



Achieving gender equality at work in Saudi Arabia

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Executive summary

Vision 2030 is imagining a bold new future for the Kingdom of Saudi Arabia. One important milestone it aims to make a reality throughout the country: Offering equal opportunities in the labor market by engaging and empowering women. Can this ambitious goal be reached?

Indications are yes, it can—and in fact, it's already underway. Saudi Arabia has already been named a top reformer in the World Bank's Women, Business, and the Law 2020 report, scoring higher on average than the rest of the Middle East and North Africa. The new paper "Achieving Gender Equality at Work in Saudi Arabia" takes an in-depth look at the current state of gender equality in the Kingdom's job sector and what it will take to reach parity. Fortunately, many key building blocks are already in place: More than 50 percent of Saudi university graduates are women, and the country has increased women's participation in the workforce from 20% in 2017 to roughly 30% in 2020. Clearly, Saudi Arabia is making powerful inroads and seeing enormous change, and this important paper examines how, why, and what's next.

The Vision 2030 initiative to broaden employment for women also brings huge opportunities for businesses within the Kingdom, as well as those companies seeking to locate branches there. Understanding the prevalent culture related to women working, and how it is evolving, is key for employers. Not surprisingly, family plays the largest role in determining whether Saudi women choose to work, with parents and male authority figures having the most impact. Beyond that, many Saudi citizens, male and female, have traditionally taken a dim view on women working outside the home, but that has changed greatly in recent years. Many young women now see older females—within their families and in their friend groups—who work or have worked in the past, and as they see these role models succeeding, they are opening their minds to possibilities for themselves. Not to mention the abundance of female social media influencers, entrepreneurs, and executives who are publicly expanding young women's understanding of how far women can go in the professional world. Many males have also adapted their viewpoints about women working accordingly.

"Achieving Gender Equality at Work in Saudi Arabia" examines this exciting trend and explores what it means for Saudi Arabia and its culture at large. Important information is conveyed, such as which sectors have seen the most growth in female employment. The list includes the service industry, administrative and support services, health, and social work, as well as some perhaps unexpected industries, such as manufacturing and construction. Women are also increasingly showing interest in education, scientific and technical services, and information technology and communication as well. One thing is clear: Viewpoints are changing, and careers that have long been seen as "male only" are seeing an uptick in women applying for jobs. This indicates a rapid shift in women's mindsets.

Yet there are still setbacks. Women around the world often show signs of a "confidence gap," which manifests itself in asking for—and settling for—smaller salaries and raises than their male counterparts. This is no different in Saudi Arabia. Then too, social norms, unwritten rules shared by members of certain groups or the overall society, are often slow to change, and Saudi Arabia has many people who look negatively on women working outside the home. Plus, many companies in the country have never previously employed women, and hiring them now involves upfront costs to make the workplace accessible. For some smaller firms, these costs can be prohibitive. All of these negatives, while significant, can be overcome and turned into positives if current trends continue.

But more importantly, as "Achieving Gender Equality at Work in Saudi Arabia" shows, they must be countered with changes on three levels: 1) the individual, including self-efficacy and personal aspirations; 2) social and community factors, including social norms; and 3) the organizational level, meaning infrastructure and hiring practices. This paper outlines what that would entail at each level

and what it will take to make this vision a reality. It discusses potential behavioral solutions for Saudi society at large, citing case studies and extensive evidence from behavioral science literature.

Closing the gender gap is possible in a way it never was before, and “Achieving Gender Equality at Work in Saudi Arabia” offers the behavioral insights to make it a reality.

Introduction

As part of its Vision 2030, the Kingdom of Saudi Arabia has set an ambitious target: Offering equal opportunities in the labor market by engaging and empowering women. Saudi Arabia benefits from a highly educated female population constituting more than 50 percent of university graduates in the kingdom, but historically, many women have been restricted or reluctant to join the labor force, with only 20 percent participating as recently as 2017. This program aims to increase that number significantly.

Saudi Arabia was able to meet one of its Vision 2030 targets, years in advance: it increased women's workforce participation to 30 percent by 2020. This is largely because Saudi Arabia has eliminated many regulatory restrictions on women's employment and extended employment discrimination protections to women. When it comes to constraints on freedom of movement, laws affecting women's decisions to work, women's pay, women starting and running a business, and the size of a woman's pension, Saudi Arabia has made substantial improvements. All of this has led to the country being positioned as a top reformer in the World Bank's *Women, Business, and the Law 2020* report.

