



GENDER PAY GAP

Ireland 2016

In collaboration with



Emolument
Crowdsourced pay data



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INTRODUCTION

The objective of this report is to provide insights into the gender pay gap in the professional employment market across Ireland and to comment on our findings as to the underlying causes of this gap. A further aim is to outline the measures required to bridge this gap.

The report is based on research which analyses the current gender pay gap (basic salary plus bonuses) in Ireland including aspects such as: sector, discipline, location, years' of experience, level in a company, proportion between men and women and education level.

As a leading professional recruitment provider in Ireland with an international reach across ten countries, Morgan McKinley has partnered with Emolument.com to collate this salary data from more than 5,500 professionals working in Ireland, through an online survey.

EXECUTIVE SUMMARY

The European Commission published a report in 2010 based on Eurostat's findings of the same year that showed the gender pay gap in Ireland stood at 34.7%, with the EU average earnings gap standing at 41.1%. Closing the gender pay gap has been identified by the European Commission as central to achieving the growth objective of the EU Europe 2020 strategy.

The first European Equal Pay Day was held on 5th March 2011, and is held every year on the date that marks the number of extra days a woman must work to match the amount of money earned by men in the previous year. This year it was held on 8th March indicating the number of extra days to have grown to 67.

The Gender Pay Gap debate has been gaining momentum of late with the UK government implementing mandatory gender pay gap reporting legislation earlier this year. This will oblige more than 8,000 UK employers with more than 250 employees to collate from early 2017 data of salaries and bonuses paid to male and female staff in their organisations, with requirement to publishing it on their websites from April 2018.

Here in Ireland, the Programme for Government includes a commitment to put the reduction of the gender pay gap formally on the political agenda. While the full details of what this will look like have yet to be defined, the early indicators point to the introduction of wage surveys for companies of 50 or more employees. This will be the starting point in promoting wage transparency in Ireland.

Six KEY CONTRIBUTING FACTORS ON GENDER PAY GAP IN IRELAND

The following six factors have been reported to contribute to or are often believed to affect the gender pay differential:

1 | Sector or discipline

It is often suggested that women make up a greater proportion of employees of lower pay sectors (industries) or disciplines (the actual jobs) than men. As a part of this research, we looked into data for specific sectors and disciplines to compare annual salaries between men and women in each. The question we sought to answer is if sector or discipline have an impact on the Gender Pay Gap.

2 | Level in the company

It is frequently reported that the much higher proportion of men holding management and higher level positions is a key factor in gender pay disparity. In this report, our research compares salaries of men and women holding the same positions in companies at entry, junior managerial and managerial level. We have also looked at the proportion of men versus women holding these positions.

3 | Education level

This factor is considered to be a potential contributor to the gender pay gap. The analysis presented in this report will allow us to establish whether education qualification level attained has a corresponding impact on the overall pay.

4 | Flexible working

We explored if flexible working arrangements had a negative effect on an individual's capacity to earn. Some studies suggest that women value flexibility because of their childcare responsibilities, as opposed to men who value income growth more. The report contains an additional section based on data from [Working Hours Survey 2016](#) that allowed us to compare flexible working arrangements available to both genders. It should be noted that flexible working is one of [EU's action points aimed at decreasing gender pay gap](#).

5 | Years of experience

One of the factors that affects the earnings of all professionals is the number of years' experience. It has been suggested that the reason behind women receiving a lower salary is the fact that they have less experience. The report analyses the average salaries men and women earn based on the number of years they've worked in a specific discipline.

6 | Pay discrimination

Employment Equality Legislation (Employment Equality Acts 1998 -2015) makes it illegal not to provide for equal pay for like work or to discriminate on the basis of gender. It would require very rich data to prove that the difference between earnings is a result of discrimination. Data collected for this report is not sufficient to establish whether and to what extent pay discrimination might affect professionals.

KEY FINDINGS: THE GENDER PAY GAP IN IRELAND

A report completed by a research team in University of Limerick led by Dr Christine Cross and launched at the recent Gender Equality in Decision Making (GEM) conference argued that greater transparency in reporting of overall compensation figures would help to identify where disparity is occurring and ensure progress in instigating equal pay.

