



*Championing better
work and working lives*

National Women's Strategy 2017 – 2020

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

Chartered Institute of Personnel and Development (CIPD) Ireland

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Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with over 5,000 members in Ireland working in the public and private sectors across services and manufacturing. Public policy at the CIPD draws on our research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

This submission to the Gender Equality Division, Department of Justice and Equality provides analysis and actions to address the challenges women face in the workplace. CIPD Ireland is willing to discuss further how it may help to address these challenges.

Gender pay gap

Few will disagree that the gender pay gap remains one of the biggest barriers to achieving equality for women at work. In March 2015, Eurostat (the statistical office of the European Union) reported that the gender pay gap stood at 16.4% in the European Union (EU) (www.ec.europa.eu). The gender pay gap represents the percentage difference between the average gross hourly earnings of male paid employees compared with that of female paid employees – meaning that women earned on average 16.4% less than men.

Equal pay for equal work has been enshrined as a principle in the EU's founding treaties since 1957 and supporting legislation has been transposed by Ireland and other member states since that time. The European Commission has taken several steps over the past five decades to tackle the gender pay gap across the EU, including the adoption of a Communication in 2007 that made a number of recommendations, including:

- ensuring better application of existing legislation
- combating the gender pay gap through the employment policies of member states
- promoting equal pay among employers, particularly through social responsibility
- supporting the exchange of good practice across the EU.

However the effect of the Communication has not had enough impact across the EU or in Ireland, where according to Eurostat, in 2015 the gender pay gap stood at 14.4%, less than the average gender pay gap in the EU of 16.3%. However examining the gender overall earnings gap, the difference between the average annual earnings between women and men, there is an even bigger gap. This takes into account three types of disadvantages women face:

- lower hourly earnings
- working fewer hours in paid jobs
- lower employment rates (for example when interrupting a career to take care of children or relatives).

The gender overall earnings gap in Ireland stands at 34.7% (the average gender overall earnings gap in the EU is 41.1%), reflecting their lower socioeconomic status. Tackling this gap has to be central to the development of a National Women's Strategy and to Government action.

As a start, 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.

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.

The CIPD believes that 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.

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.

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.
- 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.

Supporting materials

- http://ec.europa.eu/justice/gender-equality/files/gender_pay_gap/gpg_country_factsheet_ie_2015_en.pdf
- https://www.cipd.co.uk/Images/submission-to-geo-on-mandatory-gender-pay-gap-reporting_2016-march_tcm18-14012.pdf
- https://www.cipd.co.uk/Images/consultation-response-the-gender-pay-gap_2015-December_tcm18-14032.pdf

Parenting and caring

The gaps in accessing affordable quality childcare has emerged as a hindrance to enabling parents to remain in or re-join the labour force, particularly women and must be urgently addressed. 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.

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 7.2% in December 2016, immediate action is required by the government to increase the opportunity and attractiveness for women to participate in the labour force.

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 National Women's Strategy 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 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 UK survey found the five top reasons why organisations support carers at work were: it's the right thing to do as a good employer (65%); it improves work-life balance (60%); it improves employee morale/engagement (58%); it improves retention (53%); and reduces absenteeism (50%). When working carers in the UK were asked which approach they would prefer if their organisation took steps to support them at work, 62% voted for minimal involvement in their personal lives, with employees with caring responsibilities empowered and given permission to respond as they need.

The Government needs to present the business case for supporting working carers, especially as this number is likely to increase as our population (and workforce) ages. A campaign should address how carer supports can positively impact retention, engagement and reduce absenteeism, all of which will bring benefits in the long term.

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.

Actions

- Increased access to affordable child care provision, including after school care and appropriate taxation measures
- 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 in crisis.

Supporting materials

- <https://www.cipd.co.uk/Images/consultation-response-careers-advice-information-and-guidance-2015-december-tcm18-14029.pdf>
- <https://www.cipd.co.uk/knowledge/culture/well-being/enabling-carers>

Maternity

Some employers – particularly small employers – may treat people unfairly and commit discrimination because of a lack of investment in people management skills, consequently a focus by the third party bodies on encouraging improvements in working practices rather than simply imposing fines could lead to more positive outcomes. In the CIPD's view there is a case for adjudicators in the Workplace Relations Commission to have the power make a wider recommendation for an employer found to have committed pregnancy or maternity discrimination to improve workplace practices, for example, through training line managers in people management knowledge and skills.

There are also a number of more concrete steps that employers could be encouraged to take to not only prevent discrimination and unconscious bias on pregnancy and maternity grounds, but also to positively encourage women to return after having taken maternity leave. Examples of these steps include putting in place 'Keeping in touch' days which would of course be voluntary on the part of both the employer and the female employee, but can greatly help women on maternity leave to keep in touch, maintain a sense of commitment to the organisation and potentially feel more inclined to return after their leave.

The CIPD HR Practices in Ireland 2017 survey found that many employers are supportive of women in the workplace. Just two thirds, 64%, indicated that their organisation offered enhanced maternity benefits, in the form of top-up payment during maternity leave. However smaller organisations with less than 50 employees struggled to provide this benefit (41%), and this sector of the economy needs more supports to be available. The survey also found that 42% reported offering enhanced paternity benefits in the form of pay top-up during the newly introduced shorter paternity leave period. Many organisations also provided additional benefits and flexibilities to new parents. Flexible working was a popular benefit – with the caveat that this was generally open to all employees, not just parents.

