Bridging the gap?

An analysis of gender pay gap reporting in six countries

Summary and recommendations

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Foreword

Julia Gillard
Former Prime Minister of Australia and Chair of the Global Institute for Women's Leadership

Gender equality is both an urgent economic goal and a timeless moral imperative. One way of measuring our failure to realise gender equality is the continuing disparity between men's and women's pay, which is a symptom of the power imbalance that defines workforces around the world.

Our challenge is not just to accelerate progress to reduce the gender pay gap, which has been far too slow, but to also overcome the real risks that the situation may worsen. Unaddressed the gender-based distortion in economic and workforce outcomes will hinder global efforts to build fairer and more inclusive societies in the wake of the Covid-19 crisis.

Fortunately, in many countries there is a growing appetite for change, with the United States, European Union and countries from Ireland to Israel pushing to introduce systems to promote greater gender pay equality in the workplace. The gendered impacts of the pandemic have set many women back, but they have also shone a light on what we need to do differently. We must not waste this opportunity.

To this end, the Global Institute for Women's Leadership at King's College London has explored gender pay gap reporting in six countries – Australia, France, South Africa, Spain, Sweden and the UK – taking an in-depth look at what works and what doesn't. Our report – which builds on our 2020 study *Gender Pay Gap Reporting: A Comparative Analysis* – is based on more than 80 interviews with key stakeholders involved in gender pay gap reporting in those nations. Our actionable recommendations provide a clear blueprint for decision-makers. This is a critical moment in which to learn best practice from each other, and we hope to use this research as a catalyst for change, by showing governments and employers the best way forward.

I would like to extend my thanks to the UN Foundation for funding this research, and to Thomson Reuters TrustLaw, the Fawcett Society and Bowmans for their invaluable contributions.

The six countries and their gender pay gaps

Global average

- **Income per capita (USD):** 9,484
- **Gender pay gap (% hourly/ monthly earnings):** 16.6 / 21.8
- **GINI Coefficient:** 35.5

Australia

- **WEF 2021 Gender Gap Ranking (out of 156):** 50
- **Income per capita (USD):** 42,151
- **Gender pay gap (% hourly/ monthly earnings):** 11.9 / 30.2
- **GINI Coefficient:** 25.4

France

- **WEF 2021 Gender Gap Ranking (out of 156):** 16
- **Income per capita (USD):** 33,821
- **Gender pay gap (% hourly/ monthly earnings):** 11.8 / 17.6
- **GINI Coefficient:** 26.2

South Africa

- **WEF 2021 Gender Gap Ranking (out of 156):** 18
- **Income per capita (USD):** 4,863
- **Gender pay gap (% hourly/ monthly earnings):** 26.1/ 30.8
- **GINI Coefficient:** 63.9

Spain

- **WEF 2021 Gender Gap Ranking (out of 156):** 14
- **Income per capita (USD):** 25,055
- **Gender pay gap (% hourly/ monthly earnings):** 14.4 / 21.9
- **GINI Coefficient:** 28.5

Sweden

- **WEF 2021 Gender Gap Ranking (out of 156):** 5
- **Income per capita (USD):** 43,998
- **Gender pay gap (% hourly/ monthly earnings):** 12.0 / 17.5
- **GINI Coefficient:** 19.5

United Kingdom

- **WEF 2021 Gender Gap Ranking (out of 156):** 23
- **Income per capita (USD):** 35,835
- **Gender pay gap (% hourly/ monthly earnings):** 20.6 / 35.2
- **GINI Coefficient:** 33.8

Explanation of criteria

Gender Gap Ranking uses the World Economic Forum 2021 Gender Gap Index.

Income per capita uses the most recent data (2018/2019) on adjusted net national income per capita (in 2010 US$) taken from World Bank Data's website: https://data.worldbank.org/indicator/NY.ADJ.NNTY.PC.CD

Gender Pay Gap is on median hourly / monthly earnings from 2019 according to the International Labour Organization (ILO). (2019). Global wage report 2018/19: What lies behind gender pay gaps. Geneva: ILO. Accessible via: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_650553.pdf

GINI coefficient of wage inequality (hourly wages) summarises the relative distribution of wages in the population with 0 indicating perfect wage equality (i.e. all people receive equal wages) and 100 indicating perfect wage inequality (i.e. one person receives all the wages). From (ILO 2018).

