ESRI
SURVEY AND STATISTICAL REPORT SERIES
NUMBER 118
June 2023

IRELAND'S WOMEN IN FINANCE CHARTER: ANNUAL REPORT 2023

Sarah Curristan, Helen Russell and Frances McGinnity

EVIDENCE FOR POLICY

ESRI
ECONOMIC & SOCIAL RESEARCH INSTITUTE

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Available to download from www.esri.ie

https://doi.org/10.26504/sustat118

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ACKNOWLEDGEMENTS

This research was funded by Insurance Ireland, Banking Payments Federation Ireland (BPFI), Financial Services Ireland/Ibec (FSI/Ibec) and Irish Funds. We would like to thank Aisling McNiffe (FSI/Ibec), Louise Kelly (FSI/Ibec), Mags Fullen (BPFI), Marian McCarville (formerly BPFI), Ruth NicGinneá (Insurance Ireland) and Laura McClean and Jennifer Reilly of Irish Funds for their insightful input throughout the project.

We are also grateful to the steering group members for helpful feedback on the data collection and report drafts: Patricia Callan, FSI/Ibec (Chair); Eileen Gorman, Financial Services Union; Gillian Harford, 30% Club; Brian Hayes, BPFI; Aongus Hegarty, Balance for Better Business; Caoimhe Gavin, Department of Enterprise, Trade and Employment; Anne Keys, 100 Women in Finance; Pat Lardner, Irish Funds; Aisling McCaffrey, 100 Women in Finance; Michael McGrath, Department of Finance; Moyagh Murdock, Insurance Ireland; Julie Sinnamon, formerly Balance for Better Business. Our thanks are also due to the secretariat from the Department of Enterprise and Employment. The report also benefited from a review by an ESRI colleague, and comments from Dr Anne Nolan, ESRI, as the editor.

The report is dependent on the signatory firms, and we would like to thank them for their commitment in responding to the surveys.

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ABBREVIATIONS

CEO	Chief executive officer
CIPD	Chartered Institute of Personnel and Development
CSO	Central Statistics Office
EDI	Equality, diversity and inclusion
FTSE	Financial Times Stock Exchange
LFS	Labour Force Survey
NACE	Statistical classification of economic activities in the European Community (Nomenclature statistique des activités économiques dans la Communauté européenne)
PACF	Partial autocorrelation function
PCF	Pre-approval control function
TCD	Trinity College Dublin

EXECUTIVE SUMMARY

Ireland's Women in Finance Charter was launched April 2022. It is an initiative supported by industry and the Government of Ireland to improve gender balance at all levels within the financial services sector. In its first year, 56 firms employing 44,340 workers signed the Charter and completed the baseline survey. This report is based on responses from the baseline survey, together with results from the first follow-up annual survey carried out in early 2023 and qualitative interviews with five firms.

KEY FINDINGS

- The 56 signatories cover a wide range of financial services, including banking (9 firms), insurance/assurance (17 firms) and investment and fund administration (10 firms).
- Half of the signatories are large firms, with 250 or more employees, 30 per cent are medium sized, with between 50 and 249 employees, and the remaining 20 per cent are small enterprises, with less than 50 employees. Large firms are over-represented, but by virtue of their size they cover two in every five employees in financial services. Multinational firms dominate among the signatories: 71 per cent are internationally owned.
- Collectively, the firms set 121 targets on female representation at different levels within their organisations. The largest number of targets set were at the senior management level (30) and board level (29).
- Firms were free to set both the threshold for the target and the timeframe in which it is to be achieved. The majority of targets set (68, or 56 per cent) had a relatively short timeframe, with a deadline within the period 2022–2024.
- Where targets for improvements in female representation are set, they are generally ambitious – at board and executive committee level the mean target is for 39 per cent female representation, compared to the baseline average of 23 per cent and 24 per cent respectively. The mean targets for female representation are 42 per cent at senior management, 44 per cent at middle management and 49 per cent at junior management levels.
- In addition to these positive targets, 46 maintenance targets have been adopted. Maintenance targets refer to those set when firms already have a high level of female representation (40 per cent or greater) across all layers within their organisation. In adopting a maintenance target, firms commit to preserving an existing level of female representation.
- In interviews signatories highlighted that they were motivated to sign the Charter because of the benefits of public accountability and being part of a wider movement for promoting change. Positive employee perceptions and involvement in similar initiatives in other countries were also motivating factors.

PROGRESS

- Fifty-four signatory firms completed the follow-up annual reporting survey conducted in February 2023, a response rate of 96 per cent.
- The majority of firms reported that they are on track to meet their targets, and across all firms, 12 targets had been achieved in advance of the deadlines that firms had set for themselves.
- Two of the eight targets that had a very short deadline, within the first year, were achieved. The reasons reported for targets not achieved were a low number of female applicants and low levels of turnover for the staffing category in question.
- Over the 12-month period between January 2022 and January 2023 there was noticeable increases in female representation at the highest level.
- Female representation on boards increased from 32 to 37 per cent. This figure is above the national figure reported for boards of large Irish-owned firms, which stood at 22 per cent in 2021 (Balance for Better Business, 2022).
- Female representation on executive committees increased from 32 to 35 per cent.
- Female representation in senior management and middle management roles increased marginally by one percentage point, and the share of women occupying technical and professional roles increased by two percentage points.
- In contrast, female representation at junior management level declined from 51 to 49 per cent.
- Increases in female share can occur through internal promotions, external recruitment or differential turnover among men and women. We find that while there was a good degree of gender balance in executive committee, senior management and middle management appointments during 2022, this was less evident for junior management appointments where the female share was 26 per cent.
- At executive committee, senior management and middle management levels, appointments of internal candidates demonstrated good gender balance. This underlines the importance of career development and promotion processes within firms as well as supporting the pipeline of candidates in middle management roles. By comparison, women were less successful in external appointments for these same roles.
- Analysis of exits during the year shows that women are under-represented among those leaving all positions except for technical/professional positions. In particular, women are under-represented among leavers at junior management and middle management roles. The firm-level data do not record the reasons for leaving, which could include retirements, illness and moves to other organisations.
- The initial signatories to the Charter are likely to include firms that are most active in addressing gender balance. The situation in these firms may therefore be more positive than in the sector more widely. As more firms sign the Charter we would expect this selectivity to decrease.

INITIATIVES AND CHALLENGES

- Signatory firms reported a wide range of actions to improve gender balance. The actions that respondents viewed as most effective are:
    - improving flexible working (52 per cent);
    - gender balance in succession planning (49 per cent);
    - female career development/ leadership training (46 per cent);
    - identifying female leaders (46 per cent); and
    - examining hiring practices (43 per cent).
- Practices such as improving female representation on hiring panels and unconscious bias training were used by the majority of firms (69 and 78 per cent respectively) but were rarely identified as being among the most effective strategies.
- The signatory firms perform well in terms of the availability of flexible working hours, part-time hours and family-friendly leave arrangements. Ninety-one per cent provide payment top-ups to those on maternity leave, and 87 per cent provide payment top-ups for paternity leave. Eighty-nine per cent of signatory firms provide flexible working arrangements.
- A substantial proportion of signatories report that members of senior management / executive committee have availed of these arrangements, signalling that these flexible arrangements are not limited to junior staff (either by policy or by organisational norms). However, we do not know the numbers of eligible staff or the proportion of eligible male and female staff who take up these options within firms.
- Interviews with five firms provided examples of a number of successful mentoring and career development schemes that were having positive outcomes on women's advancement. Initiatives such as additional supports for those returning to work following maternity/long-term leave were also cited as examples of effective strategies. One firm had introduced additional paternity leave to address low take-up of leave by male colleagues.
- A low number of female applicants and a low turnover in senior management were identified as the main barriers to improving gender balance. This was followed by a declining headcount or lack of recruitment within the firm. A substantial minority of respondents (30 per cent) identified the hours and demands of senior roles as a barrier to increasing gender balance.
- A minority of signatory firms (seven) have not yet assigned responsibility for improving gender balance to the senior management team, which research suggests is an essential element for change; it is also a requirement of the Charter.
- Public communication of progress on gender balance targets is a central requirement of the Charter to ensure transparency and accountability. Firms can choose where the figures are published, with the majority opting to report progress on their website; others choose to do so alongside gender pay gap reporting or in annual reports. However, a significant proportion of firms (28

per cent) did not identify where they would communicate progress on their targets. Improving compliance with this requirement should be a priority in the short-term.

Improving gender balance in managerial and leadership roles in the financial services sector, where women are currently under-represented, is important from a business viewpoint and a social justice perspective. Setting targets, undertaking data collection and monitoring progress are effective tools for increasing diversity and equality within organisations, although not sufficient by themselves. Reporting on gender balance at different levels within signatory firms also complements the introduction of gender pay gap reporting. Vertical gender segregation – the unequal representation of men and women at different levels of the occupational ladder – is an important determinant of the gender pay gap within firms and across the labour force. Identifying where gender imbalances occur in a firm, tracking gender composition in hiring, promotion and turnover, and taking measures to address inequalities can assist firms in tackling the gender pay gap. The policies that firms introduce to address gender imbalances, such as reviewing hiring practices, enhancing training and development opportunities, and expanding flexible work practices, can benefit all employees, both male and female, and improve the working environment for all.

This first annual report identifies improvement in female representation within the first year of Ireland’s Women in Finance Charter. The ongoing monitoring of progress will allow us to track progress over the coming years and to identify the strategies that have been most effective over time.

CHAPTER 1

Introduction

1.1 BACKGROUND TO IRELAND'S WOMEN IN FINANCE CHARTER

The Ireland for Finance strategic framework recognises the need to address gender imbalance within the financial sector as essential for supporting the development of the financial services sector in Ireland (Government of Ireland, 2022). In April 2022, Ireland's first Women in Finance Charter was launched by four industry trade associations – Banking and Payments Federation Ireland, Financial Services Ireland/Ibec, Insurance Ireland and Irish Funds – in partnership with the Government of Ireland.[1] The objective of the Charter is to increase the participation of women at all levels within financial services organisations. The benefits of gender equality in industry and at decision-making levels are well-documented; however, evidence from the financial sector in Ireland indicates that there is still much progress to be made in terms of realising gender balance (see Section 1.2). Cross-sectoral target-based initiatives similar to the Women in Finance Charter have demonstrated success in improving gender balance within the financial sector in other jurisdictions (see for example Chinawala et al., 2021).

The implementation of Ireland's Women in Finance Charter is overseen by a steering group, which provides advice, guidance and direction on the work of the Charter. The steering group is comprised of public sector officials from the Department of Finance and the Department of Enterprise, Trade and Employment, industry professionals and representatives of the trade associations. In addition, the Charter is promoted by a number of supporting organisations.[2] As data partner for the Charter, the role of the Economic and Social Research Institute (ESRI) is: to provide an independent and objective analysis of the data; to monitor progress made in the sector towards gender balance targets; and to report on findings through the annual reports. This is the first annual report for the Charter.

All financial services firms that operate in Ireland are eligible to become signatories to Ireland's Women in Finance Charter. As of December 2022, 56 firms are signatories to the Charter (see Appendix I for the complete list). These firms represent 44,340 employees working in a wide range of financial services firms across the sector in Ireland. As signatories to Ireland's Women in Finance Charter, the firms publicly commit to targets to increase the representation of women at

1 See https://www.gov.ie/en/press-release/d52fa-minister-fleming-launches-irelands-first-women-in-finance-charter/.

2 These include 30% Club, 100 Women in Finance, 100 Women in Finance Early Career, ACCA, Balance for Better Business, CAIA, CFA Institute, Ibec, Insurance Institute, Irish Banking and Culture Board, PropelHer and Women in EFTs. The steering group is chaired by a senior industry figure and the secretariat is provided by the Department of Enterprise, Trade and Employment.

specific levels within their firm. Progress against these targets is measured annually and publicly communicated.

1.2 THE IMPORTANCE OF GENDER BALANCE

Gender diversity is an important organisational issue, and one which has received increased attention in recent years. Horizontal segregation, on the basis of gender, refers to the tendency for men and women to work in different occupations (Blackburn and Jarman, 2006). Social norms and gender roles create deeply-rooted perceptions as to the occupational roles that are traditionally regarded as 'gender appropriate'. The impact of horizontal segregation is that it perpetuates the perception that some occupational sectors are closed off to certain social groups, thereby limiting opportunity. Similarly, vertical segregation refers to the tendency for some social groups to occupy more prestigious positions within occupations than others. In relation to gender, it reflects the tendency for men to occupy more senior positions within organisational hierarchies when compared to women (Blackburn et el., 2002). In this respect, vertical segregation limits equality of opportunity (Fine et al., 2020).

According to Birindelli and Iannuzzi (2022, p. 14), 'Diversity in all forms broadens the competencies, knowledge, views, and skills of members of a group, thus enriching the exchange of views and debate within the group, ultimately improving the decision making'. Proponents of gender diversity highlight that it offers many benefits, which in turn strengthen the performance and outputs of the organisation; this rationale sets forth the economic argument or 'business case' for increasing gender balance.

Such benefits can include improved organisational decision making. Increasing female representation at decision-making levels can introduce greater diversity of thought, and therefore guard against groupthink (Trainor, 2020). Some evidence of financial benefits has also been found. In an analysis of over two million listed and non-listed firms, Christiansen et al. (2016) found that gender balance on board composition was associated with significantly larger returns on assets for firms. However, other studies have cautioned that the link between gender balance and financial benefits is not so robust, with positive effects largely underpinned by the socio-cultural context of gender equality – explicitly, the society in which organisations are based (Post and Byron, 2015).

Gender diversity has also been linked to improved corporate governance. In studying the gender make-up of corporate boards, Adams et al. (2009) found that boards with greater female representation demonstrated behaviours consistent with better governance when compared to less balanced boardrooms. They found that greater female representation in the boardroom was linked to higher attendance rates at board meetings, the scheduling of more board meetings and greater equity-based compensation. A further benefit is that gender diversity on corporate boards has been linked to increased corporate social responsibility. Cabeza-García et al. (2018) found that firms with greater gender balance were more likely to engage in corporate social responsibility disclosure activities. Research also highlights that effects can vary depending on context, such as type of industry or gender norms in the society (OECD, 2020).

Of equal importance is the social justice argument for addressing gender imbalance. A social justice or rights-based approach to the issue of gender imbalance argues that the under-representation of women is a result of inequalities and discrimination within the social context (Humbert et al, 2019a). Therefore, greater female representation should not only be framed as a means to securing greater economic benefits, but should be a desirable outcome in its own right (Brammer et al., 2007; Fine et al., 2020).

Critically, research suggests that it is not sufficient for gender imbalance to be addressed through tokenistic representation. Research by Erkut et al. (2008) found that when an individual is the sole female board member it can be difficult to exert influence. Moreover, as the sole female board member they can often be turned to as a means of representing the 'female perspective'. Many researchers have advocated that female representation in senior positions needs to reach a critical mass to be effective, because the degree of the influence of a sub-group is dependent on its size (Adams et al., 2009; Cabeza-García et al., 2018; Erkut et al., 2008).

1.3 GENDER BALANCE IN THE FINANCIAL SECTOR

Internationally, the financial sector has been characterised as being traditionally male dominated, particularly at high-level positions (Ferrary, 2017; Sahay et al., 2017). Birindelli and Iannuzzi (2022) refer to the double glass ceiling at play within the financial sector. They posit that while gender balance may exist within the industry at entry level, the gender composition of firms becomes imbalanced at middle management levels, and increasingly so at executive committee and board levels. For example, international research on the banking sector has indicated that while the overall workforce may appear to have achieved gender balance, imbalance persists at both management and top-level positions (Sahay et al. 2017; Ferrary, 2017). With this said, gender composition in the financial sector is not universal; there can be marked differences in gender balance between countries, among firms within the same country, as well as across sectors of the financial industry both within and across countries.

