

# Closing the gender gap in SA by just 10% could achieve higher economic growth - report

A recently released report from PwC Economics analyses the behavioural measures that bring gender equality to emerging tech. [16 nudges for more #WomenInTech](#) notes that the imbalance between men and women in the technology sector is unlikely to be remedied unless organisations, schools and universities work together to change entrenched perceptions about the industry.



Women currently hold 19% of tech-related jobs at the top 10 global tech companies, relative to men who hold 81%. In leadership positions at these global tech giants, women make up 28%, with men representing 72%.

In South Africa, the proportion of females to males who graduate with STEM-related (science, technology, engineering and mathematics) degrees is out of kilter. Women are underrepresented in maths and statistics (4:5), ICT and technology (2:5), as well as engineering, manufacturing and construction (3:10), according to WEF statistics. As a result, there is a significantly smaller pool of female STEM talent, restricting the potential of South Africa's technology sector.

Lullu Krugel, chief economist for PwC Africa, says: "The technology sector is an exciting, fast-moving sector, but disappointingly many women prefer to steer clear of careers in technology. Part of the reason is the low number of girls pursuing STEM subjects at school and in higher education. Our research shows that unless we change various cultural and behavioural drivers within organisations, the matter is unlikely to be resolved any time soon."

## Economic benefits of advancing female workforce equality

Overall, the lack of female representation in the workforce and especially in leadership positions is a barrier to gender equality. Economists at PwC estimate that if we close the gender gap in both representation and pay gap by just 10%, South Africa could achieve higher economic growth. Their calculations suggest economic spin-offs of an additional 3.2% in GDP growth and a 6.5% reduction in the number of unemployed job seekers. Closing the gender gap also helps to alleviate poverty: low-income households will receive an estimated 2.9% more income than previously. "Enormous economic opportunity lies in promoting gender workforce equality," Krugel adds.

Although some strides have been made to advance women in tech, more needs to be done. To change the way talent is developed and deployed in today's world requires the undoing and relearning of age-old thought processes and the formation of new norms and values – especially in the education system and labour market. Maura Feddersen, PwC economist, adds: "Biases are ingrained in our cognitive processes and undoing them is difficult."

"Behavioural measures, or 'nudges', are one instrument in our collective toolbox to correct for gender imbalances in education and at work. Nudges change the context in which we make decisions to help us achieve our goals. They can offer low-hanging fruit to promote female representation in emerging tech and establish new foundations for inclusive economic growth."

## Does education hold the key?

The answer is complex and education is one in a multifaceted interplay of drivers that will bring more women into skilled jobs, especially in STEM fields. Cultivating an interest in STEM fields must start as early as possible, at school and in higher education, for example. From an early age, behavioural design can help through de-biasing classrooms, changing how our children are taught, as well as through celebrating counter-stereotypical role models.



Women are shattering the glass ceiling only to fall off the glass cliff

Susanna Whawell 13 Apr 2018



## Why do we need more women in emerging technology?

Emerging tech is a critical field for women to help shape, as everyday our dependence on the speed and efficiency of new technologies grows. It is notable that in the field of artificial intelligence (AI), a linchpin of emerging tech, women only hold one fifth of executive positions. If only half of the population designs technology, users are missing out on the insights, innovations and solutions of the other half.

Feddersen adds: "Fostering inclusivity, and bringing more women into emerging tech and the workforce in general, will help introduce new viewpoints and ideas to emerging tech."

## 16 nudges to advance #WomenInTech

The report outlines some biases and countervailing nudges to assist organisations in the endeavour to correct gender imbalances, with a lifecycle view from school and higher education to hiring, career development and progression.

### In school and higher education

1. Work and school environments must be designed to moderate risk, as gender differences in risk seeking can bias outcomes. Provide frequent feedback on how well we are doing compared to others. Feedback can encourage the most capable people to participate in competitions and frequent feedback has been shown to encourage women to compete.

