

FORUM ON TAX ADMINISTRATION

GENDER BALANCE NETWORK

Newsletter - Vol. 1, September 2019

In this edition of the Gender Balance Network Newsletter you will find:

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Welcome remarks from Naomi Ferguson

As the Gender Balance Network Advisory Group lead, I'd like to welcome you to our first Gender Balance Network newsletter.

As you're aware, the aim of the network is to **create positive change** and **improve gender balance in leadership positions** across tax administrations worldwide. We'll be identifying ways to implement that change and putting those plans into action, as well as providing a support network to look at ways we can help people.

I know you, like me, are passionate about realising the benefits that gender balance brings to our own organisations and our tax profession.

Having an **inclusive and diverse workplace**, which includes a diverse and balanced leadership team, is not a nice to have. I believe having a wider range of insights and experiences to draw on is critical for a successful organisation and enables customers' needs to be better met.

To deliver on our aim of being a catalyst for positive change, one of the most powerful things we can do is to **connect with each other** – share our experiences, learn from what's happening in different administrations and support each other – which is why having a network is so important.

Along with my Advisory Group colleagues from **Singapore, Canada, Argentina** and **Norway**, we will be working with you, our champions, to make positive institutional change. We'll do this through finding ways to improve gender balance in our organisations. For the majority of our organisations that means helping women across the world to take on leadership positions in tax - in a few, the balance is the opposite. We can learn from each other and this is what the goals of the network support as we seek to ensure we have great leaders and tax professionals coming through all of our organisations.

I'm privileged to be the **first female Commissioner of Inland Revenue, New Zealand**, in its almost 140-year history, although women have worked in the department since 1902.

Currently in my own organisation, women make up 64 percent of our workforce. Sixty percent of our people leaders are women but this does not flow through to our senior leadership where only 40 percent are women.

At Inland Revenue we are working towards being an organisation which understands, appreciates and realises the benefits of individual differences and that needs to be reflected at all levels of the organisation. It will be **great to learn about what you are doing in your own organisations** as you focus on gender balance.

Through the work we are doing across the Gender Balance Network, I believe we really can make a positive difference. So please, **take the time to engage with the network**, think about what you can do not only within your organisation but as part of the global network.

Together let's make gender balance across tax administrations, including at the senior leadership level, a reality.

Naomi Ferguson
Commissioner, Inland Revenue
New Zealand

Can we work systematically with gender balance and equality?

The Swedish experience

According to **Swedish law**, employers are obliged to take **active measures** aimed at **preventing discrimination** and in other ways **promote equal rights and opportunities**. This includes discrimination on all grounds covered by the Discrimination Act: gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age.

During 2017/2018, the **Swedish Tax Agency (STA)** began to elaborate a way of working systematically, in order to find ways to prevent discrimination in the workplace. In accordance with the Discrimination Act, we applied a **four-step approach**.



Step one

To begin with, we conducted a number of **workshops with mixed groups and representatives** from the departments - managers as well as employee representatives.

As an introduction, the participants were given a short crash course about discrimination followed by a number of eye opening exercises in order to “put on our equal treatment glasses”. For example pictures or statements that make it clear to us that we all, more or less, have preconceptions and that we are unconsciously biased.

We asked each group to discuss what risks they could foresee that could lead to someone being disadvantaged or harassed in relation to:

- Working conditions

- Internal policy documents and practices on pay and terms of employment
- Recruitment and promotion
- Education and skills development
- Opportunities to reconcile work with parenthood

Step two

A core group was established in order to continue the work. They gathered information on what we already do in this area, focused on a few vital risk areas and proposed a number of measures.

What works well?

The group concluded that the **STA has a lot in place such as a good gender balance regarding management positions.** We have established **guidelines and routines on how to prevent harassment, sexual harassment and reprisals at the workplace.** Annual pay surveys are carried out each year in cooperation with employee representatives. The method used implies good results. However, the parties agree that unfair situations most certainly exists but are difficult to discover with today's method.