Gender pay gap scorecard

	Australia	France	South Africa	Spain	Sweden	United Kingdom
Accountable up?	Yes	Yes	Yes	Yes	No	Yes
Accountable down?	No	Yes	Partially Some provisions for trade union or employer input	Yes	No No in practice, due to lack of clarity around trade union role	No
Transparency level	Medium	Medium	Low	Medium But central index is being created	Low	High
Mandated action plans?	No But measures in place should be indicated	Yes If an employer's score on the Equality Index fails to meet the threshold, in addition to equality plans negotiated with trade unions	No But employer must take measures where dispro-portionate wage differentials or pay discrimination is found	Yes	No But any pay discrepancies must be remedied	No (except for the Welsh public sector)
Do actions plans require follow-up?	No	Yes	Yes	Yes	Yes	No
Enforcement and penalties	Medium Non-compliant employers can be excluded from government support and public procurement, but this has not always been enforced	Good Employers can be penalised up to 1% of payroll, and agreements are monitored by government inspectors	Poor Poor monitoring with few inspectors, although the Labour Court can issue fines for non-compliance	Good/yet to be seen Penalties can reach over €180,000 and non-compliant employers can be excluded from public procurement	Poor Poor monitoring, although fines are available	Medium Fines are available but rarely used, companies can be named if they do not report
Employer size	100+	50+	50+	50+ (From 2022)	All (10+ must report)	250+
Employer sector	Private	Private	Public and private	Public and private	Public and private	Public and private
Intersectional elements?	No	No	Yes	No	No	No
Ambitious?	No	No	No	Medium	Yes	No
Sufficient government guidance and support?	Yes	Yes	No	Yet to be seen	No	Partially
Overall score	4/11	8/11	5.5/11	8.5/11	5/11	4/11

See the next page for details of how these scores were calculated.

The gender pay gap scorecard explained

This country scorecard provides an overview of the gender pay gap reporting system in the case study countries. While this focuses on gender pay gap reporting, we would like to emphasise again that gender pay gap reporting should work as part of a wider package of policies to help redress gender inequality at work, from parental leave to minimum wages and pay transparency, through to addressing the undervaluation of the work done in female-dominated sectors, such as nursing and childcare.

Accountable up? Are reports submitted to a government agency or body who monitors them?
Score: *No = 0, Yes = 1*

Accountable down? Are reports and assessments created in collaboration and/or submitted to employees and employee representatives?
Score: *No = 0, Yes = 1*

Transparency level: This is based on the level of access to information that the public can access. Where insufficient information is available (eg the headline result but not the contributing data, or the contributing data but not the headline result), the country is given a medium score, where no information is made public countries are given a low score.
Score: *Low = 0, Medium = 0.5, High = 1*

Mandated action plans? Are employers made to create action plans to address their gender pay gaps?
Score: *No = 0 , No (with exceptions) = 0.5, Yes= 1*

Do action plans require follow up? This shows whether action plans and stipulations around addressing pay gaps have built in time restrictions and/or monitoring to ensure they are followed up on.
Score: *No = 0, Yes= 1*

Enforcement and penalties: Are there robust measures of enforcement for gender pay gap reporting, and can penalties be used when employers fail to act?
Score: *Poor= 0, Medium = 0.5, Good = 1*

Employer size: This refers to the minimum employee threshold legally requiring companies to report their gender pay gap data.
Score: *250+ = 0, 100+ = 0.5, 50+ = 1, All = 2*

Employer sector: This considers whether the legislation applies to public or private employers, or both.
Score: *Private = 0.5, Private and public = 1*

Intersectional elements: Does gender pay gap reporting focus solely on gender or are intersectional considerations, such as race, class, and education level built in?
Score: *No = 0, Yes= 1*

Ambitious? This question relates to whether the gender pay gap reporting system motivates employers to eradicate all workplace inequalities or not. Systems which do not include action plans, or which include low "pass" marks, are seen to not be ambitious as they normalise and accept gender inequality in the workplace. Systems which require action, but do not set a target are seen to be a "medium" level of ambitiousness, while those which accept no levels of workplace inequality are seen to be ambitious.
No= 0, Medium = 0.5, Yes = 1

