


Bridging the gender gap

Attracting, developing and
retaining talent

*Perspective
from the South*

September 2017





In a diverse and competitive world, we all need to make sure that we can bring the best talent to our clients and customers, regardless of characteristics such as ethnicity, gender or social background.

Gender balance in the workplace plays a vital part in this rich diversity of talent and the issue continues to be big news, however not always for the right reasons. As part of continued research into gender balance, PwC, surveyed the experiences and views of business people across the South and from over 120 responses, the results give more cause for hope. Whilst this is good news, in order to move with the evolving demands of the modern workplace in attracting and retaining talent, balanced across the sexes, there is still more to do...and the business case for improvement is compelling.

In 2011, Lord Davies concluded that gender diversity on boards improves performance, enables the accessing of the widest talent pool, enables companies to be more responsive to the market and helps achieve better corporate governance. Lord Davies commented 'companies with more women on their boards were found to outperform their rivals with a 42% higher return in sales, 66% higher return on invested capital and 53% higher return on equity.'

To create a Sustainable talent pipeline, employers must focus actively on attracting and retaining female talent. Greater diversity in

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leadership will not happen by accident – and to make progress towards it, employers must implement inclusive talent strategies that support the advancement, engagement and development of this significant and growing talent population.

The case for gender balance is not just an issue for HR, Board members need to actively participate in this as it is becoming more business critical. The real issue businesses need to ask is 'how do you organise your business to maximise performance?' The way you run your business may only work for a certain type of people. Building a robust diversity strategy, and including it in your risk and wider business management will enable your organisation to actively shape perceptions and gain that competitive advantage.

As well as the case for improved business performance, from spring 2017 companies with more than 250 staff will have to report on pay and it is likely that this will be a powerful driver for change. This, however, needs to be coupled with better leadership in the creation and promotion of opportunities, regardless of gender.

The results of our survey are included here and as we look to expand discussions on gender balance wider in the market, we'd love to hear more about your activities and experiences.

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Background to research

As part of continued research into gender balance, PwC Southampton and Reading, surveyed the experiences and views of business people across the South in six counties. The objectives of the survey were to:

- Raise awareness of the gender gap
- Give insights into the position of the South
- Gather experiences and views from our clients
- Understand employers and employees expectations on the topic

The response rate of the survey was promising with over 120 respondents spanning a variety of counties, industries and job roles. The results, analysis and insights of this survey can be found in following pages of this report.



Respondent demographics

The respondents of the survey were largely key decision makers from organisations at either a senior management or board level. Based on the age profile and job roles of the respondents the results of the survey reflect the views of individuals who were fairly established within their careers. The survey results are a broad review of our clients as the respondents span a variety of industries which mirrors what the South has on offer.