Financial services comprise a key sector for the Irish economy. The most recent figures show that the financial and insurance sector accounts for 5.2 per cent of jobs across the Irish economy, employing 119,900 people (see Table 1.1); 114,700 of these are employees and 5,200 are self-employed. Table 1.1 illustrates that the gendered composition, or horizontal segregation, of the labour market is evident across many economic sectors. For example, in the health and education sectors, 79 per cent and 74 per cent of workers are female, respectively. Comparatively, in the construction sector just 10 per cent of those employees are female. The financial services sector is one of the more gender balanced sectors, with a female share of 48 per cent. This is broadly similar to the share of females in all sectors, 47 per cent.

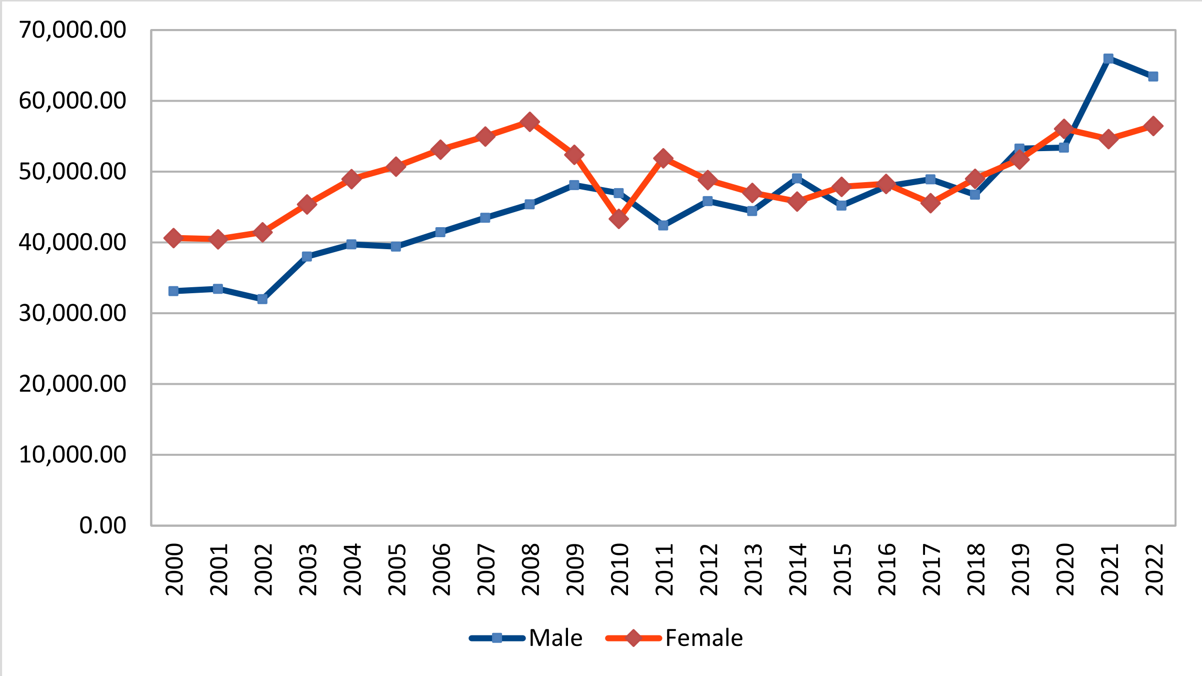
TABLE 1.1 EMPLOYMENT BY ECONOMIC SECTOR IN IRELAND, Q4 2022

	All	Male	Female	Female share
	'000s	'000s	'000s	%
Agriculture, forestry and fishing (A)	100.8	83.4	17.3	17.2%
Industry (B to E)	323	226.3	96.7	29.9%
Construction (F)	163.2	146.3	16.9	10.4%
Wholesale, retail trade, etc. (G)	320.3	161	159.4	49.8%
Transportation and storage (H)	113.1	88.5	24.6	21.8%
Accommodation and food service activities (I)	170.4	85.3	85.1	49.9%
Information and communication (J)	164.6	108.6	56	34.0%
Professional, scientific and technical activities (M)	170.7	99.3	71.4	41.8%
Administrative and support service activities (N)	110	59.5	50.4	45.8%
Public administration and defence (O)	137.5	67.3	70.2	51.1%
Education (P)	204.9	53.1	151.8	74.1%
Health and social work activities (Q)	336.5	72.2	264.3	78.5%
Financial, insurance (K)	119.9	63.4	56.5	47.1%
Other NACE activities (L,R,S,T)	130.2	48.5	81.7	62.8%
All NACE economic sectors	**2,565.0**	**1,362.7**	**1,202.3**	**46.9%**

Source: Labour Force Survey Q4, 2022. NACE REV 2. Own analysis of LFS RMF. Figures include both employed and self-employed. Excludes not stated.

Employment levels in the financial services sector in Ireland have shifted rapidly over the last two decades – rising sharply during the economic boom period from 73,800 in 2000 to a peak of 102,500 in 2008, before dropping abruptly in 2009–2010 due to the financial crisis and recession (Figure 1.1). Since then, employment levels have recovered, rising consistently from late 2018 to surpass the earlier peak. Taking a longer-term perspective also reveals that the female share of employment in the sector was significantly higher in the early 2000s when it was consistently well above 50 per cent. But this pattern reversed in 2021 and 2022. Unlike in other sectors, women in financial services bore the brunt of the job losses during the financial crash (Kelly et al. 2015), and have benefited less from the employment increase in the last two years (see Figure 1.1).

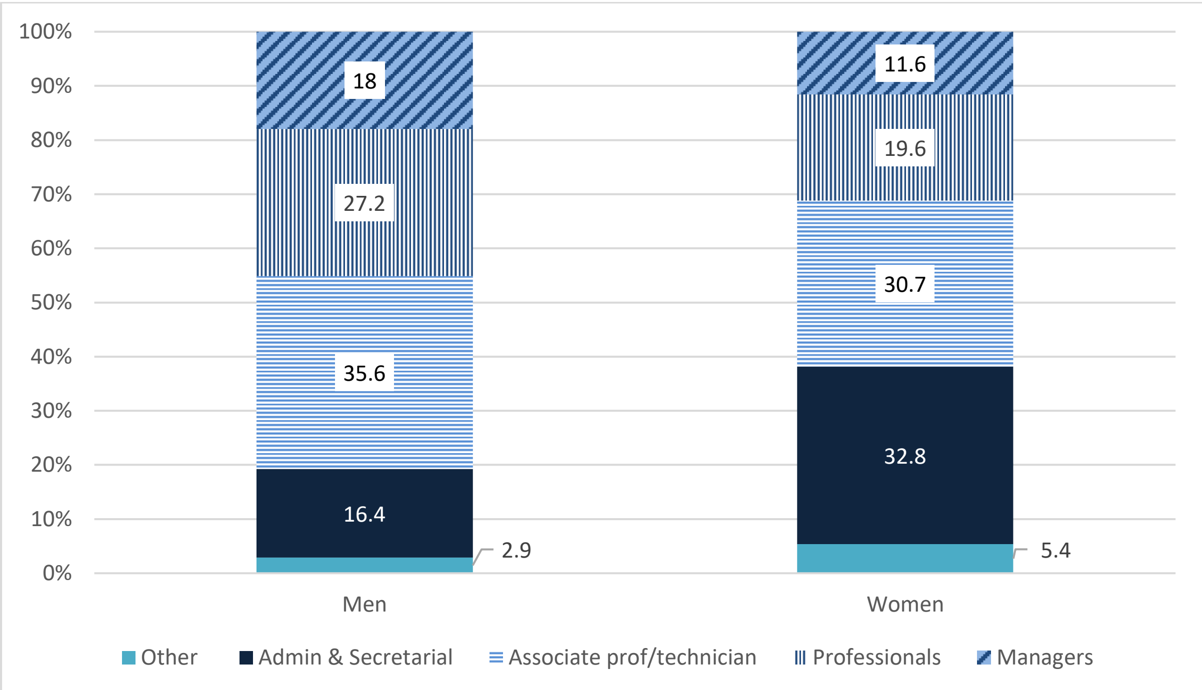
FIGURE 1.1 EMPLOYMENT TRENDS IN FINANCIAL AND INSURANCE, Q4 2000–Q4 2022



Source: Central Statistics Office (CSO) Labour Force Survey.

As noted earlier, the labour market is also characterised by differences in the occupational levels of men and women within sectors. Across the financial sector, 18 per cent of men are classified as managers or directors and a further 27 per cent as professionals. This compares to 12 per cent and 20 per cent of women employed in the sector (Figure 1.2). One-third of women working in the sector are classified as occupying administrative positions, compared to 16 per cent of men.

FIGURE 1.2 OCCUPATIONAL POSITIONS OF MEN AND WOMEN IN FINANCIAL and INSURANCE SECTOR, 2022



Source: CSO, Labour Force Survey, 2022 Q1–Q4 (authors' analysis), SOC10 classification.

Turning to the gender composition of those occupying different roles in the financial services sector, we find that the females hold 36.6 per cent of managerial positions, 39 per cent of professional posts and 64 per cent of administrative roles.

The Central Bank of Ireland annually examines the gender breakdown of persons seeking approval, and those approved, to act in senior management or board level pre-approval control function (PCF) positions within regulated firms. In 2012, the first year at which these data were made available, 16 per cent of applications for PCF positions were for women. In 2021, this figure grew to 31 per cent, the highest since the monitoring exercise began. The sectors with the highest growth in applications on behalf of women occurred in the asset management and credit union sectors.

1.4 MEASURES FOR CHANGE

Reform measures have been implemented in several countries to address gender representation in private sector boardrooms. In some cases, these take the form of hard quotas, through which a compulsory minimum is established for female representation (Birindelli and Iannuzzi, 2022). For example, in Norway, legislation was introduced in 2003 which required the boards of public limited companies to be comprised of at least 40 per cent women. Companies who are non-compliant can face a range of severe sanctions, up to dissolution or delisting from the Oslo Stock Exchange. Similarly, in Austria, quota-based legislation was introduced in 2017. The *Act for the Equality of Women and Men on Supervisory Boards* provides that the supervisory boards of all listed companies or companies with more than 1,000 employees must be comprised of at least 30 per cent women.[3] However, because the Act was not accompanied by the ability to administer sanctions to firms that were not compliant (Humbert et al, 2019a), there are those who argue that it is less effective as a result.

Gender quotas for the boards of publicly funded organisations are increasingly common. In Ireland, there is a requirement for state boards to have a 40 per cent representation of women. The latest figures show that only 59 per cent of boards had reached this target by the end of 2021 (Department of Public Expenditure and Reform, 2022). This, nevertheless, represents a significant change since 2011 when 32 per cent of state boards were compliant (ibid).

Policy in Ireland is also moving toward the introduction of gender quotas at board level in the private sector. The recent Citizens' Assembly on Gender Equality recommended that gender balance legislation be enacted for private companies,

[3] See note on the *Act for the Equality of Women and Men on Supervisory Boards* from the Federal Chancellery Republic of Austria: https://www.bundeskanzleramt.gv.at/en/agenda/women-and-equality/gender_equality_in_the_labour_market/women-in-leadership-positions.html#:~:text=The%20law%20was%20adopted%20in,women%20and%2030%20percent%20men.

requiring firms to have a gender balance of 40 per cent on their boards, ‘according to specific criteria such as turnover, number of employees etc.’ (Citizens’ Assembly, 2021). The assembly also voted to strengthen the approach to state boards, recommending bodies that do not reach targets by 2025 lose part of their funding. The European Parliament and the European Council have recently agreed to introduce a Directive that will require companies listed on EU stock exchanges to achieve a 40 per cent share of the under-represented sex among non-executive directors and 33 per cent among all directors.[4] Once formally approved, Member States will have two years to transpose the Directive into national law.

Voluntary measures have also been undertaken by companies in Ireland. Balance for Better Business is a state and industry supported initiative that has set targets for increasing female representation on the boards and leadership teams of publicly listed companies and large private companies operating in Ireland. They note that ‘genuinely gender balanced leadership involves a minimum of 40 per cent of either gender’ (Balance for Better Business, 2019). Targets were set based on the starting point of different groups. Targets for female representation on boards, to be achieved over the period 2019 to 2023, were set at 33 per cent for ISEQ20 companies;[5] 25 per cent for other listed companies; and 30 per cent for large Irish-owned companies. Targets were also set for greater gender balance in leadership teams within these companies by the end of 2023: 30 per cent female in the case of ISEQ20 companies; 25 per cent for other listed companies; and 35 per cent for large Irish-owned private companies.[6] Significant progress has been made on these targets to date. The fifth report in 2022 stated that 36 per cent of board members in ISEQ20 companies and 26 per cent of board members in other listed companies were female, exceeding the original targets. However, large Irish-owned private companies were still considerably off-target, with female representation on boards standing at 22 per cent.[7]

Evidence for the effectiveness of quotas has been demonstrated by Humbert et al. (2019a). In a study of 34 European countries, they found that women’s board representation is significantly higher in countries with gender quotas in place, particularly where quotas are coupled with hard sanctions for non-compliance. The introduction of quota-based measures is not always well received. Resistance is often grounded in the perception that the use of quotas overrides appointments made on the basis of merit (Humbert et al., 2019b; Kakabadse et al., 2015; see also McGinnity et al., 2021 for a discussion of affirmative action quotas in the US). Additionally, Mensi-Klarbach and Seierstad (2020) argue that the effectiveness of hard quotas lies within the wider institutional context in which they are embedded.

4 See https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3478.
5 ISEQ 20 comprises the 20 companies with the highest trading volume and market capitalisation listed on Euronext Dublin.
6 Privately owned Irish companies with 250 or more employees.
7 Due to different data sources the figures for large Irish-owned companies relate to 2021.

For example, existing gender equality achievements (labour market participation, welfare policies, leave policies) within a country can affect how quotas are perceived, as can the history of equality initiatives; political ideology and support play a role in the acceptability of such measures. Quotas implemented at board level only have been found to have little influence on wider organisational composition.

In some countries, softer approaches have been taken in the form of gender-based targets, such that firms have been recommended through corporate governance codes to increase the level of female representation on company boards. A number of these have focused specifically on financial services. For example, in the UK, the Hampton Alexander report (2016) recommended that leadership teams in FTSE100 companies should strive to be comprised of 33 per cent women. In 2016, Her Majesty's Treasury Women in Finance Charter was launched as a self-regulatory initiative for the financial sector, with the goals of creating a more balanced financial sector and supporting the career progression of women in the industry. Signatory firms commit to: (i) appointing an accountable party for diversity policy within the senior executive team; (ii) establishing targets for gender diversity at senior management levels; (iii) publishing an annual report with reports on progress towards gender diversity goals and targets; and (iv) linking remuneration of the senior executive team to meeting gender diversity targets. As such, the objectives of that Charter concentrate on achieving greater levels of female representation at senior positions.

As of 2021, over 400 firms are signatory to the Charter in the UK, representing over 950,000 employees within the financial sector (Chinawala et al., 2021). A five-year review of progress made under the Charter signals positive developments in terms of female representation at senior positions. Female representation at executive committee level increased from 14 per cent in 2016 to 22 per cent in 2021. At board level, female representation increased from 23 per cent in 2016 to 32 per cent in 2021 (Chinawala et al., 2021).

A similar initiative, Women in Finance, was launched for financial firms in Belgium in 2019. The requirements of signatories are similar to those for firms in the UK. However, not only confined to senior positions, this Charter aims to achieve gender diversity at all levels of its signatory firms. Signatory firms commit to promoting gender diversity by: (i) measuring gender balance at all levels of their organisation; (ii) setting targets for representation to be measured, monitored and made public; (iii) establishing a diversity and inclusion action plan; and (iv) appointing a person responsible for diversity within the organisation. As of 2022, the Charter represents 50 firms from the Belgian financial sector. Its latest annual report cites progress among signatories. Female representation at board level has increased 6.2 percentage points, from 18.2 per cent in 2019 to 24.4 per cent in 2022. At senior management level, female representation has increased by 2.6 percentage points, from 27.8 per cent in 2019 to 30.4 per cent in 2022 (Wo.Men in Finance, 2023).

