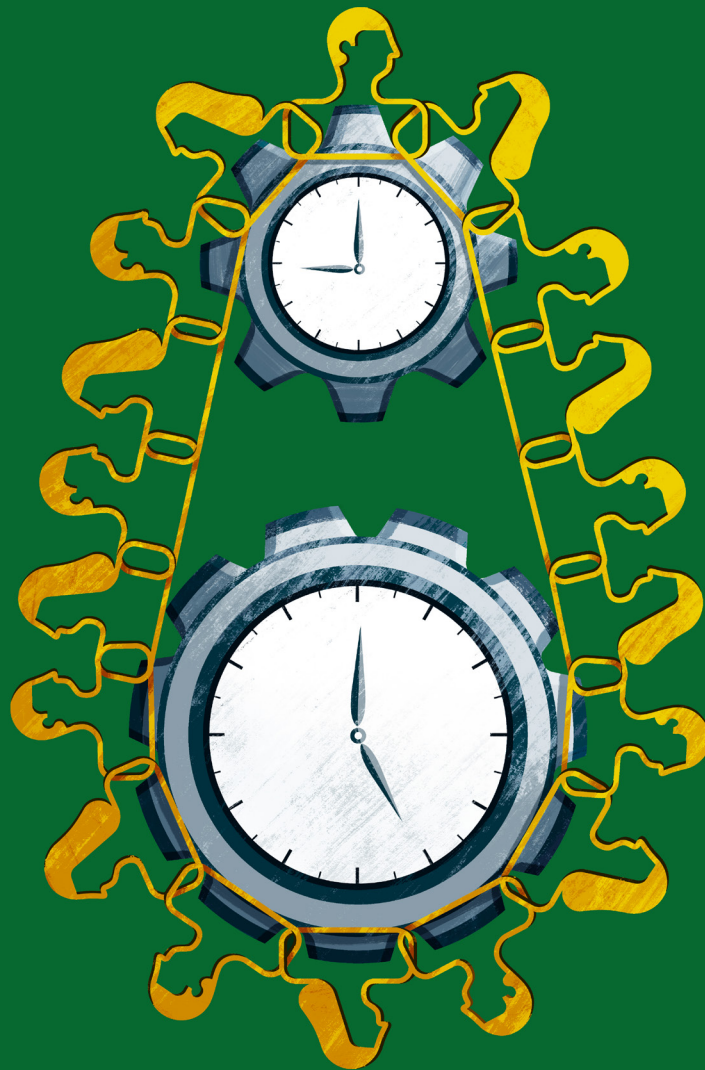


All's Fair?

Female In-House Counsel and Gender Parity



Introduction

Gender equality has been one of the dominant media stories of 2018. The #TimesUp movement gathering pace, the UK introducing mandatory pay gap reporting and the issue of female representation indicates that the fight for gender parity is not yet over.

Figures from the Law Society of Ireland published in February of 2018¹ confirmed what many of us have already observed – there are now more practicing female lawyers in Ireland than male lawyers. However recent figures also show that, on average, 67% of partners at the top 6 law firms are men².

Our survey, carried out in May 2018, reflects the views of over 100 female lawyers working in-house in Ireland. The results show a picture of female lawyers grappling with the challenges of balancing work and home. The survey suggests that the burden of childcare and running the home may still be falling for the most part on the shoulders of women and that these factors may be impeding the progress of women to the more senior positions.

1 <https://www.lawsociety.ie/News/Media/Press-Releases/Irish-solicitors-profession-reaches-major-landmark-in-gender-balance/>

2 <https://www.irishtimes.com/opinion/legal-profession-s-top-ranks-still-dominated-by-men-1.3418260>

Glass ceiling?

The data from the survey shows that females are not progressing to more senior levels in their organisations. Excluding “Don’t knows”, the vast majority of respondents (83%) stated that the percentage of total employees in their offices who are female fell into the 30% – 50% or 50% – 80% range. However, when we asked respondents about the percentage of females at senior levels, these numbers are flipped; a majority (65%) stated that the percentage of females in senior positions were only in either the 0% – 10% or 10% – 30% range.