Gender



46%
female respondents



54%
male respondents

Age



Over half of the respondents were aged 31-50



Three quarters of respondents have children

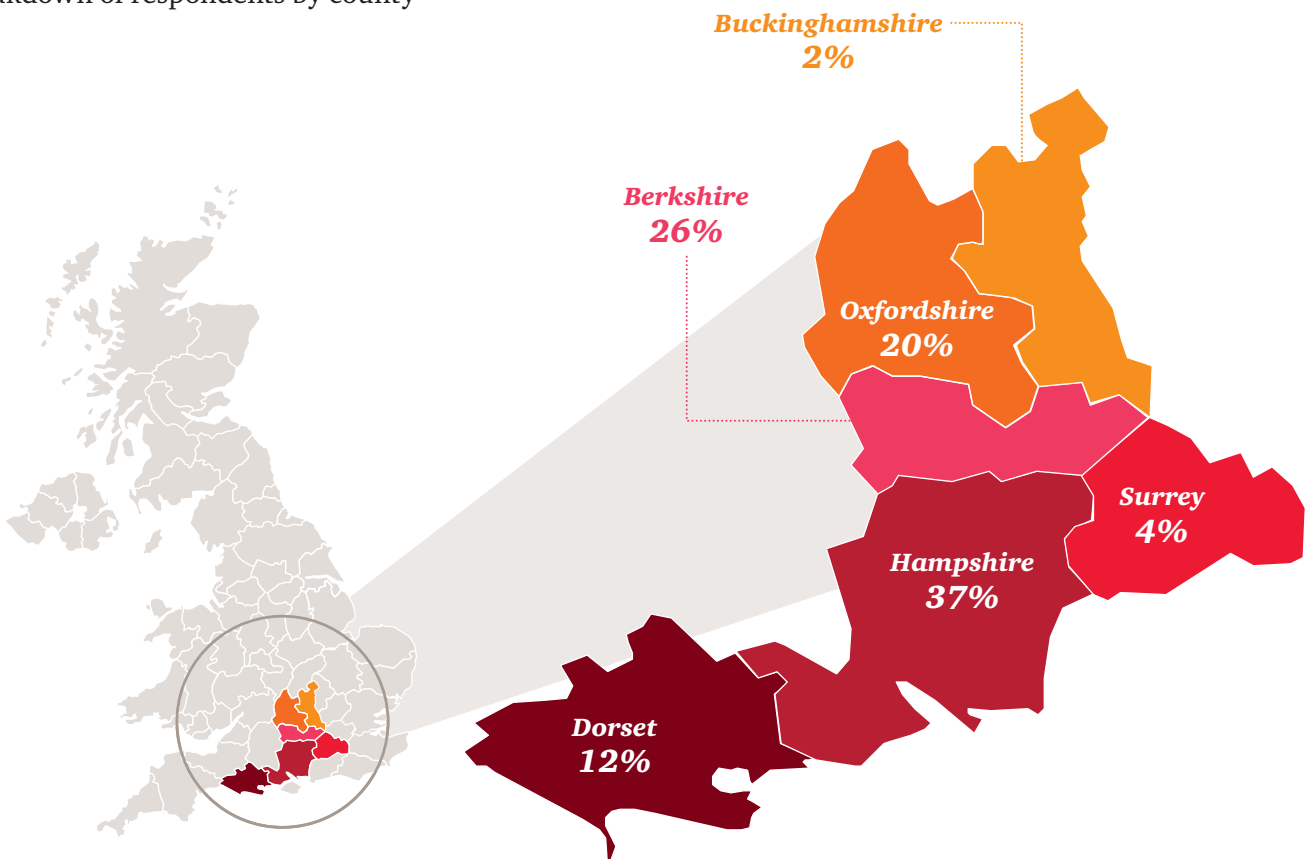


23% of respondents have children under the age of seven.

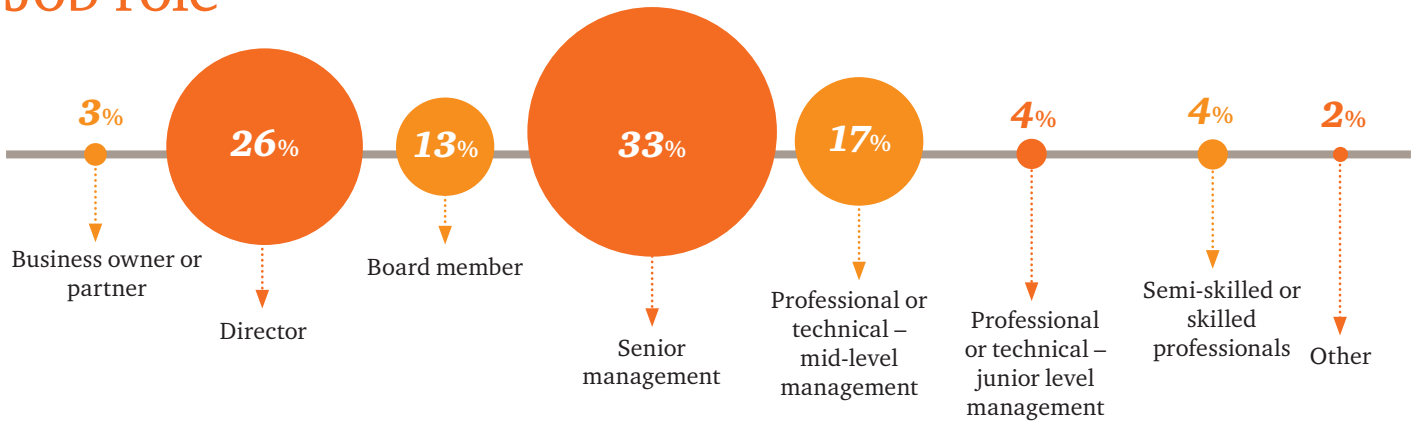
62% of respondents have children who are under the age of seventeen.

