



Women in Work Index

Insights from Middle East and North Africa (MENA)

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to diversity and
inclusion grows

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Global commitment to diversity and inclusion grows



Diversity in the workplace can drive financial performance. Boosting the number of women in work is not just a moral imperative but also has a measurable impact on the bottom line.¹ This is the conclusion of a growing body of evidence that is persuading companies and governments around the world to act.

In recent years, substantial data has been gathered that measures the effectiveness of a range of diversity and inclusion initiatives. The stark fact is that globally, countries are losing \$160 trillion in wealth because of differences in lifetime earnings between women and men. This averages out at \$23,620 per person in 141 countries studied by the World Bank Group.²

But there is good news. A recent study in the Harvard Business Review said that innovation revenues could increase by 2.5% when companies enable conditions for gender diversity, such as management support, participative leadership and equal pay.³ Some 85% of CEOs who had invested in diversity and inclusion programmes had seen enhanced business performance.⁴

PwC's Diversity and Inclusion Benchmarking survey shows that organisations around the world are becoming more committed to diversity and inclusion, with 87% of global organisations saying this was a priority area.⁵ One potential reason for this: more than 50% of job candidates say organisations should publicly share information about the diversity demographics of their workforce and disclose their gender pay gap.⁶

Such transparency can help win the war for talent. Young people say they look at a company's record on diversity, equality and inclusion, which in turn can depend on policies regarding parental leave benefits, flexible working hours, mentorship programmes and a fair and transparent promotion and appraisal process.

Government policy and regulation also have an important role to play. The legislative framework must be up-to-date and fit for purpose, include labour and family laws and efforts to improve women's access to finance.

Take the UK as an example of how progress can be driven by the right framework. In 1971, 53% of women aged 16-64 were employed in the UK.⁷ Following legislation – including the Equality Act of 2010 that harmonised previous discrimination and harassment laws – more than 70% of women are now in work.⁸

But there is still more to do. For every dollar a man earns, on average globally a woman is paid 54 cents, according to the World Economic Forum.⁹

Commitment to diversity and inclusion a priority area⁵



¹ https://www.g20-insights.org/policy_briefs/gender-economic-equity-achieving-25-by-25-actions-to-make-womens-labour-inclusion-a-g20-priority/

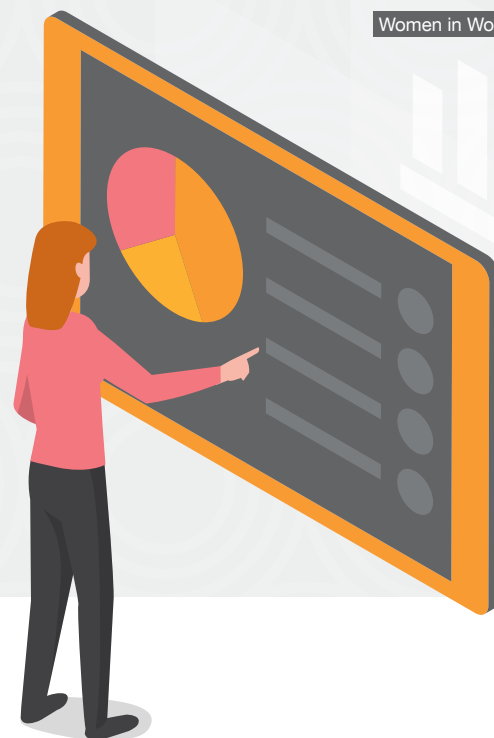
² World Bank: Unrealised Potential: The High Cost of Gender Equality in Earnings, 2018, <https://www.worldbank.org/en/news/press-release/2018/05/30/globally-countries-lose-160-trillion-in-wealth-due-to-earnings-gaps-between-women-and-men>

³ Harvard Business Review: How and Where Diversity Drives Financial Performance, 2018, <https://hbr.org/2018/01/how-and-where-diversity-drives-financial-performance>

⁴ This is a PwC claim: <https://www.pwc.ch/en/services/people-organisation/diversity-and-inclusion.html>

⁵ Global Diversity & Inclusion Survey 2017, PwC

Gender diversity in MENA - a significant opportunity



Our Women in Work Index - Insights from MENA survey of more than 3,000 women and men across the United Arab Emirates (UAE), the Kingdom of Saudi Arabia (KSA) and Egypt, provides insights on the regional workforce and where we can improve gender diversity.