Sufficient government guidance and support? This question relates to whether stakeholders perceived there to be a lack or sufficiency of support or clarity for employers in being able to effectively carry out the government requirements for gender pay gap reporting.
No= 0, Partially / yet to be seen = 0.5, Good = 1

Research context and recommendations

Context: Tackling the gender pay gap is crucial to tackling inequality

Progress to reduce the gender pay gap has been far too slow, and risks reversing. The disparity between men's and women's pay continues to underpin the power imbalance that defines the world's working populations and will hinder global efforts to recover economies in the wake of the Covid-19 pandemic.

Gender pay gaps, generally measured as the difference between men's and women's average wages, are both a symptom and a cause of other forms of inequality. Gender pay gaps reflect women's underrepresentation in senior roles, over-representation in low-paid and insecure work, the unequal distribution of unpaid caring work and the impact of bias and discrimination. Addressing pay gaps involves much more than guaranteeing equal pay for equal work. Even in countries where there are robust measures in place to guarantee equal pay for men and women, gender pay gaps persist.

It is not just for the sake of workplace equality that gender pay gaps should be addressed. The negative implications of gender pay gaps can be connected to poorer health outcomes for women and children, lead to more women living in poverty in old age, and they can also put economic recovery at risk. With one gender being devalued in the workforce to a much greater extent than the other, we are perpetuating an imbalanced society and missing out on the full impact of what women and men can contribute.

The Covid-19 pandemic has highlighted the acute need for workplace gender equality to be taken seriously. Women have suffered disproportionately during the pandemic and have been excluded from their employment at higher rates than men. While the low pay of those teachers, carers and healthcare workers who have propped up our societies, exposing themselves to greater risks during the toughest months, has been largely ignored. Pushing for greater gender equality is crucial during the coming months and years as societies start to rebuild and recover.

Gender pay gap reporting

The social and economic impacts of gender pay gaps are widely recognised by governments, employers and advocacy groups and initiatives to tackle them have proliferated in recent years. The appetite among governments and employers to address gender pay gaps by introducing legislative reporting frameworks and increasing pay transparency is growing. The Biden administration in the United States reintroduced the Paycheck Fairness Act, which passed the House of Representatives in April 2021, although it failed to pass the Senate in June 2021. In March 2021, the European Commission adopted a proposal for a Directive to reinforce measures ensuring equal pay for work of equal value, through encouraging greater pay transparency. Internationally there are multiple different gender pay gap reporting regimes in operation, some long established and many relatively recent initiatives. There are long established regimes to monitor gender pay gaps in many European countries and the numbers of states introducing regimes are increasing year-on-year, with Ireland and Israel also working on the introduction of gender pay reporting regimes. But what are the key features of a successful gender pay gap reporting regime?

Research background

Our report brings together research on six country case studies in three continents to explore how gender pay gap reporting systems compare on the ground. It builds on a previous report, *Gender Pay Gap Reporting: A Comparative Analysis* (2020), which compared the legislation in 10 different countries. However, this report investigates the implementation of the legislation to establish how multiple stakeholders perceive the gender pay gap reporting systems. Our aim was to identify the key elements that ensure gender pay gap reporting systems are effective.

Looking across the 10 countries in our 2020 report revealed important differences in legislation and gaps between the measures and legislative tools being used to address gender pay gaps. It pointed to differences in the sectors and size of employers that the legislation applied to, the requirements for measures to act to promote equality and the levels of transparency between different regimes. This latest report has built on these foundations and followed up in five of the countries included in the previous one (Australia, France, Spain, Sweden and the UK), as well as looking at South Africa, to explore how the different legislation plays out in practice. Does it seem to work? Are employers being spurred into action? Are there hidden pitfalls or loopholes in the current systems that are hindering their progress? This research asks stakeholders from government officials, employers, trade unionists and gender equality advocates about the various frameworks to explore what is effective on the ground. This is important for moving forward and creating legislation which works. The gaps highlighted in *Gender Pay Gap Reporting: A Comparative Analysis* are still key in the findings of this report: greater transparency, action plans and a larger share of employers being targeted by legislation are all important for gender pay gap legislation to work, but we also identified other stumbling points, such as a lack of guidance from government bodies meaning employers often conducted calculations incorrectly, low standards leading to a sense of complacency among employers and the importance of monitoring or enforcement for employer compliance.

