



*Championing better
work and working lives*

Measures to tackle the gender pay gap

CIPD's submission to the Gender Equality Division, Department of Justice and Equality as part of the gender pay gap consultation process

Chartered Institute of Personnel and Development (CIPD) Ireland

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CIPD Ireland thank you for the opportunity to participate in the public consultation on Measures to tackle the gender pay gap. The CIPD, the Chartered Institute of Personnel and Development is the professional body for human resource and learning & development professionals. In Ireland we represent over 5,500 HR and L&D professionals in Ireland and are part of the CIPD international community of over 145,000.

Our mission is to Champion better work and working lives, which will no doubt resonate with you in your ministerial and representative capacities. Our work involves education, continuous professional development, research and policy on issues to do with work, the workforce and workplace. We engage with a senior forum of HR directors and HR leaders from Irish and multinational organisations, as well as academics, on the challenges emerging on the future workforce and workplace. We would like to provide you with the opportunity to engage with this group on a consultation basis.

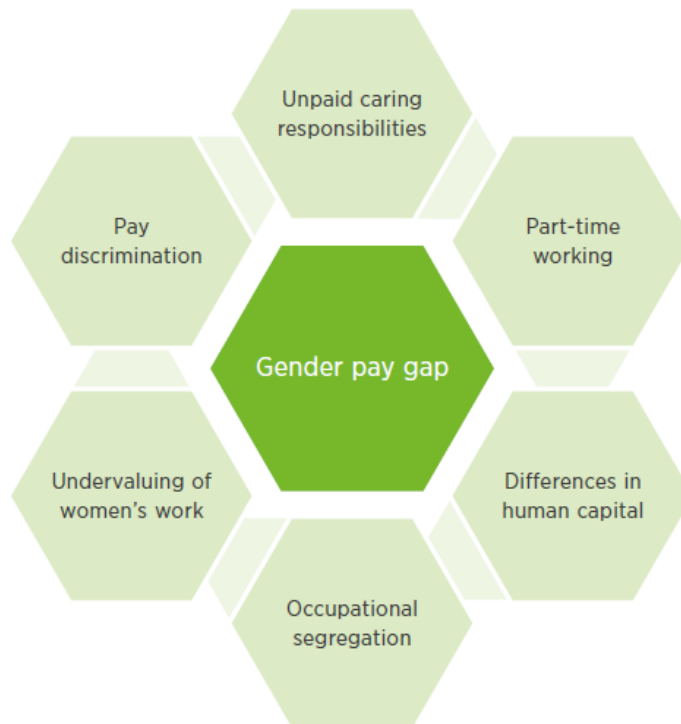
We believe this consultation process is a valuable step as the Department seeks to implement the actions of the National Women's Strategy. We have presented our views on a number of areas:

- the factors creating the gender pay gap;
- the actions that need to be taken; and
- how we can contribute to implementing these actions.

FACTORS CAUSING THE GENDER PAY GAP

The causes of the gender pay gap

CIPD Ireland recognises that the causes of the gender pay gap (GPG) are complex and multi-faceted and require a multi-dimensional response. Our analysis focusses on six aspects and the GPG can result from the interaction of these causes.



1. Part-time working

Irrespective of whether the jobholders are male or female, hourly rates of pay tend to be lower for part-time than for full-time employees. Economists have suggested that this may be because an oversupply of women looking for work that is both part-time and local leads to an oversupply of people willing to take on such jobs, thereby depressing rates of pay.

Women make up the majority of employees with constantly variable part-time hours and regular part-time hours while a majority of men (77%) work over 35 hours per week compared to 49% of women, according to a University of Limerick report in 2015. Women are nearly three times more likely than men to work 1-8 hours; three times more likely than men to work 9-18 hours and over twice as likely to work 19-35 hours per week. Higher proportions of women than men work part-time hours in retail, accommodation/food, health and education.

The ongoing reduction in the headline unemployment rate in Ireland is hiding subtle changes. Part-time employment fell by 6.4% in the past year, showing more people increased their working hours, as opportunities emerged. While one would anticipate that this trend benefitted women, it may not have done so as the sectors showing the biggest annual growth in employment were construction and IT. Women are over-represented in occupations such as cleaning, catering, caring, and leisure and other services, which, while offering a ready supply of part-time jobs, are in low-pay, low-productivity sectors.

2. **Perceived Differences in men's and women's human capital**
 Women are more likely to be able to achieve pay parity with their male colleagues when they mirror what men do: that is, if they work full-time and don't take time out to have children. People who work full-time are perceived as accumulating valuable skills and experience, while those who take time out, or who work part-time (even for only a limited period) are considered to acquire less human capital; this reduction in human capital is also perceived as permanent. However, in the absence of actual evidence at the level of the individual employee of a reduction in human capital, this is a form of gender stereotyping.
3. **Occupational segregation**
 Occupational and sectoral segregation has been increasingly identified as contributing to the GPG, and many roles in the Irish labour market are segregated by gender,. However this segregation is as much a cultural as an economic phenomenon; in Russia, for example, over 30% of engineers are women.
4. **The undervaluing of women's work**
 The problem with occupational segregation is not that men and women are doing different types of work, but that segregation results in these jobs being valued differently. Occupational segregation has been described as *'men getting paid more for working with men, and women getting paid less for working with women'*. Many 'female' jobs involve tasks that have traditionally been carried out by women in the home, and in consequence the jobs are assumed to call for only low-level skills. The introduction of the National Minimum Wage, and now, the National Living Wage, provides a wage floor for the lowest-paid jobs, but does nothing to challenge the underlying undervaluation of the work.
5. **Discrimination**
 While evidence of the extent of the contribution made to the gender pay gap by discrimination is contentious the existence of equal pay legislation, and claims, suggests that pay discrimination, or its perception is a risk factor. Discrimination can be both direct – paying a woman less because she is a woman – and indirect – paying a group of workers less because they work part-time, or failing to reward the emotional demands of jobs that involve caring for others. Direct discrimination may be masked by different job titles or different working patterns. Indirect discrimination tends to occur where there are overly complex pay systems and/ or occupational segregation.

Research by the World Economic Forum (2016) found that the highest barrier to gender parity was unconscious bias among managers.

6. **Unpaid caring responsibilities**
 Women are the main providers of unpaid care. While childcare provision still needs to improve significantly, the position with regard to the care of older family members is more invisible and arguably worsening. As the need for unpaid elder care is likely to increase with an aging population, then, without policy interventions aimed both at redressing the inequalities in the distribution of unpaid care as between women and men, and at shifting care out of the family and into the formal economy – as is happening with childcare – the burden on women may increase.

Despite recent improvements in childcare provision, the cost of childcare has been identified as a particular barrier to work. Many skilled women stop work because of childcare costs, and many others attempt to keep down their childcare costs by taking part-time work. If a woman either leaves the labour market altogether for even a short period of time, or

continues to work, but on a reduced hours' basis, she's more likely to be in a low-paid and low-skilled job, and to remain there throughout her working life.

