

The race for skills drives gender equality



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Foreword



Carina Lindfelt
Department Head, Labour
Market & Negotiating Services

Finding people with the right skills is a challenge that most Confederation of Swedish Enterprise member companies have in common. Irrespective of sector, size or geographical location, many companies struggle to find the employees that the business need. As the knowledge content of goods and services grows, employees' skill sets are becoming increasingly important to the future competitiveness of the companies.

To succeed in the race for talent, companies need to be attractive to as many people as possible. Many of our member companies report how important it is to adopt a broad approach in terms of recruitment and skills development. The key is to consider the skills and qualifications of every individual. Companies that think too narrowly risk missing out on employees who could contribute the most to their business.

Confederation of Swedish Enterprise member companies know that workplaces with an even gender balance in general achieve a better working environment and better business results. But to recruit, develop and retain the best employees requires a well-thought-out approach. Employers who achieve more gender equality and diversity ensure that gender equality and diversity are incorporated throughout their recruitment processes, wage setting, corporate culture, management and skills development.

Gender equality on the labour market is improving considerably. Not only do women achieve better academic results than men, but women are also holding a growing proportion of managerial positions. The pay gap between women and men is constantly narrowing. Also, management teams and boards are becoming more gender balanced. The Allbright Foundation's recent report shows that the number of female CEOs of listed Swedish companies is growing at a record rate. If this trend continues at its current pace, "Anna" could become the most common name of CEOs of listed Swedish companies as early as 2026.

The Confederation of Swedish Enterprise strives for gender equality in the working life so that women and men have the same conditions, opportunities and responsibilities for work and career development. But gender equality on the labour market cannot exclusively be advanced by employers. Actions, priorities and behaviours of employees are influenced broadly by norms and conditions relating to family and work in society as a whole. Efforts to promote gender equality, therefore, require different actors to act from their diverse perspectives.

The aim of this report is to highlight the positive developments in the field of gender equality taking place on the labour market. The report also describes the remaining challenges and propose specific initiatives to improve gender equality on the labour market. We hope that this report will be a constructive contribution to the equality debate from the businesses' point of view.

I am inspired daily by the vigour existing within our member companies. Let's channel the energy from this positive development in order to enable continuous change.

Carina Lindfelt
Department Head, Labour Market & Negotiating Services

Women and men on the labour market

Access to the right skills and competencies is one of the major challenges facing companies today. Employers who are unable to employ, retain and develop their employees lose out in the race for the best skills. It is vital for businesses to attract employees from a broad group as possible, and to be attractive employers to both women and men. The clear trend is that women are better educated than men. This means that women's work and involvement in business is a key competitive advantage.

66 per cent of women in the Swedish population aged between 15–74 were employed in 2017. The equivalent proportion for men was 70 per cent. The difference in the employment rate between women and men has been relatively constant for the past 25 years. In an international context, the employment rate among women is high in Sweden, but women tend to work part-time to a significantly greater extent than men. Women are also over-represented among those with temporary work.¹

More than one out of two women, 55 per cent, has a university education or higher. The equivalent number for men is 43 per cent. 64 per cent of all university degrees at undergraduate and advanced levels are currently taken by women. The proportion of women with research training increased from 24 to 40 per cent between 1985 and 2016.²



Photo: Love Strandell

"I am convinced that greater diversity and gender equality is better for business. We make better customer deliveries and create a more enjoyable and better environment in which to work."

John Söderberg, CEO, Sweden Green Building Council

Table 1. Key figures regarding women and men on the labour market in 2017.

Proportion in per cent of population aged 15-74	Women	Men	Combined
...employed	65.7 %	69.9 %	67.8 %
...unemployed	6.4 %	6.9 %	6.7 %
...not part of the workforce	29.8 %	24.9 %	27.3 %
Proportion in per cent of population aged 15-74	Women	Men	Combined
...full-time employed	76.8 %	73.2 %	74.9 %
...temporarily employed	17.4 %	13.2 %	15.2 %
...entrepreneurs (incl. assisting household member)	5.8 %	13.6 %	9.9 %
...with pre-secondary education	7.8 %	10.8 %	9.4 %
...with secondary education	37.0 %	46.3 %	41.9 %
...with higher education	55.1 %	42.6 %	48.5 %
Number holding university bachelor's or master's degree (2016/2017)	48,984 (64 %)	27,013 (36 %)	75,997
Number with a doctorate (2016)	31,483 (40 %)	46,984 (60 %)	78,467

Source: Statistics Sweden, 2018

¹ Statistics Sweden, "Arbetskraftsundersökningarna (AKU), årsmedelstal 2017", 2018.

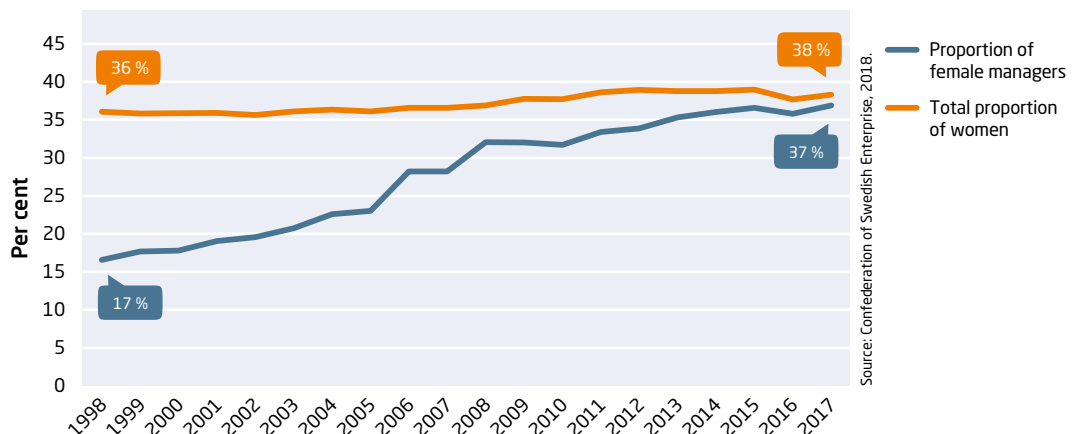
² Statistics Sweden, "Arbetskraftsundersökningarna (AKU), årsmedelstal 2017", 2018.

More women in managerial positions

In Sweden, the private sector is women's largest labour market with approximately 1.1 million female employees. Among Confederation of Swedish Enterprise member companies, there are currently close to 146,000 managers and more than a third are women – 37 per cent. This is almost as high as the total proportion of women employed in this sector, 38 per cent.

The proportion of female managers at Confederation of Swedish Enterprise member companies has more than doubled in a 17-year period, while the total proportion of women has remained relatively unchanged. In other words, women are climbing the career ladder. Between 2016 and 2017, approximately 14,000 managers were appointed and of these, 39 per cent were women. The equivalent proportion for 1998/99 was 21 per cent. Of all the women employed by Confederation of Swedish Enterprise member companies, 9.2 per cent are managers, and the equivalent proportion for men is 9.8 per cent.³

Diagram 1. Proportion of women and proportion of female managers in Confederation of Swedish Enterprise member companies 1998-2017



The diagram above includes the following managerial categories:

- Chief Executive Officers (CEOs)
- Operations and business managers
- Managers of specific functions such as finance, HR, sales, marketing, advertising, purchasing, IT and research
- Middle managers responsible for operations and HR but who are not part of companies' top management teams

³ Confederation of Swedish Enterprise, "Fakta om löner och arbetstider 2018", 2018.

