

# Occupational Segregation in the Highlands and Islands

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Executive Summary  
March 2017



## Introduction

This report presents the summary findings of a wide ranging study to explore the extent and nature of occupational segregation across the Highlands and Islands. The research was undertaken by ekosgen between April and August 2016. The study team used a mix of primary and secondary to examine patterns of occupational segregation across and within the region and identify barriers to equal participation in the economy. This included:

- a literature review of existing research, strategies and policies, regionally and nationally;
- an in-depth analysis of published datasets including specific data requests to ONS;
- consultations with 24 stakeholders and key informants;
- a desk based review of occupational segregation at the international level and examples of activities aimed at tackling it.

The overall findings of the research are set out in the regional report, with a further six individual reports providing an overview of occupational segregation in each of the local authority areas within the Highlands and Islands. The research will be used to inform future policy responses of Highlands and Islands Enterprise (HIE) and partners at a local, regional and national level.

## Occupational Segregation

Occupational segregation is the distribution and concentration of people across and within jobs based on demographic characteristics, most often gender, which is the focus of this study. Horizontal segregation is where men and women are distributed unequally across industrial sectors and/or occupations. Vertical segregation is where men and women are unevenly distributed at different levels/grades, for example, in senior management. Occupational segregation either horizontally or vertically is accepted as an indicator of inequality.

Occupational segregation is a barrier that prevents both men and women from fulfilling their potential in the labour market and narrows the recruitment pool available to employers. It impacts on social cohesion as well as economic performance and is therefore a key issue that must be addressed. Whilst it affects both genders, women are more likely to experience negative consequences as a result of being underemployed, working part time, being concentrated in lower grades within an organisation or in lower value sectors. One of the most widely recognised and visible indicators of occupational segregation is the gender pay gap.

## Population and Labour Market

- Men and women account for an equal share of the working age population across the Highlands and Islands which sets the benchmark for a balanced, equal workforce.
- Labour market participation overall is high, driven by high employment rates for both men (82.8%) and women (75.3%) in comparison to the national average. However, employment levels are higher amongst men and the regional gender imbalance is more marked than for Scotland as a whole.
- There are high levels of self-employment in the region, and this remains more prevalent amongst men (12.6% versus 7.2% of women) although the gender gap has reduced over the last 10 years.
- Gender segregation in employment is an issue across most age groups in the Highlands and Islands (particularly those aged 50 – 64) and the extent of segregation across each age group is greater regionally than in Scotland overall. The only exception is young people (16-24 year olds), where there are higher levels of employment amongst women than men, although the trend switches from age 25+, suggesting that women become disengaged from the labour market as they get older.

- Whilst there is a high female employment rate in the region, women in the Highlands and Islands are more likely than men to be employed part time (46% compared to 12% of men) and are more likely to work part time than women in Scotland overall (41%). Part time employment is a key form of underemployment and is often linked to women's caring responsibilities.
- In contrast to national trends, the unemployment rate for women in the Highlands and Islands is higher than for men (4.2% compared to 3.4%). There are also higher levels of economic inactivity amongst women (21.4% versus 14.3% for men), with men more likely to be inactive due to long term sickness and being a student, and women due to family commitments.
- There is clear evidence of a gender pay gap in the Highlands and Islands with earnings higher amongst men than women. The gap is wider than the average for Scotland (15%) in all local authority areas within the region ranging from 18% in Highland to 23% in Moray.
- Average hours worked by men and women in the Highlands and Islands reflect the national picture with men tending to work longer hours than women. However the difference is not proportionate to the extent of the gender pay gap suggesting that men earn more than women on a like for like basis.

### Skills and Education

- People of working age in the Highlands and Islands are less highly qualified than the Scottish average with a lower proportion holding SVQ level 4 qualifications and above.
- Qualifications vary by gender, with women in the Highlands and Islands more likely than men to hold higher level qualifications, and men more likely to hold trade apprenticeships.
- Females have a higher level of school attainment than males and are more likely to enter a positive post-school destination (93.7% do compared to 92.6% of males). However, type of destination varies by gender with females more likely to enter Higher Education (HE) (41.4% versus 27.6% of men), and men more likely to enter employment (40.9% compared to 27.4%).
- While overall participation in HE is higher amongst women than men, participation in Further Education (FE) is more evenly split and reflects the gender profile of the region.
- Males are more likely than females to undertake a Modern Apprenticeship (MA), with men accounting for over two thirds of starts in 2014-15 in the Highlands and Islands. Whilst this mirrors the national trend, it is even more pronounced in the Highlands and Islands.
- Subject choices have an obvious impact on future employment. In the Highlands and Islands, as in the rest of Scotland, there is a sharp and persistent gender divide in subject choice across MA Frameworks, FE and HE. Men are concentrated in construction, engineering and energy, transport and manufacturing subjects whilst women are more highly represented in subjects such as health and care, catering, leisure, arts and crafts, business and administration, performing arts, education, humanities, languages and literature. This gender segregation in subject choice tends to be linked to women moving into employment in lower value sectors.