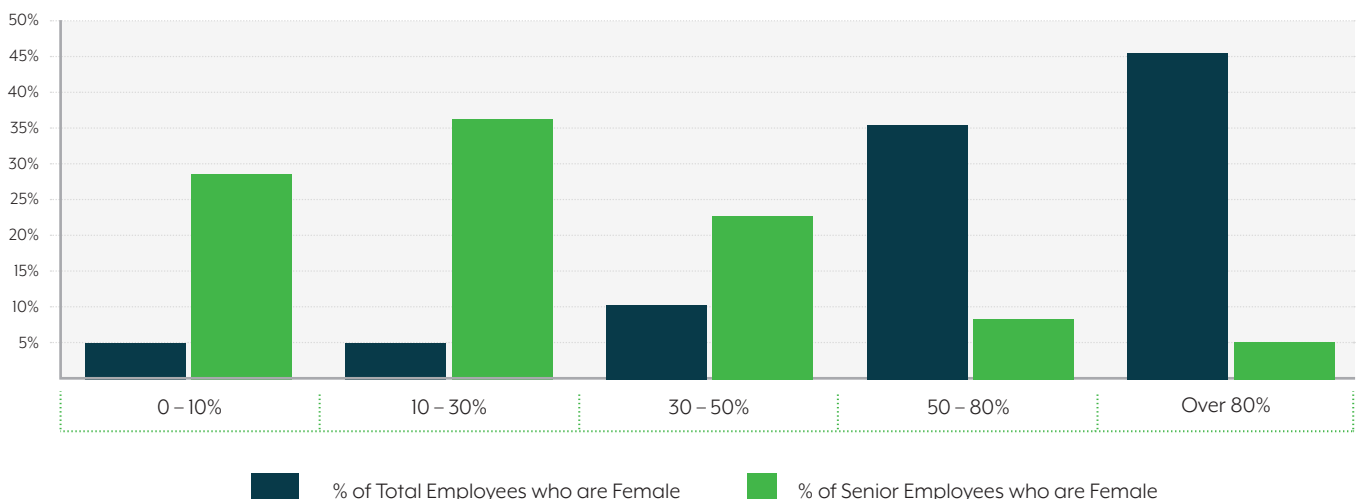
“Although most companies would advocate that they have a certain percentage of women in senior leadership roles, for most females there aren’t the necessary supports available to them to take on these positions.”

Financial Services Respondent

“We need to take action to have greater gender balance at senior levels in business in Ireland. There is a strong business case for greater gender diversity and Ireland is very much behind its European peers in this area.”

Public Sector Respondent

% of All Employees who are Female v. % of Senior Employees who are Female

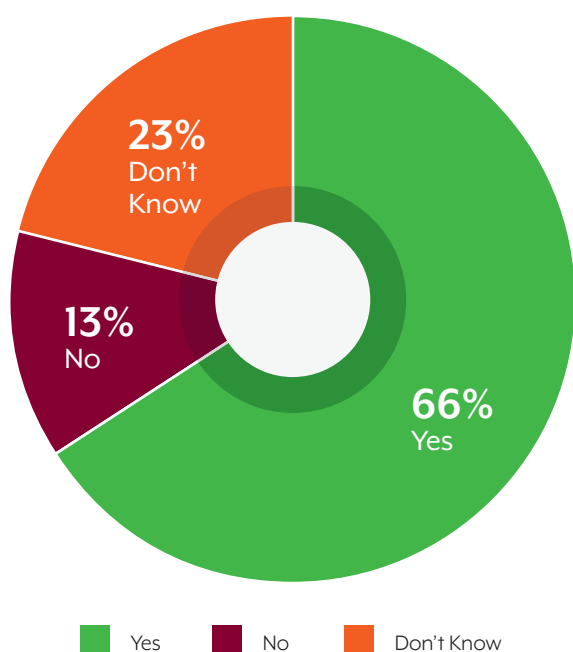


The Gender Pay Gap

Much has been written about the gender pay gap in recent months and there may still be some confusion as to what exactly the gender pay gap measures. It doesn't compare like-with-like roles; rather it simply measures the difference between the average gross earnings of female and male employees in a particular organisation.

