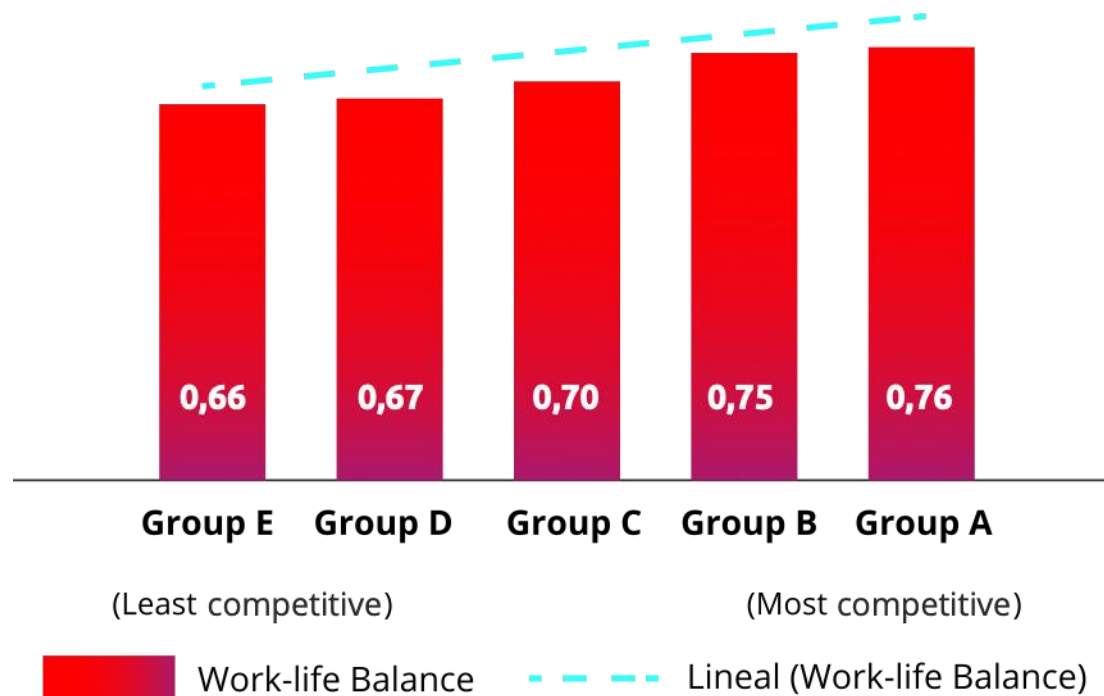
Least competitive vs. most competitive: 40%-60% men to women ratio of employees by role





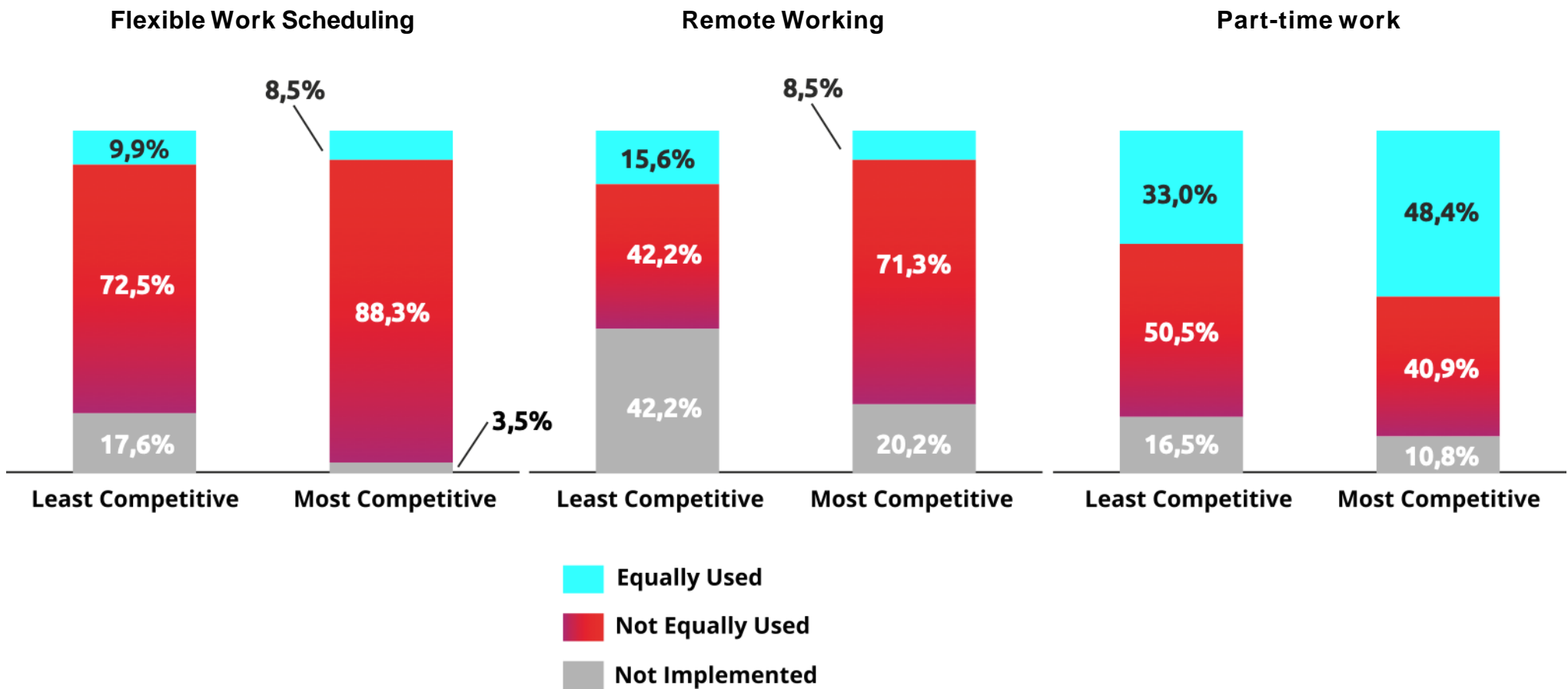
Most competitive companies apply more work-life balance policies more efficiently