The proportion of women has increased in all managerial categories. The greatest proportion is among middle managers, 46 per cent, and is lowest among CEOs at 18 per cent. The proportion of women among middle managers has been higher than the total proportion of women in the private sector since 2008. In terms of CEOs, this is a relatively small number of people, which makes the data difficult to interpret. Among Confederation of Swedish Enterprise member companies there were 5,900 employed CEOs in 2017. According to this data 1,100 were women.⁴

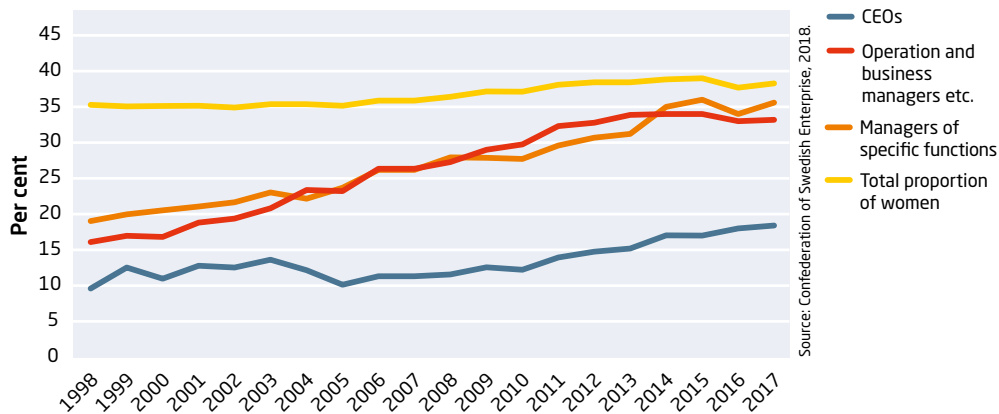


Photo: Sören Andersson

“The clear business case is that we never get the best of the best if we don’t have an even (gender) balance as possible.”

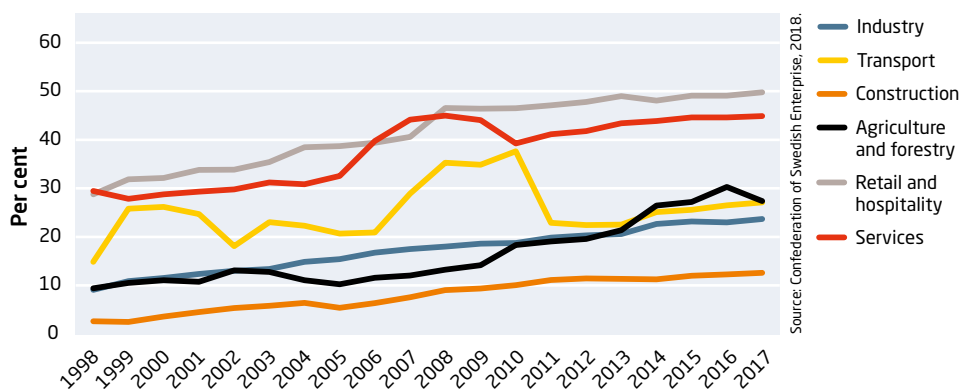
David Morgenstern, responsible for leadership development at Klarna

Diagram 2. Proportion of women in Confederation of Swedish Enterprise member companies by managerial category 1998-2017



The proportion of women in managerial positions has increased in every sector of the Confederation of Swedish Enterprise since 1998. Within the retail and hospitality sector, the proportion of women in managerial positions has increased by 21 percentage points. In other sectors the increase has been slower and occurred at lower levels. For example, the proportion of women in managerial positions in the construction sector has increased from three per cent in 1998 to 10 per cent in 2017.⁵

Diagram 3. Proportion of managers who are women in Confederation of Swedish Enterprise member companies 1998-2017 by business sector



⁴ Confederation of Swedish Enterprise, “Fakta om löner och arbetstider 2018”, 2018.

⁵ Confederation of Swedish Enterprise, “Fakta om löner och arbetstider 2018”, 2018.

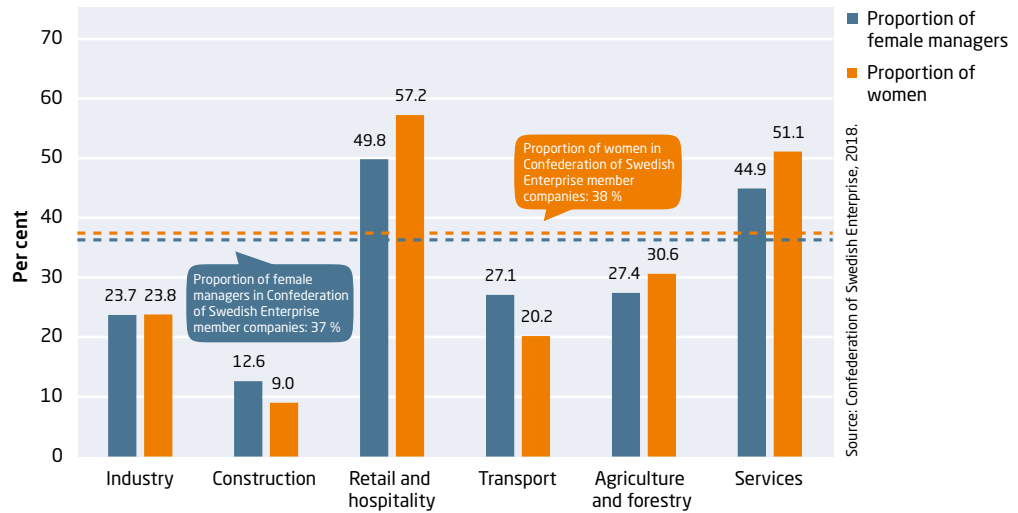


“We believe in a long-term and systematic approach. There’s no quick fix for increased equality - it’s about going the extra mile.”

Maria Lindfelt,
HR and Communications
Director at WSP

In several sectors, the proportion of female managers is beginning to reach the proportion of overall female employees. In the construction and transport sectors, the proportion of female managers is already higher than the overall proportion of women in these sectors. The largest proportion of female managers are in retail and hospitality, 50 per cent. This is also the sector where the proportion of women employed is highest, at 57 per cent.⁶

Diagram 4. Proportion of managers who are women/proportion of women in Confederation of Swedish Enterprise member companies 2017 by business sector

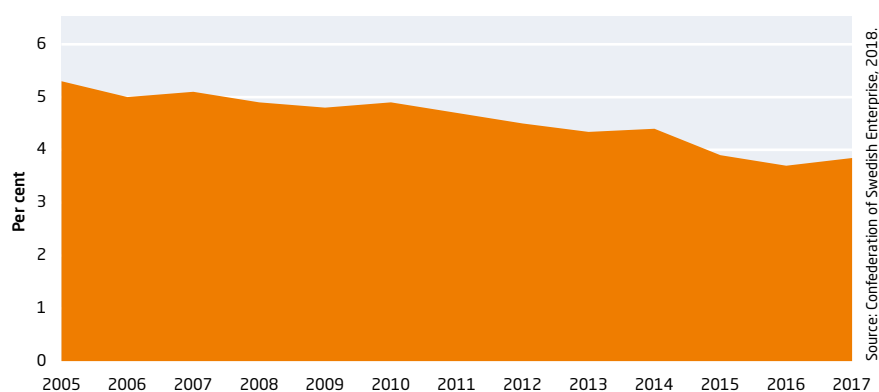


⁶ Confederation of Swedish Enterprise, “Fakta om löner och arbetstider 2018”, 2018.