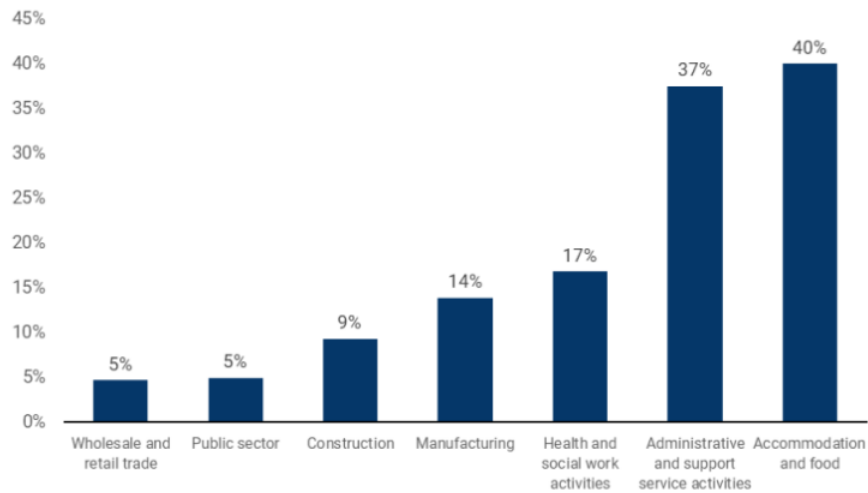
While there has been tremendous progress in recent years, substantial gaps remain in women's overall labor force participation, and it remains uneven across sectors and types of jobs. At the same time, applying behavioral science to public policy has been gaining momentum around the world. In particular, the behavioral insights approach has transformed how governments and international organizations are tackling gender-based challenges. A behavioral insights model for promoting women's participation in the Saudi labor force could help overcome the shortcomings of traditional regulatory approaches. Built around human psychology, behavioral science uses an evidence-based approach to diagnose the problem and design tailored, human-centric solutions.

Within this framework, and using behavioral science as a lens, the objectives of this policy brief are to provide an overview of the constraints to women's employment and propose potential solutions for the government to adopt. The analysis focuses on three factors that are likely influencing women's career aspirations and employability in the labor market: 1) individual factors tackling role models, self-efficacy, and aspirations; 2) social and community factors targeting social norms; and 3) organizational factors including infrastructure and hiring practices. The brief also discusses potential interventions to inject behavioral solutions at the individual, social, and organizational levels and builds on a recently developed national survey targeting young Saudis as well as case studies and evidence from behavioral science literature.

Overview and Context

Women's employment has grown remarkably across sectors over the past several years. Gains have been particularly high across service sectors, including accommodation and food, as well as administrative and support service activities. There was also a substantial increase in women's employment in health, social work, manufacturing, and construction. It is interesting to highlight that the increase is much higher in the private sector compared to the public sector (only 5%), which also signals that women are eager to seek competitive labor market opportunities.

Figure 2. Employment of Saudi women increases substantially across sectors
 Growth of Saudi female employment by economic activity (%) between 2019 Q1 and 2020 Q4



Source: Saudi General Authority for Statistics (GASTAT)

BROOKINGS

Women are increasingly showing interest in a wide variety of employment sectors. In our survey of young Saudis, we found that, among the unemployed, women were particularly interested in education, tourism and entertainment, healthcare and social work, scientific and technical services, and information technology and communication. While education, healthcare, and social work are fields in which women more commonly work, the strong interest in the scientific, technical, and information technology sectors shows the potential for increasing young women’s participation in traditionally male-dominated industries. This indicates a shift in women’s mindsets, as well as an opportunity to translate these interests into tangible career-oriented actions.

Industry of interest among unemployed (multiple selections permitted)	Total	Male	Female	Gender gap
	%	%	%	%
Oil and gas	12	20	7	13
Construction and utilities	10	16	6	10
Wholesale and retail trade	23	30	19	11
Manufacturing	15	21	12	9
Education	43	30	49	-19
Healthcare and social work	31	19	38	-19
Information technology and communications	38	49	32	17
Transportation and storage	11	17	7	10
Finance, insurance, and real estate	17	16	17	.
Government, public administration, and defense	36	38	35	.
Professional, scientific, and technical activities	29	23	33	-10
Tourism, arts, entertainment, recreation	37	33	39	.

While recent reforms removing legal restrictions on women’s economic participation are a positive signal encouraging women to participate in the labor force, it is crucial to account for other obstacles they may face.

Individual Factors Influencing Women’s Employment

Role Models

Role models are extremely important. They help young people set expectations and decide what to do in their lives—as members of their families, as parts of their communities, and as workers. As young women think about their own job prospects, they are likely thinking about those of other women they know or see around them.

