

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

2020 UN Women Asia-Pacific WEPs Awards Regional Awardee Profile



IKEA India

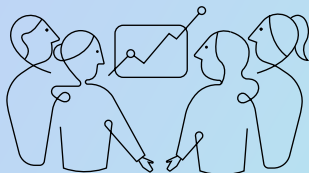


Peter Betzel
Chief Executive Officer and Chief Sustainability Officer

IKEA India

Country: India
(branches in 21 countries)
Employees: 1,001-5,000
Industry: Retail

Website
www.ikea.com/in/en



Addressing an Internal Wage Gap

In 2018, the existing wage gap in India was estimated to be at around 30% by the International Labour Organization. India was also estimated by the World Economic Forum that economic opportunities for women were extremely limited to 35%. IKEA India has long committed to work towards and build a gender balanced organization by striving for 50/50 in all levels and functions.

With a clear action plan for securing this in the coming years under Equality Direction from the Ingka Group, IKEA India builds on this commitment through equal recruitment, flexible working hours, safe workplace, growth opportunities. In line with this, IKEA India began their Gender Equality agenda in 2014 by developing a multi-dimensional approach to create an equal platform for employees from recruitment, to benefits, to internal development. This culminated with a commitment towards achieving equal pay, which IKEA India began its journey towards in 2018. As of today, women represented 44% of IKEA India's workforce, with 45% in managerial roles, and 60% of the IKEA India's most senior leaders is women.

Acquiring Support for Leadership

To achieve their goal of equal pay, IKEA India understood that they needed all employees to champion their Gender Equality agenda—this meant all individual contributors, managers, up to IKEA India's leadership. They began by outlining this

“ We thought it is essential that India's diversity is represented in our workforce. In India we decided consciously to have 50% women in the workforce. Generally, in India, the female workforce is very low. So, that was why we consciously decided to make a difference. ”

- Peter Betzel



commitment towards equal pay to IKEA India's country management and board, then cascaded this commitment to leaders and employees to pledge their support.

IKEA India also ensured that their Gender Equality agenda was always anchored in their annual business plans. This move was further supported by the formation of a working group to develop, communicate, implement, and cascade the agreed upon action plans. Overseeing the working group is a steering group with IKEA India's CEO, CFO, and Country People & Culture Manager, who guided, supported and most importantly, challenged the working group.



“

When setting goals for gender equality, we make sure to include both genders. As an example, if a function is more male dominated, we set goals for equality to recruit and develop more women for the role, and vice versa.

*- Parineeta Lakra,
Country People and
Culture Manager*

”

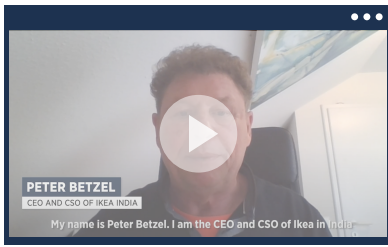
One of the first tasks of the working group was to investigate the root cause of the pay gap in IKEA India, then from there, identify potential solutions. Through this, IKEA India developed the Gender Equal Pay (GEP) assessment tool, and presented their findings to the company's board members. After securing the support of the company's leadership, the working group then identified key aspects of co-worker life cycle, and brought in key stakeholders and partners to support their vision towards closing the pay gap. This investigation and solution led to the creation of the Equal Pay Charter in IKEA India. The Equal Pay Charter has four key pillars: 1) Right Hire, 2) Right Development, 3) Right Rewards, and 4) Right Communication

IKEA India's Equal Pay Charter

For the first pillar of the Equal Pay Charter, Right Hire, IKEA India's working group had to align with recruiting managers for the crucial role of ensuring the 50/50 gender ratio in the hiring process. The group also wanted to ensure that equal pay was achieved as soon as an offer was made to an applicant. By working with the recruitment managers, IKEA India's working group empowered recruiting managers to make better hiring decisions and offer better rewards to applicants by co-creating Compensation Guidelines. This collaboration also identified precise proficiency requirements and compensation for each role. During the hiring process, IKEA India also communicates their equal pay agenda to potential candidates, and ensures that there is diversity in interview panels. Using the GEP assessment tool, the working group could constantly monitor the hiring process. By focusing on Right Hire from the start, IKEA India leverages on skill-based hiring and thus diversifies their talent pool.

For the second pillar of the Equal Pay Charter, Right Development, IKEA India faced the challenge of ensuring that employees were matched in terms of both competence and compensation. Upon review, some women candidates who were applying for certain band roles were receiving significantly lower pay, requiring compensation correction. To address this, IKEA India defined minimum salary levels for competence and made offers accordingly.





**Watch the testimonial video
to learn more**

Right Development is also seen on the training level, where IKEA India works to ensure that attendance for training sessions is still equally split. With the working group monitoring and tracking Right Development, IKEA India is geared towards consistency in performance and rewards irrespective of gender.

For the third pillar of the Equal Pay Charter, Right Rewards, IKEA India provided wellness initiatives that addressed the unique health, emotional, and financial wellness issues of women employees. Part of the Equal Pay Charter also included the evaluation of increasing the age limit for children in the IKEA India office's day care centers.

For the last pillar of the Equal Pay Charter, Right Communication, IKEA India focused on building awareness about the Equal Pay Charter and their goal of achieving equal pay internally and externally. This awareness campaign had the objective of generating interest and leading to trial of their methods and ideas towards equal pay. With their tagline "Equality Works Better," IKEA India also aims to attract more diverse applicants, and secure commitment from current employees.

With these pillars in place, IKEA India has reduced the pay gap from -2.74% in 2018, to -9.6% in 2020. IKEA India continues to work towards fully closing the gap by the end of 2021. To sustain their momentum, the company has an Annual Equal pay assessment, which is cascaded to all new markets they open in the country. Moreover, IKEA India is committed to continuing their efforts until the Equal Pay Charter becomes self-sustaining and does not require monitoring.

Women's Empowerment Principles



High-Level Corporate
Leadership



Treat all Women and Men Fairly
at Work without Discrimination



Employee Health,
Well-Being and Safety



Education and Training
for Career Advancement



Enterprise Development,
Supply Chain and Marketing Practices



Community Initiatives
and Advocacy



Measurement
and Reporting

 asiapacificwepsawards.org

   [@unwomenasia](https://www.instagram.com/@unwomenasia)  [linkedin.com/showcase/wepprinciples/](https://www.linkedin.com/showcase/wepprinciples/)

#WeEmpowerAsia #WEPsAwards

Funded by:



Produced by:



In support of:

**WOMEN'S
EMPOWERMENT
PRINCIPLES**
Established by UN Women and the
UN Global Compact Office