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Building partnerships for better gender statistics

Developing leadership statistics in Finland - cooperation between stakeholders

Note by Statistics Finland*

Abstract

This paper concentrates on the cooperation between different stakeholders for developing leadership statistics disaggregated by sex in Finland. The cooperation is based on the proposals of the statistical working group of the Gender Equality in Top Management – Changing Practices in Economic Decision Making (TASURI) project, which was carried out by the Gender Equality Unit at the Ministry of Social Affairs and Health in 2015. The project supported the implementation of the Government Action Plan for Gender Equality 2012 to 2015 and was co-funded by the European Union's Progress programme. The new Action Plan for Gender Equality 2016 to 2019¹ (Government accepted on 4 May 2016) includes a mention on establishing leadership statistics on gender. The leadership statistics network has continued to compile leadership statistics regularly disaggregated by sex after the TASURI project.

¹ https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/75238/04_2016_STM_Tasa-arvo-ohjelma_2016-2019_fi_sv_B5_netti.pdf?sequence=1

*Prepared by Ms Marjut Pietiläinen & Ms Miina Keski-Petäjä

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I. Background

1. The network is based on the proposals of the statistical working group of the **Gender Equality in Top Management – Changing Practices in Economic Decision-Making (TASURI)** project which was carried out by the Gender Equality Unit of the Ministry of Social Affairs and Health in 2015. After the project the network continued the work of the TASURI project’s statistical working group..
2. The aim of the TASURI project was to encourage gender-balanced representation of women and men in senior corporate management and thus promote gender equality in working life and in recruitment practices of senior corporate management, developing the production of statistics on senior corporate management from the gender equality perspective and reinforcing nation-wide collaboration between key actors. The project was co-funded by the European Union’s Progress programme.
3. The project conducted a statistical report **Representation of women and men in senior corporate management**² and a qualitative study **Gender equality in the recruitment of senior corporate management**³ on recruitment processes. The project had a statistical working group which supported the work and concentrated on how leadership statistics could be developed on a regular basis in the future.
 - (a) The statistical report **Representation of women and men in senior corporate management** focused on the representation of women and men in the boards of directors, executive management groups and middle management of listed companies, major unlisted companies and state-owned companies. The report was the first step towards a more regular production of extensive statistical reports on leadership statistics that take gender into account.
 - (b) The study revealed new information on the quantitative representation of men and women in managerial positions and created a basis for establishing statistics on top management in regard to gender. Gender representation was investigated with respect to age, educational level, educational sector, nationality and main type of activity as well as company size, ownership, gender distribution among personnel and industrial sector. The ratio of women and men was found out by company type and background variables. The reference years were 2007, 2012 and 2013.
 - (c) Finland is well-placed in the international comparisons between the boards and steering groups of listed companies. The report showed that the proportion of women in corporate governance had risen in all types of companies researched in recent years but still remained quite low (only one-fifth or one-fourth of board members were women). This development had been slower in management groups with the exception of state-owned companies. There

² Pietiläinen, M., Keski-Petäjä, M. & Katainen, A. (2015) Representation of Women and Men in Senior Corporate Management. Ministry of Social Affairs and Health, Publications of the Ministry on Social Affairs and Health 2015:13

³ Koivunen, T. (2015) Gender Equality in the Recruitment of Senior Corporate Management; Ministry of Social Affairs and Health, Publications of the Ministry on Social Affairs and Health 2015:10Helsinki 2015, <http://julkaisut.valtioneuvosto.fi/handle/10024/74706> [referred 19102017]

were still few women working as managing directors. There are still few female CEOs or board chair positions held by women.