Our report finds the average gender pay gap in Ireland in 2016 stands at 20%. On average, men working in like for like professional jobs earn €12,000 more than women. These figures were calculated based on average salary and bonus. However, when these two are split, the average salary gap stands at 16% while the bonus gap goes up as high as 50%.

AVERAGE EARNINGS

Gender	Average Total Comp	Earnings Gap
Men	€61,500	20%
Women	€49,500	

BONUS VS SALARY

Gender	Average Salary	Average Bonus
Men	€55,500	€6,000
Women	€46,500	€3,000
Pay Gap	16%	50%

KEY IMPACT FACTORS TO GENDER PAY GAP:

1 | GEOGRAPHICAL FACTOR

Does location have an impact on earnings potential?

AVERAGE PAY GAP BASED ON LOCATION

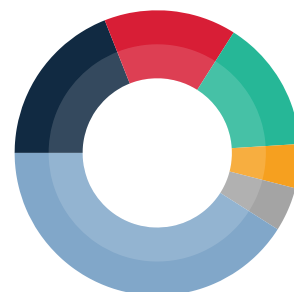
City	Men	Women	Pay Gap
Cork	€55,500	€51,000	8%
Dublin	€63,500	€50,000	21%
Other	€54,500	€45,000	17%

As shown above, the average gender pay gap is significantly higher for male professionals in Dublin than it is in Cork or other regional locations. Men in Cork are paid on average €55,500, while those based in Dublin earn €63,500, representing a 13% differential. The gender pay gap is reversed between women based in Cork and in Dublin shows females in Cork earning 1% greater than their Dublin counterparts.

The gender pay gap is higher in Dublin due to two main reasons. Firstly, the dominant industries in each of the cities and secondly the location of senior management. Financial Services is the main professional industry in Ireland with 19% of all professionals employed in this sector. It is also a sector that has the highest gender pay gap of 29% and has a greater proportion of employers and positions in Dublin than any other location nationally. The most represented industry in Cork is Technology & Telecoms with the gender pay gap of 7% in this sector.

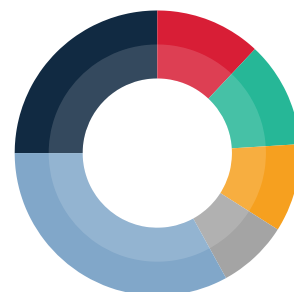
Further proportional analysis of the respondents showed that there are a higher number of senior managers based in Dublin than in Cork. According to data gathered by Emolument.com, men are more likely to hold a senior position in companies, especially in the Financial Services sector. All the above factors contribute to the gender pay gap across Ireland.

MOST REPRESENTED INDUSTRIES IN DUBLIN % OF EMPLOYEES



Financial Services & Regulators | 19%
 Technology & Telecoms | 15%
 Consulting & Professional Services | 15%
 Insurance & Reinsurance | 5%
 Apps, Web, eCommerce | 5%
 Other | 41%

MOST REPRESENTED INDUSTRIES IN CORK % OF EMPLOYEES



Technology & Telecoms | 25%
 Manufacturing & Industries | 12%
 Pharmaceuticals & Biotech | 12%
 Consulting & Professional Services | 10%
 Financial Services & Regulators | 8%
 Other | 33%

KEY IMPACT FACTORS TO GENDER PAY GAP:

2 | EDUCATION FACTOR

Does Level of qualification attained have an Impact on Earnings potential?

As shown above, the gender pay gap actually increases along with the education level attained. The gap increases from the lowest overall earnings gap of 10% for employees holding a BSc Degree up to 33% for Executive MBA holders. That represents a gender pay gap of €32,500 annually compared to €11,500 (22%) difference between men and women with no degree. According to these findings it could be argued that educational attainment therefore has no impact on the gender pay gap.

