



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy, Jobs and Fair Work Committee

Tuesday 14 March 2017

Session 5



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Tuesday 14 March 2017

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
GENDER PAY GAP	2
SUBORDINATE LEGISLATION.....	60
Bankruptcy Fees (Scotland) Regulations 2017 (SSI 2017/37).....	60

ECONOMY, JOBS AND FAIR WORK COMMITTEE
9th Meeting 2017, Session 5

CONVENER

*Gordon Lindhurst (Lothian) (Con)

DEPUTY CONVENER

*John Mason (Glasgow Shettleston) (SNP)

COMMITTEE MEMBERS

- *Jackie Baillie (Dumbarton) (Lab)
- *Bill Bowman (North East Scotland) (Con)
- *Ash Denham (Edinburgh Eastern) (SNP)
- *Richard Leonard (Central Scotland) (Lab)
- *Dean Lockhart (Mid Scotland and Fife) (Con)
- *Gordon MacDonald (Edinburgh Pentlands) (SNP)
- *Gillian Martin (Aberdeenshire East) (SNP)
- *Gil Paterson (Clydebank and Milngavie) (SNP)
- *Andy Wightman (Lothian) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Tanya Castell (Changing the Chemistry)
- Debbie Crosbie (Clydesdale Bank)
- Professor Gillian Hogg (Universities Scotland)
- Katie Hutton (Skills Development Scotland)
- Gillian MacLellan (CMS Cameron McKenna LLP)
- Debbie Miller (Royal Bank of Scotland)
- Tricia Nelson (EY)
- Shona Struthers (Colleges Scotland)
- Talat Yaqoob (Equate Scotland)

CLERK TO THE COMMITTEE

Alison Walker

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Economy, Jobs and Fair Work Committee

Tuesday 14 March 2017

[The Convener opened the meeting at 09:32]

Decision on Taking Business in Private

The Convener (Gordon Lindhurst): Good morning and welcome to the ninth meeting in 2017 of the Economy, Jobs and Fair Work Committee. I particularly welcome our guests to today's meeting.

I remind everyone, including those in the public gallery, to turn electrical devices off or to silent so that they do not interfere with the committee's work.

Agenda item 1 is consideration of whether to take in private item 4. Do members agree to take those items in private?

Members indicated agreement.

Gender Pay Gap

09:32

The Convener: I will introduce our panel of witnesses, starting from my left. I welcome Professor Gillian Hogg, deputy principal, external relations, at Heriot-Watt University, who is representing Universities Scotland; Katie Hutton, director, national training programmes, Skills Development Scotland; Talat Yaqoob, director, Equate Scotland; Shona Struthers, chief executive, Colleges Scotland; and Tanya Castell, non-executive director and chief executive officer, Changing the Chemistry.

For the information of our panel members, the person at the sound desk will operate the microphones. If you wish to come in on a question, please simply indicate that by raising your hand, and I will seek to bring you in at an appropriate moment. You do not have to answer every question; we try to let things flow as the discussion develops.

As you will be aware, the remit for our gender pay gap inquiry is

"To explore the effect of the gender pay gap on the Scottish economy, with a particular focus on business performance, the Scottish public sector and Scottish Government action required to address the issue."

Just to start us off, may I have one or two general introductory comments on that? We will then move to questions from committee members. I am not sure who wants start us off—it seems that Shona Struthers does.

Shona Struthers (Colleges Scotland): Good morning. Colleges have a pay structure, reinforced by national bargaining, that is based not on gender but on fixed pay for a role, irrespective of gender. If there is any pay gap, it is down to the relative number of people of a certain gender in that pay structure. That is, if there is a difference, it is because there are men in more senior roles and the majority of lower-paid staff—cleaning staff and so on—are female. The other point to think about in relation to colleges is that some of the more senior staff have individual contracts. That, too, can impact on the gender pay gap.

Talat Yaqoob (Equate Scotland): Equate Scotland is working on the areas of science, technology, engineering and the built environment, and we come at the issue from the perspective of the impact of occupational segregation. Only 18 per cent of tech jobs, 2 per cent of construction jobs and 9 per cent of engineering jobs are held by women. In addition, women tend to take up only 12 per cent of the management roles in those areas. We are looking at a double ceiling, if you like, of women not being in those professions or

careers in the first place and of women in those professions not getting to the top.

Equate Scotland's response has been to look at whether the impact of the pay gap can be overcome by tackling occupational segregation and getting more women into professions in science, technology, engineering and mathematics. The Deloitte report that was released last year also indicated that the quickest way to overcome the gender pay gap is to tackle occupational segregation in tech jobs, and that is the perspective from which Equate Scotland is coming at the problem.

Tanya Castell (Changing the Chemistry): Changing the Chemistry comes at the issue from a slightly different perspective. We are focused on improving diversity in the boardroom from the perspective of making work a fairer place and, we hope, changing the environment. As has been mentioned, a lot of women work at the lower end of the structure, which increases the gap. The hope is that, if we focus on addressing things such as unconscious bias so that we get a greater proportion of women at a senior level, the gender pay gap will disappear over time.

The Convener: Thank you. We will now move to questions from members.

Bill Bowman (North East Scotland) (Con): We have been asking all our witnesses this question and would like to hear your opinions and comments. Is there a definitive set of statistics on women's pay, earnings and employment in Scotland that would give us the basic information?

Talat Yaqoob: I think that we will all have something to say about that. I do not think that the statistics that we currently have are comprehensive enough for us to work from. Just this morning, I looked at the statistics on the Scottish Government's website, which are based on full-time work and so do not reflect women's work, as the vast majority of part-time workers are women. There is no intersectional data that tells us about women from black and minority ethnic backgrounds, disabled women, lesbian, gay, bisexual and transgender women or immigrant women, so we are not able to see what is happening for the women who are likely to be furthest away from opportunity.

The data needs to be made more comprehensive by the inclusion of statistics on part-time work, and it needs to be intersectional if it is to be useful to organisations such as Equate Scotland that are trying to improve the outcomes for women.

The Convener: Would sectoral statistics on the ages of women in different positions in the workforce, as well as the ages of women coming into the workforce, be helpful?

Talat Yaqoob: Absolutely. The intersectional data that we need would include statistics on where women are and how long it takes them to get to a senior position in comparison to men. The age at which that happens would be part of a more robust set of data.

Bill Bowman: Do you use any sources outside the Scottish Government?

Talat Yaqoob: All our work is based on Scottish Government data. We can see that there are gaps but, because we are looking at the Scottish labour market, it makes sense for us to use Scottish Government data. We need to be aligned with what the Scottish Government is saying. However, that prevents us from doing our work as well as we could, because we can use only the data that is available.

John Mason (Glasgow Shettleston) (SNP): I hesitate to speak for my female colleagues but, over the years in which I have been involved in politics, I have got the impression that there has been a change. Maybe 20 to 25 years ago, the thinking was that we did not want quotas, targets and all that stuff because we preferred everybody to come through on merit. However, because we have made so little progress, I am now convinced, as a lot of other people seem to be, that we need quotas and targets. I am interested in what the witnesses think. Do quotas and targets work? Are they necessary and desirable? Where are we going with them?

Tanya Castell: We certainly support having quotas at board level, although you are right that we would like to think that they should not be necessary. However, the data on unconscious bias shows how bias impacts on all the decisions that we make, regardless of our gender. For example, members might have heard about the success rate of women following the introduction of blind auditions for orchestras. That was not about women; blind auditions were introduced because people were worried that too many musicians came from certain teachers. The success rate of women went up by 50 per cent at first auditions and by 300 per cent at final auditions.

Another example is the research that Harvard University has done around private equity, using "Dragons' Den"-type pitches. Pitches were made using a video voiced either by a man or by a woman—the pitches where the male voice was used were slightly more than twice as successful.

To overcome the biases, we need targets for a short time. They should not be there in the long term. I hope that, once the biases have been overcome, we can get closer to being a true meritocracy and targets can go away. However,

we will need them until people get more used to that mix.

Shona Struthers: We never really improve anything unless we set ourselves a target and monitor and measure progress against it. We might think that we should not have to do that, but we absolutely do.

I will cite two current examples from the college sector. The sector is signing up to the gender pledge to have 50:50 board members by 2020. I have been a board member, and I would like to think that I was on that board not just because I am female and that, if a woman is successful, that is because of her skills, talent and experience as well. However, we need the target to make us aware—it is about raising awareness.

Another example of where we are measuring is the gender action plan. That is a huge initiative that the Scottish Further and Higher Education Funding Council started and which goes across colleges and universities—I am sure that my colleague Gillian Hogg will speak about it. Again, it is about raising awareness and closing the gap. There is a deliberate policy of setting targets that we can measure against. For example, 4 per cent of those on care courses are men, and 4 per cent of those on engineering courses are women. Those are huge gaps, and the only way to close them is by raising awareness of them and setting targets that we try to meet. Therefore, the Scottish funding council set a target of closing the gap to 75 per cent—in other words, reducing what is a huge gap to less of a gap. I am a great believer in the need to put targets in place if we are really trying to change something.

Katie Hutton (Skills Development Scotland): Targets can be useful, but we also have to think about the timescales and the consequences. Like the Scottish funding council and the colleges, we have an equalities action plan—ours is for modern apprenticeships. Apprenticeships are jobs with training, so they reflect occupational segregation, but that does not mean that we do not do anything about it; we try to affect it.

Previous witnesses have talked about the complex forces that are at play in how we end up with the workforce that we end up with. That is partly about systemic issues and societal attitudes. To affect what is happening in the workplace, we have to start early on. If we start with primary schools, it will take time to see change coming through in the workplace. If we are looking at targets, we should look at how long it takes something that has to happen early on to change attitudes and for that to affect what happens in the workplace.

On the consequences, we can set quotas for things such as filling specific places, but we have

to accept that if individuals do not come forward—because their attitudes have not changed—those places will be unfilled.

Targets can be good, but we have to think about the practical consequences and the timescales.

09:45

Professor Gillian Hogg (Universities Scotland): In the university sector, we are very aware of the fact that this goes back to schools. We want to close the gap, but if girls are not taking physics in school, they cannot apply to study physics at university. We have to look across the piece at the educational timeline in thinking about how we can encourage more girls into the subjects that will lead them to study STEM subjects at university.

We are very aware that male representation at university is falling; in the past few years, the figures have been approximately 40 per cent males and 60 per cent women. They go into gendered subjects at university, so very few women take computer science and very few boys take psychology. It is quite a complicated picture; it is not just one target, but targets within subjects as well.

John Mason: Tanya Castell spoke about setting targets for boards, but your answer makes me think that we should set targets for physics classes in secondary 5—we should have equal numbers of boys and girls in the physics class. Would that not force it through?

Professor Hogg: I do not know whether we can force a pupil to take physics or maths at school. The issue is more about having a culture in the education system that encourages a move away from gendered subjects.

We know that the number of boys taking languages is falling, but a person cannot study languages at university if they do not have a higher in languages. It is about having a culture throughout the education system, rather than setting a quota at university but not having a pipeline for people to come through.

Talat Yaqoob: From Equate Scotland's perspective, quotas and targets work—evidence from across Europe shows that—particularly at board level and in leadership roles.

Quotas and targets work when they are evidence based and there is an action plan for stopping their use, because they have changed the culture and attitudes. At the moment, only 23 per cent of pupils at Scottish credit and qualifications framework levels 6 and 7 are girls. If we were to set a quota of 50 per cent without having attitudinal change, tackling gender stereotyping, training teachers and parents or

starting from an early age to look at what subjects we want pupils to take, not only would that quota or target prove to be ineffective but there might be hostility towards it. The approach has to be holistic. I do not think that having quotas in primary and secondary schools, without an evidence base to show that they have been successful, is necessarily the correct approach.

Across Europe, boardroom targets have been proven to create change. There needs to be a lot more investment in cultural and attitudinal change from the early years right through to the end of secondary school, when university choices are made.

John Mason: Okay. I will leave it at that.

The Convener: I will follow up one or two points that were touched on by Professor Hogg. My understanding is that there is a difficulty in the university sector in that roughly 42 per cent of students are male. The funding council has asked the universities to address the male-female imbalance and the issue of specific subjects. The funding council's suggestion is, I think, that the ratio should be no more than 75:25 in any subject by a certain date.

The overall picture in the college sector is roughly representative of the population—perhaps there are slightly more female students than male. Apprenticeships are, perhaps, the opposite of universities, and have an even more pronounced gender imbalance. Changing the balance in the universities was focused on for a while, but the ratio has gone in the opposite direction. There is still a problem with apprenticeships. If girls do better academically than boys at school, it might seem to some people to be logical that they are likely to go to university. If the places at university are filled by female students, the male pupils may end up in apprenticeships.

Is the suggestion that quotas may work borne out by the evidence of what has happened in the university sector over the past few years? By trying to do such things, do we imbalance matters further or create a new problem? Is there an overall strategy that can be adopted across the three sectors in order to ensure that we do not run into imbalances that were not intended and which may have unintended consequences or effects?

Shona Struthers: Some members of the panel have already raised this. We need to look wider than apprenticeships, colleges and universities: we have to look well before that and to consider cultural change that goes back into the early years and the family home. If we try only to shift the balance in apprenticeships, colleges and universities, we are missing a trick. Societal and cultural change has to be embedded.