The gender pay gap reporting systems – or equivalent frameworks – for the six countries included in this study all vary in their aims, form and practice. Our intention has been to identify where these frameworks have been seen to be successful by stakeholders and where improvements can be made, and to make recommendations based on these findings. The cases included cover a range of nations with varying gender pay gap reporting regulations and social, economic and cultural contexts. Thus, the recommendations have been designed to apply across a variety of settings. Each of the cases is ranked within the top 50 countries in the World Economic Forum's 2021 Global Gender Gap Report. However, these range from Sweden, which has long held a place in the top five, to Australia which trails in at number 50 (WEF 2021). Despite the differences, certain themes kept coming up in the interviews, drawing the cases together and helping shape our recommendations. Through comparison across the cases, we identified nine recommendations for the development and improvement of gender pay gap reporting regimes.

Recommendations

1. Employers must be made *accountable* to government agencies and employees and gender pay gap reports should be *transparent*

Our research shows that without clear mechanisms for accountability and transparency gender pay gap reporting legislation can be ineffective.

The case studies show that both accountability and transparency are essential for gender pay gap reporting to be effective. Employers should be both **accountable up** and **accountable down**, and as transparent as possible.

Employers should be **accountable up** to the relevant government authority, as well as to their owners and governance body. Gender pay gap surveys and reports should be submitted to the government agency responsible for monitoring, and gender pay gap reports should be included in a company's annual report and sent to shareholders, investors and other interested parties. Employers should also, crucially, be accountable down to their employees, whether to a group of employee representatives, trade unions, or to the organisation as a whole. Guaranteeing employee input and agreement within the gender pay gap reporting system is crucial to its proper functioning.

Transparency goes hand in hand with accountability. Transparency should be built into accountability mechanisms, ensuring that both the government reporting body and the employees, or employees' representatives, are given sufficient detail in the gender pay gap report. Further, we would recommend transparency with the public more broadly. Public, media and academic scrutiny can be powerful motivators for employers to address pay gaps, and provide the opportunity for public acknowledgement and better recruitment for proactive employers. Transparency with the public is best ensured by specifying that gender pay gap reports be prominently displayed on an employer's website as well as published centrally in a searchable registry.

> *"Here in the UK, given what the media looks like, nobody wants their company to be featured in a list in the Daily Mail of companies that didn't report. And not only media, but also social media pressure is pretty high… it's the fear of naming and shaming that is pretty effective."*
>
> **– Employer (anonymous), United Kingdom**


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France

The *Index de l'égalité professionnelle* was seen to "name and fame" employers who promoted gender equality according to one of our interviewees (Chiara Corazza, Women's Forum for the Economy & Society). Employers said that the Index motivated them to have a good score as clients and the public in general can see it.

South Africa

One of our interviewees, Gilad Isaacs (Institute of Economic Justice) considered the South African Employment Equality Act a "blunt instrument" to address wage inequalities, critiquing the lack of transparency and the underutilisation of the reported data. Moreover, the lack of transparency and monitoring was often raised as a central shortcoming of the system, undermining trust and accountability.

2. Action plans are essential for change

Without mandating action plans with clear, time-bound and measurable goals for narrowing the gender pay gap, reporting regimes will be limited in their effectiveness.

It is clear that reporting in itself is not sufficient to guarantee results. Actions must be included in the process. Employers should be mandated to create **time-bound targets** to redress pay gaps, setting out clear and **measurable goals**. We are aware that contexts differ significantly from country to country, and employer to employer, and reporting regimes should encourage the self-reflection needed for employers to address their own pay gaps.

Action plans should be decided **in agreement with employees or employee representatives**, whether internally or from a relevant trade union. Action plans should name **monitoring committees**, these must include someone from the employer's senior leadership, and an employee representative or trade union spokesperson as a minimum. These committees would have responsibility for agreeing action plans, monitoring their progress, and ensuring they are carried out appropriately. Government agencies would also, ideally, be able to follow up and monitor these action plans.