AVERAGE EARNING BASED ON EDUCATION LEVEL

Degree	Men	Women	Pay Gap
No degree	€52,000	€40,500	22%
Bachelor of Arts	€58,000	€46,500	20%
Bachelor of Science	€55,500	€50,000	10%
Masters in Finance	€72,500	€60,000	17%
Masters in Management	€70,500	€53,500	24%
Masters in Science	€61,000	€48,000	21%
Masters of Art	€52,500	€44,500	15%
Doctorate	€65,500	€55,500	15%
PhD	€74,000	€53,500	28%
Executive Masters	€89,000	€61,500	31%
Executive MBA	€99,500	€67,000	33%
MBA	€105,500	€71,500	32%

KEY IMPACT FACTORS TO GENDER PAY GAP:

3 | LEVEL IN THE COMPANY & NUMBER OF YEARS' EXPERIENCE

GENDER PAY GAP BY LEVEL IN THE COMPANY

	Entry Level	Junior Manager	Manager	Senior Manager	C Titles
Pay Gap	8%	10%	15%	18%	1%

GENDER REPARTITION BY JOB TITLE

Gender	Intern (Student)	Entry Level	Junior Manager	Manager	Senior Manager	C Titles
Men	50%	55%	54%	56%	61%	76%
Women	50%	45%	46%	44%	39%	24%

These results show an encouraging narrowing of the gender pay gap for women who make it to the executive level; They are paid almost the same as men at the same level (1% pay gap). That's largely compensated by the fact that there are less women at the executive level than in any other position (only 24%). Female representation is on an almost diminishing scale from entry level through to Executive Level.

AVERAGE TOTAL COMP BY GENDER AND YEARS OF EXPERIENCE

Gender	0 - 5	6 - 10	11 - 15	15+
Men	€41,000	€56,500	€72,500	€92,000
Women	€36,000	€49,000	€58,000	€66,000

GENDER REPARTITION BY YEARS OF EXPERIENCE

Gender	0 - 5	6 - 10	11 - 15	15+
Men	56%	52%	56%	62%
Women	44%	48%	44%	38%

The gender pay gap actually widens with years of experience from 12% for 0-5 years' experience through to 28% for 15+ years' experience.

The gender pay gap evolution by years of experience reflects the pay gap we see when looking at job titles: 38% of professionals with 15+ years' of experience are women versus 62% are men. This shows that the low proportion of women in senior managerial positions proves that there are less experienced women than men in the Irish workforce.

Lack of experience can therefore not be advanced as a reason for women to be paid less than men.

KEY IMPACT FACTORS TO GENDER PAY GAP:

4 | DISCIPLINE OR SECTOR

Below data shows that the gender pay gap is present across different disciplines and sectors.

GENDER PAY GAP BY SECTOR

Industry/Sector	Gender Pay Gap
Financial Services & Regulators	29%
Insurance & Reinsurance	24%
Charity & Not For Profit	23%
Public Sector & Education	22%
Law Practice	22%
Apps, Web, eCommerce	20%
Transportation & Logistics	20%
Consumer Goods & FMCG	17%
Pharmaceuticals & Biotech	17%

Media, Communication, Music, Gaming	15%
Consulting & Professional Services	14%
Healthcare	12%
Manufacturing & Industrials	11%
Energy, Mining, Chemicals, Environmental	10%
Retail & Trade	9%
Construction, Real Estate, Architecture	8%
Technology & Telecoms	7%
Services, Tourism, Restaurants	4%

KEY IMPACT FACTORS TO GENDER PAY GAP:

4 | DISCIPLINE OR SECTOR

GENDER PAY GAP BY DISCIPLINE

Discipline/Job	Gender Pay Gap
Sales	23%
Middle & Back Office	20%
IT & Software Development	19%
Marketing	19%
R&D	19%
Engineering	18%
Compliance	15%
HR	15%
Project Management	14%
Audit	8%
Accounting	5%
Big Data	3%

Some of the sectors and jobs in which the pay gap is highest are ones in which bonuses traditionally represent an important part of one's compensation. Financial Services has the highest pay gap of all sectors at 29%. Sales jobs have the highest pay gap of all disciplines with males earning 23% greater than their female counterparts. This is consistent with the earlier gender pay gap breakdown which showed that the pay gap in bonuses is much higher than the one in basic salaries (50% against 16%). Sales and Financial Services represent the employers with the highest bonuses.