In the college sector there is a gender action plan that includes some fantastic pieces of work. However, such plans have to exist across all institutions—Parliament, businesses and families, for example. The work has to be sustained and resourced and has to be about raising awareness and having role models. Good examples and information must be shared across the piece. If we do not include the full spectrum of education, we will not be successful and could well create imbalances without quite understanding how they have been created, because we were trying to do something else.

The Convener: The question of individual choice also has to be thrown into the mix; people choose to do certain things.

Katie Hutton: The outputs of our education system and what is happening in the workplace generally are symptoms and not necessarily the cause. This is about societal attitudes.

One of the big projects that we have invested in over the past few years to try to create a pipeline towards apprenticeships and non-gendered choice within further and higher education is with the Institute of Physics. The project takes a whole-school approach to gender balance through influencing the kids at school and influencing influencers, including parents and teachers. We looked at unconscious bias in how lessons are taught, the curriculum and so on. We deliberately allied the project to Education Scotland's six STEM cluster areas, because we wanted to see the work sustained and disseminated through the inspectorate so that the lessons are learned. Education Scotland will now disseminate the resources from the project across Scotland. The work has better potential to be anchored within the school system because it is allied to the work that Education Scotland is doing.

Other influences, too, must be fought against. An holistic approach is needed, but it is difficult to do.

Talat Yaqoob: We have talked about the status quo and quotas, but we have not talked about what happens in the middle. There are places where quotas should exist. There is evidence that targets can exist right across the pipeline. Shona Struthers said that having something to aspire to creates change and a strategy, and that is important.

There is space in between, and there are good practice examples of positive action measures that have been taken by a range of different education institutes, particularly in the college sector. We work with the City of Glasgow College, which pioneered a women in construction qualification and a women into engineering higher national certificate. There is an all-women class in the first

year, and the students then move into a mixed group. The idea is to provide a safe space in which women can pursue a subject that they might previously have been stereotyped into not taking. The approach has proved to be really successful, and the subjects are oversubscribed. There is clearly an appetite among women to do such subjects, if we are innovative about the approach that we take to getting them there in the first place. City of Glasgow College has set targets, because it wants a certain number of women in its mainstream engineering subjects; its innovative approach has been to provide a women-only first year, based on positive action.

Targets work, and there are innovative ways to pursue them, which we need to reflect on a little more. There is a bit of reluctance to pursue positive-action measures, despite their being evidenced, legal and the right way to go. I would love the committee to encourage such measures and to provide case studies on how the approach can be taken.

The Convener: Jackie Baillie has a question.

Jackie Baillie (Dumbarton) (Lab): My question is relevant to the discussion. I am fortunate in that there is a STEM hub at St Patrick's primary school in Dumbarton, in a collaboration with Glasgow Science Centre. I went there, and it was tremendous to see all the primary 2s engaged in science activity—so much so that there is interest from the parents, who go in of an evening. Is that the right age and stage at which to capture children, or do we need to do something with pre-5s, too?

Tanya Castell: My view is that the younger we start, the better. Research was published recently that showed that even between the ages of five and six girls start thinking that they are not as brilliant as boys. The research was done in the States. It found that at five years old, boys and girls see themselves as being about the same, whereas at six they are already absorbing stereotypes.

I meet lots of very able board members who say that they want the right person for the job. I totally support that, but I also meet so many people who are not aware of unconscious bias and do not realise that although they think they are recruiting the right person, that is not necessarily so. The sooner we start to address what has been referred to as a cultural issue, the better. Bias and stereotyping develop from a very young age.

Katie Hutton: Yes, absolutely, the younger we start the better. I will give my own example. My daughter went to nursery school, and when the class was passing out of nursery school—they have graduation ceremonies these days—I asked her what job she wanted to do. I was giving her

ideas, and she would say, "No—that's a boy's job." We had not bought her dolls or anything like that, so that just shows that the bias is around us.

Ash Denham (Edinburgh Eastern) (SNP): We have been talking about the need to do better at getting girls to choose STEM subjects and about action with younger children. How are other countries doing on that? Can we look to international examples of good practice?

Talat Yaqoob: Yes. I am afraid that the statistics for Scotland and the UK are some of the worst in Europe. We are making progress, particularly in civil engineering, but we are behind Cyprus, Croatia, Egypt, India and Turkey.

There is a lot of evidence about what is going on there and the differences, in that regard. I am afraid that I do not have it with me, but I will be happy to provide it to the committee. You will find that there are cultural and attitudinal differences in relation to the value of certain jobs. A lot of the imagery that we see about engineering and construction shows an older white man in a hard hat, which is about 1 per cent of what engineering is actually about. Engineering is creative and it is artistic. It changes everything around us, and in other countries there is an appreciation of the depth of the subject. We need an entire cultural change in how we value such jobs and what we think of them and—more in the mainstream—we need appreciation of the engineering that goes into everything we do, and of its artistic creative side.

I am happy to provide information on that to the committee. I can provide the international statistics, too. You will find differences in attitudes to the STEM subjects, but I cannot point to the magic bullet in terms of what people overseas are doing that we are not doing.

10:00

Shona Struthers: To widen out the issue slightly, I say that it is not always about stereotyping of females or women. For example, we need to encourage men to join the care sector. I would not want us to leave the meeting with people thinking that the issue is all about trying to get women into STEM subjects, because it is actually much wider than that. There is bias in relation to both genders.

Another point to make is that the issue is not just about gender—we should also think about a much wider range of characteristics. I am sure that there will be questions from the committee on that.

The Convener: We will move on to a question from Jackie Baillie.

Jackie Baillie: Can I just observe how welcome it is to have an all-woman panel? I do not think

that we have had one previously, so it is certainly welcome.

You will all be aware that we are soon to have legislation on the pay gap and pay gap reporting. Do you believe that that will make any difference to reducing the pay gap?

Tanya Castell: It is a start. With some of the boards that I am on, people are starting to think about why things look the way they look. Looking at the issue from board level, just having data helps—it makes it easier to set targets and it makes things much more transparent. I get very cross when people say that women have 25 per cent representation on boards, because actually women have got to 25 per cent representation on the boards of the FTSE 100, which are just 100 companies in the whole UK. It is a step forward to have that data so that we can look at it more carefully and understand it. However, as we have said, we have to address some of the structural issues about why people are in the jobs that they are in. One reason why Changing the Chemistry is very keen on making boards more diverse is that it will, we hope, make the workplace work for everybody and result in more diversity throughout, and not just at lower levels, as tends to happen today.

Professor Hogg: The universities have had to publish their equal pay data for a few years now, and it is very interesting. It is perhaps a case of, “What gets measured gets managed.” The data highlights very starkly where our pay gaps are. Like a lot of universities, mine has quite a dramatic pay gap, although it is not within grades—there is a structural pay gap across grades. Universities have some very highly paid academics and they have cleaners and housekeepers, and there is a stark gap. Through having to publish the data, universities have started to work on the issue systematically, which has been important. Sometimes, we realise that the language that we use is an issue. For example, we have “housekeepers” in the university, and they are all women. If we called them “building managers”, would more men apply for those jobs? Publishing the data means that people start thinking about the language that we use and the culture in the university. I have found publishing the equal pay data to have been important.

Jackie Baillie: Obviously, the requirement to report will apply to companies with 250 employees or more and, as we know, Scotland’s economy is typically driven by small and medium-sized enterprises. Therefore, should the requirement be extended and if so, what should the threshold be?

Talat Yaqoob: I think that the requirement should be extended—it should be part and parcel of being an employer. Employers should publish their pay gaps so that they know they have to work

on that. I am not entirely sure why the threshold exists. At the end of the day, we are trying to create fair workplaces, so irrespective of whether a workplace has five employees or 250 employees, it should be fair and equal. We need to consider that.

Although the publication of pay gaps is welcome, the reality is that it will not create radical change in terms of pay gaps because that is such a culturally entrenched and complex issue. It is important that we have in place checks of what exactly is being reported and how the data is being collected, and that there is, along with data on a pay gap, a strategy on how the employer will do something about it.

Professor Hogg: This is not my area of expertise, but I am aware that when you talk about a pay gap, particularly in small companies, you are really talking about reward more generally. In very small companies, individuals are rewarded not just using their hourly rate, and if you are going to look at small companies, you will have to think about the broader context within which those companies operate.

The Convener: I think that Andy Wightman has a follow-up.

Andy Wightman (Lothian) (Green): As a follow-up to Jackie Baillie’s question, I note that, at last week’s meeting, Anna Ritchie Allan talked about

“attending employer briefings that are organised by lawyers”

where

“there is ... widespread tuition ... in how to find loopholes. For example, a company can be divided up so that its partners are not included in the gender pay gap figure.”—*[Official Report, Economy, Jobs and Fair Work Committee, 7 March 2017; c 12.]*

Have you any evidence of that kind of activity?

The Convener: I know that Tanya Castell wants to come in, but it might be on the previous point. You are, of course, welcome to respond to Mr Wightman’s question.

Tanya Castell: It is not that employers are trying to evade doing something, but some might have been slightly taken aback by the data—perhaps with regard to the structure of the organisation. For example, an initially small company that grows larger might have been established by a number of partners who were all male. The data can look terrible, so it might give employers a bit of a shock, but I have not come across anyone trying to get through loopholes.

As for looking at smaller companies—I should say that this probably does not apply to tiny companies—a lot of the people to whom I speak about the benefits of diversity still think that it is

just about being fair, and do not necessarily appreciate its economic benefits or the fact that diverse teams perform better. By going down that bit further, you will be able to help get that message out and highlight the cultural point that although diversity is about fairness, people also get better results through diversity, and therefore benefit Scotland as a whole.

Talat Yaqoob: Having worked closely with employers, I do not think that any employer is going to put their hand up and say that they are doing as Mr Wightman has suggested. I cannot give you a case of that sort of thing happening, but we have heard about it anecdotally and Anna Ritchie Allan is right to point it out. In fact, that is what I was getting at in my polite reference to checks and balances in how these things are reported, where the detail comes from and how it is collected. Simply asking employers to publish their pay gap does not provide coherent data, because they might all be doing it differently, which does not benefit the cause at all.

Shona Struthers: Sometimes the issue is more than pay—it is also about working practices. Having an array of flexible working practices can often help to tackle gender imbalance; for example, not allowing part-time working, flexible working or flexitime can have an impact. I therefore think that the gender gap goes wider than pay.

The Convener: I inadvertently passed over Richard Leonard, who I think has some questions about public boards. I apologise to Mr Leonard, and I will bring him at this point.

Richard Leonard (Central Scotland) (Lab): I accept your apology, convener.

Looking at the public sector and at the role of the Scottish Government and public agencies, I want to highlight a specific example that I think draws out some general points. I am looking at Katie Hutton when I say this, because my example relates to the structure of the Scottish apprenticeship advisory board, which to some extent is at the root of the debate about occupational segregation. After all, there is general agreement that apprenticeships are one of the areas on which we need to do more work with regard to trying to diversify the channels, the jobs, the occupations and, indeed, the apprenticeships that young people go down.

I was checking these things out fairly recently. When I looked at the composition of the advisory boards and the people who populate them, I found that although 70 per cent of the people on the employer equality advisory group were women, the complete opposite was the case for the main advisory board, which is the principal vehicle for advising Skills Development Scotland and the

Scottish Government. In fact, the situation was worse: nearly 80 per cent of the members of the main advisory board were men, while only 20 per cent were women. Does that not tell us something about why we are missing the target with regard to representation, quotas and getting our resources and our brains in the right place?

Katie Hutton: I would disagree with you, in that SAAB, as it stands, is a collective sum of its parts. Every bit of it is equally important—the bits involving frameworks, standards, equalities and employer engagement are all there.

To a certain extent, you are right about the gender balance of the advisory board. CEOs have been deliberately targeted to try and get employers to take an interest in driving apprenticeships forward. We always talk about being employer led, and it is important for employers to be there. How SAAB was set up was also a function of who said that they would come on it—CEOs and chief financial officers are busy.

We have recognised that, now that groups such as the equality advisory group are up and running, we have to consider who else to bring into them. We are alive to that, and we should be doing something about it.

Richard Leonard: I do not know whether any of the witnesses has views more generally. It is my experience that, if there is a group on an equalities issue, it will probably have a disproportionate representation of women, but the deficit exists on some of the main decision-making bodies. Is that people's general experience?

Shona Struthers: I can quote you some statistics from the college sector. We have a 60:40 gender split on boards, which is not bad, and for senior management teams, it is the other way round, so we seem to have quite a fair balance in the college sector.

However, I draw your attention to the chairs of college boards. There is a disproportionate number of males in the chair position. That is an observation more than anything. Our regional college chairs are publicly appointed, so they are within the mandate of the public appointments process. For regional chair public appointments, 23 per cent are female and the rest are male. That is not particularly representative of the sector as a whole, where the gender balance is good.

The Convener: Who makes those appointments?

Shona Struthers: The regional chairs are publicly appointed.

The Convener: By the Scottish Government?

Shona Struthers: Yes.

Tanya Castell: In response to your question, Mr Leonard, for a lot of diversity events—one recent one involved the Scottish Government, Scottish Enterprise and Highlands and Islands Enterprise—there are a majority of women. There is still an issue about how we engage men. There are a lot of men here, and I hope that I am not offending anyone, but quite a lot of men are turned off by the diversity piece. For me, that is why it is so important to promote the benefits to commercial businesses or other organisations of having different perspectives and therefore getting better performance.