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



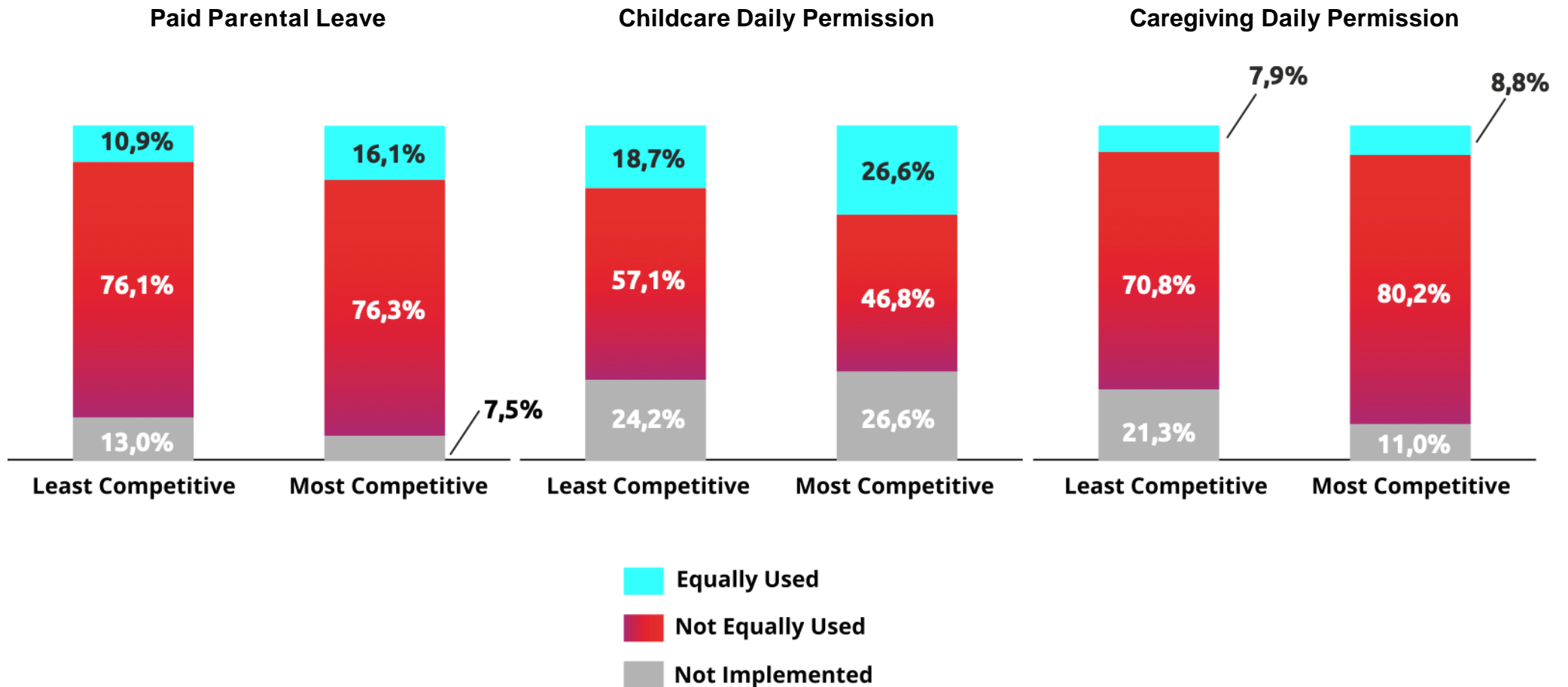


The most popular policies to engage women at work are based on flexibility (1/2)