A study conducted on undergraduate Saudi women showed that those who had a working mother were more likely to plan on working full-time in the future.¹ In our survey of young Saudis, we found that exposure to a female role model led to higher career aspirations. About a third of young women (36%) who were exposed to working female role models (i.e., reported that all or many of the women they know work) had higher expectations of reaching senior executive levels in their careers, whereas only 28% of those with no exposure to female role models reported the same ambition. Interestingly, a similar gap was found about perceptions of what jobs are appropriate for women.

Women may also be particularly attuned to the employment status of those around them—in our survey, women were more likely than men to say that all or many of the women they knew worked (62% vs. 36%) and less likely to say that none of the women they knew worked (5% vs. 15%).

Job levels that are appropriate for women	Among young women who say all or many of the women they know work	Among young women who say some, a few, or none of the women they know work
Senior executive/official	61%	48%
Manager	67%	59%
Professional	58%	50%
Skilled worker	49%	37%
Clerical	56%	48%
Manual labor	35%	25%

With the growing exposure to social media and other sources of information, young women today have more than their families and communities to look to as labor force role models. They are exposed to female social media influencers, entrepreneurs, and executives who highlight their careers and expand young women’s understanding of how far women can go in the professional world. To the best of our knowledge, there is no evidence-based research that has explored this aggregate trend. We expect that extensive exposure to these role models may also be associated with more ambitious career aspirations among young women. A growing body of work suggests that behavioral interventions related to role models and aspirations can help strengthen academic outcomes for girls and improve labor market outcomes for women. Looking for strategic opportunities to design behavioral interventions focused on role models and aspirations in line with natural trends already occurring in the changing Saudi labor market would be productive.

¹ EPoD Policy Brief, “How Do Information and Social Norms Influence the Employment Aspirations of Saudi Women?” Developing Career Readiness in Higher Education, November 2018.

The Confidence Gap

Women tend to show less confidence than men in almost every part of the employment process, from applying and contract negotiation to job performance and promotion. In fact, career self-efficacy, defined as assessing one's own abilities to meet challenges and fulfill tasks successfully, is lower among women than men.² A 2011 study in the United Kingdom showed that women were much more likely than men to express self-doubt about their job performance and careers. In the same report, the Institute for Leadership and Management in the UK highlighted that Hewlett-Packard (HP) had to deal with a gender confidence gap while recruiting women into management positions. They found that women working at HP tended to apply for a promotion when they met every single requirement on a job listing, while men applied when they had about 60% of the necessary qualifications.

This attitude applies to salary negotiation as well. In her work on the confidence gap, Linda Babcock, professor of economics at Carnegie Mellon University, showed how, among Western business school students, women ask for about 30% less in salary than their male counterparts for the same work. This is very similar to a finding from Manchester Business School that saw women, on average, providing lower estimates for the salary they deserve than men.³

In Saudi Arabia, this confidence gap may be even larger as women's widespread labor force participation is a newer phenomenon. Therefore, another potential area for intervention is to increase self-efficacy through role models, mentoring, and other methods.

Balancing Family With Career Prospects

Female labor force participation in Saudi Arabia is closely tied to expectations around women's household roles (discussed in more detail in the following section) and to the additional responsibilities they undertake as caregivers. Once married, women who are interested in being economically active may not be able to fully participate in the labor force if they are also handling the majority of the household duties, especially once children are born. Whether through personal choice or social pressure, household tasks and caring for children will remain a primary focus for many women. For these reasons, childcare availability and access to flexible work arrangements can be key drivers of women's labor market participation.

Global evidence shows how free or subsidized childcare has increased women's labor force participation. A review of data from Latin America and the Caribbean found that providing access to free or affordable childcare increased female employment.⁴ Providing free after-school care for children aged 6–13 also increased women's labor force participation and employment in Chile, a high-income country, and increased the use of daycare for young children who were ineligible for the program, suggesting that women needed childcare for all their children to join the labor market.⁵

² Peggy Smith Mathieu, Claudia J. Sowa, and Spencer G. Niles, "Differences in Career Self-Efficacy Among Women," *Journal of Career Development*, 19(3), 1993, 187–196, <https://doi.org/10.1177/089484539301900304>.

³ The Institute for Leadership and Management, "Ambition and Gender at Work," 2011, <https://www.institutelm.com/resourceLibrary/ambition-and-gender-at-work.html>.