Trends in women's and men's pay

A comparison between women's and men's average pay among Confederation of Swedish Enterprise member companies shows that women earned 90 per cent of what men did in 2017. When occupation, sector, qualifications, age, working hours, managerial position and which company employees work for are considered using standard weighting, however, this pay gap shrinks to just over four per cent.⁷

Diagram 5. Pay gap between women and men after standard weighting



Note: the diagram shows the size of the pay gap between men's and women's pay after incorporating age, qualifications, working hours, occupation and sector. All pay is expressed as full-time pay.

Wage is only one aspect of remuneration

Standard weighting of the pay gap between women and men incorporates factors on which we have data. The existence of a pay gap that is unexplained using standard weighting means that the data does not provide additional information on the reason for the pay differences. The variable that influences differences in pay to the greatest extent is the sector in which companies and employees are active, due to the fact that pay levels vary between companies and sectors for a variety of reasons. Pay is also subject to other factors. It is possible to measure some of these, but not all. The key factors in determining pay are business needs, the type of work done, characteristics of individual employees and the overall evaluation of these factors. The complexity of the working tasks plays a central role. Supply and demand, and a sector's ability to pay are market functions that also have a major effect on pay levels. Similarly, a greater degree of competition can create scope for new career alternatives and greater differentiation in pay increases.

It is important to highlight that pay is only one aspect of remuneration and that the data fails to incorporate other benefits such as shortened working hours or pension contributions. Some professions in which women are heavily represented have a long tradition of part-time work and have developed working structures that cater to such requests from employees. In such businesses, shortened working hours tend to be considered full-time. In others, extensive overtime is considered standard and is reflected in the monthly pay. These types of pay culture differences between businesses result in considerable variations in the actual number of hours worked, something which is not reflected in official wage data comparing women's and men's pay. Hence, only pay

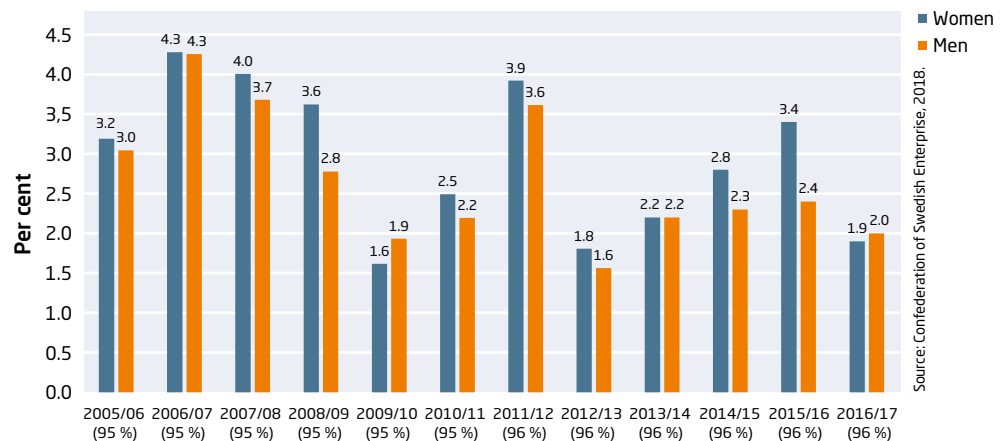
⁷ Confederation of Swedish Enterprise, "Fakta om löner och arbetstider 2018", 2018.

is compared – not the actual extent of hours worked. In a discussion regarding women’s and men’s pay, it is important to consider the complexity of pay agreements in wage data.

Women’s pay is increasing faster than men’s

In general, women have seen better pay increases than men in the past decade. Since 2005, total pay increases have amounted to 40.9 per cent for women and 35.4 per cent for men. This means that pay has increased an average of 3.1 per cent a year for women and 2.7 per cent for men.⁸

Diagram 6. Average annual pay increases for women and men



Pay surveys: a burden rather than a tool

The gradual narrowing of the pay gap between women and men is a natural consequence of women’s higher levels of education and academic performance, reduced gender division on the labour market and a growing number of women in managerial roles. All collective agreements now contain stipulations that pay should be determined by a fact-based approach that does not consider gender. Individual pay setting means that pay is based on every employee’s abilities, responsibilities and performance – never on gender.

Under Swedish anti-discrimination law, employers are obliged to review and analyse company pay structures on an annual basis. The purpose of this exercise is to highlight how pay structures of different employee categories relate to each other depending on gender. The Confederation of Swedish Enterprise believes that the goal of annual pay surveys is sound, but that the method is wrong. Pay surveys are highly detailed exercises and extremely time-consuming for businesses. In addition, many companies report that the surveys fail to offer new insights and that the legislation has become a burden rather than a driver for equal pay. This is because these surveys are based on a different logic compared to individual pay agreements reached by collective bargaining. Under the law it is only actual tasks that are compared, while wage settlements also consider how well these tasks are performed. Furthermore, there is no scientific evidence supporting the argument that pay surveys have any impact. The gender pay gap has narrowed at the same rate irrespective of whether such surveys have been legally required to be conducted annually or every third year, as was the case previously.

In several reports, the Confederation of Swedish Enterprise has called for the rules governing pay surveys to be simplified and adjusted to the real world and how pay agreements are reached in companies.⁹ For example, work on equality between women and men is more successful if company-level pay agreements are given greater scope.

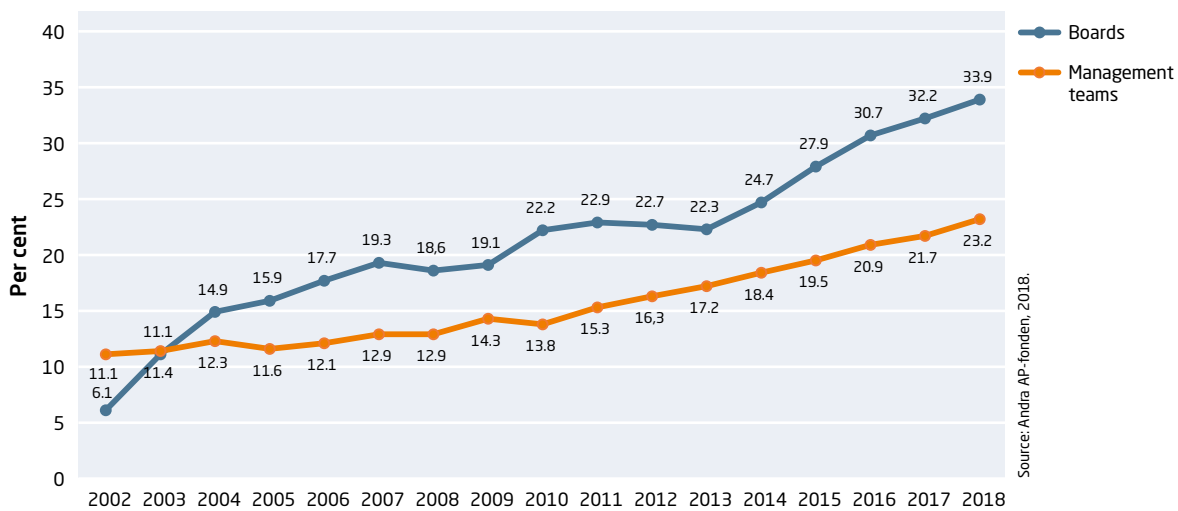
⁸ Confederation of Swedish Enterprise, “Fakta om löner och arbetstider 2018”, 2018.