One thing is very clear however – the majority of those surveyed (66%) believe the gender pay gap is an issue in their particular industry.

Do you believe that the gender pay gap is an issue in your particular industry or sector?



This was particularly true for respondents working in the Banking and Financial Services industries. 76% of respondents who work in these industries stated that they believed the gender pay gap is an issue in their industry. This mirrors the situation in the United Kingdom, where gender pay gap reporting shows one of the starkest gaps is in the Financial Services sector³. 83% of respondents in the Insurance sector also report that they believe the pay gap is an issue.

³ <https://ig.ft.com/gender-pay-gap-UK/>

Worryingly, 53% in Banking and Financial Services think that they are paid less than their equivalent male counterparts. Paying men and women different amounts for the same role is illegal, but the fact that many respondents have the perception that they are being paid less than men in an equivalent role could be a strong indicator of broader inequality in the workplace.

Looking at the different sectors, the picture is similar in the Energy sector with 75% of respondents reporting that the gender pay gap is an issue, and 50% reporting that they believe they are paid less than equivalent male employees. In the Tech sector, where there has been a good deal of reporting on a lack of female representation in particular areas, the number of respondents reporting an issue around the gender pay gap is lower, at 50%. 25% said they believed they were paid less than equivalent male colleagues.

The picture is better in the Public Sector, where 38% of respondents report that the gender pay gap is an issue compared to 33% stating that there is no issue. But even this is surprising, given public sector transparency around pay scales and promotion. 24% of Public Sector respondents believe they are paid less than equivalent males.

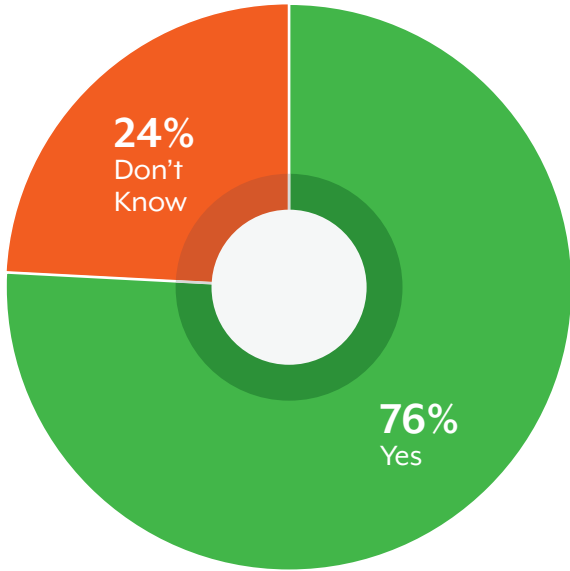
“Rightly or wrongly a lot of women tend to take the lead on issues in the home regarding childcare arrangements.”

Media & Entertainment Respondent

“In reality most men in senior leadership roles can focus the majority of their time on their career and are not trying to juggle children/childcare/running a household.”

