Research Paper

Gender Balance in Privately Owned Companies
An International Perspective and Strategies for Success

Balance *for*
Better Business

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EXECUTIVE SUMMARY

Progress and Challenges in Gender Balance

In recent years, publicly listed companies in Ireland have made significant progress in increasing female representation at board and senior leadership level, with ISEQ20 firms reaching the key threshold of 40% board representation in 2024. With this progress having been made, attention is turning towards Ireland's privately owned companies and their performance, especially in the context of Balance for Better Business launched its 5 year strategy in 2024, which sets the target of 40%+ representation at board and leadership levels across all company cohorts. Moreover, as privately owned companies represent a significantly higher proportion of enterprises and economic activity in the country, driving a step change in representation among this cohort has significant opportunities for impact.

Scope of the Research

This paper aims to provide an evidence base on women's representation in privately owned companies, in Ireland and internationally, to understand the distinctive features of gender balance in these cohorts, the potential policy approaches available, and to provide recommendations on how gender balance can be improved looking forward.

Main Findings

- In Ireland, Large Irish-Owned Private Companies (LIOPCs) perform on par with Listed Companies in terms of female representation at senior leadership level, and significantly outperform them in key decision-making roles such as CEO, CFO and Chair. However, they lag behind Listed Companies in the representation of women at board level.
- The difference between LIOPCs and listed companies has emerged, in large part, due to considerable progress being made among listed companies in recent years, that has not been seen among private companies.
- Evidence on gender balance among private companies is limited in general, creating challenges for research and policy formation.
- Evidence available, however, suggests that the broad trend of lower female representation on boards, but higher representation on executive leadership teams, that is seen in Ireland, is a shared feature of privately owned companies internationally.
- In understanding and explaining the reasons why privately owned companies show lower levels of female representation at the board level than listed companies, suggestive evidence indicates that differences in policy approach, the pressures exerted by different owners and investors, and differences in board structure and recruitment methods, as well as corporate cultures, may be important factors.
- On an international basis, few policies have been introduced specifically to address female representation in private companies, and those that have, are found to be more recent and restricted in scope.
- Case studies from France and the UK show contrasting approaches, reflecting the general lack of international consensus on the best policy approach for improving gender balance in business leadership, and the introduction of mandatory quotas versus monitored voluntary targets.

- However, the pay transparency reporting and ESG reporting completed by private companies may be an effective way of nudging changes in company behaviour and driving improvements in gender balance. This is pertinent in the context of the EU Corporate Sustainability Reporting Directive's (CSRD) current implementation in Ireland.
- A review of the current literature and debates about the effectiveness of these reporting systems, suggests that it is important to ensure comparability, consistency, and public scrutiny of the reporting, it is as effective as possible in motivating companies to take meaningful action.
- A review of current public reporting on gender balance by LIOPCs finds that these companies are most likely to report only in line with mandatory reporting standards. Even for mandatory requirements, a significant amount of reporting was impossible to find, or was calculated incorrectly.
- A small number of companies provide additional reporting on gender balance at senior levels on a voluntary basis. This reporting, however, is inconsistent between different companies, with a lack of standardised definitions, particularly in respect of leadership categories, impairing comparability and full transparency.
- Company reports show high levels of awareness among reporting companies of effective actions to address gender balance, as identified in the Balance for Better Business roadmap, although, actions relating to 'strategic leadership' seem less well understood.
- Company reports also highlight that some companies are accessing external organisations, within the gender balance ecosystem, to support their efforts to implement such actions. The 30% Club and Irish Centre for Diversity feature prominently among these external organisations, along with a range of organisations with a sectoral focus, indicating that companies are inclined to think about gender representation in sectoral terms.

INTRODUCTION

This research paper was prepared at the request of the Balance for Better Business Review Group. Its intention is to use desk research to provide an evidence base for understanding the current state and drivers of gender balance in privately owned (i.e. non-listed) companies, and to offer initial recommendations for strategies to improve their gender balance.

The paper is set out as follows:

- **Section 1** offers a background to the research paper, outlining the relevant Irish policy context.
- **Section 2** surveys the current state of representation in Large Irish-Owned Private Companies, leveraging the results of the Company Statistics Office (CSO) Gender Balance in Business Survey, as presented by Balance for Better Business.
- **Section 3** turns to the international picture for female representation in privately owned companies, assessing the existing data landscape, evaluating whether the representation patterns seen in Large Irish-Owned Private Companies reflect wider patterns of representation, and suggesting distinctive factors affecting female representation in privately owned companies.
- **Section 4** considers potential policy approaches for addressing gender balance in privately owned companies, surveying the range of policies implemented internationally, and evaluating the evidence for reporting as a nudge to influence company behaviour positively concerning gender balance.
- **Section 5** presents an indicative mapping of current engagement with the gender balance agenda by assessing the publicly available gender balance reporting of LIOPCs, considering the extent of voluntary disclosures, current performance, and the actions and initiatives companies have publicly committed to.
- **Section 6** offers summarising conclusions and recommendations arising from these findings.

1. Policy Context

1.1. Balance for Better Business

In 2018, the Irish Government established Balance for Better Business (B4BB) as an independent business-led Review Group, to improve gender balance in senior business leadership in Ireland. The Review Group is comprised of senior figures in Irish business and public service and is given administrative and policy support by the Department of Enterprise, Trade and Employment. The Review Group is also assisted in its work by an Advisory Group, which is representative of a wider cross section of business organisations and other interested parties.

Balance for Better Business has set a series of progressive voluntary targets, which it monitors and reports on in annual reports. The first set of targets ran for five years, through to the end of 2023. In May 2024, new targets were set, as part of the launch of a 5-year strategy, to achieve 40%+ representation at board level and senior leadership level across all monitored company cohorts.[1]

Targets for listed companies, differentiated by the ISEQ20 and Other Listed cohorts, have been monitored using BoardEx data, available on an individual company basis, annually since 2018.

Targets for Large Irish-Owned Private companies (with employees >250), have been monitored since 2019 using data from the CSO Gender Balance in Business Survey, which is conducted every other year and provides information on an aggregate basis. In their 2023 report, for the first time, Balance for Better Business also provided a sectoral analysis of gender balance in this cohort of privately owned Irish companies.

In addition to target setting and data monitoring, the Balance for Better Business Review Group is also involved in advocacy and outreach with companies; provides a roadmap of effective actions for companies to consider; and makes recommendations to companies and Government on policy to promote the participation of women in the top level of business in Ireland.

The launch of Balance for Better Business' new 5-year strategy, and the target of 40%+ female representation at top levels for all company cohorts monitored, has placed new emphasis on the importance of identifying effective strategies for engaging privately owned companies. The boards of ISEQ20 companies, reached 40% female representation as of March 2024, whereas female representation on the boards of privately owned companies in Ireland is further from the target, and has shown slower progress to date **[see Section 2.1. below]**.[2]

Moreover, improving gender balance among privately owned companies has the potential for greater impact than listed companies in an Irish context. Privately owned companies account for a significantly greater share of economic activity and employment in Ireland, with only 35

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[1] Balance for Better Business (2024), Balance for Better Business Launches New Strategy and Targets to Advance Balanced Business Leadership in Ireland. Available at: https://www.betterbalance.ie/balance-for-better-business-launches-new-strategy-and-targets-to-advance-balanced-business-leadership-in-ireland/

[2] Balance for Better Business (2024), ISEQ20 Companies Reach Milestone of 40% Average Female Representation on Boards, According to Latest Data from Balance for Better Business. Available at: https://www.betterbalance.ie/iseq20-companies-reach-milestone-of-40-average-female-representation-on-boards-according-to-latest-data-from-balance-for-better-business/

companies listed in Ireland included in Balance for Business' Sixth Annual Report, and prominent Irish companies having delisted in recent years.[3]

1.2. Enterprise Ireland (EI) Actions

Enterprise Ireland has implemented several policies to support female participation in the leadership of Irish companies. The Enterprise Ireland Action Plan for Women in Business, launched in 2020, incorporates four objectives:

- Increasing the number of women-led established companies growing internationally
- Increasing the number of women in middle and senior management and leadership roles in Irish companies;
- Increasing the number of women becoming entrepreneurs; and
- Increasing the number of women-led start-ups with high growth potential.[4]

Since August 2021, all application forms for funding from EI have a new section requiring companies to provide the gender breakdown of their C-Suite and Board. There is also a requirement by EI for all Seed & Venture Capital funds, that EI supports, to report on gender for both the decision makers in the funds, and the investments made, and that 70% of the Seed & Venture Capital funds, that EI has supported, have women at partner/investment manager level. Additionally, EI has partnered with the Irish Venture Capital Association (IVCA) on a series of events to bring female founders together on raising capital and linking them to Venture Captial (VC) funders.

Over the past decade, EI has also focused on increasing the number of women founding High Potential Start Ups (HPSU), with significant progress made. In 2011, only 7% of EI backed HPSUs, at first seed stage, included a woman founder, but by 2022 this has more than trebled to 37%.[5]

Additionally, EI supports dedicated capability building programmes for women, monitors female participation in its schemes, supports peer to peer networking, collects information on the gender balance of its client companies through the Annual Business Survey of Economic Impact (ABSEI), and supports advocacy campaigns, among other initiatives.[6]

1.3. Other Initiatives

In addition to Balance for Better Business, other initiatives have been launched by the Irish Government and the business community in Ireland to improve gender balance in the leadership of companies, including privately owned companies. Though it is not possible to provide a comprehensive list, prominent examples include:

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[3] Balance for Better Business (2023), 6th Annual Report: November 2023. Available at: https://www.betterbalance.ie/sixth-report-december-2023/; e.g. Beesley, A., (2023), *Irish stock market facing strong headwinds as companies shift primary listings*, The Irish Times. Available at: https://www.irishtimes.com/business/2023/08/04/irish-stock-market-facing-strong-headwinds-as-companies-shift-primary-listings/

[4] Enterprise Ireland (2020) Enterprise Ireland 2020 Action Plan for Women in Business: https://www.enterprise-ireland.com/documents/action-plan-for-women-in-business-en-92306.pdf

[5] Department of Enterprise, Trade and Employment, 'Female entrepreneurship'. Available at: https://enterprise.gov.ie/en/what-we-do/the-business-environment/entrepreneurship-/female-entrepreneurship/

[6] For further details, see: Enterprise Ireland 'Women in business'. Available at: https://www.enterprise-ireland.com/en/our-services/women-in-business

- **Ireland's Women in Finance Charter**. [7] Launched in 2022 as an industry-led, Government-supported initiative to increase participation of women at all levels within the financial services sector in Ireland. The Charter follows a signatory model, in which signatories commit to self-set targets and report on these annually. The Charter now has over 90 signatories, and its second annual report, published in July 2024, found that female representation increased significantly, within signatory firms, over the initiative's first 2 years.[8]
- **30% Club**.[9] The 30% club is a global campaign group with an Irish Chapter, that is supported by board Chairs and CEOs of member organisations, with the aim of achieving better gender balance at leadership level and throughout organisations.
- **Irish Centre for Diversity**.[10] The Irish Centre for Diversity is a private organisation that assists companies in developing organisational strategy and culture to promote all aspects of inclusivity, and provides Investors in Diversity (IiD) accreditation, supported by Ibec, to companies at Bronze, Silver, and Gold levels.