Good equal pay practices pick up, not just on any inadvertent pay discrimination, but also on low rates of return from maternity leave, or on flexible working being taken up only by workers in lower paid roles. Tackling the gender pay gap entails tackling all of its causes

Drivers of the current gender earnings divide

European Commission report on Magnitude and impact factors of the gender pay gap in EU countries <http://www.genderpaygap.eu/> identified four main drivers of the current gender earnings divide.

This sheds light on the role of business, recommending that policies to tackle the gender pay gap should be at sectoral level. Decreasing the cost of flexibility at firm level is also seen as crucial. Success would enable firms to pay attractive salaries not only to workers who continuously stick to their full-time career over the lifecycle but also to those employees who take flexible work arrangements in terms of hours and temporary breaks. Lifelong learning opportunities matching changing demands over the life cycle and innovative management tools like shared leadership are also essential in this regard. This would be to the advantage of both genders.

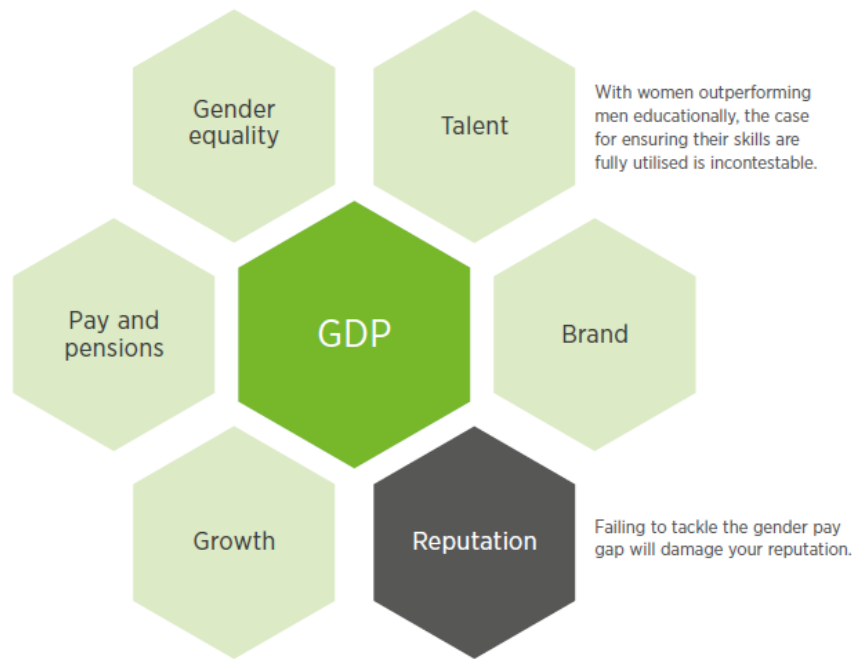
Another practice at firm level that deserves more attention and solutions is the analysis of work evaluation / performance schemes, as more focus is needed on the risks of devaluing female work.

From the societal perspective, for policymakers, the overarching goal must be to transform the current trade-off between low pay gaps and high female participation rates into a combination of attractive pay and family-compatible work arrangements. Overcoming persisting gender stereotypes will be necessary to shape the success of this effort. The aim is to free occupational choice from any stereotyped assignment. Establishing positive role models promoting female involvement in leadership positions, gender-untypical occupations and working mothers are seen as promising avenues in this context.

Benefits of closing the gender pay gap

Insufficient attention is often placed on the benefits of closing the gender pay gap. CIPD have identified the following benefits, and an increase in visibility of the economic benefits may help to generate more positive business attitudes to taking action on the GPG

Clearly, at the level of the whole economy, there is much to be gained from closing the gender pay gap. At an organisational level, the benefits of closing the gender pay gap translate into higher business earnings and improved growth; the ability to attract and retain the best people; the promotion of gender equality; the opportunity to enhance public perceptions of the kind of organisation you are, and to avoid reputational damage.



Diversity of leadership and decision-making has a positive impact on organisational performance. Organisations with gender-diverse profiles at senior levels make a better financial return than those who do not. McKinsey's *Diversity Matters* research has shown that for every 10% increase in gender diversity in a UK company's executive team, earnings before interest and taxes rose by 3.5%.

As women make up 50% of the talent pool, attracting and retaining them is central to future success. Women are better qualified than ever before. With women continuing to outperform men educationally, the case for taking action to ensure their skills are fully utilised is incontestable.

Transparency

It is recognised that transparency will go a long way to closing the gap and exposure of discrepancies will create pressure for change. Therefore, according to the World Economic Forum, 2015, there are five key findings people should know.

1. The gender pay gap increases with age. The gap is generally lowest when starting out, where pay rates are low, and divergence increases from 25 to 34 years (see Eurostat).
2. When workers are unionised, the gender pay gap shrinks, according to US data.
3. Women expect to earn less than men. Research by Glassdoor found women's expectation of pay increases were lower than men's. Research at Columbia University put this expectation gap down to two factors: overconfidence and competitiveness, more visible in men. It may also explain the difference in real earnings as individuals with low earnings expectations are more willing to accept a low-paying job and are also less likely to negotiate for a higher salary since the offer is consistent with their internal benchmark.
4. Women pay a 'motherhood penalty' – while men get a 'fatherhood bonus'.
5. It could be the next century before we achieve gender parity in the workplace.

MEASURES TO TACKLE THE GENDER PAY GAP

A. Awareness and Information

Raise awareness of equal pay, the principle of work of equal value and wage transparency among public and private organisations, social partners and the public

1. In relation to the work already planned, CIPD recommends the following be considered.
 - Overall the National Women’s Strategy 2017 – 2020, and the actions identified in this section, would benefit from more detail on outcomes, measures and timelines. Such specifics are fundamental to monitoring and reporting progress and understanding how, and if, the actions listed are positively impacting on women’s lives.
 - Much EU and Eurostat analysis does not include information on Ireland. Significant improvement in the data provided to and emerging from the EU should be prioritised to demonstrate Ireland’s weakness / progress in this area. Current up-to-date information is critical
 - Tools to help analyse and assess pay inequalities need to be made much more accessible and user friendly than currently available. Standardised methodologies and tools need to be developed to provide support to organisations to understand their GPG. Work in the UK, to support the implementation of GPG reporting provides examples of this, e.g. <https://www.gov.uk/guidance/gender-pay-gap-reporting-make-your-calculations#gender-pay-gap-figures-youll-need-to-calculate> CIPD’s [Guide on gender pay gap reporting](#)
2. **Awareness and information** is not solely about having appropriate data, but it’s about how it’s used. A government publicity campaign to increase awareness of the gender pay gap, its impact on women and response options is central to heightening understanding. An advertisement campaign, such as that of the Equal Opportunities Commission in the UK would have a significant impact on public awareness and increase debate and action on the GPG. This example shows how it can be brought down to individual and family level responsibility.