⁹ See b.l.a. Confederation of Swedish Enterprise, “Rätt mål men fel metod”, 2014.

Increasing proportion of women on listed companies' boards and management teams

The proportion of women on listed companies' boards has increased substantially for the fifth consecutive year. Since 2002, this proportion has increased by 27.8 percentage points and now stands at 33.9 per cent. The proportion of women in company management teams is currently 23.2 per cent, which is an all-time high.¹⁰

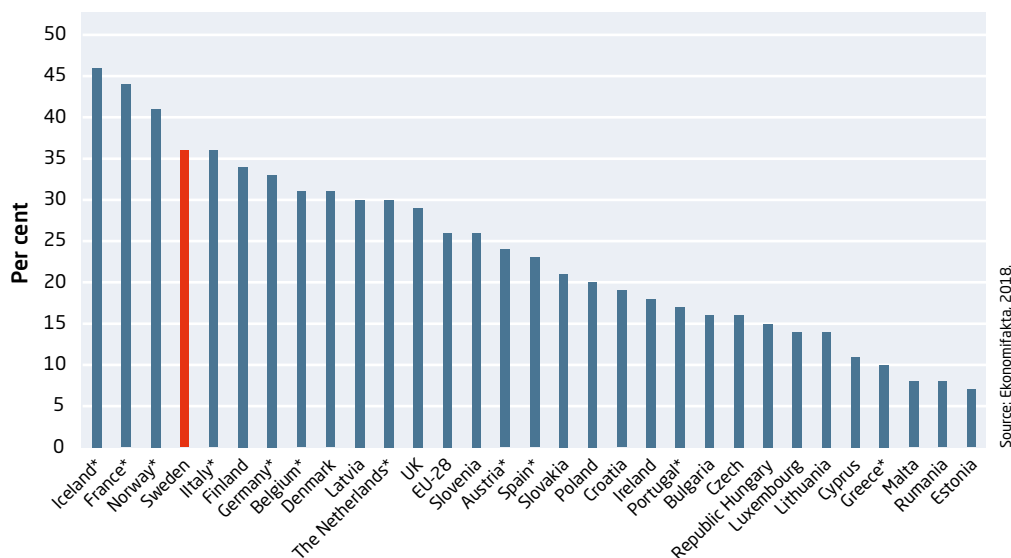
Diagram 7. Proportion of women on listed companies' management teams and boards, 2002-2018



In a European context, Sweden has the second highest proportion of women on the boards of larger businesses, standing at 36 per cent. The EU average is 26 per cent.¹¹ In Sweden, this has been achieved in the absence of statutory quotas, making Sweden the EU country with the highest proportion of women on company boards without statutory quotas. Similarly, Finland, which also has one of the highest proportion of women on company boards among the EU member states, has no legal quotas in place.

¹⁰ Andra AP-fonden, "Kvinnoindex", 2018.

¹¹ Ekonomifakta, "Kvinnor i styrelser – internationellt", 2018.

Diagram 8. International comparison of the proportion of women on boards of large companies, April 2018

* Has introduced legally enforceable quotas

Note: Statistics based on data from the largest listed companies in each country, 613 companies in total. For Sweden, data has been collected from 27 companies. Note that the proportion differs from that reported by Andra AP-fonden that in 2018 included 320 primary- and secondary-listed companies on the Nasdaq Stockholm.

Source: Ekonomifakta, 2018.

Quotas are not the right path forward

From the Confederation of Swedish Enterprise's perspective, the composition of a company's board should not be a political issue. Gender equality is about having equal rights and about being treated, judged and viewed as a person – not as part of a collective. Special treatment and different rules for women and men have never created fairness – quite the opposite. For a long time, the member companies of the Confederation of Swedish Enterprise have been actively working with issues such as access to right skills and competencies, diversity and gender equality. As a result, and as evidenced by the above data, the listed company owners have gradually achieved a more even gender distribution on boards – a trend that can be expected to continue in the future.

The Confederation of Swedish Enterprise would like to see a greater number of women in leading positions in business and considers a higher proportion of women on company boards as a reasonable goal to strive for. Even so, our view is that mandatory legislation on gender quotas for company boards is not the right method to promote such a development. Legislation would remove company owners' inherent right to determine board composition in ways that best serve their business interests. Given the positive trend already underway in terms of women's increasing representation on company boards, legislative quotas would be a disproportionate measure, the compatibility of which can be questioned in terms of governmental jurisdiction, EU law and the European Convention on Human Rights.¹²

¹² See also Confederation of Swedish Enterprise, remissvar dnr 194/2016 "Departementspromemorian Jämn könsfördelning i bolagsstyrelser (Ds 2016:32)", 2016.

Gender division of the labour market begins at school

When the Swedish National Mediation Office studies the significance of different measurable factors for the pay gap between women and men, they find that the most important factor is different occupations. Hence, the pay gap is primarily determined by the fact that women and men work in different occupations with different levels of pay. Bringing down entrenched gender divisions on the Swedish labour market is therefore an important action in order to reduce the gender pay gap.

The gender-divided labour market is a product of girls and boys making different choices in terms of education, training and occupations. Today, few vocational programmes at upper secondary school manage to attract both boys and girls. Out of all of Sweden's upper secondary school national programmes, only three have an even gender distribution, i.e. 40–60 per cent of each gender: retail and administration, finance, and science.¹³

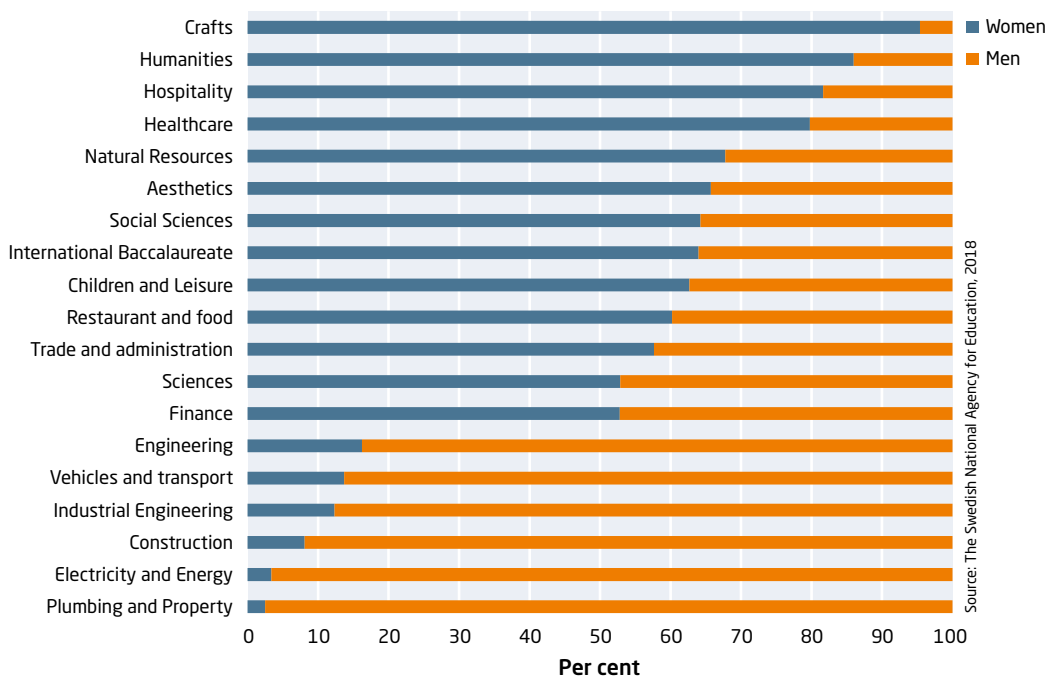


Photo: Janerik Henriksson/TT

“It is both our and society's dilemma how we can get more girls interested in the technical subjects and demystify what it means to be an engineer.”