⁴ Mercedes Mateo Díaz and Lourdes Rodríguez-Chamussy, "Childcare and Women's Labor Participation: Evidence for Latin America and the Caribbean," 2013.

⁵ Claudia Martínez A. and Marcela Perticará, "Childcare Effects on Maternal Employment: Evidence From Chile," *Journal of Development Economics*, 126 (2017): 127-137.

Globally, public spending on childcare is strongly associated with women’s participation in the labor force.⁶

Flexible and remote working arrangements are attractive to women more than men. In Saudi Arabia, survey data shows that female job seekers tend to work fewer hours compared to men, an indication that time constraints and, potentially, competing responsibilities at home may deter women from fully participating in the labor market. A similar trend was identified in the UK, where women who had recently given birth were three times more likely to work part-time and twice as likely to work flexibly. A systematic review covering Brazil, Ecuador, Kenya, and Nicaragua found daycare had a positive effect on women’s employment,⁷ and in South Africa, mothers receiving childcare grants in their twenties were substantially more likely to remain in the labor market later in life.⁸ Therefore, expanding access to opportunities with flexible work arrangements and hours may have a direct impact on increasing female labor force participation in the Kingdom.

Importantly, these studies were conducted before the COVID-19 pandemic; we expect an increased preference for flexible work arrangements today.

In our study of young Saudis in 2022, women seemed to face more job-search constraints compared to men. Women were less likely to report working full-time, less willing to tolerate a long commute (longer than one hour), and less willing to relocate for a job. These results reflect different considerations between genders around time spent on work and time spent on household duties.

Reported work hours among young employed Saudis	Total	Male	Female
	%	%	%
<20 hours	34	34	33
20–34	20	17	26
35+ hours	46	50	42

Reported willingness to commute for a job among young Saudis	Total	Male	Female
	%	%	%
30 minutes or less	47	44	49
30 minutes–one hour	28	27	30
More than one hour	25	30	21

⁶ Shelby Carvalho and David Evans, “Girls’ Education and Women’s Equality: How to Get More Out of the World’s Most Promising Investment,” Washington, D.C.: Center for Global Development, 2022.

⁷ David K. Evans, Pamela Jakiela, and Heather A. Knauer. “The Impact of Early Childhood Interventions on Mothers,” *Science* 372, No. 6544 (May 21, 2021): 794–96, <https://doi.org/10.1126/science.abg0132>.

⁸ Katherine Eyal and Ingrid Woolard, “Female Labour Force Participation and South Africa’s Child Support Grant,” CSAE 25th Anniversary Conference: Economic Development in Africa, South Africa, 2011.

Reported willingness to relocate for a job among young Saudis	Total	Male	Female
	%	%	%
Yes, I will relocate	46	54	38
Maybe, in some circumstances	43	38	48
No, I will not relocate	12	9	15

Social Factors Influencing Women's Employment

Social Norms

Social norms, unwritten rules shared by members of certain groups or the overall society,⁹ are extremely powerful in guiding human behavior. People are constantly processing information about the norms in their communities and are sensitive to signs of change.

Women participating in the labor force in large numbers represent an emerging norm in Saudi Arabia. While recent trends are overwhelmingly positive, changes related to social norms are often incremental. As female labor force participation accelerates, media and social networks have the opportunity to spread information about these changes and help people update their behavior to match the dynamic norm. "Dynamic norms"¹⁰ is a term for a behavior that is on the rise and may become a social norm in the future. To illustrate, a study conducted in China revealed that high school girls exposed to dynamic norms were more likely to choose STEM majors compared to those exposed to static social norms.¹¹ While traditional gender norms around women working are enforced by communities within Saudi Arabia, women will continue to face barriers and greatly lag behind men in labor force participation.

A recent study in the kingdom traced the effects of misperceived social norms around women working outside the home. In this study, young men were found to be broadly supportive of women working outside the home, but they consistently underestimated other men's support on this issue. When their misperceptions were corrected, they were more likely to sign their wives up on a job-searching app.¹² This shows the power of spreading information about changing social norms. A later study found that alerting women to men's widespread support for women working outside the home increased their willingness to apply for one-day survey jobs.

Although social norms are often slow to change, behavioral interventions using dynamic norms¹³ highlight how people's behavior is changing, and it can even speed change along. In addition to information interventions, these behavioral interventions can help support broader shifts in attitudes and perceptions. For example, a recent experimental intervention in Pakistan found that showing movies with female role models or highlighting women's rights helped reduce attitudes of gender bias.¹⁴

⁹ Robert B. Cialdini and Melanie R. Trost (1998). "Social Influence: Social Norms, Conformity and Compliance," in D. T. Gilbert, S. T. Fiske, and G. Lindzey (Eds.), *The Handbook of Social Psychology* (pp. 151–192). McGraw-Hill.