For example, the UAE has been pushing for gender diversity and has made significant progress over the past 20 years. KSA has set an ambitious target of 30% female participation in the labour force by 2030. Egypt, in comparison, is a different case where female participation in the workforce has remained flat for the past two decades.¹⁰

To put this into perspective, the Organisation for Economic Co-operation and Development (OECD) says the Middle East and North Africa collectively is losing an estimated \$575 billion a year due to the legal and social barriers that exist for women's access to jobs and careers. Less than a quarter of women in the region overall are employed, which is one of the lowest rates in the world.¹¹

Increasing gender diversity would mean adding to and enriching the talent pool, a vital requirement, particularly for Gulf Cooperation Council (GCC) countries if they are to succeed in industrial diversification and create flourishing sectors other than oil and gas.

The past few years have seen increased recognition of the economic and human cost of women's lost potential and of ways to address the issue. We believe there is no one-size-fits-all approach to promoting gender diversity in the Middle East. Any initiatives need to take into account the specific histories, cultures and levels of development in each country.

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⁶ PwC: Women in Work Index 2018, <https://www.pwc.com/ca/en/services/consulting/people-and-organization/women-in-work-canadian-insighs.html>

⁷ Catalyst Women in the Workforce – UK report, <https://www.catalyst.org/research/women-in-the-workforce-uk/>

⁸ Catalyst Women in the Workforce – UK report

⁹ <https://www.weforum.org/reports/the-global-gender-gap-report-2018> <https://www.newyorker.com/news/news-desk/egyptian-women-and-the-fight-for-the-right-to-work>

¹⁰ <https://www.newyorker.com/news/news-desk/egyptian-women-and-the-fight-for-the-right-to-work>

¹¹ <http://www.oecd.org/mena/mena-countries-need-structural-reforms-to-spur-trade-investment-jobs-and-trust.htm>

Workforce participation



Participation of women in the workforce in itself changes attitudes. In the UAE, participation of women has increased dramatically, reaching 40.6% in 2018 from 29.2% in 1990.¹² Women now make up 66% of public-sector workers, with 30% in leadership roles.¹³

This substantial progress is reflected in our Women in Work Index - Insights from MENA survey. Some 30% of women and 37% of men in the UAE strongly agreed with the statement: “My employer treats females equally when it comes to promoting from within”.

In KSA, dramatic change has occurred just in the past year. Important reforms recently carried out include granting women the right to drive, which started in June 2018. We expect that about 3 million women in KSA could be driving by 2020.¹⁴ We also anticipate that the change will transform the KSA automotive market, offering opportunities ranging from car sales to motor insurance, vehicle leasing and driving schools.

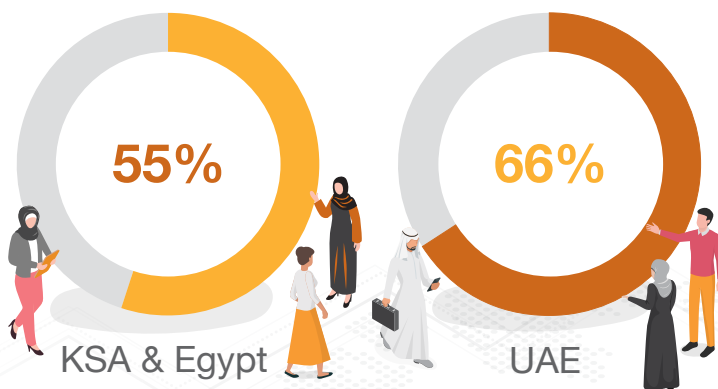
Other notable firsts in 2018 included the Saudi military taking applications from women and granting women the right to open their own businesses without a guardian’s permission.

Nonetheless, research by LinkedIn¹⁵ has shown that more than half of Saudi women believe the biggest hindrance in their careers is the widespread belief that they do not have the right skills for the available job opportunities.

Such opportunities include those being created by KSA’s Vision 2030 reforms¹⁶, which focus on sectors including health, education, tourism and communications. These are sectors that female university graduates could excel in if misconceptions about their abilities were dispelled. Much of the work to be done on equality in the country is in changing long-held attitudes and beliefs.