[7] See: https://www.betterbalance.ie/partners/
[8] Ruusell, H., and Hingre, G. (2024), *Ireland's Women in Finance Charter: Annual Report 2024*. ESRI Survey and Statistics Report Series. Available at: https://www.esri.ie/publications/irelands-women-in-finance-charter-annual-report-2024
[9] See: https://30percentclub.org/chapters/ireland/
[10] See: https://irishcentrefordiversity.ie/

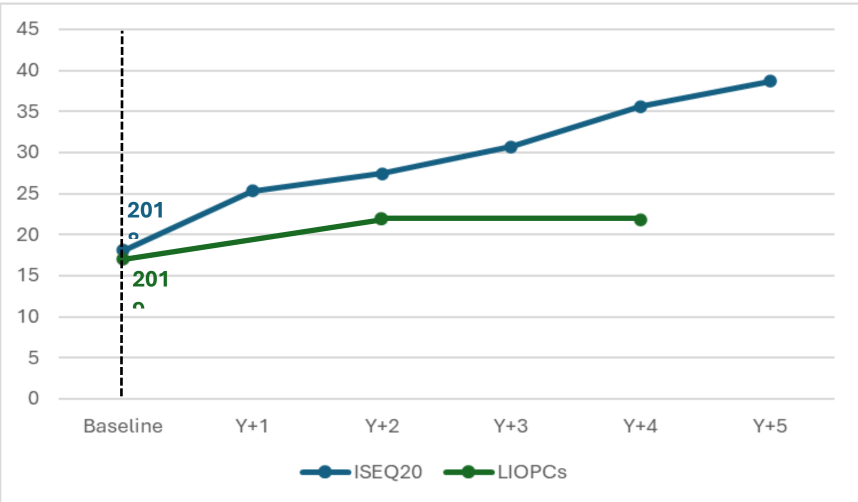
2. Ireland's Current Position

2.1. Board Representation

Using data from the CSO Gender Balance in Business Survey, Balance for Better Business found that female representation on the boards of Large Irish-Owned Private Companies stood at 21.8% in 2023.[11] This was below the 30% target set by Balance for Better Business for 2023, and leaves significant progress to be made if the 40%+ target for 2028 is to be achieved. This representation among Large Irish-Owned Private Companies compares poorly to the performance of listed companies, with ISEQ20 companies achieving 38.7% female board representation in 2023, and Other Listed companies achieving 27.6%, which was above their respective targets.[12]

This difference in female board representation has emerged in large part due to the significantly greater progress that listed companies have made in comparison to private companies in recent years, and during the period in which they have each been monitored by Balance for Better Business **(see Fig. 1)**. The baseline figures for each company cohort, taken in 2018 for listed companies and 2019 for privately owned companies, show only a one percentage point difference in representation between ISEQ20 companies and Large Irish-Owned Private companies, at 18.1% and 17.1% respectively.[13] However, female representation has increased on the board of ISEQ20 companies by over 21 percentage points over 5 years, since the report was launched, compared to less than 5 percentage points over 4 years for Large Irish Owned Private Companies.[14] Moreover, in the period between 2021 and 2023, female representation on private boards did not show any increase.

Fig. 1) Female % of Directors on Boards – Change Over Time Since Introduction of B4BB Monitoring[15]



[11] Balance for Better Business (2023), 6th Annual Report: November 2023. P.19. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[12] Ibid, p.19.
[13] Balance for Better Business (2019), 2th Report: November 2019. P.35; p.43. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[14] Balance for Better Business (2023), 6th Annual Report: November 2023. P.15. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[15] Data sourced from Balance for Better Business reporting. Available at: Reports – Balance for Better Business (betterbalance.ie)

This slower pace of progress may reflect the different sizes of these respective cohorts, with the population of ISEQ20 companies being significantly smaller, and likely more homogenous in terms of size and capitalisation than the population for LIOPCs, with less well-resourced private companies perhaps acting as a drag on the aggregate figures for this cohort.

However, this slower pace of progress may also reflect underlying structural differences between privately owned and listed companies, that are inhibiting the appointment of women to boards in the former compared to the latter **[see section 3.2. below]**. Alternatively, while a causal connection between Balance for Better Business' monitoring and the progress seen among listed companies is impossible to establish, it could be that the nature of Balance for Better Business' public monitoring has been less effective as an exogenous shock to induce action among private companies than it has for listed companies. In this case, the public availability of annual firm-level data for listed companies compared with the non-annual aggregate-level data available for private companies might be a significant factor in explaining this difference **[see section 4.2. below]**.

2.2. Senior Leadership Representation

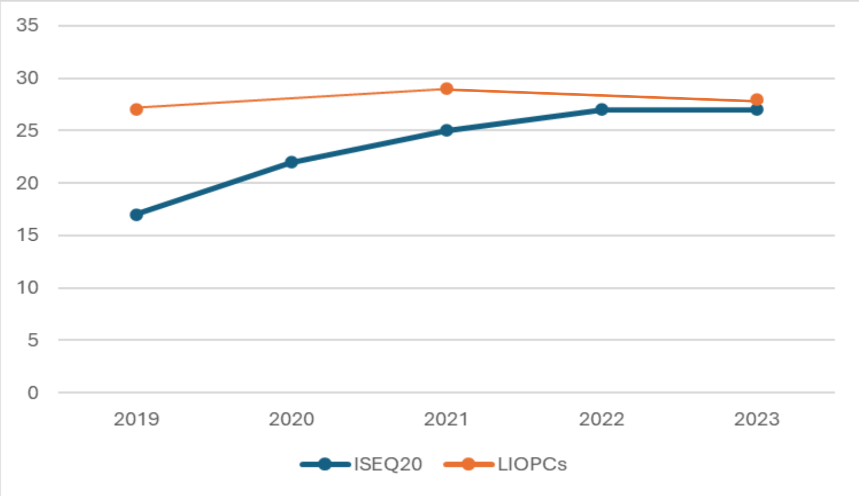
In contrast to the picture at the board level, Large Irish-Owned Private Companies compare much more favourably to listed companies with respect of female representation on senior leadership teams. Balance for Better Business reported, in 2023, that 28% of the leadership teams of Large Irish-Owned Private Companies were female.[16] This is 1 percentage point ahead of the equivalent figure for ISEQ20 companies, at 27%.[17]

Additionally, this stronger performance by privately owned companies was even more stark in respect of the key executive decision-making roles of CEO and CFO. Whereas only 9% of CEOs of listed companies and 17% of CFOs of listed companies were female in 2023, the equivalent figures for privately owned companies were more than 10 percentage points higher, at 21% and 28%, respectively.[18] It is important to note, however, that the population for the statistics among listed companies is very small, and can therefore, be affected significantly, in percentage terms, even by single individuals moving into and out of roles.

Nonetheless, although in absolute terms, privately owned companies perform ahead of listed companies in female representation on senior leadership teams, progress has been slower, as was seen at the board level **(see Fig. 2)**. Between 2019 and 2023, female representation on ISEQ20 leadership teams increased by 10 percentage points.[19] By contrast, in the same period, female representation on the leadership teams of Large Irish-Owned Private Companies made a net increase of only 1 percentage point, with representation found to decrease between 2021 and 2023.[20]

[16] Balance for Better Business (2023), 6th Annual Report: November 2023. P.23. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[17] Ibid., p.23
[18] Ibid., p.25
[19] Ibid., p.23
[20] Ibid., p.23

Fig. 2) Female % of Senior Leadership Teams – Change Over Time (2019-2023)[21]



This difference in progress may be explained, however, by the lower initial levels of representation seen among listed companies, with the 10 percentage points gained only making up the initial difference from privately owned companies. This interpretation is supported by the finding that the appointment rate of women to leadership teams in Large Irish-Owned Private Companies was 38.8% in 2023, slightly ahead of the cumulative 37% across 2022 and 2023 for ISEQ20 firms.[22] This is further supported by the fact that the pace of progress for ISEQ20 firms has been declining as representation has increased, as would be expected in a process of catch-up and convergence **(see Fig. 2)**.

2.3. Heterogeneity Among Firms

Besides the aggregate level results, it is important to note that there is significant variation and heterogeneity in female representation for privately owned companies in Ireland between different firms and different sectors.

Strikingly, Balance for Better Business reported that 41% of Large Irish Owned Private Companies have no women on their boards, while less than a third of Large Irish Owned Private Companies have more than one woman on their board.[23] This suggests a multi-speed environment for board representation among privately owned companies in Ireland, though unfortunately, information is not currently available to assess whether this heterogeneity correlates with any organisational characteristics such as size, turnover, or specific ownership structures.

There is also substantial variation across different sectors. At board level, although no single sector among private companies shows levels of female participation in line with listed companies, representation varies from 17% in the consumer staples and the industrial and basic

[21] Data sourced from Balance for Better Business reporting. Available at: [Reports – Balance for Better Business (betterbalance.ie)](betterbalance.ie)
[22] Balance for Better Business (2023), 6th Annual Report: November 2023. P.25. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[23] Ibid. P.20

materials sectors, to 32% in the telecommunications and utilities sector.[24] While for leadership teams, the variation is not so stark in proportional terms, these also range from 24% among industrial and basic materials to 37.2% in the financial sector.[25]

[24] Balance for Better Business (2023), 6th Annual Report: November 2023. P.26. Available at: https://www.betterbalance.ie/sixth-report-december-2023/
[25] Ibid. p. 24

3. Gender Balance Dynamics in Privately Owned Companies

3.1. Privately Owned Companies vs Listed Companies

3.1.1. Data Availability

In comparison to listed companies, information is limited on gender representation in privately owned companies. Whereas publicly listed firms face extensive disclosure requirements, including on the composition of their boards and senior leadership teams, private companies generally have no such transparency requirements. Additionally, privately owned companies are subject to less monitoring by national governments or international bodies, such as the European Institute of Gender Equality (EIGE), the OECD, European Women on Boards (EWOB), or MSCI, each of which have identified international comparisons of female representation at senior levels for listed companies.[26]

This leaves a considerable data gap in respect of privately owned companies globally, which in turn inhibits academic research and insights for policies, and makes comparison to publicly listed companies challenging. Moreover, this lack of data availability may mean that established studies and approaches focus on variables and prescriptions that are effective for publicly listed firms, but may not be as appropriate or effective for non-listed companies.