Region

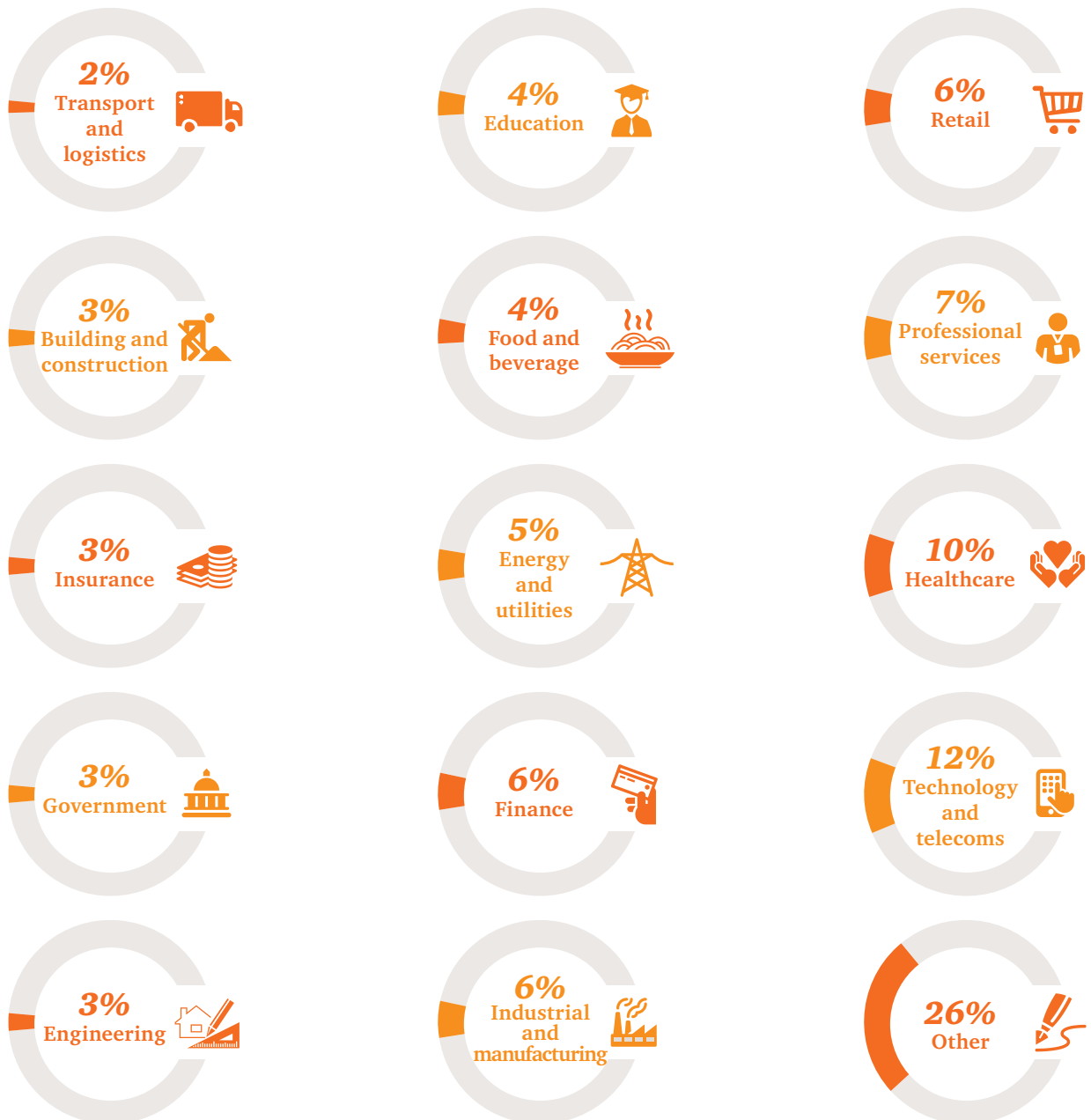
Breakdown of respondents by county



Job role



Industry



Working hours



 **89%** of respondents work full-time

 **78%** of the respondents on average work more than 40 hours per week, of which **42%** were female.

What matters to you about your working life?



Working flexibly

What flexible working arrangement does your company offer?