The Scottish Government public appointments team has done an amazing job in improving what is being done on gender diversity. Changing the Chemistry has been working with the team, so I am possibly slightly biased about it, but the situation has definitely been improving. I am on a public sector board in Scotland, and we are 50:50.

Ash Denham: I have a question on occupational segregation, which I know you have already covered in parts of your answers. Clearly, we need to do more at different levels. We have touched on apprenticeships a little bit, as well as further education and higher education. Talat Yaqoob mentioned the idea that positive action measures work and referred to case studies and the women in construction further education course. Could you give us some more examples of positive action measures at the various levels, and of things that we could be looking into where there is evidence that they work?

10:15

Talat Yaqoob: Absolutely. This is an opportunity for me to plug Equate Scotland's recent report "Rising to the Challenge: How Scotland can recruit, retain and support women in STEM", which is filled with case studies, specifically on positive action. The vast majority of Equate Scotland's work is about trying to get employers to take positive action measures. An example of that is our careerwise project, which involves women-only paid placements in industry for third and fourth-year undergraduate students. We have around 40 placements in a year, and up to 300 young women apply for them—that demand is just another example of positive action working.

More employers take part every year in the project, which is now in its third year, so it is working. However, it is about getting employers to recognise that positive action does not need to be frightening, that they can get support for it and that it is perfectly legal. There is a misunderstanding about the difference between positive action and positive discrimination that we need to overcome, because it is preventing employers from taking part in our positive action careerwise project. The

project involves a set of organisations, including Computer Application Services, which is a Scottish SME. We can provide the committee with a range of case studies from the project.

Two public bodies that are involved in positive action are West Lothian College and City of Glasgow College, which are doing similar work to get women into engineering. That work is being pursued even more because of the gender action plan.

There are also small positive action measures that can be taken around changing language, as Professor Hogg indicated. We put together a case study for the tech sector on job descriptions. We did a search through indeed.com for the word "aggressive", which gave me 9,500 jobs to choose from; and putting in the word "dominant" gave me just over 2,000 jobs to choose from. Having conversations with employers about how they market themselves and what language they use is fundamental to creating that change.

On occupational segregation, Equate Scotland is not only a STEM organisation but a feminist one, so we look at the other side of the employment issue, which is the undervaluing of the work that women generally do at present in areas such as social care, teaching, cleaning and administrative services. The areas where women tend to work are undervalued, so although we are trying to get women into STEM occupations, there needs to be an equal push to value the work on the other side. If the work in those areas is not valued, why would men pursue jobs in them? We have to value the women who work in those areas in order to overcome the significant occupational segregation that exists.

Professor Hogg: There are examples in universities across Scotland of work with schools, including good examples of work that encourages more girls to take STEM subjects. However, I agree with Talat Yaqoob that we have to look across the piece at how we view particular roles.

Shona Struthers: There are amazing examples of good work in the college sector, as we have heard. I have loads of examples. I am willing to share them with the committee rather than go into detail on them now. There are initiatives such as this girl can, which shows what women can do; this man cares, which encourages men to go into the health and care sector; and man in the mirror, which encourages men to go into careers in areas such as the beauty sector.

There are also loads of initiatives across schools. For example, the Energy Skills Partnership did a great piece of work with the bloodhound challenge. I do not know whether the committee is aware of that, but it involved encouraging schoolchildren to make and then race

a rocket car. The project was evenly balanced between boys and girls. I have a plethora of examples of similar great work that is going on. However, it is about how we build all that into the school system, make it sustainable and resource it. We have to resource initiatives so that they do not just become fads. They have to be built into the way in which things are run normally, or they will just come and go.

Ash Denham: I am also interested in the idea that is expressed as, “If you can’t see it, you can’t be it,” or words to that effect. I recently visited the Edinburgh BioQuarter, which was doing an outreach project with a school in my constituency. The people involved asked some of the schoolchildren to come into their lab, and they talked them round the lab. One girl asked whether she could come in over the summer for work experience. I met her and she said to me, “I thought I was going to become a hairdresser, but now I’ve been in the lab, I’m going to be a scientist.” I thought, “Wow! That’s really amazing as that’s quite a change.” That example ties in with what has been said about engineering, which is that young people do not understand what it is and what it involves. Are we missing something at the careers advice stage because we are not explaining to boys and girls what particular jobs are about and how they might match up with their skills? Could we be doing something more in that respect?

Katie Hutton: We are responsible for the careers guidance service in schools, and we have done a lot of work with our staff on unconscious bias but, although pupils will see their careers guidance member of staff, they will see more of their teachers, so the approach has to be wider than that. We have talked about having a holistic school approach.

To anchor everything, Shona Struthers talked about the need to make sure that a systemic approach is taken in the school system and even down to nursery level. We must think about the levers that exist. I know that Education Scotland has looked at equality as an aspect of school inspection. It is necessary to consider how the curriculum is developed and delivered and what that does in engendering particular attitudes. We need to look at all the levers, as well as the specific careers guidance inputs. We should think about how things are delivered within and outwith the school system.

Talat Yaqoob: Although there have been improvements in careers advice over the years, I do not think that it is where we would want it to be. We hear a lot of anecdotal evidence on the careers advice that students were given in their first year of university. We hear of students being asked, “Are you sure that engineering is what you

want to pursue? It’ll be really difficult if you’re one of only two girls in the room.” If we want to get more women into STEM subjects, we need to have a focus on saying, “Yes, you can do this. We’d like to support you to do it.” We need to have support systems not just to get young women into university or college but to keep them there right the way through to the end, because retention is an issue.

There are definitely improvements that can be made when it comes to challenging gender stereotyping in the school setting and among parents. If attitudes are challenged and changed at school but are reinforced at home, I am not sure where the child is meant to go in the face of such conflicting messages. A holistic approach needs to be taken.

There are examples of organisations that are taking the right approach. EDF and Shell have done girl-only outreach in schools. They have invited girls to do site visits and development activities. As a result of such positive action, more girls are dispelling the myth of what an engineer is and are pursuing such subjects. That approach works, but we need more of it.

Professor Hogg: A study by the Institution of Engineering and Technology in 2014 identified that only 1 per cent of parents would encourage their daughters to be engineers. We need to think about the whole environment that girls have been brought up in.

In addition, we tend to find that girls apply for university courses that they recognise from school—medicine and law aside, obviously. That means that, if we do not teach engineering in schools, they will not apply for engineering; they will apply for a course in a subject that they recognise. If someone studies business management in school, they will be open to studying it at university. Therefore, how people perceive what engineers are is extremely important.

Talat Yaqoob: At Fife College, there is a great example of how changing the titles of higher national certificate and higher national diploma courses to include words such as “creativity” and “art” has resulted in an increase in the number of young women applying. It is a question of using a phrase such as “software design” rather than “software development” in the title of technology courses. Using words that feel more approachable and that are recognised from the work that young women have done in school makes it more likely that they will apply. Job adverts work in the same way. The management at Fife College have looked at the prospectus and changed the language so that it feels more accessible and welcoming to young women.

The Convener: We have talked a lot about going in at a young age. Protected characteristics have been mentioned, but age has not been. How does age fit into the whole picture? People might change direction at a later stage in their career. Even young people might choose to do a particular course, start work on it and decide that it is not for them. Students might change their choices or change their understanding of what they want to do. Later in life, people might decide to change career. How does age fit into this discussion? Who would like to comment on that?

Shona Struthers: Although the college sector focuses predominantly on young people, it encourages adult learners and women returners in particular. It is one of the only avenues for encouraging women back into the workforce.

I recall that, back in the day, we used to have women's technology centres. I do not know whether anybody here is aware of them. I served on the board of one of the centres. They encouraged women from regeneration areas who had no qualifications at all and did not have the confidence to go to college or anything. We are making an assumption that women returners will go to college, but some of the groups that we need to reach are harder to reach. I do not think that there are any women's technology centres left, which is a shame. They offered low-level qualifications and got people back into studying. After that, the women studied more and got further qualifications or they joined the workforce.

However, the college sector is certainly an avenue to encourage returners and adult learners—and also to reskill and upskill people. If people are made redundant in their 40s or 50s, there are sometimes no obvious avenues for them. It is vital to keep the college sector open and available to adult learners and not just to young people.

Talat Yaqoob: Colleges are a space where that happens now, and we can take a lot of good practice from them. On the City of Glasgow College women into engineering HNC course, there are young women who are 18 but also women who are 40 or 50 and are having a career change. That is a good example.

There needs to be a focus on young people coming in, but we also need to consider Ash Denham's comment that people cannot be what they cannot see. If they do not have women role models, they are less likely to stick around.

An example of the work that Equate Scotland is doing is our women returners programme, which is for women who were in the STEM sector but who left for various reasons, such as that they found the environment hostile or they could not continue to work with caring responsibilities. We are

providing paid placements with employers to get them back into work and contributing to the STEM sector once again.

It is vital that we take a whole-pipeline approach. For there to be demonstrable change, we need to ensure that, rather than focusing only on 16 to 21-year-olds or the early years, there are interventions throughout the pipeline over a period of time.

Gillian Martin (Aberdeenshire East) (SNP): I have a short supplementary question about apprenticeships, which have not been as good as they could be at attracting women. Given what we have just heard about older women returners, it is surely an open goal to get people to understand that apprenticeships are not just for young people but for older people, too.

Katie Hutton: On the point that apprenticeships have not been as successful as they could be, they are jobs with training, so they reflect what is happening out there in the world of employment. We must also remember that, in the way they are funded, particular sectors are prioritised for economic reasons, and some of those sectors are ones that traditionally boys have gone into, such as engineering and construction. Apprenticeships follow the jobs that are available and, as we discussed, fewer girls apply to do engineering and construction because of attitudes that are formed much earlier.

That is why we have published our equalities action plan and undertaken a lot of work on that. For example, we work with Equate Scotland and we funded the this Ayrshire girl can campaign with Ayrshire College. We are trying to stimulate a lot of activity both in the school system—we are working with Education Scotland and partners, and we believe that other education partners need to keep taking that work on—and in apprenticeships.

You will know that last week was Scottish apprenticeship week, and we thank everybody who participated in that. It was much appreciated. The iconic images of girls that you will have seen at Waverley and Glasgow Central stations are part of our work to break down the belief that girls can only do the five Cs, as people call them—caring, cashiering and all that stuff. It is about trying to break that mould.

Out of all our starts, about 20 per cent of the funding is targeted to older age groups, and it is targeted to engineering and those kinds of occupations, so the same issues apply. That is symptomatic of the labour market and the attitudes that are formed, and that is why we have the figures that we do at present. Those things have to change, and that is why we are working with a

range of partners to address the underlying issues.

10:30

Dean Lockhart (Mid Scotland and Fife) (Con):

I want to follow up on the pay gap for different age groups. Recent data that we looked at indicates that, in Scotland, the pay gap disappears for women in the 30 to 39 age bracket—in fact, there is a positive gap of 0.4 per cent. Do the witnesses recognise that from the data that they have looked at, or have they come across that anecdotally? It is the only age group for which there is a positive pay gap. After the age of 39, a negative wage gap—of 8.8 per cent in Scotland—reappears. If you recognise that, what are the reasons for that apparent spike of equality for that age group, which falls away after the age of 39?

Shona Struthers: I do not have any specific data on that pay gap, so my comments will have to be anecdotal. Perhaps flexible working patterns are not there for women returners so they are not encouraged to come back at the same level in the workplace. However, that is purely anecdotal.

The Convener: As there are no other takers on that question, we will move on.

Gordon MacDonald (Edinburgh Pentlands) (SNP):

I have a quick point on STEM subjects. There have been a couple of comments that we need to deal with the attitude problem and get people at a young age, and that we need role models. The majority of nursery and primary school teachers are female, and about 50 per cent of secondary school teachers are female. Is it a cultural issue, or is it because the people who are teaching our youngsters have not raised their horizons or dealt with the problem because it is not a priority? How do we deal with the issue when, for most of their education, the youngsters' role models are female?

Talat Yaqoob: When the majority of nursery, primary school and secondary school teachers are female, having them as role models is a cultural problem, so those issues cannot be separated out. Women are more likely to pursue jobs that are about care or that involve children, and the natural consequence of that is that there are more women in those roles. If you ask children who looks after them, they will refer to the women around them, so that is a cultural problem.

That comes back to another point that I made. Although we are, rightly, working and focusing on STEM for the sake of economic growth, we cannot ignore the other side. There is a disproportionate number of women in care work, nurseries or teaching and we should be elevating those careers and valuing women's work. Also, similarly to the way in which the gender action plan is

working, we should be getting men into those roles and getting them to take on a level of care responsibility and to be involved in caring, whether that is in teaching or as a parent. That is fundamental to tackling occupational segregation.

Gordon MacDonald: Written evidence that we received said:

“females whose degree subject had been in mathematics or sciences earned more than their male counterparts. This points to the importance of encouraging girls to study such maths and science subjects at school and university.”

Are the teachers not doing enough signposting, or is that not their role?

Talat Yaqoob: It is absolutely their role to do more signposting, but they need to be supported to do that. Before we point our fingers at teachers and say that they need to do more, we must support them to do that in the first place, whether that means training, tackling unconscious bias, working with careers guidance or taking a more strategic whole-school approach. Teachers can do that only if they have the training and the backing to enable them to do it.