Egypt, meanwhile, has a long history of legislative advances for women’s rights. But cultural attitudes and gender stereotypes take longer to change. Many men are still resistant to the idea of women working outside the home, which partly explains why female labour-force participation has changed little since 1990, when it was 21.3% compared with 22.3% in 2018.¹²

Q. My employer treats females equally to males when it comes to promoting from within (strongly agree/ agree)



¹² <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.NE.ZS>

¹³ <https://gulfnews.com/uae/government/big-boost-to-gender-parity-as-cabinet-passes-equal-pay-law-1.2203383>

¹⁴ <https://www.pwc.com/m1/en/blog/women-driving-lets-steer-the-wheel.html>

¹⁵ <https://gulfnews.com/business/analysis/empowering-saudi-women-for-the-workplace-1.2216067>

¹⁶ <https://vision2030.gov.sa/>

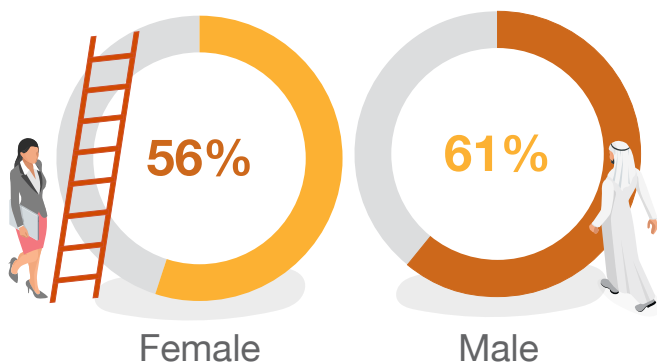
Pay and progression



Pay equality is important, but it's only the beginning of creating a truly inclusive culture. Our survey shows that people across MENA want gender equality in terms of opportunity and access to leadership positions, as well as support for employees. Organisations can provide this by openly discussing and raising awareness of both conscious and unconscious bias, ensuring the right tone is set at the top, for example, by tying diversity to business goals, and setting up mentorship programmes.

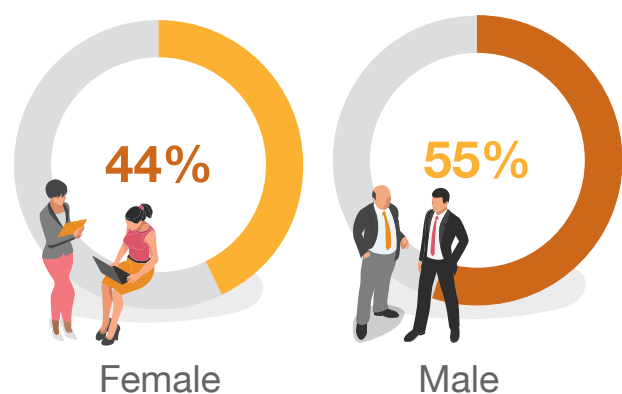
Our survey reveals important differences in perception between men and women. When asked about equal treatment for promotion, more men than women reported not seeing any problems.

Q. My employer treats females equally to males when it comes to promoting from within (strongly agree/agree)



Our survey also shows that many women who return to work after a career break feel a lack of support from their employer. Gender stereotypes as well as lack of flexible working policies contribute to this. We do see flexible working as a growing trend around the world as more people want to fit work around their lives rather than life around their work. The chance to work flexibly can benefit all employees, not just women returning to work after having children, however in GCC countries the crucial first step is to start with women.

Q. My employer supports women who return to work after taking a career break (strongly agree/agree)



Governments can play a mightier role



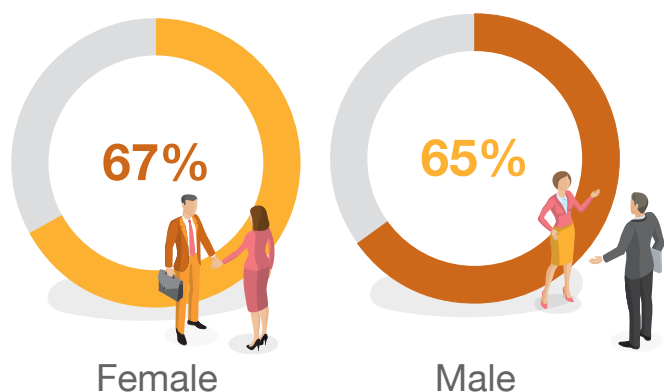
The three countries we surveyed have varying histories of national programmes to boost the number of working women. There is high awareness and support for such initiatives, showing that timely government intervention is often welcomed.

Our survey shows that 66% of all respondents believed that governments should intervene in private sector companies and set targets for gender diversity.