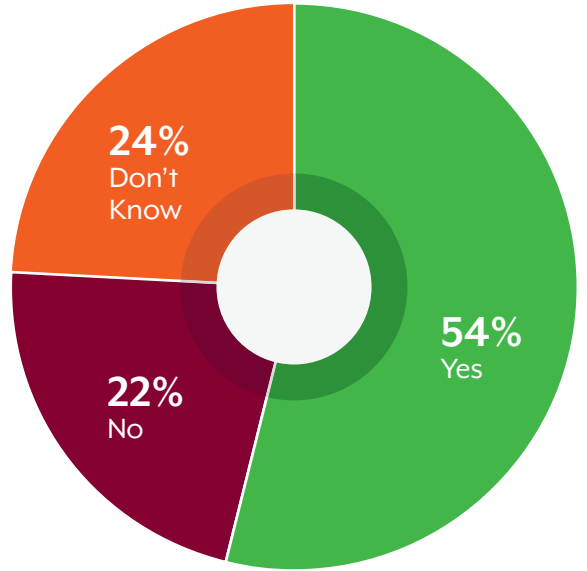
Financial Services Respondent

Banking & FS:
Is the Gender Pay Gap an issue in your industry?



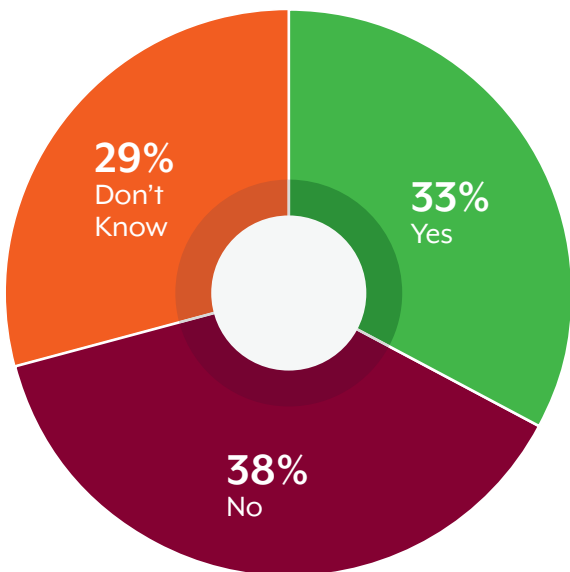
■ Yes ■ No ■ Don't Know

Banking & FS: Do you believe you are paid less than your equivalent male counterparts?



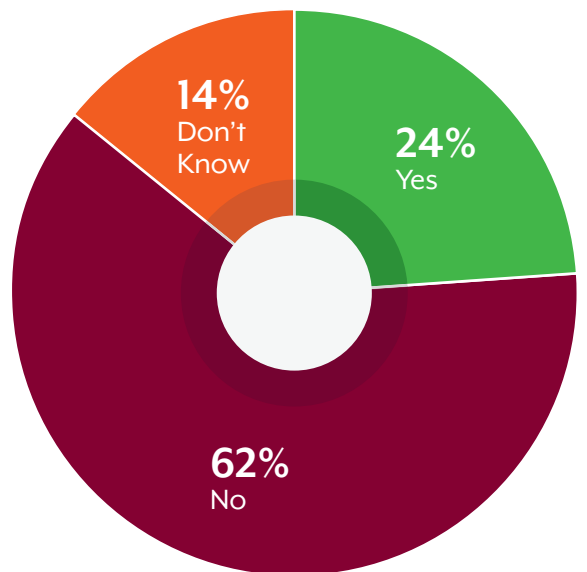
■ Yes ■ No ■ Don't Know

Public Sector:
Is the Gender Pay Gap an issue in your industry?



■ Yes ■ No ■ Don't Know

Public Sector: Do you believe you are paid less than your equivalent male counterparts?