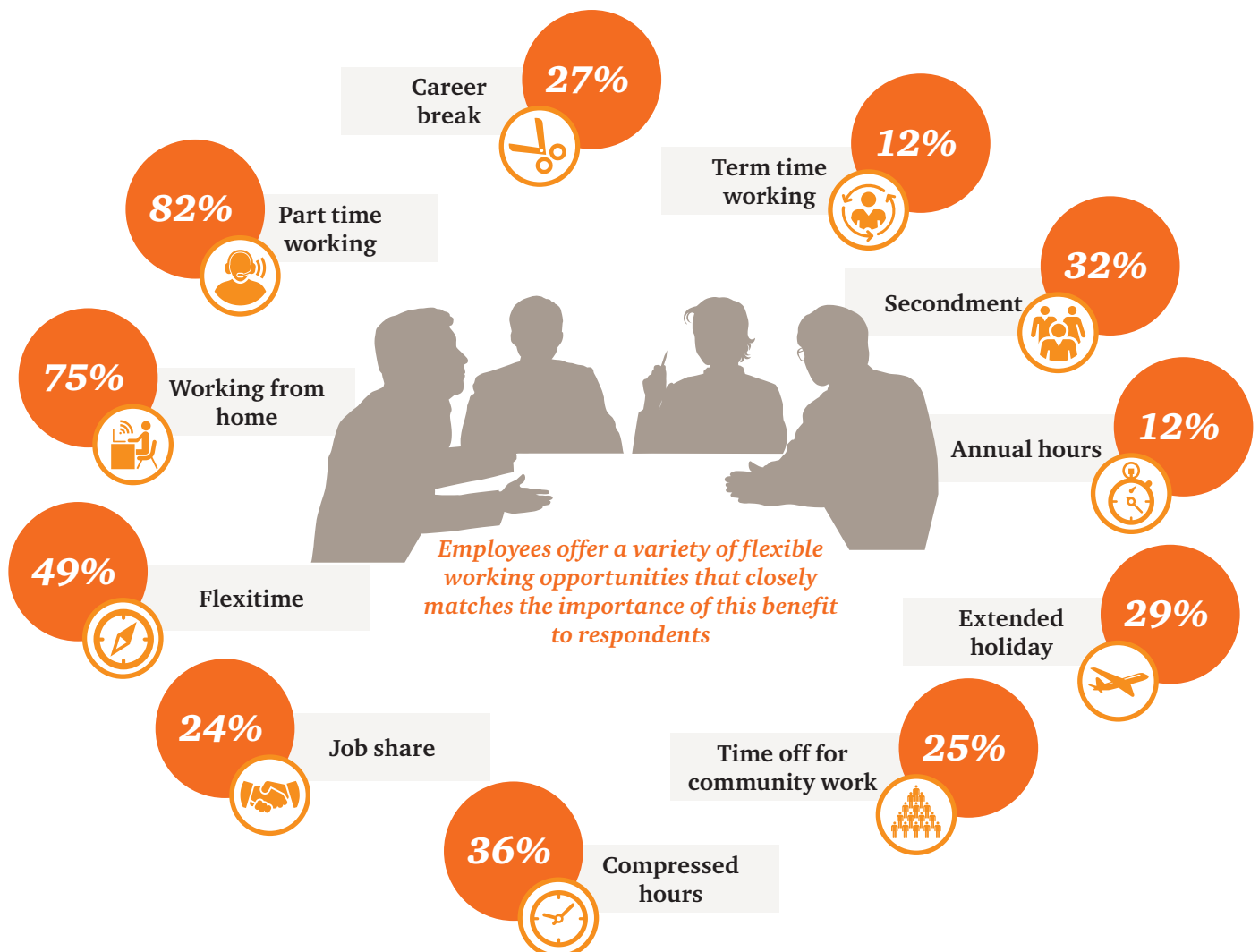
Having the ability to work flexibly is a very strong positive for many women (and men too!) yet our survey shows that the prevalence of it lags the desire for it and that the experience of those who can work flexibly is not wholly positive. For some roles flexible working simply may not be possible but in our experience the principle barriers to flexible working are that organisations:

- Do not sufficiently revisit their job requirements and specifications so as to set-up jobs in a way which can be worked flexibly.
- Do not give managers enough (or any) 'room', time or credit to manage a workforce with a high proportion of