- (d) Women's proportion of managers varied in the different industrial sectors: there were fewer women in top management in the branches of manufacturing and correspondingly more women in wholesale and retail trade. There were more women, on average, in the boards and management groups of enterprises dominated by women than in companies dominated by men. More than the majority of women or men in the personnel or industry, the types of duties performed by women probably have a stronger effect on the share of women.
 - (e) Women in top management positions were better educated than men, but this was not the case with all managers. The report showed that women need a higher education than men in order to get to top management. The majority of women in top management had a business education or a social science education. Men most often had an education in technology. The distribution of educational sectors among women was often broader than among men, especially in the middle management. In Finland a certain type of career path and a background in technology education are often still required of managers (Pietiläinen et al. 2015).
 - (f) The report also showed that even though gender representation was a little more equal in younger age groups, the higher education of young women had not ensured them management positions equally. However, even in the sectors dominated by women the top senior management consisted only of men.
 - (g) The qualitative study **Gender equality in the recruitment of senior corporate management** focused on recruitment practices and processes in listed and state-owned companies. The study suggests that systematically emphasised promotion of gender equality is needed at all levels of management's career and in the recruitment process. Implementing gender equality will not happen by itself or automatically. Active actions by companies are needed for promoting gender equality. (Koivunen 2015.)
4. In spring 2015 the TASURI project conducted a survey about the need for regularly produced leadership statistics. The questionnaire was sent to 121 main users of the leadership statistics. The response rate was 33, as 40 people answered to the survey.
 5. Both the statistical study and the survey for the users indicated that the most important background variables in studying the gender balance in management positions are age, educational background (field and level), size of the company, industrial sector and gender distribution among personnel. Information on the educational background makes it possible to study if the education background of women managers differs from men managers. Examination of women and men managers by age gives us information if younger age groups have a more balanced situation in the middle management and if we could hope to have a more balanced situation in the operational management and boards in the future. The size of the company and the field of industry give valuable information on the career possibilities of women in different kinds of companies. As for gender distribution among personnel, the gender balance of managers in companies which are dominated by women or men employees emerges. The influence of the fields of industries and gender distribution among employees on the gender distribution of managers reflects occupational segregation by sex. In addition, the need to study more closely the incomes and family background of managers came up.
 6. Proposals for the future action in developing regularly produced leadership statistics: the statistical group of TASURI project suggested several actions to make.
 - (a) The progress of gender equality in senior corporate management will be monitored and leadership statistics by sex in different kinds of companies will be produced regularly. The study will be extended to the shares of women and men in middle management of different

kinds of companies if possible. The statistical report examined approximately one hundred of the largest unlisted companies, selected for the data on the basis of their turnover.

- (b) The contents of the Women and Men in Finland publication will be extended to cover more information on leadership statistics. The information on the shares of women and men in senior management of listed companies published by Finland Chamber of Commerce and state-owned companies published by the Prime Minister's Office of Finland after the annual meetings of companies will be linked to the theme pages of gender statistics of Statistics Finland.
 - (c) All ministries report the shares of women and men in boards and executive groups of those state-owner companies that are under the ownership steering of their ministry in the annual report of the government after 2016.
 - (d) Producing regularly statistics on the representation of women and men also in the senior management of unlisted companies and municipal owned companies and in the middle management of different kinds of companies should be considered as well.
 - (e) Statistics examining gender equality in senior management could be produced regularly each year but less extensively than the statistical report of the TASURI project. A more extensive report could be prepared less frequently, for example, every four years at the expiration of the term of each Finnish government.
 - (f) Studying the senior management of various company types lays the foundation for a chronological comparison of the data. The various company types include listed companies, unlisted companies and state-owned companies.
7. Besides statistics and statistical reports qualitative studies on career path developments are also needed in the future.

II. Leadership statistics network

A. What and what for?

8. Previously different actors published information on leadership from their own perspectives and there were no systematically and regularly produced gender-relevant leadership statistics. Compiled statistics on the representation of women and men in senior management were missing. The statistical report was the first step towards a more regular production of extensive statistical reports on leadership statistics which take gender into account. Previously there were no data on senior management in unlisted and state-owned companies by sex. It cannot be assumed that the representation of women and men will automatically become more balanced over time when women are better educated and young women hold better labour market positions. Actions need to be taken for promoting gender equality at all levels of management and in education as well.
9. The leadership statistics network is established to implement the proposals of the statistical group of the TASURI project, share the current information of statistics and studies produced concerning leadership from the gender point of view, increase the synergy between key actors and improve the publishing of gender relevant publications and studies in one place. The Action Plan for Gender Equality 2016-2019 (Government accepted on 4 May 2016) includes a mention on establishing leadership statistics on gender. The network supports the implementation of this target.
10. A leadership statistics network is needed to provide decision-makers and other key stakeholders with compiled statistics to support the decision-making process, increase the knowledge of the stakeholders of central development targets related to gender equality in senior corporate

management and provide reliable information on gender equality to large public, citizens and the media. Reinforcing nation-wide collaboration between the key stakeholders and thus promoting gender equality in senior corporate management is also needed.

B. Stakeholders

11. The members of the network are: Ministry of Finance, Ministry of Social Affairs and Health, Ministry of Economic Affairs and Employment, Prime Minister's Office, Statistics Finland, University of Helsinki, University of Jyväskylä, Finland Chamber of Commerce, Confederation of Finnish Industries, Minna - Centre for Gender Equality Information / National Institute for Health and Welfare, Association of Finnish Local and Regional Authorities, and Finnish Business and Policy Forum EVA.