2. Furthermore, clues that trigger performance-limiting stereotypes should be done away with. For example, relocate the tick boxes where candidates are asked to select their gender and ethnicity from the beginning to the end of a test.
3. The tech industry boasts many exceptional female leaders. It is crucial to celebrate these role models and bring attention to them, especially for girls at a young age. Initiatives in which female maths teachers or engineers, as well as male nurses and primary school teachers speak to schoolchildren can be powerful in the formative years for both boys and girls.
4. Further increase the fraction of counter-stereotypical people in positions of leadership, through quotas or other means, such as targets. While quotas or targets in themselves are no nudge, they can change men's and women's beliefs about what an effective leader looks like and address many of the biases that hinder gender equality. "It is particularly hard for young girls to aspire to what they cannot see – seeing is believing. People need to see counter-stereotypical models for beliefs to change," Feddersen adds.
5. Students' attitudes can also be affected by subtle and simple changes. Organisations should consider diversifying the portraits on their walls.

## **In hiring**

6. In the job market, many companies do not harness the full talent pool available. Prevailing gender biases limit both men and women, albeit in different industries. Gendered language in job ads and other organisational communications can 'sort' applicants before they have applied. It makes sense to purge gendered language from job ads and other company communications. This is especially important since women consider more factors than men when screening jobs – in particular, cultural fit, values and managerial style.
7. First impressions also matter in recruitment sessions. The importance of relatability extends across various platforms of recruitment activities, from job ads to recruitment events.
8. Furthermore, to unveil real talent, organisations can discover talent using 'The Voice' approach. This means circumventing gender and other biases and anonymising the hiring process as far as possible. Various tools in the market, including GapJumpers and Talent Sonar, have shown that blinded applications help companies successfully discover untapped talent.
9. Organisations should use predictive tests and structured interviews to evaluate candidates. Score answers to questions and score immediately after the interview. Furthermore, evaluate candidates in batches. By using comparators, the evaluators' attention focuses on skills and experience, rather than stereotypes.
10. Ultimately, it is about changing norms. We should apply smarter messaging that celebrates successes in increasing gender diversity. Instead of describing the small fraction of female representation, focus messaging on the large fraction of companies with gender diverse leadership. This idea is rooted in 'herding'. Descriptive norms, what many are already doing, turn into prescriptive norms, just by virtue of telling people about them. People are more likely to adopt a new behaviour if they know that many others are already doing it.
11. Panel interviews should be discarded: the ideal is independent, uncorrelated assessments, not influenced by what other interviewers think.

## **In career development and progression**

12. Gender differences in self-confidence are not only a concern in school and higher education, but also in performance appraisals. Self-assessments should be done away with wherever possible.
  13. Research suggests that women are less likely than men to negotiate on matters such as compensation. Given the negotiation dilemma women face, external legitimisation helps them overcome the hurdle to negotiate compensation. Organisations should consider inviting team members to speak up and explicitly invite negotiations.
  14. Legitimise negotiations through enabling people to negotiate on behalf of others.
  15. The relative numbers of socially and culturally different people in a team can be critical in shaping a team's dynamics. In teams dominated by one social group, members of the minority group can be tokens among peers. As a result, they may be unable to contribute their full potential. Organisations should include a critical mass of women in teams to avoid tokenism. Both ability and diversity are required to maximise collective intelligence.
  16. Same-sex networks are also particularly important for women due to the relative scarcity of female role models.
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#WomensMonth: Women need to stand together in driving the gender equality agenda

Sindy Peters 17 Aug 2017



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## Building the workforce of the future

Nudges are powerful weapons in an organisation's armoury to advance female representation and achieve workforce equality. Feddersen adds: "Organisations can embrace insights from behavioural design through fostering a culture of data collection. Armed with data, organisations can measure which initiatives work and which do not.

"If we believe the future lies in STEM, we must train ourselves, and our daughters, in the relevant skills. Whatever our profession, let us rethink the way we apply our capabilities in light of the future of work."

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