Marie Bellö Yngveson,
Director, Saab Academy

Diagram 9. Upper secondary school graduations by national programme, academic year 2016/17

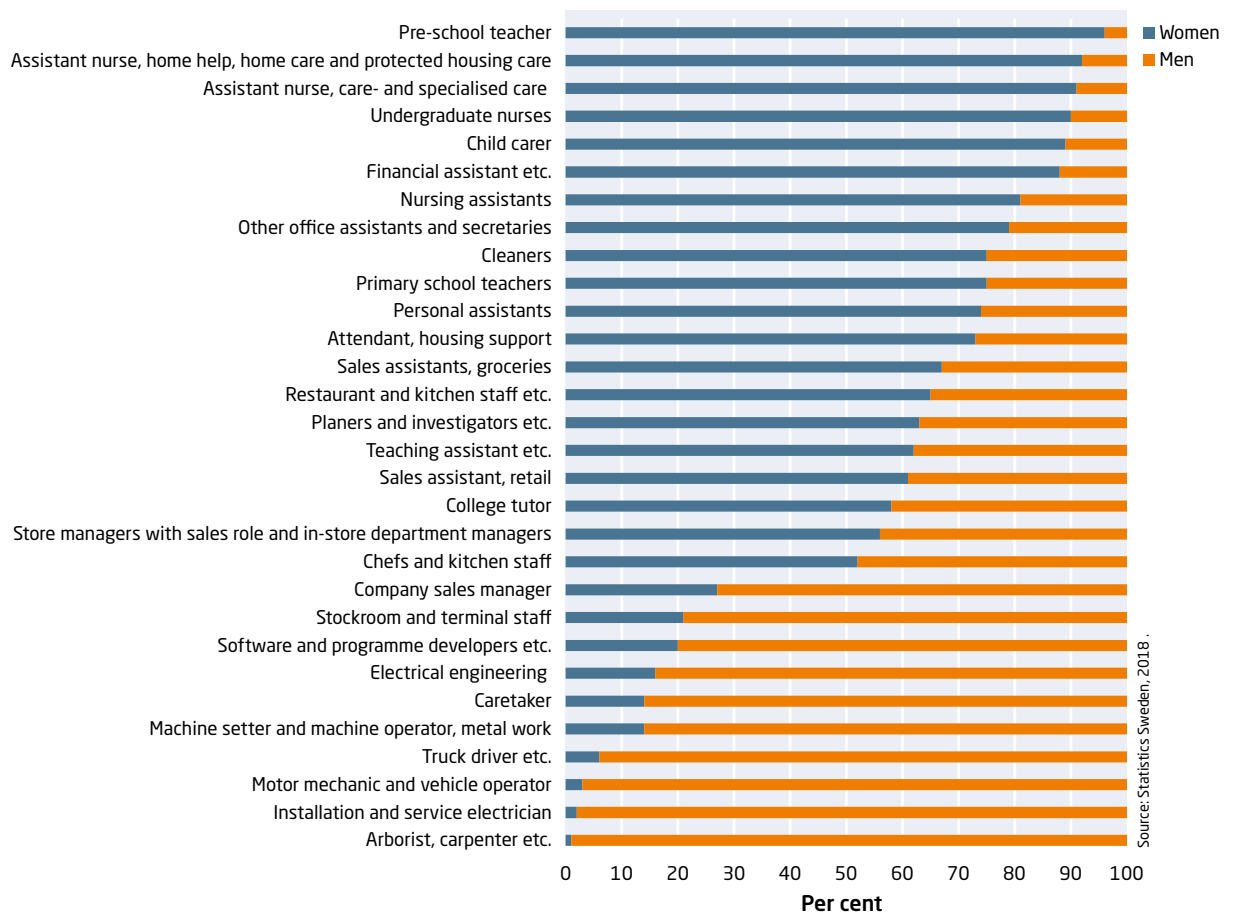


The division between girls and boys that already occurs at school age is then perpetuated in the labour market. Of the 30 most popular occupations in Sweden, only three are evenly gender balanced.¹⁴

¹³ The Swedish National Agency for Education, “Skolverkets statistikdatabas”, 2018.

¹⁴ Statistics Sweden, “Yrkesregistret med yrkesstatistik, 30 största yrkena”, 2018.

Diagram 10. The 30 largest occupations ages 16-64 in 2016



“There’s nothing to say that women can’t drive a truck or be a mechanic. Indeed, many drivers say that women are better with customers and drive more safely and more fuel efficiently than men.”

Christina Eriksson,
Communications Director,
Volvo Trucks Sweden

Need for early initiatives in the education system

The education system provides the foundation for individual’s skill sets and is a key component in the future development of companies’ access to skills. Changes in educational choices are necessary in order to combat gender differences on the labour market. Changing young people’s views on occupational choices must be done at an early stage. Above all, it is important that all students are aware of the opportunities the labour market has to offer and that they understand the consequences of choosing different educations. In this context, study and vocational guidance play a key role. In addition, greater awareness among parents is needed to ensure that they avoid limiting their children’s potential, self-image and career choices.

A closer and broader co-operation between the school system and companies is also important. In a survey conducted by the non-profit organisation Fryshuset, seven out of 10 young people say that they lack sufficient knowledge about the labour market.¹⁵ Close collaboration with the labour market is needed to provide students with a better overview of working life and knowledge about unconventional career and educational choices. Role models with whom young people can identify, and who inspire more people to opt for unconventional professions also have a role to play. Facilitating reskilling and career changes later in life can also make it easier for individuals who have worked for a number of years to make career choices that do not follow established thinking.

¹⁵ Fryshuset, “Rapporten Unga Röster 2017”, 2017.

For many businesses, widening their recruitment base is an important measure to ensure that their employees have the necessary skills. The member organisations of the Confederation of Swedish Enterprise are conducting a number of initiatives with their member companies to boost the profile of their sector and to broaden the recruitment base. Here are some examples.

- Confederation of Swedish Enterprise, the Swedish Trade Union Confederation (LO) and the government jointly finance the Worldskills Sweden, an organisation that works to improve the quality of vocational education and increase the number of people applying to take vocational courses in Sweden.
- The Heating, Ventilation and Plumbing Industry (VVS) has developed the “VVS compass” based on the values of openness, curiosity and pride.
- The Swedish Construction Federation (Sveriges Byggindustrier) work independently and together with Swedish Building Workers’ Union (Byggnads) on equality and diversity issues in the construction industry.
- The Association of Swedish Engineering Industries (Teknikföretagen) work extensively at all levels of training to help young people, especially girls, to apply to positions in engineering and technology.
- Next Up is an initiative in the IT and telecommunications industry that works to attract more young people, especially girls, to a future in the IT sector.
- Since 2006, IT and telecommunications businesses have carried out the initiative Womentor. This is a tool to support companies in IT and the telecom sector to work systematically to increase the proportion of female managers.
- Working with the Swedish Electricians Union (Elektrikerna), the employers’ association representing the Swedish plumbing and electrical industry run the initiative “Illuminated” (Upplyst). The aim is to create a gender balanced electricity sector in which differences are respected.