C. Working programme

12. Firstly, the aim of the network is to ensure that statistical data disaggregated by sex will be produced annually on the senior and middle management of all state-owned companies, or their boards and management groups, and that statistical data will also be regularly produced on the senior and middle management of small, medium and large listed companies.
13. All ministries will report on the representation of women and men in the senior management of state-owned companies under their ownership steering as part of the Annual Report of the Finnish Government.
 - (a) The aim is also to extend the statistical analysis to the senior management of companies owned by municipalities and unlisted companies.
14. The regional government reform will require the analysis of new publicly-owned companies in the future.
15. A broader statistical analysis on the development of gender equality in the top management of companies.
16. To analyse the incomes of the managers from the gender equality perspective.
17. To study the career changes of the managers from the gender equality perspective.

D. Data sources

18. The data consisted primarily of the data of Statistics Finland and Suomen Asiakastieto Oy. The Finnish listed companies on the main list of Nasdaq OMX Nordic Helsinki in December were selected for the statistical report. Based on their turnover, the largest unlisted companies were selected from Statistics Finland's Business Register. The names of state-owned companies were collected from the annual reports produced by the Prime Minister's Office for the compilation of the data. The data on the chairs of boards, board members and CEOs, associated with their personal ID numbers, were acquired from Suomen Asiakastieto Oy. The membership data of steering groups were directly collected from the companies examined (mainly websites).
19. In addition to the senior management of businesses, the report also examined middle management. The data of all management were gathered from the Executives category of Statistics Finland's employment statistics. This category included individuals in both senior management and middle management. Statistics Finland's register-based statistics were used as background data for the report. The background information on businesses and business groups is based on Statistics

Finland's Business Register. The research periods selected included 2007, 2012 and 2013, which allows chronological developments to be examined.

E. Outputs and some results

Publications

20. The first publications of the leadership statistics collaboration was Representation of women and men in senior corporate management⁴ and the qualitative study Gender equality in the recruitment of senior corporate management⁵.
21. After the TASURI project a study on Women and Men in the Senior Management of Municipally-Owned Companies⁶ was conducted.
22. The report analysed the share of women and men in the senior management of municipally-owned companies. In 2015, the share of women on the boards of municipally-owned companies was 34.0 per cent. In all, 23.6 per cent of managing directors were women, and 16.0 per cent of board chairpersons were women. Some 10 per cent of boards had no female members. The share of women on the boards of municipally-owned companies was greater than their share on the boards of listed and unlisted private companies in the same year (22.5 and 19.4 per cent, respectively). As for state-owned companies and companies where the state was a majority shareholder, the share of women was greater than in municipally-owned companies: 44.8 per cent of board members were women in wholly state-owned companies, and 38.3 and 40.9 per cent were women in unlisted and listed companies where the state was a majority shareholder.
23. By industry, women had the largest representation in health and social services (43 per cent) and hotel and restaurant services (42 per cent). The share of women was smallest in water services, waste management and other environmental sanitation industries (28 per cent) and in vocational, technical and scientific industries (28 per cent). As a rule, larger companies, as measured by their number of employees, had more women on their boards than smaller companies. Furthermore, municipalities with over 50,000 residents had more women on boards than smaller municipalities.
24. Older generations comprised a majority of board members with as many as 72 per cent being at least 50 years old. The women were somewhat younger than the men. Women were more educated than men, in particular among the chairpersons and managing directors. In general, men had some form of technical education and women had business or social sciences education.
25. The report was commissioned from Statistics Finland by the Ministry of Social Affairs and Health and the Association of Finnish Local and Regional Authorities, and it was the first step to analyse the representation of women and men in the senior management of municipally-owned companies. Changes in the competition legislation and the Finnish Local Government Act have led municipalities to corporatise increasingly their functions and partially shift discretionary power to municipally-owned companies. The health, social services and the regional government reform reinforces this trend because the new regions will be obliged to corporatise a significant proportion

⁴ <http://julkaisut.valtioneuvosto.fi/handle/10024/74519>

⁵ Koivunen, T. (2015) Gender Equality in the Recruitment of Senior Corporate Management, <http://julkaisut.valtioneuvosto.fi/handle/10024/74706>

⁶ Keski-Petäjä, M. & Katainen, A. (2017) Women and Men in the Senior Management of Municipally-Owned Companies, <http://stm.fi/julkaisu?pubid=URN:ISBN:978-952-00-3957-8>

of functions related to primary health care services within the scope of freedom of choice. For this reason, it is important to monitor the state of equality in municipal bodies, municipally-owned companies and in future in regionally-owned companies⁷.