■ Yes ■ No ■ Don't Know

Publication of Gender Pay Gap Data

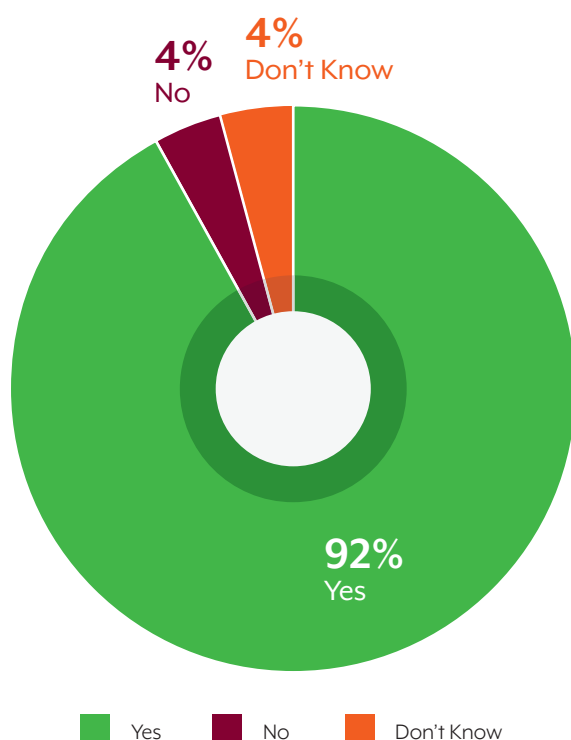
The UK has completed its first year of mandatory pay gap reporting for companies with more than 200 employees. This has generated a good deal of media interest and much of the commentary has focused on whether the figures are actually useful in achieving gender pay parity or if they create more confusion around the issue. What the figures do reflect is the lack of women in high-paying roles. This could indicate a lack of supports available to encourage women to aim for these positions in addition to a significant number of women in part-time roles. This potentially points to the burden of childcare still falling disproportionately on the shoulders of women.

Here in Ireland, mandatory pay gap reporting is likely to be introduced for organisations with over 250 employees. Cabinet have recently approved the Gender Pay Gap Information Bill.

If passed, the Bill will highlight discrepancies between employee pay, within the private and public sectors. Sanctions for non-compliance and possible fines may also come into effect. In our survey, there is very strong support for the introduction of such reporting; 92% of respondents stated that they believe this would be a positive development. Some organisations have already started to report in advance of the legislation being finalised.

However, such organisations appear to be in the minority, with 21% of respondents stating that their organisations have carried out an analysis on the gender pay gap. 44% stated that their organisation had not carried out any analysis. Of this number, 74% didn't know if there were any plans in the future to do so, before the introduction of mandatory reporting.

Do you believe the compulsory publication of gender pay gap data by organisations is a positive development?



“Transparency is key to flushing out the practice of paying males more than females for the same work.”

Public Sector Respondent

“Nothing will change if management is not held to account for the unacceptable bias against women in relation to pay.”

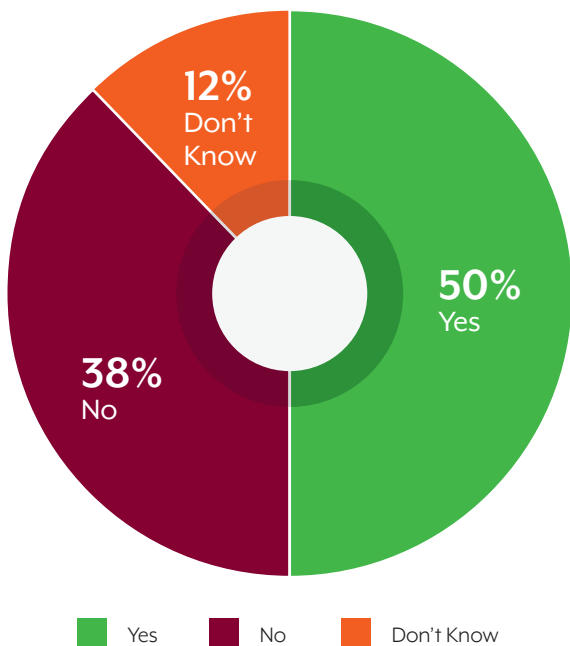
Financial Services Respondent

What can be done to fix the gender pay gap?

The gender pay gap can highlight many things. The lack of females in higher-paying leadership roles, more women in part-time roles and women not able to easily access the workplace at all because of responsibilities as the primary caregivers for their families.

