

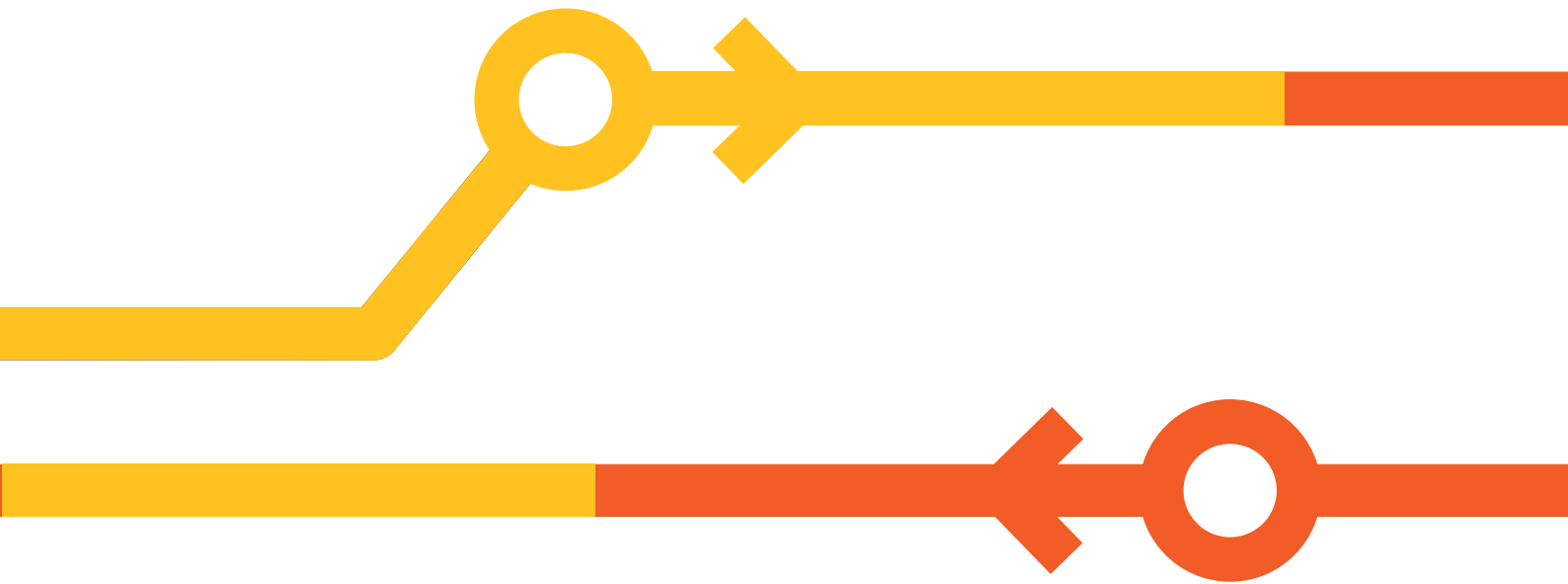


# Navigating the Gender Pay Gap



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# 1. What is the gender pay gap?

**Ireland is the latest country across Europe and the USA to introduce mandatory gender pay gap reporting, the aim of which is to address gender gaps in the workplace and barriers to the full socio-economic equality of women and girls.**

It is clear that despite the fact that women make up over half the world's population, they are not fulfilling their potential in measured economic activity, growth and competitiveness, with serious macroeconomic consequences. In Europe, gender imbalance in the labour market is attributable for an estimated 10% GDP per capita loss<sup>1</sup>, while in the UK, McKinsey calculated that increasing gender parity in labour market participation, hours worked, and sector mix of employment, could add £150 billion in GDP by 2025<sup>2</sup>. Failure to actively address this situation will increase the gender balance issues in business, deprive business of the financial, innovation and problem-solving benefits of diverse teams, cost the exchequer in terms of benefits payments and lost tax revenue, put families at risk of poverty and lead to stifling of Ireland's long-term economic competitiveness and growth. Effectively addressing the gender pay gap will contribute to addressing gender imbalance.

The gender pay gap is the difference in the average hourly wage of men and women across a workforce – it compares the pay of all working men and all working women; not just those in same jobs, with the same working patterns or the same competencies, qualifications or experience.

It does not indicate discrimination or bias, or even an absence of equal pay for equal value work – but it does report a gender representation gap and will capture whether women are equally represented across the organisation – so for example if women hold more of the lower paid jobs in the organisation than men, the gender pay gap is usually bigger.

The national gender pay gap in Ireland, is estimated to be 11.3% according to Eurostat figures (2019) compared to an EU average of 13%<sup>3</sup>. A gender pay gap figure is a point in time, the culmination of a variety of decisions and choices made by individuals, organisations and society over many years. The pay gap figure reports the outcome of those decisions and choices whether in the lack of female representation in senior roles, the greater concentration of female employees in part-time roles or the higher rate of attrition among females. However, the value of gender pay gap reporting is what actions will be taken to tackle the causes and influence change in the outcome. The gender pay gap figure should be seen as a starting point rather than a destination, and an opportunity to create a more equitable workplace for all.

1 [https://ec.europa.eu/info/sites/default/files/european-semester\\_thematic-factsheet\\_labour-force-participation-women\\_en\\_0.pdf](https://ec.europa.eu/info/sites/default/files/european-semester_thematic-factsheet_labour-force-participation-women_en_0.pdf)

2 <https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Women%20matter/The%20power%20of%20parity%20Advancing%20womens%20equality%20in%20the%20United%20Kingdom/Power-of-parity-Advancing-womens-equality-in-the-United-Kingdom-Full-report.pdf>

3 <https://ec.europa.eu/eurostat/databrowser/view/tesem180/default/table?lang=en>

“When it comes to participation in the labour market, women face far greater obstacles than men. Persisting gender stereotypes, the glass ceiling preventing women from senior positions, and the fact that women take on a much larger share of family caring responsibilities and unpaid work in the home, are all contributing factors to a significant pay disparity between women and men in Ireland.”