The lowest pay gap was observed in the following disciplines: **Big Data (3%), Accounting (5%), and Audit (8%)**. We have found that the intake of graduates into the Professional Services firms in recent years has had a tendency to represent a greater gender balance than most other sectors.

We are increasingly seeing gender biases exist for and against females. To address the gender imbalance in the technology sector, we have seen a positive bias towards females in technology by employers in what has historically been a male dominated sector. This has been reflected in the lower salary differential of **7% in the Technology and Telecoms sector**.

Conversely, in Human Resources (HR) there has traditionally been a disproportionately higher number of female HR Leaders than males. This has resulted in a positive bias towards male HR Leaders who have been increasingly in demand to enter what has been a female-led discipline - 73% female to 27% male. The scarcity of male HR leaders has led to a 15% higher salary differential in favour of their female counterparts.

KEY IMPACT FACTORS TO GENDER PAY GAP:

5 | FLEXIBILITY FACTOR

Findings of Recent Working Hours Survey.

A Eurostat report published in March of this year found that close to 40% of working mothers with two children or more are on part-time contracts. A study conducted by Citrix last year found that approximately 3,000 new mothers leave the workforce each year due to the cost of childcare and over 8,200 mothers returned to work last year looking for more flexible hours. In contrast, Sweden, which has one of the lowest gender pay gaps in Europe at 13.2%, also has one of the most generous childcare benefits in the world, offering 480 days of statutory parental leave and caps childcare costs at €132 per month.

But the flexibility requirement and potential link to the gender pay gap is not confined to working mothers. A study conducted by Glassdoor earlier this year found that just under 1 in 10 people in Ireland are working part-time who would rather be working full-time, giving us the third highest proportion of “involuntary part-time workers” across the 16 European countries studied. Some 88% of millennials, who are expected to represent up to 75% of the workforce by 2025, consider work-life balance important when choosing a job.

In the EU as a whole, part-time working accounts for only 6% of male employment but 33.3% of female employment, with the figures for Ireland trending the same (Balancing Work and Family Life: DSCFA Research Programme 2016)

In Morgan McKinley’s Working Hours Survey 2016, 4% of males and 19% of females reported that they had no flexible working arrangements available to them. The levels of flexibility in relation to working conditions marginally favoured men over women with 6% more men than women reporting they can work from home and 2% more men than women reporting they have a flexible working start/finish. In contrast, the balance swung slightly in favour of females when it came to the working of reduced hours with 3% more women than men responding that they can work reduced hours.

It also reported that 1 in 4 males versus 1 in 7 females worked 10 or more hours of overtime. Although these are marginal differences overall, it could be argued that the somewhat higher degree of flexibility that males are afforded over females corresponds to a more senior position of employment. Furthermore, the potential higher proportion of females working reduced hours equates to lesser experience, reduced benefits value (pensions/ bonuses which are usually linked as a percentage to basic salary pay) and therefore an overall earnings gap that is greater than their male counterparts.

PROPOSED SOLUTIONS TO THE GENDER PAY GAP

There have been many actions taken across the business community, educational bodies and government with the intent of tackling the Gender Pay Gap issue. Based on our findings in this report we have highlighted what we believe to be five building blocks required to effectively tackle the problem.

1 | Address the diversity issues in recruitment

While diversity in the work-place is a broad area that encompasses everything from gender, race, ethnic group, age, personality, education, background etc., it can shape and influence the decisions that can have a positive or negative impact on one's career. When it comes to gender diversity we have witnessed employers who demonstrate positive and negative bias in the recruitment process which contributes to the stereotypes that a specific gender may be better suited to certain professions. Those companies which are successfully influencing a positive change in addressing it are those that have started with their recruitment process and provided unconscious bias training to hiring managers, neutral gender-proofed job descriptions and in many cases anonymised the gender and name of the applicant when presenting a shortlist of candidates for consideration to the hiring team so that gender typecasting will not form part of their selection process. We have seen first-hand where this has positively influenced the number of females progressing into male dominated disciplines and vice versa.

