# Reporting Gender Pay Gaps in OECD Countries

## GUIDANCE FOR PAY TRANSPARENCY IMPLEMENTATION, MONITORING AND REFORM

OECD

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# Foreword

The OECD has long promoted gender equality in labour markets, society and at home. Recent reports in the OECD's ***Gender Equality at Work*** series illustrate that countries have, in recent years, implemented many policies that have helped to close gender gaps in the labour market. Yet women continue to lag behind men in most economic outcomes: women are less likely to be in the labour force than men, women earn less on average, women are less likely to advance to leadership positions, and – reflecting accumulating inequalities over the life course – women face a higher risk of old-age poverty.

One persistent inequality motivates this report: the gender wage gap. Across OECD countries, on average, the unadjusted gender pay gap stands at 11.9% – meaning that the median full-time working woman earns about 88 cents to every dollar or euro earned by the median full-time working man. This rate has barely moved in recent decades.

The OECD is committed to helping countries understand and implement an increasingly common tool targeting the wage gap: pay transparency. In November 2021 the OECD published its first OECD-wide stocktaking of pay transparency measures for equal pay, entitled ***Pay Transparency Tools to Close the Gender Wage Gap***, with the support of the Swedish Ministry of Employment. The 2021 report overviewed OECD countries' private sector pay gap reporting requirements, equal pay audits, gender-neutral job classification systems, and requirements to include equal pay considerations in collective bargaining.

Pay transparency is a rapidly advancing policy space. The OECD soon thereafter followed up with the current report, ***Reporting Gender Wage Gaps in OECD Countries*****: *Guidance for Pay Transparency Implementation, Monitoring and Reform,*** with the support of the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (Bundesministerium für Famlie, Senioren, Frauen und Jugend).

This report focuses on *gender pay gap reporting* and *equal pay auditing* requirements for private sector firms. Just over half (55%) of OECD countries now require private companies to report their workforce's gender pay gap to stakeholders like employees, employees' representatives, the government or the public. This report offers a cross-national stocktaking of policy approaches, identifies good practices and areas for improvement, and proposes a checklist of relevant policy considerations for countries interested in implementing or reforming their pay transparency regimes.

This report is intended to serve as a practical tool for all countries, including those attempting to comply with the new European Union Pay Transparency Directive. *Reporting Gender Wage Gaps in OECD Countries*: *Guidance for Implementation, Monitoring and Reform* has helped inform the OECD's monitoring of the 2013 OECD Recommendation on Gender Equality in Education, Employment and Entrepreneurship and will add to the growing body of work supporting the Equal Pay International Coalition (EPIC), a multi-stakeholder coalition led by the OECD, the International Labour Organization, and UN Women.

# Acknowledgements

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# Executive summary

The gender wage gap persists in every OECD country. Full-time working women earn, on average, only 88 cents to every dollar or euro earned by full-time working men. Decades of public policies and legal efforts in education, labour markets and social protection systems have helped to narrow the gap, but governments and employers must work even harder to overcome the negative income effects of horizontal and vertical segregation, inequalities in unpaid work, and discrimination against women.

To target this longstanding gender inequality, OECD governments are increasingly implementing practical policy measures under the umbrella of pay transparency.

This report, ***Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring, and Reform***, presents an in-depth assessment of the most commonly mandated pay transparency measure for private sector firms across OECD countries: gender pay gap reporting. Over half of OECD countries (21 of 38, or 55%) now require private sector employers to analyse their pay data and report gender-disaggregated pay information to stakeholders like workers, workers' representatives, the government, and/or the public.

Proponents of pay transparency argue that analysing, presenting, and publicising pay gender gaps should raise stakeholder awareness of this inequity and motivate employers to close the gap. While this is a somewhat optimistic perspective – in reality, the burden of elevating and addressing unfair pay still too often rests on individual employees – it is true that accurate information about pay inequity is a critical first step to fixing it. To help ensure that awareness leads to a reduction in the pay gap, ten OECD countries (Canada, Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden and Switzerland) have embedded pay reporting requirements within more comprehensive, mandatory, equal pay auditing processes that require follow-up action to address inequalities.

This report offers practical guidance to countries interested in implementing or reforming their gender pay gap reporting systems. It offers a stocktaking of different aspects of pay gap reporting regimes – including data reporting requirements, enforcement mechanisms, and new digital tools – and identifies good practices and areas for improvement across pay gap reporting systems. The report also offers a straightforward policy checklist for countries.

The following recommendations are offered to governments:

- **Understand the wage gap**: Require firms to report gender-disaggregated pay statistics at both the aggregate firm-level and for key subgroups, e.g. by job category, parental status or seniority. These subgroup analyses can enable a better understanding of the drivers of the pay gap in a firm and how to address them.
- **Provide transparency to more workers**: Ensure that the firms covered by pay gap reporting rules – typically based on company headcounts – cover a sufficient number of workers in the country. Many countries exclude small and medium-sized firms from reporting requirements and carve out temporary and part-time workers from company headcounts. This means that some groups, and especially more precarious workers, are missed in reporting in many countries.

- **Exploit digital tools and pre-existing data**: Facilitate gender pay gap reporting and ease administrative burden by providing free and accessible reporting tools to employers. These could include online guidance, software for firms to calculate gaps themselves, software for firms to submit data to the government, or the use of pre-existing data enabling the government to calculate gender-disaggregated wage statistics for firms.
- **Enforce pay gap reporting**: Improve the enforcement of pay gap reporting rules – including sanctions – to ensure that the mandated companies participate in pay reporting, provide the correct data, and share results appropriately. Very few countries have systematic compliance mechanisms in place, and sanctions against non-compliant firms are generally weak.
- **Take action to close the reported gap**: Consider mandating equal pay auditing processes, similar to what is called "joint pay assessments" in EU legislation, combined with pay gap reporting. Equal pay audits assess gaps more closely and recommend targeted action to try to address inequalities that have been found.
- **Assess what works**: Conduct more frequent and more rigorous evaluations of the effects of pay gap reporting rules. While pay gap reporting measures are increasingly common, only a handful of national programmes have been analysed quantitatively to assess effects on the gender wage gap. Regular evaluations of programme functioning, e.g. compliance and awareness, should also be increased across countries.
- **Generate buy-in to close the gender wage gap**: Raise awareness of pay gap reporting rules and results among firms, employees, their representatives, and the public. Good communication around pay gap reporting regimes improves effectiveness.
- **Embrace complementary policy tools**: Pay transparency alone cannot end gender inequality in workplaces. Governments must embed gender pay gap reporting in broader, holistic efforts to end gender inequalities in labour markets, society and at home.

# 1 Pay reporting for gender equality

This chapter offers an overview of the report *Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform*. 55% of OECD countries (21 out of 38) at the national level now systematically require private sector firms to report their company's gender pay gap to stakeholders like workers, their representatives, the government, and/or the public. Many of these reporting schemes are embedded in extensive equal pay auditing systems. While pay reporting requirements show promise in closing gender pay gaps, their design and implementation matter. The coverage of pay reporting requirements, communication of reporting rules, regular enforcement of reporting, digital tools to facilitate reporting, and requirements for follow-up action have tangible consequences on whether pay reporting rules do in fact help close the gender gaps they target.

# Key findings

The gender wage gap persists across OECD countries and has long-lasting consequences throughout women's lives, restricting their economic and social empowerment. A range of public policy measures taken by countries, over time, have done little to close the gap.

To tackle this longstanding gender inequality, governments are trialling an increasingly common policy tool: pay transparency. This report presents an in-depth assessment of the most commonly mandated pay transparency measure for private sector firms – gender pay gap reporting – across OECD countries. Over half of OECD national governments (21 of 38) now require private sector employers to report gender-disaggregated pay information to stakeholders like workers, workers' representatives, the government, and/or the public. In almost half of these countries (10 of 21), pay reporting requirements are embedded within more comprehensive, mandatory, equal pay auditing processes that typically require follow-up action to address inequalities.

This report offers a cross-national stocktaking of policy approaches, identifies good practices and areas for improvement, and proposes a checklist of relevant policy considerations (Section 1.5) for countries interested in implementing, monitoring or reforming their pay transparency regime.

**Policy recommendations for governments**:

- Ensure that the firms covered by pay gap reporting rules – typically based on company headcounts – cover a sufficient number of workers in the country. Many countries exclude small and medium-sized firms from reporting requirements and carve out temporary and part-time workers from company headcounts – meaning that more precarious workers are often missed in reporting.
- Require reporting of gender-disaggregated pay statistics at both the aggregate firm-level and for key subgroups, e.g. by job category or seniority. These subgroup analyses can enable a better understanding of the drivers of the pay gap and how to address them.
- Facilitate gender pay gap reporting, and ease administrative burden, by providing free and accessible reporting tools to employers. These could include online guidance, software for firms to calculate gaps themselves, software for firms to submit data to the government, or the use of pre-existing data enabling the government to calculate gender-disaggregated wage statistics for firms.
- Improve the enforcement of pay gap reporting rules – including sanctions – to ensure that the mandated companies participate in pay reporting, provide the correct data, and share results appropriately. Very few countries have systematic compliance mechanisms in place, and sanctions are generally weak.
- Consider the use of equal pay auditing processes, similar to the concept of "joint pay assessments" in EU legislation, combined with pay gap reporting. Equal pay audits assess gaps more closely and recommend targeted action to address inequalities.
- Conduct more frequent and more rigorous evaluations of the effects of pay gap reporting rules. While pay gap reporting measures are increasingly common, only a handful of national programmes have been analysed quantitatively to assess effects on the gender wage gap. Regular evaluations of programme functioning, e.g. compliance and awareness, should also be increased across countries.
- Raise awareness of pay gap reporting rules and results among firms, employees, their representatives, and the public. Poor communication around pay reporting regimes limits effectiveness.
- Embed gender pay gap reporting in broader, holistic efforts to end gender inequalities in the labour market.

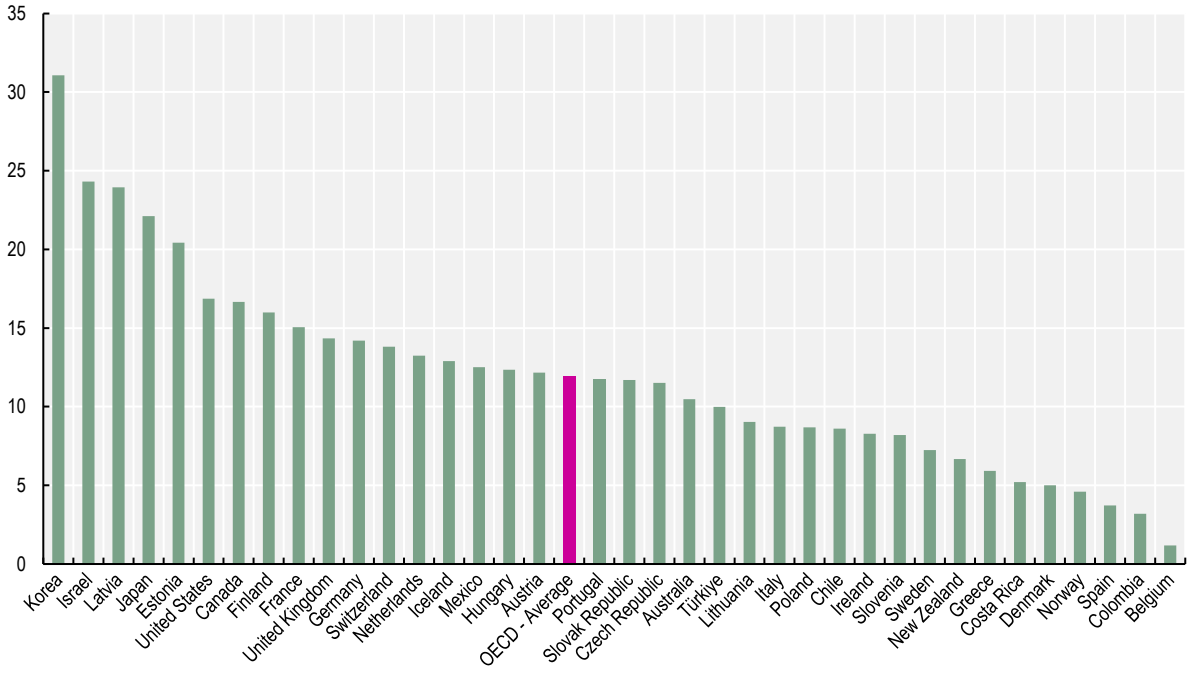
## 1.1. The gender pay gap persists

Across OECD countries, on average, the unadjusted gender pay gap stands at 11.9% – meaning that the median full-time working woman earns about 88 cents to every dollar or euro earned by the median full-time working man.[1] This gap varies widely across countries, ranging from 1.2%[2] in Belgium to 31.1% in Korea (Figure 1.1).

The gap gets even larger when looking at the income *all* working women and men – not only full-time workers – take home at the end of the year, as women tend to spend fewer hours in paid work than men. Women are overrepresented in part-time jobs, and men are overrepresented in jobs with long work hours, throughout the OECD (OECD, 2019[1]). This mechanically reduces pay tied to work hours, and it contributes to gender inequalities in complementary and variable components of pay as well.

### Figure 1.1. Across the OECD, full-time working women earn 12% less than full-time working men

Gender earnings gap at the median, 2021 or latest year available




Note: The gender wage gap is unadjusted and is calculated as the difference between the median earnings of men and of women relative to the median earnings of men. Estimates of earnings used in the calculations refer to gross earnings of full-time wage and salary workers. However, this definition may slightly vary from one country to another; see the OECD Employment Database (http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm) and the individual country metadata data available in OECD.Stat (http://stats.oecd.org/index.aspx?queryid=64160) for more detail. Data for Chile, Finland, Germany, Switzerland, Hungary, Portugal, Italy, Poland, and Denmark refer to 2020. Data for Israel, Greece, and Belgium refer to 2019. Data for Iceland, Türkiye, Ireland, and Slovenia refer to 2018.
Source: (OECD, 2023[2]), Gender wage gap (indicator), https://doi.org/10.1787/7cee77aa-en (Accessed on 2 June 2023).

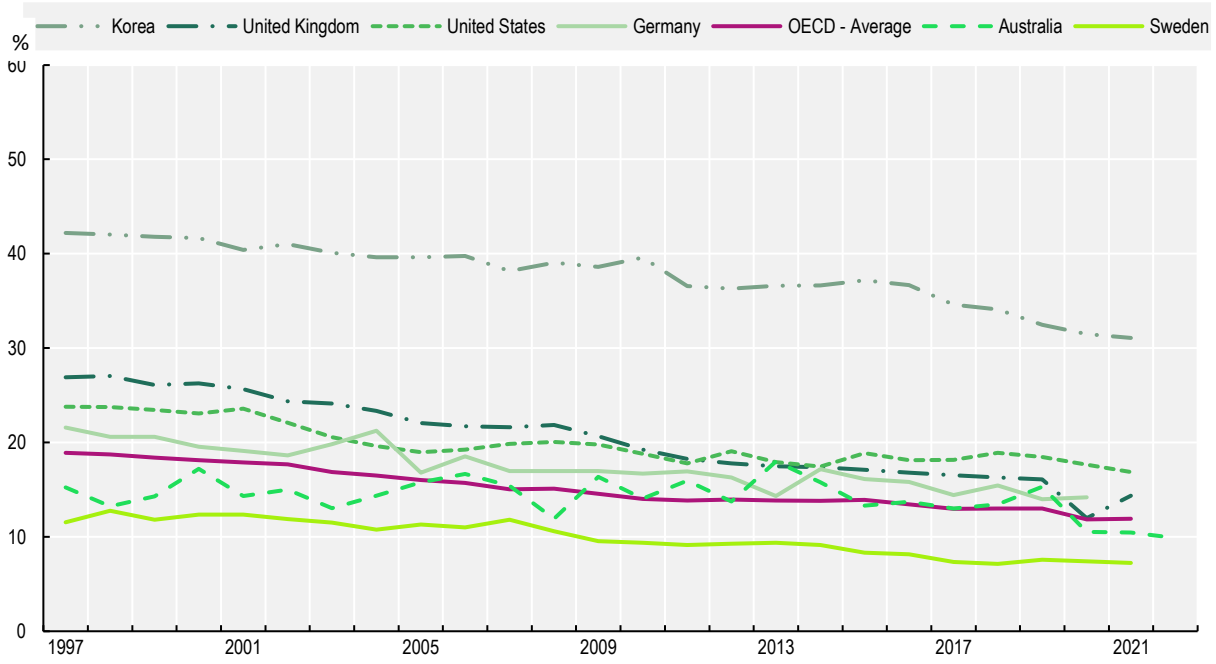
The OECD average gender pay gap has gradually declined from nearly 19% in 1997, when most OECD countries began reporting this statistic (Figure 1.2). Yet progress on the wage gap has plateaued in many countries over the past decade, and these national-level estimates of gender pay gaps underestimate the extent of inequalities across different groups. There are compounding, intersecting forms of discrimination based on different background factors like socio-economic status, race/ethnicity,

gender identity and sexual orientation. Box 1.1 elaborates on the measurement of the gender pay gap and presents pay gaps across the income distribution.

Perhaps unsurprisingly, then, a majority of government adherents to the OECD Gender Recommendation say that women being paid less than men for the same work is one of the top three gender inequality challenges facing their country (OECD, 2022[3]).

## Figure 1.2. Progress in closing the gender wage gap has been slow

Gender wage gap for full-time dependent employees, selected countries, 1997 through latest available year




Note: The gender wage gap here is unadjusted and is calculated as the difference between the median earnings of men and of women relative to the median earnings of men. Estimates of earnings used in the calculations refer to gross earnings of full-time wage and salary workers. However, this definition may slightly vary from one country to another; see the OECD Employment Database (http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm) and the individual country metadata data available in OECD.Stat (http://stats.oecd.org/index.aspx?queryid=64160) for more detail. Trend lines include the latest data available: 2022 for Australia, 2021 for Korea, the United Kingdom, the United States, and Sweden, and 2020 for Germany. The OECD average presents the unweighted average of the latest data across all OECD countries.
Source: (OECD, 2023[2]), Gender wage gap (indicator), https://doi.org/10.1787/7cee77aa-en (Accessed on 2 June 2023).

**Many factors drive the gender pay gap**. One issue is horizontal segregation, meaning that women and men tend to be concentrated in different sectors or jobs. Women tend to be overrepresented in fields that pay relatively lower wages, such as caregiving jobs, and underrepresented in fields with relatively higher wages, such as engineering jobs. Vertical segregation, meaning that men and women are concentrated in different job *levels*, also affects women's pay (OECD, 2022[4]). Worldwide, women are underrepresented in management roles and on boards (OECD, 2021[5]; OECD, 2021[6]), a phenomenon referred to as the glass ceiling (see Box 1.1).

Enormous inequality in the distribution of unpaid work also negatively affects women's earnings, relative to men's (OECD Gender Data Portal, 2021[7]). Across OECD countries, women do more cooking, cleaning, and caregiving (for children and other dependent family members) than men. Time is a finite resource, and these unpaid obligations limit both the time women can spend in paid work and their possibilities to advance

in the paid labour market and progress to more senior levels (OECD, 2021[8]; OECD, 2017[9]; OECD, 2019[1]). Related to this, the gender wage gap is relatively higher in jobs with inflexible work hours (Goldin, 2014[10]).

Discrimination, although difficult to identify and measure in workplaces, also drives down women's pay. Discrimination has been proven in many randomised field experiments in which prospective employers, on average, treat fictitious, otherwise-identical job candidates differently due to their gender (Blau and Kahn, 2016[11]), with a recent review suggesting this discrimination affirms existing gender segregation in occupations (Galos and Coppock, 2023[12]).

### Box 1.1. Measuring the gender pay gap

#### Defining the gender pay gap

The gender wage gap presented in Figures 1.1 and 1.2 is defined as the difference between median earnings of men and women as a proportion of median earnings of men. The wage gap in this report refers to full-time (dependent) employees. The gap is unadjusted, that is, not corrected for gender differences in observable characteristics that may account for part of the earnings gap. However, to account for gender differences in working hours and part-time employment, the gap is based where possible on earnings for full-time employees only.[1]

Earnings are measured in Figure 1.1 through the use of the median, as opposed to the mean. Use of the median to capture average earnings may affect estimates of the size of the gender gap. It is preferred here because mean averages are subject to distortion from extreme values – indeed, use of the mean often produces a wider gender pay gap, as in most countries men are overrepresented among individuals with very high earnings.

However, median values do not capture *variation* in the gender wage gap across the income distribution. Figure 1.3 includes data on gender pay gaps at the top and bottom deciles of the earnings distribution and shows that gender pay gaps are often widest among top earners – reflecting the difficulty for women to advance in labour markets. Some countries, such as Denmark, Iceland, and Switzerland, have very compressed distributions while others, such as Greece and Korea, are much wider (Figure 1.3). The presence of minimum wage regulations likely contributes to the narrower gender pay gaps among low-income workers in some countries (Caliendo and Wittbrodt, 2022[13]; Arulampalam, Booth and Bryan, 2005[14]), and the availability and affordability of childcare likely has country-specific effects on women's labour force participation and earnings (OECD, 2020[15]; Landmesser, Orłowski and Rusek, 2020[16]).

The concepts of *sticky floors* and *glass ceilings* may also help in understanding variation in gender pay gaps at the bottom and top of the income distribution, respectively. Sticky floors refer to the phenomenon where women are concentrated in low-paying jobs with limited opportunities for advancement due to factors such as gender stereotypes, discrimination, and lack of access to education and training. In contrast, glass ceilings refer to the barriers women face when trying to advance into higher-paying and more senior positions due to factors such as a lack of opportunities for promotion, gender bias in hiring and promotion decisions, and lack of support for work-life balance.

#### The benefits – and limits – of the gender pay gap as a gender equality indicator

The concept of the gender pay gap has become something of a buzzword amongst gender equality advocates because it makes labour market differences between men and women more visible and measurable. Naturally, there has also been some popular backlash, with articles critiquing the use of the unadjusted gender pay gap as misrepresenting women's outcomes (e.g. (Sommers, 2016[17]; Lips, 2016[18])).

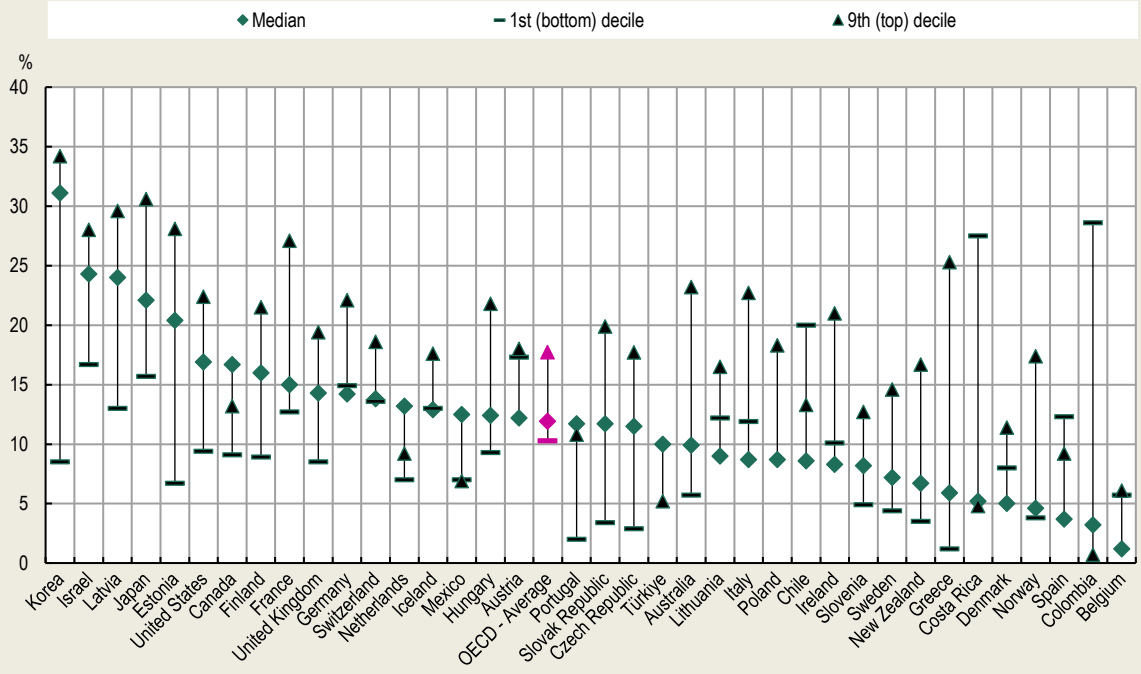
As an unadjusted measure, it is true that the gender pay gap gives only a crude overall picture of gender differences in terms of earnings, much like the GDP gives an approximate estimate of the size of the economy. The adjusted gender pay gap would take into account differences in factors like hours worked, occupations chosen, education and job experience – and with these considerations taken into account, the gap is considerably smaller.

For instance, using a decomposition method, the EU estimated that the difference between the adjusted and the unadjusted average gender pay gaps was 5.1 percentage points in 2018 (EuroStat, 2018[19]). This means that women in the EU earned 5.1% less than men, on average, due to gender differences in (measurable) characteristics in the labour market.[2] However, since there is "neither consensus nor scientific evidence on which adjustment method should be used", calculating the adjusted gender pay gaps is not yet such common practice (EuroStat, n.d.[20]).

Such results regarding the adjusted gender pay gap imply that the gender pay gap should not only be used to advocate for equal pay for work of equal value, but also as a catalyst for more holistic conversations about gender inequalities. Women's labour market outcomes are a culmination of numerous factors over time, including education and educational choices by boys and girls and men and women, social norms (particularly around unpaid care work) and their dynamics, as well as workplace cultures and practices. The complexity of the issue is one of the reasons why closing the gender pay gap is difficult and slow.

### Figure 1.3. The gender wage gap is usually larger at the high end of the earnings distribution

Gender wage gap at the 1st decile, at the median, and at the 9th decile, full-time employees, 2020 or latest year available




Note: The gender wage gap is unadjusted and is calculated as the difference between the earnings of men and of women relative to the earnings of men. Estimates of earnings used in the calculations refer to gross earnings of full-time wage and salary workers. However, this definition may slightly vary from one country to another; see the OECD Employment Database (http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm) and the individual country metadata data available in OECD.Stat (http://stats.oecd.org/index.aspx?queryid=64160) for more detail.

Data for Canada, the Czech Republic, Japan, Korea, Mexico, New Zealand, Norway, the Slovak Republic, the United Kingdom, and the United States refer to 2021. Data for Belgium, Colombia, Greece, Ireland, Israel, Italy, and Latvia refer to 2019. Data for France, Iceland, Slovenia and Türkiye refer to 2018. For Australia data at the bottom and the top deciles refer to 2019. In Greece data at the bottom decile refer to 2019. The OECD average at the median excludes Costa Rica and Luxembourg, OECD average at the bottom decile excludes Costa Rica, Poland and Luxembourg, and the OECD average at the top decile excludes Colombia, Costa Rica and Luxembourg.

1. Cross-national comparisons here are complicated by national differences in data collection. OECD data on earnings are collected annually through labour force surveys and household surveys and are presented in the OECD Employment Database. Depending on the country, the earnings data used can refer to hourly (e.g. Denmark, Greece, Iceland, New Zealand and Portugal), weekly (e.g. Canada, Ireland, the United Kingdom and the United States), monthly (e.g. Belgium, Chile, the Czech Republic, Estonia, France, Germany, Hungary, Italy, Israel, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, Norway, Poland, the Slovak Republic, Slovenia, Sweden, Switzerland, Türkiye) or annual (e.g. Australia, Austria, Finland, Spain) earnings on a gross or net (e.g. Italy) basis. Gender differences may be slightly over-estimated where measurement is based on a gross wage because of the inclusion of taxes and social security contributions (for example, second earners – who are often women – will in some countries be subject to different tax thresholds than their first earners partners). Trend data should also be interpreted with care as survey methods across countries change regularly, creating breaks in the series and causing artificial fluctuations from year to year. Finally, different earnings components may be used in different countries' estimates. For more detailed information, see country-level metadata in the gender wage gap table on OECD.Stat.

2. A similar effort to decompose the gender wage gap – taking into account specific occupation, work experience and other traits – has been attempted by the US Census Bureau, using combined survey and administrative data (Foster et al., 2020[39]). The authors find that the pay gap varies significantly by occupation, with greater inequalities found in more challenging and dangerous occupations, in occupations that reward working longer hours, and in those that employ more women than the average. Work experience explained a smaller share of the gap in occupations with these characteristics.

Source: OECD Gender Data Portal, https://www.oecd.org/gender/data/.

Governments have implemented a wide array of public policies in efforts to close the gender wage gap, including improving girls' and women's equal access to education; passing anti-discrimination and equal pay laws; and providing work-life balance supports, like well-designed paid parental leave[3] and early childhood education and care for the children of working parents (OECD, 2022[3]). While there is room for improvement in many OECD countries in building a comprehensive policy package, some countries have planned, budgeted, and implemented a holistic policy approach to improve women's economic empowerment (OECD, 2019[21]). Yet even the most comprehensive policy approaches have not been enough to close the gender wage gap anywhere in the OECD. (OECD, 2021[6]).

Many OECD countries have therefore begun trialling new pay transparency measures as part of a renewed effort to close the gender pay gap. The OECD first took stock of the state of pay transparency across countries in the 2021 report *Pay Transparency Tools to Close the Gender Wage Gap* (OECD, 2021[6]), which offered an overview of governments' use of gender pay gap reporting by firms, equal pay audits, job classification schemes, and requirements to discuss the pay gap in collective bargaining.

This report, *Reporting Gender Pay Gaps in OECD countries: Guidance for Pay Transparency Implementation, Monitoring and Reform*, digs deep on a public policy now used in over half of OECD countries: gender pay gap reporting requirements for private sector firms.

21 out of 38 OECD countries (55%) now require private sector firms to regularly report their company's gender pay gap to stakeholders like workers, workers' representatives, the government and the public. Many of these reporting schemes are embedded in equal pay audit systems, in which employers are required to determine the causes of pay gaps and develop strategies to address them.

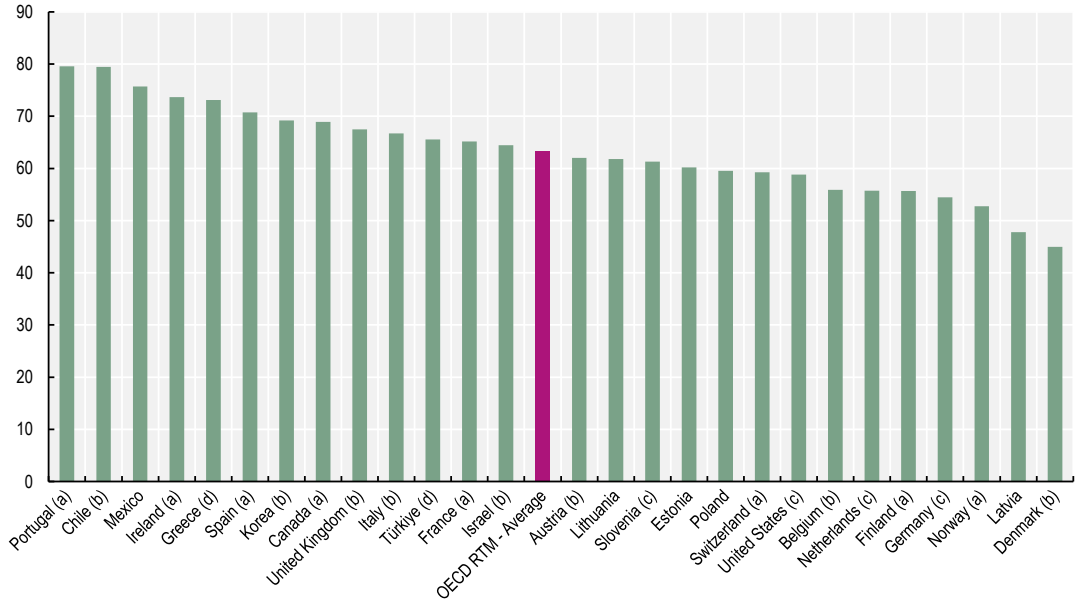
**The motivation for gender pay gap reporting is straightforward**, and as a policy measure it is intuitive. By analysing, presenting, and publicising pay gaps between women and men, proponents argue, different stakeholders, including the employers, should become more aware of the gender pay gap and more motivated to close it. Pay gap reporting, if sufficiently disaggregated by job category, can also offer important information to individual workers who feel they may be unfairly underpaid. Armed with information, these workers can try to negotiate for better pay or leave for a different job. This straightforward logic may be a reason why pay transparency is so broadly supported across many OECD countries

(Figure 1.4): 64% of respondents in the 27-country OECD Risks that Matter survey say that they support pay transparency to reduce wage gaps, with rates reaching nearly 80% in Portugal and Chile.

**Yet there are limits to what pay transparency can do** (Box 1.2). The burden of rectifying unequal pay still largely falls on the individual, and it is a significant burden in terms of time, finances, and effort. It may also be a mentally and emotionally taxing process (Box 1.3).

## Figure 1.4. Across 27 OECD countries, 64% of respondents support the use of pay transparency measures

Share of respondents who somewhat or fully support increasing pay transparency to reduce wage gaps, 2022




Note: Respondents were asked to what extent they support or oppose increasing pay transparency to reduce wage gaps, foster diversity and fight discrimination. Response options were "totally oppose", "somewhat oppose", "neutral", "somewhat support", "totally support", and "can't choose". Representative sample of 1 000 respondents per country. Countries opted in to participate in the survey.
(a). These countries have gender pay gap reporting and equal pay auditing at the national level.
(b). These countries have gender pay gap reporting at the national level.
(c). These countries have non-pay gender gap reporting at the national level.
(d). These countries have ad hoc equal pay audits at the national level.
Source: OECD Risks that Matter Survey 2022, http://oe.cd/rtm.

While pay reporting is increasingly common, no two countries' pay reporting systems are exactly the same. This report illustrates the strengths and limitations of different approaches with an eye towards informing implementation and monitoring across countries. The full report is structured as follows:

- Chapter 2 offers an overview of pay gap reporting systems, including reference dates for reporting and the inclusion criteria used to define which firms must report.
- Chapter 3 presents the type of data that must be collected in each country (for example by gender-disaggregated worker subgroup like job category or level of education), overviews governments' demands for gender-disaggregated data in employee outcomes *other* than pay, and briefly discusses the policy of salary transparency in job advertisements.

- Chapter 4 offers comparative perspective on equal pay auditing systems, which are currently in place in ten OECD countries and require follow-up action by employers after their analysis of pay gaps.
- Chapter 5 discusses different requirements for governments communicating pay reporting rules to employers, and for communicating rules and results from employers to employees.
- Chapter 6 overviews countries' approaches to the enforcement of pay reporting rules, including the use of third-party actors and sanctions.
- Chapter 7 presents novel and practical tools to facilitate companies' reporting of pay gap statistics.

### Box 1.2. What pay transparency can do – and what it can't

**The potential value of revealing wage gaps**

Pay transparency can be a simple yet powerful tool for closing gender wage gaps. By requiring employers to disclose information about their pay structures and salaries, transparency can help hold firms accountable for disparities that exist between male and female employees. Pay transparency can empower workers and their representatives to fight against individual or systemic pay inequities by giving them access to information about their colleagues' salaries. This can help to address the root causes of gender wage gaps and promote greater fairness in the workplace.

Pay transparency can also raise broader stakeholder awareness of the presence, causes, and consequences of the gender wage gap. This can help to generate public pressure for change and encourage employers to take proactive steps to address inequities that exist in their organisations.

However, it is important to acknowledge that the onus of identifying, raising, and rectifying pay inequity still largely rests on individual workers – and this is a high burden (see Box 1.3). Moreover, pay transparency cannot guarantee that women's wage gains are not compensated for elsewhere, such as in lower men's wages (see also Section 1.3).

Importantly, pay transparency cannot compensate for the choices and constraints that have accumulated in the form of lower wages over the life course. Women face a range of barriers and challenges throughout their careers that can limit their earning potential. While pay transparency can help to identify and address some of these issues, it is not a panacea for the complex and multiple challenges that underlie gender wage gaps.

**Anticipating the consequences of pay gap reporting in the workplace**

While pay transparency can help deter workplace discrimination, it can also cause dissatisfaction and turnover in a workplace if pay discrepancies are not properly justified. There can be resentment among employees who believe they are not being compensated fairly. Employers may exhibit centrality bias when subjectively determining employee performance, e.g. under-rewarding high performers and potentially leading to high turnover. Constant monitoring and evaluation can cause anxiety and stress on both sides.

So-called "horizontal" pay transparency, i.e. policies that reveal pay gaps between co-workers, has been found to affect bargaining over pay – with job applicants negotiating for higher pay – and can affect workers' psychological well-being, with lesser paid workers potentially feeling unhappy and working less (Cullen, 2023[22]). At the same time, empirical evidence on pay transparency policies suggest that "horizontal" pay transparency policies in real-world labour markets (such as reporting

gender wage gap statistics, expected wages or wage ranges in job postings, and the right of workers to talk), can lead to more equal pay, often by lowering average wages (Cullen, 2023[22]) (Section 1.3). This flattening of pay across workers tends to reduce compensation for good performance, too (Obloj and Zenger, 2022[23]). This is a key trade-off policy makers face when implementing pay transparency laws revealing co-workers' pay gaps.

"Non-horizontal" pay transparency can help address information asymmetries in the labour market (Cullen, 2023[22]). For instance, "vertical" transparency, i.e. policies that increase workers' understanding about what they could earn if they were to be promoted, can increase effort and productivity in meritocratic environments. "Cross-firm" pay transparency can inform prospective candidates about higher paying employers and lead to more favourable negotiations, as well as erode information rents for employers who shade their offers to workers. Such policies shine light outward, away from co-workers in comparable roles under the same employer, towards "vertical" and "cross-firm" pay differences (Cullen, 2023[22]).

## 1.2. Over half of OECD countries now require private sector firms to report their gender pay gap

**Over half of OECD countries' (21 of 38) national governments[4] now require private sector employers to report pre-defined gender-disaggregated pay information** to stakeholders like workers, workers' representatives, the government, and/or the public (Figure 1.5). This is a rapidly advancing policy space.

While a national requirement to report pay gaps has been in place for several decades in certain countries like Finland and Sweden, most countries' reporting regulations are relatively recent and have been in place for fewer than ten years. Countries with private sector pay reporting requirements at the national level include Austria, Australia, Belgium, Canada,[5] Chile,[6] Denmark, Finland, France, Iceland, Ireland, Israel, Italy, Japan, Korea, Lithuania, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

The same general principles of pay reporting hold across countries, but definitions of which firms must report – such as employee headcount thresholds and worker type – vary across countries (Chapter 2). When it comes to *what* needs to be reported, a few countries have opted for a straightforward reporting system where employers are only required to report the overall gender wage gap, or median (or average) pay for women versus men (Chapter 3). However, most countries require detailed, gender-disaggregated pay information across different categories like job classifications or level of seniority.

**In almost half (10 of 21) of the countries with private sector pay reporting rules, company pay reporting requirements are embedded within more comprehensive, mandatory, equal pay auditing processes** that apply to a pre-defined set of employers (defined in Box 1.5). This is similar to the concept of a joint pay assessment, language used in the forthcoming EU pay transparency legislation (Chapter 2).

Countries with equal pay audits include Canada (under the Pay Equity Act[7]), Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden, and Switzerland.

Equal pay audits typically require more thorough analysis of highly detailed statistical information on pay and workforce characteristics across different categories of employees (Chapter 4). Some countries require employers to also assess possible indirect discrimination. For instance, gender pay differences are assessed not only across jobs that are equal, but also across jobs considered of equal value (see Box 1.5 for definitions). These equal pay auditing processes often require follow-up actions by employers to address the gaps that have been found.