¹⁰ Gregg Sparkman and Gregory M. Walton, "Witnessing Change: Dynamic Norms Help Resolve Diverse Barriers to Personal Change," *Journal of Experimental Social Psychology*, 82 (2019): 238–252.

¹¹ Lei Cheng, Mingyang Hao, Lijuan Xiao, and Fang Wang, "Join Us: Dynamic Norms Encourage Women to Pursue STEM," *Current Psychology* (2020), <https://doi.org/10.1007/s12144-020-01105-4>.

¹² Leonardo Bursztyn, Alessandra L. González, and David Ya nagizawa-Drott, "Misperceived Social Norms: Women Working Outside the Home in Saudi Arabia," *American Economic Review*, 110(10) (2020): 2,997–3,029.

¹³ Gregg Sparkman and Gregory M. Walton, "Dynamic Norms Promote Sustainable Behavior, Even if It Is Counternormative," *Psychological Science*, 28(11) (2017): 1,663–1,674, <https://doi.org/10.1177/0956797617719950>

¹⁴ Sultan Mehmood, Shaheen Naseer, and Daniel L. Chen, "Transmitting Rights," NBER Working Paper Series, 2022.

In our survey of young Saudis, we saw promising evidence of norm changes via exposure to women working outside the home. A previous section of this report showed a positive association between young women’s exposure to working female role models and more expansive judgments about the appropriateness of women working in a variety of roles (from senior executive through manual labor). In the table below, we report the same results among the young men in our survey.

Young men who said that all or many of the women they know work were more likely to say it is appropriate for women to work at nearly every level. We can assume that these men are more likely to see women working as a norm. This gap is most pronounced at the senior executive level, where 40% of young men who know a lot of working women said it is appropriate for a woman to serve in this leadership role, compared to 28% of men who know fewer working women.

Job levels that are appropriate for women	Among young men who say all or many of the women they know work	Among young men who say some, a few, or none of the women they know work
Senior executive/official	40%	28%
Manager	46%	44%
Professional	46%	31%
Skilled worker	41%	31%
Clerical	49%	47%
Manual labor	19%	16%

Attitudes About Marriage

Marriage prospects are impactful for both Saudi men and Saudi women as they think about their career prospects. In our study, unmarried men were more likely to value a job that would improve their marriage prospects. Women tended not to see any relationship between their career choices and marriage prospects. However, when asked whether having a professional career increases the difficulty of women getting married, 54% of men and 42% of women agreed. This signals that, although women do not see their career choices as related to their marriage prospects, they believe it could make it harder to find a partner—a view that is even more widely held by their male counterparts. It would be useful for future research to unpack the mechanisms behind these perceptions to understand whether these are personal or normative beliefs. The latter will better inform the design of behavioral interventions to tackle attitudes related to women’s employment and marriage prospects.

A woman who wants to have a professional career will have difficulty finding a husband	Total	Male	Female
	%	%	%
Totally agree	48	54	42
Totally disagree	52	47	58

These findings align with a study conducted on a cohort of female students in an elite MBA program in the United States. Women in that study reported lower aspirations when they expected their answers to be shared with both male and female colleagues. Moreover, those same female participants overall reported that they expected lower compensation at jobs that required less travel and fewer hours compared to women who knew their answers would not be shared with their male

and female colleagues.¹⁵ This indicates that women may face lower career success due to avoiding career-enhancing actions that would harm their marriage prospects.

Female MBA students at an elite school are a specific group of labor force participants who may be more ambitious and motivated than average. If we were to extrapolate their responses, though, we might find that the impact of potential marriage prospects is greater, especially in contexts where the societal importance of marriage is more pronounced. Women make a series of decisions early on in their careers, when they are likely to be single, such as choosing to enroll in education, selecting a major, pursuing employment and/or entrepreneurship, and more. These are all decisions that may be influenced by consideration of how it may negatively affect future marriage prospects.

Attitudes Among Family

Family—parents and male authority figures most important of all—are highly respected within the kingdom. Family members’ opinions and expectations greatly influence how people, especially women, make personal and career decisions. Women are more or less constrained in their job prospects depending on the involvement and flexibility of the family members. And as seen in the previous section, a husband’s opinion is highly correlated with a wife’s working status. In fact, women react positively knowing that men support them entering the labor market.