Nonetheless, a select number of studies and databases have been produced, typically either by academics or by owners and investors in private companies who recognise the importance of gender balance in their portfolios as a driver of business fundamentals and competitiveness **[for further information, see Balance for Better Business research on the Business Case for Balance]**. Such studies offer insights into gender representation in privately owned companies in an international context and in comparison to publicly listed companies, supplementing the information on Irish companies monitored by the Balance for Better Business Review Group **[see section 2 above]**.

3.1.2. Representation at Board and Senior Leadership Level

Studies generally align with the Irish experience, that female representation at senior levels is more limited, and improvements are harder to achieve, in privately owned companies than in their publicly listed peers, particularly at the board level.

A 2020 study, using a unique longitudinal dataset of over 20 million listed and non-listed European firms, found that, while for listed companies female representation at management board level is positively associated with country-level full-time economic participation of women,

[26] European Institute of Gender Equality (2024) *Largest listed companies: presidents, board members and employee representatives*, Gender Statistics Database. Available at: https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm_bus_bus__wmid_comp_compbm; OECD (2022) Enhancing gender diversity on boards and in senior management of listed companies. Available at: https://www.oecd.org/en/publications/enhancing-gender-diversity-on-boards-and-in-senior-management-of-listed-companies_4f7ca695-en.html; European Women on Boards (2024) Diversity on European Boards. Available at: https://europeanwomenonboards.eu/wp-content/uploads/2024/03/EWOB-Toolkit-for-change-Gender-diversity-on-European-boards.pdf; MSCI (2024) Women on Boards and Beyond: 2023 Progress Report. Available at: https://www.msci.com/documents/1296102/43943104/MSCI+Women+on+Boards+and+Beyond+2023+Progress+Report.pdf

this relationship does not hold for privately owned companies.[27] In fact, for privately owned companies, this relationship is negative, with these differences being statistically significant.[28] This suggests that higher labour force participation for women does not translate into opportunities to reach the management board in private companies as it does for public companies.

Results showing comparatively lower female representation in private companies can also be seen in evidence from the BCG Sustainability in Private Equity Report, which tracks data from c. 4300 private-equity (PE) owned companies from across multiple regions, and which provides reasonable comparability against a benchmark of publicly listed companies.[29] The 2023 report found that, although female representation on boards has increased over time, only 57% of privately-owned companies had any women on their boards, 33 percentage points fewer than publicly listed companies.[30] Interestingly, however, women were slightly more represented in the C-Suites of privately owned companies than public ones, at 22% and 17%, respectively.[31]

As these firms are PE owned, may be a significant factor in the scale of the difference in this result, as the same study found that the proportion of women in top management increased by 3 percentage points on average over the course of PE ownership.[32] This may be partially attributable to PE owners favouring external hires into top management roles, which is known to be more favourable for female candidates than internal promotion systems.[33] Despite this limitation, the data suggests that privately owned companies match publicly listed ones in top management, even without leadership changes from PE ownership. However, boards show significant differences, consistent with Irish data. **[see section 2 above]**. A study reviewing the literature on the governance of private companies, has also found that the percentage of women who serve in CEO and CFO roles in private companies, is higher than the percentage of women who serve in these roles in public companies. As for other key roles such as Chairs, suggesting again that this indeed is a wider pattern.[34]

3.1.3. Sectoral Differences

Another result from studies available on privately owned companies is that female representation may differ significantly between different sectors.

The 2023 Crunchbase analysis of Him for Her data, taken from 735 U.S.-based private companies, that have raised at least $100 million in venture capital (VC) funding, for example, found that, while women remain underrepresented on private company boards overall, at 17%, representation is significantly higher in life sciences companies (at 21%) than other sectors in the

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[27] Tyrowicz, J., et al. (2020). *All on board? New evidence on board gender diversity from a large panel of European firms*. European Management Journal, 38(4). Available at: https://doi.org/10.1016/j.emj.2020.01.001
[28] Ibid.
[29] BCG (2023). *Sustainability in Private Equity, 2023*. p.25. Available at: https://www.bcg.com/publications/2023/private-equity-sustainability-report
[30] Ibid. p.16; p.21
[31] Ibid. p.21
[32] Ibid. p.22
[33] Gompers, P., et al. (2023), BCG Global. (2023). *The Market For CEOs: Evidence From Private Equity*, National Bureau of Economic Research. Available at: https://www.nber.org/papers/w30899; Beeson, J., and Valerio, A., (2012), *The executive leadership imperative: A new perspective on how companies and executives can accelerate the development of women leaders*. Business Horizons 55(5). Available at: https://doi.org/10.1016/j.bushor.2012.05.002
[34] Eckstein A., and Parchomovsky, G., (2023) *Where the Wild Things Are? The Governance of Private Companies*, U of Penn, Inst for Law & Econ Research Paper No. 23-15. Available at: https://ssrn.com/abstract=4393111 or http://dx.doi.org/10.2139/ssrn.4393111

dataset, including technology.[35] This may be explicable with reference to the findings of other studies, based on listed company data, that firms operating in more competitive, innovative, and knowledge- and technology-intensive sectors have greater shares of female directors, though this would likely be an incomplete explanation at best, given that the technology sector is also highly competitive and innovative.[36]

3.2. Explanations for lower representation in privately owned firms

In attempting to understand why privately owned companies appear to exhibit different patterns of female representation at senior levels from listed companies, in Ireland and internationally, a range of differences may be considered as relevant. These include external policy focus and scrutiny, internal differences in ownership, financing, governance structure, as well as intrinsic differences such as company culture.

3.2.1. Policy Focus and Transparency

For public policy targeted at improving female representation in private-sector leadership, publicly listed companies have been the main focus to date. Focusing policy efforts on publicly listed companies has been driven by transparency and regulatory ease, with listed companies being easier to track and monitor, and already subject to more regulation. However, this approach has left out privately owned companies, with few specific measures addressing this cohort of companies **[see section 4.1. below]**. The higher representation of women on the boards of publicly listed companies may therefore partially reflect the success of these policy measures in driving change among listed companies, but not elsewhere. This may be further supported by the fact that it is on boards, rather than at C-suite level, that the greatest differences are seen, as public policy has also placed a greater emphasis on boards than senior leadership to date [for further information on this, see Balance for Better Business research on Breaking Barriers: Strategies for Elevating Women to Executive Leadership.

Relatedly, the lack of information and transparency on gender balance provided by privately owned companies - which motivates and reflects the comparative lack of policy attention on private companies - may itself contribute to lower levels of female representation at board level. As is discussed further below in relation to possible policy interventions **[see section 4.2. below]**, public reporting and monitoring on diversity has been suggested as a way to prompt behavioural change by companies. However, private companies face fewer reporting requirements and less scrutiny overall, perhaps limiting public accountability and reputational pressure.

3.2.2. Ownership and Financing

Another driver of differences in the representation of women in privately owned companies are differences in ownership, and the priorities of owners, in comparison to listed companies.

Family-owned companies, as firms with majority ownership by family members, are likely to be concerned with retaining familial control even at the expense of board diversity, including in

[35] Shepherd, A. (2024). 2023 Him For Her And Crunchbase Study Of Gender Diversity On Private Company Boards. [online] Crunchbase News. Available at: https://news.crunchbase.com/diversity/2023-gender-study-private-boards-him-for-her/

[36] Hillman, A. J., et al. (2007). *Organizational Predictors of Women on Corporate Boards*. The Academy of Management Journal, 50(4). Available at: https://doi.org/10.5465/amj.2007.26279222

respect of gender, although leadership opportunities are often available to female family members. The latest PwC Family Business Survey found that only 9% of the family owned businesses surveyed globally had ‘diverse boards’ in respect of gender, age, and sectoral experience, while 31% of respondents had no women on their board at all, including family members.[37] Tyrowicz et al. (2020), meanwhile, found a significant negative correlation between the presence of family owned firms at the country level and the representation of women on the supervisory boards of private companies, while the coefficient for management boards was also negative, but not statistically significant (which may be accounted for by the offsetting presence of female family members involved in management).[38]

This is significant in an Irish context, where 64% of all businesses are family owned, of which 2% are large employers.[39] Irish family firms, however, were found by PWC to be more likely to have women on their boards than the international average, with 74% of those surveyed reporting having at least one woman on their board.[40] Additionally, it should be noted that family firms are not monolithic, and are able to change and build a strong pipeline of female talent. First-generation family-owned businesses tend to have more women on their management teams and smaller-turnover firms have a higher proportion of female next generation talent working in them, indicating a potential for change over time both across the cohort of family owned businesses, and within individual firms themselves.[41]

The role of culture within organisations has the potential to further magnify such challenges, considering family-owned businesses are frequently cited as conservative in disclosing financial and non-financial information. This can be reflected in family owned businesses exhibiting “closed shop” behaviour, manifested through a higher value on non-financial objectives that reflect their identity, influence, and legacy. As a consequence, transparency issues often arise when it comes to ESG (Environmental, Social, Governance) reporting.