B. Human capital

Promote gender mainstreaming and reduce gender segregation in education and occupations

3. In relation to the work already planned, CIPD recommends the following be considered

- Overall the National Women's Strategy 2017 – 2020, and the actions identified in this section, would benefit from more detail on outcomes, measures and timelines. These specifics are fundamental to monitoring and reporting progress and understanding how and if the actions listed are having a positive impact on women and girl's lives.
- There needs to be a concerted and integrated effort to address gender stereotypes that, from the youngest age, limit women's and girls' educational and occupational opportunities. This should not be left to a number of voluntary initiatives. The promotion of male, as well as female role models across the business community who can show action on GPG needs to be a strong strand of action.
- The slow implementation of modern apprenticeships is restricting the opportunities for girls and women to see apprenticeship as a viable skills and career option. The Department should increase pressure for a more effective and wide spread apprenticeship model and implementation. According to <http://www.apprenticeship.ie/en/apprentice/Pages/ApprenticeInfo.aspx>, apprenticeships are currently available in Construction, Electrical, Engineering, Finance, Hospitality and Motor, and the proposed advent of modern apprenticeships has not arrived. The methodology / speed of development has to be reviewed to identify barriers to progress.
- The tight labour market will generate increased opportunities for those considering returning to the labour market. Initiatives to increase access and funding for women returners is to be welcomed. It is important that these interventions do not solely focus on low skill and precarious work areas, but facilitate women returning to future-focused careers. Further details of targets and outcomes should be provided annually.

4. Sectoral implications

Actions need to be taken to more directly tackle the current impact of sectoral segregation in occupations, while educating girls on their future career choices. It is imperative that the Department commission a sectoral evaluation of the GPG in Ireland as it is currently impacting on female labour market participation and pay rates. The Department references the 2016 Gender Pay Gap report funded by the EU, and this highlights to need to address the GPG at sectoral level. Such an evaluation of Irish sectoral labour market participation and pay rates will drive actions and targets at sectoral level.

EU research has also recognised and explored the 'explained' and the unexplained aspects of the GPG. This should now be explored in Ireland, alongside an emphasis on better understanding the 'unexplained' pay gaps to these can be addressed. Initiating such a research programme would present a quick win for the Department.

The *Gender Pay Gap: New Solutions for an Old Problem* made the following conclusions, which should be considered by the Department

Gender Pay Gap: New Solutions for an Old Problem. Developing Transnational Strategies Together with Trade Unions and Gender Equality Units to Tackle the Gender Pay Gap. 2016.

Available at <http://www.genderpaygap.eu/>

Main conclusions

- This analysis points to the need to look further in depth to the roots of the GPG in more specific situations. The extent to which the situation of women in the labour market, the legislative and wage setting framework and the GPG (lack of) initiatives interact and shape the final outcomes is not that straightforward and conclusive. This report has intended to fill in this gap and to shed some light in two specific sectors.
- Despite all differences between the countries, the analyses of the specific sectors clearly indicate that different patterns lead to gender pay gaps in the relevant sectors. The first conclusion is that sector- specific initiatives, in addition to the general instruments which may (or may not) have been implemented, are necessary to reduce the gender pay gap.
- Initiatives in the financial and insurance sector should focus on the topic of intransparent flexible payment and bonus schemes. In the human health activities and social work, the work of professionals (nurses) should be better valued and paid.
- It is important not to forget that gender pay gap is a structural problem and without serious structural changes these specific initiatives will only have partial impacts.
- It is of utter importance to have strong ties and cooperation with social partners (such as trade unions), governmental bodies and gender equality bodies. The general and sector specific reasons for the gender pay gaps highlight the structural nature of the gender-based stereotypes and therefore strongly necessitate new approaches and new coalitions between different action groups. Stronger co-operation between gender equality units, NGOs and trade unions in the different sectors, for example, would create new awareness and activity to combat gender pay gap and gender-based discrimination.

C. Job-level and Firm-level initiatives

5. Inclusion and talent management

The consultation document, the NWS, and the IEHRC put a lot of emphasis on actions around compliance. These are necessary, but we believe that the focus in organisations needs to move from more than a compliance agenda to one of inclusion. There are times when selecting a specific characteristic, be it age, gender, sexual orientation, etc., risks causing divisions and applying equality principles and transparency to every individual and situation minimises these risks. The language and direction of inclusion means valuing and trusting each employee as an individual. That is not to say interventions are not needed to address specific issues such as the GPG, but that they come from an agenda of inclusion.

As part of the CIPD's mission to champion better work and working lives, we suggest this philosophy should be incorporated into the GPG action plan, further details in the following box.

Extract from CIPD Factsheet on Diversity and inclusion

www.cipd.co.uk

The moral case for building fairer and more inclusive labour markets and workplaces is indisputable: people matter, and, as disparities in wealth and opportunity become ever more apparent, organisations must ensure their people management approaches do not put any group at a disadvantage. Regardless of our identity or background, we all deserve to develop our skills and talents to our full potential, work in a safe, supportive and inclusive environment, be fairly rewarded and recognised for our work and have a meaningful voice on matters that affect us.

But it's also vital for the sustainability of businesses and economies. Everyone stands to benefit when we embrace and value the diversity of thoughts, ideas and ways of working that people from different backgrounds, experiences and identities bring to an organisation. It helps people grow and learn, tackles under-utilisation of skills by enabling people to reach their full potential, improves decision-making, boosts engagement and innovation, and enables businesses to better understand and meet the needs of a diverse customer base.

What are diversity and inclusion?

Everyone is a unique person. Even though people have things in common with each other they are also different in all sorts of ways. Differences include visible and non-visible factors, for example, personal characteristics such as background, culture, personality, and work-style, size, accent, language and so on. In the UK, a number of 'personal characteristics' – age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation – are covered by discrimination law to give people protection against being treated unfairly. The aim is to provide a baseline where all employees have equality of opportunity, and difference doesn't matter.

It's important to recognise that a 'one-size-fits all' approach to managing people does not achieve fairness and equality of opportunity for everyone. People have different personal needs, values and beliefs. Good people management practice demands that people propositions are both consistently fair but also flexible and inclusive in ways that are designed to support business needs.

Diversity is where difference is recognised and emphasised, but not actively leveraged to drive organisational success. There is acknowledgement of the benefit of having a range of perspectives in decision-making and the workforce being representative of the organisation's customers.

Inclusion is where difference is seen as a benefit to use, and where perspectives and differences are shared, leading to better decisions. An inclusive working environment is one in which everyone feels valued, that their contribution matters and they are able to perform to their potential, no matter their background, identity or circumstances. Essentially it enables a diverse range of people to work together effectively.

There is increasing awareness that the GPG is becoming a major talent issue, one that needs stronger action to be taken within organisations.