### Vertical Segregation

Whilst there is evidence of an even gender split in the workforce overall, it masks the fact that within the Highlands and Islands workforce, men and women are distributed unevenly at different levels and grades. Men are more likely to work in the most senior and well paid occupations and women are more prevalent in less senior and lower paid ones<sup>1</sup>. While this pattern of vertical segregation is not unique to the region, the

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<sup>1</sup> To understand the nature and extent of vertical segregation, analysis of the proportions of men and women in each of the standard occupation groups was undertaken, with the median weekly full time earnings for each group providing a proxy for job level. The

extent of the vertical segregation tends to be greater in the Highlands and Islands than nationally. Specifically:

- Men are more highly represented than women in two of the three most senior and well paid occupations accounting for 65% of managers, directors and senior officials and 58% of associate professional and technical occupations. Women are however, well represented in professional occupations (accounting for 57% of this occupational group).
- The patterns of gender representation in the most senior and well paid occupations suggests that some women face the well-documented “glass ceiling”, preventing them from progressing to the most senior positions. This effect seems to be even stronger in the Highlands and Islands than in Scotland suggesting that women in the region may face additional or higher barriers.
- The extent of vertical segregation is greatest in the mid to low pay bands, often linked to job types.
- In occupations in the mid pay band, men dominate the two most highly paid occupational categories which are process, plant and machine operatives (90% male), and skilled trade occupations (87% male). Women dominate in administration and secretarial occupations (80% female), which are typically lower paid.
- As we work down to the lower paid occupational levels, the balance shifts. Women are highly represented in two of the three lowest paid occupational categories namely caring, leisure and other service occupations (86% female) and (albeit to a lesser extent) sales and customer service (59% female).
- The gender profile for elementary occupations, the lowest paid band, tends to be more balanced (46% female and 54% male).

## Horizontal Segregation

Horizontal segregation is explored by analysing the representation of men and women in each sector, and in the standard occupational groupings within each sector. As with vertical segregation, the even gender split in the overall workforce masks horizontal segregation with evidence showing that men and women work in different *types* of jobs. The patterns of horizontal segregation present within the Highlands and Islands reflect the picture in Scotland overall (table 1). Key points are:

- In the Highlands and Islands men dominate five sectors: energy and water; construction; transport and communications; agriculture and fishing; and manufacturing (Table 1). It is also worth noting that men account for a larger proportion (61%) of people in the Highlands and Islands working in Growth Sectors<sup>2</sup>.
- Women in the Highlands and Islands dominate three sectors: public administration, health and education; distribution, hotels and restaurants; and other services (Table 1). These sectors are generally lower paid and lower status though not exclusively so.
- While the extent of the gender imbalance is greater in sectors where men are highly represented, sectors where women are more highly represented tend to be larger in employment terms. This helps to balance the overall gender split in the workforce and suggests that women work within a narrower range of sectors.

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occupational categories broadly fall into three pay bands (high, mid and low), with the most senior positions falling within the highest pay band. See chapter 5 of the regional report for more detail.

<sup>2</sup> Life sciences, Food and drink, Financial and business services, Creative industries, Sustainable tourism, Energy (including renewables),

- While the patterns of horizontal segregation in the Highlands and Islands align with national trends, in some sectors the imbalances are greater in the region than they are for Scotland, namely: energy and water; construction; and transport and communication (higher representation of men) and distribution, hotels and restaurants (higher representation of women).