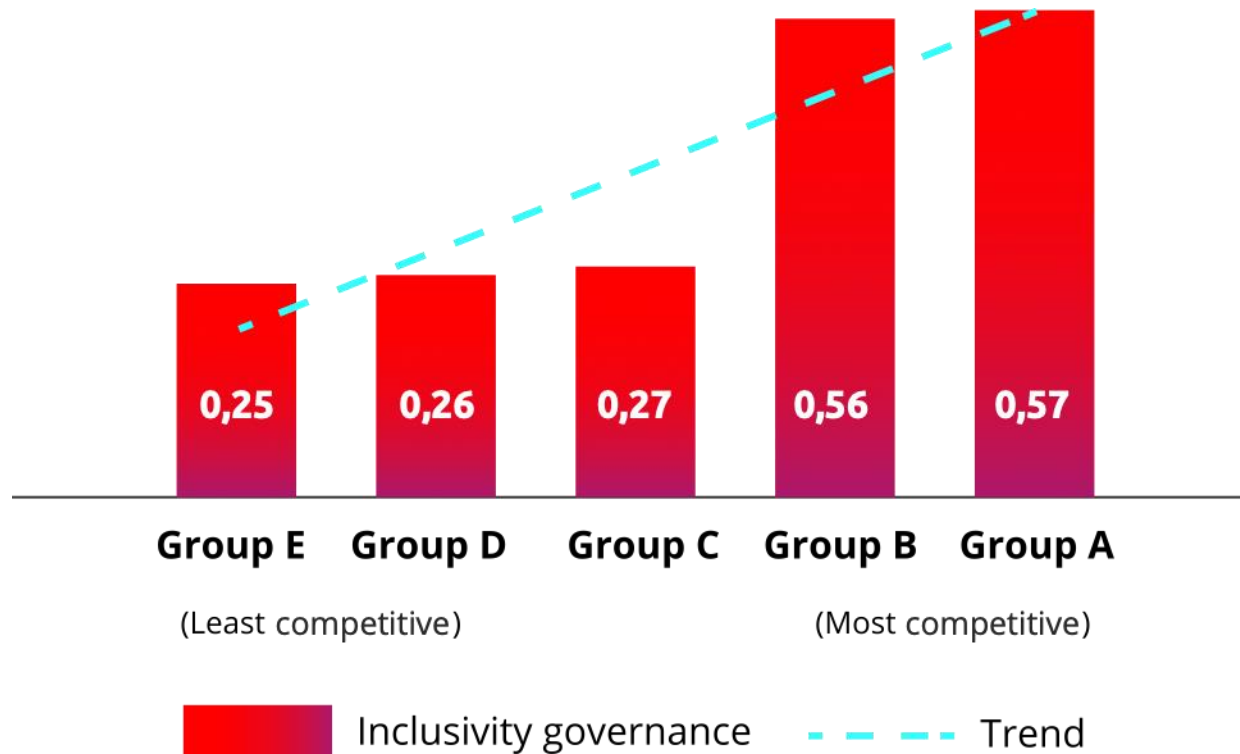
The most popular policies to engage women at work are based on flexibility (2/2)