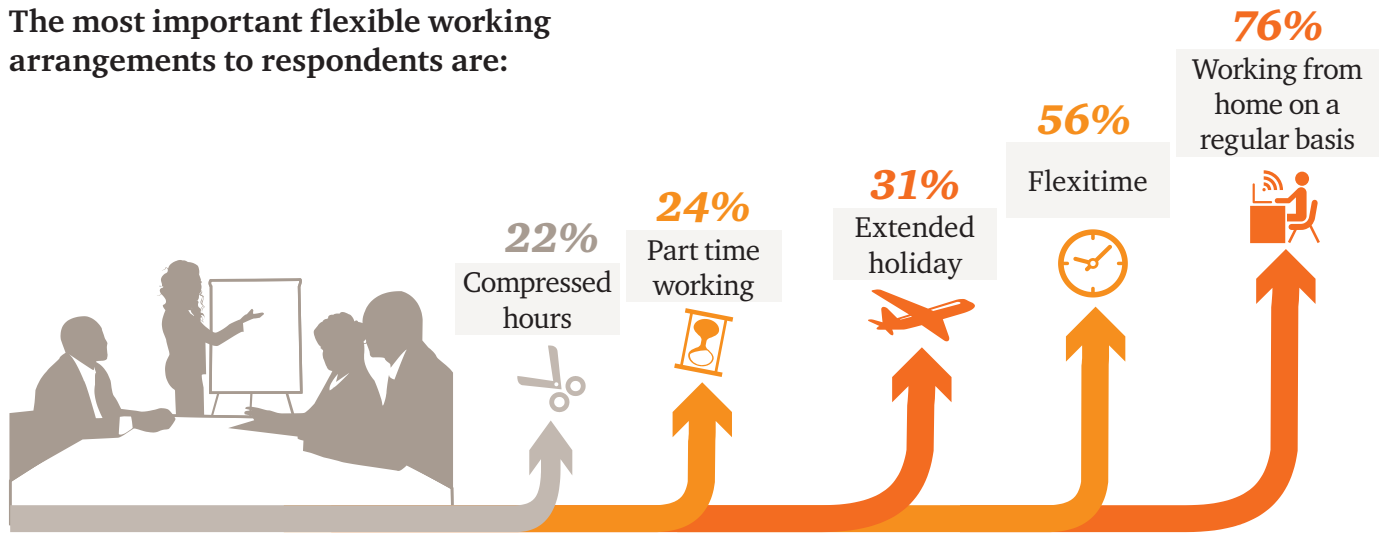
flexible workers. Inevitably this means that managers facing higher risks or more complexity as a result of allowing flexible working have no incentive to offer it or encourage it. And so don't.

- Still overly focus on 'face-time' rather than output as a measure of someone's commitment and performance.
- Do not amend work processes and work-flows meaning that 'how we get things done around here' does not reflect a modern work-place which embraces flexible working.
- Have not trained managers in how to manage a more flexible workforce.

These barriers are not insurmountable but if not addressed will continue to represent a barrier to improved gender balance.



The most important flexible working arrangements to respondents are:



80% of respondents would like to work flexibly in the future. For 18-30 year olds the figure is 75% and goes up to 83% for 31-50 and back down to 79% for 51-60 year olds



Do you work flexibly?



Just under half of respondents who work flexibly are female.

44% of 18-30 year olds work flexibly according to the survey. This number jumps to 75% for the over 60 year olds.

Views on working flexibly

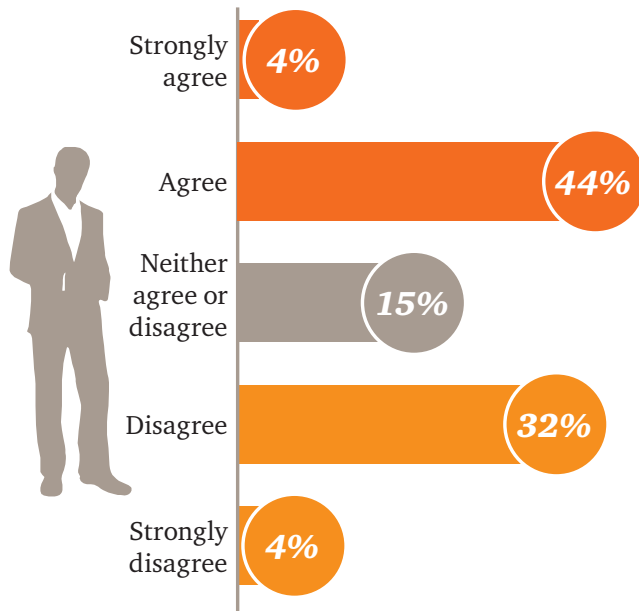
97% of respondents think their employer makes it easy for them to take ad hoc time off work (for parents evenings, doctors appointments etc.)

81% of all respondents agree that flexible working is helps businesses retain talent



Working flexibly (Contd...)