Katie Hutton: I agree. That is the whole purpose of the improving gender balance approach that we are taking with schools, which is about supporting teachers to challenge their assumptions and unconscious bias. Nursery care has been mentioned. In looking at the numbers and who is involved in childcare jobs and apprenticeships, one thing that we challenge—one of the barriers—is the cultural attitudes of parents; they are sometimes not happy about a man working with young children. That is part of that wider cultural thing that we have all talked about today.

Shona Struthers: I draw the committee's attention to the points in the submissions from Colleges Scotland and the Scottish funding council on the gender action plan. The five key elements in that plan could be used holistically right across the areas that we have talked about, such as influencing the influencers; parents and teachers; staff in colleges, schools and universities; employers, who have a big part to play; and current students.

Having ambassadors would help. We should deliberately take something that we do not expect to see because we are culturally biased and promote it to raise awareness and tell others that they can do it even though it might be ingrained in them that they cannot. For example, we had a female in construction who received a medallion of excellence in a WorldSkills UK competition. When a female does particularly well in such an area, we need to promote that and raise awareness. A lot of the bias goes right through our society and we do

not think about it until we do something like that and realise just how ingrained it is.

Andy Wightman: What views do members of the panel have on the kind of initiatives that the Scottish Government has taken and is taking—for example, the fair work convention and the Scottish business pledge—that include elements of closing the gender pay gap, but perhaps not as robustly as they might? The evidence from Engender Scotland says that the questions around gender balance and diversity in the Scottish business pledge are “almost meaningless” and the evidence from Talat Yaqoob’s organisation, Equate Scotland, talks about the Scottish business pledge and the fair work convention having the capacity to do a lot more. Would anyone like to reflect on that?

Talat Yaqoob: Although the Scottish business pledge is well intentioned, it does not give businesses enough to work on. I can see it only as an introduction to the topic—that is what the Scottish business pledge feels like. There is space for it to be bolder.

The aspect of the pledge that is about gender is about balancing the workforce. Businesses sign up to that and say that they will do something about it, but are they asked for a strategy? Is there accountability as to what they are doing to create a balanced workforce? Is there monitoring and evaluation? Will anybody check to see that businesses are doing what they pledged, and ask the women who work for those employers whether that action is making any difference?

The Scottish business pledge cannot be seen as anything more than a soft-touch introduction. A lot more and bolder intervention is needed if the pledge is going to do what was intended. What exists is vague sign-ups. We need targets and specifics on what is expected from employers if they sign up to such a pledge.

Andy Wightman: To be clear, are you suggesting that those bolder ambitions could be embedded in the Scottish business pledge?

Talat Yaqoob: They could be. As it stands, I do not have any evidence, despite looking for it, that the Scottish business pledge has moved things in the right direction to create a balanced workforce. I do not know where the evidence would come from or how data collection is being carried out on that. If the Scottish business pledge is to be an intervention that will create change, it needs to be specific, target-driven and bolder, and it needs to have accountability, monitoring and evaluation as a core part of it.

Andy Wightman: You also say in your evidence:

“There is space for ... the Fair Work Convention to have a bigger impact”.

Patricia Findlay, who I understand is the academic adviser to the fair work convention, was a witness last week, and she said:

“This is a very prominent part of what we do”.—[*Official Report, Economy, Jobs and Fair Work Committee, 7 March 2017; c 30.*]

Talat Yaqoob: We agree with the points in the submissions from Close the Gap and Engender that we need a national strategy for tackling the pay gap that is similar to the Scottish business pledge. In this evidence session, in response to every question, we have talked about the complexity behind the pay gap and the fact that we need interventions right across the pipeline. We have the women in work index, the fair work convention and the Scottish business pledge. We have lots of interventions, but they are not necessarily coherent or strategic, and they do not present themselves in a way that means that employers can look at them and know where to go for support or what change to make. We therefore completely back Close the Gap and Engender in calling for a strategy that brings those things together in a coherent, specific and target-driven way.

Andy Wightman: Do you think that there would be a role for further legislation as part of that strategy, or should we inquire about that elsewhere?

Talat Yaqoob: There could be a role for that, but I would refer you to Close the Gap for advice on that.

Tanya Castell: I support what Talat Yaqoob has said and think that we could go a lot further. I will not repeat what she said, but I whole-heartedly support it. As I said earlier, we need to provide the rationale that helps businesses to understand that this is ultimately a benefit to them, not a pain in the neck, and that they will get a result out of it—that it is not just about being fair but that, ultimately, it is better for Scotland. Too often, people are not aware of the difference that getting diversity of thought into organisations can make. It therefore makes sense to emphasise and push that perspective.

Shona Struthers: The gender action plan that the Scottish funding council has just rolled out across colleges and universities is embedded in their outcome agreements and is picking up all the points that have been made. It is a strategy, it is measurable, it is specific and it is there to see. That is what you need.

Andy Wightman: Tanya Castell talked about the need to make employers aware of the evidence of the benefits to the Scottish economy—indeed, any economy—of having

greater diversity. Is that evidence in a format that would make it easy to convince employers, or is it too generic and macro?

Tanya Castell: It is hard. There is clear evidence that diverse teams perform better and that having different perspectives makes them more creative and innovative. We are talking about actual businesses and commercial organisations. The research shows that there is a high correlation between better performance and having more diverse teams at the top, although we cannot prove a direct connection. A lot of research has been done by McKinsey and Company and Credit Suisse that shows that a company improves its profitability if it has more diverse management teams and boards.

The research is relatively compelling, but we cannot say that it is absolutely the case, because there are two elements. First, there is a diverse board but, secondly—going back to something that we have talked about—it is the culture of the organisation that enables it to have a diverse board. Also, in the context of the gender pay gap, if a company has a better culture, people want to stay. We have talked about the drop-off among women at around the age of 39. Research shows that women get to a stage at which they do not want to be in the workplace and just step out. I stepped out of my full-time exec career in my 40s because it was not the way in which I wanted to play the game. I did not want to work 24/7 in such an aggressive environment.

There are two elements. Yes, a company with a diverse board performs better, but that could be because the culture of the organisation is different, which leads to a better quality of organisation and a better output.

Andy Wightman: In response to my question, you have talked about the evidence relating to management and boards, but that is a tiny fraction of the workforce. If that is the most compelling evidence, it is not going to do much for—

Tanya Castell: It is not the most compelling evidence. As I say, there is research to show that a diverse team will come up with better outcomes, although research that has tried to measure the diversity of organisations has tended to focus at the top. I would argue that, if there is diversity throughout an organisation, its performance will be even better. In trying to make a compelling economic argument, we have to look at the bottom line. I guess that a lot of the research has focused on whether diversity at board level makes a difference, but there is other research that shows that any diverse team performs better.

10:45

Talat Yaqoob: Equate Scotland's work is all about making the business case. However, we also need to understand that there is an equalities aspect to social responsibility. I would not want it to be based only on the business case, because an act of social responsibility needs to be involved as well.

We talk about both sides when we talk to employers. Most of the time, we are talking not about boards—other organisations do that—but about diversity in teams. It works especially well when we talk about diversity in technology and engineering companies, because they create things for a customer base that is more diverse than their team.

I will give an anecdote to explain that. Apple produced the HealthKit, which was an all-encompassing health check that looked after every part of a person's health and body. However, an all-male team produced it and they forgot menstruation and reproductive checks. They forgot that those existed, even though the app was intended to check a person's whole health. Such instances are about reputation as well, and that did a lot of reputational damage.

We tend to pull out that example as often as we can. In tech and engineering, it is easy to talk about the need for creativity and diverse minds when the customer base is diverse.

The Convener: Some of us may be sceptical about what use such apps are for health anyway.

Katie Hutton: The Scottish apprenticeship advisory board's group on equalities has said that it will work with us on selling the message in a believable way that colleges will accept. We have run some things past it and it said that it would work with us on providing the message in a way that is meaningful to employers. That is the stuff that Talat Yaqoob was talking about as well. It will be part of that group's work going forward.

Bill Bowman: Tanya Castell said that there had been research by McKinsey and Credit Suisse on diverse boards performing better. Did they identify the companies where that was true so that we could see that they were outperforming the markets, for example?

Tanya Castell: I would have to go back and check whether Credit Suisse listed the companies. It was a 2012 report that examined the return on equity for listed companies. The McKinsey report was about 389 companies; I am trying to remember whether they are listed in the back of the report. Certainly, McKinsey knows who they are. They are from across Latin America, the US, the United Kingdom and, I think, Canada.

Bill Bowman: If you have that information, why is it not out in the market? Why are the fund managers not using it to improve the performance of their investments?

Tanya Castell: I am not sure that I want to go into the fund management space. There is a lot of debate on fund managers now.

Bill Bowman: Is that not fundamental to considering a company's performance? We have to look at the shareholders' return.

Tanya Castell: It is one aspect and that is why Credit Suisse did it.

Bill Bowman: However, it does not seem to have been brought out into the daylight.

Tanya Castell: Those are only two reports. There are a lot of different ones. Catalyst has issued reports about the matter. A lot of people have tried to build the evidence base. They have to do correlations because, clearly, multiple factors, of which diversity is just one, impact an organisation's performance and profitability.

McKinsey considered ethnic diversity and gender diversity. Within the sectors, it examined what happened if a company had a diverse management team or board. It found that the return on equity improved by roughly 10 per cent if the company had gender diversity in the top quartile. It is interesting that, for ethnic diversity, the increase in return on equity was 35 per cent.

Bill Bowman: My point is that that does not seem to have stepped into the active investment management market.

Tanya Castell: Some people are aware, but it is only one factor. It is not the only factor that will promote performance because regulation changes, markets move and commodity prices move, for example. There is more discussion about it. Perhaps your question says something about the fund management industry.

Talat Yaqoob: Perhaps part of the reason for that not being filtered down is that, as Jackie Baillie pointed out, our economy is made up of small and medium-sized employers, while all that data is about very large employers. When we talk about the business case and the impact of diversity, we need reports on and analysis of smaller, more accessible employers and the impact that diversity can make there. Such information would make our case a lot stronger, and it might be read and taken on board by a lot more employers, which would make our job a lot easier. When I look at the McKinsey report, I can see that it looks at very large employers, in which we can identify where a lot of work is already happening.

Richard Leonard: I want to return to the point about the gender equality plan. The five Cs have been mentioned a number of times in the evidence session. In my experience and, I am sure, that of a lot of other people, in the public sector two of the five Cs—cleaning and catering staff—are quite often outsourced and therefore do not always come within the scope of a proper gender pay evaluation. Is that the case with those gender equality plans, or is account taken of the fact that people might have different employers but are performing those jobs?

Talat Yaqoob: Do you mean how can the public sector and Government hold the organisations to account, because the staff are employed by somebody else?

Richard Leonard: Yes. My view is that a responsible public sector organisation would include those lower-paid workers, albeit that they might be employed by different outside agencies. Is that what is happening here?

Shona Struthers: I do not have that information with me today, but I could look at the college sector and see whether that is how it calculates it.

The Convener: That might be a point for all the panel members. If issues have been raised on which you would like to respond in writing—perhaps because you did not anticipate the question, or you did not have the detail at your fingertips—please feel free to do so. Indeed, the committee might write to you with a few additional questions or perhaps for clarification.

Shona Struthers: Something that has been discussed with colleges recently is living wage accreditation. That takes in Richard Leonard's point about low-paid roles such as cleaning and catering, and making sure that, at the very least, people are being paid the living wage. The college sector is actively pursuing that.

Katie Hutton: I agree. We are a living wage accredited employer.

The Convener: We are coming to the end of this session, so I thank all the panel members very much for coming in.

I am sorry; Gillian Martin wishes to ask another question.

Gillian Martin: Thank you, convener. I was feeling a wee bit panicky there.

We have talked about the business case around having more gender equality in a lot of areas. More women are studying STEM subjects in universities, colleges, schools and so on, but they are not staying in STEM jobs, so there are issues around the workplace. We have highly qualified women who fully intend to have their careers in

STEM, but they are dropping off. What do you see as the issues there?

Talat Yaqoob: According to the “Tapping all our Talents” report by the Royal Society of Edinburgh, 73 per cent of women who graduate in STEM subjects do not stay in STEM industries in technical roles. That is a huge drop-off, which has an impact on creativity and also on our investment in those young women by universities and colleges.

When we have done data collection from those very women, we have found a range of issues. One issue is the lack of part-time flexible work in those industries. We work closely with employers to help them to pursue flexible working and part-time work. It is a struggle; there is not enough quality part-time work available in those sectors.

The second issue is something that we refer to as microaggressions—the everyday hostility that can be faced by the only woman in a male-dominated environment. For example, we hear anecdotes from women about the presumption that, because they are women, they will take the minutes in a meeting, they will go and get the lunch, or they have caring responsibilities for which they will need to leave. That is the drip, drip, drip effect of casual sexism, the impact of which is that women leave the workplace.

Another aspect is the lack of progression routes. Someone might stay in the sector for five years and notice that while those around them are progressing they are not being given the challenging projects or the progression opportunities.

There is a lack of progression and promotion, a hostile work environment and microaggressions, and a lack of quality flexible work in the sector.

Gillian Martin: To return to the business case, losing good staff is bad for business. Do you agree with the message that flexible working is not necessarily a cost to a business but a way of retaining talent? Shona Struthers mentioned having flexible working and job sharing in place as the norm.

Katie Hutton: Absolutely.

Talat Yaqoob: Absolutely.