On the other hand, Private Equity (PE) owned firms have different characteristics and different owner priorities, with PE firms appearing to understand the benefits of having diverse perspectives in top management as well as being able to identify, recruit and nurture top management for their portfolio companies across a larger external talent pool. Indeed, the greater availability of information on gender representation in PE owned firms is a reflection of this prioritisation, with the ESG Data Convergence Initiative (EDCI) compiling a voluntary data set used by BCG from 350 major PE general partners (GPs) and limited partners (LPs), in response to these PE firms’ appetite for useful, standardised ESG metrics, including on gender representation, to track performance, enable comparison, and inform capital allocation and management practices.[42] The influence of such ownership is further indicated by the finding that the proportion of women in the C-suite at private companies has also been seen to increase throughout private equity ownership, at least for those PE firms participating in such reporting.[43]

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[37] PwC (2023) PwC’s 11th Global Family Business Survey: Transform to build trust. P. 12. Available at: https://www.pwc.com/gx/en/services/family-business/transform-to-build-trust.html

[38] Tyrowicz, J., et al. (2020). *All on board? New evidence on board gender diversity from a large panel of European firms*. European Management Journal, 38(4). p. 641; p. 642. Available at: https://doi.org/10.1016/j.emj.2020.01.001

[39] O’Gorman, C., Farrelly, K., (2020) *Irish Family Business by Numbers*, DUC National Centre for Family Business. p. 2. Available at https://www.dcu.ie/national-centre-family-business/irish-family-business-numbers

[40] PwC (2023) PwC’s Irish Family Business Survey 2023. Available at: https://www.pwc.ie/reports/family-business-survey.html

[41] PwC (2019). *It’s time for family businesses to seize the opportunity of gender balance: Renate de Lange, PwC*. PwC. Available at: https://www.pwc.com/gx/en/services/family-business/family-business-survey-2018/gender-balance.html

[42] See: https://www.esgdc.org/

[43] BCG (2023). *Sustainability in Private Equity, 2023*. p.22. Available at: https://www.bcg.com/publications/2023/private-equity-sustainability-report

Similarly, the comparative availability of information on venture capital-backed firms provided voluntarily, and the improvements seen among these cohorts, as evidenced in the Him for Her dataset, suggest that such influence is not exclusive to owners, but also financing institutions, who consider gender balance relevant in their allocation of capital.[44] This potential influence is also reflected in the academic literature, which finds that the presence of individual and institutional investors in a listed company context, can have a significantly positive influence on the representation of women on management boards.[45] We know, moreover, that influence from external stakeholders is often a key driver of corporate prioritisation of social impact initiatives, with a 2019 survey of global executives, conducted by Deloitte, finding that 39% of leaders choose to focus on societal issues because it's a priority of their investors and consumers, compared to 10% who do so. After all, it's a priority of the CEO, and 10% who claimed it to already be embedded in business strategy and culture (with executives able to select multiple options).[46]

In this regard, the representation of women among investors, and those making decisions about the allocation of capital, may be important as an upstream factor in shaping the demographics of privately owned boards and leadership teams they choose to fund. A McKinsey study, which surveyed international PE firms, collectively managing $6trn, and institutional investors with a collective $5trn of assets under management, found that gender diversity among investors has been increasing over time, and is now almost at parity at entry level, but the industry remains male-dominant in leadership and the most senior investment roles.[47]

Similar observations can be made in addressing cultural barriers to representation and reporting within family owned business, with funding providers offering a potential role in addressing traditional company norms that have placed family values ahead of wider societal objectives. Funding providers are increasingly cognizant of their reputation and the implications of their investment choices on societal perceptions, and thus any potential changes in organisational ownership and funding structures can also present the opportunity to evolve and promote shifts in "traditional" cultural dynamics, including an increased emphasis on non-financial reporting. The promotion of ethical and social expectations through institutional investors, thus complements traditional knowledge and commitment with more balanced and transparent governance.[48]

3.2.3. Governance Structures and Recruitment Strategies

Besides differences in external pressures, privately owned companies also differ from publicly listed companies in their governance structures, which may influence gender representation, as they do other aspects of firm performance.[49] In particular, privately owned company boards are often less formalised, and face fewer regulatory requirements, than their publicly listed

[44] See: https://www.himforher.org/about-us

[45] Oehmichen, J., et al. (2012). *"Women on German management boards:* How ownership structure affects management board diversity" In: Beham, B., et al. (eds) *Managing Diversity in Organizations*. Available at: https://doi.org/10.1007/978-3-8349-3869-5_6

[46] Deloitte (2020), *The Fourth Industrial Revolution: at the Intersection of readiness and responsibility*. Deloitte Insights. Available at: https://www2.deloitte.com/us/en/insights/deloitte-review/issue-22/industry-4-0-technology-manufacturing-revolution.html

[47] Averstad, P., et al. (2023). The state of diversity in global private markets: 2023. McKinsey & Company. Available at: https://www.mckinsey.com/industries/private-capital/our-insights/the-state-of-diversity-in-global-private-markets-2023

[48] Arduino, F.R. et al., (2024). The veil of secrecy: Family firms' approach to ESG transparency and the role of institutional investors. Finance Research Letters. Available at: doi:https://doi.org/10.1016/j.frl.2024.105243

[49] See e.g. George (2005) *Slack Resources and the Performance of Privately Held Firms*, Academy of Management Journal 48(4). available at: https://doi.org/10.5465/amj.2005.17843944.

counterparts, although these governance structures can vary based on the maturity and ownership profiles of privately owned companies.

One significant difference, in this regard, is that privately owned companies are not required to have independent directors, as publicly listed companies are (under the Irish Corporate Governance Code, at least half of the board for companies with primary equity listing on Euronext Dublin should be independent non-executive directors).[50] This is significant from the perspective of gender representation, as women are more likely to fill independent non-executive director seats than they are executive or non-independent non-executive director seats (such as those taken up by investors). The latest report on the Him for Her dataset of U.S. venture capital-backed firms, for example, found that women hold 29% of independent director seats, as compared to 10% of executive director seats.[51] We know from Irish experience, meanwhile, that the increased representation of women on the boards of listed company boards has been significantly driven by increased representation among non-executive directors, which can proxy for independent directors in a listed context, with female representation for non-executive directors in ISEQ20 firms increasing by over 20 percentage points since 2018, as compared to a 5 percentage point increase among executive directors.[52] Indeed, in 2023, women held 43% of Senior Independent Director (SID) positions across Irish listed companies, in comparison to 37% of director seats overall.[53] A lack of independent director roles on private company boards may, therefore, inhibit the representation of women on boards in private companies.[54]

This is significant not only from the perspective of gender representation, but also in respect of business performance and quality of governance. The same study of U.S. VC-backed firms, for example, noted that “adding independent directors provides private company boards with the opportunity to tap critical expertise, bring in new perspectives, and expand the reach of their networks” and found that companies, in which there is only one independent director, raised 16% more in overall funding, when that sole independent director is a woman, compared with a man.[55] Additionally, for family-owned businesses, a 2019 survey of European family-owned businesses found testimonial evidence that independent directors, who are neither family members nor too close to the family, are valued for their external experience, professionalisation

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[50] Rivera, L., et al. (2019). *Research: Gender Diversity on Start-Up Boards Is Worse Than You Think*. Harvard Business Review. Available at: https://hbr.org/2019/12/research-gender-diversity-on-start-up-boards-is-worse-than-you-think#:~:text=Boards-; Euronext (2024) *Irish Corporate Governance Code 2024*. Available at: https://www.euronext.com/sites/default/files/2024-05/irish_corporate_governance_code_2024.pdf.

[51] Shepherd, A. (2024). *2023 Him For Her And Crunchbase Study Of Gender Diversity On Private Company Boards*. [online] Crunchbase News. Available at: https://news.crunchbase.com/diversity/2023-gender-study-private-boards-him-for-her/

[52] Balance for Better Business (2023), 6th Annual Report: November 2023. Available at: https://www.betterbalance.ie/sixth-report-december-2023/; Balance for Better Business (2019), First Report: May 2019. Available at: https://www.betterbalance.ie/first-report-may-2019/

[53] Balance for Better Business (2023), 6th Annual Report: November 2023. P.20 Available at: https://www.betterbalance.ie/sixth-report-december-2023/

[54] NB. Balance for Better Business has published a breakdown of female representation on privately owned company boards by executive/non-executive seats in their 6th Annual Report (2023). However, this appears to be the percentage of female directors holding each type of seat, at 48.1% and 51.9%, respectively, rather than female representation within these seat types overall. Additionally, the interpretability of these results would be limited in any case, as non-executive seats provide a less effective proxy for independent board seats in a private company context.

[55] Shepherd, A. (2024). 2023 Him For Her And Crunchbase Study Of Gender Diversity On Private Company Boards. [online] Crunchbase News. Available at: https://news.crunchbase.com/diversity/2023-gender-study-private-boards-him-for-her/

of boards, and diversification of viewpoints, provided that they align with the families' fundamental values and intentions for the business.[56]

Beyond the composition of board directors, the methods for recruitment to boards, among private companies, may also disadvantage female representation, even where there are independent director positions. In particular, it has been suggested by advocacy groups in international contexts that firms limit their potential talent pool by seeking candidates through informal processes within their existing networks, and by focusing on specific qualifications, such as prior CEO experience, at the expense of more holistic assessments of relevant experience.[57] These limitations, in turn, disadvantage women, as they are less likely to have access to such networks or to have held CEO roles previously [ref for the former ideally], though not strictly necessary; for more information on challenges for women accessing CEO roles, see Balance for Better Business research on Strategies for Elevating Women to Executive Leadership.

These insights reinforce the findings of the executive search roundtable conducted by Balance for Better Business in collaboration with the 30% Club Ireland and Ibec, in 2023, to discuss the current state of chair, board, and executive appointments. These roundtables identified challenges in terms of best practices for board formalisation and succession planning by listed and larger private companies not being widely adopted, and companies relying on informal processes and internal succession candidates, rather than engaging external expertise or considering a broader range of candidate backgrounds.[58]

[56] Ballinin, B. (2020) *Every Gamily Business Needs an Independent Director*, Harvard Business Review. Available at: https://hbr.org/2020/01/every-family-business-needs-an-independent-directo r; for full report see Russell Reynolds (2020) 2019 Pan-European RRA Study on Family-Owned Business, Available at: https://www.russellreynolds.com/en/insights/reports-surveys/2019-pan-european-rra-study-on-family-owned-business

[57] Him for Her, How to Find an Independent Director. Available at: https://www.himforher.org/board-search

[58] For further details on these roundtables, see: Balance for Better Business (2023), 6th Annual Report: November 2023. P.41-2. Available at: https://www.betterbalance.ie/sixth-report-december-2023/

4. Policy Approaches for Gender Balance in Private Companies

4.1. International Policy

In contrast to publicly listed companies, the gender balance at the board and leadership level of privately owned companies has received comparatively little policy attention internationally. For listed companies, gender balance is widely monitored at a national and international level, and specific policy interventions, at least at the board level - from voluntary targets, to mandated gender quotas, to comply or explain reporting requirements – are widespread **[for a survey of international policy measures more broadly, see Balance for Better Business Research on Quotas vs Targets]**.

In recent years, however, certain specific jurisdictions have introduced measures to encourage greater gender balance among non-listed companies. As with gender balance policies targeted at other cohorts of companies, these initiatives show different approaches being taken in different countries, reflecting a continued lack of consensus on international best practices for increasing diversity in business leadership. Below, the policies of France and the UK are considered as prominent case studies for interventionist mandatory quota and non-interventionist voluntary monitoring approaches, respectively.

It should be noted, however, that common across the policies in both jurisdictions is a focus on a limited cohort of the largest or most prominent privately owned firms within the jurisdiction, rather than all privately owned companies of a size similar to those monitored by Balance for Better Business in Ireland. Additionally, for both, as these initiatives are reasonably new, it is too soon to be able to assess or compare their impact and effectiveness over time.