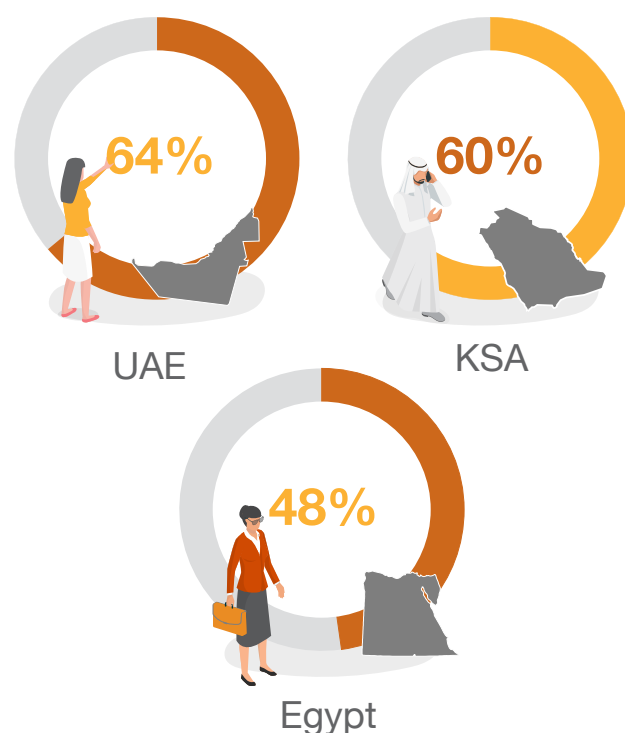
National policies include a draft law in the UAE in 2018 to ensure men and women receive equal pay. The UAE also introduced three months' paid maternity leave for government employees in the same year, increasing pressure on the private sector to keep up.

The Saudi government's ambitious target to increase female participation in the workforce to 30% as part of Vision 2030 is already bearing fruit. Labour-force participation of women was 14.2% in 1990 and reached 22.3% in 2018, according to data from the World Bank.¹⁷

Q. Governments should intervene in private sector companies and set targets for gender diversity (strongly agree/agree)



Q. National programmes are currently in place to support women through their careers (strongly agree/agree)



¹⁷ <https://data.worldbank.org/indicator/SL.TL.F.CACT.FE.ZS?locations=SA>

Different approaches in different industries



An organisation's set-up and diversity policies will often vary according to the history and culture of the sector in which it operates. Worldwide, only 21% of people working in oil and gas are women and only 32% of positions in renewable energy are filled by women, according to a report by the International Renewable Energy Agency. This compares with a workforce that is 75% female in the education and health sectors in the UAE.¹⁸

Other important initiatives illustrate that the private sector can take the lead. For example, the 30% Club, set up in the UK in 2010 is now active in 12 countries, including a branch for the GCC. It is made up of company chairs and CEOs who are committed to increasing the number of women on boards and in senior management roles, and improving the gender balance at every level of their organisations.

Key initiatives include cross-company and cross-sector mentoring programmes, offering women 12 months' experience on a major board in order to expand the pipeline of people with board experience, and partnering with leading business schools to offer scholarships to women for MBA and other Master's programmes.