Professor Hogg: It is not just about having those policies in place; it is about having a culture where they are acceptable and people want to take them up. You can have a very good policy, but that in itself will not be good enough if the culture in the workplace is such that people do not feel encouraged to work flexibly or think that if they do they will be marked out as different. It is the culture in the workplace that is important, rather than the policies that organisations have.

Shona Struthers: You might even have to take positive action to create joint roles. The funding council’s submission talked about having a joint director role for two females to share who perhaps have caring responsibilities. It is about doing things deliberately to get away from issues of inflexibility. As Professor Hogg said, it is not just about having a policy; it is about doing things that show that you are willing to be flexible.

Gillian Martin: I presume that it is also about saying that flexible working is not just for women, which would help with that culture.

Katie Hutton: Absolutely.

Talat Yaqoob: Absolutely.

Shona Struthers: Absolutely.

Professor Hogg: We are very clear that everything that we do in my university benefits the whole university community. It is not just women who have caring responsibilities. We put in place lots of interventions that help both men and women and try to ensure that the culture supports family-friendly working across the piece so that it is not just seen as a woman’s thing.

Gillian Martin: I will be quick, convener. To return to what Bill Bowman said about evidence for business performance, is anyone aware of any evidence around the unseen costs of businesses having to recruit staff because they are losing people as a result of not having such policies in place?

Talat Yaqoob: We are working with Skills Development Scotland to put together a best practice guide on these very issues for the tech industry. I am afraid that I do not have it to hand, but I will send it to you directly. It is about the cost of recruitment, training and getting somebody at the same level as somebody who was there for two years before they left. We have that data with reference to the tech industries.

The Convener: Thank you. I suspend the meeting before we move to our next panel of witnesses.

10:58

Meeting suspended.

11:04

On resuming—

The Convener: I welcome our second panel of witnesses. Thank you for coming today. In no particular order, we have with us Tricia Nelson, who is a partner in EY; Debbie Crosbie, who is the chief operating officer and an executive director in the Clydesdale Bank; Gillian MacLellan, who is a partner in CMS Cameron McKenna LLP; and

Debbie Miller, who is the inclusion manager at the Royal Bank of Scotland. We will start with a question from Bill Bowman.

Bill Bowman: If any of the witnesses were here for the previous panel, they will know that we like to ask about the basis from which we draw the statistics. Do you believe that there is a defined set of agreed statistics on female economic activity in Scotland and the pay gap?

Tricia Nelson (EY): I listened to the session with the previous panel, which was useful. I concur that, when a lot of the data is based on full-time, permanent employment, it is not as inclusive as it could be. I am not yet confident that there is a definitive body of data, but I am hopeful that we are about to embark on getting that.

Debbie Crosbie (Clydesdale Bank): I concur. The data question is important, and the changes that are coming to pass offer a great opportunity to start gathering it. The more that organisations can be encouraged to provide data to give a baseline, the better. It is important that, when companies publish data, they are forced to talk about the improvements that they will make on data. That will make the situation much less confusing, as different people tend to present different figures. Industry has lots of experience of being forced to publish data to certain standards, and there is no reason why we should not take this good opportunity to standardise as much as we can. For me, it is about improving the data, not just publishing it.

Gillian MacLellan (CMS Cameron McKenna LLP): One thing that we often see on this subject is that there can be death by statistics. Is there one set of data for Scotland that is comprehensive enough? The answer has to be no. As Debbie Crosbie said, we have legislation coming in and it could be a turning point, but people will have a huge amount of discretion in how they comply with the legislation and how they report. Therefore, it is incredibly important that there is guidance to give employers clarity and so that there is a level playing field on how people report, which will allow like-for-like comparisons to be made.

Debbie Miller (Royal Bank of Scotland): I agree that what we will see next April will be a start. Transparency is good, but the way in which we are being asked to report—by legal entity—will complicate things. For example, from an RBS perspective, it will be really difficult to define the border between Scotland and the rest of the UK—and, indeed, our global position. The measure is a start, but more work will have to be done on the back of that to interpret the data.

Bill Bowman: We will probably rely a lot on the Scottish Government's statistics, but do the large consulting companies have their own global

databases and some more information that might be useful to us?

Tricia Nelson: I think that you are looking at me. For us, the gender pay gap is an output. It is one measure in a much broader conversation. When we look at our data, which we are happy to share with the committee, we use different lenses for things such as background, disability, education and LGBT issues. Those are all really important aspects, and gender pay is one part of that.

There is a body of evidence, including the World Economic Forum research and information from our women fast forward campaigns. We will happily provide all that data after the meeting. However, the broader discussion is important. Gender is one aspect, and I believe that the gender pay gap is an outcome. I am happy to talk about the things that can be done to avoid having that gap in the first place.

Debbie Miller: I agree. There is a danger of looking at the issue in isolation. When we started work on the gender pay gap, it was very much about improving the balance of women at the top. If we start to look at the data on all the various component parts, that is where it will become helpful and meaningful.

Debbie Crosbie: As important as the data is, the commentary on people's commitment to improve is far more important. Lots of large organisations can use different methods to present data, no matter how clever the Scottish Government wants to get or how specific it is. The nub of the issue is really in forcing people to talk much more specifically about their action plans for improvement and in tracking their commitments to improvement.

Richard Leonard: To follow up those points, I have a question for Debbie Miller. Are you suggesting that RBS will publish data for Scotland and data for the rest of the UK, or will you produce one set of figures for the whole company?

Debbie Miller: At the moment, we are working through an analysis. We are well ahead of the curve and have had sight of our first set of results, which—as you will appreciate—we must share with internal stakeholders first.

As per the guidelines, we are required to report by legal entity, which often does not correlate well with how our organisation is constructed or with things that mean something to you, me and the public. Do we have the option to cut it in different ways? Yes. Will we do that? We will wait until we have the whole story and then see what is most meaningful to people out there. As was said earlier, the narrative that supports that will enable us to paint an accurate and transparent picture of

not just what the gap tells us but what we are doing to address it.

Richard Leonard: However—this point has already been made—it is important that the stats are presented in a consistent way, otherwise it will be impossible to make cross-corporation comparisons, which is what we need to do.

Let me turn to Debbie Crosbie. I visited Clydesdale Bank a couple of months ago and met the senior managers and Unite the union. I was introduced to what I thought was some quite pioneering work that the bank is doing with the trade union in reviewing its annual pay settlements and putting them through a kind of gender equality audit. Will you talk about that work?

Debbie Crosbie: Yes. For some time, in advance of the gender pay gap reporting legislation coming in, we have been committed to doing gender equality pay audits. We share the data and action plans with the union. I am proud that we are being proactive in that regard. Having said that, I can assure you that, if board directors had to commit personally to the commentary, they would be much more interested in it than they would be if that was happening at a lower level. That would ensure that all organisations were facing into the issue in the same way.

We have made a good start, and I encourage all organisations to take the steps that we have taken. Nevertheless, proud as we are, if we are to get the issue on the agenda we need to force accountability on the board and ensure that the board directors commit to seeing things through in a meaningful fashion. That is about taking actions that count, not presenting statistics that show the organisation in a light that is convenient for whatever public face it wants to present.

Richard Leonard: May I press you for a bit more detail on the pay audits? As I understand it, the approach is built into the collective bargaining process with the trade union.

Debbie Crosbie: Yes. When we go into our pay negotiations, the audit is part of that. We are committed to being transparent on the audit, its outcomes and, of course, the actions in that regard.

Gillian Martin: What business benefits have you seen as a result of taking that action?

Debbie Crosbie: It is difficult to draw a specific correlation. There are lots of studies—a number were referred to by your previous panel—that suggest that, when an organisation has a culture of inclusion, wants to do the right things and wants to encourage talent and great people to stay with it, that is good for business. It is important that organisations—from the top and right through the senior management—believe in such an

approach, because there are plenty of studies that show contradictory evidence. As one of the largest employers in Glasgow and in Scotland, it is important that Clydesdale Bank has a culture of inclusion at the heart of what we do.

I was interested in the questions about why the discussion is not more prevalent among fund managers. Having just finished a round of investor meetings, I can tell you that more and more fund managers are becoming interested in the cultures of organisations and how inclusive they are. Fund managers are challenging us on how diverse the board is, and they are asking a lot of questions about not just gender diversity but the skill set, experience and capability of the management team. We need to see “capability” in the broader sense, with reference to diversity, experience and the culture that we are trying to promote in the organisation.

Debbie Miller: We have continued to make progress on investors in RBS, and our pipeline has increased by 12 per cent in the past couple of years. We are still dealing with legacy issues but we are making money. Last year, we got our first investor, Pax Ellevest Global Women’s Index Fund, purely on the basis of our gender work, and, at the tail-end of last year, we were approached by Bloomberg, which is another organisation that appeals to the investor market. The way in which it shares the evidence of what employers are doing is very much about attracting potential investors. The issue is now on our radar, and we are very encouraged by what has happened with Pax Ellevest, but, by the end of this year, we would like another investor to sign up to us purely on the basis of our work not just on gender but on the wider inclusion agenda.

11:15

Gordon MacDonald: Do you think that the women in finance charter will support the pay gap reduction?

Debbie Miller: RBS was one of the early adopters of the charter when it signed up to it last year. Indeed, signing up was very easy for us because we have targets in place, we have an executive sponsor and we are transparent about our targets.

Going back to an earlier point, although the charter will help to close the gender pay gap, the gap itself is an outcome of doing the right thing. Having a compound and integrated approach to treating our people how we would want to be treated will help to address the pay gap, the STEM issue and the need to get a better balance of women at the top of the house. Having that transparency will help, but it is not the only thing.

Gordon MacDonald: Is the charter strong enough? For example, it asks companies to sign up to the “intention” to ensure that senior team pay is linked to gender diversity. If it is not strong enough, should we have a charter of our own, given the importance of the financial sector to Scotland’s economy?

Debbie Miller: That is something to think about. Our targets are linked to pay. For example, we have three people measures, one of which is gender balance, and there is a direct link to the pay of our CEO and those on our executive committee board.

You are right to observe that, as far as people’s responses to it are concerned, the charter is open to interpretation. Some organisations have chosen to be overt, while others have been less so. Indeed, we have fed back that point. I think that what you suggest could help as long as it drove the right behaviours.

Gillian MacLellan: I am not speaking for a particular financial services organisation, because we act for a lot of financial organisations, so I can perhaps take a step back here. The fact that the charter has put the issue in the headlights and increased people’s focus on it must be a good thing. You could say that its language is not the strongest, but those who have signed up to it are, from what I have seen, doing more and making the commitment. The charter is almost a signal, showing that they are moving forward. They then put some resources towards the issue and do something more concrete.

Gordon MacDonald: Do you have any indication of the number of financial companies that have signed the charter?

Gillian MacLellan: That statistic will be available, but I cannot give it to you today.

Debbie Crosbie: I believe that, to date, 71 firms have signed the charter. Clydesdale Bank is going to join them soon.

Look—I think that these things are positive, but you have to be very careful. If they are not strong enough, they can offer large organisations good things to talk about without their actually changing what they are doing. I will encourage anything that promotes awareness of the issue, but you have to be careful and encourage those who sign up to make a full commitment, which must be monitored, managed and earned. If you do not do that, you will simply allow firms to talk about the things that they are doing without their making a difference.

Tricia Nelson: Anything that makes the conversation more open, transparent and permissible and that encourages women and men to have this debate, conversation or whatever is

really positive. I agree with Debbie Crosbie that it is not good to have soft measures that can be used just as good public relations. There is a clear distinction to be made between very specific, action-oriented measures with measurable outcomes, which we can talk about, and good PR, which is just about saying the right thing. There is a lot of both, and I want us to spend more time seeing the wood for the trees.

Gordon MacDonald: How would you strengthen the charter without discouraging companies from signing up to it?

Tricia Nelson: I have listened to this morning’s evidence session and the questions on quotas and enforcement. I am a change person by background. If something is forced, it will get a result but that result will be short term. It will not change the DNA of who we are as a country and what we stand for. It will not change the way in which every man, woman, child, teacher and nursery care giver addresses the challenges of all formulae resulting in a form of gender pay gap.

As was mentioned earlier, there is a difference between equality of pay, which is a legislative matter, and gender parity, which is a much broader issue. I encourage the committee to be clear about that difference with everyone that it talks to. I constantly see confusion between the two. I am not saying that the one is completely dealt with by legislation, but they are quite different things.

Debbie Crosbie: That is very important. Equality in pay can be dealt with much more straightforwardly, and it is important to make progress and lead with what is tangible, as that will start people thinking about things differently.

It is my strong view that, if you legislate strongly and encourage people to think carefully about the importance of women being paid equally for undertaking similar roles, you will open a helpful longer-term conversation about the much more complicated issue of why women do not have the same level of ambition to find themselves in more senior roles. Structuring the conversation to deal with some of the immediate issues may help to build traction on the much more complicated issue.

The Convener: How do your companies or organisations approach your business as a whole? We have representatives from two of the major banks here. Decisions on local bank closures and the centralisation of banking services in terms of the physical location of the workforce may be taken for business reasons, but what thought does a bank give to the consequences of those business decisions for its workforce and the accessibility of jobs to women and, indeed, men? Those consequences may apply to employees

who are not at the top of the corporate structure but are in other roles.