2 | Increase the number of females working in STEM related careers

A survey carried out earlier this year by STEM promotion initiative iWish found that 88% of Irish adults believe that a consistent supply of STEM graduates is critical to Ireland's economic growth. The iWish initiative is specifically aimed at encouraging girls and young women to pursue STEM related careers. The research carried out by iWish revealed that from the 2,000 girls were surveyed earlier this year and 75% of them said that having a career that involved helping other people was important to them yet few of them saw this as being related to science subjects.

This report demonstrates a direct correlation between the size of the gender pay gap to sectors involving STEM related careers such as Financial Services (29%) and Pharma (17%) where the senior positions tend to be held by a majority of males. There exists a positive gender bias towards females in tech and engineering and the opportunity for females to progress their careers while earning more within these sectors is significant and correlated to a smaller gender pay gap of 7%.

The challenge here is getting females to consider careers in these disciplines. Other STEM initiatives (Futurewize and SAM) are emerging with the intent purpose of influencing at the earliest possible stage the number of females taking up STEM related professions which should have a positive impact on their earning potential and more likely to bridge the gender pay gap further. There are early indications that they are having positive results. Futurewize, a Science Foundation Ireland (SFI) and Fidelity Investments sponsored programme designed by Junior Achievement Ireland aims to inspire Junior Cycle students to explore a new world of career possibilities that are opened up through the study of STEM related subjects. More than 2,000 13-15 years olds will complete the programme in the current school year. Very importantly, 60 per cent of these children will be girls.

PROPOSED SOLUTIONS TO THE GENDER PAY GAP

3 | Introduction of family friendly work practices

These are required to promote flexible working arrangements such as flexi-start and finish that enable females to combine being a parent without sacrificing the level of their career and males to take on more of a co-parenting role. Where women take on the primary carer role, 1 in 3 women reduce their paid hours to part-time versus only 1 in 10 men. There have been some positive legislative changes, such as the introduction of two weeks of paternity leave from September 2016. More recently, in the US, Werk was launched, a new job platform with the purpose of keeping professional women in the workplace by offering them inspiring jobs with flexible schedules. The availability of flexible working arrangements needs to become the norm in all organisations across every sector to ensure that females do not have to sacrifice their experience, progress and ultimately pay within an organisation that does not flex to suit their schedule and to enable men to take a shared approach to parenting and balance their role as earners.

4 | Focus on mentoring female professionals

Our findings once again shines a light on the significant deficit in female leaders in Irish organisations. A report from Grant Thornton puts the proportion of female leaders at 24% and just 8% on Boards of publicly listed companies. The lack of female leaders has a knock on effect in inspiring the future female leaders. Mentoring groups for females have grown in momentum in recent years with the express intent of improving confidence in females to tackle issues such as career advancement, balancing career and parent life, striving for better pay and ultimately the conviction to lead more.

The American Chamber of Commerce in Ireland will launch in January 2017 a Cross Sector Mentorship initiative which has the purpose of "Supporting women in roles with international responsibilities by matching them with mentors in other companies who have current or recent relevant international experience. The focus for the mentor programme is personal career development on a one to one basis." There have been many reports which highlight the positive outcomes of mentoring programmes and they all state that there are not enough employers actively encouraging and enabling such programmes (Global Study of Businesswomen and Mentoring by DDI). A more confident and supported female workforce would have the positive effect of promoting a greater proportion of female representation at the leadership table as well as contributing to a reduction in the gender pay gap.

5 | Greater wage transparency

A positive step forward in the battle for gender pay parity would be for the government to follow through on its promise to drive gender wage transparency through the introduction of published wage surveys for employers of 50+ employees. This will promote improved behaviours on the part of employers who will be in the spotlight wherever disparities exist while presenting a talent attraction opportunity to those employers who are fair and transparent in their treatment of employees' pay.

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