Women and men devote different amounts of time to their professional lives

Photo: Magnus Skoglöf



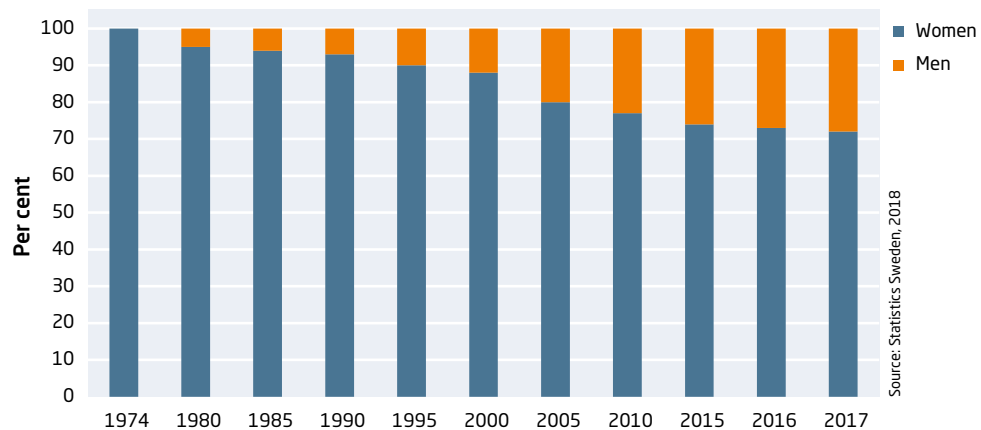
“We have a culture where we see every individual and ask: ‘what does a career mean to you? What kind of balance do you want in your life?’ We have multiple career paths and there are different ways to change up or down the gear.”

Sofia Gedeon,
KPMG Advisory

Parental benefit

Women take considerably longer parental leave than men. Data from the Swedish Social Insurance Agency (Försäkringskassan) shows that women received 72 per cent of all benefit payments for parental leave days taken in Sweden in 2017. This is a trend that has remained relatively constant over time. Since 2010, the proportion of parental benefit received by men has only marginally increased – five percentage points in total.¹⁶

Diagram 11. Benefit payments for parental leave days 1974–2017



However, focusing exclusively on parental leave benefit fails to provide a comprehensive picture of parents’ absence from the labour market related to having children. The Swedish parental leave is very flexible, and the Parental Leave Act (Föräldraledighetslagen) gives parents the option of taking days on top of the days for which they receive parental benefit from the parental insurance. When parental leave – instead of parental leave benefits – is measured, it emerges that parents’ absence from the labour market is considerably longer, especially for women. A survey conducted by the Swedish Social Insurance Agency shows that during a child’s first two years, women take an average of 15.3 months parental leave, although they only receive parental leave benefit for 9.5 months. The equivalent figures for men are 3.8 and 2.2 months respectively.¹⁷ Parental leave for women is therefore almost six months longer than what the parental leave benefit payments suggest. This means that women on average are off work for six months without financial support – leave that not only results in a direct financial loss at the time, but also affects their future pension and position on the labour market.

¹⁶ Statistics Sweden, “Ersatta dagar för vård av barn”, 2018.

¹⁷ Försäkringskassan, “Ojämsställd arbetsbörda – Föräldraledighetens betydelse för fördelning av betalt och obetalt arbete”, 2013.

An equal share of parental leave

The Confederation of Swedish Enterprise sees parental leave benefits as essential prerequisites for any parent's ability to combine work and family life. This said, we also believe parents as guardians of their children are best disposed to determine what are the most suitable arrangements with respect to their particular family situation. Hence, it is reasonable to allow parents – and not the government – to make the relevant choices. All parental leave days should therefore be transferable between parents.

The fact that parental benefit days are currently individually allocated between parents meets ambitious gender equality goals. The Swedish Social Insurance Agency's data shows that as the number of days reserved for fathers has increased, so has the amount of unpaid parental leave days taken out by women. In other words, the option of taking unpaid leave has resulted in women being able to continue taking extended parental leave despite the introduction of reserved months.¹⁸ Hence, it is quite likely that yet further increases in reserved days (for fathers) would result in women taking yet further unpaid leave. In addition to counteracting the purpose of reserved months, this also undermines women's career prospects and accrued income over their lifetimes.

The Confederation of Swedish Enterprise believes that focus should instead be on supporting parents' opportunities to make conscious and informed choices in terms of the transfer and allocation of parental leave and benefit days. We are convinced that increased awareness, about how educational and career choices play an important role in the trajectory of working lives and lifetime incomes, will affect the way parents allocate parental leave (paid as well as unpaid).

Conversely, there are grounds to consider whether a more equal share of parental benefit between women and men could be encouraged by financial incentives. For example, some employers top up parental leave benefits, thereby decreasing the financial difference between time spent working or on parental leave. Similarly, the equality bonus that previously existed in the Swedish public parental insurance acted as an incentive for a more even distribution of parental leave benefit days between parents. Unfortunately, the Swedish government abolished the bonus in 2017 claiming that it failed to achieve the desired effect. By contrast, the Confederation of Swedish Enterprise believes that the low usage of the bonus was due to poor understanding of the scheme as well as low awareness amongst parents about the existence of the bonus. According to a study carried out by the Swedish Social Insurance Agency's, 90 per cent of parents surveyed would welcome a bonus encouraging them to share parental leave benefit days more equally.¹⁹

The Confederation of Swedish Enterprise also advocates a more concentrated and coherent use of parental leave benefit payments. Current age limits of 8 years for parental benefits fail to achieve the aims for which they were established. Instead, the majority of parental benefit days should only be taken out during the first year of a child's life. A more concentrated and coherent structure for parental leave would be beneficial to parents' participation in the labour market, while also simplifying businesses' access to the right competencies and skills. It would also clarify the purpose of the parental insurance and improve its function.

¹⁸ SOU 2017:101, "Jämställt föräldraskap och goda uppväxtvillkor för barn – en ny modell för föräldraförsäkringen", 2017.

¹⁹ Försäkringskassan, "Låg kunskap om jämställdhetsbonus", 2014.