United Kingdom

Stakeholders interviewed in the UK case nearly unanimously pointed to the importance of introducing mandatory action plans which are time-bound and offer measurable criteria. On the one hand this can complement the headline figures by offering more nuance and making employers engage more deeply with the complexity of the issue. Paul Deemer (NHS Employers) noted that because the required statistical information is simplistic, the development of an action plan is central to bridge the gap. This view was widely shared, with the majority of stakeholders voicing the introduction of a mandatory action plan to contextualise, grasp and address gender inequalities in organisations as the next crucial step in improving the reporting framework in the UK. Most importantly, having action plans will change the system from a monitoring tool to an action tool.

3. A dedicated, well-funded body with the authority to impose sanctions will shift the dial

The results of our research show that strict enforcement is central to the success of gender pay gap reporting regimes.

A crucial point is that gender pay gap reporting should be enforced. Our cases show that when reporting is voluntary, or poorly monitored, compliance falls dramatically. For legislation to be effective, a **sufficiently funded, dedicated government body** is needed for monitoring and enforcing compliance. Government departments must be entitled to use public naming of companies that do not comply with the legislation, as well as severe financial sanctions for when the legislation is intentionally ignored

> *"Compliance levels were very low because when the law was first introduced in 2007, there was no provision for penalties and thus companies understood that they don't actually have to comply with the law. Even the public administration had mixed levels of compliance with the law. However, now the new law does stipulate penalties and thus companies are now running and running and starting to negotiate."*
>
> **– Eva Fernández Urbón, National Secretary for Equality and Social Responsibility, CSIF, Spain**.

> *"We've seen that where that requirement happens, the response is significant and if we use the pandemic as an example, where the legal requirements to report on your pay gap were lifted there is tumbleweed. So, we know that if an action is required without enforcement, it has no impact."*
>
> **– Kudisa Batool, Head of Equalities and Strategy, Trade Union Congress (TUC), United Kingdom**

France

While few of the case studies show that heavy penalties have been used, the presence of sanctions as a last resort has been useful, as has the potential to be named and shamed for non-compliance. In France, the Index de l'égalité professionnelle [Index] highlights where companies are failing to address gender equality, and heavy penalties (up to one per cent of company turnover) can be used against those companies who then do not remedy their situation. This double approach has increased compliance. Penalties need not be used but can act as a failsafe for when other factors do not work sufficiently to motivate companies into complying.

Sweden

The Swedish case shows how even in the most gender equal contexts, gender pay legislation may fail to have a serious impact if the mechanisms are not in place to ensure the legislation is properly monitored, and employers are held accountable. The major issue facing the Swedish case is the level of compliance with the legislation. This is, for the most part, an unknown. Because employers are not required to report their pay surveys, there is no reliable data on how many employers complete them, but some studies and interviewees suggest it may be as few as around 40 per cent of employers that conduct the surveys and analysis each year. The *Diskrimineringsombudsmannen* [Equality Ombudsman] (DO) is perceived by the majority stakeholders interviewed for this project, aside from employers, to not have been actively monitoring whether employers complete the pay surveys, and no other organisations or individuals are able to properly hold employers to account.

4. Include all employers

This problem is too important for gender pay gap reporting regimes to only target large employers.

Small to medium-sized businesses make up the majority of employers globally (ILO 2019) thus limiting policies trying to address the gender pay gap to only the largest employers significantly diminishes their impact. Gender pay gap calculations and clear equality statements should be built-in to the accounting and human resources processes of all employers, with obligations for reporting and accountability applying for employers with fifty or more employees.

5. Gender pay gaps do not provide the whole picture – government and employers need to take an intersectional approach

Data that looks at different social categories should be collected to understand where particular points of difficulty are in individual organisations and sectors.

Gender interacts with other social categories meaning that some women face much greater obstacles than others. We recommend that employers include some intersectional data and analysis in their reports and action plans, taking into account the cultural and legal context of each country, and individuals' rights to privacy. This could include factors such as (self-disclosed) ethnicity, first language, place of birth, level or type of education etc. This will allow employers to identify blockages to particular groups of women ascending the career ladder, and target more specific approaches to addressing these gaps.