Minister Roderic O’Gorman<sup>4</sup>

## Myths about the gender pay gap

### **MYTH 1: Equal pay and gender pay are terms that mean the same thing**

**False:** There is an important distinction between the gender pay gap and equal pay which each have different causes. Not rewarding equal pay for equal value work is the practice of paying different wages, intentionally or not, to employees who do the same work, and this is protected by Irish equality legislation. It is determined by the comparison of the individual pay-rates of men and women in particular roles.

The gender pay gap as calculated refers to the difference between what is earned on average by women and men based on average gross hourly earnings of all paid employees – not just men and women doing the same job, or with the same experience or working pattern but all the men and all the women from the cleaners, the receptionists, the supervisors, the financial controller and the CEO.

However, where unequal pay practices exist, they can contribute to the gender pay gap, but they are not considered the primary factor causing Ireland’s gender pay gap.

### **MYTH 2: If your company reports a gender pay gap that means that women are being discriminated against by being paid less than men**

**False:** The gender pay gap has no way of telling whether men and women are being paid less or discriminated against but rather gives an indication of the representation of men and women in the organisation. A larger gender pay gap usually connotes fewer women in senior management roles within an organisation and often greater numbers of women working part-time. Organisations that have more men in leadership roles and women on the shop floor will have a larger gender pay gap – that does not necessarily indicate pay discrimination.

4 <https://www.gov.ie/en/press-release/aa331-minister-ogorman-announces-introduction-of-gender-pay-gap-reporting-in-2022/>

**MYTH 3: The gender pay gap is large because an organisation is doing something wrong**

**False:** An organisation can be positive towards diversity and inclusion and be trying to address gender balance in their organisation but can still have a large gender pay gap. This can occur because for example:

In the Tech sector there are not as many girls graduating with STEM qualifications as boys therefore the graduate pool is not equal and attrition at later stages can skew the gender balance.

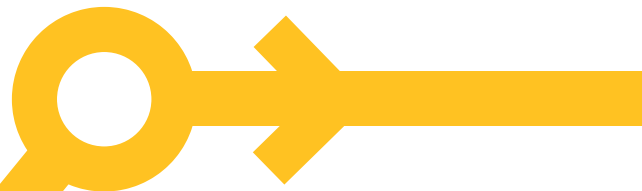
Of course, the gender pay gap can also be large because an organisation does not care about gender balance and flouts equality legislation and equal pay legislation, but the gender pay gap is a crude measurement tool and cannot be trusted as a true indicator of this.

**MYTH 4: The gender pay gap can be fixed if organisations pay women more money**

**False:** Firstly, the gender pay gap is less about pay than it is about representation and therefore “paying women more money” will not impact it in the same way that having a balanced representation of men and women throughout the organisation will. This is as useful as saying it can be fixed if we just pay men less money.

Gender pay gap reporting alone will not identify or solve the myriad of structural, cultural and policy causes for the differences in participation rates and the significant employment gaps between the genders embedded in the socio-economic makeup of the country.

However, measurement and reporting tend to be key drivers of change and if an appropriate method of reporting is used it could offer a diagnostic approach to highlighting the particular issues for different organisations and industry sectors alike. This could accelerate the necessary actions to enable more targeted interventions by all stakeholders.



## 2. What is gender pay gap reporting?

From June 2022, the Gender Pay Gap Information Act 2021 requires organisations to report on their hourly gender pay gap across a range of metrics. Organisations with over 250 employees are required to report for the first time in 2022. Organisations with over 150 employees will report in 2024 and those with over 50 employees will report in 2025.

There are seven broad reporting requirements:

- 1. The mean and median pay gap in hourly pay between male and female employees**
- 2. The mean and median pay gap in hourly pay between part-time male and female employees**
- 3. The mean and median pay gap in hourly pay between temporary male and female employees**
- 4. The mean and median bonus pay gap between male and female employees**
- 5. The percentage of male and female employees who received bonus pay**
- 6. The percentage of male and female employees who received benefit in kind**
- 7. The percentage of male and female employees in each of four pay band quartiles**

In 2022, employers must choose a “snapshot date” in June, which will mirror their reporting date in December 2022. Any resulting gender pay gap will be then used for year-on-year comparisons into the future.

The Government published Regulations in June 2022 to further clarify what was required by the calculations including how to calculate hourly remuneration, bonus remuneration and total working hours. This was supplemented also by a general guidance document and FAQ document for employers.

Where an employer fails to comply with the Regulations, and produce a gender pay gap report, the Irish Human Rights and Equality Commission is empowered to apply for a court order compelling them to report. Failure to comply with such an order would be a contempt of court. Additionally, employees may also complain directly to the Workplace Relations Commission.

Currently there are no mechanisms in place for penalties such as financial penalties to be awarded against an employer who does not comply, or fails to follow through on actions to eliminate their gender pay gap. Therefore, unless equal pay provisions have been broken, there are no legal penalties for employers. However, there is likely significant reputational and brand damage which may lead indirectly to financial implications.

## Narrative and Action Plans

In addition to the gender pay gap data, employers must publish a narrative that outlines the reasons for any gender pay gap as well as the actions proposed or being taken to reduce or eliminate the gap.

This enables employers to:

- Explain what contributes to their gender pay and bonus gap calculations
- Outline the main causes of gender pay gaps in their organisation, and
- Set out any steps the organisation is taking or planning to take, to improve gender equality and gender balance.

It is an opportunity to go beyond the statutory requirements and provide a clearer picture of the gender balance in the organisation which provides context for any gap that may exist. It also provides an opportunity to explain any anomalies in the methodology and give a true picture of the gender pay gap.

The reporting method is a crude tool and without context the gender pay gap figure is somewhat meaningless. Instead, drilling into the data to understand what factors, internal or external to the organisation, may be contributing to the gender pay gap can provide a more accurate picture of the reality, and valuable context in terms of addressing the blocks to gender balance. This can also demonstrate the organisations commitment to diversity and inclusion. As mandatory reporting is new to Ireland, there is likely to be significant media interest and therefore the clearer the narrative can be in explaining any gaps the better.

