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W7 Position Paper

A.I. and women's work: towards a new era of inclusion and equity

Executive summary

In a labor market characterized by unprecedented challenges - such as the aging population and generational coexistence in the workplace[1] - women must face a specific working environment shaped by the emergence of Artificial Intelligence (A.I.) and the digital transition. Issues such as the pay gap, reduced access to professional opportunities and the persistence of discrimination can be exacerbated by the rise of new technologies.[2] Today, despite women making 42% of the global workforce, less than 25% of them occupy executive positions. The adoption of A.I. could intensify these problems, but if managed correctly, it also offers a concrete and decisive resource to help combat gender inequality.[3]

The technology field represents one of the critical sectors where women had limited representation.[4] Consequently, the transition to generative A.I. and the expanding use of non-generative A.I. without dedicated control mechanisms might reinforce gender stereotypes and implicit biases, damaging women's participation in the workplace and limiting the diversity of ideas and innovation. Conversely, A.I. has undeniable potential to promote gender equality through targeted actions in HR processes, such as: making job advertisements more inclusive, proactively reducing discrimination in

candidate selection, personalizing professional training (upskilling), promoting fair pay, employing data-centric analyses that can help improve corporate culture by identifying existing discriminations.[5]

In this evolving scenario, adopting a human-centred approach is essential, as proposed by the European Union A.I. Act, to prevent A.I. from amplifying gender inequalities instead of reducing them. To pursue this strategy, active policies aimed at promoting digital and STEM skills among women are required, and their direct involvement in the development of educational and employment policies is essential.

But not less important, the complexities of A.I. should be addressed holistically, ensuring transparency and controls in algorithms thus avoiding gender discrimination and violations of fundamental rights.

In this context, A.I. can certainly become an effective tool against gender prejudice and to advance the full expression of women potential, while also stimulating economic and social growth. An evolutionary perspective that can be promoted across the world a vision of the future of women work projected towards an era of inclusion and equality.

> " Diverse perspectives of women and other underrepresented groups are important in harnessing ongoing labor market transitions accelerated by generative artificial intelligence (A.I.) and the growing adoption of non-generative A.I. Helping to ensure the participation of women and other underrepresented groups in technology development and adoption of A.I. provides a unique opportunity to help promote inclusion within the workplace.

Ivana Azzollini | Partner Deloitte Legal Italy

> " The transition to a more inclusive and equitable future of work requires actively involving women in decision-making and technological processes. As A.I. redefines the workplace, it is imperative to ensure this transformation reduces existing inequalities instead of deepening them. If guided by an human centric approach and supported by robust active policies, A.I. can become a powerful tool to eliminate gender bias, harness women potential, and foster sustainable economic and social growth.

Annamaria Tartaglia | Women 7 Co-Chair

Introduction

This document aims to outline the new and existing challenges in the women working environment and the potential impact that A.I. has in this field, together with a proposal for potential initiatives to support and implement.

These initiatives aim to ensure a fair, sustainable, and gender equality-oriented transformation of the labor market with regards to the challenges the working environment imposes especially on the women workforce and in relation to the paradigm of work that emerged in the aftermath of the COVID 19 pandemic.

The G7 countries are offered the unique opportunity and responsibility to propose a new vision of the women working environment, helping to create an inspirational outlook of the future for institutions, stakeholders and those committed to building a more equitable and inclusive future of work.

The current context

Today the workplace is facing a number of challenges, such as demographic changes, coexistence of different generations, and adoption of emerging technologies. In many geographies, this results in a potentially unequal distribution of skills in terms of supply and demand and, consequently, in shortages of labor and qualified professionals, leading to a downturn in innovation and competitiveness in the more advanced economies.

In G7 countries, the declining birth rate and the aging population are leading to a decrease in the active workforce, a higher pressure on pension

systems and social spending[6], and an overall skills' obsolescence. There is also another perspective to consider: the unprecedented coexistence of multiple generations in the same working environment determines the need to manage diverse backgrounds, perspectives, and visions, that still need to find a balance between cultural differences and a fruitful combination of skills and experiences.

The adoption of emerging technologies, digitization, and the introduction of generative A.I. and the expanding use of non-generative A.I. are also leading to an increase in demand for new professional roles and a decrease for some more traditional professions, prompting organisations to evaluate the impact of generative A.I. for each job[7].

At the same time, the acceleration of new ways of working after the pandemic led to a new paradigm around the job context, one that pays more attention to employees and their needs (work-related and non), inducing better results both in the areas of people management and business outcomes[8].

Additionally, due in part to the UN 2030 Agenda for Sustainable Development, there has been a growing attention to sustainability issues and the application of Environmental, Social and Governance (ESG) standards in organizations, investments in the green transition, and growing expectations in social and environmental matters.