Three in 10 women work part-time

More women work part-time than men. Three in 10 employed women worked part-time in 2017, the equivalent proportion among men was one in 10.²⁰ However, when both paid employed work and unpaid housework is included, based on Statistics Sweden’s (SCB) latest survey on time use data from 2010/11, it appears that the total work is distributed evenly between women and men. Women and men work roughly the same amount on an average day; what sets them apart is division of paid and unpaid work. Women work to a greater extent with unpaid work in the form of cooking, cleaning and childcare. A more even division of unpaid housework is however observed over time.²¹

Diagram 12. Division of housework among the population aged 20-64

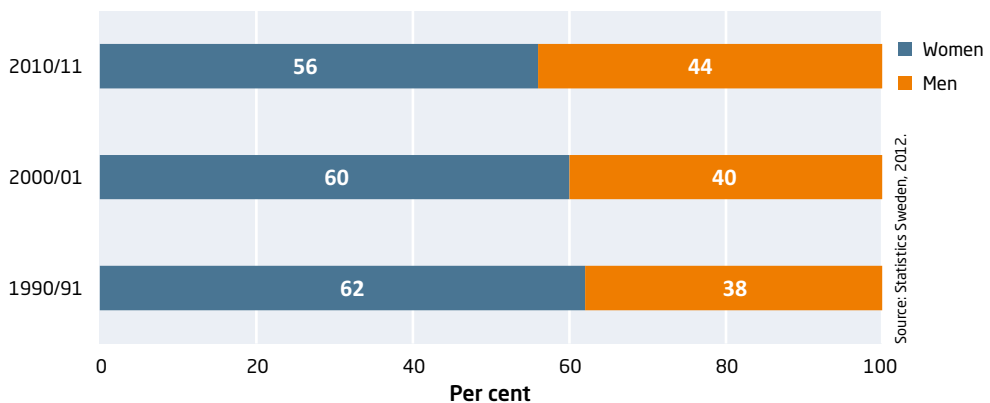


Photo: Viktor Pettersson

“We want the best candidates to apply for jobs with us, stay with us and develop. To do this we need to create a good working environment and a culture that allows all employees to thrive and perform to the best of their abilities.”

Joakim Särkijärvi,
HR Business Partner
at BillerudKorsnäs

Gender-neutral choices

Research conducted by the Institute for Evaluation of Labour Market and Education Policy (IFAU) suggests that parenthood plays a major role in equality between women and men on the labour market. Women and men earn about the same and hold managerial positions to the same extent until the birth of the first child. Subsequently, the difference between women and men increases successively in relation to pay and managerial positions. Women’s reduced involvement in the labour market, caused by, for example, longer parental leave, more days off to care for children who are ill and more part-time work, is identified by IFAU as a key underlying factor. Absence results in women falling behind in their careers and in levels of pay.²²

Employers can do a great deal to be attractive to employees by supporting work life balance. Based on their specific situation, businesses may work on creating solutions that meet employee needs. However, it is also important to consider that employers’ efforts are not conducted in a vacuum. Employees’ efforts and priorities in their professional lives are influenced by norms and values in society in general related to responsibility for dependents, family and household work. Different parts of society must therefore work together to ensure that women and men make considered and gender-neutral decisions in relation to education choices and choice of profession, career and working hours. The Confederation of Swedish Enterprise strives to highlight the consequences of different educational and professional choices, including career and working hours.

²⁰ Akademikernas A-kassa, “Arbetslöshetsrapporten 2018”, 2018.

²¹ Statistics Sweden, “En undersökning om svenska folkets tidsanvändning år 2010/11”, 2011.

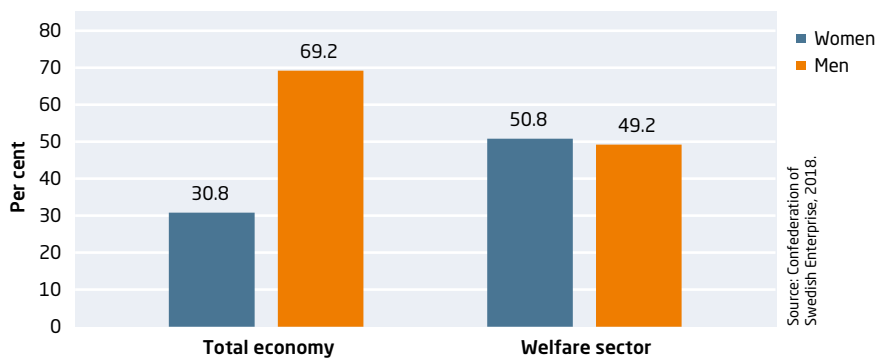
²² IFAU, “Forskning om kvinnor och män på arbetsmarknaden”, 2018.

Business-friendly reforms promote equality

Women do not start and run businesses to the same extent as men. Neither has female entrepreneurship increased noticeably in the past 35 years. In 2017, 30 per cent of entrepreneurs were women, and in 1980 the share was 25 per cent.²³

The welfare sector has the highest share of female entrepreneurs. The Confederation of Swedish Enterprise's annual survey on the number of entrepreneurs in Sweden²⁴ shows that women account for more than half of the entrepreneurial activity in the education and healthcare sectors. Of all Sweden's female entrepreneurs, 10.8 per cent work in the welfare sector. For men, this proportion is 4.6 per cent.²⁵

Diagram 13. Entrepreneurs in the total economy and welfare sector respectively, 2017



Unfortunately, the number of new entrepreneurs in the welfare sector is decreasing, while a growing number of established entrepreneurs shut down their businesses. Entrepreneurial entrants into the welfare sector have fallen 15 per cent since the end of 2015. During the same period, the number of welfare companies that shut down their businesses increased by 18 per cent.²⁶ A key reason for this is a government proposal to introduce an upper limit on profits, causing uncertainty and resulting in people refraining from starting their own businesses within this sector.



Photo: Johannes Berner

“Women who run companies employ people with slightly different skill sets compared to those employed by men who run businesses. Women generally look more broadly and for complementary skill sets and characteristics, ensuring that their team functions well as a whole.”

Lena Apler,
Collectors founder

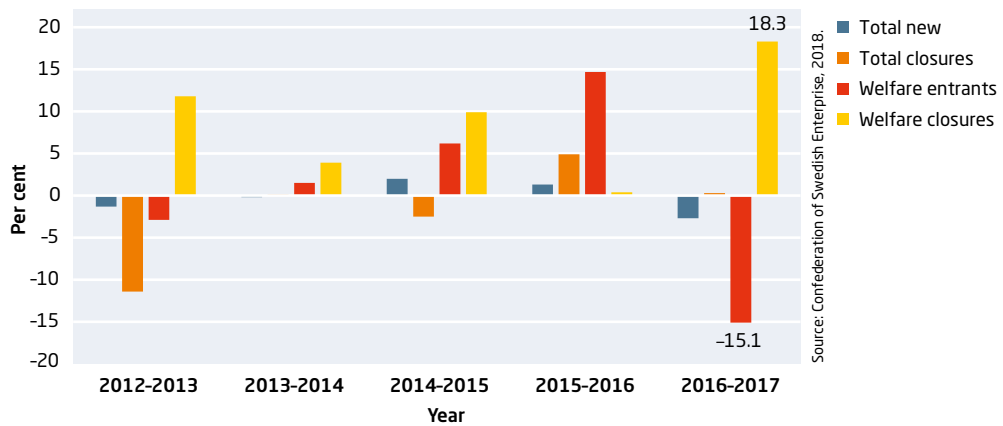
²³ Entreprenörskapsforum, “Entreprenörskap i Sverige, Nationell GEM-rapport 2018”, 2018.

²⁴ Confederation of Swedish Enterprise, “Företagsamheten 2018 Sverige”, 2018.

²⁵ Confederation of Swedish Enterprise, “Välfärdsföretagare allt färre”, 2018.

²⁶ Confederation of Swedish Enterprise, “Välfärdsföretagare allt färre”, 2018.

Diagram 14. Entrants and closures - percentage change from previous year



This negative trend is confirmed by the Swedish Entrepreneurship Forum (Entreprenörskapsforum). In its recent national GEM report, a drop in entrepreneurial activity in the welfare sector is observed, a drop that is entirely due to reduced entrepreneurship among women. The Swedish Entrepreneurship Forum points to the decrease being preceded by a discussion about profit and businesses in the welfare sector in relation to the governmental “Reepalu investigation” on profit limits.²⁷

Favourable conditions for starting and running businesses in the welfare sector is crucial to women’s entrepreneurial activity in Sweden. The debate on profit ceilings and deteriorating conditions for welfare businesses affects enterprising women the hardest.