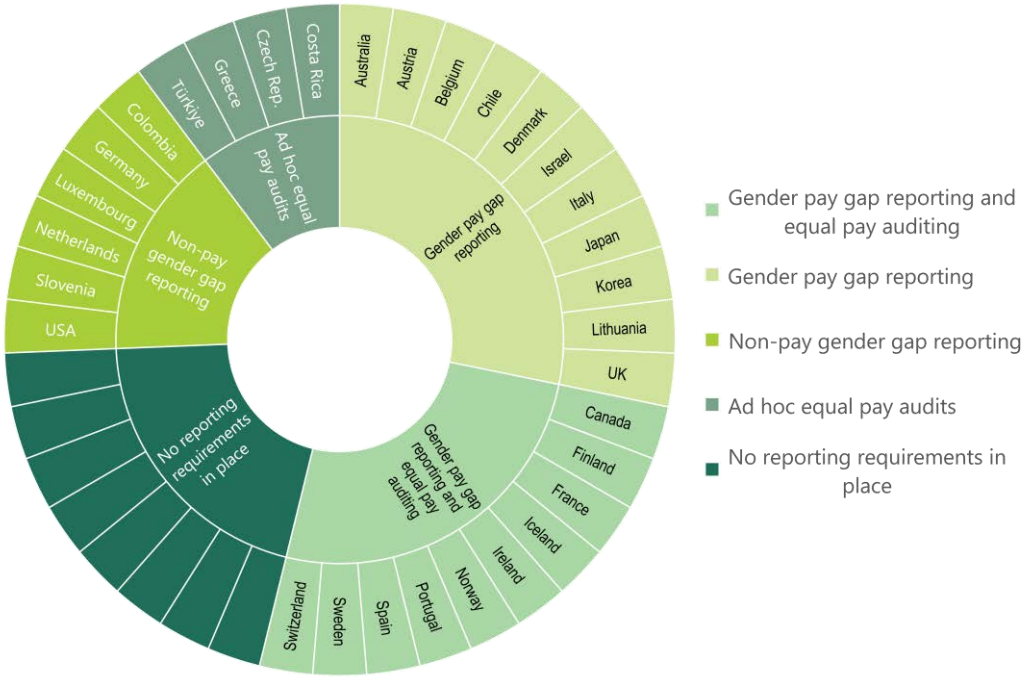
Interestingly, countries including Colombia, Germany, Luxembourg, the Netherlands, and the United States only require employers to report gender-disaggregated information *other* than pay, such as workforce composition by gender. At the same time, gender-disaggregated non-pay reporting rules now complement pay reporting requirements in many countries. These non-pay gender-disaggregated data reporting requirements most commonly include reporting gender gaps in employee headcounts, and often include the share of top positions held by women (Chapter 3).

A few countries use only an ad hoc approach to pay gap reporting that covers a relatively small share of employers. For example, in countries including Costa Rica, the Czech Republic, Greece, and Türkiye, companies targeted for labour inspections are also sometimes required to undergo gender pay gap reporting. These countries do not have more systematic, mandatory pay gap reporting rules.

Several EU countries have work in progress to introduce new pay transparency rules or expand the scope of existing measures to align with the forthcoming EU Pay Transparency Directive (see Chapter 2), which comes into force in 2023 and will apply to all EU member countries.

## Figure 1.5. Just over half of OECD countries require private sector companies to report gender pay gap statistics

Distribution of countries by the presence of national-level regulations requiring private sector pay reporting, pay auditing, or related measures, OECD countries, 2022




Note: Chart shows the distribution of national-level pay reporting measures across OECD countries. Ten countries in which companies meeting defined criteria (e.g. firm size) are required to carry out regular gender pay audits and report disaggregated pay gaps include: Canada (federally regulated employers), Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden, and Switzerland (Chapter 4). Eleven countries in which companies meeting defined criteria are required regularly to report gender-disaggregated pay information without a broader audit are: Australia, Austria, Belgium, Chile (the financial sector), Denmark, Israel, Italy, Japan, Korea, Lithuania and the United Kingdom. Countries in which all companies meeting defined criteria are required to report only gender-disaggregated data on workforce characteristics but not gender pay gap data are: Colombia, Germany, Luxembourg, the Netherlands, and the United States. Twelve other countries require the reporting of non-pay information either as part of pay gap reporting requirements or as part of another measure (Chapter 3).Countries in which an ad hoc selection of companies are required to undergo gender pay audits as part of a targeted labour inspection (non-exhaustive list) include Costa Rica, the Czech Republic, Greece, and Türkiye. Note that some countries have subnational gender pay gap reporting policies in place.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

### Box 1.3. Pay transparency helps, but employees still bear the burden of rectifying pay inequity

Pay transparency alone is insufficient to close the gender wage gap. Gender wage gaps represent a broad and pervasive problem, in both societies and labour markets, that has built up over decades, and these gaps cannot be fixed solely by raising stakeholder awareness of pay inequity in a firm. And while pay transparency is an important resource for an individual employee who suspects she is underpaid – it helps to solve the "comparator" problem (Box 1.4) – pay transparency is usually insufficient to rectify individual instances of unfair pay.

When a worker learns that she has been underpaid, in most countries she has a limited number of options: do nothing, negotiate higher pay, or initiate a pay equity claim. The onus of identifying, raising, and rectifying (possibly discriminatory) pay inequity rests on the individual. This is a very large burden in terms of time, finances, and effort. These processes can also be emotionally taxing to the individuals involved.

While pay transparency laws may give workers more information about unequal pay, pay transparency's effectiveness often relies upon workers having bargaining power to negotiate collectively or individually – and to negotiate without negative repercussion, which is less likely the case for women. Research shows that women tend to be less likely than men to negotiate for a higher salary, and when they do negotiate they tend to face backlash (Bowles, 2014[24]).

This means that even if a female worker correctly identifies a pay equity issue, raising it with her employer may not be an easy step or a feasible solution. Pay equity claims that go through the legal system also tend to be costly, both in time and money.

Legal mechanisms should therefore be in place for either an individual or a group of workers to seek recourse if they are indeed underpaid for doing work of equal value to a colleague or workers supplying work of equal value. To support this, objective criteria to assess work of equal value should be used for pay equity claims. Many countries have legal guidelines for this. Access to justice should be streamlined and the burden of proof in pay discrimination cases should rest on the employer (European Commission, 2020[25]).

The European Union's Pay Transparency Directive[1] requires a shift of burden of proof from the worker to the employer. In other words, in cases where an employee has taken a pay discrimination case to court, the burden of proof is on the defendant to demonstrate that no such discrimination has occurred. This approach ensures better and more straightforward access to justice to workers who believe they have been wronged and may also incentivise employers to ensure equal pay between men and women. Another interesting legal development recently took place in Germany, where a court ruled that an employer cannot pay a man more than a woman simply because he negotiated a higher salary at the time of hiring.[2]

Equal pay *audits* (Chapter 4) represent an important step forward for pay equity, as they often require follow-up action by employers once pay gaps are established. In other words, in pay auditing systems, much of the onus of addressing pay discrepancies is systematically moved to the employer. This is an important transfer of primary responsibility.

1. Available at https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2023.132.01.0021.01.ENG&toc=OJ%3AL%3A2023%3A132%3AFULL.
2. For a news summary (in German) see https://www.tagesschau.de/wirtschaft/gehalt-unterschiede-bundesarbeitsgericht-101.html.
Source: Excerpted from (OECD, 2021[6]), *Pay Transparency Tools to Close the Gender Wage Gap*, http://oe.cd/pay-transparency-2021.

## 1.3. Pay transparency helps – if design and implementation are done right

Despite the growing prominence of pay gap reporting regimes, only a few national systems have been evaluated quantitatively by academic or government researchers.

Yet pay reporting and equal pay audit requirements are ripe for rigorous evaluations. Pay transparency obligations typically affect firms of specific sizes who are targeted at different points in time, which allows for relatively straightforward quasi-experimental policy evaluations. Making use of the fact that policy "treatment" and "control" groups of firms are assigned almost at random – some employers barely pass the size threshold for reporting requirements (treatment), while others barely meet it (control) – it is simple to compare outcomes across these otherwise highly similar groups.[8]

Measuring the effectiveness of national-level pay gap reporting rules using these kinds of quasi-experimental research methods has taken place in only a handful of countries: Austria, Canada, Denmark, Sweden, Switzerland, and the United Kingdom. Although almost all research has concentrated on pay reporting measures, it seems likely that equal pay auditing systems – with more comprehensive analysis and follow-up measures – would have an even greater impact on closing the gender wage gap than basic pay reporting.

National-level pay gap reporting rules do not have a consistently positive effect on closing gender pay gaps across *all* countries with these systems. This suggests that policy design and implementation play an important role in the effectiveness of the system.

Indeed, **in countries where national pay gap reporting rules seem to have helped reduce the gender pay gap – Denmark, France, Switzerland and the United Kingdom – there is strong third-party involvement.** In other words, an actor independent of the employer, employees, and employee representatives is closely involved in the pay reporting process.

In Denmark, the Ministry of Employment commissions the *National Statistics Office*[9] to calculate the gap for employers using pre-existing data. France has a sophisticated pay transparency system: the *government provides calculators and online forms* for submitting data, and the *French Labour Inspectorate* carries out inspections and financial penalties for non-compliance. In Switzerland, the government provides a free calculator tool for different sized firms – Logib – and requires an *independent audit* of firms' pay gap reporting.[10] In the United Kingdom, gender pay gaps are reported to a government agency and *shared with the public*,[11] which provides considerable visibility and informal oversight. These systems are detailed in subsequent chapters of the report.

### *1.3.1. Pay reporting is not associated with reduced gender pay gaps in Austria, and Sweden finds mixed results*

Taking advantage of the staggered entry into force of the Austrian pay transparency law, empirical research using regression discontinuity design (Böheim and Gust, 2021[26]) and event-study design (Gulyas, Seitz and Sinha, 2021[27]) finds no effect of the pay reporting policy on gender pay gaps in affected companies in Austria. The authors suggest this may be a result of Austria's weak enforcement mechanisms, which do not require employers to follow reporting with concrete action, as well as limited public awareness of pay reporting requirements. There is also some evidence that the female share of workers dropped in large firms affected by the rules (Böheim and Gust, 2021[26]). Similarly, no positive effects are found in an analysis of pay transparency in job advertisements in Austria.[12]

Sweden is one of the few governments to have assessed quantitatively the effects of its pay auditing system on wage outcomes. After a legislative change in 2009, employers with 20 to 24 employees no longer fell under the obligation to report. The study uses this group as a comparator to employers with 25 to 30 employees. Looking at this limited sample of small employers, Sweden's National Audit Office finds

only a marginal effect of pay audits in reducing the gender wage gap (Swedish National Audit Office, 2019[28]).

On a more positive note, the Swedish study also shows that slightly more women were employed in affected companies, and similarly slightly more women were appointed as managers – indicating other potential positive effects on gender equality.

Both Austria and Sweden's pay reporting rules have comparatively weak enforcement and compliance mechanisms, and both countries tend to rely on access to justice via the court system – a slow-moving and resource-intensive path.

### *1.3.2. In Denmark, Switzerland, and the United Kingdom pay reporting has likely reduced gender pay gaps*

Denmark, Switzerland, and the United Kingdom have greater involvement of third-party actors ensuring compliance, and causal research suggests their pay gap reporting regimes have helped to close wage gaps.

Employing the introduction of Danish pay transparency rules and difference-in-differences and difference-in-discontinuities designs, research into Danish reporting requirements (Bennedsen et al., 2022[29]) shows that gender pay gaps in the affected firms reduced by about 2 percentage points (or 13% from prior to 2006).This reduction came about through a suppression in the growth of male wages. The research also finds that firms just above the reporting requirement threshold are more likely to hire female workers and to promote them than those just below the threshold (Ibid.).

In the United Kingdom, two studies exploiting the discontinuous size threshold and using difference-in-difference both find that the gender pay gap has slightly narrowed as a result of the measure (Blundell, 2021[30]; Duchini et al., 2020[31]). Like in Denmark, this appears to have been driven by a reduction in male wages rather than an increase in female wages. Duchini et al. (2020) find the UK's pay transparency regulations are also influence hiring practices; affected employers tend to adopt practices that are more attractive to women, such as providing information about wages in job advertisement and offering flexible working arrangements. This can have large effects considering that, according to survey evidence gathered by Blundell (2020), in order to not be hired by the (hypothetical) employer with the highest gender pay gap in their industry, a majority of women would accept a 2.5% lower salary, with women prepared to accept, on average, 4.9% lower pay to avoid this high pay gap employer.

Studies of the United Kingdom during the COVID-19 pandemic, when the pay gap reporting system froze, seem to support earlier evidence. Focusing on the temporary suspension of pay reporting requirements in the United Kingdom due to the COVID-19 pandemic, organisations that reported their gender pay gap during the year of suspension showed a 6% lower gap a year later, compared to those that did not report (Jones, Kaya and Papps, 2022[32]). This reduction is attributed to an increase in the proportion of women in the top pay quartile and a rise in the concentration of women in the overall workforce. (Jones, 2022[33]) also finds, in a descriptive analysis looking at firm-level gender wage gaps, that organisations with larger gender wage gaps have shown more improvement over time – and that comparisons with intra-industry comparators likely contributed to narrowing gaps.

In Switzerland, the introduction of the free but non-mandatory wage gap calculator Logib in 2006 corresponded with a 3.5% narrowing of the gender pay gaps (Vaccaro, 2017[34]). Employing the discontinuous size cut off and difference-in-discontinuity design, the author shows that affected Swiss employers adjusted the wages of new hires without reducing the number of new female workers.

A descriptive analysis (non-quasi-experimental) of the French pay transparency system (Briard, Meluzzi and Ruault, 2021[35]) shows that since the introduction of the measure, the average firm score in the Professional Equality Index[13] has been improving, with the increase being more significant for large

companies. An increase in the score implies a narrowing of the wage gap, among other things. Although firms' performance on all five indicators is increasing, the main source of the increase is the indicator on maternity and raises, i.e. how many mothers returning from maternity leave receive the raise to which they are entitled according to French law. The authors suggest this improvement is driven by employers' growing awareness of this law through the requirement to report on it.

In an evaluation of a more narrow pay transparency measure in Canada, (Baker et al., 2019[36]) assess the effects of salary disclosure on gender pay gaps in the context of staggered implementation across Canadian provinces of laws that require public disclosure of the salaries of individual faculty members (exceeding certain thresholds) in public universities. Utilising comprehensive administrative data and event-study research methodology, they find strong evidence that these laws have decreased the gender pay gap between male and female faculty members by around 20-40 percent.

### Box 1.4. Pay transparency can help to solve the "comparator" puzzle

Closing the gender pay gap requires being able to measure its existence, shape and size. At an aggregate level – within a workplace, town, region, country, and so on – administrative data and labour force surveys can help researchers identify when, where and how gender wage gaps occur.

Observable factors driving the gender wage gap include an employee's age, level of education, field of study, sector of employment, workplace, parenthood status, and other variables. Recent research using match employer-employee data suggests that nearly 80% of the gender wage gap, in a sample of 16 OECD countries, is attributable to pay inequity within firms (OECD, 2021[37]).

Yet it is very difficult for an *individual* worker to know whether she or he is being underpaid – and to whom their salary should be compared. Very few countries guarantee workers the right to learn a specific colleague's (or small group of colleagues') pay.

The issue of finding either a hypothetical "comparator" or an accurate, real-life comparator has been a longstanding challenge across countries (European Commission, 2020[25]). It is often not obvious who should qualify as a comparable colleague for the basis of a pay comparison. Countries also identify privacy and data protections as a hurdle to sharing a specific, comparable colleague's pay. Finally, logistical or operational barriers are another issue; as with other transparency requirements, some companies claim that identifying and sharing the salary of a comparator is too high an administrative burden (OECD, 2021[6]).

Countries have used different approaches to address the comparator issue. Such approaches include legislation allowing a comparison of salary with the previous person who held a post; allowing a comparison with a group of colleagues; requiring that the comparator be of an opposite sex; and/or requiring that the comparator be employed within the same company (OECD, 2021[6]; European Commission, 2020[25]). New Zealand, notably, has recognised that the historic undervaluation of traditionally women's work may necessitate a comparator being sourced from a different sector.[1] This is particularly relevant in the context of improving wages in historically feminised health and care sectors (OECD, 2023[38]). Some other countries have said that a comparator should not be necessary at all to prove unfair pay.

In sum, the comparator question remains a difficult, practical puzzle to solve when pay discrimination cases arise.

1. Based on conversations in a virtual mission between the OECD Secretariat and several agencies in the Government of New Zealand.
Source: Excerpted from (OECD, 2021[6]), *Pay Transparency Tools to Close the Gender Wage Gap*, http://oe.cd/pay-transparency-2021.

## 1.4. Policy lessons

Drawing on evidence from the 21 countries with pay gap reporting rules in place, consistent findings and policy recommendations for governments emerge:

### *1.4.1. Improve worker coverage in pay reporting regimes*

Most OECD countries exempt small employers from pay gap reporting rules. This means a large share of workers face challenges to accessing equal pay information. This limits their ability to argue for fair pay for their work. Spain is the only country in which the requirement to collect gender-disaggregated wage data has no minimum size threshold. Otherwise, minimum size thresholds for reporting range from ten employees (Canada and Sweden[14]) to more than 518 employees (Israel).

Additionally, pay reporting rules typically require reporting the gender pay differentials of the regular and/or permanent workforce. While this means that a large share of a firm's workforce is usually covered by reporting rules, workers in more precarious working conditions – such as contractors, consultants, and/or temporary workers – may be excluded. Part-time employees are included in the threshold calculations in most countries, although some countries assign part-time workers a smaller weight (Chapter 2).

### *1.4.2. Improve the quality of gender-disaggregated pay data analysed and reported*

Reporting average or median pay statistics disaggregated by gender at the *aggregate* level in a firm has benefits. It helps to reduce administrative burden on firms;[15] it encourages businesses to consider how horizontal and vertical segregation contributes to the overall firm wage gap; and it helps to increase awareness of pay equity with one single, tangible statistic. Yet producing *only* a single wage gap statistic per firm does little to help stakeholders understand the causes of the gender gap.

To better understand drivers of the wage gap, firms should be required to assess gender-disaggregated pay outcomes at both the aggregate firm level *and* by key subgroups. In many countries these subgroups include job category and level of seniority, in an effort to produce gender pay gap comparisons across more comparable workers.

To note, this strategy does not address horizontal gender segregation and systematically lower pay in typically feminised professions. A pay gap reporting assessment of long-term care (LTC) workers in a single company, for example, may find little gender wage gap within this group – but these LTC workers may still be systematically underpaid for their skills and the value of their work. For this reason, when job classification systems are used to define pay transparency subgroups, it is important that job classifications be "gender-sensitive" or "gender-neutral," as is the case in at least ten OECD countries. This is necessary to avoid embedding systematically lower pay in traditionally women's professions (Chapter 3).

Countries should also consider disaggregating pay statistics by race/ethnicity, as is done in Canada and New Zealand, to better capture intersecting disadvantage for minority women.

### *1.4.3. Facilitate employers' reporting through free digital tools*

For pay reporting systems to work properly, employers must clearly understand the information they need to report. While some countries offer very little guidance about what statistical analysis to perform and how to disseminate results, an increasing number of governments in the OECD provide employers with digital tools such as gender pay gap calculators (to calculate their firm's gap themselves) or reporting portals for submitting pay data to the government (Chapter 7).

The use of pre-existing government data has also appeared as a new frontier in pay transparency. This allows governments to calculate companies' gender pay gaps with little or no additional administrative burden on employers. Denmark (which uses data already collected in its national Structure of Earnings

Survey) and Lithuania (which uses data collected as part of the social security system) offer noteworthy examples (Chapter 7).

### *1.4.4. Monitoring and enforcement of pay reporting should be strengthened*

Most OECD countries have some degree of monitoring compliance of pay gap reporting rules, although the intensity of monitoring and enforcement differs widely across countries. In general, countries that embed pay reporting within equal pay auditing systems (Chapter 4) – such as France – tend to have more comprehensive methods of monitoring compliance.

Financial penalties are commonly listed as a tool to enforce compliance, but potential fine amounts are usually small and fines are rarely issued. Other tools for compliance include more commonly used "name and shame" procedures – where companies face reputational risk for poor performance on gender equality – and equal pay certificates (Chapter 6).

### *1.4.5. Mandate equal pay audits for a comprehensive assessment and response*

National equal pay audit regimes, targeting the private sector in ten countries (Figure 1.5), have more intensive requirements than simple pay gap reporting. Audits typically include an analysis of the proportion of women and men in each category of employee or position, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on grounds of gender – and often mandate follow-up action. Equal pay audits are comparable to the concept of "joint pay assessments" in forthcoming EU legislation.

Follow-up action can apply to all relevant employers or only those where analysis reveals gender differences in remuneration. These follow-ups are sometimes referred to as gender equality "action plans". These include an initial assessment of the situation (i.e. the process and evaluation of results of pay gap reporting), a justification of any differences found, and/or a discussion or implementation of active measures to combat differences.

### *1.4.6. Conduct rigorous evaluations of pay reporting processes and wage gap outcomes*

The effects of national-level pay reporting rules on changes in the gender wage gap have been causally evaluated in only a handful of countries (Section 1.3), usually by academic researchers. Yet these kinds of policy evaluations are often "low hanging fruit," from an empirical perspective. Many pay reporting programmes have been introduced with obvious discontinuities, e.g. by firm size or over time, that make for ideal quasi-experimental evaluations of effects on wages. Countries should additionally continue to monitor pay gap reporting processes to ensure that various stakeholders are participating as they should.

### *1.4.7. Raise awareness of pay reporting rules and results through clearer communication*

In general, pay transparency legislation across OECD countries would benefit from increased transparency – both in instructions to employers *and* in communication from employers to stakeholders (Chapter 5). Better awareness of pay transparency rules and results could improve the effectiveness of pay gap reporting regimes in actually closing gaps.

Governments' pay gap reporting rules are rarely communicated directly to employers and are instead simply published on government websites. Employer awareness of pay gap reporting rules is not commonly measured.

The communication of pay gap results to stakeholders like workers, their representatives and the public is not always straightforward, either. Not all relevant actors are automatically informed about the results of

pay gap reporting, and instructions on how employers should share results with employees should be made more explicit in most countries. Transparency to the public is a reality in only about half of OECD countries with pay reporting rules – though the public usually cannot access disaggregated pay gap results (Chapter 5).

### *1.4.8. Embed pay transparency within more holistic efforts to improve gender equality*

By itself, pay transparency cannot close the gender wage gap. In many ways, pay transparency comes too late – it attempts to address inequalities that have built up over the life course, after years of gendered socialisation, educational choices, segregation into lower-paying fields, and career interruptions. Gender pay gap reporting, and pay transparency in general, must be embedded within a holistic, systematic, life-course approach to promoting gender equality in society, labour markets, governance and public policy. This includes gender-equal access and encouragement to all levels and subjects of schooling, family and work-life balance supports like childcare and parental leave, efforts to improve the division of unpaid work, anti-discrimination legislation, improving women's access to leadership roles, and closing gender gaps in old age.

## 1.5. Checklist for implementing and reforming pay gap reporting systems

The following checklist offers simple guidance to countries interested in implementing, reforming, or monitoring their pay gap reporting system. It covers various aspects of the reporting systems, including coverage, quality of reported data, enforcement, ease of reporting, stakeholder awareness, and required follow-up actions by firms. By evaluating these factors, policy makers can identify areas for improvement and implement measures to ensure the success of gender pay gap reporting systems. The right-most choice in the following response options represents current good practice in OECD countries; the left-most choice indicates room for improvement.

Guidance for the checklist:

- Review each section of the checklist, labelled A to F, which represents different dimensions of gender pay gap reporting systems. For each numbered item within a section, mark the checkbox (☐) that best reflects the current state or level of implementation in your country.
- Consider the implications and importance of each item in relation to the overall design of the reporting system in the country. Use the results of the checklist to assess the strengths and weaknesses of your country's gender pay gap reporting system.
- Identify areas that require improvement and develop/reform policies to enhance the effectiveness of the reporting system.
- Regularly review and update the checklist to ensure ongoing evaluation and improvement of the reporting system.

## Figure 1.6. Policy checklist for gender pay gap reporting systems

**POLICY CHECKLIST FOR GENDER PAY GAP REPORTING SYSTEMS.**

**A. Coverage of gender pay gap reporting rules.**

*Why it matters:* The share of firms that are required to report their gender pay gap is positively associated with the (potential) success of a system in reducing the overall gender wage gap in a country.

1. Considering the company size thresholds that define the number of firms required to report, what share of employees nationwide are covered by pay gap reporting rules?

   ☐ None ☐ Fewer than half ☐ More than half

2. To what degree does the definition of "employee" in firm headcounts for pay gap reporting include workers who may be in more precarious situations, such as temporary or part-time workers?

   ☐ Not at all ☐ Some precarious workers are included ☐ Most precarious workers are included

**B. Quality of gender-disaggregated pay data reported.**

*Why it matters:* The type of data reported, either in the form of mean/median pay by gender or the gender pay gap itself, has implications for illustrating the size and shape of the gender wage gap across different types of employees.

1. Does gender-disaggregated pay data reporting illustrate the firm-level aggregate pay gap, pay gaps by subgroups within the firm (e.g. by job classification or seniority), or neither of the above?

   ☐ Neither of the above ☐ Firm-level aggregate pay gap ☐ Aggregate pay gap and by subgroups within the firm

2. If gender-disaggregated pay data are reported by subgroups, are an adequate range of subgroups included? In addition to basic subgroups like job category and seniority, to what degree do subgroup reporting requirements represent a diverse range of different employee categories, e.g. by parenthood status or racial/ethnic background?

   ☐ No subgroups are included ☐ Basic subgroups are included ☐ Diverse range of subgroups included

3. If job classifications are used in the country, to what degree are they gender-neutral/gender-sensitive job classifications?[1]

   ☐ No job classifications are gender-neutral ☐ Some are gender-neutral ☐ Most are gender-neutral

**C. Enforcement of gender pay gap reporting rules.**

*Why it matters:* Adequate enforcement of gender pay gap reporting regimes is important for ensuring that the appropriate firms comply with reporting requirements, that the proper data are collected and analysed, and that results are shared with required stakeholders. This can help ensure that pay gap reporting regimes have both de jure and de facto effectiveness.

1. To what degree can a government agency or other stakeholders identify which companies are required to report (typically defined by company size)?

   ☐ It is not possible to identify ☐ Some firms can be identified ☐ Most firms can be identified

2. To what degree is firm compliance with pay gap reporting monitored by employees, employee representatives, a government agency, and/or a non-governmental auditing body?

   ☐ There is no monitoring ☐ Workers and their representatives principally monitor ☐ An external body monitors

3. How commonly are financial sanctions levied in the event of non-compliance with reporting rules?

   ☐ Never ☐ Occasionally ☐ Frequently

4. To what degree are firm-specific gender pay gaps shared with the general public?

   ☐ No information provided to public ☐ Public can see whether firms complied with requirements (but not firm-specific pay gap(s)) ☐ Public can view firm-specific pay gap(s)

**D. Ease of firms' reporting.**

*Why it matters:* To reduce the potential issue of administrative burden on firms, governments can provide accessible tools to improve companies' understanding of pay gap reporting systems and facilitate firms' reporting.

1. How easily can firms access government instructions on gender pay gap reporting rules?

   ☐ Not at all ☐ Somewhat easily ☐ Very easily

2. To what degree does the government facilitate firms' reporting, e.g. via online portals to submit data to the government and/or software for firms to calculate gaps themselves?

   ☐ Not at all ☐ Somewhat ☐ To a high degree

3. To what degree does the government calculate firms' gender wage gaps with limited employer involvement, e.g. via the use of pre-existing government data to calculate gaps?

   ☐ Not at all ☐ To a limited degree, e.g. the aggregate gap ☐ To a high degree, e.g. including subgroups

**E. Stakeholder awareness of the results of pay gap reporting.**

*Why it matters:* Awareness of the results of firms' pay gap assessments among employees, their representatives, the government and the public has important implications for increasing transparency around wage gaps and mobilising support to close gaps.

1. How broadly must pay reporting results be shared, e.g. to employees, their representatives, the government, the general public?

   ☐ To no one ☐ To workers and representatives ☐ To workers, representatives, and government and/or public

2. How clear are instructions to firms on communicating pay gap results to employees?

   ☐ No instructions are provided ☐ Firms are given limited guidance ☐ Firms are given clear guidance

3. To what degree does the government measure stakeholder awareness of gender pay gap reporting regimes?

   ☐ Not at all ☐ Government informally measures awareness ☐ Government conducts surveys on awareness

**F. Follow-up action required by firms.**

*Why it matters:* The simple act of reporting gender-disaggregated pay information helps raise awareness of pay inequity, but it may not be sufficient to reduce gender wage gaps without mandatory, well-informed follow-up actions by firms.

1. To what degree is gender pay gap reporting accompanied by mandatory follow-up assessments of the gaps found, i.e. gender equality audits or joint pay assessments, in order to understand their causes?

   ☐ Not at all ☐ Follow-up action is recommended ☐ Follow-up action is required

2. What kinds of follow-up actions are required by firms to address gender pay gaps they find?

   ☐ None ☐ Firms must assess causes of gaps ☐ Firms must assess causes and develop plans to close gaps

3. To what degree is follow-up action monitored by employees, employee representatives, a government agency, and/or a non-governmental auditing body?

   ☐ Not at all ☐ Only workers and representatives monitor follow-up action ☐ An external body monitors

4. To what degree are pay transparency schemes and their effectiveness in closing the gender pay gap rigorously evaluated?

   ☐ Not at all ☐ Ad hoc studies of effectiveness ☐ Regular studies of effectiveness

1. Gender-neutral/gender-sensitive job classification schemes are frameworks that attempt to categorise jobs in a way that avoids gender bias and is based on "objective" criteria. These systems typically use a set of factors, such as skill level, responsibility, and working conditions, to determine the appropriate job classification.

### Box 1.5. Key terms and definitions used in this report

A **comparator**, in the context of equal pay litigation, refers to a worker whose salary is used as a reference for another person who is in a comparable working situation. Guidelines as to who qualifies as a comparator (and whether a comparator is necessary to prove pay discrimination) vary by country. A comparator may be real or hypothetical.

**Equal pay for work of equal value** implies that women and men should get equal pay if they do identical or similar jobs, and that they should also earn equal pay if they do completely different work that can be shown to be of equal value when based on "objective" criteria. These objective criteria tend to encompass job-related characteristics such as skills, effort, levels of responsibility, working conditions and qualifications. Many countries have attempted to clarify the use of the concept of "work of equal value" in national legislation.

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. An equal pay audit is more intensive than simple pay reporting. A pay audit should make an effort to analyse any gender pay gaps found, should attempt to identify the reasons behind these gaps, and could be used to help develop targeted actions on equal pay. An **equal pay audit** is comparable to a **joint pay assessment,** as proposed in recent EU pay transparency legislation.

**Horizontal segregation** refers to the concentration of women and men in different sectors and occupations. For example, women are typically overrepresented in childcare and men are typically overrepresented in engineering.

**Intersectionality**[1] is a term used to describe how social and political identities, such as race, gender, class, sexual orientation, and ability, intersect to create unique experiences of discrimination and privilege. The concept of intersectionality acknowledges that individuals can experience various forms of oppression and discrimination simultaneously, and that these experiences cannot be fully understood or addressed by considering only one aspect of their identity in isolation.

**Job classifications** are related to job evaluation process and commonly entail human resource personnel and/or social partners ranking each job within an organisation against objective criteria that relates to the required skills, effort, responsibilities, working conditions, education, and difficulty of a role, amongst other observable characteristics. Related to this, gender-neutral job classification systems refer to job classification systems that account for the gender predominance of a given job class and categorise work based on the same objective criteria for men and women.

**Gender-neutral or gender-sensitive job classification** systems refer to a framework for categorizing jobs that avoids historic gender bias and is based on objective criteria. The aim is to eliminate gendered assumptions and stereotypes about what type of work is suitable for men or women. These systems typically use a set of factors, such as skill level, responsibility, and working conditions, to determine the appropriate job classification.

The **OECD Gender Pay Transparency Questionnaire 2022** (**OECD GPTQ 2022**, presented in Annex 1) is the reference questionnaire for the policies presented and discussed in this report.

**Pay reporting** refers to policies mandating that employers regularly report (including to employees, workers' representatives, social partners, a government body, and/or the public) gender pay gap statistics. Such statistics typically include the average or median remuneration of men and women at the firm level but are often more detailed and include breakdowns by groupings such as job category.

**Pay transparency** is an umbrella term referring to policy measures that attempt to share pay information in an effort to address gender pay gaps. Such measures may include mandating pay reporting, equal pay auditing, job classification systems, and publishing pay information in job vacancies.

**Vertical segregation** refers to the concentration of women and men at different levels of an organisational hierarchy, e.g. at different grades, levels of responsibility or positions.

1. This concept first originated with Crenshaw (1989[39]).

# Annex 1.A. Research design of the report

In June 2022, the OECD distributed a detailed policy questionnaire via the Employment, Labour and Social Affairs Committee (ELSAC) to gender, labour, and/or social ministries in every OECD country. This questionnaire sought to update and expand on a February 2021 stocktaking of wage mapping and pay transparency measures aimed at promoting equal pay between women and men. The 2022 questionnaire narrowed in on an increasingly common pay transparency tool – gender pay gap reporting – with the goal of informing countries' implementation and monitoring.

The response rate was 95%, with 36 out of 38 member states either completing the questionnaire in full or validating missing responses. The questionnaire requested details on the following public strategies for promoting equal pay in each country:

- Rights to equal pay
- Information about pay reporting measure(s)
- Required content in reported pay gap statistics
- Accountability to workers, workers' representatives and government bodies
- Enforcement of pay reporting rules
- Transparency of pay reporting results to the public
- Guidance and help for complying with pay reporting rules
- Other reported (non-pay) gender-disaggregated data
- Evaluations of pay transparency rules
- Other pay transparency measures

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## Notes

[1] See Box 1.1 for a discussion of the differences between the unadjusted and adjusted gender pay gaps.

[2] Belgium's gender wage gap statistic may not provide a complete picture since it excludes significant sectors where pay gaps tend to be substantial, such as agriculture, mining, real estate, professional, technical and scientific activities, and others. Consequently, the calculation of Belgium's low gender wage

gap is significantly influenced by the overrepresentation of sectors characterised by robust collective bargaining traditions and strict collective agreements.

[3] Such measures should include incentives for equal sharing of parental leave across mothers and fathers, as leave-taking primarily by mothers can worsen gender equality outcomes (Fluchtmann, 2023[40]).

[4] This report focuses on national-level policies. Some OECD countries, such as the United States, have *sub-national* pay transparency rules for private sector firms.

[5] The pay reporting laws in Canada only apply to federally regulated private sector employers, federally regulated Crown corporations, and other federal organisations (under the Employment Equity Act) and to federally regulated private and public sector employers, parliamentary workplaces, and the Prime Minister's and ministers' offices (under the Pay Equity Act).

[6] The pay reporting law in Chile only applies to businesses under the supervision of the Financial Market Commission [*Comisión para el Mercado Financiero* (CMF)]. The Financial Market Commission (CMF) is a public service of a technical nature whose main objectives are to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith. Companies analyse their gender equality, taking remuneration into account, in order to comply with CMF rules.

[7] Canada's pay reporting regulation is two-fold: Employment Equity Act and the Pay Equity Act (see endnote 5).

[8] Of course one would need to conduct robustness checks to ensure that firms do not "sort" around (i.e. just under) a firm size reporting threshold.

[9] Statistics Denmark (https://www.dst.dk/en).

[10] This independent audit should be carried out by a government-certified auditor, or, alternatively, can be carried out by social partners or organisations promoting gender equality.

[11] See https://gender-pay-gap.service.gov.uk/.

[12] More recent evidence on a different Austrian pay transparency tool – wage transparency in job advertisements – supports earlier findings that there has been little to no effect of pay transparency in Austria. Bamieh and Ziegler (2022) assess the effects of pay transparency in job advertisements on switching occupations, e.g. by gendered sorting into better-paid occupations and firms. The paper finds the policy did not lead women to become more likely to switch to better-paid jobs. The authors suggest this may be due to strong gender preferences of Austrian employers which can limit women's possibilities to switch to predominantly male jobs.

[13] In France, *L'Index de l'Égalité Professionnelle Entre les Femmes et les Hommes*, or, in English, the Professional Equality Index (PEI) has been in force since 2019. This measure applies to both employers in the public and in the private sector. Every year, by 1 March, public and private employers with at least 50 employees (requirements differ for those employers with more than 250 employees) must report pay information by gender and carry out and submit the results of an equal pay audit. The French system is further detailed in the subsequent chapters.

[14] Swedish reporting rules require all employers, regardless of size, to conduct pay surveys. However, only employers with more than ten employees need to document their work. As such, ensuring compliance of micro-companies is virtually impossible.

[15] This can reduce administrative burden as firms do not need to collect and analyse disaggregated information.

# 2 Gender pay gap reporting in OECD countries: Who reports?

Over half of OECD countries (21 of 38) now require private sector employers to report gender-disaggregated pay information to stakeholders like workers, workers' representatives, the government, and/or the public. This is a rapidly advancing policy space. Half of the countries with reporting requirements also mandate a more detailed equal pay auditing process, similar to the concept of a joint pay assessment – language used in the EU pay transparency legislation. This requires more thorough analysis and typically mandates follow-up measures to try to close gender gaps. While the same general principles of pay reporting hold across countries, the criteria for which firms must report – such as employee headcount thresholds and worker type – vary across countries. This has implications for the coverage and, consequently, effectiveness of pay reporting policies.

## Key findings

- A majority of OECD countries (21 out of 38 countries) require private sector employers to report gender-disaggregated pay data. This is a rapidly advancing policy area. About half of these countries (10 out of 21) have company pay reporting requirements embedded within broader and more comprehensive, mandatory, equal pay auditing or "joint pay assessment" processes.
- Most of private sector pay reporting countries (14 out of 21 countries) also apply identical or similar mandatory reporting rules to employers in the public sector. Additionally, Latvia and New Zealand require *only* public sector employers to report on gendered pay information.
- Most private sector pay reporting requirements require employers to report every one to two years.
- Countries usually exempt small employers from pay gap reporting rules – meaning a large share of workers face challenges to accessing equal pay information, which limits their ability to argue for fair pay. Spain is the only country where the requirement to collect gender-disaggregated wage data has no minimum firm size threshold. Minimum size thresholds for reporting range from ten employees (Canada and Sweden (see endnote 9)) to more than 518 employees (Israel).
- In most countries, pay reporting rules capture the gender pay differentials of the regular and/or permanent workforce. While this means a large share of a firm's workforce is usually covered by reporting rules, people in more precarious working conditions – such as independent contractors, consultants, and/or temporary workers – may be excluded. Part-time employees are included in the threshold calculations in most countries, although some countries assign part-time workers a smaller weight.
- The use of administrative or other pre-collected data presents promising new avenues for pay transparency. It can be difficult for governments or other auditors to identify which firms are required to report. A few countries therefore make use of tax, firm survey, social insurance, or collective bargaining data to identify which firms are required to report, e.g. based on company size.
- **Policy takeaway**: Governments must take a close look at the inclusion criteria for firms and the share of workers in the country covered by pay reporting rules. Adequate reach – including coverage of more precarious workers – is important in ensuring that pay reporting can actually help close gender pay gaps.