As the labour market in Ireland tightens, employer branding is moving centre stage, and the CIPD *HR practices in Ireland 2017* report showed 46% of employers were investing in their employer brand to grow their talent pipeline. Attracting and retaining both male and female talent is getting more competitive and will get more difficult for organisations who cannot demonstrate that their reward practices are founded on equality and integrity. As the practice of annual gender pay gap reporting takes hold in the UK (legally required since April 2017 for those employing 250 or more), this will publically reveal good employers, and the laggards!

In addition CIPD recognises that additional Communications are required. In order to stimulate employers to act willingly, it is vital to raise awareness about the reasons why addressing the gender pay gap makes good business sense and the good practice that can be adopted to help put things right. This calls for a clear and well-evidenced communication strategy and simple, accessible guidance. This should cover how to evaluate and report on an organisation's pay gap, help employers to understand the basis of their gender pay gap and the kind of practical measures they can take to close it, and the resulting benefits.

6. Wage setting

In reference to action 1.5, the study on zero hours contracts commissioned by the Government and carried out by [University of Limerick in 2015](#) found that zero hours contracts are not extensively used in Ireland. The research found evidence of so called If and When contracts, where individuals get short-term work though they are not contractually required to make themselves available for work. In examining the legal position of people on If and When hours, the study found that their employment status is not clear. Legally, they are unlikely to be deemed employees and this raises questions about the extent to which they are covered by employment law.

Of particular concern was that personal service and sales workers were found to regularly work low hours, and given that these occupations are highly feminised, more women than men work low hours in Ireland. Consequently working hours, patterns of working time and employment protection are a vital strategic consideration for the GPG as well as the employment and retention of women for a productive economy and a balanced healthy society.

Significant research has been carried out by CIPD on the gig economy in the UK, <https://www.cipd.co.uk/knowledge/work/trends/gig-economy-hub>. The CIPD *Employee Outlook* survey of zero-hours contract workers in the UK, where there is no payment obligation found that there are a cohort of part-time employees who opt to work low-hours, and these need to be catered for. The findings suggest that these types of working arrangements do in the majority of cases suit the individual. People on these types of arrangements are significantly more likely to be satisfied with having no set minimum contracted hours than to be dissatisfied. Among those workers who are either very satisfied or satisfied with no set minimum hours, 44% said this was as they like to work flexibly 'as it suits my circumstances at the moment'.

CIPD welcomes the government's recognition that additional protection is needed for low paid workers in precarious employment, but is concerned that we do not over-regulate this area, and lose flexibility valued by both employees and employers, and a key aspect of the growing Irish economy. While the proposed changes are stated to be targeted at low-paid precarious workers, they go beyond this and will impact all future employment relationships. The challenge faced is how to provide protection for those, especially women, who are involved in precarious work and the gig economy out of necessity and would prefer traditional jobs if they could find the right fit, against those who are content to be independent flexible workers and seek maximum flexibility in both the nature of the work and working arrangements. The employment risks and consequences of reducing the flexibility of the Irish labour market needs to be evaluated. CIPD Ireland would be pleased to convene a Forum of HR business leaders to discuss the implications with the Minister

7. Promote specific action by enterprises

The proposed actions under the National Strategy for Women and Girls 2017-2020 to explore and research the actions for greater gender balance in business and public sector leadership need urgent attention. The current situation where 60% of the civil service are female but only 29% of the senior public servants (Ass Sec upwards) are female is unsatisfactory and immediate actions and targets should be agreed.

8. Gender Pay Gap Reporting

There is also a need to set a target and guidance for companies to voluntarily report on the gender pay gap as part of their annual reporting process, and ensure this is reproduced on a company's website.

CIPD Ireland has already promoted pay transparency and called on employers to examine the GPG issues in their organisation.

- 1. Determine who is responsible** – this question is central to starting to examine the issue. Step one is for a senior person within the organisation to take responsibility for the gender pay gap and for overseeing interventions to diagnose and address any gaps. Too often the responsibility floats. It may be the HR director, but not necessarily so, however it is often not called out in lists of responsibilities. Then it needs to be translated into accountabilities and KPIs for all relevant senior roles across the organisation.
- 2. Implement a proper valid pay audit** to determine the extent of your gender pay gap and where it exists in the organisation in term of roles, levels, skills, etc. Examine how recent appointments and performance rating, pay increases/ bonuses have benefited one gender over the other. This is a technical piece of work with greater complexity than a simple wage

survey.

3. **Support transparency in pay and compensation.** This is not an easy win where forces to blur pay levels and differences are active, you can start with publishing the parameters for setting pay levels, the criteria and formula used to determine pay and merit increases and bonuses. Examining the equity of benefits and where and why anomalies lie will also help.

The CIPD believes that the Government assisting employers to calculate their pay gap would be very helpful, and would lead to some uniformity in the figures, which would then lead to better comparability and analysis at a national level. The Government should develop and make available free online software which would form a key support for employers. We believe that providing free and easy-to-use software that organisations can use to identify and understand their gender pay gap and its roots should be a priority.

In the UK this approach was backed overwhelmingly by CIPD members. A UK survey of HR professionals found that nearly half of respondents (49%) believed action to help employers calculate their organisation's gender pay gap would be very helpful, and one-third (32%) stated that it would be helpful. CIPD also believes it would be helpful for Government to provide a model report structure that includes prompts on the sort of issues that should be covered in a company report on the gender pay gap.

Now that GPG mandatory reporting is in place in the UK, CIPD would be pleased to have our UK experts share the learnings with the Dept. The following is an example of the guidance on the required reporting measures (CIPD 2017).

Figure 1: The gender pay gap reporting measures

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
Median gender pay gap	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
Mean bonus gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median bonus gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
Bonus proportions	The proportions of male and female relevant employees who were paid bonus pay during the relevant period
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

An expert working party should be set up to produce an appropriate definition of pay and the best reporting structures, taking account of the approach already in use by the CSO. This needs to encompass bonus payments to ensure the additional focus on the bonus gap and facilitate employers to make a detailed analysis and build up a more meaningful understanding of where its gender pay differentials lie, or are more pronounced, in the organisation. From the output of this work party, the Government should develop and make available the free online software tool which would form a key support for employers. Sectoral benchmarks of the GPG, not just the

national figure, should be produced as this would help employers have a more accurate assessment.