**Table 1: Extent of Gender Representation within Sectors and Occupations**

	Sectors	Occupations
	<b>Energy and Water:</b> 97% males, gender gap greater than the national average and increasing	<b>Process Plant and Machine Operatives:</b> 90% male, gender gap greater than the national average
	<b>Construction:</b> 93% males, gender gap greater than the national average with no change in recent years	<b>Skilled Trades:</b> 87% males, gender gap smaller than the national average
	<b>Transport and Communications:</b> 86% male, gender gap greater than the national average and increasing	<b>Caring, Leisure and Other Service:</b> 86% females, gender gap greater than the national average
	<b>Agriculture and Fishing:</b> 76% males, gender gap smaller than the national average and reducing	<b>Administrative and Secretarial:</b> 80% female, gender gap greater than the national average
	<b>Manufacturing:</b> 73% male, gender gap equal to national average but increasing	<b>Mangers, Directors and Senior Officials:</b> 65% males, gender gap greater than the national average
	<b>Public Admin, Education and Health:</b> 73% female, gender gap equal to national average but increasing	<b>Sales and Customer Service:</b> 59% female, gender gap smaller than the national average
	<b>Distribution, Hotels and Restaurants:</b> 58% female, gender gap greater than the national average but reducing	<b>Associate Professional and Technical:</b> 58% male, gender gap greater than the national average
	<b>Other Services:</b> 56% female, gender gap equal to the national average and reducing	<b>Professional:</b> 57% females, gender gap greater than the national average
	<b>Financial, Professional and Business Services:</b> More of a gender balance (48% female, 52% male)	<b>Elementary:</b> More of a gender balance (46% female, 54% males)

Source: Annual Population Survey (resident-based).

- The types of jobs that men and women work in within sectors vary and often reflect traditional views of what is “women’s work” and what is “men’s work”. For example, women are more likely to work in administrative and secretarial roles, teaching, sales and customer services whereas men are more likely to work in skilled trade occupations and roles such as process and plant operatives (Table 1). The patterns exist across most sectors and, by and large, the representation of women and men in occupations within sectors is more pronounced than it is for the economy as a whole.
- Even in sectors with a high gender imbalance towards either men or women, and in those that are more gender balanced, traditional occupational patterns persist. For example, where women work in sectors such as construction and manufacturing (dominated by men), or financial and business services (more gender balanced), they tend to work in roles most commonly associated with women such as administration and sales.
- The gender split within a sector is influenced by the occupations available within it. For example, male dominated roles such as trade occupations and process, plant and machine operatives are highly represented in sectors such as construction and manufacturing which are male dominated. Similarly, women are more likely to work in caring, teaching, sales and customer service roles which are prevalent in education, health and distribution and accommodation and food where women are more highly represented.

- There is more variation in the gender balance of senior roles (managers, directors and senior officials, associate professional and technical occupations and professional occupations) within sectors than there is for other occupational groupings. While both men and women tend to have an even higher share of the more senior roles in sectors which they dominate, for women, their share of these posts still tends to be much lower than their overall share of those working in the sector.
- The high concentration of women in professional occupations in public administration, education and health, which are female dominated sectors, is what drives their overall representation in this occupational group.
- Women work in a narrower range of senior positions, concentrated in the sectors where women are already highly represented. They continue to be underrepresented in the most senior positions, even in sectors where they make up the majority of the workforce, a further indication of the glass ceiling effect that women face in the labour market.

### Causes, Barriers and Challenges

There is no single factor that causes occupational segregation. It is an interplay between a range of factors, such as how stereotypes about genders, sectors and roles impact on the educational and employment choices that men and women make. The causes, barriers and challenges are not confined to the Highlands and Islands but are national and international. They include:

- **Gender stereotypes** which influence behaviour and choices in relation to the subjects people study, the sector they enter and the careers they follow. They also drive perceptions in employment around what is 'women's work' and what is 'men's work'. These stereotypes are hard to address because they become the norm and are often reinforced, sometimes unconsciously, by teachers, peers, parents, Careers Advisers and the media. Where gender stereotypes are applied to roles which are deemed 'women's work', they are often low paid and of low status;
- **Perceived and actual workplace practice and culture** which can act as a barrier to men and women entering some sectors, for example, to women entering construction or men entering childcare. Cultures and practices such as long working hours (which can be a barrier to women who tend to have the main caring roles in the home) and the reliance on traditional networks for recruitment can result in and reinforce patterns of segregation;
- **Working patterns** play a role, and these are often linked with **care responsibilities and life-style choices** – particularly for women. As the main care providers, women often have time out of the labour market which can be detrimental to career progression. To address the challenges around balancing work and domestic responsibilities women often look for flexible, part time employment and these opportunities tend not be so readily available in higher value roles and sectors;
- **Structural barriers** such as availability of childcare, lack of training and provision and poor transport can also further impact on these factors. As a result, women are more likely to be under-employed than men, working in roles that do not fully use their skills which in turn means that they are less likely to fulfil their earning potential.