In my experience, people working flexibly are less likely to progress at the same rate as their peers even if their input is similar



60% of respondents believe organisations value flexible working as a way of working efficiently

59% of female respondents believe that people who work flexibly are less likely to progress at the same rate as

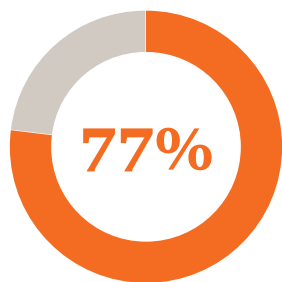
their peers even if their input is similar. Only **35%** of male respondents agree

50% of respondents think that people working flexibly are resented by their full time colleagues and

48% think they are regarded as less committed

30% of all respondents think that people with no children are expected to work longer hours than those with children

Role models



of respondents believe role models help businesses to retain talent



Almost a quarter of respondents don't see women at senior levels who inspire them within their organisation



56% of respondents think there are few female role models in their organisation

90% of respondents think that women are value for the contribution they bring to the business

With far fewer women than men having progressed to senior positions, it's inevitable that women feel they don't have enough role models with whom they can identify. Some of this disparity is a function of time (the barriers to progress were even more significant in the past) and some is a function of the reality that a proportion of high-performing women do choose to leave the workforce to care for children. However, women can still face what one

respondent described as an 'inherent bias in culture and practices', which shapes how the attributes of leaders are perceived and portrayed.

The key practice which makes the difference here, in our experience, is that of reconsidering what it is you really need your senior leaders to be able to do and then considering your talent-pool in light of that reconsideration.

Mentoring

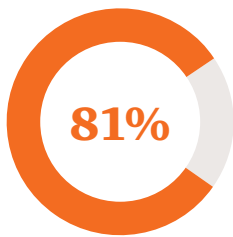
Does your employer offer a mentoring scheme?



Only **14%** of respondents have a mentor from within their organisation (**36%** of which are female)

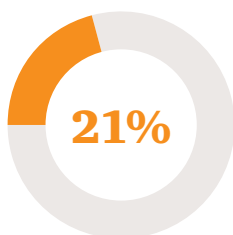
58% of respondents believe having a mentor helps businesses retain talent

Career development



of respondents agree that career development opportunities within their organisation are fair and equal for men and women...

.... but this drops to 76% if you ask women only



of respondents think that it is difficult for women to network with the most senior staff at their organisation

39%



39% of respondents believe key decision makers in the business are male

Only 24% of male respondents agree



Two thirds of respondents think that men and women receive equal pay at their organisation



Three quarters of respondents think that their organisation cares about their development



1 in six respondents have experienced overt barriers to their career progression as a result of their gender

How employers could retain talent?

Competitive remuneration packages



Mentoring



Greater flexibility



Opportunities for development



Clear progression framework



Better linkage between contribution and remuneration



Career mapping



Reduce expectations of overtime



Gender balance

Over

1/4



Over a quarter of women don't believe their employer is gender neutral

Over

4/5

Four fifth of all respondents believe people in their organisation see the benefits of gender diversity in the workplace.