## Communications strategy

A communications strategy should be designed to help the organisation present their gender pay gap data internally and externally. The strategy will need to identify the key messages, the key audiences, the key channels of communication and the sequencing of those communications.

The **key messages** should highlight the crucial data points but also the context in which those gender pay gap figures are based. Without context, a gender pay gap is meaningless and its causes can be misunderstood.

Most organisations will have multiple stakeholders, from board members and investors, to employees and the public. Therefore, the various messages that will be important to each of these **key audiences** must be mapped out. If organisations are happy with their gender pay gap or their messaging they could choose to lead the way in disclosing early.

Whether an organisation chooses to report in a low-key or high-profile manner, it is important to consider the messages to be communicated and the impact different **channels of communication** offer.

The **sequencing of communications** is important to ensure both internal and external stakeholders are informed. Learning from the UK experience, different organisations took different approaches with some choosing to consult with and inform employees along the way. Others chose to simultaneously publicly communicate their gap while also engaging in “all-staff briefings” or follow-up workshops with employees to discuss the findings, often with an independent facilitator to outline the facts around gender pay gap. It is important that internal communications occur as promptly as possible to avoid employees hearing the results solely from external sources.



# 3. Causes of the gender pay gap

**The roots of the gender pay gap are multiple and nuanced. Pay disparity, as measured by the gender pay gap, is not just an organisation level issue, but is rather symptomatic of how we think about men, women, and gender, and how society has evolved over time. To effectively tackle the causes of the gender pay gap, we must understand how women and men participate in the labour market, including pre-labour market areas such as education and skills acquisition, and how this impacts on their labour market experience and outcomes. The cumulative impact of different treatment of males and females over their lives can contribute to the gender pay gap. Some of these causes can be addressed by employers, but others will require societal and cultural change.**

There are several complex issues that typically lead to a gender pay gap and often these causes are interrelated. They include:

## 1. A gender segregated labour market

Gender differences in occupations and industries are quantitatively the most important measurable factors contributing to the gender pay gap<sup>5</sup>. Men and women tend to work in different occupations and at different levels of the hierarchy within occupations. The root of this gendered segregation lies in the traditional gender roles in society and the different educational and career choices supported and made.

This can stem from the way children are introduced to learning and opportunities, which socialises children into an expectation of certain roles as “women’s work” or “men’s work”, and into the roles men and women often assume around caring responsibilities. This situation can be consciously or unconsciously reinforced by parents, teachers, employers and society.

## 2. Education

While girls tend to outperform boys in education<sup>6</sup>, they are less likely to choose the subjects that lead to higher earnings in later life. This occurs in part because schools, and in particular single sex schools, often fail to offer “gendered” subjects such as physics or mechanical drawing in all-girls schools or home economics in all-boys schools, or timetables are drawn up which pitch gendered subjects against each other. Furthermore, students internalise gender expectations as to what is “appropriate” for male and female education choices. Where subjects required for specific jobs or education programmes are not available, career decisions are narrowed at an early stage for men and women.

This has a knock-on effect with women being underrepresented in apprenticeships in certain industries like engineering or transport, where this career option may not have been fully explored, or the requisite subjects may not have been offered. Similarly, the low proportion of women in science, technology, engineering and maths (STEM) fields of study and employment makes a significant impact on the gender pay gap<sup>7</sup>. Graduates of these fields are in high demand and as a result the related jobs tend to be highly paid, but organisations struggle to recruit women into the industry. This resulting occupational segregation thus exacerbates a gender pay gap.

5 Blau, F.D. & Kahn, L.M., (2016) The Gender Wage Gap: Extent, Trends & Explanations”. <https://www.nber.org/papers/w21913>

6 <https://unece.org/statistics/news/women-outnumber-men-higher-education-gender-stereotyped-subject-choices-persist>

7 OECD (2017), The Pursuit of Gender Equality: An Uphill Battle, OECD Publishing, Paris. <http://dx.doi.org/10.1787/978926481318-en>

### 3. Balancing work and family life

Family, care and domestic responsibilities are not equally shared and more often borne by women. Women's ability to participate in the labour market is constrained by the fact that they spend three times as much time on unpaid work, four times as much on care work (time spent to care for a child or another adult) and twice as much on household work, than men, regardless of the employment status of partners<sup>89</sup> making them less available for labour market participation. This is so pronounced that women who are employed full-time are often said to be working a double shift. Oxfam<sup>10</sup> proposes that if women received a living wage for this invisible work and indirect contribution, it would cost the State €24bn a year. This has real implications for the participation of women in the labour market and by extension the gender pay gap.

- **Time out of the workplace**

Research often cites women having a lower level of human capital and working fewer hours as a key factor in the gender pay gap. While educational attainment is often higher amongst females, it does not offset the loss of work experience. Parenthood largely fails to impact male working hours or pay, however over the course of their careers, mothers will have spent an average of 10 years less in fulltime work and seven more years in part-time work where women are over-represented<sup>1112</sup>. Where females are working reduced hours, this ultimately equates to less experience, reduced benefits value (pensions/bonuses which are usually linked as a percentage of basic salary), and therefore can generate an earnings gap that is greater than their male counterparts.

Career gaps for childcare reasons can result in a “motherhood penalty” occurring<sup>13</sup> due to interrupted employment, detachment from the labour market, possible deterioration of skills and networks, and loss of opportunities for training, promotion and salary increments that would be gained while in employment. This lack of female career progression can result in higher paid roles being held predominantly by men and contribute to a gender pay gap and a lack of gender balance in decision-making roles.

- **Availability of quality, affordable childcare facilities and out-of-school hours care**

Exacerbating this further is the cost of early childhood care and education in Ireland, which is among the highest in Europe, accounting for 33% of the average wage<sup>14</sup>. This presents a barrier for families across a range of salary levels not just those on lower incomes and represents the largest additional household cost associated with taking up employment. In addition to affordability, the availability and quality of childcare may collectively feature in a parent's decision, often the mother, to work, return to work or to come out of the labour market for a period of time. Despite an increase in investment in this area in Ireland, the service provided in early childcare and education is not consistently appropriate for the children or parents looking to avail of it.