Alongside these causes and barriers, there are challenges that can make it difficult to address inequalities in the labour market. These include:

- the **degree to which gender stereotypes and attitudes are entrenched** (and so the current pattern persists);
- the **supply of a suitably qualified workforce** as high employment rates and declining population for example restrict the available labour pool;

- **lack of high quality jobs** as a result of the sectoral structure of an area's economy, which can create a reliance on low paid, low value sectors.

While progressive workplace policies and practices can help to tackle occupational segregation, the application of some policies and practices can, often inadvertently, cause or reinforce gender segregation. Employers are not always aware of the negative impact they can have on organisational performance or of the benefits they could experience if they work towards and achieve a balanced workforce. With a declining working age population, it is arguably more important than ever for employers to recruit and retain the staff they need, using their skills to the greatest potential.

## The Impacts

The effects of gender segregation are far reaching and serious. It impacts on individuals, employers, individuals and the economy as a whole. For example:

- For **individuals** occupational segregation can limit education and employment opportunities leading to underemployment and the gender pay gap. This in turn can adversely impact on an individual's income, job satisfaction and career progression. Whilst occupational segregation affects both men and women, it is accepted that on the whole, women experience its negative consequences far more than men;
- For **employers**, a more limited pool from which to recruit means that they may not source candidates with the skills, competencies and aptitudes they need. Consequently, they miss out on the benefits of balanced teams. Underutilising workforce skills detrimentally impacts on organisational competitiveness, productivity and performance;
- Less productive and competitive organisations in turn impacts on the performance and prosperity of the **economy** as a whole. Additionally, gender segregation limits tax revenues, and at the local level, the spending power of women who tend to be in charge of household budgets and more likely to shop in the local area. This limits the competitiveness, scale and growth of local economies;
- Occupational segregation is the principal cause of **the gender pay gap** and so tackling it must be one of the tools to close the gap<sup>3</sup>. Research undertaken by Close the Gap on gender equality in pay suggests that equalising gender employment could generate as much as 12% of UK GDP by 2025 – 12% of the Scottish economy at current figures is just over £17 billion<sup>4</sup>.

## Policies and Interventions

Occupational segregation is an international issue and the subject of a great deal of research. The UK was in the top five countries on the EU's Gender Equality Index in 2005 and 2012. The index measures equality on six domains: work: money: knowledge; time; power and health. The UK, along with Scandinavian countries, France, the Netherlands and Germany has some history of policy interventions to tackle segregation. Where they exist, policy interventions tend to focus on early intervention through the education system; training (in the workplace and in education); legislation and certification to, for example, increase the value and status of traditionally "female" skills.

A wide range of players are involved in delivering responses to occupational segregation. The interventions are targeted at employers, individuals, educators, advisers, parents, influencers and other stakeholders. There is support for individuals at different life stages including re-entering the workforce and making career changes. There is also a lot of work aimed at intervening early for example in making subject choices and decisions on careers and sectors to enter.

In Scotland, a range of organisations tackle gender segregation and the equal pay gap, for example, Close the Gap, Women's Enterprise Scotland and Equate Scotland. There are formal projects to deliver mentoring,

<sup>3</sup> Scottish Government (2015) *Equality Outcomes and Mainstreaming Report 2015*

<sup>4</sup> Close the Gap (2016) *Gender Equality Pays*

training, advice and guidance, events, networks, legislation and accreditation. An example is the Scottish Business Pledge which has a role to play in tackling inequalities in the labour market. Launched in 2015, it includes a pledge for employers to make progress on increasing workforce diversity and gender balance.

There is also a good deal of research to explore the issue, provide evidence bases and inform policy responses along with activity to measure and monitor progress. However, while there has undoubtedly been some progress over the last few decades, occupational segregation persists. There is no 'quick fix' and work to address it must take a long term view.

## Conclusions and Recommendations

The study confirms that gender imbalance in the workforce persists and, despite equal representation in the working age population in the Highlands and Islands, men comprise a greater proportion of the workforce than women. Both vertical and horizontal segregation exist across the region and within its constituent local authority areas, with the evidence showing that men and women tend to be highly represented in different types of jobs and at different levels or grades. In some cases the gender split is very significant.

Generally the nature of the segregation, in terms of the types and levels of jobs in which men and women work in the Highlands and Islands is similar to the picture for Scotland. However, the extent of the segregation is often higher in the region than nationally. Similarly, while there are variations locally in terms of the extent of gaps, the overall pattern is consistent with the regional and national trend.