The Women in Finance Charter for Ireland adopts a similar approach to that taken in the UK and Belgium, in that firms sign up to voluntary targets that they themselves set, rather than a quota system with a legal framework. The requirements of the Irish Charter are set out below.

1.5 REQUIREMENTS OF SIGNATORIES TO THE CHARTER

As per guidance on the Charter,[8] all signatories to the Charter commit to:

- taking action;
- leadership and accountability; and
- measuring and communicating progress.

Firstly, signatory firms commit to advancing gender balance at their firm through taking action. This involves making a transparent public commitment to the creation of an inclusive working environment, and to the advancement of women from entry through to board level. To achieve this, firms adopt and communicate targets for gender balance and create an action plan for gender balance and inclusivity that is tailored to their firm. Secondly, all Charter signatories are required to demonstrate leadership and accountability for progress towards their targets and action plan. Responsibility for these commitments is designated at a senior management level. Thirdly, all signatory firms commit to measuring, monitoring and publicly communicating progress against their targets for gender balance.

1.6 DATA AND METHODOLOGY

In 2022, 60 firms signed up to Ireland's Women in Finance Charter. Of these, 56 firms completed their baseline data survey by December 2022, giving a response rate of 93.3 per cent (see Appendix I for a full list of signatories in 2022). The baseline survey was administered online and captured profile information on each firm including on sector, ownership and size. Firms were asked to define their composition, describe the different staff categories that exist within their organisation and identify the number of male and female employees within each category. Consequently, the survey captured baseline levels of gender balance across all staffing levels within participating firms as of 1 January 2022. A key element of the baseline survey was that it required signatory firms to establish their targets for gender balance. The Charter was not prescriptive on the targets; instead, firms were free to select the occupational levels within their organisation

8 Guidance on Ireland's Women in Finance Charter is available at: https://www.betterbalance.ie/wp-content/uploads/2022/12/Irelands-Women-in-Finance-Guidance-Notes-November-2022.pdf.

where action would be taken and to establish their own target(s) and timeline. The only requirement was that signatory firms set a target that would increase gender balance for at least one of their staffing categories. All targets were expressed as a percentage of female representation sought at that staffing level. Firms were also required to set a date by which their targets were to be met.

At the next reporting stage, in the first quarter of 2023, firms completed their first annual reporting survey, which we call the annual reporting survey 2023. Firms were asked to report gender balance at their firm as of 1 January 2023. Progress towards targets was assessed by comparing the gender balance within a given occupational level at baseline to that found at the annual reporting survey. Firms were also asked to report on policies and initiatives undertaken to support gender balance and inclusion within their firm in the 2022 calendar year. Of the 56 signatory firms that completed their baseline submission, 54 firms completed their annual reporting submission for 2022 (a response rate of 96 per cent).

In addition, in March 2023, interviews were conducted with representatives from five signatory firms. These interviews provided further insight into motivations for joining the Women in Finance Charter (see Box 2.2), examples of initiatives that have been beneficial for increasing gender balance (see Chapter 3) and existing barriers for gender balance (see Chapter 3).

1.7 OVERVIEW OF THE REPORT

This report sets out the progress of Charter signatories towards their targets between January 2022 and January 2023. Chapter 2 describes the baseline characteristics of the signatory firms as well as the targets set. Chapter 3 details progress made by the signatories in the first year of the Charter. Drawing on interviews with signatories, this chapter also sets out examples of effective practices to increase gender balance among signatories, along with challenges encountered. Chapter 4 looks at recruitment and retention practices with respect to gender balance. Finally, Chapter 5 presents the summary and conclusions drawn from the first reporting period.

CHAPTER 2

Signatories and targets

2.1 INTRODUCTION

This chapter provides a profile of firms that signed the Women in Finance Charter. Section 2.2 details their key characteristics, including their sector within the financial services, firm size and firm ownership. Section 2.3 examines current levels of gender representation across signatories by various positions within the firm. Section 2.4 describes the targets set by signatories.

Before examining the characteristics of the signatory firms, we explore motivations for signing the Charter (Box 2.1). These insights were provided by five firms that volunteered to participate in qualitative interviews about their experiences of addressing gender balance.

BOX 2.1 MOTIVATIONS FOR JOINING IRELAND'S WOMEN IN FINANCE CHARTER: PARTICIPANTS' VIEWS

Chapter 1 explored the benefits of working towards greater gender balance, which can include: financial benefits; diversity of perspective and avoiding groupthink at key decision-making levels; employee attraction; social justice and equality; and improving a firm's outward image. Each is a valid motivation for engaging in gender balance initiatives.

We spoke with participants about the reasons their firm elected to sign up to Ireland's Women in Finance Charter in 2022. During these interviews, participants highlighted their firm's motivations for addressing gender balance and why the Charter was regarded as an appealing tool for this purpose. In particular, interviewees highlighted: (i) public accountability and employee perceptions; (ii) being a signatory to similar charters overseas; and (iii) being part of a wider movement.

Accountability

As a signatory to Ireland's Women in Finance Charter, a firm is required to make transparent its public commitment to addressing gender balance. This was viewed by our interviewees as a strong motivation for signing up. Interviewees indicated that public accountability was necessary to ensure action and follow-through on commitments. For example, one participant stated that making public their gender balance commitments and targets ensured a large degree of accountability, both internally and externally, which ensured that progress would be made:

> *It's really imperative that we are externally making public and disclosing this stuff so that we can better hold our executive management and board to account to these things, to embed it into our business practices.* (Charter participant).

> *Public accountability and the consequent visibility of a firm taking action on the issue of gender balance was seen as a positive. One participant emphasised the importance of transparent action on gender balance and diversity for the reputation and outward perception of their firm:*

> *I think it's growing in interest and popularity as much as it is demand. It's a business need now. We're getting requests from clients in terms of how are we really practicing what we preach in the DE&I* [diversity, equity and inclusion] *space.* (Charter participant)

Furthermore, the visibility of taking action was regarded as an important signal to convey internally to one's own staff. Participants reported that public accountability on the issue of gender balance communicates that a firm takes this issue seriously, and thereby 'sends a strong message to staff' (Charter participant) of its commitment to act.

Aligning commitments

All interviewees regarded the objectives of the Charter as being consistent with their own internal organisational goals and commitments for gender balance.

For firms with an international base, a further compelling reason for signing up to Ireland's Women in Finance Charter was that their counterparts overseas had signed up to similar initiatives, such as the UK's Women in Finance Charter (see Chapter 1). For these firms, deciding to be a signatory in the Irish context was an action that would 'align efforts' on gender balance (Charter participant). One interviewee mentioned that their firm's experience with the UK Women in Finance Charter had yielded benefits in terms of improving female representation. The opportunity to do likewise in Ireland was viewed as a natural extension of these existing commitments:

> *We've seen the benefit by being a signatory in the UK and we saw the equal benefit of being that in Ireland.* (Charter participant)

Wider movement and shared learning

Another key motivation cited by participants was that the Charter offered an opportunity to be part of a wider movement on the issue of gender balance that extended beyond the efforts of a single firm. On this, one participant highlighted that the sector-wide nature of the Charter was appealing. They stated that engaging in cross-industry efforts is 'critical to the success of the industry at large' (Charter participant) when it comes to addressing gender imbalance. Likewise, another participant noted that the sector needs to 'work together to influence change' (Charter participant, 2023) and that the Charter provides that opportunity. As another commented:

> *You feel like you're making more of a change rather than just internally in your organisation. If you commit, there's that strength in numbers. So I think it was important for us because it's nice to be able to do things internally, but also be part of something externally.* (Charter participant)

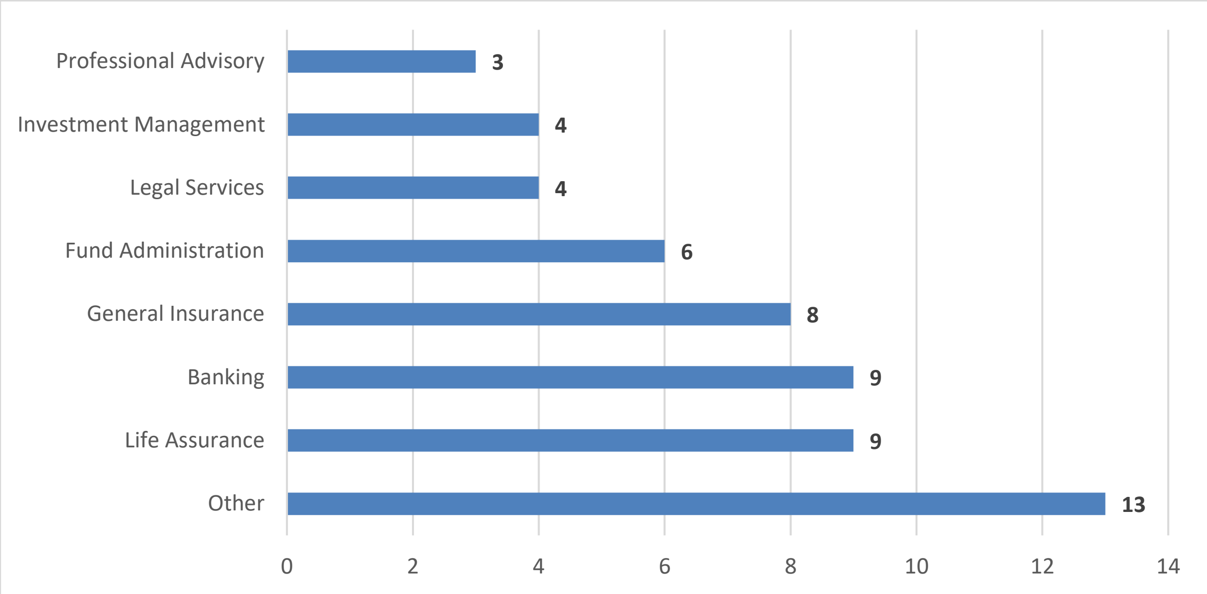
A further noted benefit of connecting with other firms was that it offers the opportunity for shared learning across the sector. The opportunity to learn from others in the sector included the reporting activities related to female representation, successful initiatives undertaken by firms to address gender imbalance and diversity, and challenges that can be encountered. On this point, one participant stated:

> *Those of us who are a bit more mature in their journeys, if I could call us that, we have the opportunity to share what did work and didn't work for us* [...] *what's great about this is it gives the opportunity for us to share a plethora of different examples.* (Charter participant)

2.2 CHARACTERISTICS OF SIGNATORIES

The 56 signatories represent a variety of financial services. Figure 2.1 illustrates the firms according to sector. The 'other' category consists of firms that do not fall clearly under any of the other categories provided; often these offer multiple financial services. The banking, life assurance, general assurance and fund administration sectors account for the largest proportion of signatories. Banking firms comprise 16 per cent of signatories, and represent 23,263 employees. Taken together, life assurance and general insurance firms comprise 30 per cent of signatories. These firms represent 5,684 employees. Fund administration comprises 11 per cent of signatories and represents 4,338 employees. All other categories of firm employ 11,055 employees. When asked during the 2023 annual reporting survey, 87 per cent of firms (*n* = 54) reported that they are regulated by the Central Bank of Ireland.

FIGURE 2.1 NUMBER OF SIGNATORIES BY SECTOR



Source: Ireland's Women in Finance Charter, baseline survey 2022 (n = 56).

Figure 2.2 illustrates the breakdown of signatories according to organisation size. Within our analysis, firm size is defined as: small (less than 50 employees); medium (between 50 and 249 employees); and large (over 250 employees). Under this definition, 50 per cent of signatories are large firms. The signatory firms are therefore not typical of the sector, or indeed the business economy as whole, where small firms dominate.[9]

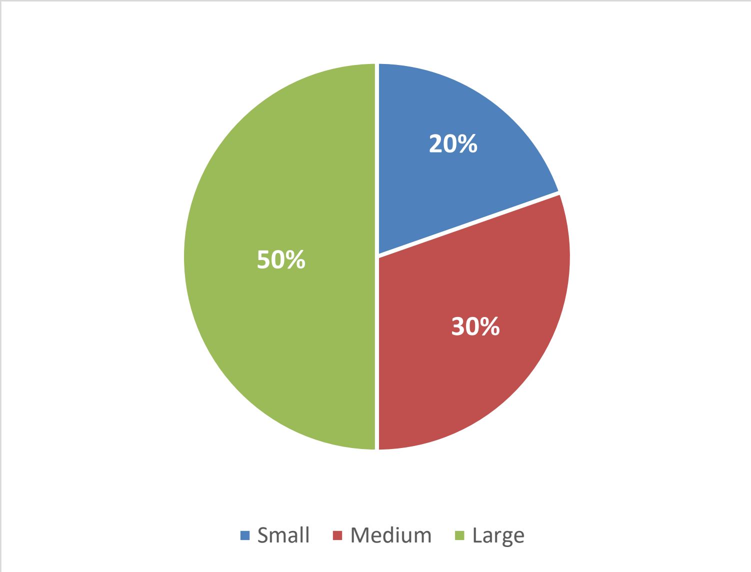
While equality issues are important in all organisations, targeting and monitoring exercises are not appropriate for very small firms. The CSO reports that in 2020 there were 770 firms in the financial and insurance sector employing 10 or more people; of these, 215 employed 50 or more employees and 64 employed 250 or more employees. The 56 signatory firms therefore represent 7 per cent of firms with 10 or more employees and 21 per cent of firms with 50 or more employees in the sector.

While larger firms are over-represented, by virtue of their size, they cover a significant proportion of employees in the financial services sector in Ireland. The signatory firms employ 44,340 people, which represents around two in every five employees in the sector in 2022.[10]

9 Across the business economy as a whole, 92 per cent of enterprises employ less than 10 people (CSO. BRA11 - Business Demography NACE Rev 2).

10 As noted in Chapter 1, there were 114,700 employees in the financial and insurance sector in Quarter 4 of 2022.

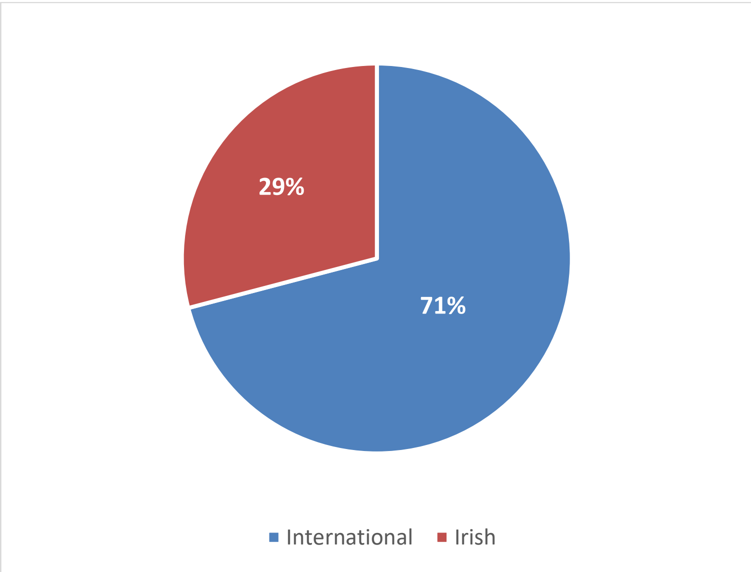
FIGURE 2.2 PERCENTAGE OF FIRMS BY SIZE



Source: Ireland's Women in Finance Charter, baseline survey 2022 (n = 56). Small firms = less than 50 employees; medium firms = between 50 and 249 employees; and large firms = more than 250 employees.

Figure 2.3 illustrates the ownership of signatory firms and shows that 71 per cent of signatories are internationally owned. International firms may adopt targets for gender balance that have been set by their firm as part of a global firm-wide initiative. However, targets under Ireland's Women in Finance Charter must be measured against gender balance as it relates to employees working in Ireland and cannot reflect progress made across the firm's international workforce.

FIGURE 2.3 PERCENTAGE OF FIRMS BY OWNERSHIP



Source: Ireland's Women in Finance Charter, baseline survey 2022 (*n* = 55).