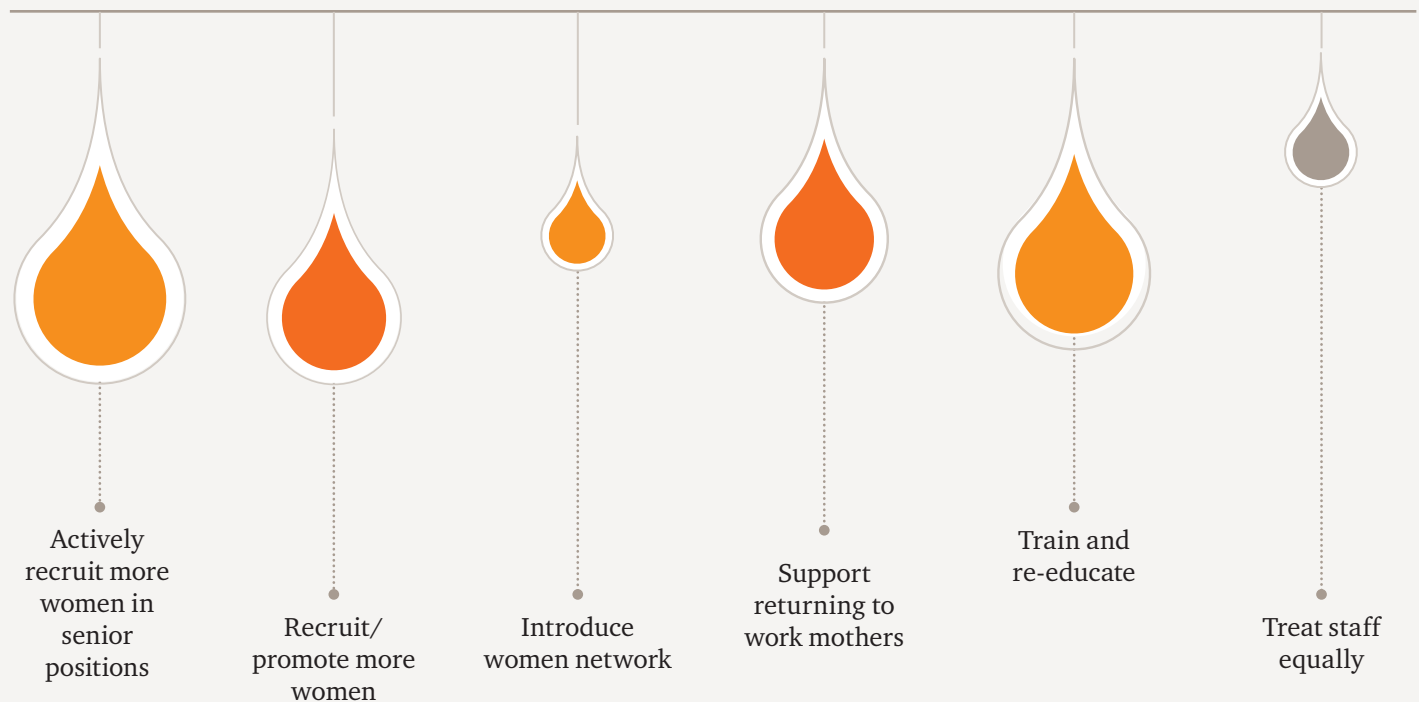
Over

1/2

Over a half of all respondents think their organisation needs to do more to facilitate and promote gender diversity in the workplace



How employees think organisations can improve gender equality and retain talent



With 50% of respondents feeling more could be done to promote gender diversity, 25% of women feeling their workplace is not gender neutral and 33% feeling their organisations do not receive equal pay it's clear that organisations in our region have a problem. However, in our view, simply recruiting and promoting more women is not the silver bullet respondents might hope it to be. The barriers to women progressing and indeed more broadly to achieving

diversity in the workplace can't be resolved by simply hiring and promoting more people of one sex or the other but are more fundamental. In the same way that from time to time organisations require an overhaul of their strategy and financing those that want to benefit from greater diversity need to undertake a thorough review of their work practices and take a long hard look at who and what they require from managers and leaders and then act on what they find.



Gender pay gap

The 2017 PwC Women in work Index looks at the gender pay gap statistics from the Office of National Statistics (ONS).

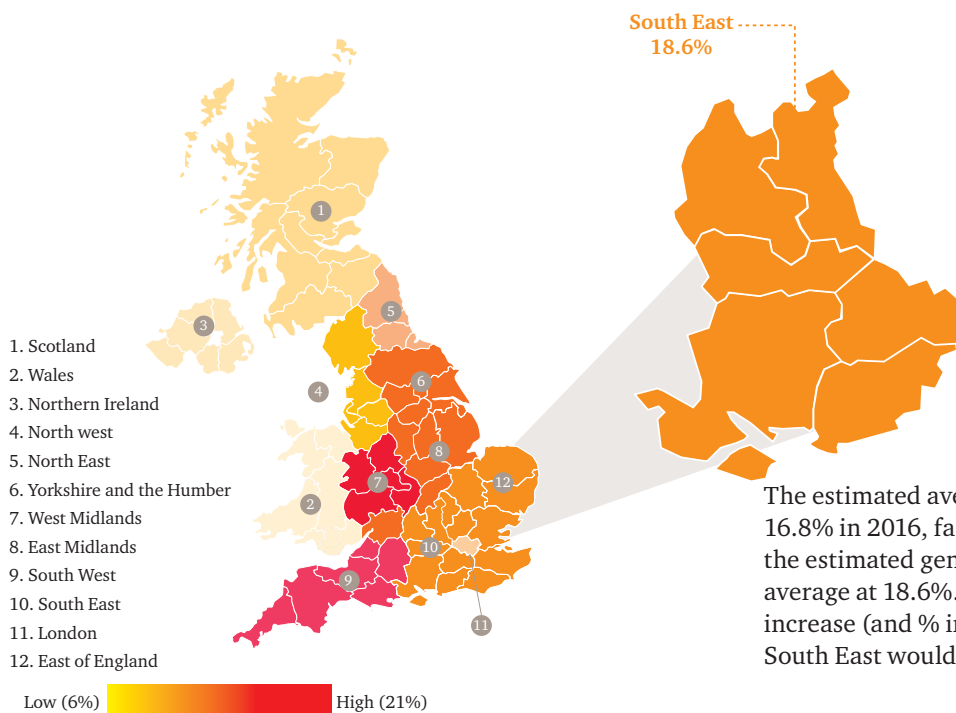
What are the main factors behind the Gender pay gap in the UK?