4.1.1. Mandatory Quotas: France – Rixain's Law

France passed the Copé-Zimmermann law in 2011, which imposed a mandatory quota of 40% gender diversity on boards of directors by 2017. This was for any private company generating more than 50 million euros in revenues and employing more than 500 permanent workers for three consecutive years. However, the French parliament recognised that this law had made limited progress and expanded the requirements for inclusion.

The Rixain Law was passed in 2021, imposed on private companies employing more than 1000 permanent workers for three consecutive years. As far as we know results of the Rixain law are not centrally reported[59].

4.1.2. Voluntary Monitoring: United Kingdom – FTSE Women Leaders

By contrast, the UK, through the FTSE Women Leaders Report, has instead emphasised monitoring and voluntary target setting, and conducting an annual non-mandatory survey of non-listed companies.

[59] ISS Insights. (2022). *France Pushes Forward on Gender Diversity Within French Corporate Management Bodies Via the Rixain Act*. Available at: https://insights.issgovernance.com/posts/france-pushes-forward-on-gender-diversity-within-french-corporate-management-bodies-via-the-rixain-act/

Since 2022, the UK's Top 50 companies have been voluntarily reporting through the FTSE Women Leaders portal. They have lower levels of representation at a board level and polarisation among the Top 50 private companies, with around a third performing strongly at 40% women on their boards, and more than half trailing well below 33%, and down to zero. They mention that this may be partially explained by differing and more static board structures in private companies[60].

4.2. Reporting as a Nudge for Behavioural Change

Besides the policies directly implemented internationally in respect of gender representation at senior levels of privately owned businesses, evidence and experience from the related areas of gender pay gap reporting and environmental social and governance (ESG) reporting provides insights into the possible use of reporting as a policy option for effecting behavioural change, of relevance to gender representation. This is particularly relevant in the context of the EU Corporate Sustainability Reporting Directive, passed in 2022 and transposed into Irish law earlier this year, which requires companies to report on several sustainability metrics, including in relation to gender equality and representation.

4.2.1. Gender Pay Gap Reporting

Gender Pay Gap reporting has been introduced on a mandatory basis in many jurisdictions, including in Ireland under the Gender Pay Information Act 2021.[61] One of the key rationales for such legislation has been that reporting can act as a 'nudge' for companies to improve their performance in key metrics, in this case by reducing the discrepancy in pay between male and female employees.

In multiple studies, looking at different jurisdictions, mandatory transparency on gender pay has been found to lead to a reduction in the gender pay gap following its introduction. A 2019 study, which provided a systematic review of the effects of 2007 legislation mandating gender pay transparency in Denmark, found that the legislation led to a reduction of the gender pay gap within firms, by an average of 13%.[62] A 2022 study of the effect of 2018 public pay transparency legislation for large firms in the UK, meanwhile, found that this legislation led to a 19% reduction in the gender pay gap.[63] In both cases, it was found that firms subject to gender pay reporting requirements made efforts to hire and promote more women, and to hire them into better-paying jobs.[64] However, in both cases, the key mechanism driving the reduction in the pay gaps within firms was found to be the suppression of wage growth for men and better-paid employees, rather than materially improved outcomes for women.[65]

Additionally, the study on the impacts of the UK legislation found that firms responded to the reporting requirements heterogeneously. In particular, it was found that firms with larger pre-

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[60] FTSE Women Leaders (2024). Available at: https://ftsewomenleaders.com/
[61] Gender Pay Gap Information Act 2021, Available at: https://www.irishstatutebook.ie/eli/2021/act/20/enacted/en/print.html
[62] Bennedsen et al. (2019) *Do Firms Respond to Gender Pay Gap Transparency?*, National Bureau of Economic Research. Available at: https://www.nber.org/papers/w25435
[63] Blundell, J. et al., (2022) *Pay Transparency and Gender Equality* (December 12, 2022). Available at: https://ssrn.com/abstract=3584259 or http://dx.doi.org/10.2139/ssrn.3584259
[64] Bennedsen et al. (2019) *Do Firms Respond to Gender Pay Gap Transparency?*, National Bureau of Economic Research, p. 27. Available at: https://www.nber.org/papers/w25435; Blundell, J. et al., (2022) *Pay Transparency and Gender Equality* (December 12, 2022). P.18. Available at: https://ssrn.com/abstract=3584259 or http://dx.doi.org/10.2139/ssrn.3584259
[65] Ibid.

existing pay inequality also saw the largest reductions in their gender pay gaps, and that firms subject to greater public scrutiny, as measured through their overall public profile and advertising footprint, were also more responsive to the legislation.[66]

With the indication, that firms with larger gender pay gaps react more vigorously to the introduction of reporting, suggests that (public) comparison to other firms may be significant in motivating companies to change their behaviour. This would align with insights from behavioural economics, which found that the worst-performing individuals change their behaviour most when informed of their relative performance.[67] Additionally, it would suggest that this comparison effect is powerful enough to overwhelm the effect from any underlying features of the firms with higher pre-existing gender pay gaps, such as executives' attitudes to women or reimbursement structure. As Bennedsen et. al write, finding the same effect among Danish firms subject to pay transparency laws, "the relation between the pre-treatment gap and the strength of the response is a priori ambiguous. For example, firms with managers with pro-women preferences might both have a smaller gender pay gap and react more strongly to the disclosure regulation."[68]

Research has highlighted that firms with a higher public profile and a greater concern for their public image also showed greater reductions in the gender pay gap, suggesting that public scrutiny and reputational pressure may be a key mechanism by which reporting can motivate changes in firm behaviour. The authors suggest that "the public availability of firms' gender equality indicators" is a key element in the efficacy of reporting policies on pay.[69] This is further supported by evidence from a 2021 study of the effects of 2011 gender reporting legislation in Austria, which requires companies to produce internal gender-segregated pay reports, but does not require them to be made publicly available, though they are accessible to current employees.[70] The study found that the gender wage gap was unchanged as a result of this legislation, and that there was no evidence of wage compression within firms, as seen elsewhere, with the lack of public availability of the information suggested as the primary reason for the lack of policy effect.[71]

If similar causal mechanisms can be assumed to apply for gender balanced representation in leadership as for unequal pay, then, the available evidence would suggest that mandatory company reporting could be an effective means of inducing changes in company behaviour, but that the public availability of this information, comparability across firms, and public scrutiny are key elements in making such policies effective. The caveat should be made, however, that the availability of male wage suppression as a low-cost means of compressing the nominal gender pay gap may be significant in contributing to these measures' success, in the specific case of gender pay.

[66] Blundell, J. et al., (2022) *Pay Transparency and Gender Equality* (December 12, 2022). Available at: https://ssrn.com/abstract=3584259 or http://dx.doi.org/10.2139/ssrn.3584259
[67] Allcott, H., Kessler, J.B. (2019), *The Welfare Effects of Nudges: A Case Study of Energy Use Social Comparisons*, American Economic Journal: Applied Economics 11(1). Available at: https://doi.org/10.1257/app.20170328.
[68] Bennedsen et al. (2019) Do Firms Respond to Gender Pay Gap Transparency?, National Bureau of Economic Research, p. 26. Available at: https://www.nber.org/papers/w25435
[69] Blundell, J. et al., (2022) Pay Transparency and Gender Equality (December 12, 2022). P.26. Available at: https://ssrn.com/abstract=3584259 or http://dx.doi.org/10.2139/ssrn.3584259
[70] Gulyas, A., et al. (2021), *Does Pay Transparency Affect the Gender Wage Gap? Evidence From Austria*. ZEW - Centre for European Economic Research Discussion Paper No. 21-076. Available at SSRN: https://ssrn.com/abstract=3949832 or http://dx.doi.org/10.2139/ssrn.3949832
[71] Ibid.

4.2.2. ESG Reporting

As with gender pay reporting, company reporting on environmental, social and governance (ESG) metrics has been viewed as a way of influencing companies to improve their performance across these dimensions. Belief in the potential efficacy of such reporting is widespread, with a 2022 survey of Irish business, conducted by law firm McCann Fitzgerald, finding that 72% of organisations believe that public ESG reporting requirements will influence corporate behaviour.[72]

In contrast to gender pay gap reporting, however, ESG reporting to date has not typically been driven by legislation or other mandatory requirements, but by voluntary reporting by companies. Over the last decade, such voluntary disclosures have become widespread, with 86% of S&P 500 firms found to publish ESG reports in 2021, up from 35% in 2010, for example.[73] The adequacy of such voluntary reporting as a driver of meaningful change, however, has been subject to increasing criticism.

The reasons for such criticism are varied, including lack of adequate verification, metrics being self-selected by companies to appear favourable, or being process- rather than out-come based, and metrics being measured but not acted upon, among others.[74] One of the most persistent points of criticism, however, is inconsistency and the lack of harmonised reporting standards, reflecting the voluntary nature of much current ESG reporting.

Although efforts have been made to standardise ESG reporting frameworks, especially in respect of environmental sustainability, a high degree of fragmentation persists, as no single standardised reporting framework has become dominant and instead 'there are at least seven well-known sustainability reporting frameworks and standards available'.[75] This lack of standardisation impairs consistency and comparability of information, as the same phenomena can be operationalised and measured differently, resulting in different ratings and an inability to compare across companies, or even within companies over time.[76] As Deloitte highlights in their call for globally consistent ESG reporting standards, this lack of comparability inhibits the ability of investors to direct capital on the basis of ESG performance, blunting one of the main mechanisms by which it is proposed that ESG reporting can bring about socially desirable outcomes and incentivise companies to change their actions.[77] It may also impair the ability of companies to understand their relative performance against their peers, which the evidence from gender pay transparency requirements suggests may be important for nudging companies **[see section 4.2.1. above]**.