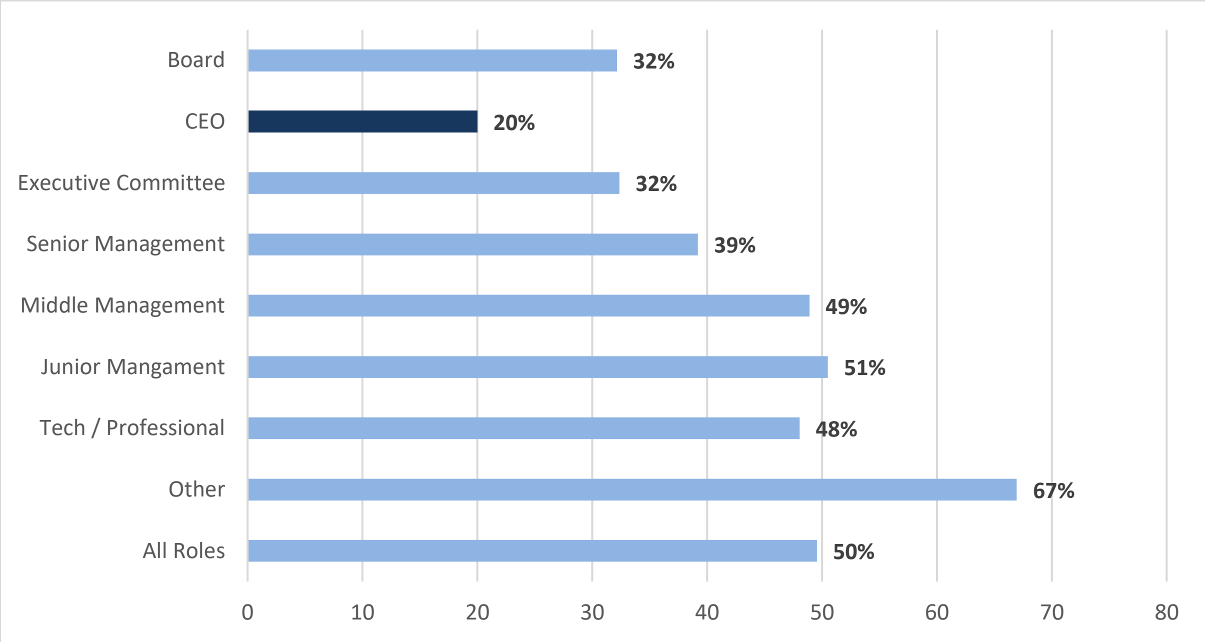
2.3 GENDER COMPOSITION OF FIRMS AT BASELINE

Firms can differ in terms of their organisational structure for many reasons, including size and function. In the baseline survey, firms were asked to define the composition of their organisation using seven different levels, according to seniority. These were: board; executive committee; senior management; middle management; junior management; technical and professional roles; and other. While these levels may not map directly onto firms' in-house labels for positions, they provide a means of comparison across all firm signatories. Guidance was provided within the survey as to how to apply these categories.[11] Board members and members of the executive committee are generally easy to identify. For employees in senior management positions, respondents were asked to set out how they defined this group within their organisation. Relative to this definition of senior management, employees in middle management and junior management roles were identified as one level below or two levels below senior management, respectively. Technical and professional roles were defined as non-managerial, financial and non-financial positions that require specialist skills, such as business analyst, lawyer, human resources specialist, IT personnel, etc. 'Other' occupations encompass all other employees within a firm – for example, employees working in clerical, administrative or sales roles. Not all firms have multiple managerial levels; where these levels did not exist firms could indicate this.

Using these groupings, Figure 2.4 presents the average level of female representation across all firms, within each respective level, as of 1 January 2022. Overall, women represent an average of half of all employees among the signatory firms. At the levels of technical/professional, junior management and middle management, gender is balanced, with roughly 48–50 per cent of roles occupied by women. At senior management level, across all signatory firms, 39 per cent of roles are occupied by women. For high-level roles, at executive committee and board level, the average level of female representation within these positions in 32 per cent. In the annual reporting survey, firms were asked to report the gender of their chief executive officer (CEO). In nearly 80 per cent of firms, the CEO was reported as being male (see Figure 2.4).

[11] Ireland's Women in Finance Charter baseline survey, https://www.esri.ie/sites/default/files/media/file-uploads/2023-01/IWIFC%20Baseline%20Data%20Template.pdf.

FIGURE 2.4 AVERAGE FEMALE REPRESENTATION (%) BY STAFFING CATEGORY AT BASELINE



Source: Ireland's Women in Finance Charter, baseline survey 2022 and annual reporting survey 2023 for figures on CEO gender.

Notes: Sample sizes for each position differ according to firms' self-defined organisational composition. Sample size for firms with the following respective layers were all taken from the baseline survey 2022: board (n = 47); executive committee (n = 47); senior management (n = 52); middle management (n = 49); junior management (n = 35); technical / professional (n = 45); and other (n = 36). Data on CEO gender (shown in navy) were taken from the annual reporting survey 2023 (n = 54).

The gender composition of managerial roles among the 56 signatory firms at the baseline appears to be somewhat better than the average for the sector as a whole. The CSO Labour Force Survey (LFS) figures reported in Chapter 1 suggest that 36 per cent of managers in the sector are female. If we count all management roles, from junior management up, on average 45 per cent of managers in the signatory firms are female. If we count those from middle management upwards, the mean female share is 43 per cent.[12] We caution that these figures are not directly comparable: the LFS figures are derived from a sample of individuals, rather than firms, and managerial occupations are defined on the basis of the Standard Occupational Classification, whereas in the Women and Finance reporting template, managerial status is defined by the firms themselves. Nevertheless, the comparison suggests that the signatory firms were performing better than average in terms of gender balance at the baseline.

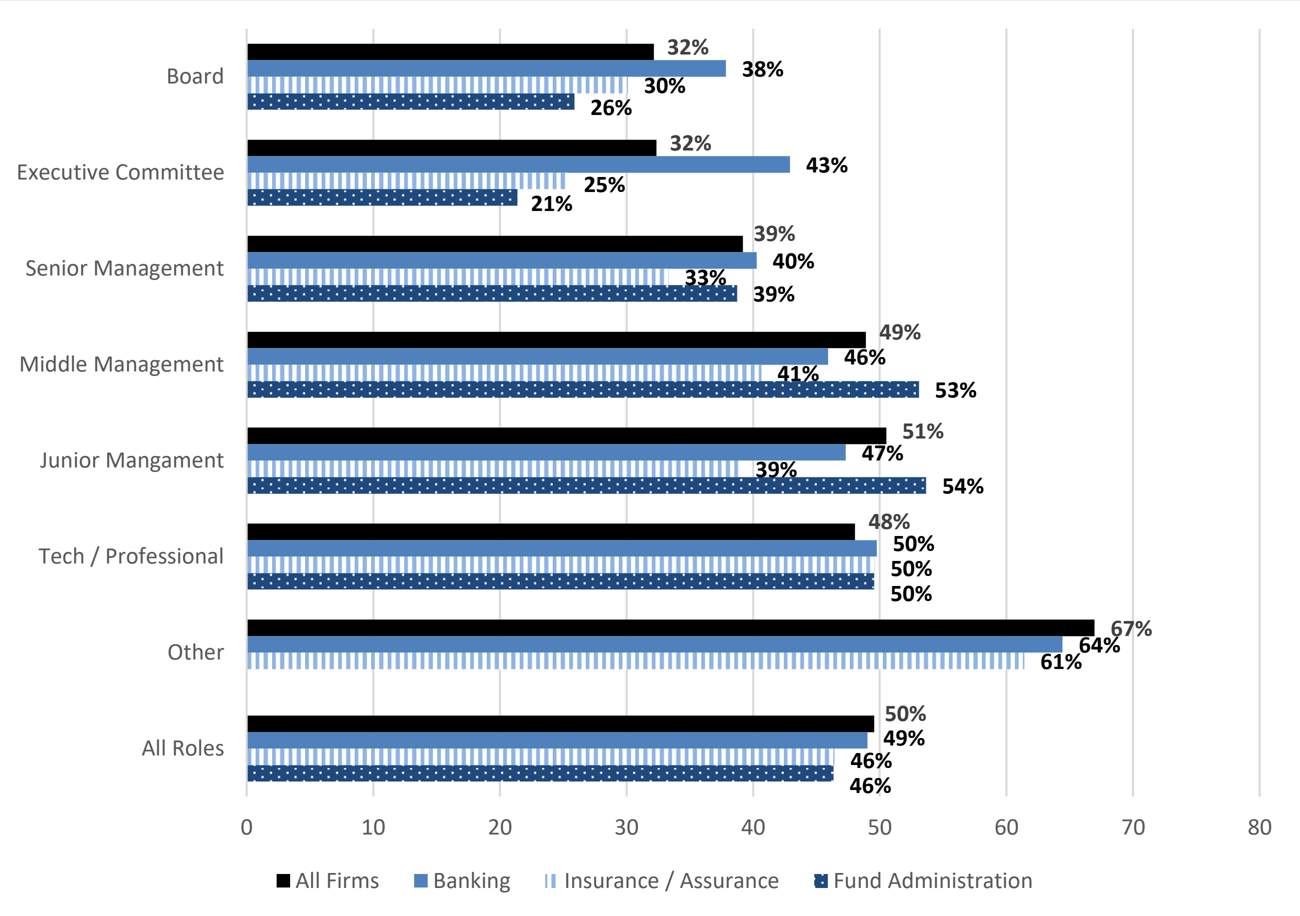
As mentioned, banking, insurance/assurance and fund administration comprise three of the largest sectors represented among the signatories to the Charter (Figure 2.1). Figure 2.5 compares gender representation within these three sectors to the overall average presented in Figure 2.4. As the number of signatory firms increases over time, we will be able to explore further differences among

12 The median female share is 43.7 per cent including junior management roles, and 40.8 per cent excluding junior management roles.

signatories by sector; for now, we concentrate on these three sectors as the largest sub-groups within the dataset.

Figure 2.5 indicates that, across most personnel categories, signatories from the banking sector are roughly aligned with the overall average. However, at the most senior positions in banking firms, female representation is higher than average. At board level, 38 per cent of roles are filled by women, compared to an average of 32 per cent across all signatories. Women represent 43 per cent of roles at executive committee level among signatories in the banking sector, whereas this figure stands at 32 per cent among all signatories. Among life insurance/general assurance firms, the level of female representation at board level (30 per cent) is comparable with the average observed at board level among all signatories (32 per cent). By comparison, lower than average levels of female representation for insurance/assurance firms are observed at the levels of executive committee (25 per cent), senior management (33 per cent), middle management (41 per cent) and junior management (39 per cent). For firms in the area of fund administration, female representation at senior management, middle management, junior management and technical/professional levels is very similar to the average across all signatories. However, lower levels of female representation are observed at board level (26 per cent) and the executive committee level (21 per cent) when compared to the average demonstrated by all signatories.

FIGURE 2.5 AVERAGE FEMALE REPRESENTATION (%) AT BASELINE BY SECTOR



Source: Ireland's Women in Finance Charter, baseline survey 2022.
Notes: Data on 'other' staffing category among fund administration firms were suppressed due to a very small number of firms with this category.

2.4 TARGETS ADOPTED BY BASELINE SIGNATORIES

As described in the previous section, firms differ in their organisational composition and in their existing levels of female representation. In setting targets, the Charter guidance encourages firms to reflect on their existing levels of female representation at each layer within their firm, and to identify the levels at which gender balance could be improved. These ambitions for change are reflected in firms' targets. All firms were encouraged to set at least one positive target, i.e. a target that would raise existing levels of female representation for a given layer within their firm. In the instance that firms already had proportionately high levels of female representation (40 per cent or greater) across all layers within their organisation, firms could adopt a maintenance target – a commitment to maintain this level of representation into the future.

Overall, the signatories collectively set 121 targets to improve or maintain gender balance. Signatories with at least one target (n = 53) set an average of 2.3 targets. Table 2.1 below describes the average number of targets set by firms, taking into account firm size, sector and ownership. As expected, firm size plays a role in the average number of targets set – with larger firms taking on more targets than small or medium firms. There is no difference in the average number of targets set by firm ownership; Irish-owned firms and internationally-owned firms each set an average of 2.3 targets. The banking and life insurance/general assurance sectors each set an average of 2.4 targets. Fund administration firms were slightly lower than other sectors, with 1.8 targets on average.

TABLE 2.1 AVERAGE NUMBER OF TARGETS SET BY FIRMS AT BASELINE

Firm characteristic		Aver. targets set (*n*)	Number of firms (*n)*
Firm size	Small	1.6	9
	Medium	2.1	17
	Large	2.6	27
Ownership	Irish	2.3	14
	International	2.3	38
Firm type	Banking	2.4	9
	Life insurance/General assurance	2.4	17
	Fund administration	1.8	6
	All other firms	2.2	21

Source: Ireland's Women in Finance Charter, baseline survey 2022.
Notes: n = 53. Three firms were excluded from analysis as no targets were set. One missing value for 'ownership' variable.

TABLE 2.2 NUMBER OF TARGETS SET BY EMPLOYEE LEVEL AND TIMEFRAME

	2022–2024	2025–2027	2028–2030	No date	Total
Board	14	7	2	6	29
Executive committee	14	7	1	3	25
Senior management	14	12	1	3	30
Middle management	14	4	0	1	19
Junior management	6	2	0	1	9
Technical/professional	6	2	0	1	9
TOTAL	68	34	4	15	121

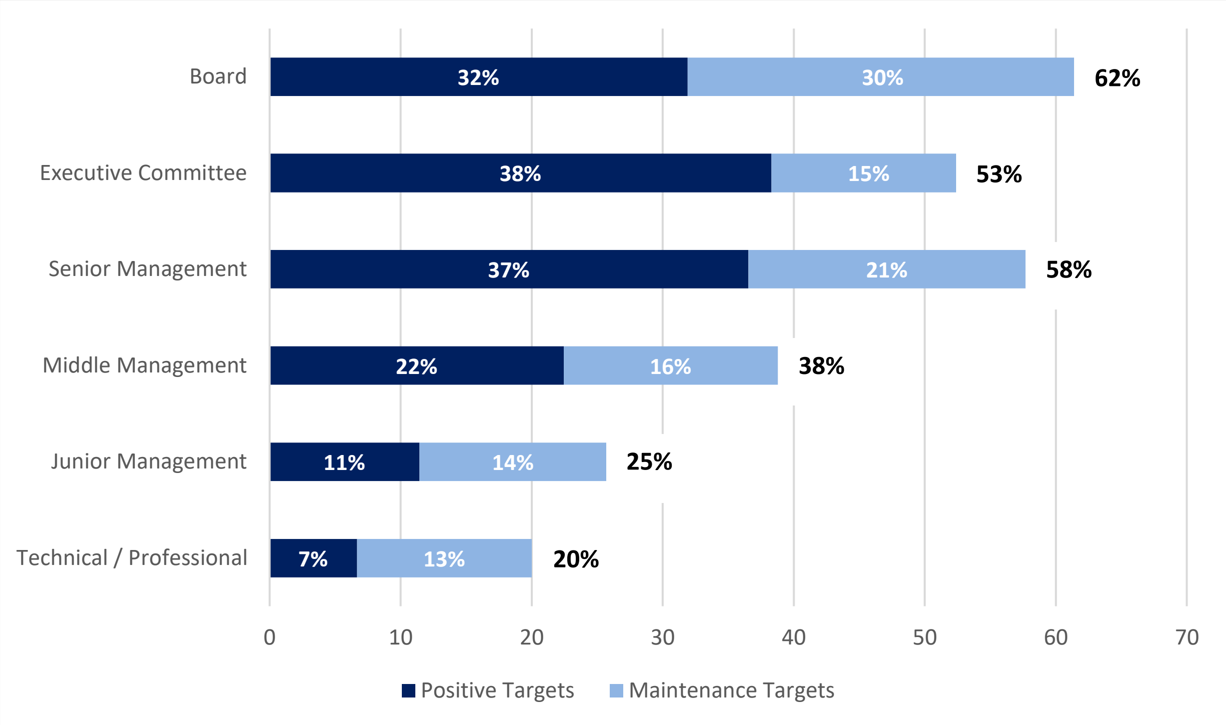
Source: Ireland's Women in Finance Charter, baseline survey 2022.