> *"It doesn't make sense to talk about women as if they were a coherent whole. You would end up with a lot of unintended consequences in a country where some women were so much more privileged than others."*
>
> **– Neva Makgetla, Senior Economist, Trade and Industrial Policy Strategies (TIPS), South Africa**

> *"We did publish an ethnicity pay gap number this year. We did publish down to the individual ethnicity group level … and there was a massive difference…Then you kind of go 'Well … what's the overlay between gender and ethnicity?' So you start to see an even greater disparity when you start breaking it down that way."*
>
> **– Anonymous multinational employer, United Kingdom**

6. Go beyond the headline figure

Top-line data is crucial but in order to understand the gender pay gap, government and employers need to outline the context for how the figure was arrived at.

For gender pay gap reporting to be effective, the creation and dissemination of data must be carefully attended to. We support the use of a **simple, headline figure** as an attention-grabbing tool that facilitates comparisons between employers. However, it is essential that an **explanation of how the figure is produced** is also readily available. Additional data should include additional figures, such as the proportion of men and women in each pay quartile (used in the UK case), bonus gaps and shares, the impact of part-time and full-time work, or the score for individual indicators where an Index is used, as in France. The opportunity to publish a narrative alongside their statistics is often useful for allowing employers to situate their gender pay gap in comparative context and to outline their approach to addressing it. We would also recommend that action plans be included with required reported information. All reported information should be clearly displayed on employer websites and attached to their annual reports.

Further, pay gap analyses should include an awareness of equal pay for work of equal value, and instructions regarding how to calculate this.

The reported information should be integrated into a central system which allows for comparisons between companies, between companies and the sector more broadly, at regional levels, across time, and even across types of measures used in action plans, as can be seen in the Australian case.

United Kingdom

An interviewee for this research, Jill Rubery (University of Manchester), pointed out that focusing on the pay gap headline number can risk organisations seeking to window-dress their figures by outsourcing lower-paid jobs, which in turn worsens overall gender segregation within the labour market. Instead, it is crucial that data on women's representation in different levels of organisations and across the pay quartiles are taken into consideration. Better understanding women's (lack of) progression through the pipeline offers greater understanding of the dynamics of discrimination and pay inequality.

France

One of the main features of the French Index is how it brings together a number of indicators beyond simply looking at the gender pay gap. According to its designer, Sylvie Leyre, the Index is comprehensive in its approach as it includes bonuses and performance shares as remuneration and it is also possible to identify the impact part-time employment has on the pay gap. Many employers interviewed for this research expressed their satisfaction with the fact that the French system goes beyond simply wages and considers other question around equality and promotions. It was often highlighted by employers that the exercise is helpful as the indicators are very revealing of the dynamics within the company.

Despite the number of indicators, a multinational employer (anonymous) said that the requirements in France are not more cumbersome than others. Two interviewees, Sylvie Leyre and a multinational employer, both pointed to the inclusion of maternity leave in the indicators as being innovative as it is often excluded from gender pay inequality analysis. Sylvie Leyre said it was included to highlight it as one of the main causes of the pay gap. However, the scores for the individual indices which contribute to the final score Index are not transparent on employer websites and some stakeholders criticised this as hiding where the problems lay.

Australia

The Workplace Gender Equality Act 2012 requires disclosure of a comprehensive range of employment policies and practices, and data enabling measurement against six gender equality indicators. Employment policies and practices covered include recruitment, promotion, termination, training, employee consultation, flexible working arrangements, parental leave, domestic violence leave and sexual harassment. Employers report on these conditions via completion of an online survey and submission of raw data on remuneration, workforce composition and employment terms against six gender equality indicators:

a. workforce;

b. gender composition of governing bodies of relevant employers;

c. equal remuneration between women and men;

d. availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities;

e. consultation with employees on issues concerning gender equality in the workplace;

f. any other matters specified by the Minister

The range of data captured and requirement for submission of raw data on remuneration and workforce composition make the Australian dataset world leading.

7. Raise standards to raise results

Removing the "tick-box" element of reporting will prevent complacency from employers.

Where gender pay gap reporting systems include minimum thresholds or "pass marks," they can lead to complacency among companies who meet the minimum threshold but may still have a sizeable gender pay gap. A pass mark approach downgrades the ambition from promoting equality to ticking a box. No pass marks should be included, instead reporting should be applicable to all employers to prevent complacency and slippage.