## 2.1. More than half of OECD countries now require gender pay gap reporting

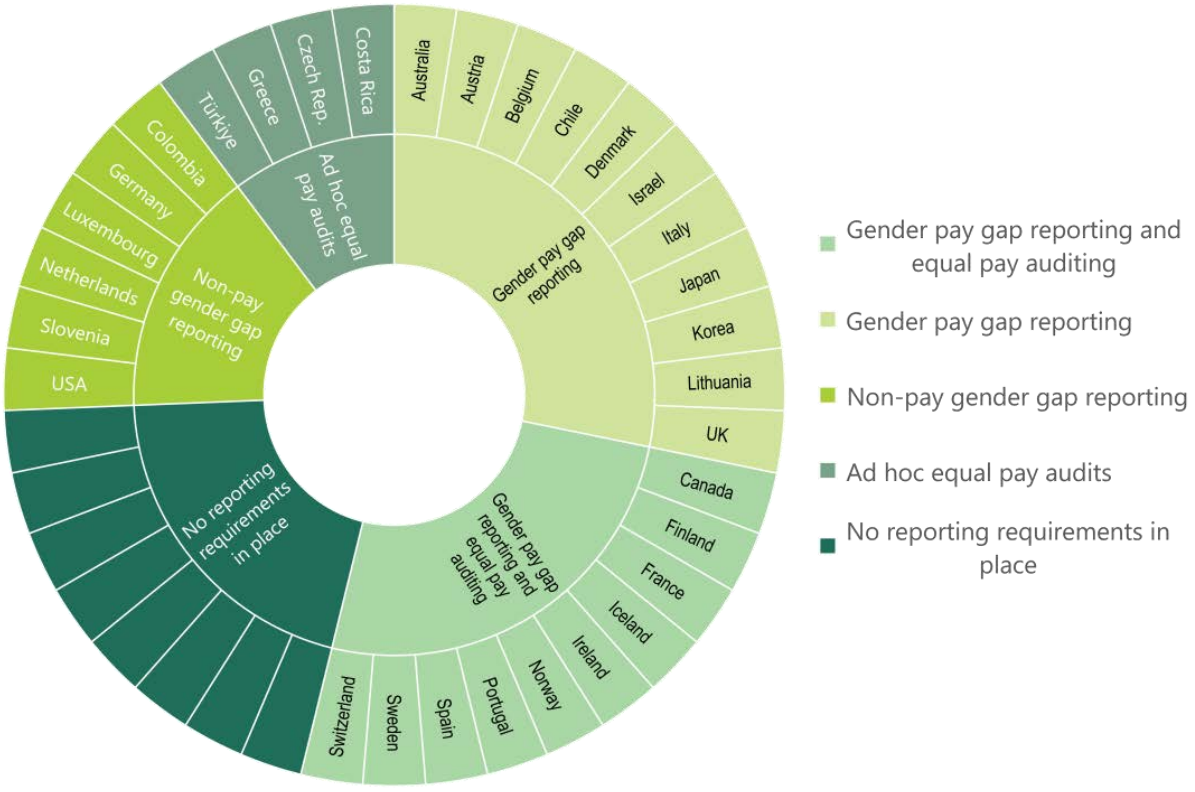
**More than half of OECD countries now mandate that private sector companies report their gender pay gap**.[1] 55% – 21 of the 38 OECD countries – require certain pre-defined private sector employers to report gender-disaggregated information on pay. These countries include Austria, Australia, Belgium, Canada,[2] Chile,[3] Denmark, Finland, France, Iceland, Ireland, Israel, Italy, Japan, Korea, Lithuania, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom (Figure 2.1). While the requirement to report pay has been in place for several decades in some countries, like Finland and Sweden, most reporting regulations are fewer than ten years old.

These private sector pay reporting measures are presented in Figure 2.1. Countries are grouped by whether they require private sector pay reporting, equal pay auditing, non-pay reporting, or other related

measures. The main features of pay reporting measures in both the private *and* public sectors are outlined in Table 2.1 below.

## Figure 2.1. 21 out of 38 OECD countries have national private sector pay gap reporting requirements

Distribution of countries by the presence of national-level regulations requiring private sector pay reporting, pay auditing, or related measures, OECD countries, 2022




Note: Chart shows the distribution of pay reporting measures across OECD countries.
Ten countries in which companies meeting defined criteria (e.g. firm size) are required to carry out regular equal pay audits and report disaggregated pay gaps include: Canada, Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden, and Switzerland (Chapter 4). Eleven countries in which companies meeting defined criteria are required regularly to report gender-disaggregated pay information without a broader audit are: Austria, Australia, Belgium, Chile (the financial sector), Denmark, Israel, Italy, Japan, Korea, Lithuania and the United Kingdom. Countries in which all companies meeting defined criteria are required to report only gender-disaggregated data on workforce characteristics but not gender pay gap data are: Colombia, Germany, Luxembourg, the Netherlands, Slovenia, and the United States. Twelve other countries require the reporting of non-pay information either as part of pay gap reporting requirements or as part of another measure (Chapter 3).
Countries in which an ad hoc selection of companies are required to undergo gender pay audits as part of a targeted labour inspection include Costa Rica, the Czech Republic, Greece, and Türkiye.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

**In almost half (10 of 21) of the countries with private sector pay reporting rules, company pay reporting requirements are embedded within more comprehensive, mandatory, equal pay auditing processes** that apply to a pre-defined set of employers (detailed in Chapter 4). Countries with equal pay audits include Canada (under the Pay Equity Act[4]), Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden, and Switzerland. For definitions and differences between pay gap reporting and equal pay audits see Box 2.1.

Some countries, such as Colombia, Germany, Luxembourg, the Netherlands, and the United States, only require employers to report information *other* than pay, such as workforce composition, by gender. Colombia and the Netherlands are new countries in this category since 2021. At the same time, non-pay reporting rules complement pay reporting requirements in many countries. Non-pay reporting requirements are discussed in Chapter 3.

A few countries use only an ad hoc approach to pay gap reporting that covers a relatively small share of employers. For example, in countries including Costa Rica, the Czech Republic, Greece, and Türkiye, companies targeted for labour inspections are also sometimes required to undergo gender pay gap reporting. These countries do not have more systematic, mandatory pay gap reporting rules.

Finally, in a few countries – such as Denmark and the United Kingdom – pay reporting is required, but equal pay audits are voluntary. These voluntary audits are overviewed in Chapter 4.

### Box 2.1. Defining gender pay gap reporting and equal pay audits

**Pay reporting requires the collection and publication of gender-disaggregated pay information**

**Gender pay gap reporting** refers to public policies mandating that employers regularly collect and report gender pay gap statistics. These statistics are typically reported as the mean/median gender pay gap (difference in pay between men and women), though in some countries the mean/median remuneration of men and women are reported separately. Often reporting rules require that gendered pay information be further disaggregated by groupings like job category, seniority, education, etc (for more see Chapter 3).

Depending on the country, reporting must be shared with employees, workers' representatives, social partners, a government body, and/or the public (see Chapter 5). Penalties for non-compliance and/or incentives for compliance with reporting rules are also established in pay reporting measures (Chapter 6). To support the reporting process and reduce any administrative burden placed on employers, many national governments have developed practical tools such as gender pay gap calculators and reporting platforms (Chapter 7).

Gender-disaggregated pay reporting seeks to shed light on the presence and size of gender wage gaps, with the goal of reducing them. Pay reporting can help shine a light on inequalities and pressure employers and stakeholders to take action. It can also help individual employees identify potential pay discrimination and take legal action, as it helps to solve the "comparator" issue (Box 2.3). Yet it is important to recognise that pay reporting is not a panacea. There are limits to what it can do and to how much it can help. For instance, burden of identifying, elevating, and arguing for equal pay in individual cases still largely rests on a single worker or their representative (Chapter 1).

**Equal pay auditing processes requires a broader analysis and in-depth understanding of gendered pay information**

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of any job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. Equal pay audits represent the most comprehensive government strategy for using pay transparency to address gender wage gaps. Most countries' pay audit processes mirror the guidelines outlined in the 2014 European Commission Recommendation on Pay Transparency (European Commission, 2014[1]).

These are sometimes called "equal pay surveys" (as in Sweden). In the proposed EU pay transparency legislation, equal pay audits are comparable to what is now called "joint pay assessments" (Box 2.2).

The key characteristic of audits, when compared to simple reporting, is that they attempt to analyse and explain any gender pay gaps found and the status of gender equality (specifically of pay equality) within the organisation. Such analysis may include, for instance, statistical analysis of gender pay gaps among different types of workers, assessments of equal pay for work of equal value, analysis of job classification schemes, as well as analysis of potential direct and/or indirect gender discrimination. This report gives an overview and assesses equal pay audits in Chapter 4.

Upon conclusion of an assessment, equal pay audits often incorporate follow up mechanisms to develop targeted actions on equal pay. In many countries employers must develop strategies to address any gaps found. These may be set up in the form of gender equality or gender pay gap action plans.

### *2.1.1. Pay reporting regimes are constantly evolving*

Although over half of OECD countries now require some form of gender pay gap reporting, these pay transparency measures are still a relatively new policy tool in many OECD countries. **Most reporting rules are less than a decade old**, although in some countries pay reporting in some form has been a requirement for several decades already, as in Finland and Sweden. Some legislation and amendments were introduced or took effect as recently as 2023 and 2022, e.g. in Australia and Japan (Table 2.1).

In most OECD countries, pay reporting measures have typically been put in place through new legislation or by amending existing legislation. In some countries the requirements are mandated through other measures, such as national action plans, executive orders or via a regulatory body like a labour inspectorate.

Importantly, while the number of countries with *any* form of pay gap reporting is slowly increasing, countries with existing pay reporting rules are continuously reforming and strengthening these rules. This entails expanding the number of firms that are covered (Section 2.3) or frequency of data reporting (Section 2.4), evaluating the effectiveness of their programme's design, and/or by strengthening reporting requirements and enforcement (Chapter 6). In short, pay transparency policies are continuously evolving.

## Table 2.1. Information about pay reporting measures in the private and public sectors

Summary of OECD countries' pay reporting rules in countries with mandatory reporting in the private sector and/or public sector, 2022.

| Country | Name of measure | Year | Affected sectors | Size (cut-off number of employees) | Other criteria | Frequency of reporting (in years) | Pay audits |
|---|---|---|---|---|---|---|---|
| Austria | Private:<br>Equal Treatment Act, §11a.<br>Public: Federal Equal Treatment Act, §6a. | 2011 amend. | Private and public, rules same unless otherwise indicated | 150 | No | Private: 2<br>Public: 1 | Not mandated |
| Australia | Workplace Gender Equality Act and subordinate instruments | 2022 & 2023 amend.<br>(some reporting under these rules starts in 2024) | Private and public (the Commonwealth) | 100 | No | 1 | Not mandated |
| Belgium | Gender Pay Gap Act | 2012 | Private | 50 | Applies to employers with a works council or trade union.<br>The regulations provide for a full form and a short form for reporting depending on whether the number of workers is 100 or more or 50 or more. | 2 | Not mandated |
| Canada | Employment Equity Act (EEA)<br>Pay Equity Act (PEA) | EEA: 2021 amend.<br>PEA: 2021 | EEA: Private<br>Note that under EEA non-pay reporting requirements also apply to the public.<br>PEA: Private and public | EEA: 100<br>PEA: 10 | EEA: Applies only to federally regulated private-sector employers, federally regulated Crown corporations, and other federal organisations.<br>PEA: Applies to federally regulated private and public sector employers, parliamentary workplaces, and the Prime Minister's and ministers' offices. | EEA: 1<br>PEA: 3 initially, then 1 for pay surveys and 5 for pay audits. | EEA: Not mandated, but any formal or informal policy or practice with a disproportionately negative impact on members of designated groups, including pay gaps, must be assessed for the presence of employment barriers.<br>PEA: Mandated |

| Country | Name of measure | Year | Affected sectors | Size (cut-off number of employees) | Other criteria | Frequency of reporting (in years) | Pay audits |
|---|---|---|---|---|---|---|---|
| Chile | General Standard (NCG), No. 386 | 2015 | Private | Not applicable, the requirement to report does not depend on size. | Applies to entities supervised by the Financial Market Commission (CMF) (see endnote 3), i.e. corporations and/or public companies that are issuers of publicly traded securities or open stock corporations. | 1 | Not mandated |
| Denmark | Equal Pay Act | 2008 amend. | Private and public | 35 with at least 10 from each sex in same work function. | Does not apply to employers covered by collective agreements with equal pay obligations. Does not apply to employers in the industries: agriculture, horticulture, forestry and fishing. | 1 | A voluntary alternative to complying with the gender pay gap reporting mechanisms |
| Finland | Equality Act | 2014 amend. | Private and public | 30 | Applies to companies that exercise the authority of an employer as referred to in the Employment Contract Act (55/2001). | 2 | Mandated if the analysis of different employee groups of the pay survey reveals clear pay differences between women and men. |
| France[1] | (i) Labour Code<br>(ii) Decree n°2019-15<br>(iii) Order of 17 August 2022<br>(iv) Decree n°2019-382<br>(v) Decree n°2021-265<br>(vi) Decree °2022-243 | (i) 2018 amendment<br>(ii)-(iv) 2019<br>(v) 2021<br>(vi) 2022 | Private and public | 50<br>Requirements differ for those employers with more than 250 employees. | Companies that cannot calculate all portions of the Index are excluded. As far as public employers are concerned, only public establishments of an industrial and commercial nature and certain public administrative establishments employing at least 50 employees under private law conditions are subject to the obligation to publish the Index. On the other hand, local authorities are not subject to this obligation. | 1 | Mandated |
| Iceland | (i) Act on Equal Status and Equal Rights Irrespective of Gender, Art. 7&8<br>(ii) Equal Pay Standard (certification) | (i) 2020 amend.<br>(ii) 2018 | Private and public | 25 | No | 3 | Mandated |

| Country | Name of measure | Year | Affected sectors | Size (cut-off number of employees) | Other criteria | Frequency of reporting (in years) | Pay audits |
|---|---|---|---|---|---|---|---|
| Ireland | Gender Pay Gap Information Act | 2022 | Private | 250<br>150 in 2024<br>50 in 2025 | Applies to companies formed and registered under the Companies Act of 2014 or an existing company within the meaning of that Act. | 1 | Mandated |
| Israel | Male and Female Workers (Equal Pay) Law 5 724-1 964 | 2022 amend. | Private and public | 518 | Applies also to persons required to report under legislation specified in section 6A (i.e. Budget Basics Law No. 5 745-1985, section 33; Associations Law No. 5 754-1980, section 36(b); Securities regulations 1970, section 21; General Water and Sewage Corporations No. 5 710-2010, section 11(5)). | 1 | Not mandated |
| Italy | Equal Opportunities Code (Decree No. 198/2006), Art. 46<br>Procedure laid down in Interministerial decree of March 2022 | 2021 amend. | Private and public | 50 | No | 2 | Not mandated |
| Japan | Act on Promotion of Women's Participation and Advancement in the Workplace | 2022 amend. | Private | 301 | No | 1<br>(Report within approximately three months after the end of the fiscal year) | Not mandated |
| Korea[2] | Equal Employment Opportunity and Work-Family Balance Assistance Act, as amended by Affirmative Action | 2020 amend. | Private and public, rules same unless otherwise indicated | Private: 500 (300 or more full-time employees for companies that are obliged to provide disclosure in accordance with Article 14 of Monopoly Regulation and Fair Trade Act)<br>Public: Not applicable, the requirement to report does not depend on size. | No | 1 | Not mandated |

| Country | Name of measure | Year | Affected sectors | Size (cut-off number of employees) | Other criteria | Frequency of reporting (in years) | Pay audits |
|---|---|---|---|---|---|---|---|
| Latvia[3] | Law on Remuneration of Officials and Employees of State and Local Government Authorities | 2018 amend. | Public only | N.A. | No | Monthly | Not mandated |
| Lithuania | Labor Code, Art. 23(2) | 2017 | Private and public | 20 | No | 2 | Not mandated |
| New Zealand | Public Service Gender, Maori, Pacific and Ethnic Pay Gaps Action Plan (Kia Toipoto) | 2021 – 2024 | Public only | Not applicable, the requirement to report does not depend on size. | Applies to public service agencies and the Crown entities of all sizes. | 1 | Mandated |
| Norway[4] | Equality and Anti-Discrimination Act, Section 26(a) | 2020 amend. | Private and public, rules same unless otherwise indicated | Private: 50<br>Public: Not applicable, the requirement to report does not depend on size. | Also applies to employers that ordinarily employ between 20 and 50 persons if requested by the employees or employee representatives. | 2 | Mandated |
| Portugal | (i) Ordinance No. 55/2010<br>(ii) Law on Equal Pay (No. 60/2018) | (i) 2010 amend.<br>(ii) 2018 | Private | Not applicable, there is no size threshold for pay reporting. All employers must submit the Single Report (see endnote 8). | If pay differences are found, employers with 50 or more employees are subject to potential follow-up requirements.<br>This regime applied, during the two first years of validity of the law, to companies with 250 employees or more and from the third year of validity of the law onwards, to companies with 50 employees or more. | 1 | Mandated |
| Spain | (i) Workers Statute, Art. 28.2<br>(ii) Royal Decree 902/2020, Art 5&6 | (i) 2019 amend.<br>(ii) 2020 | Private | Not applicable, the requirement to report does not depend on size (see endnote 7). | Also applies to companies compelled by a collective agreement or a decision of the labor authority.<br>Companies of 50 or more employees must show more information (data about work of same value) in their registry and develop and implement an equality plan. | Pay reporting: 1<br>Pay audit: Linked to schedule in company's equality plan. | Mandated |

| Country | Name of measure | Year | Affected sectors | Size (cut-off number of employees) | Other criteria | Frequency of reporting (in years) | Pay audits |
|---|---|---|---|---|---|---|---|
| Sweden | Discrimination Act 567 | 2014 amend. | Private and public | Not applicable, the requirement to report does not depend on size (see endnote 9). | Employers with more than 10 employees need to document their work on pay audits. | 1 | Mandated |
| Switzerland[5] | Swiss Federal Act on Gender Equality | 2020 amend. 2032 sunset clause | Private and public | 100 | No | If the analysis indicates that equal pay requirements are being met, once. Otherwise, 4. | Mandated |
| United Kingdom | (i) The Equality Act (ii) Regulations | (i) 2010 (ii) 2017 | Private and public | 250 | No | 1 | Employment Tribunals are required to order employers to conduct equal pay audits if they lose an equal pay claim at tribunal. |

Note: Table 2.1 summarises the key features of reporting requirements in countries with such requirements in the public and/or private sectors. The year presented refers either to the year of introduction of the measure, of the most recent amendment (amend.), or of their entry into force. The content required in pay reporting and auditing processes varies across OECD countries. Chapters 3 and 4, respectively, detail what pay information relevant employers are required to report and what kind of analysis must be included in equal pay audits.

1.France has a series of public decrees outlining these reporting rules. France's related regulatory framework includes Labour Code: Articles D1142-4 to D1142-14 and L1142-8 to L1142-10 and L2242-8; Degree on the application of provisions aimed at eliminating pay gaps between women and men in the company; Order defining the presentation models and the methods for transmitting to the administration the indicators and the results in terms of the pay gap between women and men in the company; Decree on the application of provisions of Art. 104 of Law n°2018-771 for the freedom to choose one's professional future relating to professional equality obligations between women and men in the enterprise; Decree relating to measures aimed at eliminating pay gaps between women and men in the company and on the application of provisions of Art. 244 of Law n°2020-1721 on finance for 2021; Decree relating to measures aimed at eliminating pay gaps between women and men in the company provided for by Art. 13 of the accelerate economic and professional equality and by Article 244 of Law n°2020-1721 of 29 December 2020 on finance for 2021 (OECD GPTQ, 2022).

2. Korea: An enterprise group subject to disclosure refers to a group of companies with total assets of 5 trillion won or more, and it is designated by the Fair Trade Commission.

3. Latvia: The primary goal of this measure is not to identify gender pay gaps, but rather for budgetary purposes. The system is used by The State Chancellery, in implementing the State policy in the field of remuneration of employees in the public sector, and the Ministry of Finance, in implementing the State policy in the field of the development of the State budget. More specifically the data are used to: (1) collect systematically and update data regarding the remuneration of officials (employees), as well as analyse the requests for financing and utilisation for remuneration; (2) planning and calculating the necessary financing by designing the draft State budget for the current year and drafting legislation regarding remuneration; and (3) identify and control the current situation regarding posts and the remuneration of officials (employees). See more at https://likumi.lv/ta/id/295098-noteikumi-par-valsts-tiesas-parvaldes-iestazu-un-citu-valsts-un-pasvaldibu-instituciju-amatpersonu-darbinieku-atlidzibas-un-personu-uzskaites-sistemu?&search=on.

4. In Norway, private enterprises with fewer than 50 employees also have an obligation to work for equality in their pay policy – even if they do not have an obligation to conduct a survey or report.

5. More information on Switzerland's sunset clause here: https://www.bj.admin.ch/ejpd/fr/home/actualite/news/2019/2019-08-21.html

Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

### *2.1.2. Two-thirds of countries with pay reporting in the private sector also require it in the public sector*

Among the 21 private sector pay reporting countries, 14 apply identical or similar mandatory reporting rules to employers in the public sector. These include Australia, Austria, Canada (under the Pay Equity Act, see endnote 4), Denmark, Finland, France, Iceland, Israel, Italy, Korea, Lithuania, Norway, Sweden, Switzerland, and the United Kingdom. In most cases, requirements for the public sector correspond to requirements for the private sector. In cases where rules differ, it is often in terms of size requirements. In the remaining countries, only private sector employers are required to report.

Furthermore, Latvia and New Zealand require pay reporting from public sector employers *only*. New Zealand's public sector pay gap reporting rules are embedded within wider requirements for employers to conduct equal pay audits and to develop gender pay gap action plans.

### *2.1.3. Upcoming pay reporting initiatives*

Some countries have work in progress to introduce new pay transparency rules or expand the scope of existing measures. Much of this stems from the forthcoming EU Pay Transparency Directive (see Box 2.2), which will come into force in 2023 and apply to all EU member countries.

Nine OECD member countries in the EU (the Czech Republic, Estonia, Greece, Hungary, Luxembourg, the Netherlands, Poland, the Slovak Republic, and Slovenia) will need to implement regulations as they currently have no form of systematic, mandatory private sector pay gap reporting rules. Furthermore, EU countries with existing pay reporting rules might need to amend their legislation to ensure compliance with the planned EU Directive (see Box 2.2). For instance, representatives from France reported that the EU directive may imply changes in the logic of France's pay reporting if the results are not considered sufficiently disaggregated[5]. This also means that countries which were already planning to update their legislation are likely to wait for the reporting rules by the EU.

Australia has also made recent changes to its pay gap transparency legislative framework. On 28 November 2022, the Australian Parliament passed a bill requiring the Commonwealth public sector to mandatorily report to Workplace Gender Equality Agency (WGEA), in the same way as the private sector. More recently, on 30 March 2023, the Australian Parliament passed a bill amending employers' (with 100 or more employees) reporting obligations, to implement, in part or in full, the following recommendations of an earlier review of the Workplace Gender Equality Act 2012:

- Recommendation 2 – Publish employer-level gender pay gaps to accelerate action to close them (currently only industry level gender pay gaps are published).
- Recommendation 3 – Bridge the "action gap" with new gender equality standards. For instance, employers are required to provide WGEA reports to their governing body. This is intended to increase accountably for taking steps to advance gender equality in the workplace.
- Recommendation 5 – Support Respect@Work implementation to prevent and address workplace sex-based harassment and discrimination.
- Recommendation 9 – Set up the Workplace Gender Equality Agency (WGEA) for future success to support employers to drive gender equality in Australian workplaces.

## Box 2.2. European Union (EU) Pay Transparency Directive

### General information

The "EU Directive to Strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms", more commonly referred to as the EU Pay Transparency Directive, proposes a series of EU-level rules for gender pay gap reporting by private sector employers. In its final form[1], the EU proposal requires that:

- Employers include information about starting pay (can also be a pay range) in the job posting or before the interview. Moreover, employers may not ask potential employees about their previous salary.
- Employees have the right to request information from their employer about their individual wage level and about the average wage level, broken down by gender, for categories of employees performing the same work or work of equal value. This right applies to all employees, regardless of the size of the company.
- Employers in the public and the private sector with 100 or more employees report on both pay and non-pay information. In an initial phase, employers with at least 250 employees will report every year and employers with 150 to 249 employees will report every three years. Beginning five years after implementation, employers with 100 to 149 employees will also be required to report every three years.
- Conduct equal pay audits (or "joint pay assessments," as they are called in the Directive) under certain conditions. If wage and salary reports reveal a gender wage and salary gap of at least 5% and the employer cannot justify the gap based on objective gender-neutral factors, nor close the gap within a certain time period, employers must conduct a wage and salary evaluation in collaboration with employee representatives.

The proposed Directive and legislation are the result of extensive stakeholder engagement and multilateral negotiations. The European Commission (EC) submitted the Directive to the Council of the EU and the European Parliament (EP) in March 2021. The Council adopted the proposal in December 2021, and, after several improvements, the EP adopted the proposal in April 2022 and entered interinstitutional negotiations between the EP, the Council and the EC began. After reaching a provisional agreement, the legal text was finalised in December 2022 and adopted 30 March 2023[2]. As of now, the Directive is awaiting signature to enter into force[3], which is expected to happen in 2023.

This proposal, along with the Work-Life Balance Directive (Directive 2019/1158, 2019[2]), sectoral measures to combat stereotypes and improve gender balance, and a recently (June 2022) adopted regulation on increasing gender balance on the boards of large EU listed firms (Procedure 2012/0299/COD, n.d.[3]) are just a few of the many initiatives that make up EU's multifaceted strategy to promote gender equality.

### Content required in pay reporting

Employers will need to provide the following information:

- Mean and median gender pay gap in ordinary basic salary (and separately for complementary or variable components)
- Mean gender pay gaps further disaggregated by categories of workers[4]

**Content required in equal pay audits, or "joint pay assessments"**

Equal pay audits or joint pay assessments, as they are called in the new Directive, would need to be conducted when a gender pay gap of at least 5% has been detected, this difference has not been justified "by objective and gender-neutral criteria" [Art. 10(1)(a)], and has not been remedied within six months of submission. When required, the assessment should include [Art. 10(2)]:

> *(a) an analysis of the proportion of female and male workers in each category of workers;*
>
> *(b) information on average female and male workers' pay levels and complementary or variable components for each category of workers;*
>
> *(c) identification of any differences in average pay levels between female and male workers in each category of workers;*
>
> *(d) the reasons for such differences in average pay levels and objective, gender-neutral justifications, if any, as established jointly by the workers' representatives and the employer;*
>
> *(e) the proportion of female and male workers who benefited from any improvement in pay following their return from maternity or paternity leave, parental leave, and carers leave, if such improvement occurred in the category of workers during the period that the leave was taken;*
>
> *(f) measures to address such differences if they are not justified on the basis of objective and gender-neutral criteria;*
>
> *(g) an evaluation of the effectiveness of measures mentioned in previous joint pay assessments.*

**Follow-up mechanisms are also embedded in the proposed directive**

In cases of unjustified gender differences, it is required that the employer take affirmative action within a reasonable time, in co-operation with worker representatives, the labour inspectorate and/or the equality body, to resolve the issue. "Such action shall include the analysis of the existing gender-neutral job evaluation and classification systems, or establishment where it's missing, to ensure that any direct or indirect pay discrimination on grounds of sex is excluded" [Art. 9(4)].

It is further specified that each member state must ensure that there is sufficient monitoring of compliance by designating a body responsible for monitoring and supporting employers as well as making "the necessary arrangements for the proper functioning of such body" [Art. 26(2)].

**Content required in non-pay reporting**

Employers would also have to report non-pay information, such as the proportion of female and male workers receiving complementary or variable components, and the proportion of female and male workers in each quartile pay band.

1. As of 30 March 2023.
2. Available at https://www.europarl.europa.eu/doceo/document/TA-9-2023-0091_EN.htmlhttps://www.europarl.europa.eu/RegData/commissions/empl/inag/2022/12-21/CJ21_AG(2022)740543_EN.pdf.
3. For detailed information on the negotiations and the legislative schedule, see https://www.europarl.europa.eu/legislative-train/theme-a-new-push-for-european-democracy/file-binding-pay-transparency-measures and https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2021/0050(COD)&l=en.
4. Categories of workers defined as "workers performing the same work or work of equal value grouped in a non-arbitrary manner and based on gender neutral criteria referred in Article 4(3) of this Directive, by the workers' employer and where applicable in co-operation with the worker's representatives in accordance with the national law and/or practice in each Member State" [Art. 3(1)g]. The criteria specified in Article 4 include skills, effort, responsibility and working conditions, and, if appropriate, any other factors which are relevant to the specific job or position. It is also specified that "these criteria shall also be applied in an objective gender-neutral manner, excluding

any direct or indirect discrimination based on sex. In particular, it shall be ensured that relevant soft skills are not undervalued." (European Parliament, 2022[4])
Source: (European Commission, 2021[5]), Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0093; (European Parliament, 2022[4]), Provisional agreement resulting from interinstitutional negotiations, https://www.europarl.europa.eu/RegData/commissions/empl/inag/2022/12-21/CJ21_AG(2022)740543_EN.pdf.

## 2.2. Most countries require reporting in the private sector every one to two years

Most countries require private sector employers to carry out pay reporting **annually** (Table 2.1). In a few countries, reporting must take place **every two years** – except for Iceland (every three years) and Switzerland (every four years). Switzerland is a special case where employers must report on pay information once, and if equal pay requirements are met, they are exempt from future reporting (the prevalence of once-and-done assessments is not assessed). Otherwise, employers are required to report every four years. Although the law does not appear to provide clear criteria for when a pay equality is achieved, i.e. whether the equal pay requirements are met, in practice the pay gap must not be statistically significantly greater than 5%, when conducting the analysis with Logib (see Chapter 7 for more information).

In some countries, legislation differentiates between pay reporting and equal pay audits by permitting varying time intervals for the two. In Canada, under the Pay Equity Act reporting system (see endnote 4), employers must report on pay annually but have to conduct equal pay audits only every five years. Similarly in Spain, pay reporting, i.e. the collection of pay registries, must take place every year while the required frequency for equal pay audits is linked to the schedule in the company's equality plan (see Table 2.1).

## 2.3. Which firms must report? Company size and worker status rules for inclusion in pay reporting regimes

Despite the growing use of pay transparency rules across countries, **the coverage and likely effectiveness of pay gap reporting rules depend on their design**. The share of workers who are covered by pay gap reporting is determined by institutional rules such as minimum company size requirements for reporting, work hours of the employee (e.g. part-time versus full-time), and a workers' employment contract status (e.g. temporary versus permanent) (see Table 2.2). This leaves sizeable gaps in the share of workers who have access to important information about the fairness of their pay.

**In many countries the workers included in size calculations are the same for which gender pay information must be calculated for** (e.g. Australia, Austria, Denmark, Finland, Korea, Lithuania, Norway, and Spain). In some countries there are slight differences between the two groups of employees. In Belgium, temporary workers are considered employees of the temporary worker agency, so their wage data are not included in the user company's[6] wage gap report. However, they are taken into account to some extent when making headcount calculations for the user company. In Japan, only the number of regular workers is used to assess the company's size, however, when calculating the wage gap between men and women, all workers, including fixed-term employees employed for less than one year, are generally included. In Canada, temporary employees' pay is included in pay gap calculations only if they constituted 20% of the employer's workforce at any time during the calendar year.

## Table 2.2. Detailed information of company size definitions in reporting rules

Key features of size requirements in pay reporting measures in countries with such requirements in the private and/or public sectors.

| Country | Which employees are included in defining company size? | Which employees are explicitly excluded? |
|---|---|---|
| Austria | All employees under employment contract, regardless of the extent of their employment and the duration of their employment relationship. The income of part-time employees is to be extrapolated to full-time employment and that of employees employed during the year to annual employment.<br>I.e. permanent employees, posted workers, home workers, persons similar to employees, interns, employees on parental leave if they have received remuneration at least once during the reference year. | Since temporary workers are not employees of the employing company under employment contract law, they are not to be included in the latter's income report, but in that of the leasing company. |
| Australia[1] | All employees on payroll for the chosen snapshot date including full-time, part-time, casual employees, and temporary employees. | Employees from an employer's overseas offices working in Australia, where the overseas organisation is their employer. Employees who have worked overseas for more than six months in a reporting period.<br>Equity partners who do not receive a salary, other than the managing partner.<br>Independent contractors (i.e. not employed by the organisation or group) and employees of a labour hire or recruitment organisation who have been assigned to work in the organisation. |
| Belgium | All employees under employment contract.<br>A worker who working at less than 75% of FT only counts for ½. | Interim workers at the temporary employment agency (counted to a limited extent and on the basis of a special calculation at the user enterprise).<br>Employees employed on the basis of a replacement agreement (in order to avoid double counting). |
| Canada | EEA: Permanent full-time and part-time and temporary employees.<br>PEA: Permanent, full-time and part-time, casual, and temporary (including seasonal workers) employees, management, and non-management employees (executives and chief executive officers), unionised and non-unionised employees; dependent contractors; employees performing federally regulated activities as part of a separate unit for a provincial employer; and employees on long-term leave (for example sick leave or maternity leave). | EEA: Persons employed for fewer than 12 weeks during a calendar year and students in full-time attendance at a secondary or post-secondary educational institution who are employed during a school break.<br>PEA: Public sector: a person appointed by the Governor in Council under an Act of Parliament to a statutory position described in that Act, a person locally engaged outside Canada, or a person employed under a programme designated by the employer as a student employment programme.<br>PEA: Private sector: a person employed under a programme designated by the employer as a student employment programme, or a student employed by the employer solely during the student's vacation periods. |
| Chile | Workers on company boards of directors, management, and workers by seniority without distinction. | No response |
| Denmark | All paid employees according to time worked. | No response |
| Finland | All employees including part-time and temporary workers. | No response |
| France[2] | Fully included: employees with a full-time permanent employment contract and home workers.<br>Included in proportion to their time of presence during the last year: employees holding a fixed-term or an intermittent employment contract, employees made available to the company by an external company who are present on the premises of the user company and have been working there for at least one year, as well as temporary employees[(i)].<br>Part-time employees, regardless of the nature of their employment contract, are counted by dividing the total number of hours worked in their employment contracts by the legal working hours or the number of hours agreed in the collective bargaining agreement. | Apprentices, holders of an initiative-employment contract[(ii)], holders of an employment support contract[(iii)], holders of a professionalisation contract until the end of the term of the contract when it is for a fixed term or until the end of the professionalisation action when the contract is for an indefinite term. |

| Country | Which employees are included in defining company size? | Which employees are explicitly excluded? |
|---|---|---|
| Iceland | All employees including full-time, part-time, and temporary workers. | Independent contractors |
| Ireland[3] | Headcount of all persons employed by them on the snapshot date, including employees not rostered to work on that date and employees on leave. | No response |
| Israel | The law does not address this. The Equal Employment Opportunity Commission (EEOC) issued instructions to employers and recommended that Amendment 6 to the Male and Female Workers (Equal Pay) Law 5724-1964 will apply to all the employees who worked during the reported year.<br>The report includes part-time workers, temporary workers | Independent contractors. |
| Italy | No response | External workers |
| Japan | Regular employees (for fixed term employees, those employed for one or more year in the past or in the future are included). | Fixed-term employees who have been employed for less than one year are excluded from the head count. However, those who are expected to be employed for more than one year are counted. |
| Korea | Directly employed workers of all types of employment including regular, contracted, part-time workers.<br>More specifically, out of workers who were employed on 31 March of the submission year, count only those who had worked from 1 January through 31 December of the previous year. | Indirectly employed workers such as temporary agency and subcontract.<br>More specifically, exclude the following workers.<br>1. Workers who have taken a leave of absence or vacation for one month or longer (e.g. parental leave, maternity leave, sick leave, etc.)<br>2. Short-time workers under the Labor Standards Act<br>3. Workers hired during the previous year |
| Latvia | All employees included | No employees excluded |
| Lithuania | All employees are involved (full-time workers and part-time workers) | Employees in managerial positions. |
| New Zealand | Public service agencies and Crown entities may establish their own definition of "employee" when developing their pay gaps action plans.<br>For the Public Service workforce, the GPG is calculated for permanent and fixed term employees. | No response |
| Norway | All types of employees for which the employer has the formal employer responsibility, according to law. This includes part-time employees and temporary employees.<br>The Norwegian Directorate for Children, Youth and Family Affairs recommends that employees who have only worked part of the year should be converted to the full-year equivalent. | Hired employees and consultants shall not be included in the pay review since the undertaking does not generally pay directly to the consultants.<br>There is nothing specific about how to deal with employees who have quit for example. This could be relevant at workplaces consisting of seasonal jobs. |
| Portugal | Every worker (since the worker is under Labour code rules, meaning "not civil servants"). | Public and independent workers are excluded |
| Spain | All employees with a contract in force at the time of making the calculation regardless of their type of contract (permanent, temporary, or permanent seasonal). Part-time workers regardless of their working hours. Temporary contracts terminated at the time of making the calculation are included if they were in force in the previous six months (every hundred days worked or fraction will be calculated as one more employee). | Independent contractors |
| Sweden | All employees are included since all employers must work with pay. | None |
| Switzerland | All employees with an employment contract. | Apprentices are not regarded as employees for this purpose (Article 13a of the Swiss Federal Act on Gender Equality). |

| Country | Which employees are included in defining company size? | Which employees are explicitly excluded? |
|---|---|---|
| United Kingdom[4] | All "relevant employees", i.e. employees who have an employment contract with an employer, including those employees working part-time, job-sharing and employees on leave. This also includes employees who are self-employed (where they must personally perform the work). | Agency workers (as they have a contract of employment elsewhere), self-employed people who subcontract any part of the work or employ their own staff to do it, partners in traditional partnerships and limited liability partnerships (as they take a share of profits rather than a salary), and overseas employees who wouldn't be able to bring a claim at a UK Employment Tribunal. |

Notes: Table summarises the key features of size requirements in pay reporting measures in countries with such requirements and who responded to the relevant questions in the GPTQ.
1. Australia: For further detail on who is and isn't to be included in reporting please see https://client-portal.wgea.gov.au/s/article/Which-employees-do-I-include-in-the-Workplace-Profile.
2. Further information on France:
i. These employees are excluded from the headcount when they replace an employee who is absent or whose employment contract has been suspended, in particular because of maternity leave, adoption leave or parental leave.
ii. During the period of allocation of the financial aid mentioned in Article L. 5134-72.
iii. During the period of allocation of the financial aid mentioned in Article L. 5134-30.
3. Information for Ireland obtained from https://www.gov.ie/en/publication/29606-what-is-the-gender-pay-gap-information-act-2021/#organisations-that-need-to-report-on-their-gender-pay-gap-in-2022
4. United Kingdom: For some organisations, inclusion and exclusion will need to be considered on a case-by-case basis This linked page covers who should and shouldn't be included in headcounts in more detail https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/who-needs-to-report.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

### *2.3.1. Small employers are usually excluded from pay reporting requirements*

Reporting requirements usually include minimum size considerations for firms. **Only two countries require all firms with employees to report pay information**. In Spain, all firms, with no minimum size threshold, are required to collect gender-disaggregated wage data that employees can access.[7] In Portugal, all firms with at least one employee must submit to the Ministry of Labour the Single Report[8] containing, among other things, gender-disaggregated wage data.

Firm size minima otherwise range from ten employees or more (Canada, for a subset of employers under the Pay Equity Act, see endnote 4, and Sweden[9]) to 518 employees (Israel). Firm coverage can be grouped as following:

- **Micro- and small[10] firms with under 50 employees** are included in private sector pay reporting requirements in Canada (for a subset of employers under the Pay Equity Act), Denmark, Finland, Iceland, Lithuania, Portugal, Spain and Sweden. Firms with 50 employees and larger are also included.
- **Medium-sized firms with 50 to 249 employees** (see endnote 10) and larger are covered by private sector pay reporting requirements in almost all countries, with the following exceptions that only cover large firms:
- ***Only* large firms** are subject to private sector pay reporting requirements in Ireland (250 employees minimum), Israel (518 minimum), Japan (301 minimum), Korea (500 minimum [300 or more full-time employees for companies that are obliged to provide disclosure in accordance with Article 14 of Monopoly Regulation and Fair-Trade Act]), and the United Kingdom (250 minimum).