Risk areas and examples of mitigating activities

The group focused on **four risk areas** connected to gender and proposed activities that could promote equal rights and opportunities:

- **Attitudes and behaviors in the workplace that exclude offend and disadvantage.**
 - Awareness is called for. Education on values, treatment and victimization could be made mandatory.
- **Lack of gender balance in reference fora and project groups.**
 - Women and men should be given the same opportunities to participate as representatives. Secure gender balance when performing risk assessments prior to organizational– and other changes.
- **The status of work tasks differs.** Tasks performed by men have a tendency to receive higher status, while female-dominated areas are sometimes regarded lower in status. This may affect women's development and career opportunities.
 - Investigate how we formulate our job ads. Analyze job ads from a gender and equality perspective.
- **Lack of an incentive structure and follow-up of gender balance, diversity and inclusion.** The area may not be prioritized or taken seriously by the organization, unless there is a clear statement from the Board.
 - Coordination of nearby areas would benefit the progress and promotion of equal rights and opportunities. The area should be coherent and visible for all employees. Develop key performance indicators as a part of the STA four-month follow-up / annual follow-up.

Conclusions

The STA already has many activities and does a lot of work to counteract discrimination. However, there is a lack of a clearly communicated overview of all the work that is being done.

A more systematic approach would not only increase awareness of the positive effects of gender balance and diversity, but also strengthen our employer brand.

Sofia Martell
Swedish Tax Agency
Head of Unit, Human Resources Department

Setting standards for equal pay

The Icelandic experience

Gender equality is now a dominant theme throughout the world, and is being pursued in various ways by international organizations, governments and industry alike. **Iceland has taken up the theme with vigor as it recently became the world's first nation to make it mandatory for all employers to prove that they pay men and women equally for the same job.** This is done by a new law that requires companies and institutions to implement an 'Equal Pay Standard' and obtain an Equal Pay Certification.

Development and publication

Equal Pay Standard was published by Icelandic Standards in December 2012. The idea was to **create a system that could confirm that women and men, working for the same employer, were paid equal wages and enjoyed equal terms of employment** for the same jobs or jobs of equal value.

But Iceland's journey on gender pay parity began much earlier. Collective agreements between the main parties in the private labour market already contained a clause on the development of a certification scheme for gender pay equality and this was followed by a provisional clause, on the same subject, in the Icelandic Act on Gender Equality No. 10/2008.

What was lacking, however, was a standard that could be applied by all organizations across the board. This led, in the autumn of 2008, to Iceland's Ministry of Welfare, along with the Icelandic Confederation of Labour and the Confederation of Icelandic Employers, beginning work on the development of the Equal Pay Standard. ISO's International Management System Standards, ISO 9001 on quality management systems and ISO 14001 on environmental management systems were used as models.

Equal Pay Standard explained

The Equal Pay Standard describes the process that companies and institutions can follow in order to ensure equal pay within their organization. Moreover, the Standard aims at **implementing effective and professional methods for pay decisions**, as well as **effective review and improvement mechanisms**. It is **applicable to all companies and institutions**, regardless of their size, field of activity and staff gender composition.

Companies and institutions that implement the Standard, and obtain the necessary certification, can thus improve their human resource (HR) management and pay policies. In addition, the Standard can be used to **prevent and eradicate all forms of discrimination**, and improve an organization's image as a fair employer.

An organization adopting the Standard would start with an assessment of its current pay policies, classify jobs, according to equal value and conduct wage research on the basis of the classifications, as well as formalizing policies and processes related to pay decisions. These changes need to be reviewed regularly, checked and validated by management.

Once an organization has implemented the changes, it can apply for certification of its pay system based on the tenets of the Standard. Job classification plays a big part in implementing the Standard, and is useful in general HR management, particularly with respect to manpower analysis and planning, recruitment, job development plans, and performance appraisals.

The purpose of the Equal Pay Standard is to:

- **Create a system which ensures that women and men working for the same employer are paid equal wages and enjoy equal terms of employment for the same jobs and jobs of equal value;**
- Serve as a vehicle for the **elimination of all forms of discrimination**, as it forces employers to take a holistic view of their salary system;
- Enable the employer to **prove that it is fulfilling its legal obligations** of paying equal wages for equal jobs;

- **Ensure equality**, including labour market equality, which, in a broad sense, is an integral part of a just and fair society;
- Act as a tool to **fight gender-based wage discrimination**.

Today, Icelandic authorities proudly view the Standard as a valuable contribution to the global gender equality and diversity dialogue, which Iceland Revenue Service is happy to be a part of, given its firm commitment to a fair and equitable workplace.

The implementation journey

The first step was to put together a **project group consisting of HR specialists**. The group's main tasks were to come up with **preliminary definitions for job classifications, and criteria for job classifications**.

Thereafter, a **focus group** comprising all top and middle managers was set up. They reviewed and later accepted the definitions and criteria, ensuring a common understanding of all the elements. What should, however, be noted here is that **management buy-in is vital to the success of such a project**.