Debbie Miller: That is a good point. It is about not just the women who are at the top but the full organisation. The other point is that it is not about fixing the women. Time and time again, we hear people ask what we are doing to fix the women. It is not about that; it is about fixing society and the culture. Within RBS, we have an organisation-wide gender plan that looks at all our processes and practices—everything from organisational design and leadership development to engagement and reward.

To answer your question on bank closures, as part of our organisational design test we have a question on how the design has had a positive impact on the gender balance. It is part of everything that we and our leaders do in making decisions. There is governance in place on resourcing to ensure that there are women on shortlists and interview panels. It is threaded through all our people processes and it is led and role-modelled from the top down, all the way through the organisation.

Debbie Crosbie: We have far more women than men in junior positions. Throughout the role profiles, the more senior the roles, the fewer the women.

As you would expect, whenever we are involved in job losses, we go through a very considered and structured process to make sure that we offer people opportunities regardless of gender or location. The bank is also trying hard to make sure that we promote women through the ranks. As everybody said in the earlier evidence session, it is difficult to get women through the more junior and middle-management roles into senior management and onto the board. We put a lot of effort into that, as it is a complex issue.

We offer flexible working, too. I am a great example of that in that I am a main board director of the bank. I spent five years of my career in the bank, and I think that I was the first executive to work part time. I worked part time in a real job—I ran IT when I worked part time. The bank was incredibly forward thinking and supportive in allowing me to do that, but, in reality, it is challenging for people. Offering flexible policies is very different from creating a culture in which people truly feel that they are supported and are able to take up those opportunities. It is really important for large organisations not just to have the policy but to enable people to work in that environment.

The Convener: I was more interested in the structuring of the business and how that affects people's ability to partake in the jobs that are available.

Tricia Nelson wishes to come in.

Tricia Nelson: I will build on Debbie Crosbie's point rather than answer your specific question, convener, although the issue of flexible working covers both, in a sense.

We are now going to measure the gender pay gap, which is an outcome. It will be a point in time, and there will be forced reporting. That will be one degree of visibility. In EY, we have been tackling the issue for a number of years and there have been a number of campaigns and positive interventions around moving women through their careers, from when they join us—it used to be as graduates, but it is now as school leavers and apprentices—all the way through.

Flexibility can be used as a PR campaign, but it is brought to life by the fact that 84 per cent of our staff who were surveyed recently work flexibly—the number can range vastly. Flexibility can mean someone feeling empowered and that they have the right and the ability to do their job in the way that they feel it can be done while still being in a framework in which they are supported and progressed. That could be in a client-facing world such as mine, which involves having conversations with peers and other organisations. Gone are the days when work was about someone having their coat on the back of a chair and being physically in an office environment. I have seen my world change vastly over the past six years in that respect.

You mentioned the introduction of internet and mobile working, convener, and your last question hinted at that. Business is changing shape all over the world, including in Scotland, and we have to respond to that with flexible working policies that actually work. I face the same challenge that many of the earlier witnesses mentioned regarding the drop-off of women at particular ages and at a particular level of seniority, and there are specific campaigns targeted at that. I will give you an example. Last September, we launched a campaign called reconnect that was targeted specifically at professional women who had taken a career break of between two and 10 years. That is a really daunting prospect—I am a mum, so I speak from first-hand experience. It involves the person taking a break and then looking to re-enter the professional workspace that they were in prior to having a family or taking a career break for any of a number of reasons.

There are specific things that can be done that will result in staff or employees feeling that they can work flexibly. As Debbie Miller mentioned, it is the organisation's responsibility to structure those opportunities and possibilities around whatever the business needs to thrive and survive. If the business does not thrive and survive, we are on a hiding to nothing.

Debbie Miller: In considering the difference between flexible working and agile working, we must recognise that many people still think of flexible working as working part time. However, in order to address the situation when we were closing branches or relocating, we enabled more than 65,000 people to work from other locations. That meant investment up front in the technology that allowed people to work in a different location. When those unfortunate situations arise in which people are looking at losing their jobs, such an approach opens up far more opportunities regardless of gender, allowing people to consider opportunities that might not have been available before. That is about recognising a broader concept of agile working, as opposed to what we have traditionally thought of as flexible working, and enabling it.

John Mason: On some of the things that Gordon MacDonald was saying and the women in finance charter, quite a lot of the discussion has been around the need to change attitudes, the culture and that kind of thing in the long term. I totally get that.

My question is similar to one that I asked in the previous evidence session. In our party, the Scottish National Party—I think that other parties are similar in this respect—we have changed our attitude. We used to say that since some women have got to the top, other women can, but we have got stuck for a while, so now we are saying that there will be quotas, targets or whatever.

My understanding is that the women in finance charter has a target of having women in 30 per cent of senior positions by 2021, which immediately contrasts with the public sector target, which is that 50 per cent of those on boards should be women by 2020. Should we have targets or quotas at all?

11:30

Debbie Miller: I have gone through a whole range of emotions on targets versus quotas. A number of years ago—in 2012-13—we had an aspirational commitment to get to 30 per cent. I remember that that figure was chosen because it represents the tipping point for culture change, and some of the research on that was talked about earlier. We made some progress and moved above the 30 per cent aggregate level, but we wanted to make the approach more authentic and real for our organisation so, at the end of 2014, we put formal targets in place, which I mentioned earlier. They are linked to executives' pay and mean that each part of our business has to get to at least 30 per cent by 2020 and to 50:50 by 2030.

Do I agree with targets? They have helped to focus leaders on the size of the challenge and the

quantum of change that is required, but the shift in the numbers is down to our doing things differently. Earlier, I referred to the gender plan. We have things in place across the employee lifecycle that help our leaders to do things differently, and we apply consequences where those are not adhered to. That has helped.

I have moved from not particularly buying into the targets to seeing that they have made a difference. The transparency and focus have really helped.

John Mason: I want to clarify something. When you refer to parts of the business, do you mean different sectors or are you talking about a 50:50 split at the junior level and at the middle level?

Debbie Miller: The organisation has a 50:50 target overall—a straight split down the middle. However, as in most organisations, we have a pyramid and the number of women reduces further up. Debbie Crosbie talked about that earlier.

I talked about the different component parts. We have three different franchises in RBS: an investment bank, a retail bank and our private bank. We also have different functions, such as human resources and finance. Everyone on the executive committee has a target to get their part of the business to have at least 30 per cent of women by 2020.

This year, we have done an important thing. There is significant variance across our functions and franchises. As members would imagine, we are really struggling in our investment bank—the challenges are not dissimilar to the STEM challenges that we talked about earlier—and in areas such as HR, we have the reverse challenge. Therefore, our HR chief operating officer has a target in place to increase the number of men in HR. That is about applying the lens in a different way. We need to do that, too.

John Mason: Right. Would you do that with middle management, for example, even though the people in middle management will be in different sectors? Would you aim to have a 50:50 split at that level?

Debbie Miller: That will happen naturally through the 50:50 target. The figure in middle management is already over 40 per cent. By pulling more women through into the senior levels, we will start to see the triangle becoming a rectangle. That will happen by default.

John Mason: That is very helpful. Thank you.

Tricia Nelson: Women do not ever want to think that they are in a position because they are a woman; they want to think that they are the best person for the job.

My organisation looks at what we can do at every stage. We might start off with a 50:50 male to female graduate split—which is easy to measure and easier to encourage—but a drop-off happens, for lots of different reasons, as people's careers progress. We have publicly stated our ambition for around 30 per cent of our partnership to be female. That drives behaviour, but at every level underneath that are points in someone's career when a decision can be made for them. There needs to be that lens—there should be a different conversation about whether there should be a target.

From recruitment, through to performance ratings at year end, to how women are treated pre and post-maternity leave—including women in promotion rounds while they are still on maternity leave—I have very positive examples of how we can change not just the culture, but the way in which other leaders behave and the decisions that they make.

For example, two of the women in my team are HR business partners. They job share, but I could easily have decided not to have that. However, through inclusive leadership training, we encourage our leaders to really put a spotlight on the decisions that they make when they have a chance to set an example through role modelling or physical representation in roles—such as in that example.

There is also the conversation for women who are going on maternity leave, which is when the evidence that we have shows that things drop off. Women are less likely to return and progress their professional careers after that—I see evidence of that around the senior manager or director level. If you have the conversation with women about what they will do when they come back before they go, there is a very physical, stated objective. That may sound simplistic, but those of you around the table who have had a baby probably thought that you knew what it would be like beforehand, whereas actually you did not—you did not know until you joined the club. A woman can think that her world and her career will not change—and she might not want her career to change—but until she is in the position of having a baby, she does not know.

Things like that are less about targets and more about ensuring that we deal with the issues for each woman who is in that situation. We can even take that further to make the parenting debate gender neutral and include men in such conversations—because men who become fathers also go through a change. Having shared parental leave is great progress, but we are nowhere near where we want to be on that.

When we say “targets”, we tend to think about quotas and number on boards. However, I would like us to talk about targets for retention and

returning to work and for people in certain age groups and from lots of different backgrounds.

The Convener: You are part of a huge organisation and you have people thinking about these issues—I presume that you think about it a lot of the time. Can smaller companies learn from some of what you are talking about, or is it impossible for them?

Tricia Nelson: My background has mainly been in small and medium-sized companies and one thing that attracted me to my organisation was some of the things that I am talking about. Over the past six years, I have seen a real groundswell of change in the way that people work and the way that clients work with us. Clients are demanding this now. There is a perception that a lot of organisations do not want to enter into this discussion, but I do not think that that is true. Most of the organisations that I work with look for suppliers and partners in every aspect of the economy who represent society. That is one step in the right direction.

Jackie Baillie mentioned the SME population in Scotland. I think that we could do a lot of partnering. We could learn lessons from small organisations, which sometimes are more adept at offering informal flexible working, which has its own challenges. I would not define businesses with 50 employees and upwards as being small—that is quite large, for me. There are a lot of smaller organisations that can either get help or be helpful.

Some of the cultural imperatives about inclusive, responsible leadership apply as much to small companies as to big companies. From my experience, I would argue that such leadership is harder to implement in big organisations than it is in small ones.

Gil Paterson (Clydebank and Milngavie) (SNP): My question is on a point that John Mason raised and Tricia Nelson answered in part. She said that there was a drop-off when women were away having a baby. What role does childcare have in that regard? There seems to be a drop-off and no progression. How important could childcare's impact be on that?

Tricia Nelson: Childcare is fundamental. However, I have learned that you cannot make somebody's decision for them. What is right for one family unit, no matter its shape—we all know that there will not just be traditional family units—will not be right for another. For example, I work flexibly—I live in Glasgow and I travel—and it is up to me and my partner to figure out what works for us in our kids' environment.

What is really important is what is available for people from a variety of backgrounds and income levels at different stages of their career. That is

still a big challenge. When you work in an industry and you have your first child, for a start you look at how much it will cost—my goodness! There is an awful lot more that we could do from a policy and economic point of view to make it financially attractive to go back to work. I know a lot of women who have looked at the numbers and said, “You know what? Why would I bother?”

We need to break that culture and we need to attract people back into work. I believe that in Scotland we are probably quite far behind some other European countries in that respect, and I would be very surprised if the gender pay gap reporting in Scotland did not result in a workstream of activity.

Debbie Crosbie: I would like to pick up on that vital point. A lot of people tell me that women have made the choice not to come back to work, but the reality of their situation is that they do not believe that they have any other viable choice. Their role means that they would work incredibly long hours, which would cause stress to the family and upset their routine and, because of that and childcare costs, returning to work would not make any sense.

More can be done centrally to provide realistic options for parents. Nobody wants to leave their child in a situation in which the parent cannot be all the things that a parent expects to be and, for far too many women, that choice is too difficult, so they opt out.

Debbie Miller: We can look more broadly. When we talk about childcare, we typically talk about the early years. As a parent of two primary school-age children, I think that the challenges get harder in some ways. There are still a lot of employers who work 9 to 5 or who are customer-facing, and schools are not. We need to consider wraparound care.

Caring responsibility goes further than childcare; because of changing demographics, we have a lot of men and women who look after elderly individuals who need full-time care. The support for them is not strong, not just in Scotland but across the UK. Therefore, we need to consider what we can do to help people with caring responsibilities per se, rather than just those with pre-school responsibilities.

Gillian MacLellan: People make decisions and have an element of choice. We should make sure that people have options and can make the right choices for them. Inevitably, for some people that choice will be to take a step back or to take time out, which is why returnships to bring people back in are so important. It has become almost bad to say that people make choices, but they do—and they have to, for different reasons. Returnships are not something that I see clients implement

often, but they are a fantastic idea. Tricia Nelson and I were discussing that.

Gil Paterson: There is almost a built-in barrier for women. If a person is time-served, for instance, rewards are there because they have spent so many years within the business—rewards are a natural thing that happen. However, because women have domestic expectations placed on them by society, there is a natural break there. The issue is how to overcome that, so that they progress when they enter the workstream again.

Tricia Nelson: You are absolutely right. There is a double whammy: in society and in a couple where the mother in the family chooses to take a different path. Working below skills level is an issue for women when they want to return to the workplace—and the older a woman gets, the harder that is. We all know friends who trained in a career but who, when children came along, said that they could not do it any more because it all felt too hard. The reconnect programme that I mentioned is designed for that issue; it is early days, but it has gone well. It specifically says that it is okay to take a different path.