Firm size also defines the *type* of reporting required of employers, rather than simply whether or not reporting is required. For instance, in Sweden all public and private sector employers are required to assess their gender pay gaps, but only employers with ten or more employees need to document their work. Similarly, in Belgium, France, and Spain employers with 100, 250, and 50 employees or more, respectively, must report more detailed pay information than employers with fewer employees.

### *2.3.2. In most OECD countries, only the pay of regular and/or permanent workers is included*

The question of "who counts?" in determining whether a company is subject to reporting rules also varies by country. These rules – taken from country responses to the Gender Pay Transparency Questionnaire 2022 – are presented in Table 2.2.

The most *comprehensive* inclusion criteria for headcounts, i.e. where the most workers are considered for the analysis, are in the following countries:

- **All employees under employment contract** or to whom the employer has a formal employer responsibility are included in Austria, Belgium, Norway, Spain, Switzerland, and the United Kingdom;
- **All paid employees** in Australia, Denmark, Finland, Iceland, Lithuania, and Sweden.

#### *Many countries have carve-outs for temporary and indirectly employed workers*

Temporary agency work involves a triangular work relationship where the agency worker has a contract of employment with a temporary work agency and is assigned to work temporarily under the supervision and direction of user undertakings. The pay of agency workers is set based on the pay levels at the user undertaking, unless a collective labour agreement of the agency work sector defines pay and working conditions (World Employment Confederation, 2021[6]).

**Many countries do not require companies to count *indirectly* employed workers**, e.g. Italy and Korea, including independent contractors and/or consultants as in Iceland, Spain, Norway, and Portugal. Another way of making the distinction between the more permanent workforce and temporary workers is to simply exclude temporary workers from the calculations (e.g. in Austria) or to apply a minimum of time of employment. The latter is the case in Canada and Japan, where those employed for less than one year are excluded.

In Japan, only "regular" employees are included in the calculations. This is a subset of relatively privileged workers who are employed on indefinite terms without specific job obligations and are strongly protected from firings and layoffs. Non-regular workers – including many full-time employees – have fixed-term contracts with specific job obligations. They are included in the size threshold calculation only if employed for one or more year in the past or in the future. The distinction is important considering that a disproportionately large share of women are non-regular employees when compared to men (Yamaguchi, 2019[7]) – it suggests many women may not be covered by Japan's new gender pay gap reporting rules.

In Belgium, for the calculation of the threshold of 50 employees, the employer's temporary employees only count for a fourth of the reference period for which the calculation is made. In Spain every hundred days worked by a temporary worker[11] in a year is calculated as one more employee in the total headcount.

In France, the following employees are included in proportion to their time of presence during the last year: employees holding a fixed-term or an intermittent employment contract, employees made available to the company by an external company who are present on the premises of the user company and have been working there for at least one year, and temporary employees. However, employees holding a fixed-term employment contract and agency workers, including temporary employees, are excluded from the headcount when they replace an employee who is absent or whose employment contract has been suspended, in particular because of maternity leave, adoption leave or parental leave. This is a relatively complicated construction of inclusion criteria for firms.

In EU legislation, the contracting company is legally liable for ensuring equal pay between men and women among their agency workers. In response to the challenges faced by temporary worker agencies in ensuring pay transparency and equal pay between men and women due to their dependence on user companies for pay information, some representatives of temporary worker agencies suggest that there

should be a formal obligation for user companies to provide this information to temporary work agencies (see endnote 6) (World Employment Confederation, 2021[6]). Additionally, they call for special rules for very short labour contracts and assignments of agency workers due to the temporary and changing nature of agency work, with workers changing jobs and places of work more frequently than other workers. For very short assignments, agency workers do not fully integrate into the working population at the user undertaking, justifying a special rule for these contracts and assignments (World Employment Confederation, 2021[6]).

#### *Some countries have special provisions for part-time workers*

Women make up a high share of part-time workers (OECD, 2019[8]), and any efforts to close the gender wage gap must consider how to incorporate this group in pay transparency efforts. In some countries part-time workers are counted as an additional worker regardless of the length of their working day (e.g. Spain).

**A number of countries specify different computation rules for part-time workers than for full-time workers**. Some countries use approaches that could diminish the effects of part-time workers' pay on the total estimates. For example, in Belgium part-time workers, i.e. those working at less than 75% of full-time, only count as 50% in the total headcount. In France, part-time employees, whatever the nature of their employment contract, are taken into account by dividing the total sum of the hours recorded in their employment contracts by the legal working time or the agreed working time.

Other countries have a more proactive approach by weighting part-time workers to equal full-time workers. For instance, in Austria the income of part-time employees is to be extrapolated to full-time employment and that of employees employed during the year to annual employment.

#### *Other exclusions from pay reporting*

Interestingly, in Lithuania employees in managerial positions are excluded due to privacy concerns and to keep average salaries more representative. The idea here is that salaries on managerial staff are likely to skew averages upwards giving an unrealistic estimation of the workers' salaries. Indeed, while the exclusion of managerial positions from salary reporting may help to provide a more accurate representation of the salaries of non-managerial workers, it may also conceal significant income disparities between those in top-level management and other employees. In Canada, students are excluded from headcounts, and in France and Switzerland, apprentices are excluded.

### *2.3.3. Other criteria for determining duty to report*

Beyond sector or size requirements, some countries employ other criteria to determine relevant employers (Table 2.2). Reporting requirements only apply to a subsection of the private sector in Canada and Chile, for instance. In Chile only entities supervised by the Financial Market Commission (see endnote 3) must report, while in Canada only federally regulated entities (both in public and private sectors, although they are mostly found in the public sector) must report.

In Norway, while the minimum headcount threshold is 50 employees, the law guarantees that the same reporting requirements also apply to private undertakings that ordinarily employ between 20 and 50 persons *if requested* by the employees or employee representatives.

Finally, some countries exclude certain industries. For example, in Denmark reporting requirements do not apply to employers in the industries of agriculture, horticulture, forestry and fishing.

### *2.3.4. Many workers are not covered by pay reporting rules*

Despite the growing requirements of pay gap reporting by mid-size and large firms – both over time and in terms of minimum employee thresholds – the current designs of most systems leave serious gaps coverage even in countries with pay reporting rules in place.

#### *Workers in small businesses are missed*

First, only three countries require micro companies (less than ten employees, see endnote 10) to assess pay gap information (see endnote 9) – and even in those cases the policy reach is limited. In Spain, only employees can access the information, through the legal representation of workers in the company (see endnote 7), and in Portugal access to the information is limited to the company itself and the labour inspectorate (see endnote 8). In Sweden, information is not required in writing if there are fewer than ten employees (see endnote 9).

Many countries are reluctant to include micro-enterprises as, in practice, **it is difficult to ensure worker anonymity and confidentiality** in workplaces with so few employees. This is even more challenging if there is an imbalance in the number of male and female employees. **Administrative burden** is also cited as a reason to not include small employers, although considerable research contradicts this claim (European Commission, 2021[5]; Aumayr-Pintar, 2020[9]; OECD, 2021[10]).

Yet the great majority of firms worldwide (between 70% and 95%) are micro-businesses (OECD, 2017[11]), and almost half of these have at least one employee (OECD, 2020[12]). The lack of pay gap analysis and reporting for these firms therefore means that a large share of workers face challenges to accessing equal pay information, and in some cases, to earning fair pay for their work.

#### *Companies with low shares of men or women employees are sometimes excluded*

Second, some countries have **carved out exceptions from pay gap reporting for employers that have a large imbalance in the number of women and men workers**, as gender gap estimates produced on a small sample for one group may be misleading. This is especially challenging in countries where the pay reporting rules require a relatively high degree of disaggregation by job category.

In France, for example – which has one of the most sophisticated pay reporting frameworks in the OECD – many employers are excluded from reporting pay gaps for certain job categories because there are so few women (or men) in certain jobs. This is especially an issue among French small and medium enterprises (SMEs); in 2020 45% of firms with 50 to 250 employees had incalculable Professional Equality Index[12] scores (Briard, Meluzzi and Ruault, 2021[13]).

Denmark, too – despite having a fairly efficient and inclusive pay reporting regime – acknowledges the limitations around pay gap reporting when there is an unequal distribution of male and female workers. Danish regulations specify that there should be at least ten workers from each gender in same work function in order to carry out a pay gap analysis. And New Zealand's public sector regulations do not consider gender pay gaps statistically robust for groups of fewer than 20 men and 20 women.

An issue with excluding companies with gender imbalance from reporting relates back to the issue of horizontal segregation. Roles that are either male or female-dominated tend to be characterised by inflated or depressed wages (Bettio, Verashchagina and Camilleri-Cassar, 2009[14]). At the same time, presenting gender pay gap information in highly segregated roles without information on *actual pay amounts* can also hide important trends: female-dominated roles may be characterised by low gaps even though actual pay amounts are low compared to male-dominated roles. In these cases, presenting mean or median gender-disaggregated pay would be more useful than presenting gaps – which may appear small in the presence of low wages overall.

### Box 2.3. How much does my co-worker make?

For an individual worker, remedying unfair pay requires knowing how much a comparable colleague earns. A few OECD countries have given private sector employees the right to request the salary information of comparable colleagues, but usually under limited conditions.

**A few countries facilitate the disclosure of comparators' pay in discrimination cases.**

Some countries facilitate salary comparisons when an employee is seeking recourse against possible discrimination. Ireland, for example, allows workers with discrimination complaints to request pay information on colleagues. While employers are not required to reply, the Workplace Relations Commission (which hears and decides complaints of discrimination under the Employment Equality Act) may intervene if an employer does not reply or provides false information.

In Austria, when examining whether pay discrimination has occurred in a specific case, the court or the Equal Treatment Commission will request that an employer disclose the pay structure of the company (insofar as needed for the specific case) as well as the pay of comparable workers. However, there is no explicit legal basis for this; this procedure results from the need to be able to verify the alleged discrimination. If the employer does not comply with this request, this circumstance is subject to an assessment of evidence. In proceedings before Austria's Equal Treatment Commission, income data on comparable workers may be requested from the relevant social insurance institution.

Norway allows workers (in both the private and public sector) who suspects pay discrimination to demand their employer's written confirmation of the pay level and the criteria of setting pay for the person or persons with whom the worker is making a comparison. Furthermore, employees in the companies that carry out salary mapping must have a real opportunity to compare their salary with the average at their level[1]. The recipient of the disclosed information is often required to sign a confidentiality declaration. Workers, their representatives, the Anti-Discrimination Tribunal, the Equality and Anti-discrimination Ombudsman, and researchers have a right to the disclosure of the results of a pay review. In previous years, Norwegians' individual tax records were published online and available to the public, but due to privacy issues this wage data disclosure has been tightened.

**Chile and Germany require companies to share a group of comparators' pay.**

Other countries require companies to share comparator pay information for a group of comparators, not an individual comparator. In Chile, a union may request (on behalf of an employee) salary information as long as there are five or more workers in the relevant position or function. In Germany, upon an employee's request, firms with at least 200 employees are required to name a similar activity (or one of equal value) and share the pay information from a group of at least six employees.

The existence of these measures does not guarantee take up. For instance, in Germany, a survey of employers and employees found that an employee's right to obtain pay information was relatively unknown even among affected workers, and only 4% of employees surveyed in firms with over 200 employees had ever submitted a request to obtain pay information (Government of Germany (BMFSFJ), 2020[15]). Even when an employee is aware of unfair pay, recourse through the judicial system is not always straightforward, as the recent case of a German journalist illustrates (Spiegel, 2022[16]).

**Job classification schemes help improve knowledge of comparators' pay in the public sector.**

Job classification systems list pay for different jobs or job classes (Chapter 3). By knowing only a colleague's job title, one can learn their pay with some accuracy. These are more frequently used in the public sector.

1. According to Prop. 63 L 2018– 2019 point 3.7.2.4. (https://www.regjeringen.no/no/dokumenter/prop.-63-l-20182019/id2639399/). Examples of how this can be done is available in the authorities' online guide at www.bufdir.no/arp (see Chapter 7 for more information).
Source: Adapted from (OECD, 2021[10]), *Pay Transparency Tools to Close the Gender Wage Gap*, http://oe.cd/pay-transparency-2021

## 2.4. When and where? Reference dates and geographic considerations for company headcounts

In addition to determining which workers should be counted in minimum company thresholds for reporting, governments also need to define when and where these workers should be counted. This section narrows in on two criteria: the timeframe for counting workers, and how a company's size is defined vis-à-vis a company's distribution of worksites within an entire country. Table 2.3 elaborates on country practices based on responses to OECD GPTQ 2022.

### Table 2.3. Reference dates and geographic considerations for inclusion in pay reporting rules

Information regarding reference dates and geographic considerations for company headcounts in pay reporting measures in countries with such requirements in the private sectors.

| Country | Reference date for defining company size | Geographic considerations | Use of administrative data |
|---|---|---|---|
| Austria | Calendar year. It is sufficient that the number is reached during greater part of the year. It is irrelevant whether the number of employees is reached by permanent workers or by constantly changing employees. In cases of seasonal operation, the decisive factor is whether the minimum number is reached during the season (average over year is not relevant). | A company group does not have to prepare a single income report and the threshold of employees is not based on the total number of employees working for the group. However, if a company consists of several establishments, it must submit a single income report for the company, which contains the data of all employees of the individual establishments. | No |
| Australia | Relevant employers must continue to report until the total employee count (including across their corporate structure) falls below 80 for six or more months of a reporting period. These months do not have to be consecutive. | Employees of a global corporate structure working in Australia where the Australian entity is their employer should be included as well as employees of an Australian entity who have worked overseas for less than six months in a reporting period. | No. Employers self-identify for reporting to the Workplace Gender Equality Agency. |
| Belgium | The threshold concerns an average of the workers employed during a reference period of 12 months (October – end of September of the year preceding the social elections). | The participation bodies are set up at the level of the "Technical Operating Unit" (TOU). It is defined by the parties during the social elections held every 4 years. A Legal Entity (LE) can be divided into several TOUs (each with at least 50 employees), or several LEs can form a single TOU. | No. To check which companies fall under the obligation to organise social elections and therefore must install a participation body, every 4 years the FPS Employment updates its own "Social Elections database" on the basis of the "NSSO database" (cfr. "importance code" per company). |
| Canada | EEA: Date during the calendar year when the total number of employees are the greatest.<br>PEA: For public sector employers, the reference date is the previous fiscal year (1 April-31 March). For private sector employers, it is the previous calendar year (1 January-31 December). | EEA: Employer's total number of employees in Canada.<br>PEA: The geographical distribution of employees is not a consideration when determining whether the PEA applies to an employer. | EEA: Yes. Labor Program uses data collected under the authority of the Canada Labor Code to identify which employers are subject to reporting requirements under the Employment Equity Act.<br>PEA: No. |

| Country | Reference date for defining company size | Geographic considerations | Use of administrative data |
|---|---|---|---|
| Chile | There are no specifications regarding reference date. | There are no specifications regarding the size of the company. | No. |
| Denmark | The reference period stated in the law is the calendar year. | The whole firm is considered. | Yes. Although, firm size is determined by through self-registered wage data, wages from the tax authorities are used to ensure that the data is accurate. If the reported data shows that the company has 35 employees or more, Statistics Denmark will by 1 September each year issue a gender-segregated pay statistic which is then sent back to the company. |
| Finland | There is no specific reference date. | No geographic considerations are made. | No, the government doesn't monitor this obligation so closely. |
| France | The headcount threshold is to be assessed on the date of the obligation to publish the Index (1 March of each year). | The headcount threshold is calculated at the company level, not at the establishment level. | No. |
| Iceland | Calendar year used as reference period. | Workers of company, they can be in different worksites. | Yes, tax data is used to determine the size of companies. |
| Ireland | Organisations are asked to select a "snapshot" date in the month of June. Their reporting will be based on the employees they have on this date. | No response | No response |
| Israel | The law does not address this. The EEOC issued instructions to employers and recommended that the reference date would be 31 December in the reporting year. | The law refers to an employer who employs more than 518 employees in the workplace, regardless the geography of the work place. | Yes. |
| Italy | No response | Company as a whole. | Yes. |
| Japan | No reference date, obligations are applied once the threshold has been reached. | Company as a whole.<br>Geographical conditions not considered. | No, administrative sources are not used. |
| Korea | Jan. to Dec. of the previous year | Company as a whole. | Yes. "Employment Insurance (EI) computing system" is used to identify firms that are subject to Affirmative Action (AA). |
| Lithuania | It is an average over a given reference period (per year).<br>This information can be found in the social insurance system and official registers. | Company as a whole.<br>Average number of employees per year in this company throughout the country. | Yes. |
| Norway | Financial year. | The term "undertaking" (i.e. the entity the reporting requirement applies to) is not defined neither in the bill nor in the preparatory works. | Yes. |
| Portugal | October of each year | No response | Yes. Administrative Data from Ministry for Labour, Solidarity and Social Security found at *Quadros de Pessoal*, which covers workers of all firms with at least one employee in Portugal. |
| Spain | It must be calculated at least the last day of the months of June and December of each year | Total number of workers at national level. | No response |
| Sweden | Beginning of calendar year (for documenting requirement) | No response | No. |

| Country | Reference date for defining company size | Geographic considerations | Use of administrative data |
|---|---|---|---|
| Switzerland | Start of the year | The lowest independent legal entity should be used. An independent legal entity is understood to be an operating unit with an independent corporate legal form (e.g. AG, GmbH, also a company subsidiary). Generally speaking, the employer is the natural or legal person in the employment relationship who benefits from the work done and thus has an obligation arising from the employment contract, which, in particular, means paying the wages. In the few instances (e.g. in the case of a group of companies) in which it is not clear who the employer is, the respective labour law practice can be applied. | No |
| United Kingdom | "Snapshot" dates: private sector – 5 April each year, public sector – 31 March each year | Total number of employees working for that employer across the country. | No. |

Note: Table summarises the use of reference dates to define a company headcount and geographic considerations made.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

### *2.4.1. Varied used of reference dates to define a company headcount across the OECD*

Employer size tends to be computed using employee headcounts over a period corresponding to either the **calendar year, financial year, or another reporting period**. These reference periods are mandated in Austria, Australia, Belgium, Canada, Iceland, Korea, and Norway.

Other countries have opted to use a **snapshot in time**: in Ireland, France, Portugal, and the United Kingdom[13] employer size is measured in June, March, October, and April, respectively, while in Spain it is measured at least two times a year.

In Canada (under the Employment Equity Act rules, see endnote 4) and Japan, the reference date is the date during the calendar year when the total number of employees is the greatest or once the size threshold has been reached. This should help to ensure the inclusion of the largest number of companies.

Other countries, such as Finland, make no specifications regarding the reference date.

### *2.4.2. Geographic considerations: Grouping workers across sites to calculate a company total headcount*

Geographic considerations come into play when considering which worksites should be included when a firm estimates its headcount.

In many countries, pay reporting requirements **consider the company as a whole and require employers to include all workers working in the country** (Australia, Austria, Canada under Employment Equity Act, France, Iceland, Italy, Japan, Korea, and Lithuania). In the past, this has helped to account for companies with multiple small physical locations, e.g. retail storefronts in a single company chain. Looking forward, this inclusive definition of company headcount could help to account for workers who are working remotely, away from a company worksite.

Belgium stands out with highly detailed instructions on how to count workers across work sites. According to the Belgian rules, the enterprise must be defined as the technical operating unit, determined based on economic and social criteria (GPTQ, 2022). The technical unit of operation corresponds to the separate offices of an enterprise, provided that these offices are characterised by a certain economic autonomy (a certain independence from the management of the headquarters) and social autonomy. In case of doubt,

the social criteria prevail. Examples of social criteria include the diversity of human groups, the distance between centres, the difference in language. Although in most cases the technical operating unit corresponds to the legal entity of the company, this is not necessarily the case (SPF Emploi, Travail et Concertation sociale, n.d.[17]). This can change the count of employers and has the potential to exempt larger employers from reporting, by making their company look like many small sites rather than one large entity. Note, however, that there is a legal presumption on the basis of which several affiliated legal entities constitute a single technical operating unit. Conversely, the law also prohibits the splitting of the same legal entity into several small TEOs that then have fewer than 50 employees and meet the obligations.

## 2.5. Using administrative data to identify affected firms

When it comes to identifying employers that need to report, based on company size, **most countries rely on employers self-identifying**.

The self-identification approach likely leads to gaps in implementation of pay reporting rules: some companies may accidentally or intentionally exclude themselves from participating in a pay reporting system, and governments may not be able to identify which companies should be reporting. Although in many countries there are penalties in place for non-compliance with pay reporting rules, enforcement is rarely carried out and financial penalties – when they exist – are usually small (Chapter 6).

A few countries, however, make **use of administrative data such as tax or social insurance data to identify relevant employers**, and related to this, some use administrative data **to calculate or confirm employers' self-reported pay data**.

For instance, the Canadian Labour Program uses data collected under the authority of the Canada Labour Code to identify those employers that are subject to reporting requirements under the Employment Equity Act. In Korea, the Employment Insurance (EI) computing system is used to identify firms that are subject to Affirmative Action (AA).

Belgium uses a different type of pre-existing data to check which companies fall under reporting obligations: they rely on company size information which has already been collected for the organisation of "social elections".[14] Every four years the Federal Ministry for Employment[15] updates its own social elections database on the basis of a National Social Security Office (NSSO) database on company characteristics. Note that the size of the company as known in this database is only a first indication that the threshold has been met. On this basis, the Federal Public Service Employment invites the companies concerned to initiate a social election procedure. However, it is up to the parties (the employer in consultation with the unions) to determine every four years what the TOU is and whether the threshold has been achieved within this TOU. In case of disagreement, a judge can intervene.

In Spain, the Labour and Social Security Inspectorate has access to different registers and databases of the Public Administrations, which allows it to obtain relevant information about the active companies, the number of workers employed in them, the forms of recruitment (open-ended, fixed-term, part-time, etc.), the volume of workers employed in a given temporary period or the paid pay concepts. The main access route for this is the information communicated for Social Security purposes. In relation to the equal pay audits (for companies with 50 or more employees), the information available through the register of equality plans is also relevant. Considering all the above, and advanced data crossing techniques, there is a planning work to select those companies in which indications of possible non-compliance with respect to equality are detected, in order to improve the effectiveness and efficiency of the inspection action (see more on enforcement in Chapter 6).

Other countries that report using administrative data to identify affected firms include Italy, Iceland Lithuania, and Portugal.

Two countries – Denmark and Lithuania – use pre-existing data to calculate the gender wage gap *for* firms, which implies they also identify the firms that need to report. These countries' practices are detailed in Chapter 7, which presents novel tools for gender pay gap reporting. In Denmark, companies participate in the national Structure of Earnings Survey from which the national statistical office calculates the gender pay gap for firms. The statistical office also has access to wage information from tax authorities which can be used to ensure that the self-registered wage data is accurate. In Lithuania, the social insurance agency uses administrative data to calculate and publish companies' aggregate gender wage gap to the public (Chapter 7).

### Box 2.4. Key terms and definitions used in this report

A **comparator**, in the context of equal pay litigation, refers to a worker whose salary is used as a reference for another person who is in a comparable working situation. Guidelines as to who qualifies as a comparator (and whether a comparator is necessary to prove pay discrimination) vary by country. A comparator may be real or hypothetical.

**Equal pay for work of equal value** implies that women and men should get equal pay if they do identical or similar jobs, and that they should also earn equal pay if they do completely different work that can be shown to be of equal value when based on "objective" criteria. These objective criteria tend to encompass job-related characteristics such as skills, effort, levels of responsibility, working conditions and qualifications. Many countries have attempted to clarify the use of the concept of "work of equal value" in national legislation.

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. An equal pay audit is more intensive than simple pay reporting. A pay audit should make an effort to analyse any gender pay gaps found, should attempt to identify the reasons behind these gaps, and could be used to help develop targeted actions on equal pay. An **equal pay audit** is comparable to a **joint pay assessment,** as proposed in recent EU pay transparency legislation.

**Horizontal segregation** refers to the concentration of women and men in different sectors and occupations. For example, women are typically overrepresented in childcare and men are typically overrepresented in engineering.

**Job classifications** are related to job evaluation process and commonly entail human resource personnel and/or social partners ranking each job within an organisation against objective criteria that relates to the required skills, effort, responsibilities, working conditions, education, and difficulty of a role, amongst other observable characteristics. Related to this, gender-neutral job classification systems refer to job classification systems that account for the gender predominance of a given job class and categorise work based on the same objective criteria for men and women.

The **OECD Gender Pay Transparency Questionnaire 2022** (**OECD GPTQ 2022**, presented in Annex 1) is the reference questionnaire for the policies presented and discussed in this report.

**Pay reporting** refers to policies mandating that employers regularly report (including to employees, workers' representatives, social partners, a government body, and/or the public) gender pay gap statistics. Such statistics typically include the average or median remuneration of men and women at the firm level but are often more detailed and include breakdowns by groupings such as job category.

**Pay transparency** is an umbrella term referring to policy measures that attempt to share pay information in an effort to address gender pay gaps. Such measures may include mandating pay

reporting, equal pay auditing, job classification systems, and publishing pay information in job vacancies.

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## Notes

[1] As of October 2022.

[2] Pay reporting in Canada applies to federally regulated private- and public-sector employers, parliamentary workplaces, and the Prime Minister's and ministers' offices (under the Pay Equity Act). In contrast, pay gap reporting only applies to federally regulated private-sector employers with 100 or more employees, including federally regulated Crown corporations, and other federal organisations (under the Employment Equity Act).

[3] The pay reporting law in Chile only applies to businesses under the supervision of the Financial Market Commission [*Comisión para el Mercado Financiero* (CMF)]. The Financial Market Commission (CMF) is a public service of a technical nature whose main objectives are to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith. Companies analyse their gender equality, taking remuneration into account, in order to comply with CMF rules.

[4] Canada's pay reporting regulation is two-fold. Pay gap reporting under the Employment Equity Act applies to federally-regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally-regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[5] Virtual fact-finding mission between France and the OECD Secretariat.

[6] For more information about temporary agency work, refer to https://www.ilo.org/sector/activities/topics/temporary-agency-work/lang-en/index.htm.

[7] All employers in Spain, regardless of size, are obliged to keep a register with the average values of salaries, salary supplements and non-wage payments of its staff, broken down by sex and distributed by professional groups, professional categories, or jobs of equal or equal value. Employees have the right to access, through the legal representation of workers in the company, to the wage register of their company. These registries are not available to the general public.

[8] In Portugal, all employers with at least one employee must submit the Single Report (*Relatório Único*) to the Ministry of Labour. This report contains information on the social activity of the company, information on the firm (location, industry, employment, sales, ownership, and legal setting, among other features), and on each of its workers (gender, age, education, skill, occupational category, tenure, wages, hours worked, and more), with the content and deadline for submission regulated by Ministerial Order no. 55/2010, of 21 January. The information contained in the report is included in the *Quadros de Pessoal*, where information about each individual company is available for consultation only by the respective company itself and the labour inspectorate (*Autoridade para as Condicoes do Trabalho* (ACT)), for inspection purposes and preventive activities.

[9] Technically Swedish reporting rules require all employers regardless of size to conduct pay surveys. However, only employers with more than 10 employees need to document their work. As such, ensuring compliance for micro companies is virtually impossible.

[10] Small and medium-sized enterprises (SMEs) are defined by the number of people they employ: 250 employees or less. SMEs are further subdivided into micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), medium-sized enterprises (50 to 249 employees) (OECD, 2017[11]).

[11] This applies to temporary contracts which, having been in force in the undertaking for the six months prior to the date on which the calculation is made (GPTQ, 2022).

[12] In France, *L'Index de l'Égalité Professionnelle Entre les Femmes et les Hommes*, or, in English, the Professional Equality Index (PEI) has been in force since 2019. This measure applies to both employers in the public and in the private sector. Every year, by 1 March, public and private employers with at least 50 employees (requirements differ for those employers with more than 250 employees) must report pay information by gender and carry out and submit the results of an equal pay audit. The French system is further detailed in the subsequent chapters.

[13] There are different snapshots for the private and the public sectors: private sector – 5 April each year, public sector – 31 March each year.

[14] These "social elections" are used to elect members of company works councils and workplace health and safety committees. See (Eurofound, n.d.[18]) for an overview.

[15] This occurs under the Federal Public Service (FPS) Employment, Labour and Social Dialogue.

# 3 The nature of pay gap reporting: What is reported?

This chapter presents an overview of companies' requirements to report gender-disaggregated pay data in 21 OECD countries. Most countries require detailed, gender-disaggregated pay information across different categories like job classification or level of seniority. To address intersecting disadvantage, a few countries require gender pay gap statistics be further disaggregated by race/ethnicity. This chapter also takes stock of novel *non-pay* gender-disaggregated data reporting requirements, which exist in at least 24 OECD countries. These requirements most commonly include reporting gender gaps in employee headcounts and the share of top positions held by women.

## Key findings

- Out of the 21 OECD countries with pay reporting measures in the private sector, eight require employers to report gender *gaps* in mean or median pay (difference between men and women's pay), while another eight require employers to report mean/median pay *by* gender (separately for men and women). The remaining countries either do not specify what statistical information must be provided, or they require the reporting of individual salaries for all employees. Only two countries – Korea and the United Kingdom – require simply a top-line, company-wide gender pay statistics.
- Countries have different guidelines on what should be counted as pay. Pay reporting requirements can include variable components, such as bonus pay within the standard calculation, or can require variable components be reported separately.
- Most countries require that gender pay information be further disaggregated by job category (16 out of 21 countries). Gendered pay information is also commonly reported by level of seniority, education and/or qualification achieved, and, slightly less often, by age. Most OECD countries with pay reporting measures do *not* require pay information to be further disaggregated by race/ethnicity.
- At least 24 countries require private sector employers to provide *non-pay* statistics by gender. This often entails reporting the gender distribution of workers in a given firm and the gender composition of top positions, such as the share of managers or corporate board members who are women.
- **Policy takeaway**: While presenting the overall gender wage gap at the firm level is useful, governments should consider requiring firms to assess disaggregated results by subgroups. Mindful that calculating too many subgroup statistics may risk administrative burden, a practical solution is to start by requiring gender-disaggregated mean or median pay by job category, to enable simple comparisons of ostensibly comparable workers. Good practice would include gender-disaggregated pay statistics for additional subgroups such as level of seniority, parent status, education, and racial/ethnic background.

## 3.1. Required content in pay gap reporting

Pay reporting regimes require, at the minimum, average or median pay statistics disaggregated by gender. Table 3.1 provides an overview of what pay information is required in the private sector as part of mandatory pay reporting and whether this information is further disaggregated by worker characteristics. For instance, many countries require gender pay gaps or pay information to be further disaggregated by job category, while very few countries – notably Canada and New Zealand (public sector[1]) – require gender pay gap statistics also be disaggregated by race/ethnicity.

Presenting the **overall, firm-level gender pay gap** has benefits. It helps to reduce administrative burden on firms, as firms do not need to assess disaggregated information; it encourages businesses to consider how horizontal and vertical segregation contributes to wage discrepancies; and it helps to increase awareness of pay equity with a single, tangible statistic (OECD, 2021[1]). This strategy is used in the United Kingdom and Korea (see Box 3.1).

At the same time, reporting *only* the total gender pay gap can hide disparities and perhaps even discrimination among employees in comparable positions. This lack of clarity can make equal pay disputes even more difficult to resolve. In other words, reporting only the company-wide gender pay gap might not go far enough to support specific individuals who could be unfairly underpaid for doing equal work or work of equal value (OECD, 2021[1]).

### Box 3.1. Country highlights: United Kingdom and Korea lean into public pressure to promote gender equality

#### United Kingdom

The United Kingdom implemented its company pay reporting requirements in 2017 as part of the Equality Act 2010[1] (Gender Pay Gap Information) Regulations. The aim of the reporting requirements is to increase transparency around gender pay disparities and encourage employers to take action to address them.

Relevant employers are required to assess the pay information across their organisation to publish the mean and median gender gap in pay and bonuses. These statistics must be visible on their organisation's website and on a UK Government website dedicated to pay gap reporting (https://gender-pay-gap.service.gov.uk/).

Both private and public sector employers with 250 or more employees are subject to the regulations. The reporting process must be completed annually by 30 March for the public sector and by 4 April for the private for-profit and non-profit sectors. Employers are provided with a digital service for reporting data and a website with guidance (see Chapter 7 for more).

Although there are no direct penalties for non-compliance, the UK's Equality and Human Rights Commission can take legal action against employers who refuse to report, which can result in unlimited fines. Beyond financial penalties, public pressure and reputational risk have provided strong incentives for employers to report, as well; the government credits this with facilitating 100% compliance by firms in the first two years of reporting.

Academic research in the United Kingdom have found that gender pay gap reporting requirements have led to a slight reduction in the gender pay gap (Jones and Kaya, 2022[2]; Jones, Kaya and Papps, 2022[3]; Blundell, 2021[4]; Duchini, Simion and Turrell, 2020[5]). However, this reduction seems to be largely due to a decrease in male wages rather than an increase in female wages (Blundell, 2021[4]; Duchini, Simion and Turrell, 2020[5]). Findings further suggest that regulations have influenced hiring

practices, with affected employers offering more attractive policies to women (Duchini, Simion and Turrell, 2020[5]). During the COVID-19 pandemic, when the pay gap reporting system froze, organisations that reported their gender pay gap showed a 6% lower gap a year later compared to those that did not report (Jones, Kaya and Papps, 2022[3]). This has been attributed to an increase in the proportion of women in the top pay quartile and a rise in the concentration of women in the overall workforce (Jones and Kaya, 2022[2]). For a longer discussion of academic evidence on pay reporting, see Chapter 1.

**Korea**

Korea's Pay Transparency Measure requires all public sector employers, and private sector employers with 500 or more employees (or 300 or more for enterprise groups subject to disclosure), to report their yearly gender pay gaps – including basic salary, bonuses and allowance paid – as well as the number of employees by job category and seniority.

Employers must submit reports through a website which the government monitors. On the website, employers have access to various resources, such as a direct contact number for government personnel, a chatbot-enabled platform, booklets, and videos on how to report. For more information, refer to Chapter 7.

Some businesses are listed publicly in the Official Gazette or on the Ministry of Employment and Labour website for six months if their gender pay gap results fall into the following categories:

- Businesses whose ratio of employed female workers or managers by job categories is less than 70% of the average by industry and size, three times in a row, prior to the date of disclosure of the list, and
- Business owners who failed to comply with the request to implement appropriate measures after submitting their performance results.

The publicised information includes the businesses' names, addresses, number of employees (by gender), number of managers (by gender), and employment standards of female employees.

Businesses with figures below 70% of the average for each sector are also required to establish an improvement plan with implementation guidance provided.

1. The Equality Act 2010 came into force on 1 October 2010. It replaced previous anti-discrimination laws with a single Act, making the law easier to understand and strengthening protection in some situations. The Act provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. For more information, refer to https://www.legislation.gov.uk/ukpga/2010/15/contents or https://www.equalityhumanrights.com/en/equality-act-2010/what-equality-act.
Source: OECD GPTQ (2022), unless otherwise cited.

Table 3.1 presents the information required in pay gap reporting, identifies whether countries have implemented *non-pay* reporting requirements (elaborated further in Table 3.3) and states whether follow-up mechanisms are embedded in pay reporting. Table 3.2 and the related discussion in Section 3.2.1 elaborate on the details of different job categorisations/job classification systems used across the OECD.