In our survey of young Saudis, most men and women said that they are unlikely to take a job that their parents do not approve of and that their family has a major influence over their choice of work industry. Moreover, 44% of men and 45% of women in our survey said that they would seek their family’s support for information about how to get a job. These findings highlight the impact of family members’ opinions and expectations in shaping the career decisions of young adults in Saudi Arabia. Behavioral interventions aimed at increasing women’s labor force participation and improving their leadership outcomes must take family influence into account. This helps in better designing behavioral interventions where the target audience for diffusing systemic change is not always job seekers, but family and community members. To illustrate, an experimental study in India found positive effects in changing social norms related to women working outside the home when the interventions targeted both women and their families.¹⁶

I would be unlikely to take a job my parents did not approve of	Total	Male	Female
	%	%	%
Totally agree	61	60	62
Totally disagree	39	40	38

¹⁵ Leonardo Bursztyrn, Thomas Fujiwara, and Amanda Pallais, “‘Acting Wife’: Marriage Market Incentives and Labor Market Investments,” *American Economic Review*, 107(11) (2017): 3,288–3,319, <https://www.aeaweb.org/articles?id=10.1257/aer.20170029>.

¹⁶ Rachel Heath and Seema Jayachandran, “The Causes and Consequences of Increased Female Education and Labor Force Participation in Developing Countries,” in *The Oxford Handbook of Women and the Economy*, edited by Susan L. Averett, Laura M. Argys, and Saul D. Hoffman (Oxford, New York: Oxford University Press, 2018), 344–68, <https://doi.org/10.1093/oxfordhb/9780190628963.013.10>.

My family has a major influence over my choice of work industry	Total	Male	Female
	%	%	%
Totally agree	65	64	67
Totally disagree	35	37	33

Organizational Factors Influencing Women's Employment

When considering women's career prospects, it is important to look not only at how women make labor force decisions, but also at employers' hiring and retention practices. As Saudi women have increased their labor participation, they have also been suffering from higher unemployment rates compared to males.¹⁷ This finding was replicated in our survey: 21% of young men said they were looking for work, compared to 41% of young women. As the kingdom's government has lifted restrictions on women's labor force participation, we expect that both formal and informal employer practices will be a major driver of women's experiences. Future research should examine the barriers firms face in recruiting, hiring, and keeping women employed to help bridge the gap between supply-and-demand constraints. In the sections below, we outline several areas to consider.

Initial Investments

Firms that have never hired women before may face both cultural and logistical barriers. Whether that includes misconceptions about female workers or restructuring work facilities to make them accessible, firms face startup costs in hiring women.

A recent study conducted in Saudi Arabia showed that a significant constraint to getting more female Saudis in the workforce was the high upfront costs, or fixed costs, faced by firms that have never before hired female employees. In this study, the researchers looked at female employment before and after Nitaqat—the Saudization program—and found that the largest increase in women's employment came from firms that had not previously hired women. There was also an increase in women's employment at firms that had already hired women before Nitaqat, but it was much smaller in magnitude. The study concluded that helping firms make the investments necessary to *begin* hiring women could serve as a jumping-off point for making women a substantial share of the firm's workforce.¹⁸ In other words, getting firms over the initial threshold from single- to mixed-gender workplaces is likely to have positive effects on women's employment in the future.

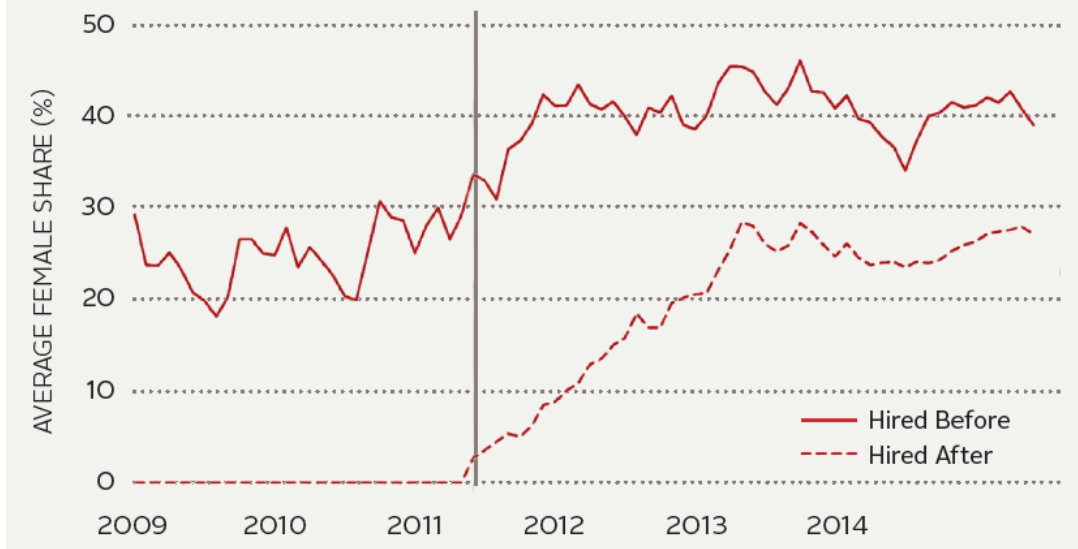
A survey by the World Bank found that private sector firms in Saudi Arabia have an increasingly favorable view of women as workers and perceive them as more motivated and productive. Moreover, among the few firms that do hire women, there are growing training opportunities offered for women compared to men. This demonstrates a promising appetite for firms to attract and hire women. Supporting organizations in overcoming these initial barriers is an impactful avenue for increasing female labor market participation, and government support to incentivize firms to make these initial investments could take different forms. Apart from the financial aspects, injecting intangible rewards (e.g., celebrating them on social media or creating reward schemes) could put pressure on organizations to join the transformation.