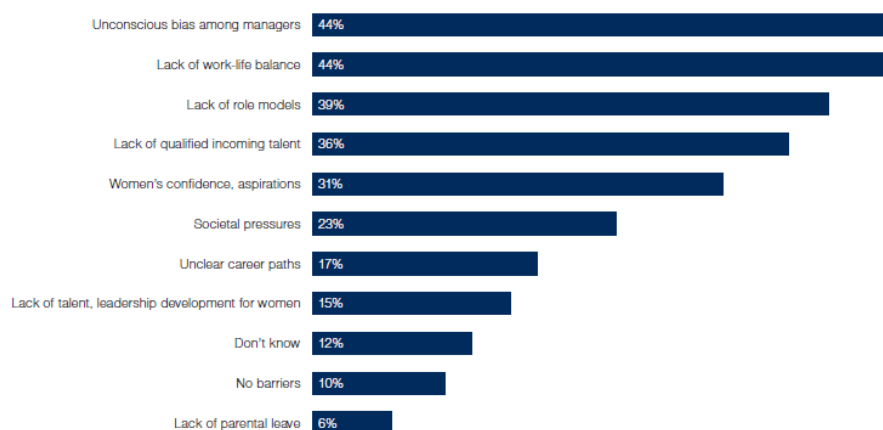
CIPD proposes the following specific actions

- Implement a promotion campaign to raise awareness about the reasons why addressing the gender pay gap makes good business sense and the good practice that can be adopted to put things right.
- Set a target and produce guidance for companies to voluntarily report on the gender pay gap as part of their annual reporting process, and ensure this is reproduced on a company's website. Supports should cover how to evaluate and report on an organisation's pay gap, help employers to understand the basis of their gender pay gap and the practical measures they can take to close it.
- Develop an online gender pay gap assessment tool based on common definitions and formulae, ensuring all aspects of pay and activity are represented.
- While gender pay gap reporting can be onerous especially for small organisations, CIPD recommends that such an initiative be introduced into the public sector in the medium term as a pilot
- Government needs to encourage employers to focus on reviewing people management, development policies and working practices to ensure they are inclusive and bias-free and to ensure investment in employee development adopts inclusive practices.

9. Additional barriers to change

The **World Economic Forum** reported on tackling barriers to close the gender gap (wider than the GPG) perceived by industry, as part of its evaluation of the Fourth Industrial Revolution on the workforce and workplaces. At organisational level, unconscious bias among managers was recognised as one of the biggest blocks to gender parity, not just pay.

Significance of barriers to gender parity, industries overall
Share of respondents reporting barrier, %



Source: Future of Jobs Survey, World Economic Forum.
Note: Names of barriers have been abbreviated to ensure legibility.

The WEF industry based research summarised the barriers to gender parity and recommended approaches to address these, see below.

**Industry Gender Gap Report: Women and Work in the Fourth Industrial Revolution.
World Economic Forum, Executive Summary, January 2016**

BARRIERS TO CHANGE

The *Report* finds that views concerning the barriers to women’s workforce participation vary by industry and often reflect different industry cultures in addition to overarching economic and societal factors.

While in nearly all industries and geographies there has been a marked shift away from deliberate exclusion of women from the workplace, there continue to be cultural beliefs that lead to unconscious biases. This includes perceptions that successful, competent women are less “nice”; that strong performance by women is due to hard work rather than skills; and assumptions that women are less committed to their careers. In addition, especially in well-established, older organizations, workplace structures that were designed for a past era still, often unwittingly, favour men. Additionally, women’s historically low participation in the labour market means they have relatively fewer role models to look towards across all industries. Research suggests that women have a poor perception of senior roles and lack a clear line of sight as to how senior leadership positions might help them achieve their objectives, lacking role models who can reveal the trade-offs and benefits they bring. Women’s confidence and aspirations are seen as another barrier. Women are less likely to want a top job—citing the stress or pressure of the role as a deterrent. An often cited barrier is a lack of qualified incoming female talent in specific fields, especially in STEM education, where women currently make up only 32% graduates across the world. Finally, where each industry stands specifically is often affected by how recently an industry has improved its gender balance. Given that career choices are disproportionately affected by prior experience and bias, traditionally male dominated professions often find it difficult to attract women.

Across all industries, unconscious bias among managers and lack of work-life balance are cited as the two top barriers to women’s workforce integration over the 2015–2020 period. The proportion of employers reporting these two factors as their main concern is equal—44% for each. Around 36% of respondents also voiced a concern about the availability of qualified talent, in particular employers in the Energy, Information and Communication Technology and Mobility industries. This is reflected in their low current share of female junior staff. The Information and Communication Technology industry sees this issue as their main barrier to a more gender balanced workforce. Basic and Infrastructure has a similarly low number of female junior staff, but there is less emphasis by respondents on incoming talent qualification, with unconscious bias by managers instead cited as the top concern. Financial Services & Investors and Professional Services place more emphasis on women’s own aspirations as a barrier, with Professional Services seeing it as the main limiting factor for promoting women’s talent. By contrast, few sectors cited lack of parental leave as an issue.

APPROACHES TO CLOSING THE GENDER GAP

In order to leverage the benefits of gender diversity, companies need to take a holistic approach, starting at the top. Actively managing talent rather than passive commitment has been shown to lead to better returns. Overall, 53% of the *Report*’s respondents consider promoting women’s participation as a priority item on their organization’s senior leadership’s agenda and 58% are confident about the efficacy of their current measures undertaken in this regard.

It is important to emphasize that interventions to promote gender parity do not work as a checklist of actions that will each independently produce results. They must be accompanied by a holistic set of priorities and long-term commitments, and by a deep understanding of the corporate, industry, and cultural context, as well as the organizational culture and local policy environment. While some of the required transformations in corporate practices will entail adaptation in the short term by families and companies, in the long term, the subsequent expansion of opportunities for women has the potential to transform the economies, societies and demographics of countries as a whole.