As firms establish their own targets, some reflect short-term ambitions while others reflect long-term ambitions. Table 2.2 above details the breakdown of the duration of the targets set. The table indicates that the majority of targets are set for the short-term, to be reached within the first three years of signing up to the Charter (2022–2024). There are also several targets which extend into 2027, particularly those implemented for the senior management level. Fewer targets are set for the long-term (post-2028); however, firms have the opportunity to adopt new targets as the reporting cycle for the Charter continues.

Figure 2.6 below demonstrates the percentage of firms with targets at a given employee level (provided that that level exists within their firm). More firms have set targets at the levels of board (62 per cent), executive committee (53 per cent) and senior management (58 per cent) than at other levels. As previously shown, in

Figure 2.5, these are the levels at which there is room to improve on existing levels of gender balance. The concentration of targets at these levels is a positive finding as it is indicative of a commitment among signatories to enhance female representation at high-level positions. A large proportion of firms also set targets for middle management positions (38 per cent). While Figure 2.5 (above) demonstrates that there is good gender balance at this level overall, it is not uniformly high. This is an important level at which to set targets, as it creates a pipeline to more senior roles.

FIGURE 2.6 PROPORTION OF FIRMS WITH TARGETS AT EACH EMPLOYEE LEVEL

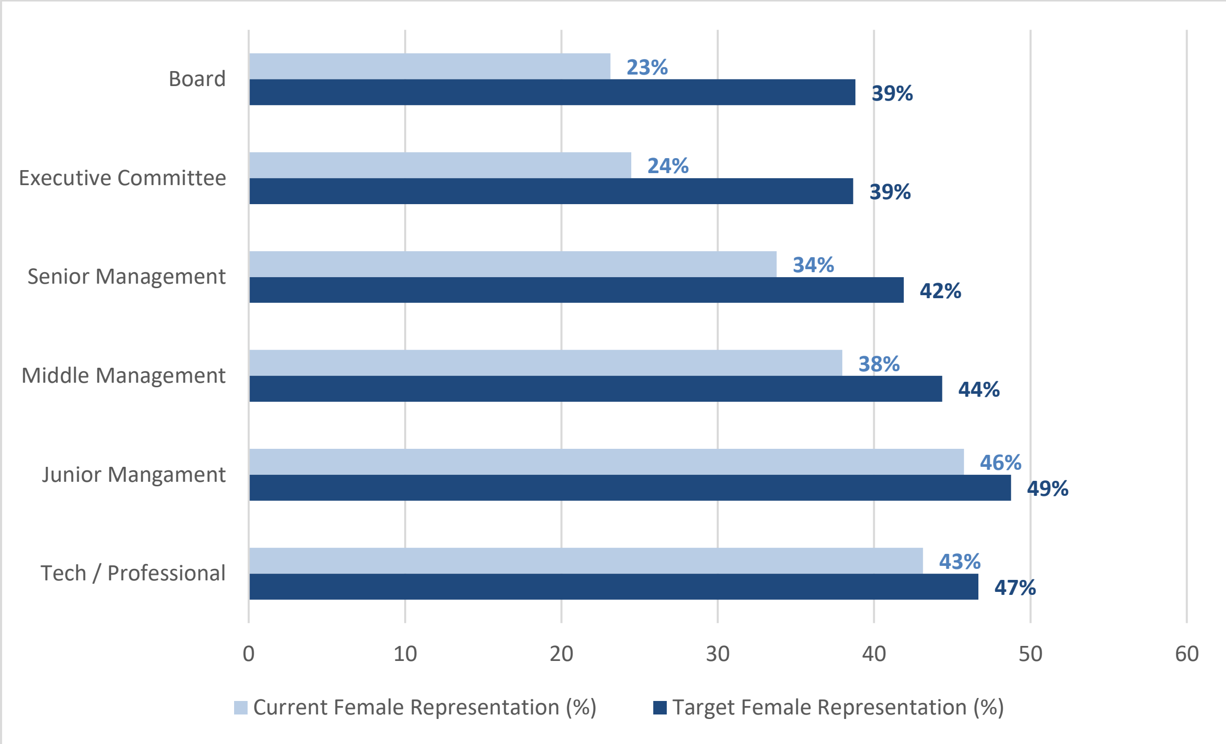


Source: Ireland's Women in Finance Charter baseline survey 2022.
Note: Sample sizes for each position differ according to firms' self-defined organisational composition. Sample size for firms with the respective level: board (n = 47); executive committee (n = 47); senior management (n = 52); middle management (n = 49); junior management (n = 35); and technical/professional (n = 45). Maintenance targets refer to targets that are set when firms already have a high level of female representation (40% or greater) across all levels within their organisation; in this instance, firms can adopt a target to maintain their existing level of female representation.

In examining the ambitions for female representation, as reflected in the signatories' targets, we concentrate solely on firms whose targets are about increasing (rather than maintaining) existing levels of representation. We then compare the current level of female representation at these firms with the level of representation sought by their targets. This comparison is presented in Figure 2.7. Substantial growth in female representation is projected for firms with targets at the board, executive committee, senior management and middle management levels. At board level, the achievement of targets would see an increase in the current average of 23 per cent female representation to an average of 39 per cent female representation, an increase of 16 percentage points. At executive committee level, the targets set would see a similar increase: from 24 per cent at present to 39 per cent female representation. At senior management level, meeting targets would increase female representation from its current 34 per cent to 42 per cent. Meeting targets set at middle management level would see an increase of 6 percentage points, from 38 per cent at baseline. More modest projected increases are proposed at the junior management and technical/professional levels, where targets are proposed to yield a three percentage point and four percentage point increase, respectively (Figure 2.7).

The targets for improvement at the top tiers are ambitious given the relatively short time-scale that firms have proposed to achieve them. By way of comparison, Balance for Better Business set a target of increasing female representation on the boards of ISEQ20 companies from 20.9 per cent to 33 per cent in a period of just under five years: an increase of 12.1 percentage points. The targeted increase was 12.9 percentage points for other listed companies, and 13 percentage points for large Irish-owned companies (Balance for Better Business, 2021). The Balance for Better Business targets for 'leadership teams', which is equivalent to the executive committee level, are to increase the female share by 8 percentage points for large Irish-owned firms, 13 percentage points for ISEQ20 firms and 10 percentage point for other listed companies. They note that achieving change at leadership level will take longer than at the board level, as tenure 'is not as flexible as it may be on boards' (Balance for Better Business, 2021, p. 24). The target of increasing female representation at executive committee level by 15 percentage points, as set by the signatory firms, is therefore likely to be challenging to achieve.

FIGURE 2.7 BASELINE PROPORTION OF FEMALE REPRESENTATION AND TARGET PROPORTION AMONG FIRMS WITH POSITIVE TARGETS



Source: Ireland's Women in Finance Charter baseline survey 2022.

Notes: As the number of firms with positive targets at each layer varies, so does the respective sample size: board (n = 15); executive committee (n = 18); senior management (n = 19); middle management (n = 11); junior management (n = 4); and technical/professional (n = 3).

CHAPTER 3

Progress towards targets

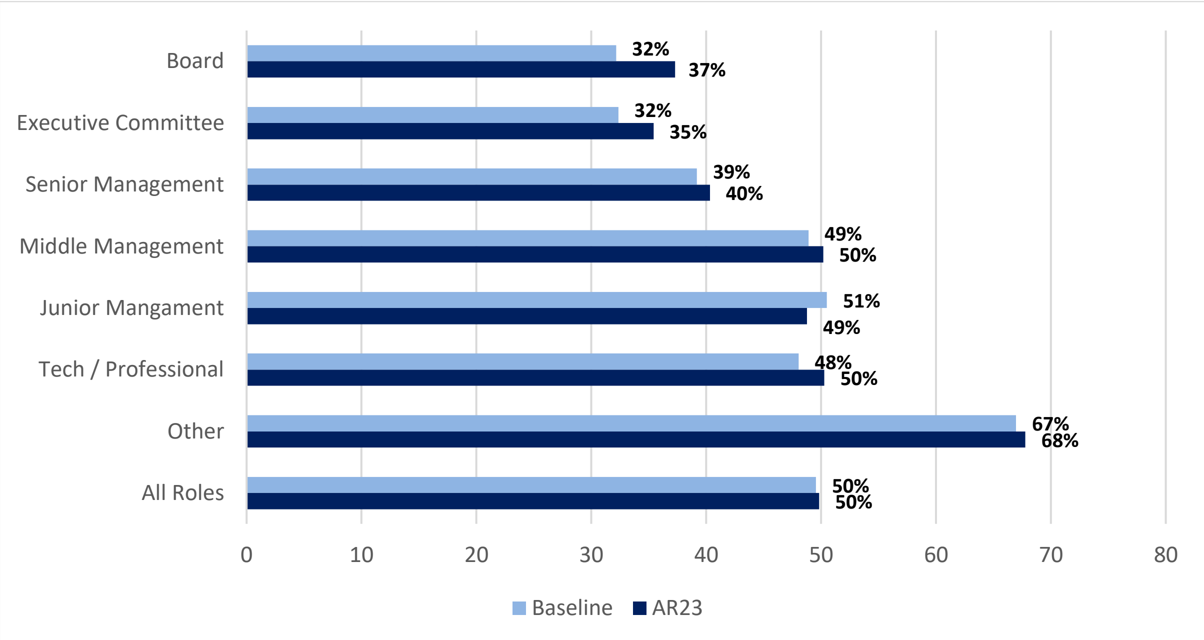
3.1 INTRODUCTION

Chapter 2 described the profile of signatory firms, along with the targets they established upon signing up to the Charter. This chapter charts the progress made towards these targets during the 2022 calendar year, using the data provided by firms through the 2023 annual reporting survey.

3.2 CHANGES IN GENDER BALANCE IN YEAR 1

First, we examine overall change in female representation among all signatory firms since the baseline reporting period, regardless of whether targets have been set. In Chapter 2, Figure 2.4 illustrated the average levels of female representation across all firms by staffing category at baseline, as of 1 January 2022. Below, Figure 3.1 compares female representation by staffing category at baseline with the situation one year later, on 1 January 2023. Overall, the comparison is very positive. With the exception of junior management, all staff categories demonstrate an increase in the proportion of female staff occupying these roles. These gains range from an increase of five percentage points at board level, to a more modest increase of 0.8 percentage points at the 'other' level.

FIGURE 3.1 AVERAGE FEMALE REPRESENTATION (%) AT BASELINE AND ANNUAL REPORTING 2023



Source: Ireland's Women in Finance Charter, baseline survey 2022 and annual reporting survey 2023.
Notes: Sample sizes for each position differ according to firms' self-defined organisational composition. Sample sizes for firms from the baseline survey 2022 are detailed in the note accompanying Figure 2.4. Sample size for firms from the annual reporting survey 2023 are: board (n = 47); executive committee (n = 45); senior management (n = 49); middle management (n = 48); junior management (n = 33); technical / professional (n = 43); and other (n = 35).

We ran statistical models to test whether the change in female share at board, executive committee and senior management differed by sector, firm size, ownership and turnover. No significant differences were found. It is likely that this is due to the small number of firms for analysis at each level. As more firms sign up to the Charter it will be possible to undertake additional statistical analysis.

At the firm level, increasing the female share is more common among those firms that changed the size of their executive team. Among the 19 firms that recorded an increase in the female share at executive committee level, 18 recorded a change in the size of the executive committee group. Of these, 8 increased the size of the executive committee and 10 decreased the size. In contrast, the majority of firms that showed no change or a decrease in the female share at executive committee member did not report any change in the size of executive committee. This difference is significant at the .001 level.[13]

A similar pattern emerged for board membership. Increases in the female share of board members were more common among firms that changed the size of their board. Thirteen of the 15 firms (87 per cent) that increased the female share of board membership had either increased (n=8) or decreased (n=5) the size of their board. Among those whose female share had not increased, 78 per cent (n=23) reported no change in the size of their board.[14]

There is no significant difference in female share changes at senior management level and changes in the size of the group over time.

3.3 PROGRESS TOWARDS TARGETS (JANUARY 2022 TO JANUARY 2023)

This section examines progress against positive targets by comparing female representation within the targeted employee category at baseline (1 January 2022) to the annual reporting survey stage (1 January 2023). Only a small number of firms set a target to increase female representation within 2022 – eight such short-term goals were set. These are summarised in Table 3.1 below. Data gathered from the annual reporting survey demonstrate only two out of the eight positive targets set for achievement during 2022 were met by this deadline.

13 Twenty-six firms recorded no change in the female share of the executive committee and of these 17 reported no change in the overall number of executive committee positions. Pearson chi2(2) = 16.2825 Pr = 0.000.

14 This difference is statistically significant.

TABLE 3.1 PROGRESS ON POSITIVE TARGETS SET FOR 2022

Level for target	Targets set (*n*)	Targets met (*n*)
Board	1	1
Executive committee	1	0
Senior management	3	0
Middle management	2	1
Junior management	.	.
Technical/professional	1	0
TOTAL	**8**	**2**

Source: Ireland's Women in Finance Charter, baseline survey January 2022 and annual reporting survey 2023.

While progress towards targets is measured through female representation, as reflected in the employee headcounts, the annual reporting survey also asks respondents to self-report on their progress. In an instance where targets were not met, respondents could thus suggest explanations. For the six missed targets reflected in Table 3.1, the most commonly cited reasons were: a low number of female applicants; and low levels of turnover for the staffing category in question.

The majority of firms reported that ongoing positive targets are on course to be met. At the levels of senior management, middle management and technical/professional, firms with positive targets that are yet to be achieved all report that they are on track. At board level, 89 per cent of firms with positive targets report that these are on course. However, for positive targets at the executive committee level, just 50 per cent of firms reported that these targets are on course to be fulfilled by their deadline. A further 12 positive targets have been met in advance of their deadline at the levels of board (n = 3), executive committee (n = 3), senior management (n = 5) and junior management (n = 1).

Next, we examine maintenance targets set by signatory firms. As previously described, maintenance targets are set by firms that wish to maintain an already high level of female representation at a given occupational level within their firm. As these are targets to maintain existing levels of female representation, we pool these targets regardless of their deadline (see Table 3.2). The table demonstrates that the vast majority (92 per cent) of maintenance targets were upheld; however, a small proportion of maintenance targets at senior management and middle management levels were not upheld, meaning that the female share fell.

TABLE 3.2 PROGRESS ON MAINTENANCE TARGETS

Management level for target	Maintenance target set (*n*)	Target maintained (*n*)	Target maintained (%)
Board	14	14	100%
Executive committee	7	7	100%
Senior management	11	8	72.7%
Middle management	8	7	87.5%
Junior management	5	5	100%
Technical/professional	5	5	100%
TOTAL	**50**	**46**	**92.0%**

Source: Ireland's Women in Finance Charter, baseline survey 2022 and annual reporting survey 2023.