When the job criteria and definitions were in place, the actual job classifications could be set up – a huge, but rewarding task. The classifications provided the working group with a broad overview of all jobs within the Revenue Service, and what their value was considered to be. It is important to remember that what is being evaluated and classified is jobs – NOT employees.

The final result is that all jobs are categorized in terms of their comparability and equal value. Implementing the standard is pure quality management. What this means is that in order to comply with the demands of the Standard, strategic and quality management working methods must be applied.

As part of the implementation process, there has to be a **defined and documented** Equal Pay System as well as an Equal Pay Strategy and Equal Rights Strategy due to the fact that the Standard contains certain general equal rights, obligations which must be fulfilled, such as:

- An equality and equal pay strategy must be in place;
- An equal rights implementation plan must exist;
- An annual report by an equal rights officer on gender equality issues must be produced;
- The annual report must be accessible to all staff.

As with other management standards, certification is done by an independent accredited third party institution. In order to receive certification, the organization must undergo a thorough compliance audit, aimed at ensuring that it fully met the requirements of the Standard.

Although implementing the Standard is time consuming, we believe its implementation is well worth the effort resulting in a number of **benefits**, some of which include:

- A **certified management system on salaries and equal rights** of staff;
- More **transparency and predictability**;
- **Easier drafting of institutional contracts and job descriptions**;
- An **improved organizational culture** – given the emphasis on transparency and trust.

By implementing the Standard, Iceland Revenue Authority will establish the organization as a **fair and equitable employer**, resulting in employees firmly believing that the wage system is transparent, predictable, and based on equality and fairness. The Standard will also assist in managing HR matters more effectively, especially recruitment.

The Standard is available in English translation, which means that organizations outside of Iceland are able to access it, and use it to assess their pay policies as well as equality issues. It is set up in such a way that it can be used by any company or institution, irrespective of location, size and field of operations.

Unnur Ýr Kristjánsdóttir
Iceland Revenue Service
Director Human Resources

Paving the way for gender equity

The Argentine experience

Argentina's tax agency (AFIP) is an organisation with +20,000 employees that are distributed nationwide. Regarding gender, it is an organisation in which 45% of its employees are women. However, double click on that figure and you receive the awful truth : **only 25% of leadership positions are occupied by women**. That is to say, we are **losing female talent** as we move up the ladder and, as a result, our workplace suffers from less diversity.

When confronted with this reality, I decided **it was time to take action**. Together with my co-worker, we decided to **found a gender equity network called Red de Mujeres** (Women's Network). In hindsight, having the support of AFIP's Commissioner was crucial for a successful venture. His vision is **to make AFIP the best workplace in Argentina for a woman to professionally develop**. This was actually one of the first lessons learnt : **engage top management** and promote male champions for advocacy.

After months of preparation came the launch of Red de Mujeres in November 2018. We were honored with the presence of high rank officials in the government, a Human Rights advocate, a social activist, a prime-time journalist and the CEO of a local airline company. It was a memorable and inspiring experience as +300 women gathered to listen to compelling stories about **leadership, work/life balance, gender pay gaps, self-imposed barriers** and the notorious prominence that gender has gained in the agenda.

After the launching event came the hard work. We partnered with **regional ambassadors** that could act in representation of the network in varied corners of the country. The network gained tremendous popularity overnight as women were eager to share their stories and **contribute to a more equitable workplace**. We travelled to different locations and celebrated workshops that served both **cathartically** and as **input for implementing change** –as we asked women to tell us how they would promote gender equity. After the first workshop was done, we realized that this information was of unmeasurable worth : it was live, raw and undisguised feedback from our employees. **Topics ranged from maternity, to caregiving, to internal mobility and the importance of impartial feedback**.

Preserving the confidentiality of the members of the network, we shared this feedback with Human Resources. They valued our field work, given that they were already working on **new family-oriented and gender leaves**. The feedback provided served as a vote of confidence for what they were already working on, as the workshops revealed that women were eager to see these changes going forward. This was another lesson learnt : **multidisciplinary teams are the richest, as it allows the decision-making process to be approached from different angles**.

Red de Mujeres and Human Resources reached other milestones during this hectic and fruitful year. Together we developed an online campaign on sexual harassment prevention, we inaugurated AFIP's unprecedented lactation spaces, and we are working on an online training on gender violence prevention.

As one of the founders of Red de Mujeres, I am immensely proud of the work we have done since last November. However, I am also deeply aware of the enormous responsibility that we carry as thousands of women in AFIP have trusted us with making it a more equitable workplace.

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