An earlier debate—it may have been last week; I read some of the transcript—mentioned that there are women who put “entrepreneurship” or “self-employed” or “MD of my own company” to hide a career gap. We want to make it okay to have a conversation about taking a career gap and wanting to re-enter the workforce. We have to make it more appealing for women to say that a career gap was a great time but they are ready to come back, and enable them to ask employers to work with them to make the arrangement flexible enough so that the employer is lucky enough to have their talent. We have to reverse the conversation.

Dean Lockhart: On the point about senior female staff who may not return or may return to a different position after having a family, in the first session, I asked about some figures showing that the pay gap does not exist in Scotland in the age bracket 30 to 39; the gap reappears in the age bracket 40 to 49 at 8.8 per cent.

Anecdotally, and based on the organisations’ internal numbers, is that a situation that panel members see in their organisations? Are there other reasons for that data, in addition to women deciding to have a family and not returning, or returning at a different level in the organisation?

Tricia Nelson: Is that data for full-time employees only?

Dean Lockhart: The data is the pay gap for full-time earnings by age group.

Tricia Nelson: That is part of the issue; hence the point that I made earlier about the data. I have

heard the argument about whether we report mean or median. If we go for median, the figures will be statistically robust but we will miss the outliers. If we go for full-time only, we will only get full-time equivalent; we will not get the richness of the employee spectrum in Scotland. I cannot really comment, but I would love to see the data.

Debbie Crosbie: I am really surprised; that data does not resonate with me. I suspect that the people in that age bracket who are being excluded are mothers who have gone part-time or who are returning. If we included that data, I suspect that we would see a gender pay gap that is the same as for other age brackets.

11:45

Debbie Miller: I agree. In RBS, we are still in the early days of interpretation and analysis as per the gender pay gap guidelines.

Debbie Crosbie: From the early look that I have had at the statistics for my organisation, I do not recognise that situation.

Tricia Nelson: There is evidence that a woman's career slows down when she returns, so progression is another factor that I am keen to look at. A woman might come back on a working pattern that suits them, but we know that their progression through the next senior levels will be slower, so we are trying to speed that up. We are trying to make it okay to have the conversation and actively target different groups and communities.

Dean Lockhart: What things do you see working to support women who return to a full-time position after having a family? What things have been successful in transitioning women back to the same or a similar level to where they were, or to where they would have been if they had not taken a break?

Tricia Nelson: That is a very good question. There are a number of different campaigns. We will follow that up in writing and give you evidence on those, but I will make a few points now.

First, the people whom women are returning to work with are important. We fixate an awful lot on the women, but this is actually a much broader conversation. A woman who comes back to work and progresses through a career with active sponsorship will be working with both men and women. Men are incredibly important in this debate because it is also about them taking action around the person and making it okay to have the conversation about what they are going to do next. They might say that they have toddlers or parents whom they care for but that they are still ambitious. That conversation is fundamental, but it involves culture, and we cannot just send people

on training programmes and change the situation overnight.

Secondly, there are specific things that we do, such as our career watch programme, under which every woman has a specific sponsor. The sponsor does not usually work with her so can come at things objectively and challenge them, because they do not know the norms in the woman's working environment. That approach has proved to be really successful. I have benefited from such activities over the past five years.

We also look at how we resource our client jobs. If a client situation requires a team of 10, 15, 20 or however many people to go and do a job, we ensure that the person who is responsible for compiling the team is looking not just through one lens but looks at BME issues, diversity, gender and flexible working. There is such a lot of evidence that the higher-performing teams are made up of a variety of people. With all due respect, it is not just white men who have degrees in accountancy, technology or whatever who make up the skills base. With diversity, teams will work differently.

There are many different lenses, and—to go back to John Mason's question—that can definitely be applied to small organisations as well. Any teaming situation needs to be rich to get the right outcome.

Debbie Crosbie: Sponsorship is incredibly important, and we should also remember that a number of women who do not have children or who have different experiences also have unconscious bias, so this is not just about men.

Networking support for women is really important. Many women miss out on opportunities because they do not know that they are available because they do not have the same networks—and they may not have the same opportunities to network because they have caring responsibilities. I have seen a number of examples of people becoming aware of opportunities or being introduced to people who can open doors for them through networks, but women—just because of their circumstances—do not have the same access. It is very important to encourage women to find ways to participate within their pattern and which suit their family circumstances.

Debbie Miller: There is no magic bullet; it is about good people management and having the systems and infrastructure around that. People should not treat a woman differently from anybody who comes back after a period of leave, be it sick leave, a career break or maternity leave. It is about maintaining the dialogue—should the individual want that, because some people do want a break. In RBS, we have looked at simple things such as helping people to retain systems

access, because it is automatically switched off—although that does not work for everybody. Getting that through the regulators and suchlike has been quite a challenge, but it is about little things like having that dialogue and providing retraining—whatever is right for the individual. It is really just about good people management and keeping the doors open.

Dean Lockhart: It strikes me that what you are talking about is leadership and is driven by culture, and that we probably cannot legislate for that.

Debbie Crosbie: I would disagree—I think that it is possible to motivate a lot of behaviours. As someone who has been in business for a long time, I know that if you push targets and force people to perform against targets, you change behaviours. That is unfortunate—I would love us all just to have a nice conversation about encouraging training and developing; but unless we want the gender pay gap to still exist 20 or 30 years from now, we need to be much bolder and much more specific. Unfortunately, a bit of motivation is required, which might not involve telling all the good stories. There are occasions on which it must be pointed out clearly that people are not complying with commitments that they have made.

Tricia Nelson: It is about the conversation that we have about the target. The imposition of a target is just one sledgehammer. Culturally, although we can have great people management, we underestimate the extent to which this comes down to individuals. I agree that if we have visibility of performance through a combination of a number of different lenses, one of which is the gender pay gap, and we get underneath that, we will get movement.

Has progress been made? Undoubtedly. Is there a huge way to go? Absolutely.

Gillian MacLellan: One criticism that has been made of the regulations that will come in is that they do not have teeth, because there is not an easy enforcement mechanism. I do not have exact data to hand, but I am sure that countries that have enforcement sanctions in the shape of significant financial penalties, such as France, have not reduced their gender pay gap any more quickly.

There are aspects that it is possible to legislate for, but as was said in the discussion with the first panel, those are the outputs; there is a much broader base below that, whether that is culture or people management, and it is hard to know even where to start legislating for those things. However, there are elements that it would be possible to pick out and build good practice around.

The Convener: I have a question to ask, as a white man who does not have an accountancy degree. I am thinking about the issue from the point of view of small companies rather than the top levels of large companies—a shop that has five employees or a small firm with 12 employees, for example. How are such firms meant to cope with the reality if one of the workforce is away on maternity or paternity leave? The work has to be done, so the employee will need to be replaced and there will be a cost attached to that. Is it realistic to expect such firms to comply with this way of thinking? What is out there to support them? Are we moving towards a society and set-up in which only very large companies can absorb such costs and deal with such issues by having programmes to get people back into the workforce? What is the position for small companies?

Debbie Crosbie: We must be realistic about the level at which we can legislate. We are a bank that supports many SMEs, which tell us that they find the burden of legislation extremely difficult to deal with. I do not know what the right number of employees is, but I think that we need to be pragmatic.

If we set cultural norms not only for very large organisations but for other companies—provided that we are realistic—and do all the other good work that has been talked about today, such as taking positive action, over time, that will become much more the way that we do business. I would welcome anything that we can do to encourage and motivate SMEs to do that, but we must be very pragmatic and realistic about the level at which we can legislate.

Debbie Miller: I agree, but I think that big employers can play a role in helping to change society and helping smaller businesses. RBS has a couple of schemes to help women in enterprise and new entrepreneurs that I would be happy to share information on. As well as helping people to set up their business, we offer support on how they might want to run it, as part of which we touch on topics such as the one that we have been discussing. There is an opportunity for us to affect the direction in which we want the culture to move.

Tricia Nelson: Any legislation that would economically penalise small organisations does not feel right. We need to listen to the voice of the business community on what would work for them. I believe that most small organisations, including those with five to 10 employees or start-ups, will want to comply with legislation but will feel that it is a hindrance if they think that it is overbearing or over costly. However, do they want an inclusive workforce? Small start-ups and organisations are often really rich and diverse because they develop from ideas discussed around kitchen tables or

from “Dragons’ Den” types of things. Doing more to encourage businesses in Scotland and not penalising them through policy would be welcome. I think that the large-business community would be up for helping in that regard.

Gillian MacLellan: There is a communication issue. Organisations such as Scottish Enterprise and the Confederation of British Industry give support for setting up a business that is about looking at all the basics, including accounting processes. Issues such as the gender pay gap should be brought into the conversation at that stage, but they are not. I agree that such policies can be a sledgehammer for a business that is already struggling with legislation and regulation. However, there needs to be a change of culture so that such policies are considered from the start.

Andy Wightman: I will ask a question that I asked of the previous panel. We have talked about the women in finance charter and you have given us some thoughts about the validity of quotas, targets, strategies et cetera. What the Scottish Government has been doing in that regard includes things such as the Scottish business pledge and the fair work convention. Have you any views as to how useful those are and whether they could improve? The evidence from Engender is that the Scottish business pledge is “almost meaningless”. There are also data problems with the national performance framework, which still uses median full-time wages.

Gillian MacLellan: I echo the comment made in the earlier evidence session that the various initiatives do not make up a coherent structure and therefore do not have a huge impact. The only organisations that we work with that pay much attention to the Scottish business pledge are those that are tendering for public sector work and want to be able to tick a box to say that they have done it. However, I would not say that the pledge as it stands has had a huge impact on the client base that we work with.

Debbie Crosbie: That is fair, and I have nothing to add.

Tricia Nelson: My advice would be to have decluttering to make it easy to understand which campaigns have teeth and which campaigns are cosmetic.

Gillian MacLellan: We should not undo the good work that has been done through the business pledge and the fair work convention, though. I have been to sessions where I have seen the fantastic work that is being done in those areas. People are doing an awful lot of work, but they are not doing it in a co-ordinated way, which is a problem.

I am going slightly off topic here, but the Glasgow economic leadership organisation is

doing huge amounts of analysis on why there is a gender pay gap, why women come into financial services and then leave and why women do not come into financial services. Scottish Financial Enterprise is another example of an organisation that is doing a lot of work on those issues, but I sometimes wish that somebody would just join the dots and stop the duplication.

Andy Wightman: Thank you. That was very clear.

Ash Denham: We know that the financial sector has high levels of pay and that it has good opportunities for women, but the gender pay gap is a problem for the sector. The information that we have been given today is that it has one of the widest gaps in that regard. If you were here for the earlier evidence session, you will have heard us talking about workplace culture, leaky pipelines, unconscious bias, micro-aggression and suchlike. The result of all those aspects is that women in certain industries are clustered into particular roles that are often at the bottom and are perhaps administrative. That can mean that they are not able to progress up through their company and are missing out on progression, training opportunities and so on.

In its written submission, one organisation referred to the idea of having a champion to encourage women to progress up through an organisation, with the champion being someone who is at a very senior level or is on the board. Is that happening in your organisations? The idea is that the champion drives the culture down through the organisation and is responsible for bringing in specific, measurable programmes to try to get change.

Debbie Miller: We have a CEO who leads our gender agenda and we also have somebody who leads our LGBT and disability agenda. They sit at our bank’s executive committee level and their actions are very transparent. Those individuals are responsible for helping to develop plans or strategies and their interpretation in the various parts of our business, which will include helping pull-through. It is about having an effect on every part of our processes that touch on people. It is not just about development programmes to move people up; it is about changing culture and attitude.

We have found that having a sponsor helps, as it gives the process weight. The fact that he is a senior person in the organisation—also, he happens to be white and male—means that people listen. However, that is only one of a number of things. Having him in isolation would not shift the dial. As I said earlier, having a compound approach is important.

12:00

Debbie Crosbie: We have similar arrangements on our bank's board. A lot of good work has been done at the board level. The problem is that, for a large number of people, that level is almost unattainable. There has been good progress in relation to non-executive director appointments—somebody referred earlier to the FTSE 100 in that regard. Having sponsorship at the senior level is important, but the issue is also about going into the organisation and enabling very practical changes that allow people to make different choices. Most women do not decide that they do not want to be promoted; they just simply cannot get themselves into a position in which they see that as achievable. They feel that it becomes too difficult. I have a daughter, I work part time and I am on the main board of a bank, and it is incredibly difficult. A lot of those roles demand a level of travelling and a model of working hours that bring a level of disruption to family life that is extremely difficult to manage. Those choices are real for a lot of people.

We are supportive of board-level sponsorship. However, if that is not followed through with very practical enabling strategies that really make a difference to the middle-management and team-leader layers, that almost worsens the problem, because the organisation feels good about the high-level strategy that it is pursuing, but there is no meaningful follow-through.

Tricia Nelson: I would call that activation. We have an active chairman and managing partner in the UK. However, he is not the only one who is involved. If there is no substance below that level, people—clients, politicians and employees—see through it. The points about senior sponsorship and visible leadership are absolutely spot-on. That cannot be just one man or woman; it must be across the board.

The committee is also interested in global examples. I see rich ideas in other countries. Our global chairman takes action in that regard. He talks about his daughters, and that sort of role modelling is very evident. We cannot do enough of that. However, it has to be real and authentic, or people will see through it. There must be lots of programmes that are targeted at various issues and come at them from various angles, involving gender parity and issues outside gender. All of those programmes add up to a bit of a movement, and there will be a correlation between them. You will not be able to say that one piece of work had an effect, but you will be able to see that there was a movement in the right direction.