3.4 INITIATIVES AND CHALLENGES

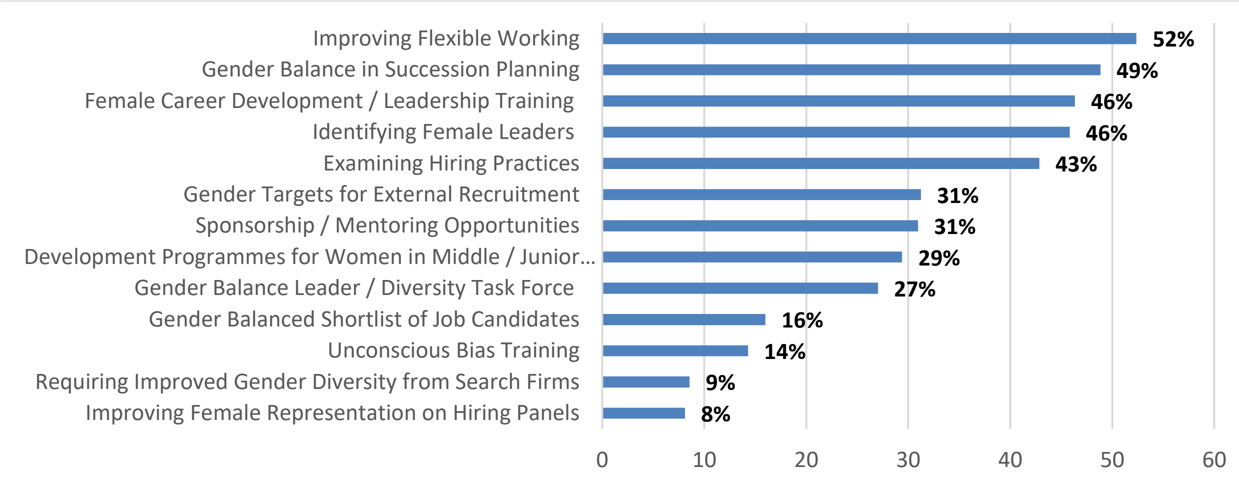
This section considers some initiatives implemented by signatory firms in support of achieving both their targets for female representation and to foster a culture of inclusivity within their firm. These actions were not necessarily initiated during 2022 and may have already been in place prior to their signing of the Charter; firms were asked to identify, from among a list, actions that have been undertaken at their firm with the aim of improving gender balance. Figure 3.2 outlines the proportion of firms that have adopted such measures. An encouraging finding is the high uptake of a broad range of actions by signatory firms. With the exception of establishing a gender-balanced shortlist for job candidates (46 per cent) and setting gender targets for external recruiters (30 per cent), all other actions were implemented by the majority of signatory firms. The most common actions taken sought to: examine hiring practices (91 per cent of signatories); identify female leaders within the firm (89 per cent); and consider gender balance in succession planning (80 per cent).

FIGURE 3.2 ACTIONS UNDERTAKEN TO IMPROVE GENDER BALANCE BY FIRMS (%)

Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

Respondents were then asked to identify, from among the actions they had implemented, three that they considered most effective in terms of working towards gender balance. The results are shown in Figure 3.6. The most commonly identified effective action was the improvement of flexible work options (52 per cent). This was closely followed by: examining gender balance in succession planning (49 per cent); offering female career development or leadership training (46 per cent); identifying female leaders (46 per cent); and examining hiring practices (43 per cent). Measures seeking greater gender balance via recruitment were less often cited as being most effective. Examples here include gender-balanced shortlisting of job candidates (16 per cent); improved gender diversity from search firms (9 per cent); and female representation on hiring panels (8 per cent).

FIGURE 3.3 MOST EFFECTIVE ACTIONS UNDERTAKEN TO IMPROVE GENDER BALANCE BY FIRMS (%)



Source: Ireland's Women in Finance Charter annual reporting survey 2023.

BOX 3.1 INITIATIVES AND LEARNING IN WORKING TOWARDS GENDER BALANCE

Participants in the qualitative component of this research were asked about the initiatives and strategies they had found to be most effective in increasing gender balance. The three main types of identified were: mentoring/career development; flexibility and leave/returns supports; and equality, diversity and inclusion (EDI) policy, data collection and senior management buy-in.

1. Mentoring and career development

Three of the five interviewees identified successful career development and mentoring programmes, which could be either internal or external.

> *We've also introduced a talent marketplace, so it's a digital platform that matches colleagues with development opportunities and mentors based on their skills, experiences or their goals, their career goals. We've seen really positive outcomes from that so far.* (Charter participant)

> *We've run a really impactful leadership development programme … for our internal employees. …* [It's] *really looking at their leadership*

> *styles and developing and coaching them up in that space. And navigating a corporate culture and the dynamics of working in a male-dominated space and it’s over four and a half, five months, over ten different modules and we found it incredibly impactful in terms of the outcomes of these females, their successes. So 65 per cent of … females that have gone through the program have gone on to get promoted. Increased job scopes. More meaningful projects, etc.* (Charter participant)

These programmes were also seen to have a benefit in developing networks:

> [A] *female leader development programme looking at some of the challenges and discussing those and helping people to develop, but also form in that network, that kind of peer-to-peer, kind of alumni network as an ongoing resource to people as they as they navigate their careers as well.* (Charter participant)

2. Flexibility and supports

Interviewees highlighted that the types of support that were needed and effective depended on the career and life stage of the individual employee. Supports for those returning from leave were seen as particularly important :

> *But when people do take time out of their career, how we support them, when they come back into the workplace, I think it’s really, really important and we have a best in class offering around supporting women that come back into the workplace after maternity leave or long-term leave.* (Charter participant)

One firm highlighted the introduction of supports around menopause and caring in later careers, not just childcare, such as the introduction of menopause supports and guidelines:

> *to ensure that we’re supporting them throughout the whole career life cycle and … that has definitely started … there’s conversation being generated around it.* (Charter participant)

Another noted how gender differences in the take-up of leave schemes reflect broader gender norms, which has implications for equality:

> *More females take unpaid leave than males do, like we don’t have any male that’s taking unpaid leave versus majority of our females who have children under 12 are taking it. And that’s more reflective of society than it is internal, you know?* (Charter participant)

One firm had introduced additional paternity leave to address this imbalance and encourage take-up among male colleagues:

> [We now] *give six weeks paternity leave. ... And again, it's a recognition that there's two parents in it. It's not just one.* (Charter participant)

Hybrid working and working from home were seen to have a potential role to play in improving gender balance, though the outcomes of this change have not yet worked through the system; neither have they been measured:

> *I think hybrid working will have a massive influence on women in finance and women in senior positions. … I'd be really interested to see what's happened in the last three years in terms of females taking senior positions. Has there been more of an opportunity to do that because females haven't had to prioritise family commitments? Because now they can be at home to drop the kids and then be online by half eight. … And that will be crucial to what actually happens. … But if companies start moving towards the 100 per cent return to office, I can see then that going backwards.* (Charter participant)

3. EDI policy, data collection and leadership

The third set of effective initiatives centred around EDI policies, leadership buy-in and data gathering. In addition to the transparency, target-setting and monitoring associated with the Charter (see Box 2.1), firms mentioned the importance of wider information gathering/consultation exercises, both formal and informal.

> [We] *did the employee survey. So it was like 60 questions asking everybody how they felt they were treated. Asking them how they felt within the organisation. Did they ever feel like they've been excluded? …* [T]*hat's been really important for us, in getting that full picture of how we are actually doing rather than just presuming we're doing a certain way.* (Charter participant)

The buy-in of senior management to the equality agenda and in supporting initiatives was also viewed as crucial.

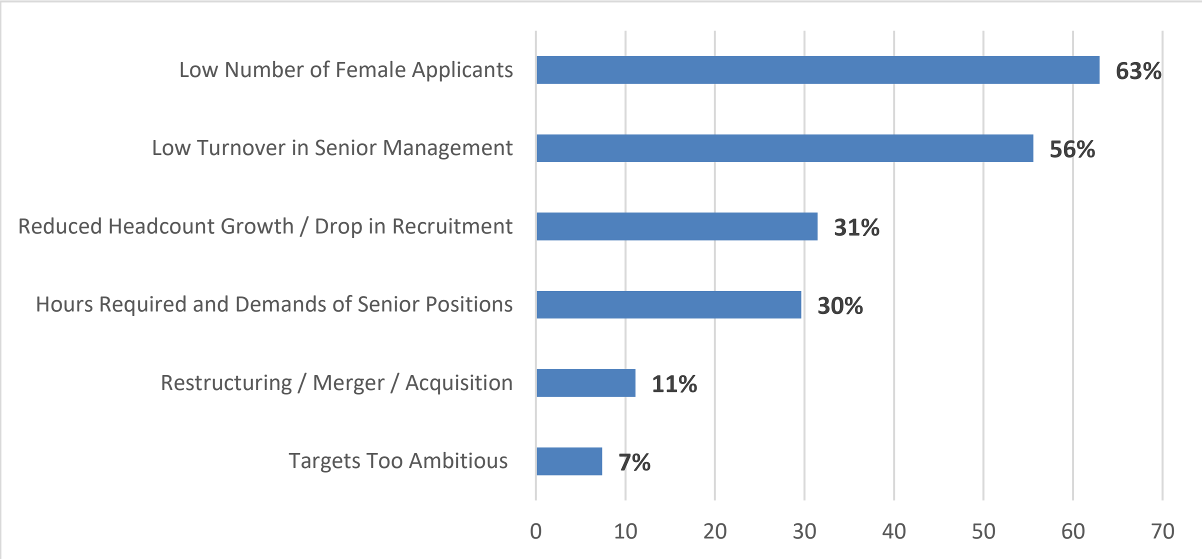
> [T]*he most successful thing is the actual* [EDI] *plan itself to start with, and that was a board approved plan … So I think for us that's been huge in having the backing from the board in all the initiatives that we have done.* (Charter participant)

> *Senior leadership engagement and accountability, if you don't have that, I just don't think it works.* (Charter participant)

Firms were asked to identify what they considered to be the main barriers to achieving gender balance (Figure 3.4). A low number of female applicants (63 per cent) and low turnover in senior management (56 per cent) were the most commonly identified barriers among signatories. The fact that a low number of female applicants was so commonly raised points to the importance of recruitment practices and outreach strategies in attracting a diverse range of job candidates.

Only a small proportion of firms (7 per cent) regarded ambitious targets for gender balance as a barrier. It is noteworthy that a significant proportion of signatories shared the view that the the demanding nature of senior positions discourages gender balance. This speaks to the persisting perception that long hours are a necessity in senior roles and that the occupants of such roles will be unencumbered by caring responsibilities or other external commitments.

FIGURE 3.4 BARRIERS TO IMPROVING GENDER BALANCE (%)



Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

BOX 3.2 CHALLENGES IN WORKING TOWARDS GENDER BALANCE

Qualitative interviewees were asked about challenges they had encountered. The perceived lack of flexibility at senior level was noted, and seen as an area where further work needed to be done.

> *I think flexibility has also been a challenge* [for promotion]. *But I think we've done a lot of work in that space … and we continue to need to be able to review that.* (Charter participant)

Hiring practices had been reviewed by the majority of signatory firms and are generally highly formalised. Despite this, one respondent noted that informality in promotion processes was problematic, with a potential for unequal treatment even if this is not currently leading to gender imbalance:

> [O]*ur internal recruitment … probably could be better because some roles get handpicked ... It'll be like one manager will decide, 'We're*

> *actually not gonna put that open. We're just gonna give that job to this person.' There's definitely no gender imbalance in that criteria. But I don't think it's probably as inclusive as it could be. … I think there's definitely areas of improvement and maybe favouritism comes in to a certain level.* (Charter participant)

One respondent noted that it was challenging but essential to get buy-in from colleagues for equality initiatives and to change the culture. Another commented on the time needed to embed such changes:

> [W]*e have to be realistic with time frames, but also being realistic with you can't force culture. And culture is really the biggest driver of ED&I anyway. So, like, you can have all the best made plans, but if you're not getting engagement you're not really getting anywhere. So I think for us, it was … socialising it, and putting out comms to it and getting that gradual buy-in. Because you know we really don't want ours to be seen as you know it's a tick box …* (Charter participant)

Broader societal and policy issues were also highlighted by respondents as creating challenges. This included a gender imbalance in the supply of graduates in certain areas of recruitment such as actuarial and accountancy graduates. However, a number of respondents noted that engagement by third-level and training institutions was very good and highlighted that gender stereotypes around careers and subject choices occurred much earlier and therefore needed to be addressed at an earlier point in the education system:

> *By the time they get to university, most people have already chosen at least what course they're going to study. … It's about getting into gender stereotypes when you've got kids in primary school and breaking them down there. But I think it is actually about changing that narrative much, much earlier on.* (Charter participant)

3.5 NEW TARGETS ADOPTED

During the annual reporting survey, firms were given the option to adopt new targets. As during the baseline survey, respondents received instruction that targets should look to increase on existing levels of female representation or, if female representation was high throughout all staffing categories within the firm, firms could adopt a maintenance target. During the annual reporting survey, 23 new targets were set by firms (see Table 3.3). These targets will be monitored alongside existing targets set during the baseline survey.

TABLE 3.3 NEW TARGETS SET DURING ANNUAL REPORTING SURVEY 2023

Level for target	New targets set (n)
Board	4
Executive committee	2
Senior management	6
Middle management	5
Junior management	3
Technical/professional	3
TOTAL	**23**

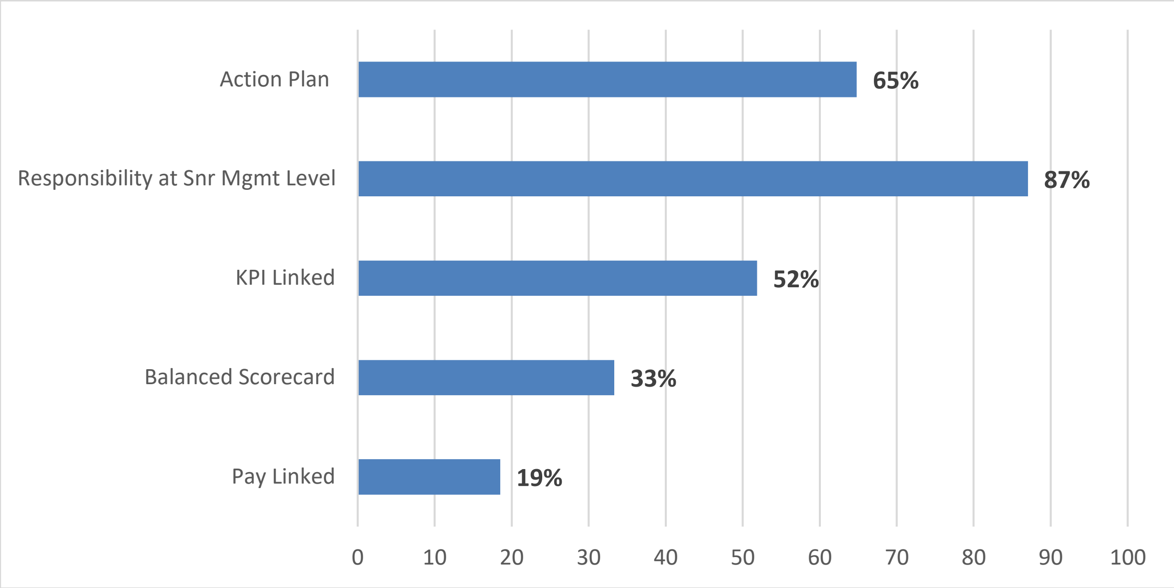
Source: Ireland's Women in Finance Charter annual reporting survey 2023.

3.6 ACCOUNTABILITY FOR CHARTER COMMITMENTS

A core commitment of the Charter is that accountability for the implementation of both a gender balance action plan and targets for female representation is overseen by senior staff members within the firm. The majority of firms have assigned responsibility for gender balance as required, with only 13 per cent (seven firms) not having done so (see Figure 3.5). Compliance is lower regarding the creation of an action plan: one-third of signatory firms do not have an action plan in place (19 firms). Further communication with signatories on establishing such plans would be beneficial. Other actions taken by firms to ensure accountability for delivering gender balance include: having a balanced scorecard;[15] the inclusion of gender balance among key performance indictors; and linking pay to progressing these aims.

15 A balanced scorecard is a performance management tool to monitor a given strategy or organisational activity (Kaplan and Norton, 1992). It combines an agreed set of measures, both financial and non-financial, through which performance can be measured. A single strategy or activity is considered from multiple different perspectives including financial, customer, internal, learning and growth, which in turn are linked to specific strategic objectives and associated measures (Lawrie and Cobbold, 2004).