## Table 3.1. Required content in pay reporting

Summary of OECD countries' pay reporting requirements in countries with mandatory reporting in the private sector, 2022.

| Country | Pay information to be reported | (Y/N) Pay information further disaggregated by: | | | | | | Non-pay reporting requirements (Table 3.5) (Y/N) | Follow-up mechanism (Y/N) |
|---|---|---|---|---|---|---|---|---|---|
| | | Job category | Seniority | Education | Ethnicity | Age | Other | | |
| Austria | By gender: mean or median wages. | Y | N | N | N | N | By remuneration or salary group scheme. | Y | N |
| Australia | For all employees: the annualised, full-time equivalent salaries, both (1) base salary (earnings before tax, including salary sacrificed items and excluding superannuation and other payments/benefits) (2) total remuneration (base salary plus all bonuses, allowances, superannuation, and other payments). From 2024, employers will be reporting on actual earnings, including base salary and total remuneration (including bonuses) of their employees. | Y | Y | N | N | N | By employment status and type, and graduate or apprentice status. Age and primary work location can be reported on a voluntary basis but will be mandatory from 2024. | Y | Y |
| Belgium | By gender: wages, benefits, employer's contributions for extra-legal insurance, and other extra-legal benefits. | Y | Y | N | Y | N | N | Y, but part of a different measure | If there is a gender gap within the company, an action plan can be put in place (not mandatory). |
| Canada[1] | EEA: Gender gap in mean and median hourly pay, bonus pay, and overtime pay. Note that only gaps are reported, not mean or median remuneration by gender. PEA: Compensation (including salaries, vacation pay, bonuses, and contributions to pension funds) of predominantly female job classes are | Y | N | N | EEA: Y, Aboriginal and non-Aboriginal people PEA: N | N | EEA: By industrial sector, region, and disability and (visible) minority status. PEA: N | EEA: Y PEA: N | Y |

| Country | Pay information to be reported | (Y/N) Pay information further disaggregated by: | | | | | | Non-pay reporting requirements (Table 3.5) (Y/N) | Follow-up mechanism (Y/N) |
|---|---|---|---|---|---|---|---|---|---|
| | | Job category | Seniority | Education | Ethnicity | Age | Other | | |
| | compared to that of predominantly male classes. | | | | | | | | |
| Chile | Gender gap in mean gross basic salary (reported as a ratio; the salary of female executives and workers over that of male executives and workers) | Y | N | N | N | N | By level of responsibility. | Y | N |
| Denmark | By gender: mean pay (including basic salary and other cash or in-kind benefits). | Y | N | N | N | N | N | Y, but part of a different measure | N |
| Finland[2] | Finland requires showing that mean salaries (including basic salary and variable component such as bonuses) are equal. These mean values can be expressed either in euros or as women's mean wages as a percentage of men's mean wages. | N | N | N | N | N | It is not specified how pay information should be disaggregated. Only that it needs to be disaggregated. Important factors when comparing jobs are quality and content of work tasks, competence, responsibility, workload and working conditions. | N | Y |
| France | Gender gap in mean pay, including ordinary basic or minimum wage or salary and all other benefits and accessories paid (results in a score out of 40 points). Four other non-pay indicators collectively result in a score out of 60 points. | Y | N | N | N | Y | N | Y | Y |
| Iceland | By gender: mean fixed salary, fixed additional payments and all extra payments. | Y | N | N | N | N | N | N | Y |

| Country | Pay information to be reported | (Y/N) Pay information further disaggregated by: | | | | | | Non-pay reporting requirements (Table 3.5) (Y/N) | Follow-up mechanism (Y/N) |
|---|---|---|---|---|---|---|---|---|---|
| | | Job category | Seniority | Education | Ethnicity | Age | Other | | |
| Ireland | Gender gaps in mean and median hourly wage pay. Data on bonus pay reported separately. | N | N | N | N | N | By part-time and temporary contract status. | Y | Y |
| Israel | Gender gap in mean pay, as percentage.<br>Employers must also provide employees information about the pay level they belong according to job type or ranking, and the gender pay gap in that group. | Y | Y | N | N | N | By salary class and hours worked. | Y | Y |
| Italy | By gender: annual gross overall remuneration (basic salary plus any additional amounts paid to the employee) at the beginning and at the end of the reporting period. Additional amounts are also reported separately. | Y | N | N | N | N | By occupation | Y | N |
| Japan | Gender gap presented as the proportion of female workers' annual salary (including benefits, allowances, and bonuses) relative to that of male workers.<br>Severance pay and commuting allowance can be excluded at the discretion of each employer. | N | N | N | N | N | By regular workers v. non-regular worker status. | Y | Y |
| Korea | Aggregate gender gap in yearly mean pay (including basic salary, bonuses and allowance paid) | N | N | N | N | N | N | Y | Y |
| Lithuania | By gender: mean pay (including bonuses). | Y | Y | Y | N | N | By type of employee, job position, and salary class. | Y | N |
| Norway | By gender: ordinary remuneration (including various supplements, e.g. hourly wages, piecework wages, bonuses, overtime, free telephone/car/newspaper | Y | N | Y | N | N | By effort, level of responsibility and working conditions. | Y | Y |

| Country | Pay information to be reported | (Y/N) Pay information further disaggregated by: | | | | | | Non-pay reporting requirements (Table 3.5) (Y/N) | Follow-up mechanism (Y/N) |
|---|---|---|---|---|---|---|---|---|---|
| | | Job category | Seniority | Education | Ethnicity | Age | Other | | |
| | subscription, occupational pensions). It is optional to report the pay gap in kroner or a percentage. | | | | | | | | |
| Portugal | For all employees: monthly basic pay (gross pay for normal hours of work), regular and non-regular benefits, and overtime pay, as well as the mechanism of wage bargaining. | Y | Y | Y | N | Y | By region. | Y | Y |
| Spain | By gender: mean and median salary (broken down by base compensation, supplements, and non-wage payments). | Y | N | N | N | N | N | Y | Y |
| Sweden | Not specified which statistics need to be reported. The employer is to annually survey<br>1. provisions and practices regarding pay and other terms of employment that are used by the employer,<br>2. pay differences between women and men performing work that is to be regarded as equal or of equal value.<br>Company car, housing or travel benefits and the like that constitute salary must be included in the employer's survey. | N | N | N | N | N | Sweden has a particular approach to the assessment of whether existing pay differences are directly or indirectly associated with gender. This is discussed in further detail in Box 3.4 and Chapter 4. | Y | Y |
| Switzerland | Beyond pay, it is not specified which variables must be included.<br>The federal government provides a free analysis tool, Logib.<br>Under Logib module 1 (recommended for employers with 50 or more employees), for all employees: monthly/hourly basic pay, allowances, bonuses and other | Y, Under Logib module 1 | Y, Under Logib module 1 | Y, Under Logib module 1 | N | N | Logib module 1 disaggregates gender gaps further by education, seniority, potential work experience, level of qualifications and professional position. | Y, but part of a different measure | The law does not provide for any follow-up other than repeating the analysis (cf. 20-21). It is the responsibility of the employees, shareholders of listed companies and the social partners to ensure a follow-up. |

| Country | Pay information to be reported | (Y/N) Pay information further disaggregated by: | | | | | | Non-pay reporting requirements (Table 3.5) (Y/N) | Follow-up mechanism (Y/N) |
|---|---|---|---|---|---|---|---|---|---|
| | | Job category | Seniority | Education | Ethnicity | Age | Other | | |
| | special payments benefits, and overtime pay. | | | | | | | | However, experience shows that companies often voluntarily carry out an initial analysis and make corrections on a regular basis. |
| United Kingdom | Gender gaps in mean and median pay and bonuses. | N | N | N | N | N | N | N | N |

Note: Table summarises the content required in company pay reporting requirements in countries with such requirements.
1. Canada's pay reporting regulation is two-fold. The Employment Equity Act applies to federally regulated-private sector employers, and the Pay Equity Act applies to federally regulated employers in both the private and public sectors.
2. For more information on Finland's measures refer to the box on "The Nordic approach" (Chapter 4) and https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/75131/Act_on%20Equality_between_women_and_men_2015_FINAL.pdf?sequence=1.
Please refer to Table 2.1 for information on which employers are subject to reporting rules, to Section 3.2 for a discussion of job classification systems used when disaggregating pay information by job category, to Chapter 4 for further information about follow-up mechanisms in equal pay audits, and to Table 3.3 for information on the content required in non-pay reporting.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A)

### *3.1.1. Most pay reporting measures require employers to report gender gaps in mean/median pay*

In most countries, gender pay differences are reported (at a minimum) **as mean or median gender pay gaps across the company**. This includes Canada, Chile, France, Iceland, Ireland, Israel, Japan, Korea, New Zealand (public sector, see endnote 1), and the United Kingdom.

The definition of pay varies by country, with some countries including bonuses and other variable components on top of base pay. These countries include Canada (under the Pay Equity Act[2]), France Iceland, Japan, and Korea. In other countries, bonus and variable pay gaps are reported separately, for instance in Canada (under the Employment Equity Act, see endnote 2), Ireland, and the United Kingdom. This approach of separating base and bonus pay is similar to that in the EU Directive on pay transparency (Chapter 2, Box 2.2).

Another common approach is to have employers report **mean or median pay *by* gender** – that is, separately for women and for men. In countries with gender-disaggregated pay reporting, this can either include variable components like bonuses (Denmark, Lithuania, and Norway) or can report on these variable components separately (Belgium, Italy, and Spain).

Finland and Sweden do not specify the exact statistics to be reported in their legislation. However, Finnish rules require that employers show that "salaries (including basic salary and variable component such as bonuses) are equal" between men and women and Swedish rules mandate companies to analyse pay differences between women and men as well as provisions and practices relating to pay. Reporting requirements in both countries are embedded within equal pay audits (see Chapter 4), which demand a thorough and comprehensive understanding of potential gender differences among the organisation's employees.

### *3.1.2. Some countries offer instructions for calculating gender pay gaps, and many provide software*

Many countries have developed practical tools to help employers calculate and report gender pay gaps, such as gender pay gap calculators, online reporting portals, step-by-step guides, checklists, as well as video recordings. Many countries have also designated a first contact point for when questions arise. A more detailed discussion of guidance offered to employers, as well as practical tools for calculating and presenting gender gaps, are presented in Chapter 7 of this report.

**Instructions for how to collect and analyse gender wage gap data can be basic or very detailed**. In Japan, for example, employers are simply instructed to divide the female workers' annual salary by that of male workers. The Irish regulations (Employment Equality Act, 2022, p. 7[6]) provide a good example for detailed instructions on computing gender pay gaps. For instance, the following data relating to mean hourly remuneration should be published in Ireland:

> *Art. 7(1) (…)*
>
> *(a) the difference between the mean hourly remuneration of relevant employees of the male gender and that of relevant employees of the female gender expressed as a percentage of the mean hourly remuneration of relevant employees of the male gender;*
>
> *(b) the difference between the mean hourly remuneration of part-time employees of the male gender and that of part-time employees of the female gender expressed as a percentage of the mean hourly remuneration of part-time employees of the male gender;*
>
> *(c) the difference between the mean hourly remuneration of relevant employees of the male gender on temporary contracts and that of relevant employees of the female gender on such contracts expressed as a percentage of the mean hourly remuneration of relevant employees of the male gender on temporary contracts.*

> *Art. 7(2) For the purposes of subparagraphs (a), (b) and (c) of paragraph (1), the difference between the mean hourly remuneration of persons of the male gender and that of persons of the female gender, expressed as a percentage of the mean hourly remuneration of persons of the male gender, shall be determined in accordance with the following formula:*
>
> *[(A – B) / A] x 100, where*
>
> *(a) in relation to paragraph (1)(a), A is the mean hourly remuneration of all relevant employees of the male gender, and B is the mean hourly remuneration of all relevant employees of the female gender,*
>
> *(b) in relation to paragraph (1)(b), A is the mean hourly remuneration of all part-time employees of the male gender, and B is the mean hourly remuneration of all part-time employees of the female gender, and*
>
> *(c) in relation to paragraph (1)(c), A is the mean hourly remuneration of all relevant employees of the male gender on temporary contracts, and B is the mean hourly remuneration of all relevant employees of the female gender on such contracts.*

How gender pay gaps are reported to stakeholders matters, too. Using a randomised control trial, the Behavioural Insights Team commissioned by the UK Government Equalities Office tested five alternative ways[3] of communicating the wage gap (United Kingdom Government Equalities Office, 2018[7]). The study revealed that benchmarking information – placing a company's result in the context of other companies' results – helps readers differentiate between companies with high gender wage gaps and companies with low ones. When statistics are presented in terms of money, rather than a simple percentage, the ability to understand the gender pay gap is maximised. A likely explanation for this is that people relate to monetary comparisons (e.g. 90 pence to every pound) more easily than percentages. The findings of this study have direct implications for the effectiveness of pay reporting rules.

### *3.1.3. A few countries require reporting salary information for all employees*

In a few countries, **pay information must be reported for *all* employees** – either as a part of pay transparency regulations, or as part of pre-existing data collection efforts. For example, the Australian Workplace Gender Equality Agency analyses average firm-level gender pay gaps for base salary and for total remuneration, i.e. base salary plus all bonuses and other benefits. (Please see Box 3.2 for more information).

A handful of countries use **pre-existing data sources with individual-level pay information** for their pay gap reporting processes. In Denmark, Statistics Denmark uses linked employer-employee earnings data for every employee to calculate the wage gap. Lithuania also uses individual-level data from social security contributions. Portugal collects and analyses individual workers' information through a survey called *Quadros de Pessoal*, which covers all firms with at least one employee in Portugal. Australia is exploring ways by which data already held by the government can be used for similar purposes. For a detailed discussion of these approaches see Chapter 7.

This approach of integrating reported pay information for all employees into a central system enables the comparison within a company, across companies and the sector more broadly, at regional levels, and across time. This strategy has been recommended by other studies of pay transparency (OECD, 2021[1]) (Cowper-Coles et al., 2021[8]).

### Box 3.2. Country highlight: Australia

The Workplace Gender Equality Act 2012 aims to enhance and advance equality for men and women in the workplace, which includes equal pay for both genders. Additionally, the Act aims to assist employers in eliminating obstacles that prevent women from fully and equally participating in the workforce.[1]

The Act requires non-public sector employers with 100 or more employees to submit an annual report to the Workplace Gender Equality Agency (WGEA) in a confidential manner. WGEA is an Australian Government statutory agency created by the Act. These results must also be shared with individual employees and/or workers' representatives.

Although some company reporting results are made public, such as the gender distribution of staff and the proportion of full-time and part-time employees, pay gap outcomes are not visible to the public. However, members of the public can search for a company's pay reporting history and whether they have a formal gender pay equity policy through an online portal.

Australia can therefore identify companies that have not complied with pay gap reporting[2] and can impose penalties, such as tabling non-compliance in Parliament and prohibiting non-complying companies from participating in government tenders above a certain threshold. This means that a contract below the threshold does not require compliance with the Act.

1. For more information, refer to https://www.wgea.gov.au/what-we-do.
2. Available at https://www.wgea.gov.au/what-we-do/compliance-reporting/non-compliant-list.
Source: OECD GPTQ (2022)

#### *3.1.4. Some countries offer less specific guidance on calculating gaps*

In some countries, **regulation does not specify exactly which statistics need to be reported**. For instance, in Switzerland, "beyond pay, it is not specified which variables must be included". However, the federal government provides an analysis tool called Logib (see Chapter 7 for more information) and recommends its use to employers.

## 3.2. Pay reporting is commonly disaggregated by job category

Out of the 21 OECD countries that require pay reporting in the private sector, Korea and the United Kingdom are the only ones that ask for *only* an aggregate, company-level estimate of the wage gap. In all others, more granular information is required to be reported. This is to help identify the different factors that contribute to gender pay gaps within firms and sectors. By examining different characteristics, such as job position, age, education, parenthood status, and even race/ethnicity, countries can understand which women face higher disadvantage and how to best address the barriers they face (OECD, 2021[1]; Cowper-Coles et al., 2021[8]).

Most countries that require gendered pay information to be further disaggregated are interested in gender gaps by job classification (Table 3.1). This is the case in Austria, Australia, Belgium, Canada, Chile, Denmark, Finland, France, Iceland, Italy, Latvia, Lithuania, Norway, Portugal, Spain, and Sweden.

Job classifications are used to group jobs together based on the tasks and duties they involve. This can include ostensibly "objective" criteria that relate to the knowledge and education required, the effort exerted and working conditions, as well as the relevant responsibilities and the difficulty of a role – among other

observable characteristics (OECD, 2021[1]). Various job classification schemes are used across OECD countries following national (see those in Table 3.2) or international guidelines, such as the International Standard Classification of Occupations (ISCO) (ILO, 2010[9]).

Some job classification systems in OECD countries are legally required to be gender-neutral or gender-sensitive (see Section 3.2.2). This means that they must aim to classify work based on objective criteria (see above), regardless of the gender of the person doing the job and of the preponderance of one gender in a given job class. These systems should also take into account the historical context and potential biases that may have affected how different jobs have been valued in the past (OECD, 2021[1]).

It should be noted that when gender pay gaps are disaggregated by job position, the pay gap(s) within a firm may appear smaller. This is because men tend to dominate higher-paying positions while women are more likely to be in lower-paying jobs. It is therefore useful to present both the aggregate and subgroup-decomposed gender wage gap estimates, as well as the gender *composition* of the workforce by job position (see Section 3.5). By doing so, it allows for a more comprehensive understanding of the gender pay gap and its underlying causes. Disaggregating data by job position helps shed light on the disparities within specific occupations and sectors, bringing attention to the issue of occupational segregation.

### *3.2.1. Gender pay statistics are often disaggregated by standard job classification systems, by job categories used by employers, or in collective agreements*

The job categories used for reporting on the gender pay gap vary by country. **Most countries recommend using a pre-defined job classification system**. This can be a standard national or international job classification system, a company job classification system, or a classification system used in collective agreements (Table 3.2). The level of detail in these systems affects how comparable different roles are within each classification.

#### Table 3.2. Job classification systems required or suggested for use in private sector gender pay reporting regulation

Job classification systems required or suggested to be used in countries where gender pay gaps or gendered pay information must be further disaggregated by job categories, 2022.

| Country | Job classification system |
|---|---|
| Austria | Company job classification or those used in collective agreements |
| Australia | ANZSCO (Australian and New Zealand Standard Classification of Occupations) at major group level.<br>Employers can voluntarily report to unit level. |
| Belgium | Functional classification of the company or sector; if not, subsidiary function classification (executive, managerial, executive staff). The employer must respect the sectoral job classification in the first place. If a sectoral job classification applies, the job classification at company level should not contain any provisions that conflict with the sectoral collective agreement. |
| Canada | EEA: Employment Equity Occupational Groups (EEOGs), based on the National Occupational Classification, Canada's national system for describing occupations.<br>PEA: Predominantly female job classes are compared to predominantly male job classes in the same workplace doing work of equal value. Job classes are determined by the employer, or in the case a pay equity committee has been formed, by the committee, and are made up of positions within the workplace that: 1) have similar duties and responsibilities; 2) require similar qualifications; and 3) are part of the same compensation plan and are within the same range of salary rates. |
| Chile | By type of position and function performed |
| Denmark | The 6-digit DISCO code and/or equivalent classification. DISCO-08 is the official Danish version of ISCO-08 with an additional tier that further specialises job functions. |
| France | Categories of equivalent positions. These correspond to the hierarchical level or coefficient (or other method of rating positions) after consultation with the social and economic committee, or to the socio-professional categories (blue-collar workers; white-collar workers; technicians and supervisors; engineers and managers). |
| Iceland | Companies can choose their type of classifications as long as the system is not discriminating on the basis of gender. |
| Israel | No response. |

| Country | Job classification system |
|---|---|
| Italy | Executives, managers, employees, and workers. |
| Latvia* | A gender-neutral job classification, which is determined by the regulations of the Cabinet of Ministers. |
| Lithuania | By occupations/types of economic activity. |
| New Zealand* | Roles specific to organisation or Australian and New Zealand Standard Classification of Occupations (ANZSCO). |
| Norway | More general job categories consisting of same type of work or work of similar value. The assessment and design of the categories should include equal work and work of equal value. |
| Portugal | Occupation (according to Portuguese Classification of Occupations) and job category (designation and definition of functions given in the law, collective labour regulation instruments, company regulations or in contracts). |
| Spain | The job classification system applied by the company according to the collective agreement which applies to the company or, failing that, by agreement between the company and the representation of workers. In companies with 50 or more employees, i.e. companies obliged to draw up an equality plan, also by groups of jobs of equal value. |
| Switzerland | Under Logib module 1:<br>The functions (job category) do not flow directly into the analysis but are used in order to allocate the two workplace related characteristics: "Professional position" and "Skill level" (qualification level).<br>Occupational skill level (qualification level), the skill level required by the job performed by the employee, a code from 1 to 4 defined as: 1. Extremely demanding and difficult tasks 2. Independent and skilled work 3. Work requiring professional/technical skills 4. Simple and/or repetitive tasks.<br>Professional position, the professional position of the job performed by the employee, a code from 1 to 5 defined as: 1. Senior management 2. Middle management 3. Lower management 4. Lowest management 5. Employees with no management function. |

*New Zealand and Latvia's rules apply only to the public sector.
Note: Table summarises lists the job classification systems used/suggested for use in countries where gendered pay information must be further disaggregated by job categories.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (OECD GPTQ 2022, see Annex A).

National job classification systems suggested to employers include the Australian and New Zealand Standard Classification of Occupations (ANZSCO); the Employment Equity Occupational Groups (EEOGs), based on Canada's National Occupational Classification; the DISCO-08 code, i.e. the Danish version of ISCO-08 with an additional tier that further specifies job functions; and the Portuguese Classification of Occupations.

Pay reporting regulations often allow employers to choose between two or more job classification systems. In Austria, for example, employers can use either the company's job classification system or sectoral collective agreements. In the New Zealand public sector, employers can use the ANZSCO or opt for roles relevant within the organisation. In France, categories of equivalent positions are used. These either correspond to the predefined socio-professional categories (blue-collar workers; white-collar workers; technicians and supervisors; engineers and managers) or to another alternative categorisation, although most companies use the predefined system (Briard, Meluzzi and Ruault, 2021[10]).

In Portugal, in contrast, employers must disaggregate pay information by both the standard classification system *and* by job categories defined in the company or in collective agreements, while in Belgium, the employer must give priority to the sectoral job classification. If a sectoral job classification applies, the job classification at company level should not contain any provisions that conflict with the sectoral collective agreement.

### *3.2.2. Occupational segregation and the risk of embedding unequal pay*

Job classification schemes seek to assess objectively the knowledge, effort, responsibilities, working conditions, education, and difficulty of specific jobs. Yet correctly defining which jobs and responsibilities are "of equal value" is not straightforward. The "value" of different jobs today reflects broader historical, societal, and cultural factors. **Job classification schemes can therefore also be influenced by societal biases and gender stereotypes – which, in turn, can embed systematically lower pay in some job categories** (Acker, 1989[11]).

The principal risk is that jobs that are traditionally performed by women may be undervalued and underpaid compared to jobs that are traditionally performed by men, even if they require similar levels of skill, effort, and responsibility.

Analyses on the gender pay gap across different countries highlight various factors that contribute to the pay gap between men and women, with **occupational choice being one of the most significant factors** (Farrell, 2005[12]; Bettio, Verashchagina and Camilleri-Cassar, 2009[13]; Hegewisch et al., 2010[14]; Georges-Kot, 2020[15]). Men tend to opt for higher-paying sectors, while women tend to work in less lucrative sectors (such as health and social work or teaching) and, more often than men, in part-time roles. This is a result of both employee and employer behaviour: a review of experimental audit studies finds that potential employers discriminate against women in (relatively better-paying) male-dominated occupations, and discriminate in favour of women in (relatively lower-paying) female-dominated occupations (Galos and Coppock, 2023[16]), thereby reinforcing gender segregation.

A study of gender-segregated occupations in the United States illustrates different wage outcomes for male- versus female-dominated jobs. The authors find that female-dominated occupations are consistently paid less across all skill levels (low, medium, and high)[4] (Hegewisch et al., 2010[14]).

Full-time workers in low-skilled, male-dominated professions earned a median of USD 553/week, whereas those in low-skilled, female-dominated professions earned a median of USD 408/week. The pay for "mixed" professions – those with greater gender balance – falls in between. The highest paid low-skilled workers in male-dominated professions earned up to a median of USD 685/week (as "driver/sales workers and truck drivers"), whereas those in female-dominated professions earned only up to a median of USD 438/week (for "nursing, psychiatric and home health aides") (Hegewisch et al., 2010[14]).

The differences are more marked among high-skilled full-time workers. Those in male-dominated professions earned a median of USD 1 424/week whereas those in female-dominated professions earned a median of USD 953/week (Hegewisch et al., 2010[14]). These occupations include, for instance, computer software engineers for male-dominated professions and registered nurses or elementary and middle school teachers for female. These jobs require at least three years of post-secondary education (i.e. a bachelor degree or equivalent) in most countries. While these female-dominated occupations are more likely to be found in the public sector, such pay differences are striking considering that the women's roles often carry a high degree of responsibility. Decisions of registered nurses could make the difference between life and death, while teachers, of course, are caring for and educating children.

What's more, **there is some evidence that women entering a field can cause wages to drop**. A recent study finds that a ten percentage point increase in female workers into an occupational class leads to an eight percent decrease in average male wage and a seven percent decrease in average female wage in the concurrent census year, and an nine percent decrease in male wages and a 14 percent decrease in female wages over ten years. Using a shift-share instrument that takes into account the rise in women's educational attainment and workforce participation from 1960 to 2010, the study establishes a causal relationship between declining wages and gender (Harris, 2022[17]). Other studies have shown mixed conclusions when looking at job prestige and wages (OECD, 2023[18]).

### *Gender-neutral and/or gender-sensitive job classification schemes*

**Gender-neutral job classification schemes are mandated in at least ten OECD countries** (OECD, 2021[1]). "Gender neutrality" matters because traditional job classifications can reinforce gender bias in job valuations, making what is traditionally "men's work" more highly valued than "women's work" (OECD, 2021[1]). When designed with equal pay considerations in mind, job classification systems can help to achieve equal pay for work of equal value goals (Wagner, 2020[19]). Beyond simply removing gendered connotations from job titles,[5] gender neutrality means connecting pay with the objective skills, experiences and responsibilities required in a job category independently of the traditional gender composition of a job category.

In some countries – such as Belgium, Germany, Portugal, the Slovak Republic, and the United States – job classification systems are not mandatory themselves, but when they *are* used they should be gender-neutral and/or gender-sensitive (OECD, 2021[1]).

**Many countries with equal pay auditing mechanisms** (see Chapter 4) **use job classifications to detect pay disparities**, as in Canada, Finland, France, Iceland, Norway, Spain, Sweden, and Portugal (OECD, 2021[1]). For instance, in Iceland, the Equal Pay Standard necessitates that companies create their equal pay system using a job classification system that is free of gender bias. The government also offers a free job classification tool for employers (Chapter 7). Following the transition from a voluntary to a mandatory Equal Pay Standard (Chapter 6) in Iceland, gender-neutral job classifications have become more common (OECD, 2021[1]).

Similarly, in Norway and Sweden, regulations specify that analysis should concentrate on equal work or on work of similar or equal value, and in Finland and Chile that employee groups should be defined by some objective worker characteristic (e.g. function performed or on the basis of competence) (Table 3.2). In Canada under the *Pay Equity Act*, regulation specifies that "job classes are determined by the employer, or in the case a pay equity committee has been formed, by the committee, and are made up of positions within the workplace that: 1) have similar duties and responsibilities; 2) require similar qualifications; and 3) are part of the same compensation plan and are within the same range of salary rates" (Table 3.2).

Belgium provides tools like a checklist for ensuring "gender neutrality" in the evaluation and classification of functions for employers[6] (Chapter 7).

In Austria, gender-neutral job evaluation has been used to re-evaluate the value of the work of lower-paid cleaners, which previously had separate pay grades for jobs carried out by men and women (Pillinger, 2021[20]). This type of re-evaluation of job classifications helps to correct bias in grading systems and can promote equal pay for work of equal value.

The EU Pay Transparency Directive should give gender-neutral job classifications a push forward in Europe, calling for gender-neutral job classifications that "include skills, effort, responsibility and working conditions, and, if appropriate, any other factors which are relevant to the specific job or position. They shall be applied in an objective gender-neutral manner, excluding any direct or indirect discrimination based on sex. In particular, relevant soft skills shall not be undervalued." (Article 4[4][7]).

### *How to address unequal pay for work of equal value?*

**Identifying which jobs hold "equal value" is difficult when the skills and education required are completely different**. Consider the comparison of low-skilled U.S. workers above. It is not immediately obvious why truck drivers should earn nearly USD 250 more per week than nursing, psychiatric and home health aides – but it is also not straightforward to compare them and address this difference. Both types of jobs suffer from worker shortages, and both face occupational risks. One may argue that truck drivers have physically demanding jobs that require them to lift heavy objects – but this is not dissimilar to nursing aides, who often need to lift people with limited physical mobility. And even if there were a difference in physical demands, should physical demands be valued more highly than the significant interpersonal and organisational skills, as well as emotional demands, required in caregiving jobs?

Assessing what constitutes "equal value," and consequently achieving equal pay for work of equal value, is therefore a complex issue that requires a range of approaches. Pay transparency legislation, including disaggregated reporting using job classification schemes, is an important tool in promoting equal pay for work of equal value. However, **it is important to address biases and stereotypes in job classifications and job evaluation processes with a gender-sensitive lens.**

The International Labour Organization provides guidance for employers, HR personnel, and social partners on how to implement gender-neutral job classification systems, emphasising the need to analyse the gendered nature of work (ILO, 2008[21]). To mitigate the risk of bias, researchers in the European and

Australian contexts suggest ensuring that job evaluators receive adequate training and come from mixed-gender backgrounds (European Parliamentary Research Service, 2015[22]; Workplace Gender Equality Agency, 2012[23]). Wage negotiation and wage setting, including collective bargaining, should routinely integrate gender-neutral job evaluations (Pillinger, 2021[20]). This is arguably more practical at the firm level than at the sectoral level.

Government bodies have an important role to play by checking and verifying job classification systems for embedded gender biases and developing as well as enforcing penalties for non-compliance (Wagner, 2020[19]). If job classification systems actually were gender-neutral and successfully ensured equal pay for work of equal value, it could potentially eliminate the need for pay equity litigation, saving workers and their representatives time and resources (OECD, 2021[1]).

Based on evidence, good practices, and lessons learned from public service unions in Europe and internationally, good practice in gender-neutral and/or gender-sensitive job classification includes (Pillinger, 2021[20]):

- Job classification schemes should use a gender-sensitive approach, i.e. they should take into account that women and men have different skills and experiences due to social and cultural factors.
- Job evaluations should be based on objective criteria, for instance on the skills, effort, and responsibility required to perform the job. Job evaluation should also be conducted by trained professionals who are knowledgeable about the specific job and the skills required to perform it. This can help to ensure that the value of different jobs is assessed objectively and fairly.
- The process of job classification and evaluation should be transparent and inclusive, meaning that workers and/or their representatives should be involved in and informed about the process.
- Job classification schemes should be regularly reviewed and updated to ensure that they remain gender neutral and/or gender sensitive. This means that the scheme should be updated to reflect changes in the workforce and the skills required to perform different jobs.

While job classifications, when used, should be designed in a gender-sensitive way, governments and social partners should also ensure that they do not make job classifications overly rigid. Firms need some freedom to set wages in line with productivity and respond to skill demands and supply (OECD, 2018[24]) (OECD, 2021[25]). This again illustrates the value of gender-disaggregated pay reporting, which illuminates gender pay gaps even in the absence of jobs defined as having “equal value”.

### Box 3.3. Country highlight: New Zealand’s efforts to assess “work of equal value”

New Zealand’s amendment to the Equal Pay Act 1972 (the Act) in 2020 provides a unique legislative framework which enables employees or unions to raise a pay equity claim directly with an employer. Under the Act, section 2AAC provides the following.

> *An employer must ensure that –*
>
> *(a) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer to employees of the employer who perform the same, or substantially similar, work; and*
>
> *(b) there is no differentiation, on the basis of sex, between the rates of remuneration offered and afforded by the employer for work that is exclusively or predominantly performed by female employees and the rate of remuneration that would be paid to male employees who –*
>
> *(i) have the same, or substantially similar, skills, responsibility, and experience; and*

> *(ii) work under the same, or substantially similar, conditions, and with the same, or substantially similar, degrees of effort.*

This approach considers the historical context of labour markets whereby work performed by women has often been undervalued. By including an explicit mention of female-dominated work, it opens up avenues to correct for any remaining gender-based undervaluation.

Pay equity claims can be raised by individual employees or unions. They can be individual claims or claims can be consolidated for a particular type of work across a range of employers as long as union members are represented among employees of all employers. In the latter cases, all employees (also non-union members) are represented by unions and covered by the eventual settlement. A drawback of this system is that negotiating and settling pay equity claims is likely to be more difficult without unions. This may be the case in the private sector which has a very low union density.

Importantly, there is a low threshold to raise pay equity claims. It is not necessary to *prove* that the work is undervalued, rather it only needs to be *arguable* that the work is undervalued. For this to be the case two criteria must be fulfilled. Firstly, the work must be at least 60% female dominated – either historically or currently. Secondly, there needs to be a few reasons as to why the work might be undervalued, for instance, because it is characterised as women's work or because the nature of the work involves skills that have been generally associated with women.

The employer and claimant are responsible for undertaking the work assessment set out in the Act if the claim is considered to be arguable. The work assessment requires a gender-neutral assessment of the work that is the subject of the claim, including an assessment of the level of skill, responsibility, effort, experience and conditions involved in the work, and the work of one or more comparators. Comparators can be drawn from male-dominated work that is the same, or substantially similar to the work that is the subject to the claim, or it could be work that is different. The parties do not have to agree on potential comparators; instead, they can investigate all comparators identified by the parties to the claim. If the work assessment identifies that the work is undervalued, the final step is to agree on a settlement.

Source: Virtual mission between the Secretariat and the Government of New Zealand; (New Zealand Public Service Commission, 2017[26]), *Pay Equity Assessment Process Guide*, https://www.publicservice.govt.nz/assets/DirectoryFile/Guidance-Pay-equity-assessment-process.pdf.

## Box 3.4. Country highlights: Gender-neutral job classifications in practice in Canada and Sweden

### *Canada*

In Canada, under the Pay Equity Act, federally regulated employers in the private and public sectors must follow a five-step process when conducting their equal pay audits.

1. Employers must identify and group employee positions in order to create job classes.
2. After job classes have been created, employers determine which of them are predominantly male or predominantly female. Job classes can also be considered gender neutral.
3. Following this, employers must assess the "true" value of work for each predominantly male or predominantly female job class based on the skill, effort and responsibility of the work as well as the conditions under which the work is normally performed. Importantly, the regulations

specify that the method used to assess the value of work of predominantly male and female job classes must not discriminate on the basis of gender.

4. Employers must then calculate the actual compensation.
5. Equitable wages within the meaning of this law are achieved when all female job classes within a company are compared to male job classes within the company which perform work of equal or comparable value and when compensation of the female job classes are adjusted as is indicated by the comparison.

***Sweden***

In the equal pay auditing process, also called an "equal pay survey" by Sweden's National Audit Office, requires employers in both the private and public sectors must determine whether pay differences are directly or indirectly associated with gender (OECD, 2021[1]). This must be done for the following groups of employees:

1. women and men performing equal work,
2. employees performing work that is dominated by women and employees performing work that considered as equal value to such work but is not dominated by women, and
3. employees performing work that is dominated by women and employees performing work that is not dominated by women but that gives higher pay despite the requirements of the work being regarded as lesser.

Source: OECD GPTQ (2022)

### *3.2.3. Some countries have less specific requirements for defining job categories*

In some countries, regulations include a simple list of job categories to be used in pay reporting. For example, in Italy, pay information is reported separately for executives, managers, clerks, and workers (*dirigenti, quadri, impiegati,* and *operai*) (see Box 3.5). Belgian reporting rules also offers an option to report by subsidiary function classification (executive, managerial, executive staff). A similar categorisation is also used with France's socio-professional categories.

#### Box 3.5. Country highlight: Italy

Italy has had a pay transparency measure, the Equal Opportunities Code, in place in the private and public sectors since 2006. The Gender Equality Act of 2021 amended the reporting requirements, which now apply to private and public employers with 50 or more employees. The code requires the affected employers to submit a report to trade unions and the Regional Gender Equality Advisor every two years before 30 April. Workers too can request information.

This report must include gender-disaggregated statistics on the annual gross overall remuneration (basic salary plus any additional amounts paid to the employee) at the beginning and at the end of the reporting period. Additional amounts are also reported separately. This information must be further disaggregated by job category.

Furthermore, as part of the measure, employers also need to report information on the gender composition of the workforce as well as gender gaps in worked hours (in excess), in hiring, promotion, and termination rates (further detail available) by job category, in training rates, and in days of parental

leave uptake. Additionally, companies must report the gender gap in the number of employees receiving subsidies from the government.

The Gender Equality Advisors (GEAs) at the regional level play an important role in evaluating outcomes within companies. GEAs and unions analyse the reports, and if they detect a collective discrimination on the ground of gender, they can ask the employer to set up a plan aimed at removing the discrimination and inform the trade unions. If the employer's plan is inadequate, the Advisor can act before a court.

In 2018, the Italian Government launched a digital platform for companies to upload their reports directly, making it easier to collect and analyse data at the national level. Companies that fail to submit their report on time may face strict penalties, including fines of up to EUR 2 580 by the Labour Inspectorate. If non-compliance continues for more than 12 months, suspension of any contributory benefits enjoyed by company for one year. In the event of a false or incomplete report, a pecuniary administrative sanction EUR 1 000-5 000 may be levied on the employer.

Source: OECD GPTQ 2022

## 3.3. Pay information can also be disaggregated by seniority, age, parenthood status and level of education

In addition to job classification, some countries require the disaggregation of pay data by level of seniority (Australia, Belgium, Lithuania, and Portugal, as well as in Switzerland under recommendations[8]) and/or by the level of education or qualification achieved (Belgium, Finland, Latvia, Lithuania, Norway, Portugal and Switzerland under recommendations, see endnote 8). Age is also a common factor for disaggregation (Australia, Latvia, and Portugal) and is relevant given that gender gaps typically increase over the life course.

Other worker characteristics used to further disaggregate gendered pay data include working location/region (Australia, Canada under the Employment Equity Act, see endnote 2, and Portugal), remuneration/salary group (Austria, Israel and Lithuania), the level of work responsibility (Chile, Finland and Norway), workload, effort, and working conditions (Finland and Norway), and working patterns (Ireland).

Related to this, women tend to take more and longer breaks from their careers to raise children, which slows down their career progression and affects their pay (Georges-Kot, 2020[15]; OECD, 2022[27]; OECD, 2019[28]). As such, the pay gap is not just a gender issue but also a motherhood issue. Women who become mothers tend to work less in the labour market and often[9] earn less than women without children, men without children, and men who become fathers – the so-called "motherhood penalty" and "fatherhood bonus" (Harkness and Waldfogel, 2003[29]; Budig and Hodges, 2010[30]; Glauber, 2018[31]; OECD, 2017[32]). This is likely driven in part by discriminatory behaviour by employers, as has been shown in audit studies (Correll, Benard and Paik, 2007[33]). As such, countries should consider disaggregating gendered pay information by parent status.

## 3.4. Measuring gender wage gaps with an intersectional lens

To fully understand the intersectional nature of gender pay gaps, it is important to be able to examine **how gender interacts with factors such as (self-disclosed) race/ethnicity, language, place of birth, and**

**disability status** (Cowper-Coles et al., 2021[8]). Unfortunately, however, only a handful of OECD countries systematically collect data on ethnic and racial background.

Pay information is disaggregated by ethnicity and/or race in Canada under the *Employment Equity Act* and in the public sector in New Zealand (see Box 3.6). The United States collects information on the gender and racial/ethnic composition of job categories by company via reporting requirements of the Equal Employment Opportunity Commission (EEOC).[10] While this presents a picture of diversity in workforce composition, the EEOC does not collect *wage* information and therefore cannot calculate wage gaps with these gender, racial and ethnic data. For more information on gender-disaggregated non-pay reporting, refer to Section 3.5.

### Box 3.6. Country highlight: The intersectional approach in New Zealand's public service

*Kia Toipoto*, New Zealand's "Public Service Gender, Māori, Pacific and Ethnic Pay Gaps Action Plan 2021-24," requires all agencies and Crown entities (covered by the government Workforce Policy Statement) to publish their own annual pay gap action plans with their own gender, Māori, Pacific and ethnic pay gaps. Although the plan applies only to a subsection of the public sector and covers about 10% of New Zealand's labour force, it represents a model for developing pay transparency policy with an intersectional lens.

The Plan recognises that common barriers drive all pay gaps, with more targeted action needed to accelerate progress for *wāhine* Māori, Pacific women, and women from ethnic communities. As such, the Plan has been developed and is being implemented as a partnership between the Public Service Commission, PSA the Public Service Association (employee union), *Te Rūnanga o Ngā Toa Āwhina* (representing Māori Public Service Association members), PSA Pacific networks, Ministry of Pacific Peoples, *Te Puni Kōkiri*, Ministry for Ethnic Communities and the Ministry for Women, as well as representatives of disabled, rainbow and pan-Asian employee-led networks. This means that all voices impacted by this work have been heard in the development process.

Reporting requirements under *Kia Toipoto* are comprehensive and granular. All public service employers report organisation-wide gender gaps in mean and median pay. Pay gaps are calculated on average base pay, not total remuneration. This approach is more feasible for a public sector regime, considering that there are not many bonuses and/or discretionary elements to pay in the core Public Service.

Pay is further disaggregated by job classification system (occupational role, organisational group), seniority/tenure, ethnicity/race, age, working patterns (career breaks, and part-time/full-time status, and flexible working), performance pay, starting pay, and location of work. However, it should be noted that pay is reported by these worker characteristics only when there are enough male and female employees to compare, as pay gaps are not considered statistically robust for groups of fewer than 20 men and 20 women. This likely means it has more limited impact in the most gender-segregated sectors – which may also be the ones needing greater pay transparency. Data on ethnicity is also not as clear as data on gender, as the disclosure rate for race/ethnicity is 92%.

Source: OECD Secretariat virtual mission with various stakeholders in the Government of New Zealand.

## 3.5. Required content in non-pay reporting

At least 24 OECD countries also require employers to report non-pay information about their workforce that is broken down by gender – in other words, gender-disaggregated non-pay data. This can be part of

their pay reporting regulations or another regulation altogether. These measures and their requirements are summarised in Table 3.3, below.

Some countries, including Germany, Luxembourg, the Netherlands, and the United States, have rules for reporting non-pay information that is broken down by gender, but they do not have regulations in place for reporting on pay. This means that it may be relatively simple for these countries to create mandatory *pay* reporting schemes by simply adding pay to existing requirements. Although these reporting requirements are an important step toward improving diversity within organisations, the lack of reporting on wages limits meaningful action in addressing gender pay gaps.