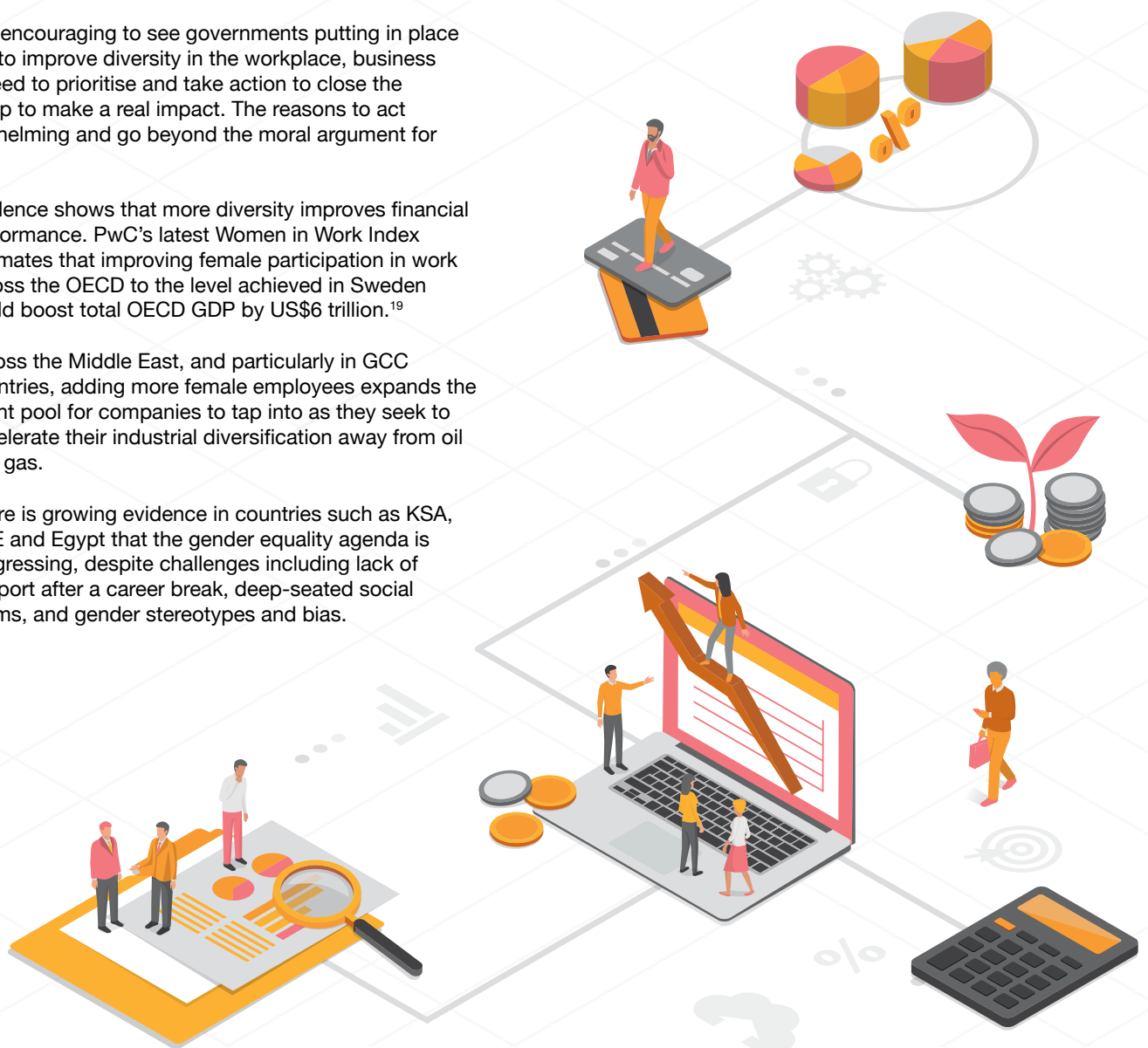
There is also a place for presenting strong role models to inspire everyone. Take UN Women in Egypt, which recently praised Rahma Khaled, the first Egyptian television host with Down's Syndrome. She is a national champion in swimming, tennis and basketball.

¹⁸ <https://gulfnews.com/uae/government/big-boost-to-gender-parity-as-cabinet-passes-equal-pay-law-1.2203383>

Summary

While it is encouraging to see governments putting in place initiatives to improve diversity in the workplace, business leaders need to prioritise and take action to close the gender gap to make a real impact. The reasons to act are overwhelming and go beyond the moral argument for equality:

- Evidence shows that more diversity improves financial performance. PwC's latest Women in Work Index estimates that improving female participation in work across the OECD to the level achieved in Sweden could boost total OECD GDP by US\$6 trillion.¹⁹
- Across the Middle East, and particularly in GCC countries, adding more female employees expands the talent pool for companies to tap into as they seek to accelerate their industrial diversification away from oil and gas.
- There is growing evidence in countries such as KSA, UAE and Egypt that the gender equality agenda is progressing, despite challenges including lack of support after a career break, deep-seated social norms, and gender stereotypes and bias.



¹⁹ PwC Women in Work Index 2019: <https://www.pwc.co.uk/services/economics-policy/insights/women-in-work-index.html>

Call to action

PwC can help stakeholders, private and public, to take the many small steps needed to create lasting cultural change. Based on our experiences and research, we have identified four main tactics:

01

Raise awareness and transparency to alter mindsets, dismiss gender stereotypes and bias in organisations and encourage cultural change with the right tone that starts at the top. This can be done at many levels - when conducting annual appraisals, for example, or as part of the induction process for juniors, and by hosting workshops.

02

Flexible working should be embedded in all organisations, and offers benefits for male and female employees. While this is important for women returning to work after maternity leave, it is particularly important for the new generation of employees that are joining the workforce. Companies should also consider reviewing their paternity leave policies; having paternity leave policies closely aligned with maternity leave ensures companies are setting a level playing field for both genders. These policies could also be extended to help new or former employees who for personal reasons have been out of the labour market for many years, rejoin successfully.

03

Apply a data driven approach. Organisations need to track promotions to monitor progress and workforce surveys that track the career paths of high potential individuals. Exit surveys can also help to gauge why talent is progressing or leaving. Being transparent about the findings is another key cultural change.

04

Accountability is needed. Organisations should appoint someone within the leadership team to be accountable for driving the diversity and inclusion agenda, and ensure this responsibility cascades down through all tiers of the business. Accountability however should sit at each level of the organisations. It should be embedded in the culture.

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The Women in Work Index is one of a series of related PwC global labour market indices.

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