[72] McCann Fitzgerald (2023), ESG Snapshot: Ireland 2022. Available at: https://www.mccannfitzgerald.com/news/majority-of-firms-believe-esg-reporting-will-improve-corporate-behaviour
[73] Rouen, E., et al. (2022), *The Evolution of ESG Reports and the Role of Voluntary Standards*. Harvard Business School Working Paper 22-024. Available at: https://www.hbs.edu/faculty/Pages/item.aspx?num=63173
[74] See e.g.: Pucker, K. P. (2021), *Overselling Sustainability Reporting*. Harvard Business Review (May-June 2021). Available at: https://hbr.org/2021/05/overselling-sustainability-reporting; Whelan T. (2022), *ESG Reports Aren't a Replacement for Real Sustainability*. Harvard Business Review. Available at: https://hbr.org/2022/07/esg-reports-arent-a-replacement-for-real-sustainability
[75] Rogmans, T., El-Jisr, K. (2022), *Designing Your Company's Sustainability Report*. Harvard Business Review. Available at: https://hbr.org/2022/01/designing-your-companys-sustainability-report
[76] Pérez, L., et al. (2022), *Does ESG really matter – and why?*. McKinsey Quarterly. Available at: https://www.mckinsey.com/capabilities/sustainability/our-insights/does-esg-really-matter-and-why
[77] Deloitte, Globally Consistent ESG Reporting. Available at: https://www.deloitte.com/global/en/about/people/social-responsibility/globally-consistent-esg-reporting.html

Additionally, voluntary schemes for ESG reporting have been found to exacerbate differentials in reporting quality between firms with different firm characteristics, such as ownership concentration, as compared to mandatory systems.[78]

This experience from ESG reporting, though anecdotal, suggests that the comprehensiveness and effective standardisation, as well as verification, of company reporting, is another key factor in the effectiveness of reporting systems in changing company behaviour.

4.2.3. EU Corporate Sustainability Reporting

In part, in response to criticisms of the existing fragmentation and inconsistency of corporate ESG reporting, in 2022, the EU enacted the Directive on Corporate Sustainability Reporting (CSRD). The Directive, which came into force in January 2023, introduces mandatory ESG reporting for European companies, according to harmonised reporting standards, the first iteration of which was published in July 2023.[79]

These regulations include requirements for companies to produce verified reports on gender equality within companies own workforce, under ESRS S1, and workers in the value chain, under ESRS S2, including but not limited to the gender percentages at board level.[80]

The CSRD was transposed into Irish law in July 2024 through a statutory instrument.[81] The regulations came into effect on 6 July 2024, and impose reporting requirements on companies, including privately owned companies, on a staggered basis, with public interest entities reporting from Financial Year 2024/25, other large companies from Financial Year 2025/26, and listed SMEs from Financial Year 2026/27 at the earliest.[82] This has the potential, with effective implementation and follow up actions, to create high quality standardised reporting on board-level gender balance, amongst other sustainability metrics, which can provide consistency and comparability for Irish listed and large privately owned companies.

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[78] Chung, R., et al. (2023), *Determinants of ESG disclosure among listed firms under voluntary and mandatory ESG disclosure regimes in Hong Kong*, Journal of Applied Accounting Research,. Available at: https://doi.org/10.1108/JAAR-07-2022-0179

[79] European Commission, 'Corporate Sustainability Reporting'. Available at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en; Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. Available at: http://data.europa.eu/eli/reg_del/2023/2772/oj

[80] Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. Available at: http://data.europa.eu/eli/reg_del/2023/2772/oj

[81] S.I. No. 336/2024 - European Union (Corporate Sustainability Reporting) Regulations 2024. Available at: https://www.irishstatutebook.ie/eli/2024/si/336/

[82] For further information, see: Department of Enterprise Trade and Employment, 'Corporate Sustainability Reporting Regulations'. Available at: https://enterprise.gov.ie/en/what-we-do/the-business-environment/corporate-sustainability-reporting/

5. Mapping the engagement of Large Private Irish-Owned Companies with Gender Balance Initiatives

5.1. Methodology

As part of this research paper, analysis was completed on large (>250 employees) Irish-Owned Enterprise Ireland (EI) client companies, to map what private companies in Ireland are currently doing regarding gender balance. This list consisted of 137 Large Irish Owned Private Companies (LIOPCs). Throughout this section of the paper, this list of private companies is referred to as 'the dataset'. The analysis was based on the publicly available reporting that could be found on gender balance from these companies. This reporting is leveraged to understand the extent and type of reporting, the companies' Gender Pay Gap (GPG) report, any other reporting on gender balance, and what companies are doing or committing, to improve gender balance.

5.2. Extent and Type of Reporting

5.2.1. Mandatory Reporting

There are two different ways to collect data on companies, voluntary or mandatory. Since 2022, organisations with over 250 employees, which includes privately owned companies, have been required to report on their Gender Pay Gap, under the Gender Pay Information Act 2021. Within the Gender Pay Gap (GPG) Report, companies must include a small section on gender balance, publishing the gender balance in each pay quartile of their company. However, this is distinct from gender representation at seniority level, such as board and senior leadership level, or occupational category, which the GPG Report does not require companies to report on. Privately owned Irish companies are not otherwise required to report publicly on their gender balance, but some may do so voluntarily.

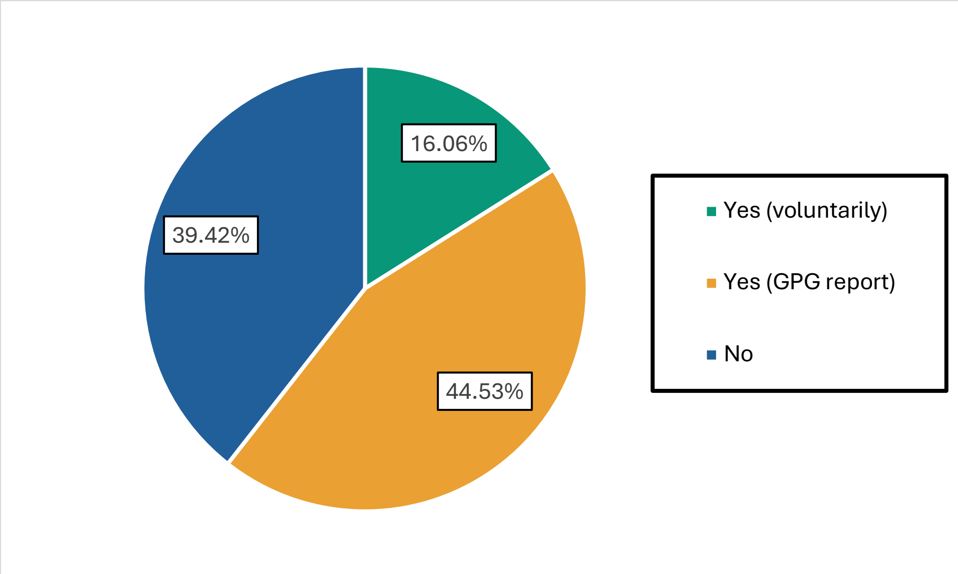
Currently, there is no centralised portal where companies' GPG report is publicly available. This means that to find the reports, each individual company website must be searched. GPG reporting could only be found in a valid form for 61% of companies, although some companies might have reports that were not captured in this review because they were not easily accessible on their website.

Of the 39% of companies that didn't have a GPG report publicly available: 43 companies' GPG report simply could not be found, three companies had a link to a GPG report that did not work, five had inactive or no website link, two had the same GPG report as another company in their organisation (parent company) and one had a GPG report for Scotland and England but not for Ireland.

5.2.2. Those already voluntarily reporting

Of those companies for which valid reporting could be found, 27% (22) provided additional voluntary reporting, where voluntary reporting means the company is either providing figures on gender representation at some senior level or they report on gender balance outside of the GPG report. This means that only 16% of the total companies surveyed are voluntarily publishing information on the representation of women on their boards or senior leadership teams.

Figure 3) Number of Companies reporting on Gender Diversity



22 private companies (16% of the total) are reporting on gender balance, in addition to the mandatory Gender Pay Gap report criteria [for list, see appendix A]. There are several different avenues that companies are using to publicise this information. These include reporting through: Gender Pay Gap (GPG) reports; Environmental, Social and Corporate Governance (ESG) reports; Sustainability reports; Diversity and Inclusion (D&I) reports; and Corporate Social Responsibility (CSR) reports.

Table 1) Types of Voluntary reporting

How they are reporting:	No. of companies reporting:
Companies expanding their reporting within their GPG report	9
ESG or Sustainability report	10
D&I report	5

Several of the companies are reporting on gender balance in more than one report.

It is difficult to compare sectors, in terms of 'better at voluntary reporting', as they account for vastly different proportions of the private sector.

5.2.3. Why are Companies providing voluntary reports?

From the data available, it is unclear what company characteristics predict voluntary reporting. Voluntary reporting was not found to track consistently the factors considered below, of better female representation among the upper pay quartile, or sector.

A possible explanation for why these companies have taken the initiative to provide voluntary reporting, could be that they have global branches and therefore have more of an incentive to be diverse or face pressures from countries other than Ireland to improve their gender balance.

Another explanation could be that the twenty-two companies providing voluntary reporting are the largest companies in the dataset and have more resources available to apply to improving gender balance. Some of these larger companies have diversity teams and sustainability boards, they are already providing accountability and are focused on these issues. Unfortunately, however, data was not systematically available to test this hypothesis.

5.3. Representation in the Upper Pay Quartile

As part of the GPG report companies are required to publish gender representation in each pay quartile of their company. Employees are organised into quartiles based on hourly remuneration of all male and female full-time employees: lower, lower middle, upper middle and upper. The proportion of male and female employees in each quartile is expressed as a percentage of[83]. It shows the distribution of men and women per pay quartile across the organisation.

In the context of this research, the upper pay quartile is important to look at as female representation at the highest level of business is a key driver of change throughout an entire organisation. However, it is also important to note that those in the upper pay quartile are distinct from those in senior leadership or on boards.

In this dataset, of those who have a GPG report, 95% correctly calculated gender balance in the upper pay quartile of their company. Four companies calculated the pay quartiles incorrectly. Female representation in the upper pay quartile of these companies ranged from 3% to 83%. This is a large variation which means companies are differentiating to a significant extent. The wide range in female representation in the upper pay quarter reflects significant disparities across privately owned companies, highlighting varying levels of commitment to gender diversity. The range underscores the variability in how different companies and sectors address gender diversity. Progress has been made in some companies, while others still have significant gaps in gender representation at the upper levels. The mean upper quartile female representation was 25.77%.

Interestingly, those who also provide additional voluntary reporting are not doing much better in terms of female representation in the upper pay quartile than those who are not reporting. Compared to the total average upper pay quartile, the female representation of 25.77%, the average in those companies who are providing voluntary reports is 26.48%, marking a slight uplift, but still below the key thresholds on average. Three of the companies (14%) voluntarily reporting are above the 40% female representation threshold in the upper pay quartile of their company, meaning they make up 23% of the companies exceeding the threshold, compared to 27% of reporting companies overall.

5.4. Sectoral Analysis

To gain a better understanding of the types of companies in the dataset, they were separated by sector. The sectors are NACE sectors which is the Statistical Classification of Economic Activities in the European Community, and is the standard system used in the European Union for classifying business activity[84]. Twenty-three NACE sectors are represented in the dataset. The largest sectors in the dataset of private companies are; Food sector which accounts for 39 companies, the Construction sector which accounts for 20 companies, the Business Services sector which accounts for 14 companies and the Computer Consultancy sector which accounts for 10 companies. In this dataset, the food sector is the largest (28%).