Social safety nets

Despite many people wishing to start and run their own business, only around 10 per cent of those employed in Sweden take the step to become entrepreneurs. Differences in the general social security benefits for employees and business owners are most likely a significant factor behind this.

The Swedish bank Swedbank has reviewed trust in the social security system among entrepreneurs. The results of this survey suggest that less than half of entrepreneurs believe that they will receive sufficient financial compensation from the social security system.²⁸ This impacts individuals’ propensity to start businesses and affects women to a greater extent. The structure of social security has been identified as a contributing factor for women disproportionately deciding against entrepreneurship or closing businesses in conjunction with childbirth.²⁹ For a considerable period, the Confederation of Swedish Enterprise has argued for social security protection and rights for business owners to be improved and simplified.

RUT deduction results in more female entrepreneurs

Another important reform to promote diversity and equality on the labour market, as well as women’s entrepreneurship, is the RUT (Cleaning, Maintenance and Laundry) deduction. This tax relief on household services has contributed to the creation of more than 30,000 new jobs in the service sector since the deduction was introduced



Photo: Fredrik Hjerling

“Women are passionate about getting involved and building something important and beneficial to society, but also see career opportunities. A group composed of both men and women have an entirely different dynamic and therefore a sharper focus.”

Robert Röder,
CEO, Strukton Rail

²⁷ Entreprenörskapsforum, “Entreprenörskap i Sverige, Nationell GEM-rapport 2018”, 2018.

²⁸ Swedbank, “Företagarna och trygghetssystemen”, 2018.

²⁹ SOU 2014:74, “Jämställdhet i socialförsäkringen?”, 2014.

in 2007. Three in four of these new jobs have gone to people previously outside the labour market.³⁰ Just over half of RUT entrepreneurs are women, which is a considerably higher proportion than among entrepreneurs as a whole. Furthermore, many RUT entrepreneurs are foreign-born women. Around half of RUT entrepreneurs are born in Sweden, compared to 84 per cent of all female entrepreneurs.³¹ This suggests that further expansion of the RUT deduction would promote female entrepreneurship.

At the same time, the RUT deduction facilitates work life balance. The scheme has made it possible for more people to buy household services, allowing families to better combine demanding jobs with family and children. The prevailing division of unpaid work in the household between women and men has made the RUT deduction especially beneficial for women's professional lives. Research carried out by Halldén and Stenberg suggests that the RUT deduction has increased wage income of married women in proportion to the size of the deduction.³² Based on this, the authors conclude that their findings indicate that the RUT scheme results in increased wage income, primarily for women and households of middle- and high-income earners, where the gender pay gap is the most pronounced.

³⁰ Almega, "Succéreformen RUT fyller 10 år", 2017.

³¹ Statistics Sweden, "Många utrikes födda i RUT-företag", 2016.

³² Halldén och Stenberg, "Ökar RUT-avdrag kvinnors arbetsmarknadsutbud?" i Ekonomisk debatt vol. 43, 2015.

Four strategic ways to become an attractive employer



“Women should not feel that they belong to a special group. Nobody should need to ask for their own changing room, it should be there in the first place. The same applies to work clothes that should fit women’s bodies.”

Stefan Lindbäck,
CEO, Lindbäcks Bygg

A substantial amount of knowledge and experience exists among Confederation of Swedish Enterprise member companies about how to be attractive employers for women and men. Based on the businesses’ experience, it is far from sufficient to employ a person to contribute to the organisation’s diversity. The creation of diversity requires a well-thought-out approach and action at multiple levels. Above all, the Confederation of Swedish Enterprise typically highlights four key strategic areas for companies to work on.³³

1. Recruitment

Recruitment of new employees who have or are able to develop necessary skill sets is critical for a company’s success. Businesses that only recruit people with similar backgrounds and experience risk having lower quality skill sets at their disposal than those working to attract people with a variety of backgrounds and experience. Conscious effort is required to achieve greater diversity, along with strategic steps over time to identify when and how skill requirements change so as not to become stuck in the habit of recruiting people with similar skill sets.

2. Skills development

Recruiting employees with the right skills once is not enough. Skills need to be continually developed. Opportunities for skill development are often reported to be the single most important factor when a job applicant evaluates different potential employers. To be an attractive employer to all, it is therefore important that requirements and opportunities for skills development are offered to all employees, women and men, in the same way.

3. Corporate culture, organisation and management

A company’s culture is built by the people who work there. It is also influenced by management to a greater or lesser extent. Company culture impacts who thrives in a company, and hence, it is an important factor to consider during recruitment. A change in corporate culture can be a way of broadening the recruitment base and attracting people with new backgrounds and new experience. To work on changing prevailing norms, attitudes and values takes time and requires will and perseverance.

4. Gender-neutral wage setting

Gender-neutral wage setting is pay that is based on gender-neutral criteria and evaluations. Those businesses that wish to be attractive employers conduct wage setting in gender-neutral ways and on criteria that align with central pay agreements or praxis at company level. Managers responsible for setting wage levels need to have a high degree of awareness and excellent knowledge of these criteria and how evaluations are conducted to ensure that they are gender-neutral. A gender-aware wage policy means that businesses do not pay someone more or less due to any other reason than that which can be linked to competence, performance or other pre-determined criteria.

³³ See, among others, Confederation of Swedish Enterprise, “More women in industry and commerce – this is what attractive employers do”, 2017

Confederation of Swedish Enterprise platform for competencies and gender equality

The access to skills and competencies is one of the major challenges that companies face. In order to develop their businesses and stay competitive in the global and digitalised commercial sectors, Swedish companies need the right and the best skills and competencies. Competencies are held by both women and men, and the clear trend is that women obtain better grades in school and higher levels of education than men. This means that women's work and business commitments are important competitive advantages.

Research also shows that workplaces where both men and women work achieve better business results and build better workplace communities. It is thus well established that striving for diversity in staffing and recruitment leads to positive business results.

The Confederation of Swedish Enterprise holds the following positions with respect to greater work life equality:

- Being able to recruit, develop and retain the best competencies is crucial for competitiveness and business results. Companies want to be attractive employers to both women and men, and they strive towards working life equality where men and women enjoy the same conditions, opportunities, and responsibilities for their work and careers.
- Rules and compensation systems that apply to work and life outside of work are to be gender neutral. We support the right for all to shape their lives and make choices based on their own responsibilities without political interference. Norms and values prevailing in a society impact on individual choices and produce different results. Choices leading to the highest possible returns on the aggregate competencies in society and working life are to be encouraged.
- The prerequisites and conditions for working life development and career pursuits are to be equal for both men and women. The demands employers place on their employees and the opportunities they offer are to be gender neutral and based on operative needs.
- Working life equality requires equality in life outside of work. The Confederation of Swedish Enterprise strives to highlight the consequences of various choices and how these impact on career development, salary progression as well as on other conditions.
- Wages are to be based on gender neutral criteria and assessments. This does not necessarily mean that all women and men have the same pay, yet their levels of pay are never to be affected by gender but are to be based on objective assessments of performances and skills.
- A long term, sustainable effort to achieve gender equality and diversity in company boards of directors' rests on the assumption that company owners determine the composition and competences of board members and that they also appoint them. The composition of company boards is not to be regulated by legislation.

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