France

The French Index requires companies to have at least 75 points (Rachel Silvera, Université Paris Nanterre). If their score is below 75 points, the company must implement corrective measures to reach at least 75 points within three years. Although this pass or fail approach is appreciated by some, others see it as problematic as it hides issues which still need to be addressed. For example, Michel Miné (Cnam) emphasised that a company can be in violation of the main gender pay laws in France and still have a very good score on the Index. In fact, he said that there were companies that had gender equality Index scores of more than 80 that have been taken to court for violation of gender pay equality legislation. In addition, Rachel Silvera (Université Paris Nanterre) has suggested that it is quite possible for a company to have a bad score on the gender pay gap indicator and still have an excellent score of 80. In addition, some interviewees suggest that the score can be easily "played". By just hiring a woman to a senior role, it is possible to go from, for example, 64 to 76. So, companies can just increase the salary of the top women rather than making structural adjustments (Rebecca Amsellem, Les Glorieuses). Thus, the pass or fail approach in France can be problematic in encouraging companies to properly address their gender pay gaps.

Alarmingly, the Index may be obscuring the level of inequality in France. In total only 10 per cent of companies and four per cent of big companies have not reached the 75 per cent threshold. Although the gender pay gap is at least 15 per cent with some studies suggesting it is up to 28 per cent, however according to the Index, most companies are doing fine.

Australia

In Australia, companies must signal whether they have employment policies and practices to address gender equality issues around recruitment, promotion, termination, training, employee consultation, flexible working arrangements, parental leave, domestic violence leave and sexual harassment. Yet just indicating that a policy is in place does not mean that it is being well executed.

> *"It's easy to tick boxes; it's much harder to prove that you're making change, that there's actually been an impact of the work. The pay equity gap is the result of all the other things that you're doing to create more gender equal workplaces. So, it's almost like it's the ultimate effectiveness measure."*
>
> **– Anonymous, Champions for Change Coalition, Australia**

8. Clearer support from government for employers and trade unions

Clear support structures for both employers and trade unions will assist governments in gathering data most efficiently and effectively.

Guidance should be provided explaining how to undertake: gender pay gap calculations; definitions of equal pay for work of equal value; and example actions to address gender pay gaps and unequal pay. Sector-level organisations should be supported by governments to engage with their sectors on this guidance.

Engagement with employees through employee representatives or trade unions and associations can help to create robust and accountable gender pay gap reporting systems. Where trade unions and employee representatives lack skills or capacity to monitor gender pay gaps and action plans, as some interviewees suggested may be the case in Spain, government support to carry out this role may prove beneficial.

> *"One of the problems is that there are a lot of question marks, a lot of unresolved questions that we just don't know how these provisions should be interpreted… we don't really get any guidance, so all these question marks, we just have them… there are a lot of different interpretations, but there's no way to settle this well."*
>
> **– Peter Tai Christensen, Team Manager, Collective Bargaining and Policy Unit, Unionen, Sweden**

Spain

In Spain, Carmen Seisdedos Alonso (Mujeres en el Sector Público – Women in the Public Sector), has highlighted that equality bodies, such as the Instituto de las Mujeres, have done a good job in terms of research, capacity building and awareness raising. There are also support initiatives at the level of the autonomous regions.

9. Gender pay gap reporting must be seen by governments and employers as one element of a wider package of support to tackle gender inequality in the workplace and beyond

Gender pay gap reporting is one tool for tackling one aspect of a much bigger problem.

Gender pay gap reporting can encourage employers to take action to promote gender equality in the workplace, which in turn contributes to reducing national gender pay gaps, raising awareness and initiating social change. However, government action is required to support progress towards gender equality more broadly. Primary focuses should be on improving parental leave; the availability of high quality, affordable childcare; addressing the undervaluation of women's work; and occupational segregation, as well as actions such as increasing pay transparency and ensuring a living minimum wage.