26. Articles and blogs are one important way to publish the information. After the TASURI project an article on the families of the senior management has been published in the Tieto&Trendit magazine of Statistics Finland (Keski-Petäjä, Katainen & Pietiläinen 2015). The article is available only in Finnish. In this article listed companies, unlisted companies, state-owned companies and so-called middle management were studied. The family situations of managers were compared to the situation of employed people in Finland. The results show that there are differences in having families. Women managers were more often single or divorced than men managers. Men in managerial positions also had more children than women in these positions.
27. The chair of the network, Ministerial Adviser Minna Sneek presented the leadership statistics network in the panel discussion of the High Level Panel of Women's Economic Empowerment which was organised during the Global Forum on Gender Statistics in Helsinki in October 2016.
28. Statistics Finland has been improving the Internet pages of gender statistics during this year. This improvement is Statistics Finland's concrete act in the 100 Acts for Gender Equality project in Finland to enhance gender equality⁸.
29. The Women and Men in Finland publication is published every second year and the next one will be published in May 2018. The publication is available in print and as a PDF version. The next publication will include more information on leadership statistics.
30. The leadership data used at Statistics Finland are now available for researchers to use via Statistics Finland's research services.

F. Advantages of the cooperation

31. The network has several advantages. Probably the most important benefit is that all the relevant stakeholders participate in this network, which guarantees that things will happen in different places and by different players. It is an advantage that actors from different sectors are participating in the network – not only from the public sector. The chair of the network is from a strategically relevant organisation which in this case is the Ministry of Finance.
32. For example, the research project WeAll⁹ participates in the network which is very important from the point of view of the users and utilisation of statistical data. Quality research will support the statistical data. WeAll combines academic research and social engagement in new ways. It develops and enhances dialogues between the multidisciplinary research group and stakeholders in working life. The consortium has members from the University of Helsinki, Hanken School of Economics, and Jyväskylä University School of Business and Economics.
33. The network is a place of new ideas and sharing of information. The environment is also favourable to new innovations. The continuity is an essential thing as well.

⁷ Following the regional government reform

⁸ <http://suomifinland100.fi/project/100-acts-for-gender-equality/?lang=en>

⁹ <http://weallfinland.fi/en/home/>

G. Challenges

34. The main critical point is how the production of leadership statistics can be regularised and added to the data that are already available. For example, the annual report on state ownership steering already includes the share of women in board appointments.
35. Resources are one challenge. At this point Statistics Finland studied municipal businesses as a chargeable assignment but the question is who will catch the ball next time if we aim for the continuity of these statistics.
36. We also need to think about the cost-effectiveness of the data collected. What is reasonable to do and what is not? For example, collecting the data on executive boards included some manual work.
37. One challenge is the choices already made. If we realise that another way would have been more reasonable, for example, in the examination of unlisted companies, should we give up the time series and make changes or should we keep the previous choices? Which companies should be taken into account and why?
38. Comparability of the data and differences in timelines are also a challenge when combining data with register data. Register data are from the end of the year and the data collected in other ways may be from a totally different date.
39. Data sources are challenging as well. There might not be appropriate data available or gathering data may be manual and expensive. And then we also come to the question of the comparability of the data. The terms of use and schedule limitations may set challenges, too.

H. From now on

40. As mentioned before, the Action Plan for Gender Equality 2016-2019 (Government accepted on 4 May 2016) includes a mention on establishing leadership statistics on gender and the leadership statistics network supports that implementation. The group has a set of concrete targets of actions and these actions are followed by the government.
41. At this stage the work of the network has effectively started to reach the goals. The studies have widened to include the senior management of municipally-owned companies.
42. What then has been done after the TASURI project ended? The boards, chairs and CEOs of listed, unlisted and state-owned companies have been monitored, the study on the municipally owned companies has been conducted and the availability of research data improved. The Prime Minister's Office has reported about the situation of state-owned companies in the annual report of the government since 2016.
43. For now, we still need to improve the data availability of the middle management and decide how to define unlisted companies (the group of companies to study).
44. Information on the share of women in the boards of state-owned companies, listed companies and unlisted companies for the years 2007, 2012, 2013 and 2015 were included in the Women and Men in Finland 2016 publication. More data will be included in the next publication, which will be published in May 2018. The theme pages of gender statistics in Finland also include this information and the Internet pages will be improved further.
45. Broader studies in future still need to be considered and discussed within the network and how those will be carried out. Presumably at least studies focusing on the backgrounds of managers and regionally owned companies will be conducted.

III. Sources

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