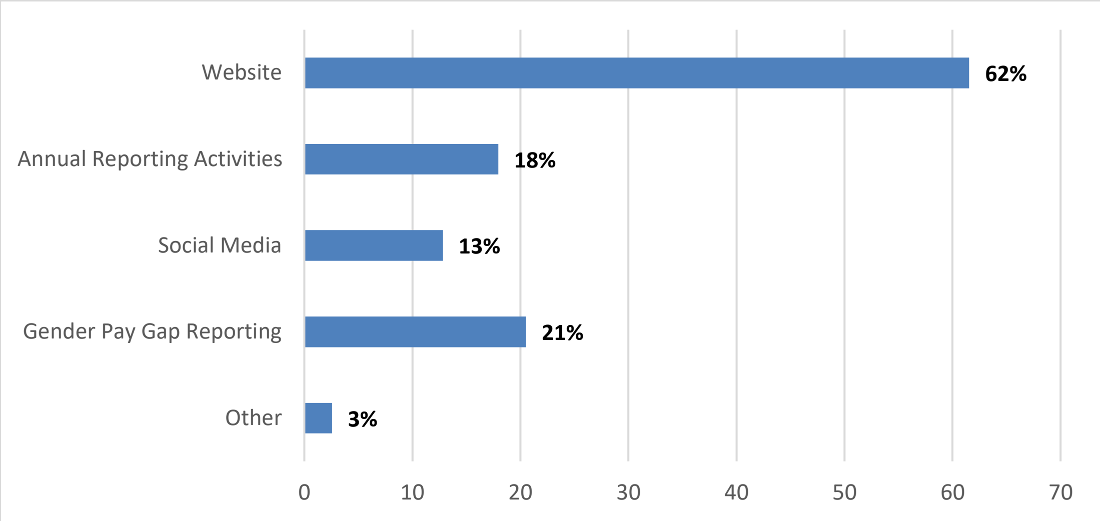
FIGURE 3.5 ACCOUNTABILITY FOR ACHIEVING GENDER BALANCE



Source: Ireland's Women in Finance Charter annual reporting survey 2023 (*n* = 54).

Signatory firms are required to publicly communicate both their commitments to gender balance in the form of targets, as well as progress made towards these targets. Firms were asked through the annual reporting survey how their commitments under the Women in Finance Charter are externally communicated. The findings summarised below indicate a need for improvement in this regard. Although the communication of targets, progress and action plans is an obligation for all Charter signatories, just 72 per cent of firms reported external communication measures. In a review of the responses, some firms expressed that they were still in the process of determining the optimal channels for external communication. Figure 3.9 below may provide a basis for some possible solutions. In other cases the firms had specified an internal form of communication rather than a publicly accessible outlet.

FIGURE 3.6 MODES OF COMMUNICATION FOR CHARTER COMMITMENTS



Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 39).
Note: Annual reporting activities include reporting activities such as annual reports, annual stakeholder reports and annual financials reports. Social media communication was predominantly represented by LinkedIn. Some firms mentioned more than one outlet; therefore the figures sum to more than 100%.

Figure 3.6 illustrates the modes of communication most commonly used among signatories who indicated they had externally communicated their commitments to the Charter. Communication through the firm's website was the most common mode for communicating Charter commitments; this was used among 62 per cent of firms. This was followed by communication of Charter commitments alongside reports on gender pay gap (21 per cent) and within other annual reporting activities such as annual reports or annual financial / stakeholder reporting (18 per cent).

Actions to increase compliance with the reporting requirement should be a priority for the coming year.

CHAPTER 4

Policies, recruitment and retention

4.1 INTRODUCTION

This chapter explores workplace polices among signatory firms. Through the annual reporting survey, data were gathered from respondents on the prevalence of policies known to contribute to an inclusive working environment and to improve gender balance. Section 4.2 provides an overview of policies implemented across signatory firms, including uptake of these policies according to staffing category. Section 4.3 looks at recruitment practices, appointees and staff turnover during 2022.

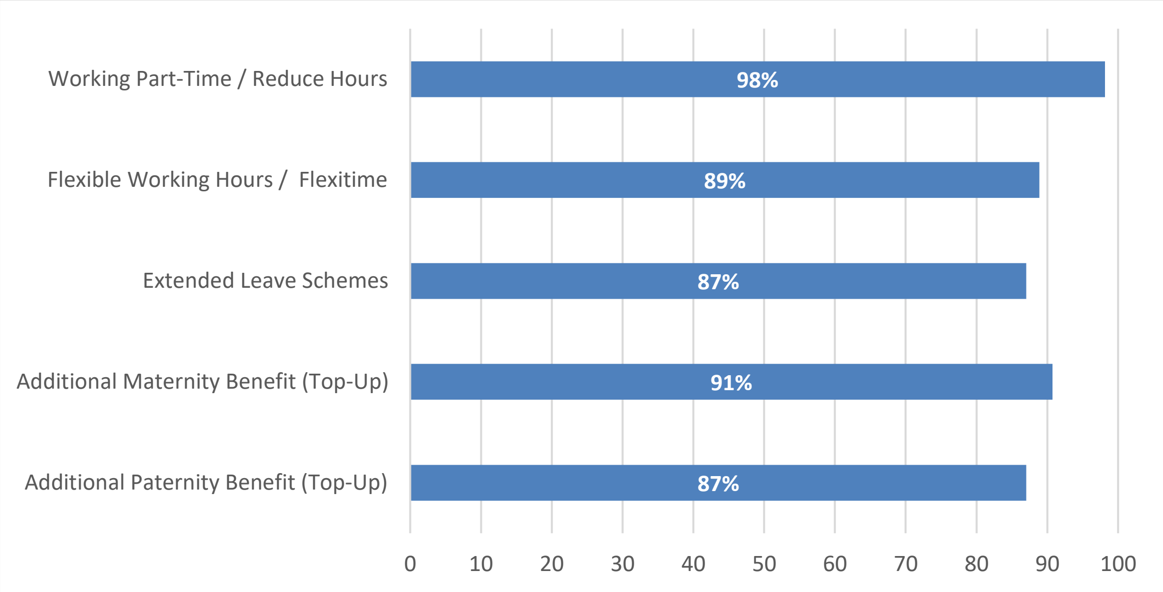
4.2 WORKPLACE POLICIES

In the 2023 annual reporting survey, respondents were asked to identify from a list of policies those which were in place at their firm. The policies listed included part-time working or reduced hours, flexible working hours, extended leave schemes that go beyond statutory entitlements (such as career breaks, additional leave for parents, study leave), as well as 'top-ups' to state benefits. The term top-ups refers to any additional payments made by employers on top of the State's Maternity Benefit and Paternity Benefit, rather than an increase in the duration of maternity/paternity leave.[16]

Previous research suggests that availability of such policies supports gender equality in the workplace by reducing interruptions in employment among women (for example, see Feeney et al., 2019, on flexible work practices). Availability of flexible work options and work–family reconciliation measures is high among signatory firms. All the policies listed in Figure 4.1 were in place in the majority of firms.

16 Statutory Maternity Benefit and Paternity Benefit are paid at a low, flat rate of €262 per week in 2023. The amount a discretionary top-up comprises varies from employer to employer. Public sector workers have these benefits topped up to cover 100 per cent of their wage.

FIGURE 4.1 POLICIES and WORKPLACE ARRANGEMENTS AVAILABLE AMONG SIGNATORY FIRMS



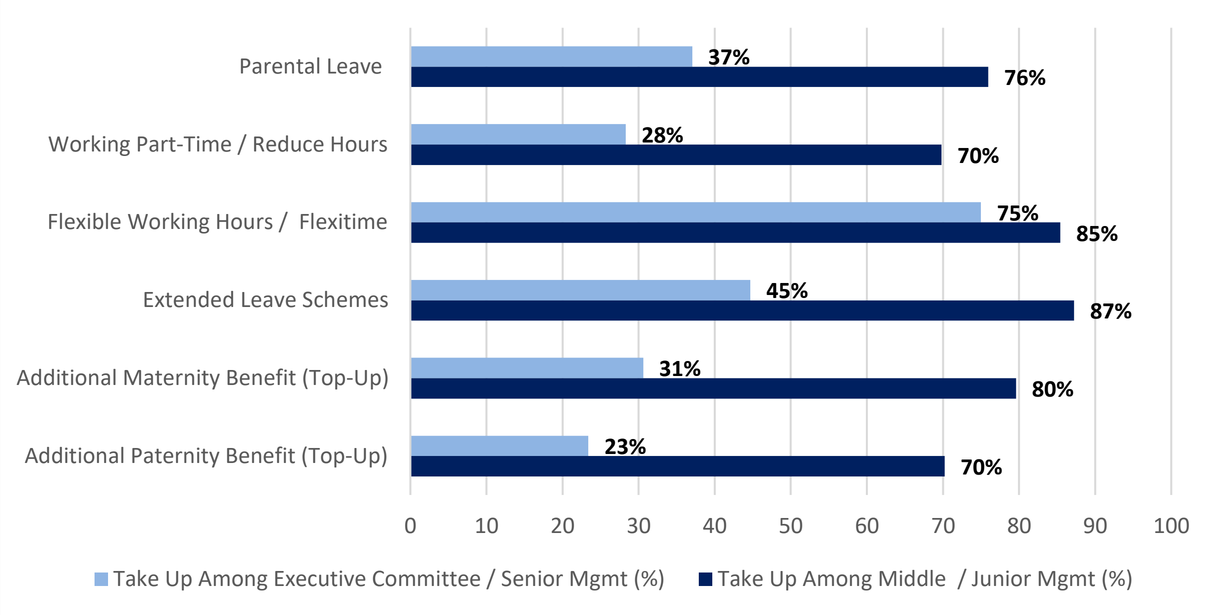
Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

The opportunity to work flexibly does not necessarily extend to all levels of the workplace. Research in other organisations has found that in practice the take-up of such options is often limited to those on lower rungs of the occupational ladder. Those in more senior positions rarely avail of these policies, either because of organisational norms, formal policy or workload (Russell et al., 2017). Yet take-up of these options among senior management can signal to other employees that family-friendly working is supported.

In a subsequent question, we asked respondents to indicate whether such policies – if available within their firm – had been taken up by staff at either executive committee or senior management levels or among staff at middle management or junior management levels during the 2022 calendar year. The results are presented in Figure 4.2. There are two important caveats to bear in mind when interpreting the results. Firstly, the data do not capture the number, proportion or prevalence of individuals who availed of these arrangements. Secondly, the data do not capture the number of individuals who were eligible for these arrangements and did or did not avail of them. Of course, the higher the number of employees within each level, the greater the likelihood that someone will be eligible for and take up such a scheme.

We find that, in a substantial number of the signatory firms, at least one member of the senior management team or executive committee availed of these policies: ranging from 23 per cent of firms in the case of Paternity Benefit to 75 per cent in the case of flexible working hours. For all policies, greater uptake is observed among those in middle management and junior management positions when compared to those in more senior positions, but this may be due to a higher number of (eligible) employees at those level of the organisation.

FIGURE 4.2 TAKE-UP OF WORKPLACE POLICIES



Source: Ireland's Women in Finance Charter annual reporting survey 2023.

The prevalence of family-friendly policies reported by the signatory firms is considerably higher than that found among other surveys and in other sectors. The CSO estimates that 83 per cent of employees in the financial services sector received top-ups from their employer while on maternity leave, compared to 54 per cent of all those taking maternity leave (CSO, 2020). The Chartered Institute of Personnel and Development (CIPD) found that 63 per cent of member firms in the private sector topped up Maternity Benefit and 49 per cent topped up Paternity Benefits (CIPD, 2022).[17] The availability of part-time hours is more consistent with other firms in the Irish economy. The European Company Survey (2019) found that 90 per cent of Irish firms had at least some part-time workers (Eurofound and Cedefop, 2020). This was one of the highest proportions in the EU, second only to the Netherlands.

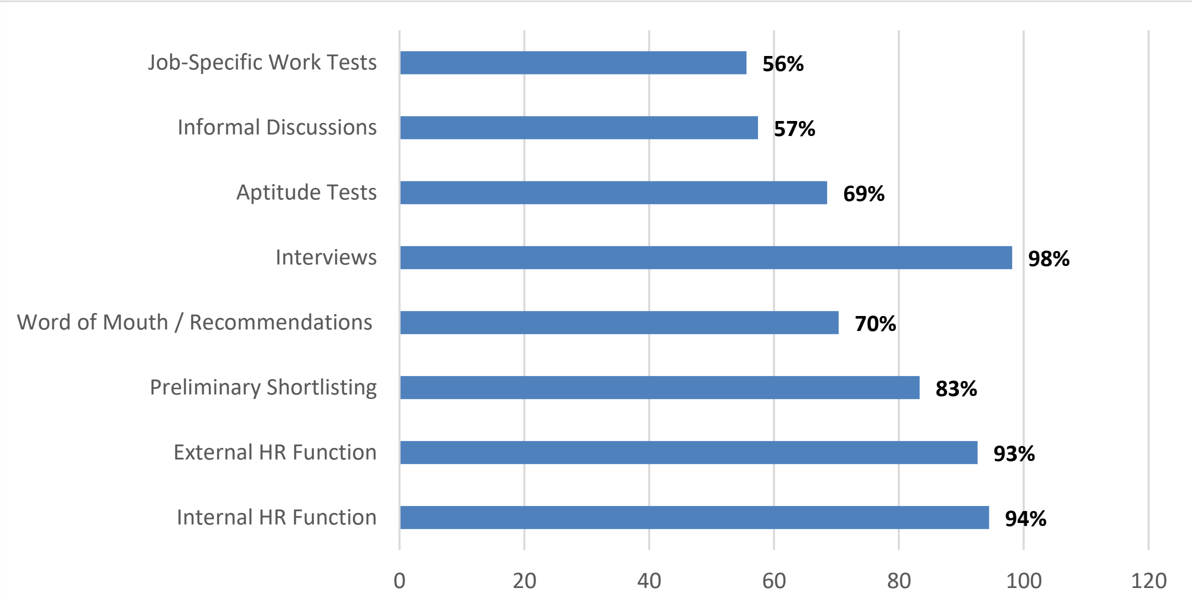
National-level data confirm that employees in financial services and real estate are more likely to have availed of flexible working hours in the last 12 months than in any other sector: 32 per cent compared to 16.7 per cent of all employees (CSO, 2021). However, fewer employees in those sectors had worked part-time (8 per cent) than the proportion across all industries (19.5 per cent).

[17] Figures relate to 277 private sector firms, across manufacturing (18%) and services (82%). Among respondent firms, 24% had <50 employees, 34% had 50-249 employees and 42% had 250 or more employees.

4.3 RECRUITMENT, PROMOTION AND TURNOVER

Examination of recruitment practices is a key means by which diversity of talent can enter firms. Figure 4.3 demonstrates the hiring practices used among signatory firms in hiring for senior management or executive committee roles. Interviews and the use of internal and external human resources functions are very prevalent. Less prevalent are the use of job-specific work tests (56 per cent), informal discussions (57 per cent), aptitude tests (69 per cent) and word of mouth or network recommendations (70 per cent). We do not find a relationship between hiring practices firms use and the level of female representation in senior management or executive committee roles. Neither do we find any clear association between hiring practices and increases in the female share of leadership positions from the baseline.