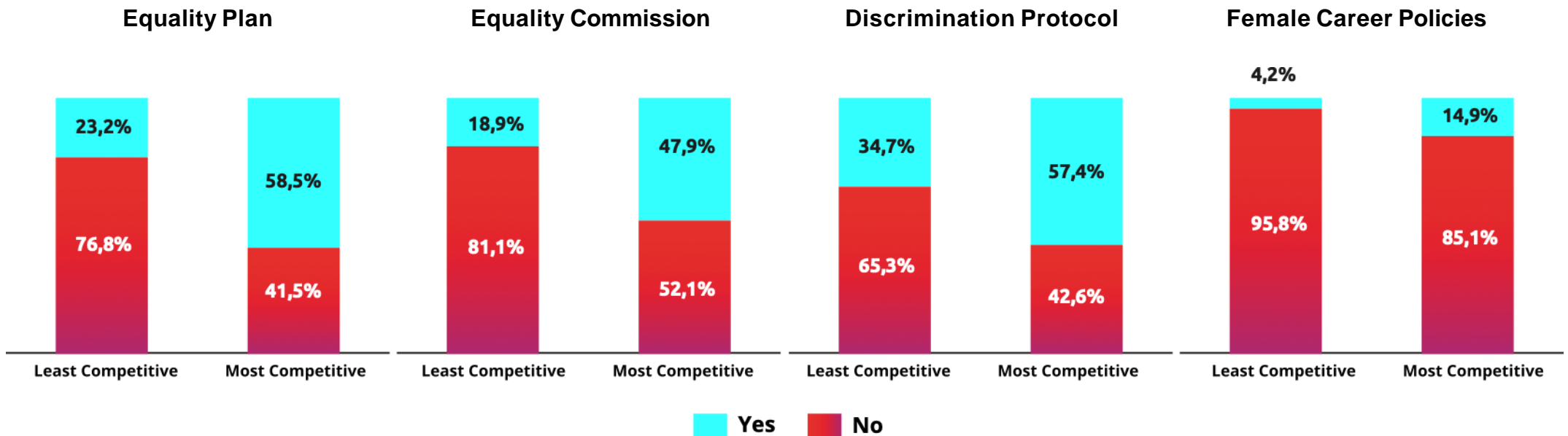
Most competitive companies show greater commitment to promote women and in the implementation of gender-based policies

Inclusivity by governance Sub-Index according to the competitive ranking



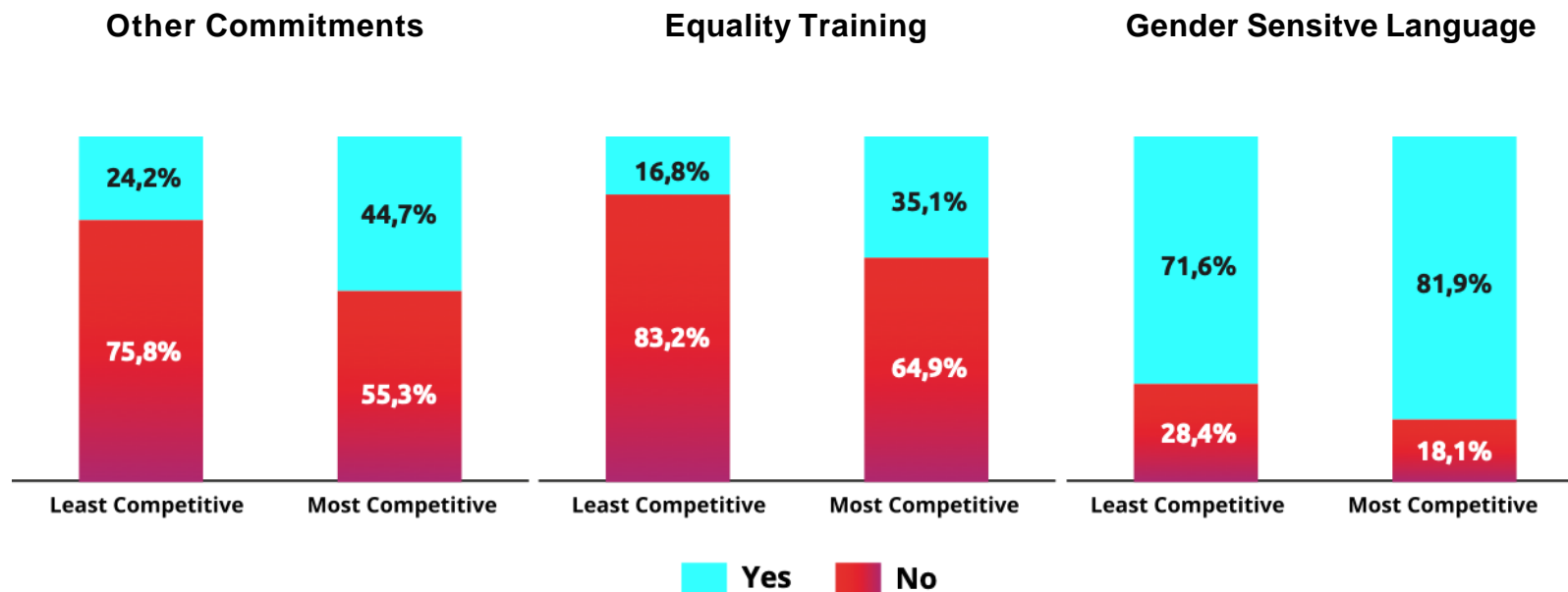


Gender governance in the most-competitive companies is carried out through of a wide range of instruments (1/2)





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



CONCLUSIONS



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.**



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