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[83] Gov.ie, (n.d.). Guidance on how to calculate the gender pay gap metrics. Available at: https://www.google.ie/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjQ0-TVgeiHAxVIQkEAHQBOOEAQFnoECBoQAQ&url=https%3A%2F%2Fassets.gov.ie%2F223363%2F30c4328a-90e9-4352-b845-c1fdad5a636b.pdf&usg=AOvVaw2V4pqDXpvXLeYIckL8gwGZ&opi=89978449

[84] Eurostat (2023). Glossary: Statistical classification of economic activities in the European Community (NACE). Available at: Glossary:Statistical classification of economic activities in the European Community (NACE) - Statistics Explained (europa.eu)

To allow for easier comparison and to see trends within the dataset, the NACE sectors were divided into six small groups. These groupings are the same as those used in the Annual Business Survey of Economic Impact (ABSEI)[85]. The sector groups are as follows:

- Business, Financial & Other Services
- Energy, Water, Waste & Construction
- Food/Drink & Primary Production
- Information, Communication & Computer
- Modern Manufacturing
- Traditional Manufacturing

Using the six smaller ABSEI sector groups, upper pay quartile averages were found[86].

Table 2: Sector Breakdown of upper pay quartile female representation

ABSEI sector groups	No. of companies in each sector	Average Upper Pay Quartile Female representation
Business, Financial & Other Services	26	38.27%
Energy, Water, Waste & Construction	21	8.15%
Food/Drink & Primary Production	44	27.37%
Information, Communication & Computer	16	25.60%
Modern Manufacturing	8	26.67%
Traditional Manufacturing	22	19.79%
Grand Total	137	25.77%

The Energy, Water, Waste & Construction sector is particularly bad when it comes to average upper pay quartile female representation at just 8.15%. The Business, Financial & Other Services sector is doing quite well in terms of upper pay quartile female representation at 38.27%.

[85] Enterprise.gov.ie. (2022). Annual Business Survey of Economic Impact 2022. [online] Available at: https://enterprise.gov.ie/en/publications/absei-2022.html

[86] Companies were assessed individually and female representation in the upper pay quartile was found. Companies were grouped into the ABSEI sector groups and then the mean upper pay quartile female representation was calculated for each of the six sectors. This was done by adding all the percentages together and dividing by the number of companies in each sector.

5.5. Other Reported Representation Statistics

Unfortunately, as the GPG report does not mandate the inclusion of specific figures on gender balance by seniority level, and not many companies provided additional voluntarily reporting, there is limited information on gender balance at senior leadership and board level available from the public reporting by companies.

Among those providing voluntary public reporting, only three companies reported on all three Executive Committees, Leadership and Board representation (two of which include global stats).

Five companies (23% of those voluntarily reporting) report on their Executive Committee gender representation, of which four companies disclosed their representation in percentage terms, while one expressed the absolute terms number of female executives, but not the total amount. Of the four companies reporting on executive committee representation, (in percentage form) the average female representation is 31.1%. This is an extremely small sample size, however, and ranged significantly from one company that had zero females on an executive committee of eight, to another company with 50-50 representation on the executive committee.

Six companies have information on gender balance at the board level, for which the average female representation is 32.75%. This is, notably, higher than the average for LIOPCs in Ireland generally at 22%[87].

Ten companies additionally provided information on gender balance at a wider leadership level in their company. Of the companies that make their senior leadership stats available, the average female representation is 36%.

From this research, it is evident that there is a grey area when it comes to defining such leadership teams in private companies. For the companies reporting voluntarily, the definition varies and the ‘group’ they decide to measure differs. This may be due to companies only wanting to highlight where they are making progress towards gender balance, instead of leadership levels, where female representation is low. Within the reporting, companies alternated between ‘middle and senior leadership’ and ‘leadership team’, and in some incidents used the same percentage for both groups on separate occasions. Alternating between definitions within the same report raises the question - what exactly is meant when referring to leadership? Other terminology used within reports included ‘more senior job grades’ and ‘senior roles’.

Trying to compare like with like is extremely challenging when comparing voluntary reporting LIOPCs as each defines leadership teams differently. This could partially be explained by the nature of private companies in general, and how they distinguish their senior leadership roles, but also a lack of standardisation in terminology for reporting.

One company additionally reports on female representation in tiers, including executives, VP level and above, and manager level and above. Female executives, however, were reported in absolute terms, whereas the other leadership groups were presented as a percentage. This shows the potential for inconsistency and incomparability of data even within organisations.

[87] B4BB (2023). Sixth Report – December 2023. Balance for Better Business. Available at: https://www.betterbalance.ie/sixth-report-december-2023/

5.6. Qualitative Reporting

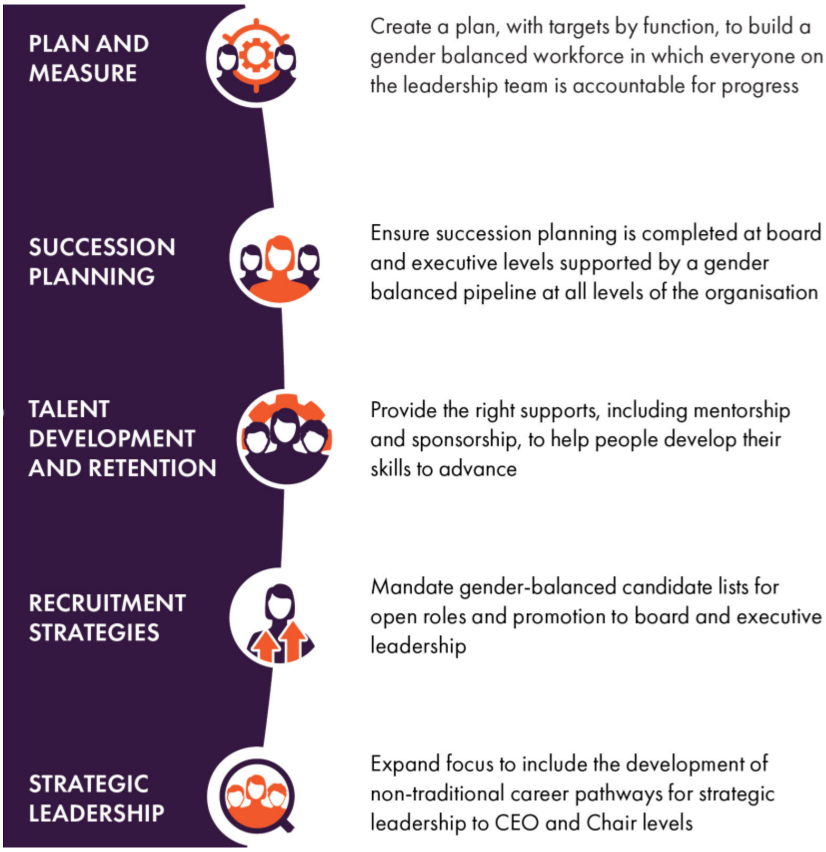
Companies provide qualitative reporting on explanations for their GPG. Each organisation is obliged to publish a broader explanation, giving the underlying reasons for any gap and the measures they intend to take to address it. These reports were assessed to indicate how companies are engaging with issues of gender balance in substantive terms. Most companies do outline actions to address the imbalance.

Many companies also have a page on their website dedicated to their values, policies etc. which often mention what they are doing, or plan to do, to increase gender balance. Company plans and progress can also be found in company reports.

5.6.1. B4BB roadmap actions

Balance for Better Business (B4BB) launched a five-year strategy focusing on driving progress in gender balance across five key pillars: targets, impact, advocacy, policy and strong trusted voice.[88] Alongside this strategy, a roadmap was published for companies, outlining 5 key recommended actions that can boost female representation at a senior level.[89]

Key recommendations are:



[88] B4BB (2024). Balance for Better Business Launches New Strategy and Targets to Advance Balanced Business Leadership in Ireland. Balance for Better Business. Available at: https://www.betterbalance.ie/balance-for-better-business-launches-new-strategy-and-targets-to-advance-balanced-business-leadership-in-ireland/#:~:text=The%20launch%20of%20the%20B4BB

[89] B4BB (2024). Recommendations. Balance for Better Business. Available at: https://www.betterbalance.ie/recommendations/

Analysis of companies' engagement with these recommendations could only be done on those who report, which is 83 companies (61%). Looking at these companies, 72 companies (87%) state that they have plans to increase gender balance and measure progress. Companies stated a variety of ways that they would try to do this.

Of these companies reporting, 63 companies (76%) stated that they will be or are already succession planning. This is important as creating a talent pipeline is essential to improving gender balance. 64 companies (77%) intend to ensure talent retention. 60 companies (72%) have or plan to have recruitment strategies in place to increase gender balance. Only 21 companies (25%), however, mention strategic leadership.

This suggests that private companies are aware of ways to reduce gender imbalance at senior leadership and board level, however, an implementation issue presents itself as the privately owned company cohort in Ireland is not reaching the desired gender balance targets. Ensuring that this awareness and commitment to action leads to effective implementation therefore presents an opportunity to accelerate progress.

There is also positive engagement noted through companies' own internal initiations to drive progress. There were 47 notable internal initiatives mentioned by private companies which ranged from mentoring programmes to very detailed strategic plans, which is positive.

5.6.2. External initiatives

Companies are referencing several external initiatives they are involved in to improve gender balance. Examining these initiatives is a good way to understand what companies are currently doing or intend to do yet have not implemented, and how they are interacting with the wider ecosystem of supports in respect of gender balance. Many different external initiatives were mentioned in GPG reports or in other reports. The most common external initiatives were the Irish Centre for Diversity[90] and the 30% Club[91]. Eleven companies are involved in the Irish Centre for Diversity, most of whom have won either a bronze or silver Investors in Diversity Award, while six companies publicly state that they are members of the 30% Club.