### Table 3.3. Content required in non-pay reporting in the private sector

For countries with non-pay reporting requirements, this table specifies the name of the measure and the information that needs to be reported according to the non-pay reporting rules.

| Country | Measure | Non-pay information to be reported |
|---|---|---|
| Austria | Same as pay reporting measure. | Gender gap in number of employees overall and by job category. |
| Australia | Same as pay reporting measure. | Gender gap in the number of employees overall, promoted, internally/externally appointed, and voluntarily resigned.<br>Gender gap in the number of employees on primary carer's parental leave (paid and/or unpaid), on secondary carer's parental leave (paid and/or unpaid), who ceased employment before returning to work from parental leave.<br>Proportion of female and male workers on the board/governing body<br>Gender gap in the number of equity and non-equity partners by WGEA's standardised manager categories. |
| Belgium | Law of 22 December 1995 (submitting a social balance sheet) and Royal Decree of 30 January 2001 (content). | Gender gap in number of employees overall and by contract type.<br>Gender gap in worked hours (in excess) and training rates. |
| Canada[1] | Same as pay reporting measure, but only *under the Employment Equity Act*.<br>Note that non-pay reporting requirements also apply to the public sector unlike pay reporting requirements in EEA. | Gender gaps in number of employees overall, by job category, by salary range and by contract type.<br>Gender gaps in hiring, promotion, and termination (also further disaggregated by employment status, industrial sector, and region).<br>Gender gaps in number of employees receiving bonus and/or overtime pay.<br>Ethnicity gaps: all data is further disaggregated by ethnicity (Aboriginal peoples), disability status, and by (visible) minority status. |
| Chile | Same as pay reporting measure. | Gender gap in number of employees overall, by job category and by seniority. |
| Colombia | Law 1946 of 2011, Art. 5 | Gender gap in number of employees overall, by seniority, by salary class, and by contract type. |
| Denmark | Laws in private and public sector revised and strengthened in May 2022, with amendments entering into force 1 January 2023.<br>Private: Companies Act, Annual Accounts Act and various other acts<br>Public: Act on Equality of Women and Men | Gender gap in number of employees by seniority. |
| Finland | Same as pay reporting measure. | Gender gap in number of employees by job category. |
| France | Same as reporting measure,<br>Another pay-related indicator results in a score out of 40 points. | Gender gap in number of individuals who received a raise (excluding promotions) by socio-professional categories SPC. The result of this indicator varies from 0 to 20 points.<br>Gender gap in promotion rates by SPC. The result of this indicator varies from 0 to 15 points. This requirement applies only for employers with more than 250 employees, for smaller employers it is included within the gender gap in individual raise rates.<br>Proportion of female workers receiving a raise in the year after returning from maternity leave. This helps to check whether the legal obligation to catch up on pay when a worker returns from leave has been complied with. The outcome of this indicator is either 0 if no employees received the raises, they were entitled to upon returning, or 15 points if the employer complied |

| Country | Measure | Non-pay information to be reported |
|---|---|---|
| | | with its commitment for all affected employees.<br>Proportion of workers from the less represented gender among the ten highest paid workers. The higher the underrepresentation, the less points are awarded to the employer. This indicator's output ranges from 0 to 10 points. |
| | *Base de données économiques, sociales et environnementales (BDESE)*, i.e. Economic, social and environmental database | Gender gap in the number of employees overall, by job category, by seniority, and by contract type.<br>Gender gap in hiring, promotion, termination, and training rates.<br>Proportion of female and male workers on the Board of Directors.<br>Gender gap in number of employees receiving a bonus (also further disaggregated by job category).<br>Gender differences in age, vacation take up, qualifications, working conditions (health and safety at work), and the balance between professional activity and personal and family life.<br>Note that the reporting requirements under BDESE are highly granular and that most statistical information is further disaggregated by worker characteristics, such as job category, seniority, age, qualifications, etc. |
| Germany | Transparency in Wage Structures Act | Gender gap in number of employees overall and by contract type (full-time and part-time employment).<br>Employers must also report any measures to promote equality between women and men and their impact, as well as any measures to create equal pay for women and men.<br>Employers who apply no measures have to give the grounds for this in their report. |
| Ireland | Same as pay reporting measure. | Gender gap in the number of employees who were paid bonus remuneration or received benefits in kind. |
| Israel | Same as pay reporting measure. | Gender gap in number of employees by job category, level of seniority, salary class, and contract type.<br>Gender gap in worked hours (in excess).<br>Share of employees by gender whose wage is lower than the average wage in the workplace, and who are given a supplement to the minimum wage in accordance with an agreement. |
| Italy | Same as pay reporting measure. | Gender gap in number of employees overall, by job category, by contract type (temporary and permanent employment types, intermittent employment types, smart-working employment, and traineeships).<br>Gender gaps in worked hours (in excess), in hiring, promotion, and termination rates (further detail available) by job category, in training rates, and in days of parental leave.<br>Gender gap in number of employees receiving subsidies from government (i.e. their wages are paid for). |
| Japan | Same as pay reporting measure. | Employers with 101-300 regular employees must publish at least one item from either category, employers with more than 300 regular employees must publish at least one item in each category.<br>A. Achievements in providing opportunities for women workers (e.g. Proportion of female employee among (1) newly hired employees, (2) those in managerial positions, (3) those in positions for section chiefs or the equivalent.)<br>B. Achievements related to the development of an employment environment that contributes to balancing work and family (e.g. Disaggregated by gender: the average length of service; the take-up rates for parental leave; the average overtime hours per month.)<br>The categories differ slightly for public sector employers (see Box 3.7). |
| Korea | Same as pay reporting measure. | Gender gap in number of employees overall, by job category and by position. |
| Lithuania | Same as pay reporting measure. | Gender gap in number of employees overall, by job category, by seniority |

| Country | Measure | Non-pay information to be reported |
|---|---|---|
| | | and by salary class. |
| Luxembourg | For all companies with at least 15 employees, every two years | Gender gaps in hiring, promotion, and training rates. |
| Netherlands | 1 January 2022 a new act entered into force to increase a more balanced male/female-ratio in top positions in the private sector | Data regarding the male/female-ratio in (sub)top positions. |
| Norway | Same as reporting measure. | Gender gap in number of employees overall, by salary class, and by contract type (e.g. employees in unvoluntary part-time employment and number of temporary employees).<br>Gender gap in parental leave. |
| Portugal | Same as pay reporting measure | From the collected database (*Quadros de Pessoal*) it is possible to identify at least the following:<br>Gender gap in number of employees overall, by occupation, by education/qualification, by contract type.<br>Gender gap in hours worked (also in excess) |
| Slovenia | Companies Act | Gender composition in management/supervisory boards |
| Spain | Same as pay reporting measure. | Gender gap in number of employees overall, by job category, by seniority, by salary class, and by contract type.<br>Gender gap in worked hours (in excess), promotion rates, training rates, days of parental leave. |
| Switzerland | Federal Act on the Amendment of the Swiss Civil Code VII. Gender representation of on the board of directors and in the executive board<br>Art. 734f527 | Gender gap in number of employees overall.<br>Unless each gender makes up at least 30% of the board of directors and 20% of the executive board, the following must be indicated in the remuneration report of companies that exceed the thresholds in Article 727 paragraph 1 number 2:<br>1. the reasons why genders are not represented as required; and<br>2. the measures being taken to increase representation of the less well represented gender. |
| United States | Section 709(c) of Title VII of the Civil Rights Act as amended 42 U.S.C. § 2000e-8(c), and 29 CFR 1602.7-.14 and 41 CFR 60-1.7(a); 1602.22, .27-.28, .30, .32-.37, .39 and .41-.45. (EOO Reports and EEOC Management Directive 715) | Gender gap in number of employees overall, by job category, by pay plans/grade levels, and by contract type.<br>Gender gap in hiring, termination, and promotion rates.<br>Federal agencies with 500 or more employees: gender gaps in number of employees by seniority, by mission-critical occupations, by awards.<br>Ethnicity gaps: all data is further disaggregated by ethnicity. |

Note: Table summarises non-pay reporting requirements in countries with such requirements. “Same as pay reporting measure” refers to the titles presented in [insert best table for this]. Pay reporting requirements are summarised in Table 3.1.
1. Canada’s pay reporting regulation is two-fold. Pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (OECD GPTQ 2022, see Annex A).

**Most countries require private sector employers to report gender gaps in the number of employees**. This is the most common (non-pay) data required, and it is mandated in Austria, Belgium, Canada, Chile, Colombia, France, Germany, Italy, Korea, Lithuania, Norway, Portugal, Spain, Switzerland, and the United States.

These gender gaps in headcounts are often further disaggregated by **job category**, as in Austria, Australia, Canada, Chile, France, Italy, Korea, Lithuania, Portugal, Norway, Spain, and the United States; by **contract type**, as in Belgium, Canada, Colombia, France, Germany, Italy, Portugal, Norway, Spain, and the United States; and less often, by **salary class** (see Figure 3.1 for an overview of country counts).

Other commonly reported non-pay gender-disaggregated data include **gender differences in hiring, termination, and promotion rates** (Canada, Italy, Luxembourg, and the United States, with promotion rates also required in Australia and France) and worked hours (Belgium, Canada, Italy, and Norway). These are in line with the proposed requirements in the EU Directive (see Chapter 2).

Japan applies an approach tailored to company size and, presumably, capabilities. As part of wage gap reporting rules, Japan requires employers to report several non-pay gender disaggregated statistics depending on sector and size in terms of number of employees (see Box 3.7).

The United States[11] does something similar: federal agencies are required to report the number of employees by gender, race/national origin, and disability within the Senior Executive Service (SES), within each salary plan and grade level.

### Box 3.7. Country highlight: Japan

In Japan, based on the Act on Promotion of Women's Participation and Advancement in the Workplace from July 2022, private sector employers with 301 or more employees are required to report on gender-disaggregated pay information on a yearly basis

The reporting includes the proportion of female workers' annual salary (severance pay and commuting allowance can be excluded) relative to that of male workers, disaggregated by regular and non-regular worker status

> *A. Achievements in providing opportunities for women workers (e.g. the proportion of female employees among (1) newly hired employees, (2) those in managerial positions, (3) those in positions for section chiefs or the equivalent).*
>
> *B. Achievements related to the development of an employment environment that contributes to balancing work and family (e.g. disaggregated by gender: the average length of service; the take-up rates for parental leave; the average overtime hours per month).*

Private sector employers with 101-300 regular employees must publish at least one item from either category (A or B), while private sector employers with more than 301 regular employees and public sector employers must publish at least one item in each category (A and B). The categories differ slightly for public sector employers.[1]

Results of the reporting process in the private sector must be shared publicly on corporate websites or on the website run by the Ministry of Health, Labour, and Welfare, which includes a database of firms that promote women's participation and advancement

The Minister of the Ministry of Health, Labour, and Welfare and the head of local labour bureaus in each prefecture are responsible for enforcing the reporting rules. The legislation does not specify penal sanctions for non-compliance, but the names of the enterprises breaching the law can be publicised by the minister or the head of local bureaus.

1. A. (Public) Proportion of female employee among (1) newly hired employees, (2) those in managerial positions, (3) for each different position. B. (Public) Disaggregated by gender: the turnover rates in a given fiscal year; the take-up rates for parental leave; the duration of parental leave. Note that the timing of revision and enforcement is different for systems covering the public sector and for systems covering the private sector Regarding public sector, the order was amended in December 2022, and took effect from April 2023.
Source: OECD GPTQ 2022

## Figure 3.1. Non-pay gender-disaggregated data reporting requirements

Tabulation of OECD countries requiring the following forms of gender-disaggregated data reporting by private sector firms, 2022


Note: Country counts presented in this bar chart summarise the results of Table 3.3 above.
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022.

### *3.5.1. Many countries are interested in gender composition of top positions*

In OECD countries, women make up around one-third of managers on average (OECD, 2021[34]). Women also hold just slightly below 30% of seats on the boards of the largest public businesses (OECD, 2022[35]). This is related to the "leaky pipeline" to top jobs – in short, the number of women who can advance to leadership positions later in their career is much smaller than the number who enter the workforce in the first place, in large part due to career interruptions related to unpaid caregiving.

To help address vertical segregation, many countries' regulations require **non-pay reporting to concentrate on gender differentials in the top positions of companies**. For instance, Slovenia's non-pay reporting measure requires companies to report on the gender composition in management/supervisory boards, and in the Netherlands, companies must provide data regarding the male-to-female-ratio in (sub)top positions. In France, the Professional Equality Index[12] includes an indicator which is calculated based on the proportion of workers from the less represented gender among the ten highest paid workers. Switzerland has a specific auditing process for companies with unequal representation of the two genders in top positions (see Box 3.8).

Furthermore, Australia, Chile, Colombia, Denmark, Korea, Lithuania, and Spain require employers to report the number of employees by gender and by seniority.

### Box 3.8. Some countries with non-pay reporting requirements also have company auditing procedures

**Germany**

For instance, as part of Germany's gender-disaggregated *non-pay* reporting requirements,[1] companies with more than 500 employees must publish information on "any measures to promote equality between women and men and their impact, as well as any measures to create equal pay for women and men. Employers who apply no measures have to give the grounds for this in their report." Furthermore, this report must contain figures disaggregated by gender on the average total number of employees, as well as the average number of full-time and part-time employees.

Additionally, there is also a gender auditing process.[2] This is not a legal obligation, but rather certain companies are called upon by the Transparency in Wages Act to conduct an internal fact-finding procedure to review the current remuneration provisions, remuneration components, and job evaluation systems – but not statistics on wage gaps. These procedures are then evaluated, and their implementation is assessed with an eye toward compliance with the principle of equal pay within the meaning of the Act.

The results of these audits are shared with works councils and employees. The lack of penalties for non-compliance has been identified as a drawback of Germany's overall auditing strategy (Aumayr-Pintar, 2019[36]), but the absence of reporting on actual pay differences in Germany likely limits the effectiveness of reporting.

**Switzerland**

Switzerland's regulations require a type of auditing process. The rules specify that all relevant employers for which the less represented gender makes up less than 30% of the board of directors and less than 20% of the executive board must indicate in their remuneration report: "the reasons why genders are not represented as required; and the measures being taken to increase representation of the less well represented gender." In Switzerland these rules complement the requirement to report and analyse pay information.

1. See the Transparency in Wage Structures Act (*Entgelttransparenzgesetz*) at https://www.bmfsfj.de/bmfsfj/themen/gleichstellung/frauen-ndarbeitswelt/lohngerechtigkeit/entgelttransparenzgesetz/entgelttransparenzgesetz-117952.
2. This is referred to as "Internal company procedures to verify and establish equal pay" in the Transparency in Wage Structures Act, Part 3.
Source: (OECD, 2021[1]), *Pay Transparency Tools to Close the Gender Wage Gap,* https://doi.org/10.1787/eba5b91d-en, OECD GPTQ 2022

## 3.6. Pay transparency in job postings and advertisements

Pay transparency in job postings refers to the practice of openly disclosing the salary or salary range for a job position. This offers job applicants and employees a clearer understanding of what they can expect to earn in a given role. Salary range transparency laws can erase the culture of pay secrecy, help women (and men) better negotiate their salaries, reduce the gender (and other) pay gaps, as well as improve women's economic security over their lifetime (Center for American Progress, 2023[37]).

### *3.6.1. EU Pay Transparency Directive*

Recognising the potential gender equality value of presenting pay ranges in job advertisements, the EU Pay Transparency Directive grants the right to pay transparency before starting a job. This includes the following:

1. Applicants should be provided with information about the initial pay or pay range for the position they are applying for, based on objective criteria that are not biased by gender. This information should also include any relevant provisions of the collective agreement that apply to the position. The information should be made available in a way that promotes transparency and allows for informed negotiations on pay, such as through a job vacancy notice before the interview or by other means.
2. Employers are prohibited from asking applicants about their previous or current pay history in their past employment relationships.

Employers must ensure that job vacancy notices and job titles are gender-neutral and that the recruitment process is conducted without discrimination. This is to protect the right to equal pay for equal work or work of equal value.

Some EU countries, such as Austria, already require the disclosure of salary range in job advertisements.

### *3.6.2. State-level policies in the United States*

Eight states have enacted salary range transparency laws across the United States in recent years: California, Colorado, Connecticut, Maryland, Rhode Island, and Washington (Center for American Progress, 2023[37]). Colorado was the first state that implemented this type of pay transparency requirement. This and the requirements in California, New York, Rhode Island, and Washington are summarised below. States considering passing such transparency laws include Hawaii, Illinois, Kentucky, Massachusetts, Montana, New Jersey, Oregon, South Dakota, Vermont, Virginia, Washington D.C. (Center for American Progress, 2023[37]).

### *3.6.3. California*

California has amended their *Labour Code* such that, as of January 1st 2023, employers with 15 or more employees need to write salary ranges on job advertisements. This is the case whether the advertisement is found on a company's hiring page or a third-party website, such a job board website (Cain, 2022[38]).

California is the largest state in the United States with pay transparency in job postings: these rules will affect 19 million workers, and almost 200,000 employers (among which are large and influential companies such as Apple, Disney, Google and Meta (Cain, 2022[38]). This may have downstream consequences in changing norms in this sector globally (Leung, 2022[39]).

### *3.6.4. Colorado*

In January 2021, Colorado passed a then-novel law, the Equal Pay for Equal Work Act, which requires employers to include compensation information in their online job postings. At the time, Colorado was the only state in the US that had implemented this type of pay transparency requirement (Bruner, 2022[40]).

### *3.6.5. New York*

New York's pay disclosure in job advertisements law is similar to Colorado's, and mandates companies with more than four employees to display salary ranges. It was originally scheduled to take effect on May 15, 2022, but was postponed to November 2022 due to opposition from businesses. The revised law only

applies to hourly and salaried positions that are performed physically in New York City, highlighting the contentious nature of this legislation (Bruner, 2022[40]).

Similarly to California, New York's pay transparency legislation holds considerable influence due to the dominant banking industry. Other banking industries across the world may follow in New York's footsteps and also set up pay transparency in job postings (Leung, 2022[39]).

### *3.6.6. Rhode Island*

While the amended Pay Equity Act in Rhode Island does not mandate employers to post pay ranges on job ads, businesses are obligated to provide the range to job applicants if requested. Employers must reveal the minimum and maximum salary range before discussing compensation with the candidate during the hiring process, and again if the employee changes their position within the organisation. Additionally, employers must provide the salary range for a current employee's position upon request (Cain, 2022[38]).

#### Box 3.9. Key terms and definitions in this report

A **comparator**, in the context of equal pay litigation, refers to a worker whose salary is used as a reference for another person who is in a comparable working situation. Guidelines as to who qualifies as a comparator (and whether a comparator is necessary to prove pay discrimination) vary by country (Chapter 1). A comparator may be real or hypothetical.

**Equal pay for work of equal value** implies that women and men should get equal pay if they do identical or similar jobs, and that they should *also* earn equal pay if they do completely different work that can be shown to be of equal value when based on "objective" criteria. These objective criteria tend to encompass job-related characteristics such as skills, effort, levels of responsibility, working conditions and qualifications. Many countries have attempted to clarify the use of the concept of "work of equal value" in national legislation.

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. An equal pay audit is more intensive than simple pay reporting. A pay audit should make an effort to analyse any gender pay gaps found, should attempt to identify the reasons behind these gaps, and could be used to help develop targeted actions on equal pay.

**Horizontal segregation** refers to the concentration of women and men in different sectors and occupations. For example, women are typically overrepresented in childcare and men are typically overrepresented in engineering.

**Intersectionality**[1] is a term used to describe how social and political identities, such as race, gender, class, sexual orientation, and ability, intersect to create unique experiences of discrimination and privilege. The concept of intersectionality acknowledges that individuals can experience various forms of oppression and discrimination simultaneously, and that these experiences cannot be fully understood or addressed by considering only one aspect of their identity in isolation.

**Job classifications** are related to job evaluation processes and commonly entail human resource personnel and/or social partners ranking each job within an organisation against objective criteria that relates to the required skills, effort, responsibilities, working conditions, education, and difficulty of a role, amongst other observable characteristics. Related to this, **gender-neutral job classification systems** refer to job classification systems that account for the gender predominance of a given job class and categorise work based on the same objective criteria for men and women (Chapter 3).

**Gender-neutral or gender-sensitive job classification** systems refer to a framework for categorising jobs that avoids gender bias and is based on objective criteria. The aim is to eliminate gendered assumptions and stereotypes about what type of work is suitable for men or women. These systems typically use a set of factors, such as skill level, responsibility, and working conditions, to determine the appropriate job classification. The use of gender-neutral job titles is an aspect of this system, such as using "police officer" instead of "policeman" or "firefighter" instead of "fireman."

The **OECD Gender Pay Transparency Questionnaire 2022** (**OECD GPTQ 2022**, presented in Annex 1) is the reference questionnaire for the policies presented and discussed in this report.

**Pay reporting** refers to policies mandating that employers regularly report (including to employees, workers' representatives, social partners, a government body, and/or the public) gender pay gap statistics. Such statistics typically include the average or median remuneration of men and women at the company or workplace level but are often more detailed and include breakdowns by groupings such as job category.

**Pay transparency** is an umbrella term referring to policy measures that attempt to share pay information in an effort to address gender pay gaps. Such measures may include mandating pay reporting, equal pay auditing, job classification systems, and publishing pay information in job vacancies.

**Vertical segregation** refers to the concentration of women and men at different levels of an organisational hierarchy, e.g. at different grades, levels of responsibility or positions.

1. This first originated with Crenshaw (1989[41]).

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## Notes

[1] New Zealand requires gender pay gap reporting only in the public sector; there are currently no requirements in place for pay gap reporting in the private sector. While this report principally focuses on private sector pay gap reporting rules, New Zealand is occasionally presented in this report for its novel practices in pay transparency for the public sector.

[2] Canada's pay reporting regulation is two-fold. Pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[3] The treatment groups were exposed to the following interventions: 1) the gender pay gap (GPG) presented as percentage and visually in a bar chart; 2) identical to 1st but with benchmarking (against other companies) information; 3) identical to 2, but GPG presented in terms of money and visually as coins; 4) GPG presented as percentages in the type of the UK Energy Performance Certificate. The control group only saw the percentage difference GPG.

[4] Male-dominated occupations are defined as those in which 25% or fewer workers are female, and female-dominated occupations are defined as those in which 25% or fewer workers are male. Wages are from 2009.

[5] Interestingly some languages, like Finnish, already have no gender connotation. The Finnish language offers an example of gender neutrality due to its structure and vocabulary. Unlike many other languages,

Finnish does not have grammatical gender distinctions for nouns. This absence of gendered nouns means that there are no inherent linguistic gender biases or connotations associated with specific words. Finnish also lacks gender-specific pronouns like “he” or “she”. Instead, it uses a single gender-neutral pronoun, “hän,” which can refer to both males and females. This absence of gendered language could help remove potential assumptions related to job titles and allow for a more objective, gender-neutral evaluation of skills, experiences, and responsibilities in job categories.

[6] Available at https://emploi.belgique.be/fr/actualites/check-list-non-sexisme-et-classification-des-fonctions.

[7] The European Union Pay Transparency Directive is available at https://www.europarl.europa.eu/doceo/document/TA-9-2023-0091_EN.html#title2.

[8] When the gender pay gap analysis is conducted with the Swiss Confederation’s standard analysis tool, gender gaps are disaggregated further by education, seniority, potential work experience, level of qualifications and professional position.

[9] In the United States, for example, the motherhood penalty has been found to be larger among lower skilled/lower earning workers than for more highly skilled/earning workers (Budig and Hodges, 2010[30]; Killewald and Bearak, 2014[42]; Glauber, 2018[31]).

[10] For more information on reporting requirements of the US government, see http://eeocdata.org/eeo1.

[11] Equal Employment Opportunity Commission Management Directive 715 (MD-715) is policy guidance for federal agencies to establish and maintain effective EEO programs, as required by Title VII of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973.

[12] *Index de l’égalité professionnelle*, more information available at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.

# 4 Equal pay audits: A more intensive pay transparency tool

When conducting equal pay audits, employers are required to collect and analyse highly detailed statistical information on pay and workforce characteristics across different categories of employees and to try to establish the factors driving the gender pay gaps that have been found. For instance, gender pay differences may be assessed not only across jobs that are equal, but also across jobs considered of equal value. Often employers are required to carry out follow-up actions to address the gaps that have been found.

## Key findings

- Equal pay audit regimes, which primarily target the private sector in ten OECD countries, impose more comprehensive requirements than simple pay reporting. These audits typically involve analysing the gender composition across employee categories or positions, evaluating the job classification systems in use (if any), and collecting detailed information on gender-based pay differentials for various positions. It is common for audits to require subsequent measures to address identified gaps, i.e. follow-up action. Equal pay audits are comparable to what is now called "joint pay assessments" in EU legislation.
- Among these countries with equal pay audit systems, most mandate the analysis of *equal pay for work of equal value* during the auditing process. Approximately half explicitly require the use of gender-neutral job classification systems or regulate the assessment of potential gender discriminatory factors.
- Follow-up action can be required from all relevant employers regardless of the audit results, or specifically from those employers where analysis reveals gender-based remuneration differences. These follow-ups are sometimes referred to as gender equality "action plans". They typically involve an initial assessment of the situation (essentially what is required as part of pay gap reporting), a justification of any differences found, and/or a discussions and implementation of active measures to address disparities.
- ***Policy takeaway:*** Governments should strongly consider implementing equal pay auditing processes in tandem with pay gap reporting. Equal pay audits delve deeper into the gaps, attempting to identify the underlying causes, and recommending targeted action to try to address inequalities.

### 4.1. What are equal pay audits?

Straightforward, headline statistics can be a simple and catchy tool for comparing employers' performance on equal pay. However, it is equally important to understand the process of producing gender-disaggregated pay statistics. Depending on the statistical tools used, gender pay gap estimates can sometimes obscure actual pay differences (see Box 4.5). Gender pay gaps can also be influenced by what different components go into these estimates. Ideally, the self-reflection required by employers to fix their own wage inequalities would be encouraged by pay reporting regimes (Cowper-Coles et al., 2021[1]). Yet the simple act of reporting pay gaps often does not go far enough in closing them.

In this way, **equal pay audits are a valuable pay transparency tool that goes beyond mere pay *reporting*** (defined in Box 4.1). They offer a means to analyse broader gender inequalities within a firm and attempt to explain their underlying causes. Typically, equal pay audits involve analysing the representation of women and men in different positions, assessing the job evaluation and classification system used, and gathering detailed information on pay and gender pay differentials. An effective pay audit should not only analyse any identified gender pay gaps but also strive to understand the reasons behind these gaps, facilitating the development of targeted actions for achieving equal pay.

**Nearly half of the OECD countries with private sector pay reporting rules in place have embedded reporting within equal pay auditing processes (Canada, Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden, and Switzerland).** The specific processes required by each country are summarised in Table 4.1, with further details provided in the subsections that follow.

In general, countries with pay auditing systems tend to have more comprehensive monitoring methods to ensure compliance, often involving dedicated government entities such as the labour inspectorate, gender equality agency, or ombudsman (as discussed in Chapter 6). Some countries also involve independent bodies in equal pay audits. For instance, certified auditors conduct external inspection of the systems in Iceland and Switzerland.[1] In other countries, regulation mandates that the analysis should be done in co-operation with employees and their representatives (Finland, Norway, and Sweden).

**Equal pay audits are often designed with diverse follow-up mechanisms** (as detailed in Subsection 4.2.1 and Table 4.2). Some mechanisms are automatically triggered irrespective of gender gap outcomes, while others are activated specifically in cases where gender inequalities are observed.

Occasionally, audits are used as voluntary alternatives to pay reporting (as seen in Denmark), as penalties for non-compliance or breaches of equal pay provisions (as in Italy and the United Kingdom) or are not applied broadly (see Box 4.4). Additionally, in certain countries non-pay reporting rules entail company auditing procedures (as explained in Box 3.8. within Chapter 3).

### Box 4.1. Key terms and definitions in this chapter

**Equal pay for work of equal value** implies that women and men should get equal pay if they do identical or similar jobs, and that they should also earn equal pay if they do completely different work that can be shown to be of equal value when based on "objective" criteria. These objective criteria tend to encompass job-related characteristics such as skills, effort, levels of responsibility, working conditions and qualifications. Many countries have attempted to clarify the use of the concept of "work of equal value" in national legislation.

An **equal pay audit** is a process conducted by an employer or external auditor that should include an analysis of the proportion of women and men in different positions, an analysis of the job evaluation and classification system used, and detailed information on pay and pay differentials on the basis of gender. An equal pay audit is more intensive than simple pay reporting. A pay audit should make an effort to analyse any gender pay gaps found, should attempt to identify the reasons behind these gaps, and could be used to help develop targeted actions on equal pay.

**Horizontal segregation** refers to the concentration of women and men in different sectors and occupations. For example, women are typically overrepresented in childcare and men are typically overrepresented in engineering.

**Job classifications** are related to job evaluation processes and commonly entail human resource personnel and/or social partners ranking each job within an organisation against objective criteria that relates to the required skills, effort, responsibilities, working conditions, education, and difficulty of a role, amongst other observable characteristics. Related to this, **gender-neutral job classification** systems refer to job classification systems that account for the gender predominance of a given job class and categorise work based on the same objective criteria for men and women (see Chapter 3).

The **OECD Gender Pay Transparency Questionnaire 2022** (**OECD GPTQ 2022**, Annex 1) is the reference questionnaire for the policies presented and discussed in this report.

**Pay reporting** refers to policies mandating that employers regularly report (including to employees, workers' representatives, social partners, a government body, and/or the public) gender pay gap statistics. Such statistics typically include the average or median remuneration of men and women at the company or workplace level but are often more detailed and include breakdowns by groupings such as job category.

**Pay transparency** is an umbrella term referring to policy measures that attempt to share pay information in an effort to address gender pay gaps. Such measures may include mandating pay reporting, equal pay auditing, job classification systems, and publishing pay information in job vacancies.

**Vertical segregation** refers to the concentration of women and men at different levels of an organisational hierarchy, e.g. at different grades, levels of responsibility or positions.

## Table 4.1. Required content in equal pay audits

Summary of OECD countries' requirements for equal pay audits in countries with mandatory auditing in the private sector and/or public sector, 2022.

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| Canada[1] (PEA) | Employer, or if relevant a pay equity committee, for conducting pay reporting and analysis of gaps. | 1. Create job classes by identifying and then grouping positions together;<br>2. Determine which jobs class is predominantly male, predominantly female or gender neutral;<br>3. Determine the value of work of each predominantly female or male job class;<br>4. Calculate the compensation of each predominantly female or male job class; and<br>5. Compare the compensation between predominantly female and male job classes doing work of equal or comparable value. | N | Y | Y,<br>The PEA requires that the method used to assess the value of work of predominantly male and female job classes not discriminate on the basis of gender. | Y,<br>The analysis must identify any job classes as predominantly female or male if it the work done by the job class is stereotypically gendered in addition to examining the gender composition of past and present employees within that job class. Additionally, when objectively assessing the required skills, effort, responsibilities, and working conditions done in a job class to determine the value of work for that job class, the method used must not discriminate on the basis of gender by re-inscribing gender biases in the results (e.g. assigning a lower value of work for work traditionally done by women). | Y,<br>The PEA requires two methods be used to compare male and female job classes: the equal average method or the equal line method. The equal average compares the average compensation of a group of male job classes with a group of female job classes of comparable value. Pay equity is achieved when the averages are equal after the increases in compensation are applies. The equal line method compares job classes using regression lines for all the male and then all the female job classes. Pay equity is achieved when the |

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| | | | | | | | regression lines overlap after the increases in compensation are applies. |
| Finland | Employer for pay reporting and analysis of gaps. The analysis is done in co-operation with employee representatives. | Analysis of reasons and grounds for differences in pay between women and men, i.e. of the central pay components of which wages consist. | Y | Y | Y | N | N |
| France | Employer is responsible for calculating the Index and analysing. | Analysis of information required to calculate the Index. | Y | N,<br>the distribution of employees by job categories is not sufficiently detailed to allow for a comparison of salaries for equal work or work of equal value. | Y,<br>The job classification system must be gender neutral. | N | Y,<br>The French Labour Inspectorate produces statistics on the Index.<br>The French Directorate for research, studies and statistics (DARES), periodically carry out (or have carried out) further (statistical) analysis of Index data. |
| Iceland | Employer (general staff and/or gender experts) for pay reporting and analysis. | Analysis of all information concerning wages of employees (including additional allowances, bonuses, pension rights etc.), job classifications and wage structure, etc. | Y | Y | Y,<br>The job classification system must be gender neutral. | N | Y |
| Ireland | No response | No response | No response | No response | No response | No response | No response |

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| Norway | Employer (general staff) or board for pay reporting and analysis being conducted.<br>Analysis must be done in co-operation with union representatives or other worker representatives. | Create job classes consisting of employees who do equal work and work of equal value.<br>Map gender distribution and pay differences (women's share in kroner and percentage) among all employees – in total and at different levels/groups.<br>Give employees the opportunity to compare their salary with the average at their level.<br>Investigate whether there is a risk of gender discrimination or other barriers to equality by reviewing pay conditions; analyse the causes of identified risks and numbers of gender imbalance; implement measures suited to counteract discrimination and promote greater equality and evaluate the results of efforts. | Y | Y,<br>When defining work of equal value, an overall assessment should be made based on the competence necessary to carry out the work in the position, responsibilities attached to the position, and working conditions and effort, and possibly other relevant factors. | N | Y | N |
| Portugal | Employer for pay reporting and evaluation plan. | Evaluation plan for pay differences between men and women, through the evaluation of job components, based on objective criteria, in order to exclude any forms of gender discrimination.[2] | Y | Y | Y,<br>The job classification system must be gender neutral. | Y | Y |
| Spain | Employer for pay reporting and analysis. | Description of the systems and criteria for assessing jobs, tasks, functions, professional classification/categorisation.<br>Analysing the possible existence of gender biases and direct and indirect discrimination between women and men. | N | Y,<br>Not part of pay audit itself, but of the special pay report or registry which is required to companies carrying out audits. | Y,<br>A correct job evaluation requires that the criteria of adequacy, totality and objectivity are applied (Article 4.4 Royal Decree | Y,<br>Apart from the job evaluation, pay audits must include the analysis of the relevance of other factors triggering pay differences, as well as | N |

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| | | Aim is to detect remuneration inequalities, indicating their possible origin. In addition, the criteria on the basis of which the different wage concepts are established must be analysed and collected in the diagnosis.<br>To this end, the diagnosis shall refer at least to the following matters:<br>a) Selection and recruitment process.<br>b) Professional classification.<br>c) Training.<br>d) Professional promotion.<br>e) Working conditions, including the wage audit between women and men in accordance with the provisions of Royal Decree 902/2020, of 13 October, on equal pay for women and men.<br>f) Co-responsible exercise of personal, family and working life rights.<br>g) Under-representation of women.<br>h) Remuneration.<br>i) Prevention of sexual and gender-based harassment. | | | 902/2020 of 13 October). The evaluation of factors must be considered objectively and must be necessarily and strictly be linked to the performance of the work. (Article 8.1.a Royal Decree 902/2020 of 13 October).<br>In addition, job classification systems established either by collective agreement or company-level agreement must ensure non-discrimination by gender, both direct and indirect (Article 22.3 Workers' Statute). To that end, collective agreements negotiating tables must ensure that professional groups or levels respect the criteria of adequacy, totality and objectivity and equal pay for work of equal value (Article 9 Royal | possible flaws or inequalities in the designing or use of work-life balance measures or difficulties in the professional promotion (Article 8.1.a.2º Royal Decree 902/2020 of 13 October). In general, pay audits must provide for the necessary information to check compliance with the principle of equal pay and are part of a broader diagnosis in the framework of the equality plan. | |

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| | | | | | Decree 902/2020 of 13 October). | | |
| Sweden | Employer (HR staff) for pay reporting and analysis of gaps, in co-operation with employee representatives. | Are pay differences directly or indirectly associated with gender, in particular for:<br>1. women and men performing work that is to be regarded as equal,<br>2. groups of employees performing work that is or is generally considered to be dominated by women and groups of employees performing work that is to be regarded as of equal value to such work but is not or is not generally considered to be dominated by women, and<br>3. groups of employees performing work that is or is generally considered to be dominated by women and groups of employees performing work that is not or is generally not considered to be dominated by women but that gives higher pay despite the requirements of the work being regarded as lesser. | Y | Y | N | Y | N |
| Switzerland | Employer for pay reporting and analysis. An audit on the system is carried out by certified auditors, alternatively social partners or organisations promoting gender equality. | The law does not specify what kind of analysis shall be conducted (the law only states that the method ought to be scientific and in accordance with the law). When the analysis is conducted with the Confederation's standard analysis tool, it consists of a regression analysis where monthly gross wages are regressed on<br>(i) years of education,<br>(ii) potential work experience | Y | Y,<br>The analysis with Confederation's standard analysis tool is for gender pay gaps for work of equal value because of the controls in the regression analysis (in particular the | Y,<br>Logib Module 2, the standard analysis tool Logib offers an equal pay analysis for small companies (with fewer than 100 employees, there is no legal obligation), which is based on the | Y,<br>The free standard analysis tool of the federal government Logib (not mandatory) offers a variety of evaluations, tables, graphics, etc. to investigate possible direct and indirect discrimination. | Y,<br>The equal pay analysis shall be conducted according to a scientific method and in accordance with the law (Article 13c of the Swiss Federal Act on Gender Equality). However, there is no |

| Country | Who is responsible and for what? | What kind of analysis is included? | (Y/N) Analysis of… | | | | |
|---|---|---|---|---|---|---|---|
| | | | Gender pay gaps for equal work | Gender pay gaps for work of equal value | Gender-neutral job classification systems | (In)direct discriminatory criteria | Statistical approach |
| | | (including its square),<br>(iii) years of service,<br>(iv) competence level,<br>(v) professional status, and<br>(vi) a gender dummy. | | competence level and the professional status). | analytical job evaluation. | | obligation to carry out the equal pay analysis using a specific statistical method. Statistical analysis is part of the standard analysis tool of the federal government Logib. |

Note: Table summarises requirements for equal pay audits in countries with mandatory auditing in the private sector and/or public sector. Pay reporting requirements are discussed in Chapter 3, Section 3.1 and pay analysis refers to the equal pay audits discussed in Section 4.1. Please refer to Table 2.1 for information on who relevant employers are.
1. Canada's pay reporting regulation is two-fold, pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.
2. The minimum requirements for this plan can be found here: https://cite.gov.pt/documents/14333/297943/CITE+-+Guia+de+avalia%C3%A7%C3%A3o+de+diferen%C3%A7as+remunerat%C3%B3rias.pdf/2a55800d-328a-465f-ad63-12853d3da9d6.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (OECD GPTQ 2022, see Annex A).

### *4.1.1. What do governments require in firms' equal pay audits?*

**Equal pay audit requirements can vary across different countries, with varying levels of detail and stringency.** Some offer relatively explicit instructions: in Spain, for example, employers are obliged to provided descriptions of job classification and assessment systems, analyse potential direct and indirect gender discrimination between women and men, and aim to detect pay differences and identify their causes. French legislation, too, is comprehensive and detailed (see Box 4.2).

In other countries, such as some of the Nordics[2] (as described in Box 4.3), the guidance is relatively more general. Equal pay audits must consider and investigate several potential barriers to gender equality, addressing both direct and indirect forms of gender discrimination. While the specific statistical information required for equal pay audits may be less precisely defined, and the legislation and enforcement somewhat less stringent compared to other countries – meaning that employers have considerable freedom when conducting pay audits – regulations in these countries nevertheless demand from employers an in-depth understanding of gender differences within their organisation. For instance, in Iceland and Finland, legislations call for an analysis of "all information concerning wages" or "of reasons and grounds for gender pay differences", respectively.

In Norway, recent legislation (Box 4.3) helps to ensure that audits involve several key steps:

1. Job classes: Employers are required to create job classes that consist of employees who perform equal work or work of equal value. This helps to ensure a fair comparison of roles and responsibilities.
2. Gender distribution and pay differences: Employers must map the gender distribution across their organisation and analyse pay differences. This analysis includes determining the share of women's pay in kroner (currency) and as a percentage, both overall and at different levels or groups within the organisation.
3. Salary comparisons: Employees are given the opportunity to compare their own salaries with the average salary at their respective level or position. This allows for transparency and helps identify potential disparities.
4. Investigation of gender discrimination risks: Employers are required to investigate whether there are any risks of gender discrimination or other barriers to equality within their pay conditions. This involves reviewing pay structures and analysing the causes of any identified risks and gender imbalances.
5. Implementation of measures: To counteract discrimination and promote greater equality, employers are expected to implement appropriate measures based on the findings of the audit. These measures can be tailored to address specific areas of concern and improve pay equity within the organisation.
6. Evaluation of results: Employers are also mandated to evaluate the effectiveness of their efforts in promoting equality. This assessment helps determine the impact of implemented measures and provides insights for further improvement.