Whilst there have undoubtedly been some improvements, deeply embedded patterns of occupational segregation persist and must be tackled if the Highlands and Islands economy is to realise its full potential. The research points to the need for a region-wide strategic approach to addressing occupational segregation, recognising that between areas, some interventions may differ in focus to reflect local circumstance.

The most effective approach is likely to be one that engages employers and individuals with the range of existing and emerging national interventions, and incorporates the issue of occupational segregation into existing regional activities within education, industry and the workforce. It is critical that local partners and stakeholders recognise the role they have to play in tackling this issue and work in partnership with regional and national agencies.

The following recommendations are based on the evidence from the study and the context in the Highlands and Islands. They are described more fully in the main report.

### **Recommendation 1: Within a regional framework, identify local and sectoral priorities and target support and intervention at localities, sectors and job types where there is a high degree of occupational segregation and also where there is potential to exploit opportunities.**

- A key priority is identifying relevant local and sectoral priorities to address gender imbalance in Growth Sectors across the Highlands and Islands to help meet the changing needs of businesses, sectors and the economy. Based on the findings, it is recommended that these priorities include:
  - Supporting women who would like to progress into the most senior positions across all sectors including leadership positions and board membership;
  - Achieving a greater gender balance in sectors with the strongest patterns of occupational segregation. This should take account of sector opportunities and future workforce requirements to ensure that greater gender balance supports sector growth and development;
  - Working with sectors, businesses and individuals in areas where there are more acute cases of horizontal and vertical segregation.

### **Recommendation 2: Delivery of wider economic development activities and growth strategy to diversify the economy and create new, high value job opportunities.**



- The sector structure and availability of high quality jobs across Highlands and Islands compounds occupational segregation. There is a need to increase the number (and proportion) of higher value added jobs in the region and reduce the reliance on lower value added, lower paid, traditional sectors, such as accommodation and food services, where there are high levels of gender segregation. This should help ensure that there is a wide range of opportunities which support greater gender balance across all sectors.

**Recommendation 3: Work with businesses in the Highlands and Islands to promote the economic and business benefits of workforce gender balance and how this can be achieved.**

- This should draw on current initiatives by national support agencies (such as Close the Gap's "Think Business Think Equality" SME toolkit and the Scottish Business Pledge) which provide guidance and support to businesses, as well as on good practice undertaken by local authorities as part of their public sector mainstreaming activity. This could include supporting businesses to review the gender balance in their current workforce, pay levels, recruitment activities and company policies, and helping them to adopt flexible working policies and practices as an effective way to help tackle inequalities in the workplace.
- Underpinning this work is the need to clearly articulate the business benefits of an equal, gender balanced workforce and use that to influence employers and other partners and intermediaries.

**Recommendation 4: Work with educational institutions and employers to help address gender stereotypes from an early age and ensure equality of access to opportunities throughout education and into employment.**

- Improvement of Information, Advice and Guidance (IAG) that is provided to learners in schools, FE and HE is a key policy priority, recognising the impact that it has on subject choices and career development. Similarly, there is a continuing need to focus on promoting partnerships between educational institutions and industry to ensure that knowledge and skills developed in the classroom meet the current and future needs of employers.
- It is important to acknowledge that a gender neutral approach to ensuring access (e.g. gender neutral language in promoting courses) does not necessarily result in equality of outcome. Interventions should be tailored to address specific barriers for men or women to reverse existing perceptions and gender stereotypes. However partners should not underestimate the time it will take to tackle occupational segregation and achieve and sustain genuine gender equality.

**Recommendation 5: Work with existing national partners and agency interventions to access expertise on the gender pay gap, female entrepreneurship and the STEM workforce.**

- There is an opportunity to work with national partners and agencies to access expertise on relevant topics, raise awareness of patterns of segregation in the Highlands and Islands, and identify how HIE and partners can work together to address the pronounced levels of vertical and horizontal segregation. This will extend the reach of support for employers and men and women across the area.
- Working together to increase participation in current interventions will be important with anecdotal evidence suggesting that the level of engagement between regional businesses and individuals with national gender focused partners, agencies and interventions is low. This could include working directly with employers and employer networks, organising and supporting events at venues within the region, establishing local networks, and/or increasing use of online resources, such as webinars.

**Recommendation 6: Partnership working to remove structural barriers**

- Partners should work together to address structural barriers which contribute to lower levels of labour market participation and both horizontal and vertical segregation, such as lack of childcare, transport and access to training and learning. The effects of these barriers tend to be more pronounced in rural areas and can have an impact on lifetime career and earning patterns.

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