In this context, policies relating to Diversity, Equity, and Inclusion are becoming increasingly important; such values are being integrated by companies in their organizational culture, business objectives, and daily operations.

According to Deloitte Global's 'Women @ Work: a Global Outlook 2024' survey – of 5,000 women in workplaces across 10 countries – taking meaningful and sustained action on women's equality in the workplace generates a significant positive impact. The survey identified a small number (6%) of women who work for companies that have taken such actions – with these companies classified as 'Gender Equality Leader'. Indeed, 67% of the respondents who work for Gender Equality Leaders say their organization's commitment to women's empowerment in the workplace has increased over the past year. These women show significantly higher levels of engagement, are more likely to stay with their employer, be more optimistic about their career and experience lower levels of stress[9].

Fig.1: Key trends in the current labor market

- Demographic winter
- Multigenerational workforce
- A.I. and digitization
- Attention to employees
- Sustainability and ESG
- Diversity, equity & inclusion

Source: *Deloitte elaboration*

Fig.2: The value of commitment to women at work

How working women rate the following aspects according to organization type
(Percentage saying good/very good)

	Gender Equality Leaders	Non-Leaders in Gender Equality
Loyalty to my employer	76%	26%
Productivity at work	75%	25%
Physical health/well-being	74%	21%
Motivation at work	71%	22%
Feeling a sense of belonging at work	71%	20%

Gender Equality Leaders have created genuinely inclusive cultures where women believe they are fully supported by management and respected by their peers

Source: *Deloitte Women @ Work 2024*

The challenges of the world of work and women's work

Within the above-described context, gender inequalities persist, and the current digital divide between men and women represents one of the major challenges of the global digital transformation[10].

The pay gap and discrepancy in access to career and training opportunities between women and men persist and perpetuate the cycle of inequality, leading to the current situation characterized by low women representation especially in leadership positions[11].

In this regard, data from 2024 shows that while women make up 42% of the global workforce, this percentage decreases as the level of responsibility of the position increases, with only a quarter of top positions held by women[12].

A.I. poses significant challenges for women's work. Women are particularly underrepresented in high-growth industries such as technology and A.I., thus limiting innovation and diversity of thought[13].

In the absence of a significant contribution from women, A.I. can perpetuate or even amplify discriminatory concepts and reflect unconscious prejudices, as well as reinforcing gender stereotypes[14].

The most impacted jobs affected by A.I. will be those performed by the women workforce[15].

Failing to harness women talent is not without consequences, it can stem negative human and legal consequences and prevents economies from reaching their full potential.

In fact, data from the World Bank shows closing the gender gap could increase global GDP by more than 20%[16].

This perspective not only is observed at a macroeconomic level, but also in the corporate field, where companies who promote gender equality benefit from a more diverse and innovative workforce, improving their competitiveness and attractiveness on the market.

Fig.3: *Women representation in the global workforce*

C-Suite roles |**25%**

Senior leadership roles |**32%**

Entry-level roles |**46%**

Total workforce |**42%**

Source: *Global Gender Gap Report 2024 – WEF*

Sources: [10] Placing gender equality at the heart of the Global Digital Compact: Taking forward the recommendations of the sixty seventh session of the Commission on the Status of Women- UN Women | [11] The gender pay gap situation in the EU, European Commission | [12] Global Gender Gap Report 2024 – WEF | [13] Deloitte's Women @ Work 2024 – A Global Outlook | [14] Unesco 2022. The Effects of AI on the Working Lives of Women | [15] 2024 Deloitte AI Institute, Generative AI and the future of work: The potential? Boundless | [16] Global Gender Gap Report 2024 – WEF

A.I. as an enabler to close the gender gap in the labor market through a human-centric approach

Considering the challenges described above, emerging technologies can both improve operational efficiency and automate repetitive processes, allowing companies to focus on higher value-added activities thus increasing overall productivity and improving working conditions making workplaces safer.[17]

For instance, A.I. can sustain companies in different ways such as supporting HR processes related to employee selection and management, creating important opportunities to accelerate Diversity, Equity, and Inclusion, and removing existing boundaries that impact women's development in the workplace.[18]

To this end a multidimensional and human-centred approach is fundamental to help ensure the so-called Human Oversight, review is carried out by identified individuals on the most critical and sensitive processes and results, to protect fundamental rights.