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8 <http://www.oecdbetterlifeindex.org/topics/work-life-balance/>

9 <https://www.imf.org/external/pubs/ft/sdn/2013/sdn1310.pdf>

10 <https://www.oxfam.org/en/not-all-gaps-are-created-equal-true-value-care-work>

11 <https://www.familyandchildcaretrust.org/new-research-highlights-impact-part-time-work-gender-pay-gap>

12 [https://www.henrikkleven.com/uploads/3/7/3/1/37310663/kleven-landais-sogaard\\_nber-w24219\\_jan2018.pdf](https://www.henrikkleven.com/uploads/3/7/3/1/37310663/kleven-landais-sogaard_nber-w24219_jan2018.pdf)

13 Stewart 2013

14 <https://stats.oecd.org/Index.aspx?DataSetCode=NCC>

## 4. Discrimination and bias

While many of the aforementioned objective elements can explain most of the gender pay gap, there are other elements unaccounted for which may include discrimination and bias. Discrimination and bias can be systemic or overt, intentional or unintentional, depending on organisational policies and practices. It can be linked to practices such as workplace culture, recruitment, promotion and access to development, all of which impact human capital and prevent women reaching their full economic potential, or policies that although not designed to discriminate, result in unequal treatment. Discrimination can be driven by:

- **Unconscious bias:** Examples of this can occur where jobs dominated by women are perceived as worth less than similar jobs done by a man; this can impact the evaluation of performance and hence pay level and career progression, which may also be biased in favour of men. Problems can emerge where women and men are equally qualified, but greater value is attached to responsibility for revenue management rather than people management and more women are found in staff (people management) rather than line (revenue management) positions. In the absence of objective job evaluation methods, gender bias can impact the gender pay gap.

- **Having prototypes of what a particular role requires or what a career trajectory should look like:** Stereotypes and attitudes which feed corporate norms about how things are done in the organisation, such as the way organisations identify talent and capability, or how they go about offering developmental opportunities, such as secondments can discriminate. Stereotypes can result in men being typically hired or promoted based on their potential, while for women the focus is on past performance. Stereotypes can also result in assumptions about the commitment or availability of women with children, leading to them not being considered or selected for certain projects or development.

What this myriad of causes tells us is that, if we are committed to gender equality, then ultimately a multi-stakeholder and multifaceted approach needs to be taken to address the real causes of the gender pay gap, and achieve greater gender balance in our organisations and economy. While employers have a strong role to play, it is not solely a business issue.



## 4: Considerations for the narrative

**Without context, a gender pay gap figure is meaningless and open to misinterpretation. Given the risk too of confusion between the gender pay gap and unlawful pay discrimination, a clear narrative that outlines the data analysis informing the gender pay gap is beneficial. Providing a robust narrative as to the causes of a gap, can identify internal and external contributors to the gender pay gap and identify areas for corrective action by the organisation and other stakeholders.**

**When putting the narrative together, consideration should be given to:**

- policies and practices in the organisation
- the sector or industry factors that may be at play
- the external issues that may impact.

In addition to the data required by the gender pay gap report, it is useful to go beyond what is mandatory and interrogate a range of data to get a clear picture of opportunities and challenges to gender equality and gender balance to inform action.

Across a range of themes there are a number of considerations and questions that can be asked:

- **Examine the gender balance across the various levels, job roles and departments in the organisation.**
  - Are there differences in departments or roles resulting in greater proportions of male or female employees?
  - Are there greater numbers of women at junior levels?
  - Do people get stuck at certain levels in the organisation?
  - Have careers of males or females plateaued in certain areas?
- **Examine the gender balance at recruitment and promotion stages in the organisation.**
  - How does the potential applicant pool in your industry compare to the candidates that apply to your organisation?
  - Are there certain roles that fail to attract a diversity of candidates?
  - Do you have balanced long lists for recruitment?
  - Are women applying for; being short-listed and selected for positions or promotions? If not, why?
  - Are they accepting roles? If not, why?
  - Where do you lose women from the process?
  - Are your recruitment and promotion processes transparent, objective and unbiased?

- Do you advise executive search or recruitment firms to provide you with a diversity of candidates or a gender balanced pool of applicants?
- Have you considered the language in your job advertisements, person specifications and the overall essential requirements for the role or are they just ‘how they have always been’?
- **Consider whether a change in how the role is carried out could impact the profile of applicants and successful candidates?**
  - Could you offer senior roles on a flexible basis?
  - Could a senior role be carried out on a part-time or job share basis?
  - Are line managers trained and supported to look at resourcing roles in different ways?
- **Is there a gender difference in the attrition at different levels in your organisation?**
  - Are there different reasons provided in exit interviews?
  - Do women return after maternity leave?
  - What are your retention rates of mothers within two years of returning from maternity leave?
  - What are the key issues resulting in exit rates?
  - What could be changed to slow attrition?
- **Are there differences in the remuneration packages of male and female entrants in comparable roles?**
  - Do you have clear processes for setting salaries?
  - Do individuals start on different salaries because of negotiations?
  - Do they have access to different bonus opportunities or overtime work?
- **Are there differences in the performance rankings or scores of males and females in comparable roles?**
  - Do you calibrate your ratings?
  - Are performance rankings or scores compared by different job roles or levels or by full-time or part-time working status?
  - Are individuals actually performing differently or being assessed differently?
  - How objective is your performance management process?
- **Examine the gender balance in terms of opportunities for development**
  - Do individuals have equal chances to participate in stretch projects or development programmes that might lead to promotion?
  - Do males and females have equal access to networks? Mentors? Sponsors? Coaches?
  - Analyse your list of high potential candidates to understand if your pipeline is balanced. If not, are there obstacles blocking some candidates achieving their potential?
- **Examine the gender balance in terms of caring responsibilities and leave**
  - What is the breakdown of males and females accessing flexible working? Parental leave? Parent’s Leave?
  - Do male employees as well as female employees feel supported to take family leaves?
  - Is access to such working arrangements or leaves an obstacle to progression?