Positive flexible working practices that enable women returners, are important not only to prevent the feeling of being discriminated against, but instead to feel welcomed back to the organisation and their talents and skills valued by the employer. The CIPD believes that the Department, working with the WRC and other key stakeholders, including key employer and professional bodies, can together, ensure more employers and employees are made aware of existing guidance on recruiting and managing pregnant women and maternity related issues. However, this in itself will not be sufficient to create the step change required in the level of awareness among women of their rights and employers – particularly small employers – of their responsibilities when managing pregnant women and new mothers. The CIPD believes there is a strong case for a mainstream campaign to get this message across.

Actions

- Develop a stronger evidence base and act as a repository of good practice case studies, showcasing how employers can support women who are pregnant or on maternity leave, and facilitate their return to work
- Provide more concerted action, in collaboration with business and employee bodies, to encourage more active promotion of flexible working by employers
- Provide adjudicators in the Workplace Relations Commission with the power make a wider recommendation for an employer found to have committed pregnancy or maternity discrimination to improve workplace practices, e.g. train line managers in people management knowledge and skills.

Leadership

Achieving long-term and sustainable change to improve the number of women on boards is not a quick fix and will not be achieved overnight by reserving a few seats at the top table. Crafting the right messages for employers about the business benefits of enhanced female representation to focus their attention on the issue is a pivotal first step. But employers also need practical guidance and encouragement to help them move forward. Unless employers

start to focus on the development of a gender-balanced talent pipelines as an integrated and long-term component of a mainstream business strategy, sustainable progress will not be achieved. Our policy call is to have voluntary targets for 50% of directors on Boards of companies on the Irish Stock Exchange to be women and 30% of executive directors of those companies to be women by 2020. We emphasise that female progression to top roles is not sustainable unless organisations provide a robust framework to recruit and develop women at every stage of their career.

In the UK, where the Government is acting to bring in mandatory quotas on company boards, the CIPD has carried out independent, evidence-led research – including feedback from our membership. This fully endorses a voluntary and target-driven approach to improving gender diversity in the boardroom, including in executive positions.

The CIPD research in the UK asked HR professionals to rate the effectiveness of organisational approaches for improving senior gender diversity. An open and supportive culture that supports gender diversity is viewed as very effective (64% of respondents), followed by unbiased recruitment and selection practices to attract diverse talent pools (56%), good work–life balance policies that support female staff with caring responsibilities (50%) and clear career paths and promotional opportunities in middle and senior management roles (50%).

When it comes to organisational approaches considered to have a negative effect on improving gender diversity in the boardroom, 43% of respondents pointed to mandatory quotas for gender diversity. Voluntary targets set by the Government to improve gender diversity in the boardroom are also viewed as less effective compared with wider organisational strategies.

In Ireland, the Government should take measures to urge voluntary reporting of women on Boards and in executive positions, and implement a campaign to encourage gender participation at all senior levels. This includes promoting the importance of creating the right environment to build a talent pipeline which facilitates development and promotion opportunities for women.

Actions

- Set a target for companies to voluntarily report percentage of women on boards and in executive positions and provide guidance
- Deliver a campaign to promote visibility of women in leadership – and consider the appointment of male and female ambassadors
- Promote and implement funding supports for initiatives to improve gender diversity within organisations to ensure gender-balanced talent pipelines as an integrated component of the business strategy.

Supporting materials

- https://www.cipd.co.uk/Images/why-are-there-so-many-women-at-the-top_2016-april_tcm18-14006.pdf
- https://www.cipd.co.uk/Images/gender-diversity-boardroom_2015-reach-for-the-top_tcm18-10828.pdf

Development

It is evident that many employers are improving the range of flexible working opportunities available to staff, building wellbeing and engagement programmes but there is insufficient research on what efforts are being taken to improve opportunities and participation rates among women.

The CIPD HR Practices in Ireland survey of over 900 HR professionals published in Jan 2017 revealed that 78% of respondents in both the public and private sector experienced skills shortages in the past 12 months. With unemployment dropping to 7.2% in Ireland in December 2016 and challenges associated with attracting and retaining talent, organisations will have to invest in creative ways to plan for, and address, emerging skills gaps into the future.

The survey found that employers are addressing these skills shortages and growing their talent pipeline by engaging in up-skilling the current workforce (63%) and increasing the number of development opportunities for employees (57%). This represents a significant investment in people to ensure that skills are future-proofed and there is an adequate talent pipeline for the future.

The survey also found that over 30% of respondents reported that learning and development (L&D) was a top strategic priority for their organisations, with employers spending 3.8% of payroll on L&D in 2016. Over two thirds of those surveyed, 69% indicated that they had an employee wellbeing policy or programme in place, which may help to address the challenges around employee engagement, work life balance and working hours.

While employers are investing in development, there is an opportunity put the spotlight on the extent to which women are participating in and benefiting from this investment, and to build case studies showing how the approach to culture and development can be used to make better inroads into women's pay, participation rates and promotion opportunities. CIPD would be happy to work with the National Women's Strategy to close this information deficit.

Actions

- Raise awareness of the need for companies to evaluate their workforce gender profile and where the investment in development goes
- Research to better understand decision points in the working environment leading to reduced female participation in the labour force
- Provide funding and guidance for initiatives to support effective organisational approaches to improve gender diversity across the organisation (careers, recruitment, flexibility, networking, mentoring)
- Encourage education providers and employers to help and inform young people and their parents about the diversity of career options available to them, changing misinformed perceptions and improving knowledge. Providing resources to enable the availability of good careers advice is imperative to help shape and inform the skills that Ireland needs to be economically competitive.

Women's pension gap

It is acknowledged that the overall and the supplementary pension system Ireland is unsustainable, particularly in view of our aging population. At present we already have inadequate pension cover, with only 47% workplace pension coverage rate and 35% in the private sector. It is understood that a gender breakdown shows that women have a lower rate of pension coverage than men. The National Women's 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 this problem. 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.

Actions

- 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.