In terms of females in leadership roles, one way to address this issue is to introduce policies such as gender quotas for certain roles, e.g. board positions. Quotas tend to be controversial, but the survey shows support (50%) for quotas as a way to fix this problem. However, 38% of respondents thought that quotas were a bad idea. Many respondents commented that, even if quotas were put in place, it is still important for candidates to be fully qualified and not to be seen as the “token females”. Of those who disagreed with quotas as a policy, many stated that they felt the best person should always get the job, irrespective of gender.

Are you in favour of positive discrimination policies in terms of gender, e.g. quotas for senior roles?



Other policies favoured by respondents to address the imbalance included greater internal pay transparency within organisations, clearer communications from management about how pay increases and bonuses are determined and clearer company policies on pay and compensation.

“Targets not quotas.”

Transport Respondent

“I don't believe positive discrimination is the manner in which the gender pay gap will be successfully narrowed but rather an increase in flexible working hours and work practices that can help women in senior roles tailor work life with home life.”

Media & Entertainment Respondent

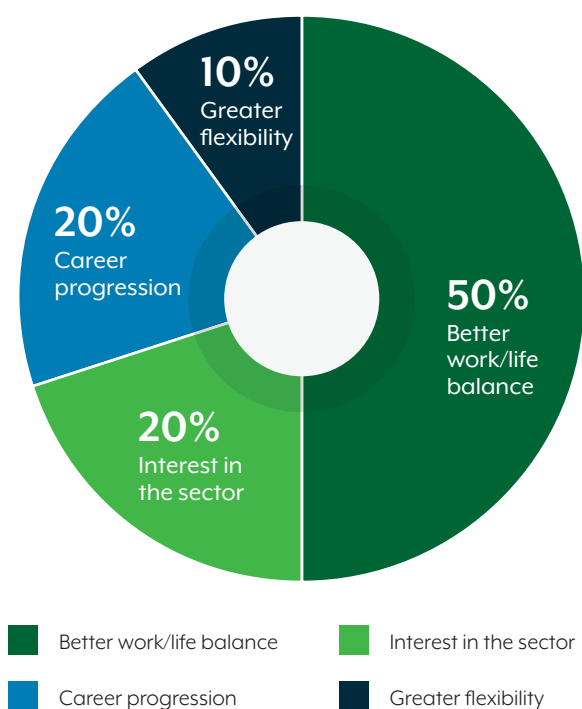
“Women also need to see/appreciate their own value - I know I have not pushed for pay rises before because I didn't realise I deserved them. I was also so grateful for part time work, I didn't really consider the salary.”

Construction Respondent

Women in In-House Roles

We also asked respondents about their role as in-house lawyers and the reasons for choosing this career path. Half of those surveyed indicated that they had moved to an in-house role for better work/life balance, while 20% indicated it was because of their interest in a particular sector and 20% indicated it was for career progression. Many of the respondents commented on the need for greater flexibility in organisations to allow for employees to better balance their work and their home lives.

Why did you move to an in-house role?



“The move in-house has proven more intellectually challenging and stimulating than private practice, with more responsibility and career progression opportunities.”

Energy Respondent

Conclusion

There has been a good deal of positive action in recent years in terms of female participation at senior levels in the workplace. However, the survey shows that more needs to be done to accelerate progress and that action lies with both Government and individual organisations.

The survey suggests that a majority of female in-house lawyers favour different forms of affirmative action, including quotas, to address gender inequalities in the workplace and there is a clear belief that gender pay gap reporting will be beneficial in shining a light on where inequalities exist. To this end, the publication of the General Scheme of the Gender Pay Gap Information Bill is to be welcomed and its progress towards its final stages will be closely observed.

“I think a lot of people, particularly the parents of children, move to in-house roles for greater certainty about working hours. As a result employers may feel that their employees will stay and therefore don't feel the need to match the market.”

Financial Services Respondent

Our Team



Vanessa Byrne

Partner & Co-Head, Real Estate

+353 1 614 5296

vbyrne@mhc.ie

Dublin

London

New York

San Francisco

MHC.ie