¹⁷ Harvard Kennedy School Evidence for Policy Design, "The Labor Market in Saudi Arabia: Background, Areas of Progress, and Insights for the Future," 2015, https://epod.cid.harvard.edu/sites/default/files/2019-08/EPD_Report_Digital.pdf

¹⁸ Alex Domash, Harvard Kennedy School for Policy Design, "Increasing Female Employment by Investing in Up-Front Costs: The Critical Lesson in Nitaqat's Success," 2017, <https://epod.cid.harvard.edu/sites/default/files/2018-06/Nitaqat.pdf>.

Investing in Fixed Costs: A Powerful Tool for Policymakers

Firms that hired their first female employee after Nitaqat (dashed line) saw large increases in the share of their workforce made up of female Saudis. There was no corresponding increase for firms that already had female staff before Nitaqat (solid line). This is due to the upfront costs that firms face when hiring their first women.



Hiring Processes

Acquiring the right infrastructure to hire women is difficult enough, but evidence from around the world proves that organizations face additional barriers when hiring women, especially if they haven't adapted their recruitment processes from what was used for a men-only workforce.

In the UK, a study found that job applicants with a chronological gap in their résumés were more likely to be dismissed by recruiters. Adjusting the format of their résumés to display the applicant's experience in terms of aggregate number of years increased positive callbacks by 14.6%.¹⁹ Another field experiment conducted in the UK used dynamic norms to inform HR recruiters that an increasing number of organizations were recruiting "returners" (i.e., women who took time out to care for children). This intervention led to an increase in the time spent reading the applications.²⁰ Future research could replicate these studies in the Saudi context, with women who took time away from the labor force for maternity and household care duties. While there is a significant push to improve

¹⁹ Nicks, Leonie, Tim Hardy, Vivek Roy-Chowdhury, and Hannah Burd, 2021. Facilitating Return to the Labour Market with a Novel CV Format Intervention. <https://www.bi.team/wp-content/uploads/2021/06/CV-trial-report-for-upload.pdf>

²⁰ Booth, Samantha, Kristina Londakova, and Kimberly Bohling. 2018. Encouraging Hiring of Returners: An Email Trial. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/716209/Returners_email_trial_report.pdf

access and affordability to childcare in Saudi Arabia, exploring complementary behavioral interventions could be promising.

The gender confidence gap is another potential barrier for firms interested in hiring more women, since women are more hesitant to apply for jobs compared to men. Based on the literature, men were found to have higher career aspirations than women, and, as previously discussed, women tend to apply for jobs when they meet all the needed qualifications, while men apply when they have just over half of them. This signals that there may be qualified women who are not applying to job openings because of a misperception about their qualifications and lack of self-efficacy.²¹ Based on another study in the UK, employee referrals of women proved to have a positive effect in addressing this gap. In this study, when employees were encouraged to send job openings to women in their networks, women were more likely to apply and get hired.²²

²¹ Hartman, Rosanne, and Barber, Emily G. (2020). Women in the workforce: The effect of gender on occupational self-efficacy, work engagement and career aspirations. *Gender in Management*.

²² Leonie Nicks, Tim Hardy, Vivek Roy-Chowdhury, and Hannah Burd, "Increasing Applications From Women Through Targeted Referrals," 2021, <https://www.bi.team/publications/increasing-applications-from-women-through-targeted-referrals/>.