We have not touched on the issue of education in this panel, although you talked about it with the earlier panel. Our graduate and school-leaver intake gives us one measure of what is going on.

What happens before people in that intake come to us is fundamental with regard to their beliefs about what they can do after that point. I would welcome the involvement of business in the education conversation.

The issue is broader than the STEM subjects. My daughter is in S1, and I was horrified by something in her maths homework. One problem-solving question involved a man being paid more than a woman. She said, "Mummy, look at this. You're going to talk to these people about pay, aren't you?" I said, "Yes, I am. What did you say to your teacher about this question?" She said that the children had pointed it out, and there was an acceptance that that is what happens. I would say that, if there was one little change that we could make, it is that we should change that worksheet. [*Laughter.*] It is only one small thing, but children hear those subtle messages from nursery onwards.

Ash Denham: Earlier, we heard about organisations that undertake public relations or box-ticking exercises to tell people that they are thinking about the issues but do not follow through with anything measurable. A number of you have given us examples of programmes or schemes that are being run in your organisations to try to improve matters. Have you got data on whether those programmes are working? Are you measuring the outcomes and are you seeing any success?

Debbie Miller: Yes, is the short answer. At a high level, we measure the impact on our pipeline to our top three layers. We have evidence of progress for the past two years. The other big measure for us is around employee engagement. Through our annual opinion survey, we measure employee engagement and put numbers to a leadership index. Clearly, the bank had another tough year last year, but the inclusion category in our engagement scores increased—it was the only one to do so. We are now 10 points above the global financial services norm, so we have real, tangible evidence of change.

However, going back to Tricia Nelson's point, we cannot correlate that change with one thing that we are doing; it is down to the total effort of what we are doing to change our organisation. The other important point for us—and, I am sure, for the other organisations—is that gender is just one part of inclusion. We have an equal focus on the disability, LGBT and multicultural agendas, and it is important that you look at inclusion in its entirety.

We can break that information down if it is useful and if there are any other measures that we can share.

Debbie Crosbie: Any large organisation will be able to trot out lots of examples of how brilliantly it is doing but, at the end of the day, we will still have a very large gender pay gap. There is something about picking five or six meaningful points of data, tracking the improvements and holding people to account. I am sure that RBS and I can, equally, trot out lots of great things, but the results speak for themselves. On the basis of the current trajectory, it will be another 50 years before we close the gender pay gap, and that is not good enough.

Debbie Miller: That is a good point. Ash Denham's question was whether we could provide evidence, and my answer was yes. Are we there yet? No, we are not. We are certainly not complacent about where we are, as we know that we have a long journey ahead. It is starting to track, but it is going to be a slow burn unless there is a concerted effort.

Tricia Nelson: I think that there is early evidence, but for me the issue is scale, consistency and breadth. We can give you positive examples, although they are still in the relatively early stages—in my experience with my organisation, they have been in the past five or six years—and other businesses and clients in the UK will have similar data. There is a data set out there, which it would be interesting to look at. Each individual campaign will correlate, as I said, but we really need to test the scalability and commitment of the organisations to see it through.

The advantage of publishing the gender pay gap in the manner that was set out in December is that it will give, for the first time, a degree of consistency and a lens through which we can look at the mean or median. That will definitely make the conversation much richer.

Gillian Martin: I hate to introduce a note of negativity, as you have highlighted so many positive examples of what your organisations are doing, which it has been really interesting to hear about. However, it is acknowledged that the financial services industry has one of the largest gender pay gaps of any sector. Last week, we heard that, even looked at purely in terms of bonuses, it is 83 per cent, which is absolutely shocking. I would like you to say on the record why you think that there is such a large gender pay gap in the financial services.

Debbie Crosbie: Goodness me.

Tricia Nelson: I am not here to represent the financial services sector. However, the examples that I have observed in many industries will be similar, although they may be accentuated in the financial services. I will leave it to the other witnesses to evidence them. The same dynamics will be experienced in any large workforce.

Sometimes, the larger the workforce, the bigger the problem seems to be. Although the gap is bigger in financial services, I think that the challenges are the same as in any other organisation.

Debbie Miller: I do not have a huge amount to add to that. We are working through an analysis and I cannot provide a view on where we are in RBS. There is a legacy or historic issue around the lack of women in senior roles that plays out in the gender pay gap. That is very different from the occupational segregation that we talked about earlier. I cannot point to any one reason why the financial services are different.

Gillian Martin: Is there anything culturally different about the industry that means that the gap is bigger than in another sector, such as education?

Gillian MacLellan: I think that it is more about the people who are in the roles. I do not think that many financial services institutions pay like-for-like roles differently on the basis of gender; it is just that there is a glut of male employees in the more senior roles, which has been—

Gillian Martin: It is about progression.

Gillian MacLellan: Yes. Absolutely. The progression figures are hugely interesting. The gender pay gap figures are one indicator, but the progression figures, which show where people stall, are interesting as a separate measure.

We have had clients in financial services who were working hard to improve gender diversity at senior level and board level but were struggling to get the candidates. They had had to go to specific agencies to try to get a wider pool of candidates, rather than just fish from the same pool. That is an on-going challenge.

I do not think that there is a single factor. There are a number of historical factors. The gender pay gap needs addressed; the current situation is not acceptable and it will take longer to address because of the number of factors.

Gillian Martin: Are the issues that we discussed with the previous panel in relation to STEM similar to those in financial services? Is there an issue to do with whether women regard financial services as an attractive career?

Debbie Miller: It is one of the factors that contribute.

Gillian MacLellan: GEL did research on women who study at university for qualifications that might lend themselves to financial services and found that a far smaller percentage actually go on to work in financial services than we would expect. GEL is looking at the issues and considering

whether the industry's image puts people off. That is definitely a factor.

Debbie Crosbie: In my experience, the networks, the sponsorship and the culture that exist in a lot of financial services organisations make it difficult for women to progress from more junior roles. There are some practical issues. Most financial services organisations demand long hours and travel, and it is very difficult for a woman who has decided to step out to have children to step back in.

Also, there is quite a difference between retail banking culture and investment banking culture. There are not many women in retail banking, but there are hardly any women in investment banking—I am always amazed by that. Addressing the issue requires a lot of the approaches that we have talked about, such as encouraging role models, networking and sponsorship. It is important to encourage people to be successful in that environment, because it can be very lonely. I listened to some of the evidence from the previous panel this morning, and one of your witnesses said that it is challenging and lonely to be the only woman in an environment, and sometimes it is easy just to step away.

Jackie Baillie: We have covered legislation, culture change and leadership. I want to touch briefly on incentives. The enterprise agencies provide financial support to attract inward investment, for example, across a number of sectors, including financial services. Should such investment support include conditions that relate to tackling the gender pay gap?

Debbie Crosbie: Why not? We should always address that issue, unless there is a good reason not to do so. That is how I think about the problem.

Gillian MacLellan: I agree. It is interesting that some financial services organisations have the issue as part of their score card, so when a senior executive is being appraised and their salary increase is being considered, consideration is given to what they have done to meet their targets for gender diversity in their area.

Tricia Nelson: Anything that makes the discussion broader and is inclusive is important, provided that people do not say, "Here's an incentive that's about getting more women into higher-paid jobs." It cannot be as blatant as that; it should be much more about outcome and business performance, because what we are really talking about here is the problems of the Scottish and UK business economies and how we thrive. It is easy to lose sight of that.

The whole point is to have more diverse teams and more women in different jobs and at higher grades at all levels of organisations. It is about having a degree of choice in all that—not every

woman in my business wants to be a partner—so that women get where they want to get to without encountering barriers. We have to keep looking through the economy and business lens, so an incentive could be wrapped as an enabler in that regard, rather than as a specific on its own.

The score card is an important measure. My organisation evidences all the measures that I am talking about on its score cards, all the way through the senior levels—we evidence all that to clients, too. That changes the tone of the conversation. It is about what we can measure and how we incentivise—I think that Gillian MacLellan talked about targets with teeth.

Debbie Miller: The gender pay gap is one element of gender parity, but I hear the point about the individual component parts.

Jackie Baillie: Tricia Nelson was right to talk about wrapping incentives as being about growing the Scottish economy. The potential to grow the economy by closing the pay gap is substantial, so we should be striving to do that.

I have one final question. A number of other witnesses have suggested that perhaps a national strategy would give you the co-ordination that you are after and bring a real focus to this area. Would a national strategy be helpful?

12:15

Gillian MacLellan: Yes, if by a national strategy you mean a 360° solution, almost, that starts with education at the very early stages and is entirely joined up. It should not be about just agencies being joined up, but the full process. That is the only way, in the long term, to deliver the change that we are trying to deliver.

Tricia Nelson: A stakeholder is anyone who has an enabling contribution that they can make, is responsible for some of the outcomes, or will benefit. For me, that includes education all the way through to the large businesses in Scotland. It is about having an integrated conversation. I would go further and say that, because gender gets press, it would be very easy for us to focus on that side of it. I keep going back to the economy. I would love to see something coming out of the committee that says, "We're going to pull a cross-section of people together." It is about policy regulation, education, business and our shared accountability. The point is how to align people around one purpose and one goal and we have to go back to the economy for that.

The Convener: May I ask—is it just about money? Would you agree that it is not just about money in terms of making sure that the numbers add up? To give an example to put that in context, employees or individuals who are working may not

necessarily want financial recognition but other things, such as the possibility of flexible working hours, reduced roles at certain points in their career and so on and so forth.

An example in NHS Lothian is the GP practices that were being managed by partners. In some of those practices, general practitioners—whether male or female—are now on employee contracts rather than being partners because they prefer being employees. The reason for that may be that they do not want to work the hours that might be required if they took up a partnership role. People make decisions for a lot of reasons and they may want things other than money. Is it a question of just lining up the numbers or is it important to look at all the different aspects of the employment situation for individuals?

Tricia Nelson: You have just outlined two different examples. One is about moving from a partnership model to a non-partnership model. That is probably not the best example to choose. I would choose to be careful that we do not trade flexibility for money. We have to be very careful about that conversation; it is about an individual's choice and what they choose to do and about making sure that they are fairly and equally rewarded for that.

The partnership example is about that correlation that was mentioned with senior-level roles. It would not have to be a partnership role specifically, it could be any role where somebody wants to have a different pace of life or make a different decision about what they do. If they are still doing the same role, however, they should be paid equally for that. It can be about different choices in how people run their lives rather than trading money for something. We have to be quite careful with the language that we use in that respect.

Debbie Miller: I agree with Tricia Nelson. I also hear the point about that total package. However, I guess that the gender pay gap is the outcome of having fewer women than men in senior roles; it is not an equal pay issue—it is quite different. I understand that the debate is part of the equal pay debate—it is not just about the pounds and pence, it is about the total package—but there is still a gender pay gap to address, regardless of all the other things that are happening peripherally.

Debbie Crosbie: Providing choices for people, whether they are male or female, is very important. As a responsible employer, there is no question but that that is absolutely the right thing to do.

In the earlier session with the first panel, one of the MSPs pointed out in relation to advisory boards that although there might be X number of women on one board, on the board that really

matters, there are hardly any women. One of the questions that this committee needs to think carefully about is what outcome we are driving for. If you truly want to change business, you have to have more women CEOs and more women in positions that really matter.

There has been a lot of great progress—the FTSE 250 companies have appointed several women in the past few years. I think that they are nearly at 30 per cent. That is a fantastic outcome on the surface. However, if you dive beneath those figures, you realise that across retail banking in the whole of the UK, there are three female executive directors—three. There is a difference between having women on boards in non-executive positions—which is important and we should celebrate that success—and having women in leadership roles. We should not pretend that having women on boards in non-executive positions is enough. If we really want to drive change, we have to change business leadership. That is about putting women in places where they make the decisions that drive business, from the top of organisations right down, and for me, that is about CEO and executive director positions.

The Convener: In terms of the statistics, we also have to look at what additional hours people work on top of their contracted hours for the amount of money that they are earning.

Tricia Nelson: Sorry—could you repeat that?

The Convener: In many roles, people are contracted for a certain number of hours but the reality is that to get to a higher position or a higher level, people often go above and beyond the call of duty and beyond what by law, in terms of the contract, they would be obliged to do. To go back to the original question on statistics, does that factor need to be looked at as well? If people are not being rewarded for the additional hours, that is a factor in all this, is it not?

Tricia Nelson: I do not feel equipped to comment on that until we see some of the data but I understand the sentiment of the question, which is about what is hidden and what is overt.

Gillian MacLellan: It is a fair point that has to be considered because we are looking at not just treating women fairly but treating everyone in a workplace fairly. It breeds resentment if people feel that they are being undervalued when they are working very hard. It is a factor that has to be taken into account. Equally, however, sometimes women cannot do those hours because of extra commitments. It is very hard to give a yes or no answer to that. You have to look at it in the round.

The Convener: Thank you very much to all our guests. I will suspend the meeting.

12:22

Meeting suspended.

12:51

On resuming—

Subordinate Legislation

Bankruptcy Fees (Scotland) Regulations 2017 (SSI 2017/37)

The Convener: Agenda item 3 is the Bankruptcy Fees (Scotland) Regulations 2017. Does the committee agree to continue this matter to next week's meeting?

Members *indicated agreement.*

The Convener: Thank you very much. We will now move into private session.

12:52

Meeting continued in private until 13:00.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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