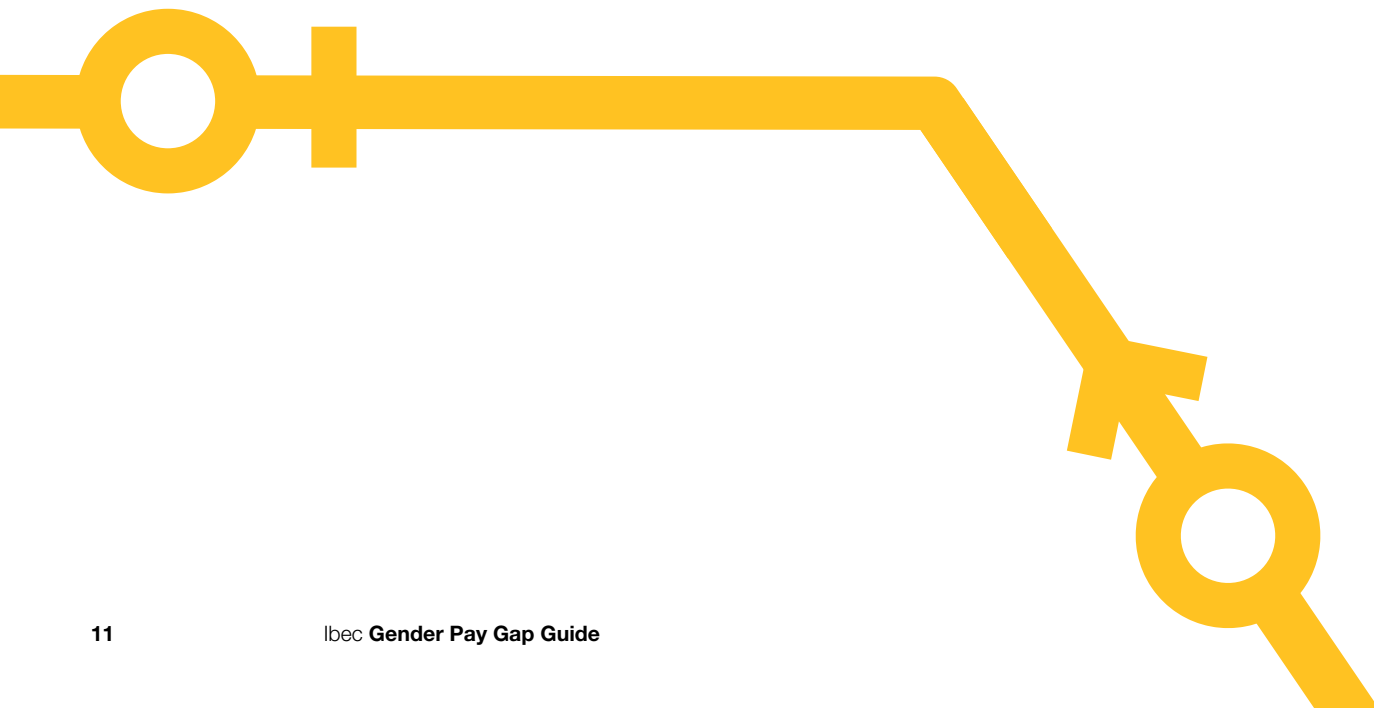
- **Consider your results against your peers and the wider economy?**

- Is your workforce profile typical of your sector or industry?
- Are there problems in the sector that impact all organisations in this way?
- Do you lag your peers in terms of gender balance?
- Have you embraced diversity and inclusion initiatives in your organisation?
- Has gender balance or equality, diversity and inclusion been a priority for your organisation or industry?
- Are you aware of external challenges to gender balance in your organisation or industry?
- Are there legacy issues that you need to deal with?
- Are you “best in class” or “a poor performer”?

- **Consider the external environment and any factors that may also influence your gender pay gap**

- Is there a gender balanced supply of graduates for the various disciplines and opportunities in your sector?
- Is your organisation in a traditionally male dominated sector? How can that change?
- Are there cultural challenges in your organisation, industry or sector?
- Is there a poor image of your industry for women?

While some of these may require the action of other stakeholders, there are many actions that employers can take to offset a number of these issues.



# 5: To address the gender pay gap

As aforementioned, the causes of the gender pay gap are not singular and have individual, organisational and societal factors at their root. As such there is no silver bullet to solve the gender pay gap. For real success a ‘whole of society’ approach will be required to address the multifaceted, interlinked challenges that impact on gender balance and consequently the gender pay gap.

Some possible causes which contribute to the gender pay gap are embedded in the economic, social and cultural makeup of the country, and largely beyond the scope of this section. They include areas such as the cost and availability of childcare; the unequal division of unpaid work; the education system and career guidance; and stereotypes around jobs, careers and care. Instead, the focus will be on actions and solutions that are within the employers domain.

Once a gender pay gap has been found by the organisation and the data has been interrogated to understand the root causes particular to the organisation, a strategy to tackle the gap can be created. This strategy can be a subset of an existing diversity and inclusion strategy but will need to be focused on the representation issues at play.

Within the organisation, some of the causes may be due to operational issues such as increased levels of overtime or shiftwork in a male dominated area that was required to meet demands, or an increased number of women in part-time roles. These should be noted and addressed. However, other causes may be less obvious and exist in the way we do business and the structures and processes that are in place in the organisation. For some organisations, initiatives may already be underway to address known issues, while others may be only starting to focus on particular challenges. What is consistently true is that the causes of the gender pay gap are unlikely to have emerged recently, and as such achieving and maintaining a gender balanced representation of men and women in the organisation will take time.

Real change will require a series of consistent changes to practices and thinking in the organisation, and a concerted effort to shift cultural norms, led from the top. The more evidence-based changes the organisation can make, driven by the interrogation of the data, the more meaningful action can be taken. It is likely that there may be some quick wins that are easily implemented, some medium term goals and some long-term objectives to be achieved.