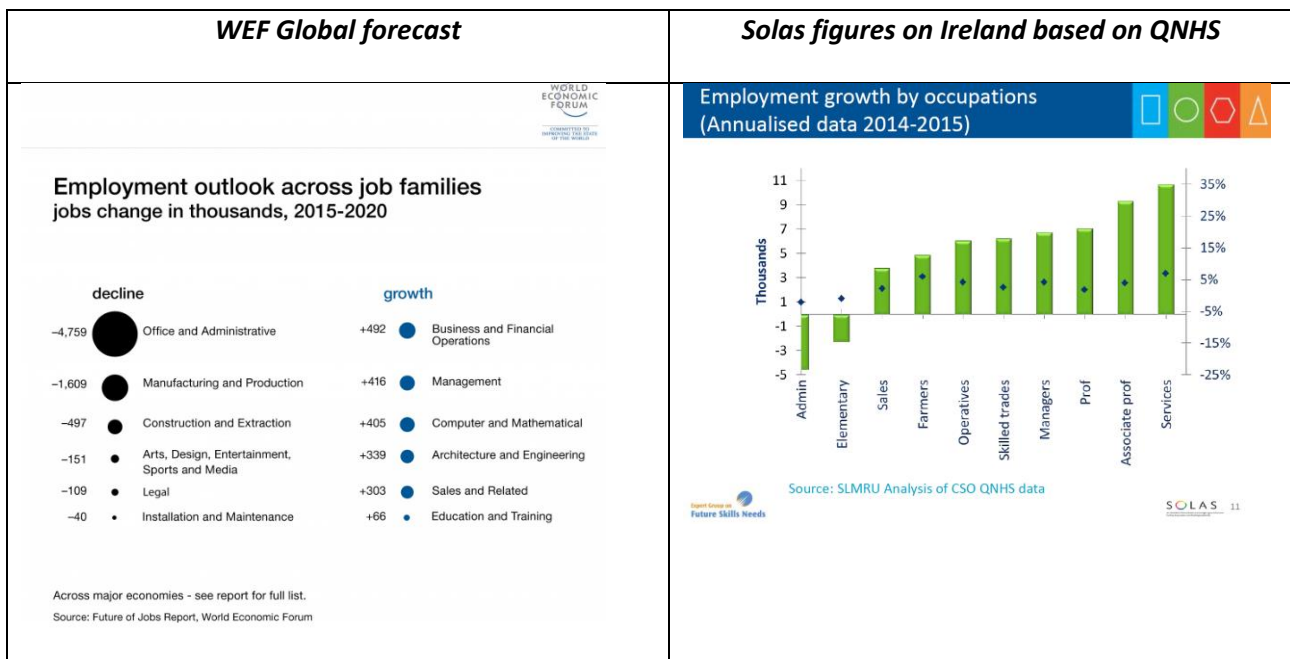
The World Economic Forum's online *Repository of Successful Practices for Gender Parity* pools information on the practices that have been successfully used in leading companies worldwide to close gender gaps at the company level, as well as along the companies' supply chain and surrounding communities. The repository suggests six dimensions around which to focus an organization's gender parity efforts.

- *Measurement and target setting:* Achievable, relevant recruitment and retention targets at all levels, with an embedded accountability mechanism, are critical. Developing a disaggregated database can help to evaluate the causes of gender imbalances and track progress. Transparent salary bands to track and address male and female salary gaps are additional useful tools to understand the status quo in organizations.
- *Mentorship and training:* Companies have benefitted from programmes that promote guidelines on the value of diversity as an underlying culture of the organization, and impart knowledge on how to manage a more diverse workforce and how to attract, retain and promote female talent. These training programmes, for both men and women, can be relevant for shaping an environment within the broader employee base for women to successfully lead. A repositioning of the human resources function beyond a focus on systems and administration to talent development and training can help address specific roadblocks for women, in addition to better overall talent management.
- *Awareness and accountability:* The focus of many companies on building awareness indicates that the case for change still needs to be built to make progress. Accountability of the senior management and transparency of career paths and opportunities have proven to be effective practices. Ensuring that management policies, processes, systems and tools do not harbour gender-based discrimination, as well as enhancing the understanding of unconscious biases can, also make inclusive leadership more tangible.
- *Work environment and work-life balance:* Women are often the primary caregiver for both children and the elderly in most countries. Ensuring smooth on- and off-ramping and appropriate childcare options, and developing guidelines on implementation of work-life balance policies and mentoring for women going through a transition are important levers to ensure a sustained career progression towards management. For those companies that already offer parental leave, flexible working hours and other work-life balance programmes, the next steps lie in accelerating their use and acceptance by both female and male employees.
- *Leadership and company commitment:* Visible leadership by the chief executive and top management on supporting women in management has proven to be one of the most important levers for progress in achieving gender diversity in a corporate context. This includes concrete and symbolic actions by top management and, in many cases, establishment of a position or

department to lead diversity efforts. Regular communications by senior management on gender equality have been found to be critical.

- *Responsibility beyond the office:* Many companies have leveraged the opportunity to exercise external influence along the value chain, including diversity training for suppliers, distributors and partners and training to support women-owned businesses in the organization's value chain. External influence can also be exercised by ensuring gender neutrality in advertising, engaging girls and young women to display possible career paths and developing partnerships with gender parity-focused civil society and public sector initiatives.

However, as disruptive change increases the number of displaced jobs increases and new jobs and ways of working merge, there is always the risk that new trends might worsen existing gendered inequalities. The *Future of Jobs Report* finds that a large share of the labour market disruptions are likely to be concentrated in some of the job families with the largest share of female employees, such as Office and Administrative roles, as well as in job families with the highest gender imbalances, such Architecture and Engineering and Computer and Mathematical roles as well as Manufacturing and Production. This trend is already visible in the Irish labour market, with Administration roles showing the biggest drop in employment, despite a growing economy.



New work areas and the creation of new jobs is of increasing importance, and an opportunity to reduce the GPG if we minimise the gender disparities and undervaluing of new work. Emerging skills needs of collaborative styles and agility also represent an opportunity for females, as part of enhancing perceived value of their work.

D. Societal factors

Additional societal areas need to be addressed alongside those in the NWS.

10. Women's pension gap

The GPG debate needs to have a more solid focus on pensions and the risk of poverty from State dependence which face more women than men. This needs to be addressed directly in tackling the GPG, as the time line for some of the proposed actions will be too long to positively impact the current workforce and those retiring from it.

It is acknowledged that the overall and the supplementary pension system Ireland is unsustainable, particularly in view of our aging population. The Government's GPG Strategy has to identify and acknowledge this concern, and how it contributes to greater poverty among older women in Ireland.

Maternal gaps in labour market participation will continue to exacerbate the pensions challenge for women. As the debate and Government action to address the pension funding gaps grows, it is important that the bigger pension gap for women is addressed. Mechanisms for the State to make additional funding contributions to cover career gaps must be put in place to build a more equitable society.

Occupational pension coverage in Ireland is unsustainably low, with 47% coverage nationally, and only 35% among private sector workers. We are in an era where there are 5.3 people of working age for every person over 65, moving to one where this is likely to be just over 2 people in employment for every person over 65 by 2045. At the same time state and occupational pension structures have not kept up-to-date. There has been a significant decline in access to Defined Benefit schemes and Defined Contribution schemes are in unwieldy structures and generally underfunded.

The CIPD Ireland National Committee of HR leaders met with the Department in December 2016 to share insights. Following this, as part of the CIPD research programme, the 2017 CIPD/IRN survey gathered the views of the HR profession on pension funding, and found strong support for action to tackle this growing crisis. In the survey, 88% of the HR professionals agreed or strongly agreed that employees should be required to contribute to a pension scheme, 93% agreed or strongly agreed that employers should be required to contribute and 79% agreed or strongly agreed that a programme of pension auto enrolment should be introduced in Ireland. Four in five of those surveyed already had some form of pension scheme in place.

This shows growing acceptance of the need for a pension auto-enrolment scheme, to lay the foundations for better pension coverage.

In July, the Citizens' Assembly came to the same conclusion. Over 4 in five of the members (87%) recommended that the Government introduce some form of mandatory pension scheme to supplement the State pension. A similarly high percentage recommended benchmarking the State pension by reference to average earnings (88%) and abolishing mandatory retirement based on age (86%). All 100% of the members recommended that the Government should take steps to rationalise private pension schemes to include greater transparency in relation to fees and 96% recommended the removal of the anomaly, which arises when a person who must retire at 65 is not entitled to the State pension until 66.

