

Forum on Tax Administration

To: FTA Commissioners

14 September 2020

**Gender Balance and COVID-19**

Dear Forum on Tax Administration Commissioners,

As with many of the other Forum on Tax Administration (FTA) Networks and Communities of Interest, the Gender Balance Network recently held a meeting to discuss some of the impacts of COVID-19 and possible responses. We thought that you might find it useful to receive a summary of the views expressed by the Gender Balance Champions both at the meeting and through a preparatory survey. These include some thoughts on actions that might help to mitigate potential negative impacts as well as to realise longer-term opportunities for enhancing gender balance.

In general, the risks and challenges foreseen by the GBN Champions are around appropriate gender balance in decision-making processes during the crisis and in what is likely to be a long-drawn out recovery period, as well issues that might predominantly affect those with caring responsibilities, including impacts on careers, work/life balance and welfare. These are set out in more detail in the Annex to this letter.

There are also opportunities identified by the GBN Champions. The first is the potential beneficial impacts on gender balance that might arise from greater flexibility in working arrangements, including possible greater remote working opportunities. This could have benefits both for existing staff and for the expansion of the potential workforce. The second set of opportunities are around possible culture change, both within the tax administration and in society more widely, arising from greater understanding of some of the issues which could affect gender balance, in particular appreciation of the difficulties faced by those with caring responsibilities and a greater awareness of areas of unconscious bias. Again, these are unpacked further in the annex.

Of course, as with other aspects of the responses to COVID-19, there is no one-size-fits-all set of solutions given that the possibilities, constraints and starting points will be different for each tax administration. We hope, though, that the issues raised by the Gender Balance Network are ones that you might wish to reflect upon within your own administrations. In particular, we would be very grateful if you could seek wider staff and management views as to whether there are other issues or considerations that we could share more widely across the FTA to the benefit of all.

In closing, we would like to thank you for your continuing support for both the FTA Gender Balance Network and for the work being done to help tax administrations share knowledge and experiences from the crisis. This will help in us in emerging from the crisis with more resilient, more agile and more effective tax administration, utilising all of our staff to their full potential.

Bob Hamilton  
FTA ChairNaomi Ferguson  
Commissioner  
Inland Revenue Department  
New Zealand

# Annex A. Gender Balance: Risks, challenges and opportunities

## Risks and Challenges

### Lack of gender balance in decision making during the crisis and recovery

Decision making during the crisis and recovery can be fast moving and there may often not be sufficient time for full analysis or consultation. Some of these decisions can have significant impacts on those with caring responsibilities, predominantly women. This can particularly be the case around decisions on business critical functions which need to be carried out in the office (for example IT systems maintenance and, in some cases, call centres) as well as arrangements and rules in a remote working environment, either at home or in another non-office location. In order to help mitigate unintended effects, administrations may wish to consider:

- Where it does not already exist, the creation of a gender committee within their tax administration with suitable staff representation and with training in gender issues and inequalities.
- Ensuring balanced gender representation in decision-making in the COVID-19 environment, including ensuring that those with caring responsibilities are represented where possible in decision-making processes. This may also be formalised in business continuity planning requirements.
- Formalising a gender challenge role for one of the decision makers, giving them the responsibility for raising possible gender balance issues and performing a challenge function.
- Requiring a gender balance statement for all major decisions to ensure that appropriate consideration is given and documented.
- Putting in place reporting mechanisms that allow staff and staff representatives to raise gender balance concerns, including in anonymous form where preferred.
- Liaising with other government agencies and other tax administrations to share knowledge and experience on gender balance issues and undertaking ongoing internet research on issues that might arise or have arisen in other organisations.

### Balancing caring and work responsibilities

In many countries, COVID-19 has resulted in school closures or restricted school hours. In addition, many elderly people or those with underlying conditions making them more susceptible to the worst impacts of COVID-19 are encouraged or required to stay isolated, meaning that they will need assistance with their care. While this has predominantly been an issue in the crisis stage of the pandemic, it could obviously recur during further waves of the virus and may continue to be an issue for groups most vulnerable to the effects of the virus until a vaccine is found.

Many tax administration staff will have caring responsibilities for younger children and other relatives, including the elderly, and this is likely to affect women predominantly, both in single parent families as well as in dual parent families in many countries. Caring for others in and of itself in such a difficult and uncertain environment can create significant stress. As regards the work environment, staff in this situation may not be available for work during much of the normal working day and, even when available, may have to remove themselves at short notice. This situation can create considerable stress for affected staff, including feelings of guilt and concern as to how they will be perceived by managers and other staff. This includes concerns about possible ramifications affecting their careers. In order to mitigate such stresses, administrations may wish to consider:

- Providing clear guidance to staff around the rights of employees to take care of children and others requiring their care when other alternatives are not available, as well as clarity as regards their responsibilities to inform managers. Such guidance should also take account of the concerns that staff may have in this situation,

including as regards possible implications for career progression, and seek to alleviate those concerns as far as possible.