Firstly, the tool needed to enable women to succeed in tomorrow's labor market consists in the implementation of policies and programmes that support the development of digital and A.I. skills.[19]

In fact, although the number of graduates in STEM subjects is increasing in recent years, the pace is not sufficient to respond to the growth in demand for jobs in this field, where there is also a strong imbalance in gender representation, with the share of men graduate in STEM subjects

Fig.4: *In which contexts A.I. can be used to supplement HR processes to improve gender equality*

1. **Recruiting**
Increasing the inclusiveness in job descriptions and reducing bias in the hiring phase

2. **Learning**
Objective identification of the skill gaps found in the women population and personalization of the training offer

3. **Talent management**
Reducing bias in decision-making processes related to the career path and evaluation of people and implementating automated tools for a personalized coaching process

4. **Compensation**
Increasing pay equity through remuneration analysis systems based on objective results and performance evaluation data

5. **Culture**
Analysis of data related to communication and collaboration tools to identify information in connection with potential discrimination and aggression

Source: Deloitte elaboration

being almost double the one of women.[20] From an analysis by the European Commission, as shown on figure 5, the gender disparity with respect to the different fields of study is evident, with less than 20% of women in the Information and Communication Technologies sector.[21]

Secondly, it is necessary to plan and implement the involvement of women as significant decision-makers in educational matters, adopting a continuous learning model in STEM and A.I. programmes, from pre-university to the organisational level, thus encouraging companies – also through incentives – to invest in the careers of women workers and to guide them to be an active part in the processes of upskilling and reskilling (via in-person or online courses, workshops and personalized mentorship programs; and increasing the number of women in the cybersecurity sector).[22]
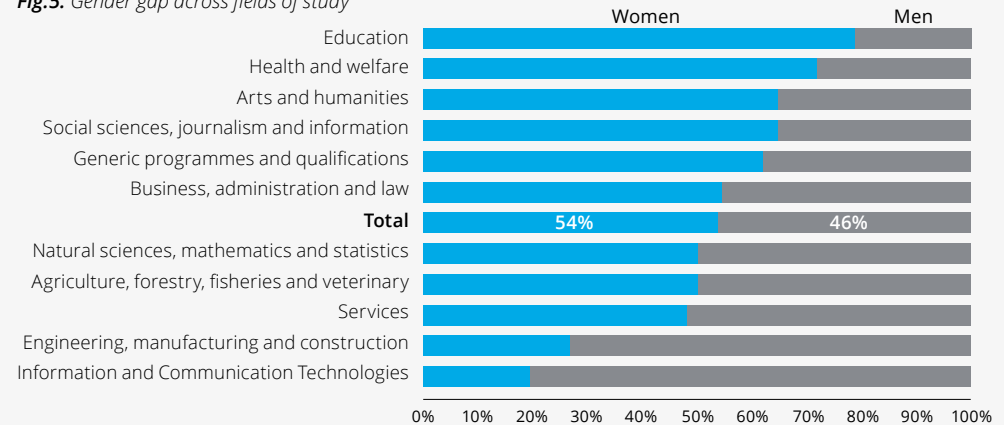
The complexity of A.I. must be addressed systematically both when designing and implementing A.I., and in the definition of policies and adoption guidelines for this technology. When dealing with A.I., one must consider and include maximum transparency on the functioning of the tools (to avoid discrimination and violations), considering fair controls around its development

and accountability, and the implementation of gender equity and sensitivity measures (assessing whether there are misrepresentations of data and verifying such data is representative of different genders).[23]

Following on this approach, A.I. could be an indispensable tool to combat a series of challenges, such as gender bias in job descriptions, and when used in conjunction with existing HR processes may help reduce bias and discrimination in the hiring phase. Additionally, it can sustain the fight against harassment in the workplace by detecting documents, chats or emails with harassing content and create specific apps to report any form of it[24].

Finally, these initiatives can represent an inspirational window on the future for many countries and be a concrete starting point in the promotion of working women's rights and the elimination of the shades of gender disparity.

Fig.5: *Gender gap across fields of study*

Women | Men

- Education
- Health and welfare
- Arts and humanities
- Social sciences, journalism and information
- Generic programmes and qualifications
- Business, administration and law
- **Total** — **54%** / **46%**
- Natural sciences, mathematics and statistics
- Agriculture, forestry, fisheries and veterinary
- Services
- Engineering, manufacturing and construction
- Information and Communication Technologies

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Source: European Commission

Source: [17] 2024 World Employment and Social Outlook – ILO | [18] Deloitte 2023 | Beyond productivity: The journey to the quantified organization | [19] OECD AI Policy Observatory 2023 | Artificially Inequitable? AI and closing the gender gap | [20] European Commission 2024 | The future of European competitiveness Part A – A competitiveness strategy for Europe | [21] European Commission 2024 | The future of European competitiveness Part B – In-depth analysis and recommendations | [22] B7 2024 | Final Communiqué: Leading the transitions together | [23] Council of Europe 2018, Study on the impact of artificial intelligence systems, their potential for promoting equality, including gender equality, and the risks they may cause in relation to non-discrimination; Artificial Intelligence and gender equality - UN Women | [24] Unesco 2022, The Effects of AI on the Working Lives of Women