There are a lot of sector-specific initiatives that private companies are getting involved with. Three companies are involved with the Agri-Food Diversity & Inclusion Forum (AgDIf) initiative. It is a collaborative initiative with industry, led by Bord Bia and Aon in partnership with the 30% Club to drive gender diversity[92]. Other initiatives include Women in Construction[93], Women in Games[94], Women in STEM[95], Women's Engineering Society (WES)[96], Meat Business Women[97],

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[90] Irish Centre for Diversity. (n.d.). Irish Centre for Diversity - Investing in Diversity has been proven results. [online] Available at: https://irishcentrefordiversity.ie/
[91] 30% Club. (n.d.). 30% Club Ireland Chapter. [online] Available at: https://30percentclub.org/chapters/ireland/
[92] Bordbia.ie. (2023). Agri-Food Diversity & Inclusion Forum (AgDiF) - Bord Bia | Irish Food Board. [online] Available at: https://www.bordbia.ie/about/about-bord-bia/ag-dif/
[93] Wici.ie. (2024). WICI Providing tailored support for Women in Construction Ireland. [online] Available at: https://wici.ie/
[94] Women in Games. (n.d.). Women in Games. [online] Available at: https://www.womeningames.org/
[95] Women in Stem. (n.d.). Women in STEM Summit. [online] Available at: https://womeninstem.ie/
[96] Wes.org.uk. (2019). Welcome to WES | Women's Engineering Society. [online] Available at: https://www.wes.org.uk/
[97] Meatbusinesswomen.org. (2024). Homepage. [online] Available at: https://www.meatbusinesswomen.org/

Women in Aviation[98] and Women in Technology and Science (WITS)[99]. **[for a list of external initiatives, See appendix B]**

Companies seem to be thinking of the challenge of gender diversity in sectoral terms. Within their GPG reports, companies are citing sector-wide limitations as a reason why they have a gender imbalance.

[98] Wai.org. (2022). Ireland Chapter - Women in Aviation International. [online] Available at: https://www.wai.org/chapters/ireland-chapter

[99] Women in Technology and Science Ireland. (n.d.). Women in Technology and Science Ireland. [online] Available at: https://witsireland.com/

6. Conclusions and Recommendations

This paper has undertaken to provide an evidence base for understanding the current state and drivers of gender balance in privately owned (i.e. non-listed) companies, and to offer initial recommendations for strategies to improve their gender balance.

In comparison to listed companies, little information is available on the gender composition of privately owned companies at senior levels, reflecting the fact that this cohort has been comparatively underserved in the gender balance agenda to date. **[section 4.1.]** This is a significant gap, as privately owned companies account for the majority of economic activity and employment in many countries, including Ireland, while the development of female leaders in privately owned companies can provide a potential pipeline for leadership and board members for listed companies in the future. One of the most significant ways in which this lack of attention manifests, is a comparative lack of robust datasets for non-listed companies, inhibiting academic research and policy action, and potentially biasing the research and policy on gender balance towards solutions specific to listed company contexts. **[section 3]** As such, greater efforts to gather data on gender balance in privately owned companies, in Ireland and internationally, should be welcomed.

From the data that is available on large Irish-owned private companies, we know that female representation at the board level is significantly below that of publicly listed companies. This is substantially accounted for by privately owned companies not seeing the same progress as publicly listed companies have over the past 5 years, having started from comparable levels of board representation. It is noted that whilst causality cannot be fully established between Balance for Better Business monitoring and the increased levels of representation seen amongst public sector firms, the presence of frequent publicly available information may form the basis for inducing firms to take action on increasing gender balance, particularly in the case of private sector firms, where reporting remains limited in comparison to public sector counterparts. **[section 2.1.]**

In contrast to the picture at the board level, however, with respect to senior leadership teams, large Irish-owned private companies show slightly higher levels of female representation than publicly listed companies on average and perform significantly better in female representation in key executive decision-making roles such as CEO and CFO (although, in an Irish context, it should be noted that the sample size for such roles in listed companies is very small). **[section 2.2.]** These averages, though, also mask significant heterogeneity among firms, as 41% of large Irish-owned companies have no women on their boards, 1 in 5 have no women on their leadership teams, and substantial differences are observed between different sectors. **[section 2.3.]**. Additionally, while privately owned companies perform better in comparison to publicly listed companies in respect of senior leadership teams, it should be noted that women are nonetheless still substantially underrepresented in these roles, at 29%.

From the data that is available, it appears that this pattern is consistent for privately owned companies on an international basis, with female board participation lower in comparison to listed firms, but leadership teams comparing more favourably. **[section 3.1.]** This suggests that the current situation in Ireland is not country-specific, but reflects broader, cross-cutting differences in respect of gender balance between privately owned and publicly listed company cohorts. In attempting to understand and explain these underlying differences, and the specific dynamics affecting gender representation in privately owned companies, many potential explanatory factors are proposed, though it should be noted that these are based on suggestive evidence, and none can be taken as absolutely definitive.

One potential factor is the prioritisation of and pressure towards increasing gender balance imposed on companies by owners, investors, and other providers of financing. Companies are known to be responsive to the influence of such stakeholders in their approaches to board composition and gender balance, while different gender dynamics appear to play out in privately owned companies with different ownership and investment profiles, with family firms, PE-owned firms, and VC-backed companies considered in particular. **[section 3.2.2.]**

The implications of this for efforts to improve gender diversity in privately owned companies are multiple. Firstly, efforts to engage private companies in increasing diversity should differentiate companies based on their ownership profiles, recognising the different priorities and concerns of different types of owners. This includes understanding that the legitimate priorities of owners - such as the retention of family control in family businesses - may impose certain constraints on senior-level diversity in specific company contexts. Secondly, engaging institutional investors and providers of financing to leverage their influence over companies, may provide a valuable pathway for increasing gender balance in privately owned companies. In this regard, the policies pursued by Enterprise Ireland may provide a potential model [see XXX]. Additionally, efforts to increase female representation among investors and senior levels of the financial sector - such as Ireland's Women in Finance Charter - may have a potential multiplier effect in promoting diversity in the companies in which they invest, though it is beyond the scope of this paper to assess the effect of the demographic profile of investors in the diversity of companies in which they invest. **[section 3.2.2.]**

Another potential factor in the gender profile of privately owned boards is the formalisation of such boards. In particular, a lack of independent non-executive director seats on privately owned boards, in comparison to publicly listed companies, may limit the representation of women on these boards, given that women are more likely to be appointed as independent directors than as executive or other non-independent seats. **[section 3.2.3]**

A key recommendation for privately owned companies, therefore, is to consider the addition of an independent director to their boards, as well as to ensure that, when independent directors are recruited, efforts are made to search beyond pre-existing networks and to consider a broad range of relevant experience. The external experience, professionalisation of boards, and diversification of viewpoints are valued. This recommendation is of relevance beyond gender balance, moreover, as evidence suggests the presence of independent directors, particularly when women, can improve governance and business fundamentals for privately owned companies, including family-owned businesses. **[section 3.2.3]**.

Besides these structural features of privately owned companies themselves, it is also considered that the lower levels of female representation observed on the boards of these companies may reflect the lack of policy attention and transparency requirements this cohort has received in comparison to publicly listed companies. **[section 3.2.1.]** In an Irish context, the pattern of representation is particularly suggestive, with the differential in representation at the board level between listed and privately owned companies emerging following the launch of Balance for Better Business, which has been able to monitor listed companies with greater regularity and in substantially greater detail, due to information availability. **[section 2.1.]**

Assessing the efficacy of policy interventions for privately owned companies is challenging, as few direct interventions have been introduced internationally, and those that exist are typically at early stages and restricted in scope to the largest companies in their respective jurisdictions **[section 4.1]**. Case studies from France and the UK, as European countries that have introduced these policies, show that potential policy approaches vary from mandatory quotas to voluntary targets and monitoring systems, as they do for policies targeted at listed companies, with a similar lack of international consensus on best practice and policy choice likely determined by country-specific considerations and priorities. **[for an analysis of the relative efficacy of such policies in general, see Balance for Better Business Research on Quotas vs Targets]**

Reporting by companies may be effective, as an alternative policy model, in nudging companies to improve their gender balance at senior levels, by analogy to reporting in other related areas. Mandatory gender pay reporting at the company level, for example, which has now been introduced in many jurisdictions, including Ireland, has been found to be effective in leading to a reduction in the gender pay gap. International experience indicates, however, that the public availability and scrutiny of this data, as well as its comparability and the availability of comparisons across firms, are significant in driving this effect. **[section 4.2.1.]** Recent, growing criticism of the adequacy of voluntary ESG reporting, meanwhile, has underscored the importance of comparability, as well as the value of comprehensive harmonised reporting standards. **[section 4.2.2.]**.

In this regard, the EU Directive on Corporate Sustainability Reporting (CSRD), which sets out mandatory harmonised reporting requirements for all large and all listed European firms across a range of ESG metrics, including female board representation, provides a significant opportunity. **[section 4.2.3.]** It is recommended, that for this reporting to be most effective in nudging firms towards behavioural change, consideration should be given to ensuring that firms report on their gender metrics consistently and effectively and that the data provided is easily publicly accessible to enable meaningful comparisons between firms and effective public scrutiny.

An analysis of current voluntary reporting on gender balance at senior levels, by large Irish-owned Enterprise Ireland clients, underscores the potential value add of CSRD reporting, with most companies found to take a minimalist compliance approach, reporting only on gender balance within their top pay quartile, as required under the Gender Pay Information Act 2021. **[section 5.2.]** For firms who provided additional non-mandatory reporting on gender balance, meanwhile, metrics were found to be inconsistent across firms and to lack full transparency in their presentation and definition. **[section 5.5.]** This reinforces the recommendation that companies are engaged to encourage effective and consistent reporting on their gender balance and diversity, for which the introduction of CSRD reporting presents a potential opportunity.

The qualitative aspects of the reports published by companies additionally provide insights into the engagement of these companies with gender balance within their organisations.

Company reports showed a high degree of awareness of gender balance in senior roles as a key determinant of their gender pay gap, as well as awareness of the key actions by which this can be improved, as identified in the Balance for Better Business Roadmap, with the exception of 'strategic leadership'. **[section 5.6.1.]** Moreover, company reports showed that a substantial minority of companies are engaged with supporting organisations in the Irish gender balance ecosystem, such as the 30% Club and the Irish Centre for Diversity. **[section 5.6.2]** A recommendation is, therefore, to ensure that companies who are currently aware of these issues and the necessary actions to address them, are supported in effectively implementing these actions, accessing existing supports, and creating effective internal accountability structures for delivery.

Company reports also suggest that companies consider their gender balance performance in relation to their specific sector. This is evidenced both by the fact that companies cite sectoral dynamics as reasons for their current gender pay gaps, and by the fact that many companies are involved in external initiatives with sector-specific focuses. Such a sectoral focus is perhaps understandable given the heterogeneity in gender balance observed among privately-owned companies by sector **[section 5.6.2]**. A recommendation arising from this is that privately-owned companies may be most engaged on gender balance when this is approached from a sectoral basis, while firms knowing their performance relative to others within their sector, rather than just others overall, may be a powerful means of nudging changes in behaviour.