- Guidance for managers on how best to engage with staff in this situation can also be helpful, including identifying where staff may be under stress or feeling isolated. In addition to pointing staff to available support mechanisms (such as staff welfare support services), guidance may also suggest other ways of helping to alleviate stress, including through formal or informal networks.
- In addition to helping to ensure empathetic engagement by managers, guidance could also cover possible alternative working arrangements which might be agreed with staff (for example evening working when additional help may be available) and/or ways of keeping in touch for those unable to work at all.
- Administrations may wish to understand the impact on business critical areas of unavoidable absences by staff with caring responsibilities and arrange for redeployment of other staff to help in business critical areas. This will help in avoiding excessive burdens falling on colleagues of affected staff and help avoid those with caring responsibilities feeling unduly pressured.
- Administrations may wish to provide guidance to affected staff around communication with their partners on the issue of shared responsibilities.
- Administrations may wish to adjust business continuity plans and resumption plans to ensure that there is adequate cover for critical roles in crisis environments to help avoid gender bias in selection and recruitment for certain roles.

## Increases in domestic violence

In a number of countries there have been reports of an increase in domestic violence, particularly towards women, as the stress of lockdowns has impacted behaviours at a time when a number of support mechanisms may not be available (for example meeting with friends and family or relocation to safe environments). In order to help staff facing these circumstances, administrations may wish to consider:

- Highlighting in administration communications and guidance to staff the options available where domestic violence is a risk or has occurred, recognising that many sources of advice and support may be more difficult to access during the crisis and that, for some staff, domestic violence may be something they have not previously experienced.
- Guidance for managers and staff as regards confidential conversations on welfare issues, including helping managers to identify situations or flags where further professional engagement may be required (for example through employee assistance programmes or through legal authorities).

## Opportunities

### Increased options for home working and flexible work arrangements

Many tax administrations have experienced increased remote working during the crisis, in some cases with remote working becoming the default for most administration staff outside of some critical functions. This has sometimes been accompanied by more flexible working patterns, with staff able to start earlier in the morning or work later in the evening in order to fit their home circumstances (and taking account of time available from not having to commute).

These changes can lead to work/life balance improvements for staff in some circumstances and in particular can make it easier for staff to cope with the demands of caring responsibilities. If these options are embedded into administrations' offerings going forward, there may be benefits both for existing staff and in widening the potential recruitment pool. For example it may make it easier for staff to remain with the administration in circumstances where they have to remain at home due to caring responsibilities for prolonged periods or where home working or flexible working suits their lifestyle for other reasons.

There are, of course, many challenges in making remote/flexible working an ongoing possibility for tax administration staff in general, although this is something that is being looked at by a number of administrations. (It is also on the work programme of the Forum on Tax Administration.) Where it does become part of the "new normal", there are, though, a number of areas where care will need to be taken to avoid impacts on careers. This may also become a

gender balance issue if these options are predominantly taken up by women in caring roles. To mitigate this, administrations may wish to consider:

- Assessing and making visible to staff the contributions to the organization made by remote/flexible working during the crisis, and identifying areas where changes might be made to remote/flexible working processes and arrangements to achieve the best outcomes for both staff and the administration.
- Making clear that remote/flexible working is not recommended or promoted solely to those with caring responsibilities but is available for all staff on an equal basis.
- Ensuring that remote work and flexible working patterns are treated on an equal basis with working in the office (i.e. there is no stigma attached to remote or flexible working). This may be something that can be achieved through giving rights (by contract or legislation) to remote/flexible working and/or by making it part of the normal working culture of the administration (which may take time). Clear and continuous messaging might be desirable in this regard.
- Ensuring that performance management processes (including career management) do not inadvertently disadvantage those who work remotely/flexibly. This is partly a matter of organisational culture, but also has to do with effective performance management, ensuring that productivity can be measured and managed and that there is clear communication with managers.
- Ensuring that management roles are also afforded the opportunity to work remotely/flexibly to demonstrate that it does not impede upward mobility.
- Reconsidering how interactions are managed within the tax administration, for example adjusting meeting and call timings to ensure that remote/flexible workers are not side lined, and conducting meetings in a way that the voices of those connecting remotely are given equal weight to those physically present.

## Enhancing understanding of gender balance issues

Experiences from the crisis may contribute to a greater understanding of the constraints facing some women from caring responsibilities as well as the potential impacts of this on promotion and performance management, including through unconscious bias. Administrations may wish to put in place processes to capture these experiences and lessons learnt while memories are still fresh and while options for reconsidering working methods are still being considered. Ideally this would include a holistic assessment of gender issues. In particular, administrations may wish to consider:

- Undertaking an internal analysis of the impact that COVID-19 has had on gender balance (both actual and potential) and identifying where this raises systemic issues. Ideally this would be a process involving a wide range of staff and staff representatives, empirical tax administration data on gender balance issues, including base-line data, as well as findings from other organisations and research. This analysis could usefully be repeated over time to capture longer-term impacts and trends.
- Using some of the situations experienced in awareness-raising communications for staff and managers, including in induction processes and in ongoing training on identifying and addressing both conscious and unconscious gender bias.
- Embedding gender considerations in all aspects of the redesign of tax administration after the crisis to ensure that possible gender bias issues are identified and addressed at the earliest possible stage.