The 2017 Age Action research report found that the State pension scheme itself is unfairly affecting women. Changes in 2012 resulted in thousands of retired workers losing more than €1,500 a year, with women pensioners suffering the most, commonly for taking time out of the workforce to care

for their families. Drawing on the Department of Social Protection's own statistics, the report found that almost two-thirds, or 62%, of all those affected are women and almost double the number of women to men experience the largest drop in monetary terms of almost €30 per week. In addition, more than half of all women who were granted a State contributory pension over the four year period since the band changes were introduced are affected, compared to 21 percent of men.

These calls for change and the CIPD research evidence the growing awareness and willingness to make changes, an opportunity which the Government cannot afford to miss in order to build a more sustainable national pensions model in Ireland.

CIPD recommends that

- A working party of stakeholders is immediately set up to analyse the impact of the GPG on women's retirement income and recommend the paths to move forward to a new, more sustainable pension's regime.
- The Department draw on the CIPD expertise in Ireland along with the learnings from our UK colleagues on the implementation of auto-enrolment in the UK.
- A review is carried out on the effects of the removal to the retirement age that has left employers and HR professionals trying to manage the minefield of implementing retirement policies and practices that are compliant
- The Department bring forth mechanisms to streamline the number of schemes and the associated costs of pension administration.
- Decisions on universal pension coverage must take account of the lower pension coverage by women, their lower wages and gaps in employment, and provide additional funding supports during career gaps
- The 2012 pension changes be reversed and for the incomes of these pensioners to be restored.
- Processes are implemented to both review and future-proof pension provision to ensure that it does not inadvertently effect those who may have be out of the workforce, whether though parenting or illness.
- Proposals on universal pension coverage take account of the lower pension coverage by women, their lower wages and gaps in employment, and provide funding supports to deliver equitable pension coverage.

11. Parenting and caring

A CIPD HR Practices in Ireland survey of over 900 HR professionals published in Jan 2017 found that 78% of respondents in both the public and private sector experienced skills shortages in the past 12 months. The shortages were across business areas, with Operations and IT topping the list. With unemployment dropping to 6.1% in September 2017, immediate action is required by the government to increase the opportunity and attractiveness for women to participate in the labour force.

The gaps in accessing affordable quality childcare has emerged as a hindrance to enabling parents, often women, to remain in or re-join the labour force, and must be urgently addressed as part of the GPG strategy. Ireland's labour force has tightened significantly and we need to engage fully will all the talent available to the labour force, particularly as our workforce ages.

According to the CSO research on Women and Men in Ireland, 2013, males had a labour force participation rate of 67.9%, 14.5% higher than the participation rate of females, at 53.4%. CSO figures show this gap is even larger when married women with children are compared to their male counterparts.

Putting the correct infrastructure in terms of childcare and taxation has to be a priority for the Department and would help Ireland to contribute to the European 2020 target of a labour force participation rate of 75% of the adult population.

However the issue is broader than childcare, as women are generally the main carers in society. The Strategy must acknowledge the intersectionality of gender and age, which is most evidence in women's involvement in caring roles, with consequences for the income potential for women.

With research in the UK suggesting that 3 in 5 people will end up caring for someone at some point in their lives, employers here should be urged to put mechanisms in place to empower and support working carers, before they lose out on key talent. A 2016 CIPD survey in the UK found that just a third of employers (34%) had a formal, written policy or an informal, verbal policy in place to support working carers in their workplace, and comparable research should be carried out in Ireland. The financial implications for women's pay and closing the GPG needs to be better understood so the right actions can be identified

Flexible working

The speedy introduction of working Family Payment is necessary to provide low-income families with a mechanism to ensure that increases in working hours do not lead to reduction in pay and supported payments. While positively supporting individual employees, especially females and their families, this will help overcome difficulties in retaining and developing such employees.

The Government also needs to assess to see how the regulations around access to part-time and flexible working can be made more responsive to the needs of parents and people with caring responsibilities.

The Department should examine the impact of more flexible working arrangements for employees in general, and those with other caring responsibilities. We would be happy to work with the Dept to review the implications of providing flexible working arrangements in such circumstances. This could incorporate an examination of the extent to which a lack of entitlement to part-time working restricts new mothers/ partners access to employment and returning to work. It would also look at how lack of senior men and women working part-time restricts the options for more junior / lower-paid females and is likely to exacerbate the feminisation of junior roles.