> *"This idea of privacy of wages is really bad for women."*
>
> **– Neva Makgetla, Senior Economist, Trade and Industrial Policy Strategies (TIPS), South Africa**

Sweden

A broad critique of the Swedish legislation, for example, that surfaced in many interviews, was the problem that this legislation is not able to address the major causes of the gender pay gap. By its very nature, it is unable to tackle occupational segregation and the undervaluation of women's work. This is because it works within organisations, so – as was emphasised by Alma Kastlander Nygren (Vårdförbundet, Swedish Association of Health Professionals) – is unable to address the needs of under paid female-dominated occupational groups, such as nurses, because they work for numerous employers.

> *"We completely revamped our flexible work and parental leave policies, as well as the support we provided to parents. And looking back, that was all the easy stuff… that was the low hanging fruit. And so, since then, it's been much more focused around the deep seated, unconscious biases that could be slowing the advancement of women towards senior levels in the organisation."*
>
> **– Anonymous, Herbert Smith Freehills, Australia**

Research methodology

The six case studies are based on interviews with over 80 individuals, between February and June 2021. We conducted all the interviews online, in English, French and Spanish, with a few written responses to interview questions.

Interviews have been supplemented with information gathered from academic literature, reports and publications from international and country-specific organisations relating to pay, gender pay gaps, good practice and more. We have also surveyed legislation, government documentation from legislative reviews, public consultations and associated public submissions on both existing and previous gender equality reporting legislation and gender gaps, as well as data from monitoring authorities and government bodies.

Best practice for employers

In the course of our research, we learned some lessons which can be used as a guide for best practice for employers. The following points are by no means comprehensive, but they are based on recommendations which came through repeatedly in our interviews as important steps employers can take to help reduce gender pay gaps.

1. Conduct **annual gender pay analyses** of employees.
    a. Include and assess information on bonus gaps and additional forms of compensation such as shares.
    b. Include information so part-time and full-time work can be disaggregated.
    c. Assess whether employees are paid equally for work of equal value.
    d. Include intersectional information in analyses and assessments.
    e. Assess where and why there are gender pay gaps.
2. Publish **top-level and explanatory data** on your website.
3. Include **results of the analysis** in information given to shareholders and investors.
4. Ask for this information from **companies you work with**.
5. Create **clear and transparent processes** for pay and promotion.
6. End **pay secrecy** clauses and work to increase pay transparency.
7. Advertise all jobs as **flexible/part-time** where possible.
8. **Review job descriptions** and keep them up to date.
9. **Address "blockages"** to women's employment and progression, bearing in mind any intersectional findings, through eg reassessing recruitment and promotion strategies, improving opportunities for parental leave and flexible working.
10. **End outsourcing** of low paid workers where possible.

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We are indebted to our interviewees for making the time to speak to us, providing their insights and sharing their expertise.

The Fawcett Society

The Fawcett Society is the UK's leading membership charity campaigning for gender equality and women's rights at work, at home and in public life. Our vision is a society in which women and girls in all their diversity are equal and truly free to fulfil their potential creating a stronger, happier, better future for us all.

The Global Institute for Women's Leadership at King's College London

The Global Institute for Women's Leadership works towards a world in which women of all backgrounds have fair and equal access to leadership. Chaired by Julia Gillard, the only woman to have served as Prime Minister of Australia, the institute brings together rigorous research, practice and advocacy to break down the barriers to women becoming leaders, while challenging ideas of what leadership looks like.

The Thomson Reuters Foundation

Thomson Reuters Foundation is the corporate foundation of Thomson Reuters, the global news and information services company. We work to advance media freedom, raise awareness of human rights issues, and foster more inclusive economies. Through news, media development, free legal assistance and convening initiatives, the Foundation combines its unique services to drive systemic change. TrustLaw is the Thomson Reuters Foundation's global pro bono legal programme, connecting the best law firms and corporate legal teams around the world with high-impact NGOs and social enterprises working to create social and environmental change. We produce ground-breaking legal research and offer innovative training courses worldwide.

Bowmans

Bowmans has a track record of providing specialist legal services in the fields of corporate law, banking and finance law and dispute resolution, spans over a century. With eight offices in six African countries and over 400 specialist lawyers, we draw on our unique knowledge of the business and socio-political environment to advise clients on a wide range of legal issues. Our clients include corporates, multinationals and state-owned enterprises across a range of industry sectors as well as financial institutions and governments.

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