Outlined in this chapter are some of the key areas that may be relevant depending on the causes of the gender pay gap in your organisation. While each one can feature in a robust diversity and inclusion strategy, for gender pay gap purposes they are being examined in a tactical manner to address their contribution to the causes of the gap.



## 1. Recruitment and promotion practices

Recruitment processes can perpetuate and broaden pay gaps as they may hamper individuals from progressing into and through the organisation. Research tells us that women are less likely to apply for a position unless they have 100 percent of the requirements in a job description while men are likely to apply if they have 60 percent<sup>15</sup>. To address this requires examining job descriptions for what is truly essential, looking at the language used and considering whether there are prototypes for different roles or positions in the organisation.

- **Gender neutralise the language of job advertisements:** We are culturally influenced to use words and language that are subtly gender-coded and reflects societal expectations of men and women. This linguistic gender-coding often features in our job advertisements and can dissuade women from applying for jobs that are advertised with masculine language. Using tools like the gender decoder can neutralise that language without changing the intention, encouraging greater pools of talent to apply.

### Linguistic gender coding

**Masculine coded words include:** Aggressive; Boast; Challenging; Dominate; Ambitious; Superior

**Feminine coded words include:** Collaborate; Committed; Trust; Enthusiastic; Inclusive; Loyal

- **Examine the content of job descriptions** to identify if there are aspects that could be removed or whether the role could be done in a different way to encourage more fully capable applicants.
  - **Provide a clear brief to recruiters and executive search firms** to ensure they are clear about diversity targets. This can be helped by using the Ibec-30% Club Executive and Board Resourcing Code which has signatories from executive search firms and professionals who
- commit to following the code and addressing the challenges of gender balance.
  - **Ensure women are included in shortlists for recruitment and promotion:** Often recruiters rely on the same tried and tested sources of talent which limits the range of candidates for different roles. Broadening the search to more diverse talent pools is good for gender balance, and diversity and inclusion more broadly. Setting targets to keep positions open until a certain level of gender balance (for both males and females) is achieved in the long or short lists, can help widen the pool without compromising on the quality of candidates. It is worth remembering that shortlists with only one woman statistically<sup>16</sup> do not increase the chance of a woman being selected.
  - **Train interviewers** and managers in inclusive leadership practices and ensure diverse selection or interview panels.
  - **Examine cohort consistency:** This involves looking at the pipeline in the organisation and considering the gender balance and whether promotions are occurring in proportion to the pipeline. If this is not the case, then the reasons for this may need to be examined for cause.
  - **Bring transparency into selection processes for promotions:** Where employees are clear on what is involved, and managers are clear on the objective, evidence-based decisions required, there is less chance for bias or subjectivity to persist. In addition, clarity around what is and is not a factor in the decision may encourage some candidates to put themselves forward.
  - **Adopt a structured approach to interviewing** to reduce the opportunity for bias to influence decisions.
  - **Introduce a career returners programme** that challenges the experiences of career returners. This should ensure that the time they have stepped away from their career does not relegate them to a position much lower than they left or find them unable to recover from such a break.

15 Mohr, T.S. (2014). Why women don't apply for jobs unless they're 100% qualified. Harvard Business Review (August 2014)

16 Johnson, S.K., Hekman, D.R., & Chan, E.T. (April 2016). If there's only one woman in your candidate pool, there's statistically no chance she'll be hired. Harvard Business Review 26(04).



## Case study: Accenture's ReSUME Returners Programme

The Accenture Ireland's ReSUME Returners Programme is a 6-month, competitively paid work placement for professionals who have taken a career break of 2 years or more.

Many highly skilled, experienced, professional women and men have taken career breaks because of family duties, to travel, to volunteer, or for a myriad of other reasons. In many cases, there comes a time when they want to return to the workforce, but there can be challenges.

Accenture Ireland's Returners Programme is designed to coach and support participants to refresh their existing talents, learn new skills and strengthen their confidence. Participants have the opportunity to gain experience in a wide range of areas such as Technology, Consulting, Finance and Operations.

The ReSUME programme has a strong support structure including coaching, mentoring and career support. Running since 2018, ReSUME has proven that supported returners can get back up to speed very quickly and deliver excellent results.

## 2. Balanced development practices

Only 10% of employee development occurs in formal development programmes; 20% occurs through mentoring, networking and coaching, while as much as 70% is gained through on-the-job experiences<sup>17</sup>. These on-the-job projects or stretch opportunities offer individuals the chance to gain skills and experience, but also to become visible to decision-makers, which can support career advancement. Importantly, it is not just having access to development opportunities but specifically to those career experiences that offer high visibility, mission-critical roles or international assignments. Such opportunities have the greatest impact on advancement and often lead to high potential candidates progressing further and faster in their career. It has been found that generally women get access to fewer of these opportunities than men, men also access larger budgets and teams, and their projects have greater C-suite visibility<sup>18</sup>. As such, doing well in these roles can lead to advancement.

- **Examine how projects and stretch roles are allocated in the organisation** to ensure there is a strategic and objective process being undertaken.
- **Consider introducing leadership development programmes for high potentials** that have clear goals towards not only skills development but advancement opportunities.
- **Consider metrics to track the size and scope of projects and opportunities** allocated to high potentials for development opportunities and the diversity of access.

<sup>17</sup> Catalyst (2012), Good intentions, imperfect execution? Women get fewer of the "hot jobs" needed to advance.

<sup>18</sup> ibid

### 3. Flexible working culture

Many women report having to exit, move to part-time work or roles below their qualification levels to stay connected to the labour market while juggling elements outside work. Flexibility in working arrangements comes in different forms, and the more flexibility available, the more parents and those with caring or other responsibilities will be able to balance the demands with work, thus fulfilling career and family needs while also adding value in the workplace. Providing flexible working at all organisational levels means that in particular women with caring responsibilities, will be able to use their full range of talents and stay, or progress to more senior levels. This has benefits for others who are seeking greater work-life balance also.

- Have a default position of **all jobs being available for flexible working** arrangements if possible, across the organisation, and promote a wide range of flexible working practices at all levels.
- **Encourage uptake by males and females** across the levels of the organisation so that it is not seen as a female domain, for those with caring responsibilities or those at a certain level.
- **Encourage championing and vocal role modelling** by senior managers of flexible working that they personally engage in.