To ensure compliance, the onus of holding employers accountable largely rests on workers and their representatives.

In Switzerland, the law does not specify the type of analysis to be conducted. It only states that the method should be scientific and in accordance with the law. Nonetheless, when the recommended analysis tool, Logib, is used, it involves a regression analysis where monthly gross wages are regressed on years of education, potential work experience (including its square), years of service, competence level, professional status, and a gender dummy.

### Box 4.2. Country highlight: France's Professional Equality Index (*L'Index de l'Égalité Professionnelle Entre les Femmes et les Hommes)*

In France*, L'Index de l'Égalité Professionnelle Entre les Femmes et les Hommes*, or, in English, the Professional Equality Index (PEI) has been in force since 2019. This measure applies to both employers in the public and in the private sector. Every year, by 1 March, public[1] and private employers with at least 50 employees (requirements differ for those employers with more than 250 employees) must report pay information by gender and carry out and submit the results of an equal pay audit.

**Reporting requirements for the PEI**

Reporting requirements under the PEI are clearly and comprehensively defined, relative to most other OECD countries. Employers must compute five gender gaps indicators, each with a value that can sum to a maximum score of 100:

- The gender gap in mean pay by age group (under 30; 30 to 39; 40 to 49; 50 and older), and by category of equivalent occupations. The latter correspond to the hierarchical level, coefficient, or other method of rating positions obtained after consultation with the social and economic committee, or, simply, to the socio-professional categories (SPC) (workers; employees; technicians and supervisors). This indicator results in a score up to 40 points.
- The gender gap in number of individuals who received a raise (excluding promotions) by SPC. The result of this indicator varies from 0 to 20 points.
- The gender gap in promotion rates by SPC. The result of this indicator varies from 0 to 15 points. This requirement applies only for employers with more than 250 employees; for smaller employers it is included within the gender gap in individual raise rates.
- The proportion of female workers receiving a raise in the year after returning from maternity leave. This helps to check whether employers have complied with the legal obligation to catch up on pay when a worker returns from leave. The outcome of this indicator is either 0 if no employees received the raise to which they were entitled to upon returning, or 15 points if the employer complied with its commitment for all affected employees.
- The proportion of workers from the less represented gender among the ten highest paid workers. The higher the underrepresentation, the fewer points are awarded to the employer. This indicator's output ranges from 0 to 10 points.

These calculations consider the ordinary basic or minimum wage or salary, including all other benefits paid – directly or indirectly, in cash or in kind – by the employer to the employee. Redundancy and retirement payments, bonuses linked to a particular hardship that does not concern the employee, seniority bonuses, overtime, additional hours, as well as payments made under the profit-sharing scheme are not included in the calculation.

**Equal pay audits**

In calculating PEI, employers are engaging in a detailed analysis of the status of gender equality in their organisations – in effect, they are conducting an equal pay audit. For instance, in calculating the first indicator, the aim is to make a salary comparison for comparable work.[2]

The French system is characterised by stringent follow-up mechanisms with built-in time restrictions The maximum score for the PEI is 100; employers that score below 75 points out of 100 must take "appropriate and relevant corrective measures" to increase their score to at least 75. They are granted a maximum of three years from receiving the low score to remedy the situation (see Section 4.2).

The employer is responsible for calculating the Index as well as reporting and publishing the results (with the help of a freely accessible gender pay gap calculator and an online reporting tool[3]). At the same time, the French Labour Inspectorate produces statistics on the Index and the French Directorate for research, studies and statistics (DARES), periodically carry out (or have carried out) further statistical analysis of Index data.

The French system also boasts a strong emphasis on enforcement with possibility of financial penalties (see Chapter 6), as well as high transparency and accountability to stakeholders (see Chapter 5).

1. Not all public employers with more than 50 employees, but only public industrial and commercial establishments and certain public administrative establishments employing at least 50 employees under private law are. Local authorities are not subject to the obligation to publish the Index. The article of the Labour Code specifying the scope of application of the provisions on the Professional Equality Index is as follows: Article L. 1111 1.
2. To note, the distribution of employees by SPC is not sufficiently detailed to allow for an accurate comparison of salaries for equal work or work of equal value.
3. See the French calculator at Index Egapro (https://egapro.travail.gouv.fr/index-egapro/) or a summary in Chapter 7. More specifically, the online tool is a tool for entering the statistics needed to calculate the Index (number of employees, average amounts, etc.), however, these statistics are calculated by the company, which must determine which employees fall within the scope of the calculation (according to their type of contract, the length of time they have been with the company, etc.), what their remuneration is, whether they have benefited from increases, promotions, etc.

Source: GPTQ 2022 and Secretariat mission with the Government of France

### *4.1.2. Almost all auditing countries require the analysis of equal pay for equal work or for work of equal value*

**Closing the gender pay gap requires not only equal pay for equal work but also equal pay for work of equal *value*.** Evidence from several OECD countries suggests that a significant factor contributing to the gender pay gap is the undervaluation of occupations and industries where women predominantly work, even in occupations and industries that require valuable skills and may have high demand, resulting in women's lower wages (Meyersson Milgrom, Petersen and Snartland, 2001[2]; Blau and Kahn, 2017[3]); see also Chapter 3. This can be a function of gender discrimination (Galos and Coppock, 2023[4]). Therefore, analysing wage gaps *within* job categories alone can only go so far in addressing the overall wage gap.

In countries with equal pay audits, most governments require the analysis of pay gaps for *work of equal value* (Canada, Finland, Iceland, Norway, Portugal, Spain, Sweden, and Switzerland through recommendations[3]). In Canada and Spain employers are required to analyse only pay differences for work of equal value. In Spain such analysis is not required as part of equal pay audit itself, but of the special pay report or registry which is required from companies carrying out audits.[4] In contrast, France's pay transparency measure focuses on pay differences for equal work.

#### *Work of equal value and the worth of predominantly women's and men's jobs in Canada and Sweden*

Good practice in equal pay includes assessing equal compensation for work of equal value in pay gap assessments, along with guidance on how to compute it. Canada and Sweden, for example, have specified detailed and comprehensive instructions for the analysis of work of equal value as part of their audit processes.

In Canada, under the Pay Equity Act, federally regulated employers in the private and public sectors must follow a five-step process when conducting their equal pay audits.

1. Employers identify and group employee positions to create job classes.
2. Job classes are categorised as predominantly male, predominantly female, or gender neutral.

3. Employers assess the "true" value of work for each predominantly male or predominantly female job class based on skill, effort, responsibility, and working conditions. Importantly, the assessment method must not discriminate based on gender.
4. Actual compensation is calculated.
5. Equitable wages are achieved when female job classes within a company are compared to male job classes within the company that perform work of equal or comparable value, and compensation of the female job classes is adjusted accordingly.

In Sweden, equal pay auditing has been mandatory since 1994, though the rules have changed a few times since then (for more information see Box 4.3). Currently, all employers in both the private and public sectors are required to conduct annual equal pay audits in collaboration with employee organisations. This process, referred to as an "equal pay survey" by Sweden's National Audit Office, requires employers to determine whether pay differences are directly or indirectly associated with gender (OECD, 2021[5]). More specifically, an assessment of pay conditions should be made comparing specific groups of employees (Chapter 3, Box 3.4).

### Box 4.3. Country highlights: The Nordic approach

#### Finland

Since 2014, as part of its Act on Equality between Women and Men (Equality Act), Finland has required private and public sector employers with 30 or more employees to conduct "pay surveys", i.e. equal pay audits, every two years. This auditing process is a comprehensive analysis of the wages and other employment relationship conditions, and must include an assessment of the gender equality situation in the workplace, including:

- details of the employment of women and men in different jobs;
- a pay survey on the whole personnel, presenting the classifications of jobs performed by women and men, the pay for those jobs, and the differences in pay;
- necessary measures planned for introduction or implementation with the purpose of promoting gender equality and achieving equality in pay;
- a review of the extent to which measures previously included in the gender equality plan have been implemented and of the results achieved.

In these pay surveys, employers must show that mean salaries (including basic salary and variable component such as bonuses) of men and women engaged in either the same work or work of equal value are equal. These mean values can be expressed either in EUR or as women's mean wages as a percentage of men's mean wages (Finnish Ministry of Social Affairs and Health, 2016[6]). Important factors when comparing jobs are quality and content of work tasks, competence, responsibility, workload and working conditions.

In case clear differences are detected, these must be explained by the employer. "In order to clarify the reasons for the differences noted, the central components of the wages are inspected. Each and every wage component, including both the job-specific wage component as well as the different bonus such as individual performance- or competence-related bonuses and merit pay, must separately be of a non-discriminatory nature." Importantly, "systematically recurring differences give grounds for further inspection of even smaller wage differentials" (Finnish Ministry of Social Affairs and Health, 2016[6]).

Pay surveys must be done in co-operation with worker representatives and as such, they will be informed of the results. Furthermore, these results (and any updates) must be actively shared with

employees. This information can be shared in different ways, e.g. on the intranet of the workplace, by posting it a noticeboard at a workplace, and/or at staff meetings. It is not mandatory for employers to share information on gender pay gaps with the general public, and very few do.

If someone believes that they have experienced discrimination, they can seek help and advice from the Ombudsman for Equality. The Ombudsman for Equality[1] is responsible for ensuring that the regulations of the Act are being followed, and if they notice any violations or non-compliance, they must take steps to prevent it by offering guidance and advice. The Ombudsman for Equality was contacted a total of 900 times in the year 2020. From these 538 cases were concluded: including 223 discrimination cases,[2] 27 cases of supervision and promoting of gender equality plans, 68 statements issued to other authorities, 55 requests for information and enquiries concerning Equality Act (Finnish Ombudsman for Equality, n.d.[7]).

If the employer still neglects their responsibility to draft an equality plan in spite of instructions and advice, the Ombudsman can set a reasonable deadline by which the obligation must be fulfilled. If the plan is not drafted by the deadline, the Ombudsman can take the matter to the National Non-discrimination and Equality Tribunal. The Tribunal can impose an obligation on the employer to prepare an equality plan within a defined period, under threat of a fine if necessary. If the employer still neglects the equality plan, the board will enforce a fine.

**Iceland**

In Iceland, both public and private organisations with at least 25 employees are required to conduct an annual pay audit and obtain certification of their equal pay system and its implementation every three years. This requirement began in 2018 as part of the law on implementing an Equal Pay Standard, which is a management requirement standard aimed at preventing direct or indirect discrimination in wages. The certification process is meant to ensure that wages are based solely on relevant factors and not influenced by discriminatory practices.

As part of the certification process, companies must calculate the average pay differences between men and women in the same job as well as different jobs of equal value. Pay in this case includes data on fixed wages, fixed additional payments and all extra payments, such as bonuses and pension rights. However, it should be noted that comparing pension rights can be complex and reliable confirmations of these comparisons are not available (OECD, 2021[5]). To facilitate pay reporting, the Icelandic Government provides a job classification and pay analysing software open for all.

The pay certification analysis is done by the employer, but an external and independent certification body conducts an audit on the analysis. The results are then reported to a government equality body. An auditor's written statement serves as the certification, which confirms that the equal pay system and its implementation meet the requirements of the Equal Pay Standard (ÍST 85:2012) as listed in Article 1c of that standard. Beyond this, results of pay analyses built on job classifications should also be introduced to employees and be accessible to them taking into an account privacy policy.

When gender gaps are detected, employers must develop an action plan where improvements are confirmed. Importantly, to implement the Equal Pay Standard or get an Equal Pay Confirmation it is mandatory for companies to have an equality plan.

The Directorate of Equality enforces the reporting rules. Companies that fail to comply with the reporting requirements may face financial penalties, but unlike some other countries, there is no legal obligation for follow-up action or discussions with employees and social partners after the pay audit.

**Norway**

In Norway, the Equality and Anti-Discrimination Act was recently amended, in 2020, to introduce pay transparency measures. These measures apply to all public employers and private employers with 50

or more employees. Private undertakings that usually employ between 20 and 50 persons must also comply if requested by the employees or employee representatives.

As discussed in Section 4.1.1, the reporting requirement is every two years, and employers are required to map and report ordinary remuneration by gender, including various supplements like hourly wages, piecework wages, bonuses, overtime, free telephone/car/newspaper subscriptions, and occupational pensions. This information must be further disaggregated by job level/group consisting of both equal work and work of equal value. The work must be done in co-operation with workers' representatives. When defining a job level/group an overall assessment should be made based on the competence necessary to carry out the work in the different positions, responsibilities attached to the positions, and working conditions and effort.

Employers are also mandated to conduct equal pay audits. This means that they must, together with the social representatives, investigate whether there is a risk of gender discrimination or other barriers to equality by reviewing pay conditions, analysing the causes of identified risks, implementing measures suited to counteract discrimination and promote greater equality, i.e. developing an action plan, and evaluating the results of efforts.

In addition to this data, non-pay information such as the gender gap in number of employees overall, by job category, by salary class, and by contract type, as well as gender gap in worked hours (in excess) and days of parental leave must also be reported.

Once completed, this annual report must be made available, either by itself or within another document, to the general public (e.g. on the website). The statement must be formulated in such a way that no personal circumstances of individual employees are revealed, and the results of the pay review must be included in the statement in anonymised form. These measures aim to address gender discrimination and promote greater pay equality in the workplace.

A party, the Ombud or other persons with legal standing may submit a case to the Equality and Discrimination Tribunal.[3] The Tribunal processes the cases submitted to it and may make an administrative decision to impose a financial penalty to ensure implementation of an order issued if the deadline for complying with the order is breached. These orders and fines are relevant only for the requirement to report pay statistics by gender but not for the requirement to conduct equal pay audits.

The penalty can take the form of a lump-sum coercive fine or an accruing daily fine. Coercive fines are payable to the State and are collected by the Norwegian National Collection Agency. The coercive fine begins to run if the deadline for complying with the order is breached and shall normally run until the order has been complied with. A party may apply for review of a decision to impose a coercive fine and the Tribunal may reduce or waive an imposed coercive fine.

**Sweden**

Since 1994, Sweden has mandated gender pay audits as part of the Discrimination Act, but the regulations have been modified a few times since then. All employers, whether in the public or private sectors, are required to conduct a pay audit annually in collaboration with employee organisations. Employers with more than ten employees must document this process.

While it is not specified exactly which statistics need to be reported, the employer is to annually survey:

- provisions and practices regarding pay and other terms of employment that are used by the employer; and
- pay differences between women and men and assess whether differences are directly or indirectly associated with gender (see Section 4.1.2 above).

The assessment of work of equivalent value is based on an overall evaluation of the work's requirements and nature, taking into account criteria such as knowledge, skills, responsibility, and effort.

The employer must provide the results to the employee organisation bound by the collective agreement to facilitate active measures and they must in turn inform individual employees.

The Swedish Equality Ombudsman, an independent Swedish Government agency responsible for enforcing the reporting rules, may request information about the audit's results. Failure to comply may result in an order to fulfil the obligation or a financial penalty. Also, a natural person who has been discriminated against can make a report to the Equality Ombudsman. The Ombudsman can investigate and take the case to court. If the Ombudsman declines to apply for a financial penalty, an employees' organisation to which the employer is bound by a collective agreement may make the application.

The Equality Ombudsman has guidance on their website at http://e-utbildning.do.se/lonekartlaggning/, which includes a video and an online training.

Recently, the Swedish National Audit Office evaluated Sweden's pay auditing system and found that the surveys have had little effect on gender income differences and may place an administrative burden on employers. The NAO suggested that the government simplify reporting requirements, adapt requirements to the employer's size, and instruct the Swedish National Mediation Office to monitor pay discrepancies between men and women employed by the same employer.

1. More information on this role available at https://tasa-arvo.fi/en/front-page
2. In 2020, discrimination cases included the following: discrimination based on pregnancy and family leaves (142), general prohibition of discrimination (80), discrimination in access to and pricing of goods and services (50), discrimination in recruitments (62), pay discrimination (29), discrimination in work supervision, working conditions etc. (16), termination of employment (7), harassment in the workplaces (10), discriminatory advertising (7), discrimination at educational institutions (14), and discrimination in labour market organisations (1). See https://tasa-arvo.fi/en/statistics for more.
3. More information on the functioning of the tribunal is found at https://lovdata.no/dokument/NLE/lov/2017-06-16-50?q=act%20relating%20equality%20ombud.
Source: OECD GPTQ 2022 (unless otherwise cited)

### *Gender-neutral or gender-sensitive job classification systems are required in at least six equal pay auditing regimes*

To achieve equal pay for work of equal value, job classifications systems – when used – should be designed or reformed with gender sensitivity in mind. Simply targeting equal pay for equal work (i.e. the same job) may not address existing pay differences *across* gender-segregated sectors. Such an approach takes the form of **gender-neutral or gender-sensitive job classification systems.** Chapter 3, Section 3.2.2 (*Occupational segregation and the risk of embedding unequal pay*) discusses the role of gender-neutral or gender-sensitive job classification systems in preventing unequal pay.

Among countries that require equal pay audits, at least eight (Canada, Finland, France, Iceland, Norway, Spain, Sweden, and Portugal) include gender-neutral job classification systems as part of the audit. In Norway, the salary survey requirements based on groups doing equal work and work of equal value can be considered a gender-neutral and sensitive classification system at the enterprise level, although there is no national standard. Spanish regulation emphasise the need for "adequate, total and objective" job evaluation criteria that should "be strictly linked to the performance of the work" [Art. 8(1)a] (Ministry of the Spanish Presidency, 2020[8]). Portugal's regulation specifies that transparent remuneration policy, should be based on evaluation of job components, based on objective criteria, common to men and women. Portuguese employers also have access to a guide for objective job evaluation.[5]

Canadian employers are also required to consider gender biases when identifying predominantly female job classes. The regulations require an objective method that avoids gender-based discrimination and examines the gender composition of past and present employees in the job class, assessing whether jobs are stereotypically gendered.

**The EU Pay Transparency Directive[6] calls for objective gender-neutral criteria for job classifications**. "They shall include skills, effort, responsibility and working conditions, and, if appropriate, any other factors which are relevant to the specific job or position. They shall be applied in an objective gender-neutral manner, excluding any direct or indirect discrimination based on sex. In particular, relevant soft skills shall not be undervalued." (Article 4[4]). In practice, however, this can be quite difficult. New Zealand offers a noteworthy example: the government is attempting to better quantify the value of soft skills and new skills through a careful evaluative process of jobs (Chapter 3, Box 3.4).

*Investigating direct and indirect discrimination*

**Some countries require employers to analyse potential sources of direct or indirect discrimination in equal pay audits**. In Norway, employers must investigate other barriers to equality by reviewing pay figures, pay conditions, and assessing the causes of identified risks. Switzerland provides the Logib analysis tool, which offers evaluations, tables, and graphics to investigate possible direct and indirect discrimination. Spanish employers must assess the relevance of other factors triggering pay differences, as well as possible flaws or inequalities in the designing or use of work-life balance measures or difficulties in the professional promotion (Ministry of the Spanish Presidency, 2020[8]).

In Iceland, companies must fulfil the requirements of the Equal Pay Certificate,[7] which include creating a management structure that guarantees pay-related proceedings and decisions are based on objective analysis and without gender discrimination (Iceland's Directorate of Equality, n.d.[9]). Similar certificates have been and are being developed in Italy and Portugal (see Chapter 6).

### Box 4.4. In some countries, equal pay audits are either voluntary or not applied broadly

#### Denmark

Denmark has implemented the Equal Pay Act to promote pay transparency. The Act applies to private and public employers with 35 or more employees, with at least 10 employees from each sex in the same work function. However, the Act does not apply to employers covered by collective agreements with equal pay obligations or to those in the agriculture, horticulture, forestry, and fishing industries. Workers must be informed through their representatives of the results of the reporting process.

The Act requires reporting yearly pay information by gender, including mean pay (basic salary and other cash or in-kind benefits), which is further disaggregated by job category. Statistics Denmark provides gender-segregated pay statistics automatically and free of charge. Within this pay gap reporting regime, equal pay audits are used as a *voluntary* alternative to complying with the requirement to provide salary information. Most Danish employers opt for gender-disaggregated statistics provided by Statistics Denmark and only a few of them commit to conducting every three years (Profeta, Passador and Caló, 2021[10]).

If companies opt to produce their own pay statistics and analysis, they must produce a description of conditions that are important for the remuneration of men and women at the company. This statement must cover all the company's employees and be treated in accordance with the rules in section 4 of the Act on Information and Consultation of Employees or in the rules in a collective agreement, which replaces the Act. The statement must be prepared no later than the end of the calendar year. Based on this description they are to develop concrete action-oriented initiatives that can have a course of up to 3 years duration and ensure close follow-up during the period of the statement. The pay audits are not published. They are meant as tools for co-operation and for the on-going dialogue on pay between management and shop stewards/employee representatives at enterprise level.

However, in the Danish approach there is no state authority overseeing compliance with the Equal Pay Act, and although regulations do provide for financial penalties there is no clear monitoring. The Danish Institute for Human Rights promotes, evaluates, and monitors gender equality initiatives and combats gender discrimination, but it does not monitor companies' compliance with the Act. More information on the Act and related regulations can be found on the Danish Government website.[1]

Despite the limited enforcement oversight, the Danish system may be working in reducing gender pay gaps. Using the introduction of reporting rules as a natural experiment, research shows that gender pay gaps in the affected firms reduced by 2 percentage points as a result of the policy introduction (or 13% from prior to 2006) (Bennedsen et al., 2022[11]). This reduction came about through a suppression in the growth of male wages. On a positive note, the research also finds that firms just above the size threshold are more likely to hire female workers and to promote them than those just below the threshold (Ibid.).

**Italy**

In Italy the Equal Opportunities Code requires employers in the private and public sectors with 50 or more employees to report gender disaggregated pay information every two years. The Gender Equality Advisors (GEAs) at the regional level are granted oversight and are responsible for ensuring that companies report regularly on their gender pay gap.

The Gender Equality Advisors also play a crucial role in assessing the outcomes of these reports. Along with trade unions, the GEAs review the reports and identify any collective gender-based discrimination, including pay gaps. In cases where discrimination is found, the employer is asked to create a plan to eliminate it, and the trade unions are informed. If the employer's plan is deemed satisfactory, the Advisor considers the case resolved out of court. However, if the plan is deemed inadequate, the Advisor can take legal action. As public officers, the GEAs have the authority to act before a court in such cases (OECD, 2021[5]).

**United Kingdom**

In the United Kingdom, where companies must publish gendered pay information publicly (see Box 3.1. Country highlight: United Kingdom in Chapter 3), equal pay audits are not applied broadly. Instead, audits act as a punishment or penalty to non-compliant companies. Since 2014 Employment Tribunals are required to order employers to conduct an equal pay audit if they are found to have breached equal pay provisions (exceptions are set out in regulation). The tribunal will determine whether or not an audit complies. If not, it will arrange a hearing to consider the issue further. If they fail to comply following a hearing the tribunal can order non-compliant employers to pay a penalty not exceeding GBP 5 000. However, because most cases in Employment Tribunals are settled (and no decision is reached) these audits are rarely carried out (OECD, 2021[5]).

**Equal pay audits as part of general labour inspections**

In a handful of countries, such as Costa Rica, the Czech Republic, Greece, and Türkiye, general labour inspections can also consider gender pay gaps. However, these are not carried out on a regular basis (in most cases they are conducted yearly or on a more ad hoc basis), nor do they apply to entire groups of companies.

In 2020, Costa Rica introduced Gender Perspective Guidelines to address salary gaps between men and women. Additionally, starting in January 2022, the National Labour Inspectorate implemented gender-based inspections through a Specialised Gender Inspection Unit. These inspections focus on gender salary equity and encompass various aspects such as the salary gap, salary reporting, and women's working conditions. Previously, when labour breaches, including salary discrimination, were identified, the National Labour Inspectorate would take administrative measures and conduct a second

visit. If the breaches remained unresolved, the case would be escalated to the labour tribunals of the Supreme Court.

Furthermore, in early 2023, Costa Rica undertook an initiative to enhance and update the Catalogue of Labour Breaches based on Gender. This involved incorporating new breaches and improving the legal framework to ensure better and more effective application of legislation during inspection visits.

1. Available at https://bm.dk/arbejdsomraader/arbejdsvilkaar/ligestilling/lovgivning-om-ligestilling/ligeloensloven/#:~:text=Ligel%C3%B8nsloven%20forbyder%20l%C3%B8nm%C3%A6ssig%20forskelsbehandling%20p%C3%A5,Ligel%C3%B8nsloven%20er%20fra%201976 .

### *4.1.3. Some countries mandate the use of statistical analysis as part of equal pay audits*

In pay auditing schemes, employers are required to conduct detailed statistical analysis of gender pay gaps in several countries, including Canada (under the Pay Equity Act[8]), France, Iceland and Switzerland (under recommendations, see endnote 3). While the specific approach to statistical analysis is not specified in Iceland, more detailed instructions are provided Canadian, French, and Swiss policies.

In Canada, regulations outline two statistical methods to compare male and female job classes: the *equal average* method and the *equal line* method. The equal average method involves comparing the average compensation of a group of male job classes with a group of comparable-value female job classes, with pay equity achieved when the averages are equal after adjusting compensation. The equal line method compares job classes using regression lines for all the male and female job classes, with pay equity achieved when the regression lines overlap after adjusting compensation.

In France, the gender pay gap calculator known as Egapro[9] incorporates all the necessary calculation formulas and assesses the statistical significance of gender pay gaps.

In Switzerland the legislation mandates that the equal pay analysis be conducted “according to a scientific method and in accordance with the law” [Art. 13c] (Gender Equality Act, 2020[12]). Although the legislation does not specify which statistical method should be used, statistical analysis is part of the standard analysis tool, Logib,[10] provided free of charge by the federal government.

In some countries like Australia, France, and Portugal, national statistical departments carry out further statistical analysis of the information gathered during pay reporting. However, this analysis is focuses on an aggregate level and *does not* consider gender pay gaps at the level of the organisation.

### Box 4.5. Examining gender pay gaps using standard statistical techniques

How should pay differences be quantified? P-values are commonly used in statistical analyses of gender pay gaps because they enable an assessment of whether the difference found between two sample estimates (in this case, mean or median pay for women and men) is statistically significant. Statistical significance is based on the likelihood of obtaining a specific result, such as the null hypothesis of no gender differences in renumeration (i.e. gender pay gap equal to zero), considering information observed in a sample that should be representative of a full population. In short, a difference is statistically significant if the likelihood of observing such a difference is above a predefined threshold.

However, there are a number of factors that complicate the use of p-values. Firstly, sample sizes have a strong influence on significance testing: the larger the sample size, the more confidently researchers can reject the null hypothesis and identify the presence of a significant gap. This means that it is possible that in two organisations with the same size gender pay gap, only differing in the total number of employees, the gap is more likely to be statistically significant in the larger company. In the context of pay transparency rules, with the potential of financial penalties, this may entail large differences in consequences between large and small firms. The other side of this is the issue of falsely accusing firms of paying women less. One of the challenges in this context is the potential for statistical tests to mistakenly reject the null hypothesis when it is actually true. This means that there is a possibility of falsely identifying gender-based wage discrimination where none exists.

Secondly, p-values do not provide any indication of the magnitude or practical importance of gender pay gaps. To have a comprehensive understanding of the gender pay gap, it is essential to consider whether the observed mean difference in pay is significant or not from an economic perspective. Determining economic relevance remains a subjective decision: whether a pay difference of EUR 100 within an organisation is significant depends also on the overall pay distribution. This gap is relatively larger in a company where wages range from EUR 2 500 to EUR 3 500 per month than in one where they range from EUR 2 000 to EUR 4 000 per month. This highlights the importance of looking at the range of the salaries within an organisation.

As an alternative (or in addition) to using p-values, standardised effect sizes (e.g. the point-biserial correlation coefficient, Cohen's D,[1] and the probability of superiority) and confidence intervals might be more informative measures to assess the gender pay gap, as they provide information about the size and direction of the effect, as well as the precision of the estimates. They are called standardised measures because effect sizes are expressed in a way that also takes into account the observed variation.

Finally, alternative statistical methods, such as Bayesian statistics and machine learning algorithms, can provide more flexible and informative ways to analyse the gender pay gap. Bayesian statistics, for instance, allow for the incorporation of prior knowledge and uncertainty in the analysis, while machine learning algorithms can identify complex patterns and interactions between variables that traditional statistical methods may overlook (De Schryver and De Neve, 2019[13]). Ultimately, a multidisciplinary and holistic approach is needed to fully address the gender pay gap and promote gender equality in the workplace.

1. For an interactive visualisation of the Cohen's D refer to *Interpreting Cohen's d | R Psychologist*, https://rpsychologist.com/cohend/.
Source: (Deschryver, 2023[14]).

## 4.2. Follow-up mechanisms are common in countries with equal pay audits

Reporting regimes can be more effective with embedded follow-up mechanisms. To ensure successful follow-up, requirements should include mandates for action with clear deadlines and measurable objectives (OECD, 2021[5]). A survey of worker and employer representatives highlights the importance of requiring employers to take concrete action, as the majority of respondents believe that the most effective pay transparency measures are "specific policies aimed at addressing identified pay gaps" (ILO, 2022[15]).

More than half of OECD countries with pay reporting rules have some form of follow-up mechanism after reporting (see Table 4.2 for a summary). These mechanisms are most often associated with the requirement to conduct a broader equal pay audit (except for Australia, Japan, and Korea[11]). Some countries require follow-up action only when gender differences in pay are identified (as in Canada, Finland, Iceland, Ireland, and Portugal), while others set a threshold for gender equality below which action must be taken (as in France, Korea and Spain). In Australia, follow-up action is required from employers of a certain size. In the remaining countries, action must be taken by all employers that fall under reporting obligations.

### *4.2.1. Gender equality action plans are common follow-up mechanisms*

Gender equality action plans are a common follow-up mechanism in nearly all countries. These plans are set up in a variety of ways across the OECD reporting countries. Typically, they entail an initial assessment of the situation (i.e. the process required in pay reporting) and a justification of any differences found or active measures to combat differences. Finally, some countries also require a review of the implementation of said measures and an analysis of their impact on gender equality within the organisation. It is beneficial when these plans for action are selected with input from employees or their representatives (Cowper-Coles et al., 2021[1]), as is the case in at least Finland, Norway, and Sweden.

### Table 4.2. Follow-up mechanisms

Summary of OECD countries' follow-up mechanisms in countries with mandatory pay gap reporting in the private sector, 2022.

| Country | Action required by follow-up mechanism | Time restrictions and/or monitoring |
|---|---|---|
| Australia | Companies with 500 or more employees must comply with "gender equality standards". These require employers to have a policy or strategy covering each of the six gender equality indicators. If they do not meet the standards at the time of reporting to WGEA in any given year, they have two years to meet them. It may not strictly be a follow-up action but is a follow-up action of a kind.<br>The gender equality indicators: 1) gender composition of the workforce, 2) gender composition of governing bodies, 3) equal remuneration between women and men, 4) 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), 5) consultation with employees on issues concerning gender equality, and 6) sexual harassment, harassment on the ground of sex or discrimination. | No response. |
| Canada | EEA: When underrepresentation of a designated group in an Employment Equity Occupational Group is detected, employers must review employment systems, all formal and informal policies, and practices to identify employment barriers.<br>An employment equity plan must be developed and implemented to eliminate employment barriers and correct the underrepresentation of designated groups, which may reduce | EEA: Measures are to be taken in a period of 1 to 3 years with a clear timetable for the implementation.<br>PEA: Increases in compensation are due three years after they become subject to the PEA. If they represent >1% of the employer's annual payroll, increases can be phased out over a period of time ranging from three years for large employers (100+ employees) to five years for smaller employers (10 to |

| Country | Action required by follow-up mechanism | Time restrictions and/or monitoring |
|---|---|---|
| | pay-gaps over time.<br>PEA: When differences in compensation between predominantly male and female job are detected, the compensation for those in the predominantly female job class must be increased to achieve pay equity. | 99 employees), as long as every annual increase is at least one percent of the employer's annual payroll. If the employer fails to do this, an employee or bargaining agent may make a complaint to the Commissioner. The Commissioner may order the employer to increase compensation based on the result of an investigation or audit. |
| Finland | All employers must develop a gender equality plan, including<br>1) Assessing the gender equality situation in the workplace, including details of the employment of women and men in different jobs and a pay survey on the whole personnel presenting the classifications of jobs performed by women and men, the pay for those jobs and the differences in pay;<br>2) Measures with the purpose of promoting gender equality and achieving equality in pay; and<br>3) Reviewing implementation of measures previously included in the gender equality plan and results achieved.<br>The gender equality plan must be prepared in co-operation with representatives appointed by the employees. The representatives of the personnel must have sufficient opportunity to participate and influence the preparation of the plan. | No. |
| France | When the overall score on the Professional Equality Index is (A) less than 75 points out of 100 or (B) less than 85 points out of 100, employers must<br>(A) define and publishing appropriate and relevant corrective measures by agreement or, failing that, by unilateral decision (Article L. 1142-9 of the Labour Code), and<br>(B) set and publish improvement targets for each of the indicators (Art. L. 1142-9-1 of the Labour Code). | The corrective measures and progress targets must be implemented as soon as the overall Index score falls below the set thresholds.<br>A company with an overall Index score of less than 75 points out of 100 has three years to reach this threshold. If it fails to reach this threshold by the end of this period, it may be subject to a financial penalty amounting to 1% of its total payroll. |
| Iceland | An audit on the system is carried out by an external independent certification body.<br>When gender gaps are detected, employers must develop an action plan where improvements are confirmed.<br>Note: In order to implement the Equal Pay Standard or get an Equal Pay Confirmation it is mandatory to have an equality plan. | The action plan is timed. |
| Ireland | When gender pay differentials are detected, employers must indicate in a written report:<br>(a) the reasons for the differences relating to remuneration that are referable to gender in that relevant employer's case (in the relevant employer's opinion); and<br>(b) the measures (if any) being taken, or proposed to be taken, by the relevant employer concerned to eliminate or reduce such differences in that relevant employer's case. | No response. |
| Israel | In cases that the EEOC addresses employer about violations, the employer must correct the violations. The EEOC can obligate employers to do wider audits, depending, among other things, on the inquiries that the EEOC receives. Additionally, the EEOC operates programs for employers which aim to enhance diverse and equality in the workplaces, including promotion of women. | Yes. |
| Japan | Employers with 101 or more regular workers must develop an action plan with numerical targets and specific efforts after understanding their situation (including the status of the wage gap between men and women for employers with 301 or more regular workers) and challenges with regard to women's participation and advancement. | Action plans need to include specific target periods. |

| Country | Action required by follow-up mechanism | Time restrictions and/or monitoring |
|---|---|---|
| Korea | When employer figures are below 70% of the average for each sector relevant employers must establish an improvement plan. Implementation guidance is provided. | If it is deemed that a business lacks willingness to improve its performance by not meeting the standards for three consecutive years, the government publicises the list of such businesses. No other penalties exist. |
| Norway | Employers must take action and implement measures suited to counteract discrimination and promote greater equality as well as evaluate the results of efforts, but are not required to have an action plan. Measures can, for instance, be implemented in connection with salary negotiations or determined in a recruitment plan. | Yes,<br>However, requirements for mapping and reporting on equal pay are only every two years. |
| Portugal | After analysing the Balance Pay,[1] if pay differences are detected by the Labour Inspectorate (ACT), relevant employers must present an evaluation plan of the pay differences in the company that is intended both to justify those pay differences and to eliminate those with no objective justification.<br>This regime applies, during the two first years of validity of the law, to companies with 250 employees or more and from the third year of validity of the law onwards, to companies with 50 employees or more. | This evaluation plan must be presented within 120 working days after ACT notification and be put in place for a period of 12 months and should be developed on the evaluation of job components.<br>Following the 12 months period, the employer shall communicate to the ACT a report on the results of the implementation plan and demonstrate the justification or correction of pay differences. |
| Spain | All pay audits must include an action plan to correct the identified inequalities.<br>When a pay gap of 25% or more is detected, employers must justify that the gap is not gender related.<br>If the result of the diagnosis reveals the under-representation of persons of a particular sex in certain positions or hierarchical levels, the equality plans shall include measures to correct it, and may establish positive action measures in order to eliminate both horizontal and vertical occupational segregation of women. | Action plans must include objectives, actions, schedule, responsible persons, and monitoring system.<br>Pay information or its absence may serve to carry out appropriate administrative and judicial actions, whether individual or collective. |
| Sweden | All employers must take active measures, i.e. pursuing prevention and promotion work by:<br>a) investigating the existence of any risks of discrimination or reprisals or any other obstacles to individuals' equal rights and opportunities in the establishment in question,<br>b) analysing the causes of any risks and obstacles discovered,<br>c) taking the prevention and promotion measures that can reasonably be demanded, and<br>d) monitoring and evaluating measures under points 1-3.<br>(Chapter 3 § 2 Discrimination Act) | Work should be conducted continuously, and measures are to be scheduled and implemented as soon as possible. |

Note: Table summarises required follow-up mechanisms as part of company pay reporting requirements in countries with such requirements.
1. With data from *Quadros de Pessoal*, an employment survey where employers provide individual level pay information for each worker in the survey, the Ministry of Work, Solidarity and Social Security creates a publicly available "Barometer of Pay Differences between Women and Men." This Barometer presents average adjusted gender wage gaps across different firm sizes and sectors. It is available at http://www.gep.mtsss.gov.pt/trabalho.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022 (see Annex A).

In many countries with follow-up mechanisms, there is a recognition of the importance of time restrictions and monitoring stipulations. However, the level of detail provided in these mechanisms varies. For instance, Norway reports only that such restrictions and stipulations exist, Iceland states that the action plan is timed, and the Japanese response states that action plans must include specific target periods.

Some countries offer more detailed specifications. In Canada under the Employment Equity Act (see endnote 8) time restrictions are well defined: measures are to be taken in a period of 1 to 3 years with a clear timetable for the implementation (see below). France, too, has opted to offer companies a period of 3 years for correcting inequalities (see below).

Monitoring committees can be beneficial for action plans, and it is recommended that they include an employee representative or trade union spokesperson and a senior member of the employer's leadership.

Certain countries have developed the monitoring aspect further. In Portugal, for example, if pay differences are detected by the Labour Inspectorate, employers must implement an evaluation plan for a period of 12 months. This plan must contain the evaluation of job components, based on objective criteria, in order to exclude any forms of gender discrimination[12]. After this period, the employer is required to communicate the results to the labour inspectorate. New Zealand's Kia Toipoto establishes specific milestones for updating and publishing annual action plans based on gender and ethnicity data and union/employee feedback.

Also the EU Pay Transparency Directive (see endnote 6) places importance on monitoring by requiring member countries to designate a monitoring body and to support its functioning (see more in Chapter 6).

### *Finland and Sweden's follow-up driven by the tripartite process*

Finland requires relevant employers to conduct a pay survey every two years to assess gender equality in the workplace, develop measures for promoting gender equality and achieving pay equality, and review past measures. However, the Finnish regulation lacks built in time restrictions and monitoring stipulations.

Similarly in Sweden, all employers must conduct a wage audit and take active measures each year, continuously analysing any risks or obstacles to equal rights and opportunities and implementing prevention and promotion measures. Time restrictions in Sweden involve conducting work continuously, and scheduling and implementing measures as soon as possible. Box 4.3 details the Finnish and Swedish reporting systems.