- **The gender pay gap in the UK remains significant, with female workers earning on average 17% less than men.**
- The evidence suggests that the two key factors that explain the gender pay gap in the UK are differences in work-life patterns between men and women, and the incidence of occupational segregation.
- **Differences in work-life patterns:** Women tend to spend more time out of the workforce than men in order to care for children or family members, meaning that they lose out on pay progression over the long-term. Studies suggest that the pay gap widens with the arrival of children. This factor explains more than one-third of the pay gap in the UK.
- **Incidence of occupational segregation:** Women are more likely to work in sectors and occupations that are lower-paying, partly because these offer greater job flexibility. Labour market rigidities such as segregation account for around one-fifth of the pay gap in the UK.

What are the policies to help address the pay gap

- The gender pay gap matters, not only because inequalities between men and women are of interest in their own right, but also because this has serious implications for a woman's lifetime earnings and her ability to support her family and to save for retirement.
- Both policymakers and businesses play an important role in taking proactive action to address the root causes of the gender pay gap, e.g. reducing the amount of time women spend outside work, or supporting them in returning to work more effectively.
- Potential policies to help close the pay gap include **strengthening existing provisions for shared parental leave, and increasing the availability of affordable childcare.**
- Businesses can also support female employee via **'returnships'** and providing **opportunities for flexible and part-time working**, particularly at more senior levels.
- These policies also offer lessons to other OECD countries who wish to improve their performance on the pay gap.

Gender pay gap across the UK



The estimated average pay gap across the UK stood at 16.8% in 2016, falling from 25% in 2000. In the South East the estimated gender pay gap is higher than the National average at 18.6%. To close the gap the potential annual increase (and % increase in annual female earnings in the South East would need to be £7.3k (23%).

Source: PwC analysis, ONS.

Note: 2016 gender pay gap results are based on provisional 2016 data published by the ONS. The gender pay gap has been calculated as the difference between the median gross weekly pay for men and women as a percentage of the median gross weekly pay for men. This methodology is consistent with that used by the OECD to measure the gender pay gap at the national level.



Laura Hinton, head of people at PwC, has said the following about the 2016 gender pay gap figures from the Office of National Statistics (ONS):

“It’s encouraging that we are seeing the gender pay gap reducing, but the underlying reasons for the gap still remain the same. Women are still more likely to work part time, leave the workforce after having children and be in lower paid jobs. Until we tackle these underlying causes it will be hard to reach true equality in the workplace.”

“Businesses need to think more creatively about how and where they hire people and not fall into the pattern of doing what they’ve always done. That way more people will be able to reach their full potential and businesses will inherently become more diverse.”

“At PwC, publishing our gender pay gap has allowed us to understand the reasons for the gap in our business and hold ourselves accountable to make practical changes. For example, we know that when senior women leave us they are more likely to be replaced by a male. We are challenging ourselves on this by testing our recruitment processes, making more senior jobs available as flexible or part-time and targeting women who have been out of the workplace for a number of years via our return to work programme.”

“There is no one easy solution and to make real change businesses need to be serious about addressing both the symptoms and causes of gender inequality.”



Ed Stacey, head of employment law at PwC, said:

“These are the lowest figures since the ONS surveys began in 1997 and clearly indicate the progress made so far towards UK gender pay equality. Given the forthcoming regulations requiring mandatory gender pay gap reporting by qualifying employers from April 2017, we should see further progress towards closing the UK pay gap. However, there remain concerns that these new regulations don’t go far enough to fundamentally tackle pay inequality and, ultimately, more will need to be done to address the gap.”





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