FIGURE 4.3 HIRING PRACTICES FOR EXECUTIVE COMMITTEE/SENIOR MANAGEMENT POSITIONS



Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

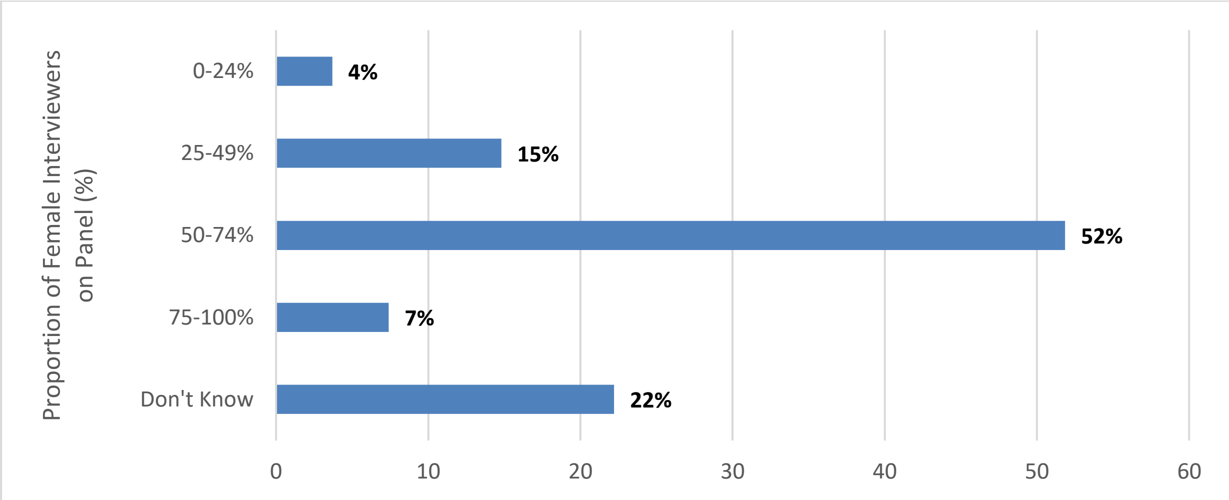
Gender, as well as other equality grounds, is an important consideration when establishing an interview board.[18] The gender composition of interview panels has been shown to be differentially linked to the chances of success for male and female candidates. For example, Bagues and Esteve-Volart (2010) found that female candidates are less likely to be hired when interviewed by a female majority panel. Another study by Zinovyeva and Bagues (2010) demonstrated that evaluators for high-level positions tend to favour same-sex candidates from within

18 See the Irish Human Rights and Equality Commission's *Guidelines for employment equality policies in enterprises*, at: https://www.ihrec.ie/download/pdf/guidelines_for_employment_equality_policies_in_enterprises.pdf.

their own network; but in the case of more junior positions, female evaluators tend to express preference for opposite sex candidates.

Respondents were asked to report on the make-up of their interview panels when hiring for executive committee and senior management positions. As Figure 4.4 below demonstrates, for most firms, the gender balance of interview panels skews in favour of women. Over half (52 per cent) of firms reported that their interview panels comprised between 50 and 74 per cent female interviewers. (These data were unavailable or not known for 22 per cent of respondents.).

FIGURE 4.4 PROPORTION OF FEMALE INTERVIEWERS ON INTERVIEW PANELS FOR EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT POSITIONS



Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

Increasing female representation at senior levels will involve both recruitment and promotion strategies. In 2022, 3,287 appointments were made. Table 4.1 presents a breakdown of the total number of appointments made for each staffing category, as well as the average number of appointments made across the signatory firms. As expected, the number of appointments made depends on the seniority of the role in question, with more senior positions having fewer appointments. Table 4.1 also provides the proportion of female appointments made by staffing category; this figure applies to appointments across all firms and is not the average share within firms. Appointments at executive committee, senior and middle management levels all demonstrate a good degree of gender balance, with 50 per cent, 44 per cent and 47 per cent of appointments respectively going to female candidates. At junior level, however, just 26 per cent of appointees were female. Note that we do not have information on the breakdown of applicants by gender; therefore, we cannot determine if male and female job candidates have different success rates.

TABLE 4.1 APPOINTMENTS MADE BY STAFFING CATEGORY ACROSS ALL FIRMS, 2022

Staffing category	Total appointments made (*n*)	Firms with appointments made (n)	Female share of appointments (%)
Executive committee	38	21	50.0
Senior management	913	34	43.8
Middle management	941	35	47.0
Junior management	1395	27	26.0
TOTAL	**3287**		

Source: Ireland's Women in Finance Charter annual reporting survey 2023.

Next, we examine the share of female appointments made internally and externally in 2022. The data indicate that, for executive committee and senior management and middle management roles, there is a higher female share for internal appointments compared to external appointments (see Table 4.2). Among internal appointments to executive committee roles, 75 per cent went to female candidates. By contrast, only 32 per cent of external appointees to executive committee roles were female. Similarly, for roles at senior management level, 48 per cent of internal appointees were female, compared to 36 per cent of external appointees. In the case of middle management roles, 50 per cent of internal appointees were female compared to 43 per cent of external appointees. A potential explanation for the difference in proportions between internal and external appointments for women at these senior roles is that the internal supports for career advancement of women are proving effective; however, further analysis would be required to substantiate this. The reverse situation is found at junior management level, where a much higher proportion of external appointments went to women compared to the case for internal appointments.

TABLE 4.2 INTERNAL AND EXTERNAL FEMALE APPOINTMENTS MADE BY STAFFING CATEGORY, 2022

Staffing category	Total internal appointments (*n*)	Female share internal appointments (%)	Total external appointments (*n*)	Female share external appointments (%)
Executive committee	19	68.4	19	31.6
Senior management	587	48.4	326	35.6
Middle management	518	50.2	423	43.0
Junior management	782	15.5	502	48.2

Source: Ireland's Women in Finance Charter annual reporting survey 2023 (n = 54).

Next, we consider whether there is evidence of differential turnover for women at different occupational levels. Table 4.3 below illustrates staff turnover among signatory firms at each of the occupational categories. We note that staff turnover can occur for a variety of reasons (retirement, changing job, sickness, redundancy, etc.) and that these reasons are not captured by our data. The data indicate that, at each level, a greater number of men left their role during 2022. When we compare this to the gender composition of the same roles reported in the baseline survey, we find that women are generally less likely to leave their position, from junior management level upwards. At junior management level, women held 51 per cent of roles at baseline but accounted for 43 per cent of leavers, suggesting women are more likely to be retained. At middle management level, women held 49 per cent of positions but accounted for just 39 per cent of leavers. Similarly, at senior management level and executive committee level, women are under-represented among leavers. At technical/professional roles, the percentage of female leavers is consistent with the female share of these positions at baseline (48 per cent).

TABLE 4.3 TURNOVER AT STAFFING CATEGORIES, 2022

Staffing category	Total turnover (*n*)	Firms with turnover (*n*)	% female turnover
Executive committee	41	17	26.8
Senior management	341	27	35.5
Middle management	596	29	38.8
Junior management	760	27	42.8
Technical/professional	2,287	34	48.3
TOTAL	**4,025**		

Source: Ireland's Women in Finance Charter annual reporting survey 2023.

CHAPTER 5

Conclusions

5.1 SUMMARY AND CONCLUSIONS

Overall female representation

The 56 Charter signatories together represent 44,340 employees or approximately two out of five of those employed in the financial services sector in Ireland. In signing the Charter, firms committed to setting targets for increasing female representation, monitoring progress and actively supporting that change.

At first glance, firms appear to demonstrate good levels of gender balance; overall, women comprise 50 per cent of the workforce among signatory firms. However, we note that the level of female representation decreases as roles become more senior. From the baseline survey, this drop occurs between the middle management (49 per cent female share) and senior management roles (39 per cent), further decreasing at the executive committee and board levels (32 per cent). This finding is consistent with examinations of female representation in financial sector roles conducted in other countries (Birindelli and Iannuzzi, 2022; Ferrary, 2017; Sahay et al., 2017).

Apart from junior management, all staff categories demonstrate an increase in the proportion of female staff occupying these roles between the baseline survey and the end of 2022. This ranges from an increase of five percentage points at board level, to a more modest increase of 0.8 percentage points at the 'other' level. Female representation in middle and junior management and technical/professional roles among signatory firms is close to 50 per cent. This indicates that there is a strong pipeline for internal advancement to senior positions. Currently, women occupy 40 per cent of senior management roles. The female share of executive committee roles stands at 35 per cent, up from 32 per cent at the baseline. The female share of board membership among signatory firms now stands at 37 per cent, which compares favourably to the situation nationally.

We find that increases in the female share at the executive committee and board level are associated with changes in the size of these groups within the firm. Increases in the female share were more common where the size of the board or the executive committee had increased or decreased. This suggests that some firms may be addressing gender balance by reconfiguring senior teams. This will be explored further in the next annual reporting round.

Progress against targets

Collectively the signatory firms set 121 targets to improve or maintain gender balance. The Charter allowed firms flexibility in setting the level and timeframe for their targets, so that they could be tailored to a firm's starting point.

Very few firms set targets that were due for be met within one year – eight such targets were set, of which two had been achieved by January 2023. Where gender balance was already evident at the baseline, some firms set maintenance targets to preserve this balance. The vast majority (92 per cent, n = 46) of maintenance targets were upheld in 2023. However, a small number of maintenance targets at senior management and middle management levels were not upheld (n = 4). We note that there are fewer of these senior roles; therefore, female representation may be more vulnerable to changes in staffing composition.

The majority of the remaining targets (n = 60) have deadlines in 2023–2024; 34 have a deadline in 2025–2027 and 4 have a deadline in 2028–2030. A positive finding is that firms report that 12 of these targets have been met in advance of the deadline. Additionally, in the majority of cases, firms report that they are on track to meet future targets. In the case of board level targets, 89 per cent of firms report that these are on course. However, only half of firms with targets at the executive committee level reported those to be on track. This highlights an area of future focus for signatory firms to ensure that efforts are made to reach these targets.

Firms set ambitious targets for themselves at the top management levels. Among those who set a positive board target, the aim is to increase female representation by 16 percentage points, in most cases within four years. This compares to the externally set targets in the Balance for Better Business initiative, which targets increases of between 12 and 13 percentage points for board membership over a five-year period.

The positive target for the executive committee to increase female representation by 15 percentage points is significantly more challenging than the targets set by Balance for Better Business, which aim for increases of between 8 and 13 percentage points.

Positive targets set for levels for senior, middle and junior management are more modest, aiming for 8, 6 and 3 percentage points increases, respectively. This reflects the improved starting point for achieving gender balance at these levels among signatory firms (see Figure 2.7).

Retention, promotion and turnover

Overall, 3,287 appointments were made by the signatory firms during 2022. Appointments to executive committee, senior management and middle management show a good degree of gender balance. Fifty per cent of executive committee appointments, 44 per cent of senior management appointments and 47 per cent of middle management appointments went to women. In the case of junior management appointments, that share fell to 26 per cent, which suggests this is an area for further focus.

We found a higher female share in internal appointments to executive committee, senior management and middle management roles, when compared to external appointments. This suggests that efforts to support pathways to senior management positions within organisations are paying off, and highlights the importance of the internal pipeline going forward. The under-representation of female appointees for external appointments points to the need for a continued focus on recruitment practices.

In relation to staff turnover, we find that women are generally under-represented among those leaving their positions during 2022. This is particularly evident at the middle management and junior management levels, when the proportion of female leavers are compared to the proportion of females holding these positions at the time of the baseline survey. Previous research suggests that job mobility is associated with wage gains especially in the early stages of a career, but that women with children are more constrained in their job moves and benefit less in wage terms (Avram et al., 2023; Fuller, 2008). Privalko (2019) did find that promotions yield better returns than external job moves on some dimensions, including wages. The lower exits of women in middle and junior management may therefore restrict their occupational advancement at an individual level. However, we cannot distinguish here between exits to another job and exits from the labour market and motivations for job moves. Research with individual-level data is needed to explore this issue further.

Actions to promote gender balance

Setting targets, transparency, data collection and monitoring are essential building blocks for increasing diversity, equality and inclusion in the workplace (and society). Charter signatories have taken an important step in increasing gender balance. The organisational focus on the issue, ownership by senior management, and the monitoring of progress are all demonstrated to enhance EDI initiatives (see Chapter 1).

An encouraging finding is the broad range of actions to address gender imbalance initiated by signatory firms. With the exception of establishing a gender-balanced shortlist for job candidates (46 per cent) and setting gender targets for external recruiters (30 per cent), all other actions were implemented by the majority of signatory firms.

Workplace policies for improving gender balance

Flexible work practices provide an important support for those combining care and employment, and has been associated with supporting women's career advancement, greater work–life balance and reduced work pressure (Feeney et al., 2019; Russell and McGinnity, 2011; Russell et al., 2009). The financial services sector is a leader in terms of the availability of flexible working hours. The Charter signatories score highly on flexible work policies and family-friendly policies with a high proportion providing top-ups to parents on maternity and paternity benefits, and having extended non-statutory leave schemes in place.

For such policies to have a positive impact of gender balance it is important that these opportunities are available at all rungs of the occupational ladder and that take-up of options by male employees is also encouraged. It is encouraging to see that a significant number of the signatory firms report take-up of flexible working and leave schemes among senior management and executive committee members. This suggests that there is a recognition that caring demands and work–life balance are issues relevant at all levels of the organisation. It also sends a positive signal for employees at other levels. However, a limitation of our analysis is that we do not know the numbers of eligible staff, or the proportion of eligible male and female staff, who avail of these options. Furthermore, a significant minority of respondents noted that working hours and demands in senior roles pose a barrier to greater gender balance; this suggests that working hours of senior staff should be a focus for future attention.

The evidence base on the effectiveness of some other organisational policies introduced for increasing gender balance is more mixed. For example, there is little evidence that unconscious bias training is associated with more diversity in the workforce (see McGinnity et al., 2021, in the case of racial and ethnic diversity). Interestingly, this chimes with the experience of the respondents for this study, in that only 14 per cent cited this among their most effective strategies. Greater evidence has been found on the effectiveness of mentoring, but its success can depend on how it is implemented and who is involved (McGinnity et al., 2021). Access to training programmes is also likely to be beneficial; for example, research by Enright and Russell (2020) found that employees who had participated in training programmes in the preceding two years were nearly twice as likely to apply for promotion when compared to their colleagues who had not undergone training.

Accountability and leadership

There are two areas in which leadership and accountability could be improved: the creation of action plans and the establishment of responsibility at senior level. The annual reporting survey indicates that responsibility for Charter commitments lies at a senior level in 87 per cent of firms, and that only 65 per cent of firms have an action plan.

Although the communication of targets, progress and action plans is an obligation for all Charter signatories, just 72 per cent of firms reported measures of external communication. In a review of the responses, some firms explained that they were still in the process of determining the optimal channels for external communication. The majority of firms that have communicated their Charter targets and commitments have used their website or annual reporting activities to do so. Another effective solution may be to utilise existing gender pay gap reporting communications. As shown above, this is already done by some firms; for others this may be a ready and effective channel given that a high proportion of signatories are required to undertake gender pay gap reporting already.

This first annual survey highlights that progress has already been made in female representation within the signatory firms. The ongoing commitment and monitoring of Charter signatories will provide additional evidence on the efficacy of different strategies and types of firms. The Charter's potential for effecting change will also increase as the number of firms signing up grows.

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APPENDIX I

LIST OF SIGNATORY FIRMS TO IRELAND'S WOMEN IN FINANCE CHARTER IN 2022

Acorn Life
AIB
Airbus Financial Services Limited
Allianz
An Post
Apex Fund Services (Ireland) Limited
AXA Insurance
Axa Life Europe
Bank of America Europe DAC
Bank of Ireland
BCM Global
BNP Paribas
BNY Mellon
Chaucer
Citibank
CNP Santander Insurance
Crestbridge Fund Administration Services Limited
Dechert
Deloitte
Deutsche Bank
Ecclesiastical Insurance
Elavon Financial Services DAC
Exela Technologies
FBD
Fidelity International
GAM Fund Management Limited
Hannover Re
Hedgeserv Ltd
HSBC Ireland
Invesco Investment Management Limited (IMIL)
IPB Insurance
Irish Life Group
Laya Healthcare
Leman Solicitors
Maples Group
Matheson
Mediolanum International Funds Limited
Mercer Global Investments Europe Limited
New Ireland
Northern Trust
Pepper Advantage Ireland
Permanent TSB
Prudential International Assurance (M&G Plc)
Rabobank
Royal London Ireland
RSA Ireland
SCOR Global Reinsurance Ireland
Seb Life International
Simmons & Simmons
St. James's Place International plc
Standard Life International dac
State Street International Ireland
Vera Financial
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