Potential Areas for Behavioral Interventions

The traditional assumption is that people just need sufficient information and regulations to engage in an intended behavior. But using behavioral science in public policy has led to recent interventions that departed from that. Taking into account the psychological and behavioral aspects of the policy challenge, policymakers could be better equipped to tackle the challenge from a holistic perspective. In this section, we delve more into potential areas to inject behavioral science into each of the three levels to improve women's participation in the labor market.

Potential Interventions at the Individual Level

Role models and mentoring: Limited access to female role models is a common reason cited for low aspirations among girls and young women. Though it's growing, there is little literature on female role models and mentoring programs. This suggests that connecting young people with female role models and potential mentors could strengthen aspirations and self-confidence, particularly related to pursuing careers in sectors that are traditionally male-dominated. For example, in France, girls were more likely to enroll in STEM classes if they were exposed to women who had a background in science.²³ In the UK, schools partnered with local businesses to connect students with mentors in industries they were interested in. Another relevant intervention implemented by the Behavioural Economics Team of the Australian Government (BETA) established a mentoring program to encourage women to complete their economics studies and pursue a career in economics. Matching students with female role models enabled the students to visualize their future selves by viewing other accomplished women in the field. This intervention led to 46% of students involved in the program successfully completing a core economics degree.

Similar programs have the potential to be particularly helpful for girls who may have more limited access to role models in their fields of interest. Moreover, coaching services could be tailored to improve women's career aspirations, self-efficacy, and confidence as well as to foster space for women to create empowerment groups to support and mentor one another.

Potential Interventions at the Social Level

Adjusting norms: Dynamic norms have been widely used in different policy areas to change social norms. Providing timely information about the growing number of women entering the labor force could incentivize women and support broader shifts in attitudes. Another potential intervention is to tackle normative expectations. As mentioned earlier, evidence suggests that providing men with information about the views of other men can facilitate a change in normative beliefs. A growing body of evidence also suggests that increasing the positive and professional representation of women in popular media—such as movies, books, and school curricula—can support broader shifts in norms and attitudes about what are considered appropriate roles for women in society. In addition, it may be worthwhile to explore opportunities for interventions targeting families. Providing families with information about the prevalence of women in specific sectors, the increasing number of returners to work, and information reassuring them about the safety of women returning to work could increase family support for women working outside the home and in new sectors.

²³ Thomas Breda, Clotilde Napp, Elyes Jouini, and Georgia Thebault, "Gender Stereotypes Can Explain the Gender-Equality Paradox," *Proceedings of the National Academy of Sciences*, 117(49) (2020): 31,063–31,069.

Potential Interventions at the Organizational Level

Reducing biases: Organizations and workplaces are also a target stakeholder susceptible to behavioral barriers. Designing interventions targeting firms and the work environment may be worthwhile to explore further. A fruitful next step would be to conduct research with private sector organizations to map their existing recruitment and hiring processes and diagnose the structural and behavioral barriers to hiring women. It is important to contextualize the barriers as they might vary from those observed elsewhere as well as across sectors within Saudi Arabia itself. Also, building the right partnerships with the private sector companies to identify these unique barriers and subsequently design targeted interventions to address them will help the government advance this agenda and close the gender gap in the labor market.

Conclusion

The Kingdom of Saudi Arabia has made impressive progress in expanding women's access to employment in recent years. Gender gaps have narrowed rapidly, and the labor market is in a prime position to continue these trends in the coming years. The purpose of this policy brief is to build on the recently conducted survey in Saudi Arabia and offer policymakers ideas on applying behavioral insights to programs aimed at addressing gender gaps in the labor market. It also presents a selection of examples of rigorously evaluated interventions that have successfully addressed drivers of behavior to close specific gender gaps in other contexts.

This brief has shown that while trends have been positive in Saudi Arabia, there are several potential areas to explore, and insights from behavioral science can be applied to accelerate progress. The brief presents potential entry points to apply behavioral interventions on each of the individual, community, and organizational levels. At the individual and community levels, strengthening the prevalence of female role models and mentors builds confidence in women and girls, expanding their career aspirations and shifting broader social norms in communities. Working to make social norms more supportive of women's employment broadly, as well as in specific sectors and positions in which women remain underrepresented, is important too. Organizations and institutions also have a role to play in creating more opportunities for women to pursue safe and productive employment and ensuring fair hiring practices and treatment. Support could also be given at institutional levels to explore recruitment and hiring practices in more detail and pinpoint barriers and areas for improvement.