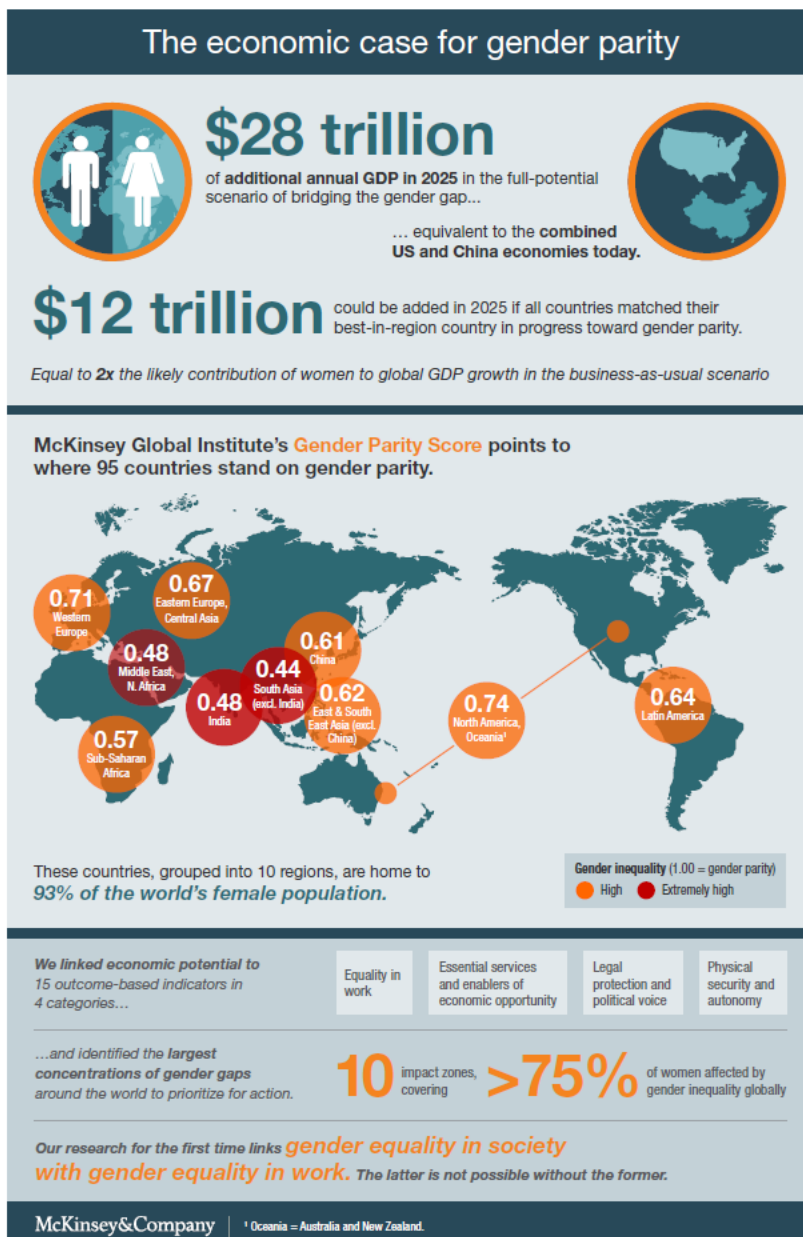
CIPD recommends that

- Increased access to affordable child care provision, including after school care and appropriate taxation measures
- The State act as an enabler, encouraging wider debate and more actively promoting the business case for supporting parents and carers
- Research and develop a stronger evidence base and act as a repository of good practice case studies, showcasing how employers can accommodate working carers
- Provide more concerted action, in collaboration with business and employee bodies, to encourage more active promotion of flexible working by employers
- Develop and deliver sustainable mental health programmes to build resilience and provide supports to women.

E. Economic factors

McKinsey Global Institute, 2015, produced a valuable examination of *The power of parity*, exploring the economic and social consequence of global gender parity. The CIPD recommends that work on the GPG takes greater account of the overall economic consequence of the GPG, and steps up work to cost the impact on the Irish economy as well as at sectoral and individual level.

Guidance by the CIPD on Gender Pay Gap reporting (2017) identified the economic and productivity benefits of closing the GPG in the UK, and we recommend that the Dept commission an analysis of Irish data. The report estimated that the under-utilisation of women’s skills costs the UK economy 1.3–2% of GDP annually, and that eradicating the full-time gender pay gap would contribute additional spending into the economy of £41 billion each year.



The work of the McKinsey Global Institute identified the multifaceted nature of gender issues makes it impossible to design simple one-size-fits-all solutions and for a single stakeholder to drive change. Overall they identified need for change relating to

- Creation of economic opportunity
- Financial incentives and support
- Technology and infrastructure
- Capability building
- Advocacy and shaping attitudes
- Laws, policies, and regulations

Reducing the GPG falls in the main under actions to create economic opportunity. The report argues that gender inequality in work can be addressed by opening up more avenues for productive work and entrepreneurship among women, as well as lowering barriers to retaining women in their jobs and enabling them to be successful.

They identified a list of interventions to create economic opportunity and the Department has the opportunity to promote these to reduce the GPG.

Targeted intervention, where 1 represents blocked economic potential and 6 is low labour force participation in quality jobs

Intervention ¹	1	2	3	4	5	6
Creation of economic opportunity						
Business and financial training, mentoring support to female entrepreneurs	●					●
Corporate policies on sexual harassment at work					●	
Financial products for women, including entrepreneurs (e.g., non-traditional collateral, microfinance)	●				●	●
Fixed salaries for specific jobs and roles, eliminating negotiations	●					
Flexible, part-time employment and leave policies with equal benefits and no impact on wage gap	●					●
Job placement and internship programs					●	●
Leadership, confidence building, and negotiations training	●					
Merit-based targets for number of women in all roles, including in recruiting	●					●
Programs to smooth transitions before, during, and after parental leave	●					●
Signaling and structurally addressing the "anytime-anywhere" work culture	●					
Sponsorship, mentoring, and peer-support networks	●					●
Supply-chain and sales partnerships (e.g., women-owned businesses)	●					●
Unbiased recruiting, reviews (e.g., objective criteria)	●					●
Vocational training and skill building						●
Women-only banks that cater to female entrepreneurs	●					●
Women's advancement integrated into leadership review metrics	●					

McKinsey Global Institute, 2015, *The power of parity*

McKinsey Global Institute, 2015, The power of parity

Areas where the private sector is in a particularly strong position to have an impact.

Companies can set explicit diversity goals in recruiting and across all levels of the organization, and can implement workplace policies supporting flexible employment options, adequate parental leave, sponsorship, and leadership training for women.

In addition, companies need to recognize and promote a variety of leadership styles. McKinsey's 2013 Women Matter research found that close to 40 percent of female respondents and 30 percent of male respondents believed that women's leadership and communication styles are incompatible with those in the senior leadership of their companies. This underscores the importance of establishing criteria for recruiting and reviews that are unbiased and objective. Such workplace initiatives can not only ensure women stay and thrive in the workforce, but also build a robust pipeline of future women leaders.

Companies can also offer skill-building programs linked to subsequent job placement and employment opportunities, thereby creating job opportunities for women and simultaneously securing their own access to new skilled labour pools. An example of a program of business training to enhance the productivity and self-confidence of women employees is Gap's PACE initiative in garment factories. An evaluation by the International Centre for Research on Women found that this program increased workplace efficiency as well as workers' self-esteem.⁸⁴

Providing skills and leadership training for female entrepreneurs is another promising area.⁸⁵ More companies could make a commitment to expanding the number of women-led businesses in their supply chain as the Walmart Foundation has done. Walmart is focused on increasing its sourcing from businesses owned by women and has launched training programs such as those that train female (and male) farmers to improve production and post-harvest practices, and those that train for female factory workers in life skills.⁸⁶

Another initiative that could deliver genuine economic opportunities for women, while securing competitive advantage for companies, is developing female-oriented sales channels that not only create jobs but may result in higher appeal among women consumers.

CIPD IRELAND CONTRIBUTION TO IMPLEMENTING THESE ACTIONS

There are a number of ways in which we would like to engage with the Department and contribute to implementing these actions.

- We engage with a senior forum of HR directors and HR leaders from Irish and multinational organisations, as well as academics, on the challenges emerging on the future workforce and workplace. We can provide you with the opportunity to engage with this group on a consultation basis, and as a forum to debate the issues and provide a sounding board for draft proposals.
- We engage with and communicate regularly with our wide Irish membership. We can work with the Department on distributing key messages and guidance on tackling the GPG. We can generate face to face events with members, carry insights on our website and roll out short polls to build awareness and inform.
- Our research agenda provides us with the opportunity to ask questions of the HR and L&D profession to further establish facts, attitudes and practices on the GPG. To date we have not included this topic in our research in Ireland, and would propose to address it in our pay survey in Jan 2018. This can further inform our engagement with the Department.
- Being part of an international body provides us with access to wider research and thought leadership. We would be pleased to provide direct access to expertise and experience from the UK in relation to practice and policy, for example on gender pay gap reporting or pension auto enrolment or equality and inclusion issues.