## Case study – 30% Club/IMI Cross Company Mentoring Programme

### 30% Club/IMI Cross Company Mentoring Programme

#### Why Mentoring

The 30% Club is a global campaign supported by chairs and CEO's of medium to large organisations who are committed to greater gender balance at senior levels, for better business outcomes. One of the 3 pillars, consistent in our strategy across the world, is focusing on talent pipeline. We see mentoring as a key enabler for progress at the right time in a career plan and we have been delighted to partner with the IMI on our mentoring journey in Ireland.

#### The history of our programme

The programme started in 2015 with six mentoring pairs as a pilot. Now extending beyond our eighth year, we have seen more than 1,700 participants. The programme is now virtual so we can extend to anywhere in Ireland, and we have also had overseas participants from multi-national supporters. Participation is open beyond 30% Club supporter organisations and while our focus is on improving gender balance for women, our participant mentors and mentees represent all genders.

#### What makes our programme different

We design the programme to be complimentary to, but separate from, in-house organisation programmes. The mentors/mentees are matched from different organisations so there is an element of privacy and freedom to share, and the cross company/industry aspect improves the range of experiences. We have a 1 for 1 nomination process so we have an individual mentor for every mentee and we spend time on making good matches. Finally, the programme builds more than just the mentoring relationship – it includes training on the mentor process, the chance to network, attend IMI events, and that applies for mentors as well as mentees.

#### Our philosophy for the mentoring programme

- Mentoring gives us the unusual opportunity to pause and reflect on what we need for ourselves at this career stage; and to have someone to work with us to help us frame the questions. We believe that great mentoring is less about being fed, but more about learning how to cook new dishes with someone who has tried a recipe already!
- Mentoring is not about remedial action and fixing all our faults but instead it's about finding our strengths or learning how to navigate or change the systems we work within.
- Finally, we want all our participants to learn how to grow and thrive in their chosen careers.

The programme runs with a new intake twice a year. To learn more visit <https://www.imi.ie/imi-30-club-network-mentor-programme/>

## 4. Pay transparency and negotiations

Formal pay equity processes have been found to drive gender diversity. Many businesses rely on the open market to source talent and instead of setting clear salary bands for specific levels, they may negotiate. Women are less likely to negotiate their pay.<sup>19</sup> They may also be penalised when employee pay is based on salary history as they are likely to have been paid less than their male peers in the past, thus perpetuating a cycle of lower pay.

- **Set and communicate where possible the salary range on offer and whether it is negotiable**, to ensure the applicant has a clear expectation of the remuneration process.
- **Base pay on the position itself rather than salary history** as this can help ensure greater parity in offers.
- Keep remuneration policy and bonus policies under review.

## 5. Performance management

Performance management systems need to examine what is evaluated and how feedback is given to male and female employees. Research<sup>20</sup> tells us that men receive more constructive and developmental feedback than females which is important for progression. Similarly, bias has been found to cause differences in ratings between male and female employees. In addition, women on extended family leaves may miss out on a performance review which in some organisations is the medium through which pay raises are calculated. This could result in a female falling a few steps behind her male counterpart very quickly especially if she has more than one maternity leave.

- **Hold calibration conversations with managers** to reduce inequalities, ensure transparency and that decisions made are objective and evidence based.
- **Provide training on performance management** for both managers and employees to ensure its purpose and the practices offer the best result for all.

- **Consider a policy of providing an average salary review score for individuals on leave** to ensure the salary keeps pace with peers.

## 6. Shared caring responsibilities

Culture change is needed to see greater balance between the number of men involved in child and elder care, making use of the generous parental leave, parent's and paternity leave that is provided for in Irish legislation, and the acceptability of that in both organisations and society. It is necessary to consider both men and women as having caring responsibilities and not see this as an obstacle to career progression. Caring and family responsibilities defaulting to women has an impact on the gender pay gap, and the gender pay gap widens significantly after women have children. This imbalance could be reduced if there were greater opportunities for balance in care for men and women.

- **Encourage equal take up of family leave** and the use of flexible arrangements where possible, to ensure they do not become reduced to something only female employees' avail of.
- **Consider offering top up payments at the same level as maternity leave, or enhanced paternity leave where possible** to encourage a culture of shared caring responsibilities.
- **Promote examples of senior colleagues who have availed of such leave** to communicate the organisations support.
- **Offer workshops and supports for pregnant employees and new fathers and partners** to ensure they are supported and aware of their entitlements. This may include maternity coaching for individuals and line managers to ensure a successful process from pregnancy to return from maternity leave, support the retention of female talent, and a greater focus on shared parenting.

<sup>19</sup> <https://gap.hks.harvard.edu/do-women-avoid-salary-negotiations-evidence-large-scale-natural-field-experiment>

<sup>20</sup> <https://hbr.org/2021/02/research-men-get-more-actionable-feedback-than-women>

## Case study – Deloitte

At Deloitte our purpose is to make an impact that matters. As the leading global professional services firm, our client success is enabled by our people feeling they can be themselves at work, knowing they have the same opportunities to develop and succeed, and can bring their individual perspective. This is at the heart of our inclusion philosophy, and it allows us to attract and retain the strongest leadership and team from a range of backgrounds, experiences, and cultures.

One of our business priorities is achieving gender balance at all levels of the organisation, with focused initiatives and targets in place to support this ambition. At the most senior level, we have a goal to increase female partners from 24% in 2020, to 35% by 2025. To achieve this, we have a multi-year strategy.

A key milestone of the strategy was releasing our first gender pay gap report in 2021, ahead of the legal requirement. We believe that measuring and reporting on relevant metrics, across all levels of our business, is core to making progress. Creating a truly inclusive environment will continue to be a business imperative, from our grass roots employee networks right to the top of the organisation, where our leaders are measured on their gender balance KPI's.

One of the decisions was inclusion of partner earnings in the pay gap calculation. As our partners are owners, not employees of the firm, they do not form part of the legal pay gap disclosure. Considering partners are our most senior leadership level, excluding them would not have provided a transparent and authentic view of the real gender pay gap. By deciding to include our partner earnings with staff earnings and not as a separate ownership group, we were able to open conversations with our clients and our people and ultimately drive greater transparency around the barriers to gender balance in the professional services sector.

Moving beyond the business case for gender balance means addressing the structural barriers and designing internal systems that disrupt the biases that arise. A strategic initiative addressing structural barriers is our hybrid working model. *Deloitte Works* has redefined the way we work. It is based on principles of trust and giving our people the flexibility and choice of when, how and where they do their best work in support of clients. Research tells us that control over their schedule is a significant enabler of female participation in the labour force. We can see in our retention data that we are now retaining higher numbers of senior women since we introduced *Deloitte Works*.

The flexibility offered by *Deloitte Works* is further enhanced by several new policies to support our people during moments that matter, such as IVF, foster care, surrogacy, miscarriage, and domestic abuse. We have also developed an Inclusion Passport, providing a framework for a discussion around a variety of personalised supports and ways of working to help our people thrive both personally and professionally. As a result, we are seeing teams have more intentional and open conversations around their norms and wellbeing than would have been the case pre-*Deloitte Works*.

In summary, while progress has been made, we recognise we have work to do. We are committed to continuing to challenge ourselves to ensure we meet our ambition of gender balance at every level for the benefit of our employees, clients, and the communities we live and work in.

## 7. Check the culture

An organisation's culture is fundamental to the approach to gender equality and gender balanced representation within an organisation. It requires conscious effort and discipline to consider the policies, practices and decisions made and their impact on the targets and objectives to be achieved.

Unconscious biases can shape the decisions individuals make without their awareness, through the use of shortcuts and assumptions. Organisational culture can also succumb to bias or discrimination where practices and unwritten rules may be acting in contravention of espoused policies and procedures. This can extend to:

- how women's disproportionate responsibility for caring for children and older people is interpreted with regards their career aspirations, availability or commitment;
- organisational cultures which esteem and reward stereotypically male attributes and rely on stereotypical assumptions about women's capabilities and talents;
- inflexibility in working arrangements for employees operating at senior level.

To counteract these issues; change the image and reality of the organisational culture, and proactively encourage greater gender balance, a range of actions can be taken:

- **Check data for gender balance at every level and opportunity** to ensure that there are not silos within the organisation where representation is blocked.
- **Increase awareness and promote good practice in gender proofing policies and processes in the workplace**, in particular the examination of human resource management processes that have an impact on the progression of women's careers i.e., recruitment, performance management, remuneration and succession planning.

- **Use your workforce intelligence** through focus groups or surveys to understand the impact of policies and procedures on different cohorts of the workforce.
- **Identify and promote role models.**
- **Develop mentoring and sponsorship programmes.**
- **Introduce development programmes and career paths for high potential candidates.**
- **Provide career talks and ambassadors to schools, colleges and career guidance professionals** to demonstrate how focused the organisation or industry is on gender balance.
- **Partner with the 30% Club, Balance for Better Business or specific industry networks such as Connecting Women in Technology (CWIT)** on their work around gender equality and gender balance.
- **Set realistic, time-bound and stretching targets around gender balance.** This signals intent and enables the monitoring of progress. Some organisations have assigned the responsibility for driving such targets to leaders and senior managers by including them in their performance management objectives. Others have made public their targets or commitments to gender representation by a particular date.

## Case study – Ireland’s Women in Finance Charter

### Need for a Charter in Ireland

Fostering and harnessing the talent and experience of all women in financial services is crucial in developing a strong pipeline of talent. This will lead to greater diversity of thought, experience, and leadership styles in decision-making processes, for the economic benefit of the business and the wider community as a whole. Women continue to be underrepresented in revenue generating roles in financial services such as CEOs and head of business lines, of which 84% of roles were held by men as of December 2021 (no change on 2020).

To help move the dial on gender balance, the Ibec group that represents the financial services sector in Ireland, Financial Services Ireland (FSI), developed and led an industry initiative that is Government supported to develop and operate Ireland’s first Women in Finance Charter. It was launched in April 2022 and FSI’s Director Patricia Callan is Chair of the Charter Steering Group.

### How it works

There are three main principles of the Charter: taking action, leadership and accountability and measuring and communicating progress. In practical terms, firms CEO/senior leadership team members sign a Charter, then fill out a baseline template to show where they are starting from and commit to stretch targets around gender balance. As each firm will be at a different point in the journey, firms are required to set their own stretch targets in one or all of the seven categories outlined in the reporting templates which range from entry level to Board level. Firms must publicly communicate on an annual basis on progress against the target(s) set, so that transparency and accountability on progress in driving change is evident. The first annual report, written by the Economic and Social Research Institute of Ireland (ESRI), an independent data partner funded by FSI and three other financial service trade associations, will be published in Q2 2023.

This Charter will affect long term change. Whether a company is at the start of their gender equality journey or has pre-existing targets, there is a space for companies to sign up. The firm determines at what level the target is set. There is a minimum of one positive target to be set by each company/signatory.

The Charter has over 50 signatories to date.

- 20% of signatories having fewer than 50 employees;
- 30% having 50-249 employees;
- 50% having 250+ employees.

A report on the progress achieved in year one will be published at the end of Q2 2023.

For more information, go to <https://www.betterbalance.ie/partners/>

# Conclusion

Closing the gender pay gap is good for individuals, organisations, society and the economy.

To achieve real and lasting change will take time as the gender pay gap is a product of a number of decisions and actions that led to this particular outcome. However, the gender pay gap figure is purely the starting point. The real work needs to go into understanding the organisation's own data, the drivers of their gender representation issue and identifying real and tangible actions to take over the short, medium and longer term to achieve change.

This process needs to be owned and championed from the top, and leaders are bringing these conversations to their senior and board level discussions. While reporting will not solve the gender pay gap, it is an opportunity to examine the data, have the necessary conversations and set the organisations ambition for equality, diversity, inclusion and gender balance.