Finland and Sweden have longer histories of reporting and/or auditing processes, and their auditing systems reportedly run smoothly and have high compliance – though Sweden has found that their system has had little effect on the gender wage gap, at least in smaller firms (Swedish National Audit Office, 2019[16]). This may be attributed to the tripartite nature of these programmes, with strong collaboration between employers, workers' representatives and unions, who are trusted to advocate for gender equality in wages. In cases where the other parties are unable to come to an agreement, human rights or equality ombudsmen intervene. On the other hand, the strong presence of unions may also be perceived as a barrier to giving these policies stronger teeth (OECD, 2021[5]).

### *France's score-based follow-up mechanism with built in time restrictions*

If a company's overall score on the Professional Equality Index is below 75 points out of 100, the employer must define and publish appropriate and relevant corrective measures by agreement or, failing that, by unilateral decision. These measures must include actions to ensure effective remuneration. A company with an overall Index score of below 75 points out of 100 has three years to reach this threshold. If it fails to reach this threshold by the end of this period, it may be subject to a financial penalty amounting to 1% of its total payroll.

In the event of an overall score of less than 85 points out of 100, the employer must set and publish improvement targets for each of the indicators. These progress objectives, actions and quantified indicators set must consider the results obtained in the Index as well as, where appropriate, the corrective measures defined in the event of an overall score of less than 75 out of 100. The corrective measures and progress targets must be implemented as soon as the overall Index score is below the set thresholds.

### *Canada's ambitious correction of gender pay gaps*

Although the number of employers covered by Canada's rules is relatively limited, Canada has opted for an ambitious correction of gender pay gaps. Under the Pay Equity Act, when differences in compensation between predominantly male and female job are detected, the compensation for those in the predominantly female job class must be increased to achieve pay equity.

Where relevant, these increases in compensation are due three years after the employer become subject to the PEA. If they represent >1% of the employer's annual payroll, increases can be phased out over a period of time ranging from three years for large employers (100+ employees) to five years for smaller employers (10 to 99 employees), as long as every annual increase is at least one percent of the employer's annual payroll. If the employer fails to do this, an employee or bargaining agent may make a complaint to the Commissioner. The Commissioner may order the employer to increase compensation based on the result of an investigation or audit.

It is important to keep in mind that the Canadian Pay Equity Act transparency policy applies only to federally regulated workplaces, which represent about 6% of the workforce. Nevertheless, this is an ambitious and straightforward way to reduce gender pay gaps.

#### *Austria and Switzerland: Employers have high discretion in follow-up*

In countries with no follow-up mechanisms incorporated into reporting rules, organisations may be less likely to further pursue the issue of pay equality.

For instance, Switzerland does not have mandatory follow-up mechanisms in place. However, although it remains the responsibility of the employees, shareholders of listed companies and the social partners to ensure a follow-up, in their response to the GPTQ the Swiss Government reports that companies often voluntarily carry out an initial analysis and make corrections on a regular basis.

On the other hand, in Austria income reports were usually drafted and submitted without further comment or follow-up to works councils. In their response, Austria indicated that the further analysis of reporting results and the development of follow-up measures could be strengthened both from company and works councils' side. An evaluation study (Bundesministerium fur Bildung und Frauen, 2015[17]) identified a lack of detail in the legal basis for drafting the reports that might hinder the further internal use of the income reports, as well as the legal obligation to secrecy seems to hinder communication on the report and thus often the employees' knowledge of the report.

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## Notes

[1] In Switzerland this inspection can alternatively be carried out by social partners or organisations promoting gender equality.

[2] In Denmark, equal pay audits act as a voluntary alternative to pay gap reporting (see Box 4.4).

[3] When the gender pay gap analysis is conducted with the Swiss Confederation's standard analysis tool, it consists of a regression analysis where monthly gross wages are regressed on years of education, potential work experience (including its square), years of service, competence level, professional status,

and a gender dummy. As such, the results try to enable an analysis of gender pay gaps for work of equal value.

[4] All employers in Spain, regardless of size, are obliged to keep a register with the average values of salaries, salary supplements and non-wage payments of its staff, broken down by sex and distributed by professional groups, professional categories, or jobs of equal or equal value. Employees have the right to access, through the legal representation of workers in the company, to the wage register of their company. These registries are not available to the general public.

[5] Available at https://cite.gov.pt/documents/14333/297943/CITE+-+Guia+de+avalia%C3%A7%C3%A3o+de+diferen%C3%A7as+remunerat%C3%B3rias.pdf/2a55800d-328a-465f-ad63-12853d3da9d6.

[6] The European Union Pay Transparency Directive is available at https://www.europarl.europa.eu/doceo/document/TA-9-2023-0091_EN.html#title2.

[7] More information available at Equal Pay Standard - *Kvenréttindafélag Íslands* (kvenrettindafelag.is), https://kvenrettindafelag.is/en/resources/equal-pay-standard/.

[8] Canada's pay reporting regulation is two-fold, pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[9] Available online at https://index-egapro.travail.gouv.fr for relevant employers or in Excel format at *Index de l'égalité professionnelle: calcul et questions/réponses - Ministère du Travail, du Plein emploi et de l'Insertion* (travail-emploi.gouv.fr), https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.

[10] Available at https://www.ebg.admin.ch/ebg/en/home/services/logib-triage.html.

[11] These countries self-identified as having pay gap reporting regimes, but not meeting the full criteria for equal pay audits, in OECD GPTQ 2022. For example, Australia's response to OECD GPTQ 2022 states, "The Workplace Gender Equality Act does not mandate more extensive pay audits be conducted by organisations." Therefore, while they have follow-up actions, they are not considered as a pay auditing country.

[12] More information is available at: https://cite.gov.pt/documents/14333/297943/CITE+-+Guia+de+avalia%C3%A7%C3%A3o+de+diferen%C3%A7as+remunerat%C3%B3rias.pdf/2a55800d-328a-465f-ad63-12853d3da9d6.

# 5 Communicating gender pay gap reporting rules and results

Pay transparency legislation across OECD countries would benefit from increased transparency – both in instructions *to* employers, and in communication *from* employers to stakeholders. Government rules are rarely communicated directly to employers, and employer awareness of pay gap reporting rules is not usually measured. At the same time, the communication of pay gap results from firms to stakeholders is not straightforward. Not all relevant actors are automatically informed about the results of pay gap reporting, and transparency to the public is a reality in only about half of countries with pay reporting requirements.

## Key findings

- Most governments' communication of pay gap reporting rules to firms is limited. In OECD countries with pay reporting rules, employers are generally expected to familiarise themselves with legal measures. Relevant information is typically available on government websites.
- The degree of employer awareness of pay reporting requirements varies considerably across countries, with only five OECD countries explicitly measuring employer awareness of pay reporting rules beyond pay reporting compliance rates.
- When it comes to companies sharing pay gap results with stakeholders, most OECD countries' pay reporting rules provide guidance to employers on how and to whom the results should be reported. Typically, firms must inform workers' representatives and government bodies about the results of reporting and auditing processes. In some cases, individual employees must also be informed.
- Only about half of the OECD countries with pay reporting mechanisms require the results (or a part of the results) to be shared with the general public. In most of these countries, the results must be shared in a way that allows individual employers to be identified. This approach enables public knowledge to be used as a tool for social pressure and, ideally, to promote gender equality. At the same time, this means that in the majority of all OECD countries – including those without pay gap reporting rules – companies' gender pay gap results are *not* publicly available.
- **Policy takeaway**: Governments should make more focused efforts to communicate pay gap reporting requirements to employers, as this is foundational to the success of a pay reporting regime. Additionally, employers need greater clarity on how to disseminate pay gap results to pre-defined stakeholders. Awareness-raising campaigns should also be conducted to ensure that stakeholders such as workers and the public are aware of and responsive to companies' gender pay gap results.

Employers, employees, and the general public are often unaware of gender pay gap reporting rules. This issue is often cited in reviews of national pay transparency programmes (OECD, 2021[1]). This lack of awareness likely hampers the effectiveness of pay reporting rules since employers may not fully understand their obligations to comply with the rules. Simultaneously, employees and their representatives may not have high expectations for employer engagement in reducing the gender wage gap.

Yet despite these concerns, governments rarely directly communicate pay reporting rules to employers. Instead, employers are expected to familiarise themselves with legal measures. There is also very little systematic measurement of employer awareness, making it challenging to assess the extent to which (poor) communication affects the effectiveness of pay reporting (see Section 5.1.2).

Accountability regarding pay gap results matters, too. Pay gap reporting rules may not have their intended effect of enabling transparency and follow-up action in support of pay equity if they lack clear guidance about *who* should have access to the results. Rules are more likely to have impact if they explicitly require employers to inform specific actors, including employees, their representatives, and governmental bodies, about the results of pay reporting. Ideally, employers should be accountable up and down (see Section 5.2). When multiple stakeholders are informed about pay reporting results, there should be a higher level of accountability (Cowper-Coles et al., 2021[2]).

**Transparency and accountability go hand in hand** (see Section 5.3): employers should understand their obligations, stakeholders should know what to expect from employers, and the communication of pay

gap results should be clear and accessible to employees, their representatives, and perhaps even to the public.

For proactive businesses, a primary advantage of transparency towards employees is the potential to build trust. When employees are aware of the pay scale this may help them feel valued by their employers. This creates a positive work environment and likely promotes employee retention. On the flip side, there is also the potential for negative impacts on morale among employees who feel that their pay is inadequate compared to others (Cullen, 2023[3]).

Public media and academic scrutiny can also affectively motivate firms to address pay discrepancies. Public recognition matters both to existing employees and new talent – particularly women, who are more likely to choose and apply to companies with a reputation for fair pay (Duchini, Simion and Turrell, 2020[4]).

## 5.1. How are reporting requirements communicated to employers?

### *5.1.1. Employers are usually expected to familiarise themselves with legal measures, with information provided online*

Employers are often expected to familiarise themselves with relevant pay transparency rules (see Table 5.1). Only a few countries, such as Australia, Canada, and France, directly email employers to provide them with online resources and remind them of their reporting obligations. Austria, Chile and Japan produce information leaflets and brochures on pay reporting rules and individual companies can.

In most countries reporting rules are simply communicated publicly through designated government and/or ministry websites. Such websites can be found in at least Austria, Belgium Canada, Norway, Sweden, Switzerland, and the United Kingdom.[1] Countries with the lowest degree of outreach do not specifically communicate pay reporting requirements to relevant employers or present them online in layman's terms, but rather use standard processes for communication of legislation or regulations, such as press releases, legal bulletins, or government gazettes.

In Austria, Belgium and Finland, workers' and their representatives have helped to communicate pay reporting requirements *to* the employers. In Austria, workers' representatives, together with the Federal Ministry for Education and Women, published a brochure in order to support companies in the reporting process. In Belgium, the employee representatives who sit on the participation bodies are trained on the competences of the body and the obligations of the employer.

### *5.1.2. Employer awareness of reporting requirements is rarely measured outside of compliance (with reporting) estimates*

It is challenging to estimate employers' knowledge of reporting requirements. Some countries consider employers' compliance with reporting rules as an indicator of their awareness. However, compliance encompasses various factors, including awareness of reporting rules, ability to report, and willingness to report.

Compliance is also imprecisely measured by governments that may not have full information on which companies *should* report, according to defined inclusion criteria like firm size.[2]

Despite acknowledging that employers are often unaware of gender pay gap reporting and auditing requirements (OECD, 2021[1]), most countries do not systematically survey or measure employers' awareness of the rules. Responses to the 2022 OECD Gender Pay Transparency Questionnaire revealed considerable variation in government estimates of employer awareness, ranging from "not very aware" to "very aware".[3]

For example, studies conducted on a small number of Swedish employer and employee organisations suggest incomplete awareness of reporting rules, despite Sweden having one of the longest-running pay reporting programmes in the OECD. Many Swedish employers were unaware of the changes in the Equal Opportunities Act, including equal pay audits, according to the Swedish Equality Ombudsman survey from 2017.[4] The survey also highlighted differences in knowledge between small and large companies, with employers large enough to have a human resources department or HR function having greater knowledge of the legislation (Swedish National Audit Office, 2019[5]).

However, both Swedish employer and employee organisations faced challenges in assessing the extent of compliance with various aspects of the legislation. Most employer organisations indicated an inability to assess compliance, while employee organisations provided varied responses. This lack of comprehensive understanding impeded efforts to evaluate employers' adherence to legal requirements (Swedish National Audit Office, 2019[5]).

A survey conducted by the Finnish Social and Health Ministry[5] in 2020 identified several potential reasons for incomplete reporting in Finland. The study, based on a representative sample of Finnish employers, revealed that only 53% of employers had conducted an equal pay audit (this represents an increase from the last survey), a third (35%) had not conducted it, and 12% could not say whether or not they had done it. Information from Finland highlights discrepancies between private and public sector employers: 86% of public sector employers, compared to just 50% private sector employers, report having conducted an equal pay audit (Ministry of Social Affairs and Health, Finland, 2020[6]).

Interestingly, the gender composition of a firm correlates with compliance. Under half (48%) of organisations with a male majority had fulfilled their equal pay auditing requirements, while nearly six in ten (59%) organisations with a female majority had conducted an audit in Finland. Many private sector employers (61%) indicated that pay analysis was not necessary, but this was less common in organisations with female majority (51%) than in those with a male majority (65%). Employers also pointed to the frequency and quality of wage surveys as a barrier to full compliance. Importantly, only a small minority (4%) of private sector employers reported lack of information as a barrier (Ministry of Social Affairs and Health, Finland, 2020[6]).

In Iceland and Switzerland estimates are moderate and suggest that employers are aware of reporting rules. Initial indications in Switzerland are that the law is being well implemented by employers, although reliable statements on this will only be possible with the evaluation in 2025. In Iceland, based on regular surveys on employers' attitude and awareness of the Equal Pay Standard, it is suggested that they are becoming more and more aware.

Government estimates in Australia, Canada and the United Kingdom portray a positive and optimistic outlook regarding employer awareness. In Canada, the Employment Equity Program is regularly evaluated, and a survey conducted as part of the 2019 evaluation found that 96% of employers had a moderate to very high level of understanding of their employment equity obligations, including reporting rules, with 73% of employers claiming a high to very high level of understanding. In Australia, awareness is measured by proxy through reporting rates. For the most recently completed reporting period, the non-compliance rate was approximately 7%. In the United Kingdom, there was 100% compliance in the first two years of reporting.

Despite the limitations, using non-compliance rates as a proxy for awareness is an inexpensive and non-labour-intensive approach to gathering more information on employers understanding of their reporting requirements. However, many countries do not collect information on reporting rates either – part of a broader pattern of weak enforcement of reporting rules (see Chapter 6).

## Table 5.1. Communication of reporting requirements to employers and their awareness of the rules

Information regarding the communication of reporting requirements and private sector employer awareness of rules, 2022.

| Country | How are reporting rules communicated? | Is employer awareness measured, and how? | What is the level of employer awareness? |
|---|---|---|---|
| Austria | The reporting rules are laid down in the Equal Treatment Act. Employers' and workers' representatives provide information as well. In 2014, the Federal Ministry for Education and Women, together with the workers' representatives published a brochure in order to support companies in the reporting process. | No. | Not applicable. |
| Australia | Relevant employers receive email communications from the Workplace Gender Equality Agency regarding reporting. This directs them to a suite of information about reporting that is available on the Agency reporting portal (where individuals can access the Reporting Guide, available at https://www.wgea.gov.au/reporting-guide, https://client-portal.wgea.gov.au/s/topiccatalog, which has extensive articles related to reporting). | Awareness is measured by proxy through reporting rates. | Very aware. For the most recently completed reporting period, the non-compliance rate was approximately 7%. |
| Belgium | There is an explanation of the obligations concerning the wage gap on the website of the FPS Employment (https://emploi.belgique.be/fr/themes/egalite-et-non-discrimination/egalite-femmes-hommes-lecart-salarial#toc_heading_4). In addition, the employee representatives who sit on the participation bodies are trained on the competences of the body and the obligations of the employer. | No. | Not applicable. |
| Canada | EEA: The Minister of Labour has the responsibility to support employers in their implementation of employment equity. The Labor Program publishes guidance resources and tools on a government website to assist employers available at www.esdc.gc.ca. It also regularly communicates by email with these employers about their obligations, as well as available resources and tools. In addition, the Labour programme responds to employer inquiries related to reporting and employment equity by phone and email. PEA: The office of the Pay Equity Commissioner communicates with workplace parties directly and makes supporting materials available online at https://www.payequitychrc.ca/en/about-act/what-pay-equity | EEA: The Labor Program's employment equity programs are regularly evaluated. The last evaluation was published in 2019.[1] This evaluation included an employer survey, which measured, among other things, the employers' self-reported level of understanding of their employment equity obligations, as well as their ability to fulfil their reporting obligations. PEA: No. | EEA: Very aware. In the employer survey included in the 2019 evaluation of employment equity programs, it was found that 96% of employers had a moderate to very high level of understanding of their employment equity obligations, with 73% of employers having a high to very high level of understanding. In addition, 69% of employers had minor or no challenges reporting information to the Labor Program. PEA: Not applicable. |
| Chile | In the contents of yearbook that indicates the CMF[2]. | No. | Not applicable. |
| Denmark | Reporting rules are not specifically communicated to employers. All employers/enterprises who fall within the scope of the legislation will receive gender segregated pay statistics from Statistics Denmark (DST) free of charge with information on gender pay gap reporting rules. | No. | Not applicable. |

| Country | How are reporting rules communicated? | Is employer awareness measured, and how? | What is the level of employer awareness? |
|---|---|---|---|
| Finland | For instance, social partners communicate information to employers. | Surveys/research is conducted on the matter.[3] | Neither aware nor unaware.<br>86% of public organisations had done a pay survey, while in the private sector only 50%. In the municipal sector, 66% had done the salary survey. The gender distribution of the personnel was also somewhat important. Almost half of the organisations where at least 60 percent of the staff are men (48%) had done a pay survey. On the other hand, well over half (59%) of organisations with a female majority had been surveyed. All in all, a bit on the fair side (53%) of the organisations reported that they had made a survey, a good third (35%) said that they had not done it, and 12% could not say whether they had done the mapping. |
| France | Information is provided online at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro and mailing campaigns have been organised to encourage employers to comply with these obligations (before each annual publication of the Index). | No response | No response |
| Iceland | Reporting rules are in the law. | The government has done regular surveys on employers' attitude and awareness of the Equal Pay Standard. | Fairly aware. Gradually they are becoming more and more aware. |
| Ireland | No response | No response | No response |
| Israel | The EEOC issued guidelines to employers about the reporting obligation that include explanations and sample reports. | No, but EEOC tries to locate public reports on employers' websites. | Fairly aware |
| Italy | Reporting rules are communicated through Social Partners Organisations and National/Regional Equality Bodies. | No. | Very aware. |
| Japan | Information is available on the ministry website and distribution of leaflets to individual companies. | No. | Not applicable. |
| Korea | The government provides:<br>(1) direct contact number of person in charge in public corporation<br>(2) chatbot-enabled platform to respond employers' needs in real time<br>(3) booklets on how to report<br>(4) video on the website(aa-net) that details how to report | No. | Fairly aware. |
| Lithuania | They are not communicated. | Yes, through surveys.[4] | No data. |
| Norway | Undertakings are responsible to familiarise themselves with the applicable legal rules in their own area including rules concerning the contents of the annual reports. Furthermore, the tax authorities and the Company Register Centre have also published a newsletter on their websites.<br>The Equality and Discrimination Ombud can, among other things guide and give advice to the business. | No. | Not applicable |

| Country | How are reporting rules communicated? | Is employer awareness measured, and how? | What is the level of employer awareness? |
|---|---|---|---|
| Portugal | Reporting rules results directly from the law, employers have an obligation to know it. | No. | Not applicable |
| Spain | BOE and general information administrative services of the Ministry of Labour and Social Economy and the Women Institute of the Ministry of Equality. As stated above, companies might request guidance to the Advisory Service under the Women Institute. | No. | Not applicable. |
| Sweden | On the Equality Ombudsman website. | The Equality Ombudsman has measured employers' awareness of active measures in the Discrimination Act.[5] | Neither aware nor unaware. The Equality Ombudsman survey in 2017 showed that many employers were unaware of the changes in the Discrimination Act on Active measures. Pay surveys are part of the work on Active measures. It's difficult to draw conclusions on the awareness of pay surveys as such. |
| Switzerland | This obligation is anchored in Swiss Law and communicated just as any other legal obligations. Additionally, the Federal Office for Justice and the Federal Office for Gender Equality made two FAQs available on their webpages. Furthermore, auditing companies may inform their clients about the legal requirements. | An evaluation of the law is planned for 2025. It has not yet been determined how this will be measured in concrete terms. | Fairly aware. Initial indications are that the law is being well implemented by employers. Reliable statements on this will only be possible with the evaluation in 2025. |
| United Kingdom | The required data is specified in the digital guidance and on the reporting service. | Awareness can be measured by proxy through reporting rates. | Very aware. There was 100% compliance in the first two years of Gender Pay Gap reporting. Enforcement of reporting was removed in 2020 as a result of the national lockdown and employers have been given an additional 6 months to report in 2021 to allow for the ongoing impacts of the pandemic. |

Notes: Table 5.1 summarises how reporting requirements in countries with such requirements in the public and/or private sectors are communicated to relevant employers, and the extent of employer awareness of the rules.
1. The most recent Canadian evaluation is available at https://www.canada.ca/en/employment-social-development/corporate/reports/evaluations/employment-equity-programs.html.
2. The pay reporting law in Chile only applies to businesses under the supervision of the Financial Market Commission [*Comisión para el Mercado Financiero* (CMF)]. The Financial Market Commission (CMF) is a public service of a technical nature whose main objectives are to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith. Companies analyse their gender equality, taking remuneration into account, in order to comply with CMF rules.
3. The last Finnish survey of employers was conducted in 2020 and results of the survey are available at http://urn.fi/URN: ISBN:978-952-00-6881-3.
4. The template for the Lithuanian surveys available at https://www.vdi.lt/PdfUploads/KL_Lygios_Galimybes_DTS.pdf.
5. The Swedish National Audit Office report based on this survey ("Diskrimineringslagens krav på lönekartläggning – ett trubbigt verktyg för att minska löneskillnader mellan könen") is available at https://www.riksrevisionen.se/rapporter/granskningsrapporter/2019/diskrimineringslagens-krav-pa-lonekartlaggning--ett-trubbigt-verktyg-for-att-minska-loneskillnader-mellan-konen.html.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022 (see Annex A).

## 5.2. Who needs to be informed about the results of pay reporting and auditing?

Employee representatives – such as unions, works councils, or other employee representatives – are commonly designated to receive reports from companies on pay gaps. These representatives then share the outcomes with employees (see Table 5.2). In some cases, employees are also directly informed.

Several countries explicitly require employer reporting to the government in various forms. These countries include Canada, Chile, Denmark, France, Iceland, Italy, Latvia, Lithuania, Switzerland, and the United Kingdom.

- Australia, Canada, Chile,[6] Denmark, France, Iceland, Italy, Latvia, Lithuania, Portugal, and the United Kingdom, require companies to report to a government agency;
- Denmark and Lithuania require a pay gap analysis be carried out by a government body (for more on these novel approaches, see Chapter 7);
- Iceland and Switzerland require that pay gap analysis be examined by a government-validated auditor who is subject to government regulation.

**Eleven OECD countries report the results of gender pay gap reporting to the public**, though the content of this reporting varies (see Section 5.3). In Australia, for example, the public has been able to view select reported data – including gender composition of the workforce, including at seniority levels, and the existence of policies/strategies pertaining to gender equality and equal remuneration. New legislation now requires the Government's Workplace Gender Equality Agency to publish employer gender pay gaps, which will occur for the first time in 2024. This is similar to countries like Lithuania and the United Kingdom where the public can see the company-level gender wage gap for specific firms.

### Box 5.1. Country highlight: France

#### Accountability

At first, the results of the Professional Equality Index (PEI) are collected into the economic, social and environmental database (BDESE), which gathers information on the major economic and social orientations of companies with at least 50 employees. The information contained in the BDESE also constitutes a diagnosis that can be used by the social partners within the framework of the mandatory negotiations on professional equality. In accordance with article L.2312-18 of the Labour Code, the BDESE must contain the results obtained at the Index.

Employers are responsible for communicating these results to the social and economic committee (CSE) and to the trade union delegates appointed in the company. Beyond the results obtained for each of the indicators (including when some of them cannot be calculated) this communication should include any useful information, in particular on the methodology used to calculate the first indicator.

In the case of action plans, the labour inspectorate in France's Ministry of Labour, Employment and Inclusion must also be informed.

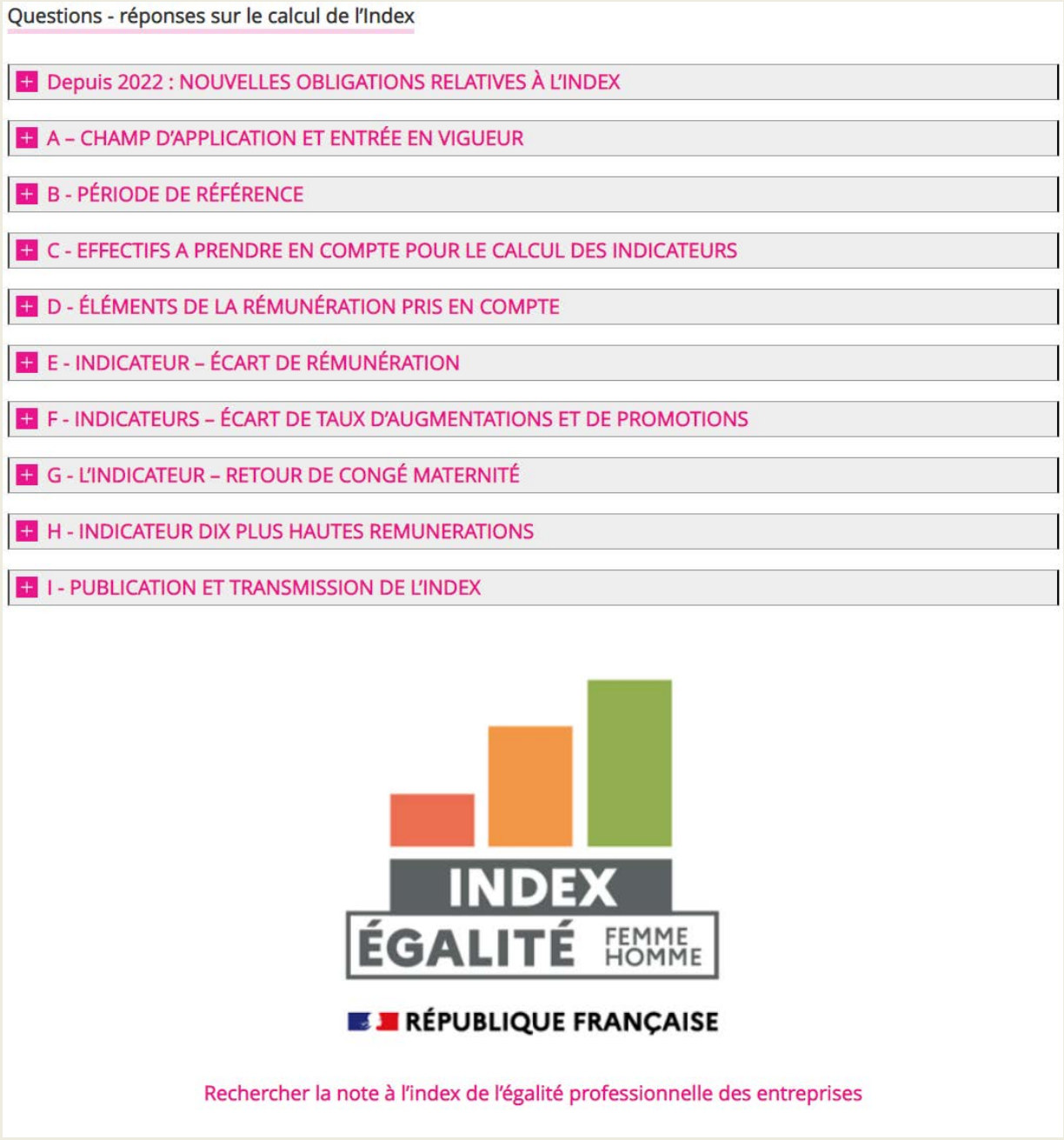
#### Transparency

The overall score and the results obtained for each indicator of the Index are published annually, no later than 1 March, in a visible and readable manner on the company's website when one exists. They can be consulted by the general public and individual employees on the company's website at least until the publication, the following year, of the result level and the results obtained for the current year. In the absence of a website, they are brought to the attention of employees by any means.

At the same time, the Index scores of companies with more than 250 employees are published by the administration on the website of the Ministry of Labour (https://index-egapro.travail.gouv.fr/consulter-index, see also Figure 5.1).

## Figure 5.1. France's Professional Equality Index: Guidance on calculation and frequently asked questions

List of frequently asked questions as well as a link to the website of the Ministry of Labour where Index scores of companies can be compared




Source: Professional Equality Index: Guidance on calculation and frequently asked questions. Website by *Ministère du Travail, du Plein emploi et de l'Insertion*, https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro
Source: OECD GPTQ 2022

## Table 5.2. Accountability to workers, workers' representatives and government bodies

Responses to the question "Who needs to be informed about the results of pay reporting?"

| Country | Individual employees | Works councils or workers' representatives at company level | Social partners | Equality and/or state bodies | Other |
|---|---|---|---|---|---|
| Austria | The representatives inform the employees. Where there is none the report is to be published in the company to inform the employees directly. | 1st the central works council should be informed, if it does not exist;<br>2nd works committee should be informed, if it does not exist either;<br>3rd works council, and if there is no worker representation;<br>4th company has to display the report in a room that is accessible to all employees.<br>A secrecy obligation applies except when the report is used for an equal-play claim before a court or equality body. | N | N | N |
| Australia | Yes,<br>All employers are required to provide their gender equality report to their employees. | Y | N | Yes, Workplace Gender Equality Agency | The passage of legislation in 2023 now requires all employers are required to provide their gender equality report to their shareholders and must also provide their summary report and an industry benchmark report to their Governing Body. |
| Belgium | No, however, the employee representatives can inform the employees that the wage gap analysis has taken place, that a problem has been identified, if any, and that, as a result, an action plan is (or is not) being developed. | Yes, the pay gap report is an internal company document, which must be discussed with the employee representatives in the works council or the trade union delegation. Employee representatives are obliged to respect the confidential nature of the data provided. | N | No, the report must be kept within the company and cannot be communicated (as such) either to the employees, the administration or the public. | N |
| Canada | EEA: N<br>PEA: Y | Y | N | Yes,<br>EEA: the Minister of Labour<br>PEA: the office of the Pay Equity Commissioner. | EEA: Published to the general public.<br>PEA: N |

| Country | Individual employees | Works councils or workers' representatives at company level | Social partners | Equality and/or state bodies | Other |
|---|---|---|---|---|---|
| Chile | N | N | N | Yes, to the CMF.<br>CMF is a public service of a technical nature whose main objectives are to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith. | N |
| Denmark | Workers through their representatives | Y | N | Yes, Statistics Denmark as part of the Income and Earnings Survey[1] | N |
| Finland | Yes, the results of the audit (and any updates to it) must be actively shared with employees. This information can be shared in different ways, e.g. on the intranet of the workplace, by posting it a noticeboard at a workplace, and/or at staff meetings[2] | Yes, the elected representative, the occupational safety and health representative or other employee-appointed representatives must be informed and equal pay audits must be done in co-operation with worker representatives. | N | N | It is up to the employers if they want to publish the information. Some do, for example on their website, but very few. |
| France | Yes, the overall score and the results obtained for each indicator of the Index are published in a visible and readable way on the company's website where one exists. If there is no website, they are made known to employees by any means. | Yes, the employer makes results available to the social and economic committee (CSE) via the economic and social database (BDESE).<br>This includes the results obtained for each of the indicators, including when some of them cannot be calculated, the overall score of the Index, accompanying this information with any useful details, particularly on the methodology used. Where the Index latter is not calculable, the company shall explain the reasons for this incalculability. | N | Yes, the employer declares its results to the authorities.<br>This includes the results obtained for each of the indicators, including when some of them cannot be calculated, the overall score of the Index, accompanying this information with any useful details, particularly on the methodology used. Where the Index latter is not calculable, the company shall explain the reasons for this incalculability. | The Index is published to the general public. |
| Iceland | Results of pay analyses built on job classifications shall be introduced to employees and be accessible to them taking into an account privacy policy. | Y | N | Yes, the Directorate of Equality.<br>An independent government-certified auditor will assess the results. | Some results are published to the general public.<br>In the public sector anyone can ask for information on fixed salary of employees and all total salary of directors. |
| Ireland | No response | No response | No response | No response | No response |
| Israel | Y | N | N | Yes, the Equal Employment Opportunity Commission | Published to the general public. |

| Country | Individual employees | Works councils or workers' representatives at company level | Social partners | Equality and/or state bodies | Other |
|---|---|---|---|---|---|
| Italy | Workers can request information. | Yes, companies' trade unions must be informed. | N | Yes, the Regional Gender Equality Advisor must be informed. | N |
| Japan | N | N | N | N | Published to the general public. |
| Korea | N | N | N | N | Some results are published to the general public. |
| Lithuania | Y | Y | Y | Y | Published to the general public. |
| Norway | Yes, according to the preparatory work in the Activity and reporting duties, employees should have an actual opportunity to compare their salary with the average at their level.<br>Bufdir (The Norwegian Directorate for Children, Youth and Family Affairs) writes that one way of doing this is to send out an email or put up a poster with the results of the salary survey, or information that those who wish can see the average salary at their level. If the salary cannot be anonymised the employer must still provide access but must assess the need for confidentiality. | Yes, since the mapping should be done in co-operation with workers' representatives, they should be aware of the results at the same time as the employer. | N | N | Published to the general public. |
| Portugal | Y | Y | Y | Yes, the Ministry for Labour, Solidarity and Social Security (Labour Inspectorate) and the Commission for Equality in Labour and Employment (CITE) must be informed. | Some results are published to the general public. |
| Spain | Yes, in companies where there are no Legal Representatives, workers can access directly to the information of the salary registry,[3] but they will only be able to access to percentage differences. | Yes, in companies with a Legal Representation of the Workers, the request must be channelled through the Legal Representatives | N | N | Some results are published to the general public. |
| Sweden | Yes, through employee organisations. | Yes, the employer is to provide an employee organisation to which the employer is bound by collective agreement with the information required for the organisation to be able to co-operate on work on active measures. | Y | Yes, at the request of the Equality Ombudsman, an employer shall provide information about circumstances in their activities that are of importance for the supervision exercised by the Ombudsman. | N |

| Country | Individual employees | Works councils or workers' representatives at company level | Social partners | Equality and/or state bodies | Other |
|---|---|---|---|---|---|
| Switzerland | Yes, the reporting system provides for employees to be informed in writing within one year of the conclusion of the audit (Article 13g of the Swiss Federal Act on Gender Equality). | N | Social partners can act as auditors (Article 13f of the Swiss Federal Act on Gender Equality). | There is no reporting to a government agency but an audit is carried out by a government-qualified inspector. | N |
| United Kingdom | N | N | N | N | The general public: The legal requirement is for employers to publish their gender pay gap information on their organisation's website and on the UK Government website. All reported information is available publicly. |

Note: Table summarises whether or not employers need to be accountable down (i.e. to workers and workers' representatives), accountable down (i.e. to social partners and government bodies) and/or accountable to other actors (such as the general public) in countries with pay reporting requirements in the public and/or private sectors.
For more information on transparency to the general public, please refer to Table 5.3.
1. The Structure of Earnings survey provides detailed information about the earnings of employees in the labour market disaggregated by level of education, occupation, region, industry, gender and age. The structural statistics on earnings form part of Statistics Denmark's coherent statistical system for earnings and labour costs. Employees in the public sector, in corporations and in organisations are covered. More information is available at https://www.dst.dk/en/Statistik/dokumentation/documentationofstatistics/structure-of-earnings.
2. Information obtained from (OECD, 2021[1]).
3. All employers in Spain, regardless of size, are obliged to keep a register with the average values of salaries, salary supplements and non-wage payments of its staff, broken down by sex and distributed by professional groups, professional categories, or jobs of equal or equal value. Employees have the right to access, through the legal representation of workers in the company, to the wage register of their company. These registries are not available to the general public.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022 (see Annex A)

### *5.2.1. Accountability down – reporting to workers and their representatives*

Pay transparency programmes attempt to promote equal pay by *providing information* about the existence and size of gender pay gaps. Therefore, it is crucial that the gender pay gap reporting system – and the information coming from pay gap analyses – are transparent to workers and other stakeholders. In short, employers should be accountable to their workers, whether that be workers themselves or their representatives.

**Engagement with employee representatives during the review and reporting process is clearly and explicitly regulated in a few countries**. In Finland, Norway, and Sweden, pay reporting requirements and equal pay audits must be conducted in co-operation with employees and their representatives – who are directly informed of the results as they are involved in producing them.

**In most countries, employers must explicitly share with worker representatives the results of reporting and/or auditing processes**. This is the case in at least Austria, Australia, Belgium, Canada, Denmark, Finland, France, Iceland, Italy, Lithuania, Portugal, Spain, and Sweden. The specific requirements vary. For example, in Belgium, discussion with employee representatives in the works council or the trade union delegation is required. In Finland, discussion with an elected representative, the occupational safety and health representative or another employee-appointed representative is necessary. In Italy, companies' trade unions must be informed. In Austria, various worker representation bodies should be informed depending on their availability.

Additionally, a **majority of these countries also mandate employers to inform employees directly**, not only through employee representatives. Individual employees may be informed through communication with employee representatives, directly through a publicly available document (e.g. France[7]) or through other means. In Switzerland, for example, the Logib reporting system requires employees to be informed in writing within one year of the conclusion of the audit.

Employees are the direct recipients of pay information only when they have no legal representation in their workplace. For instance, in Spanish companies without legal representatives, workers can directly access salary registry[8] information, but they are only able to access percentage differences.

In Belgium and Italy there is no explicit requirement to inform employees. However, in Belgium, the employee representatives can inform the employees that the wage gap analysis has taken place, that a problem has been identified, if any, and that, as a result, an action plan is (or is not) being developed.

### *5.2.2. Accountability up – monitoring by government bodies*

**Reporting to a designated government agency is another common requirement** for pay gap reports (see also information on monitoring in Chapter 6).

The results of private sector pay reporting and/or auditing must be shared with (or the reporting process takes place through) government bodies in a number of countries, including Australia (Australian Workplace Gender Equality Agency), Canada (the Minister of Labour) and the office of the Pay Equity Commissioner),[9] Chile (Chilean Financial Market Commission), Denmark (Statistics Denmark through the Structure of Earnings Survey[10]), France (Labour inspectorate in France's Ministry of Labour, Employment and Inclusion), Iceland (Directorate of Equality), Israel (Equal Employment Opportunity Commission), Italy (Italian Regional Gender Equality Advisor), Lithuania (State Labour Inspectorate), Portugal (Portuguese Ministry for Labour, Solidarity and Social Security (Labour Inspectorate and the Commission for Equality in Labour and Employment), and Sweden (Swedish Equality Ombudsman).

Among these, France has one of the most comprehensive information sharing system (Box 5.1). French employers must declare the results of pay reporting to the authorities and make them available to the social and economic committee (CSE) via the economic and social database (BDESE).[11] This includes the individual indicator scores – including when some of them cannot be calculated – as well as details on the

methodology used. The company is also required to communicate the results obtained for each of the indicators and the overall score of the Index to the administration digitally. If the overall score cannot be calculated, the company must provide an explanation for this.

## 5.3. Transparency to the public can be a tool for social change

Public knowledge of gender pay information is important as it can help build social pressure to address gender inequality. For instance, the United Kingdom's "name and shame" approach to salary reporting has helped ensure 100% compliance in his first two years of programme implementation and is credited with stimulating public debate on the gender pay gap (OECD, 2021[1]).

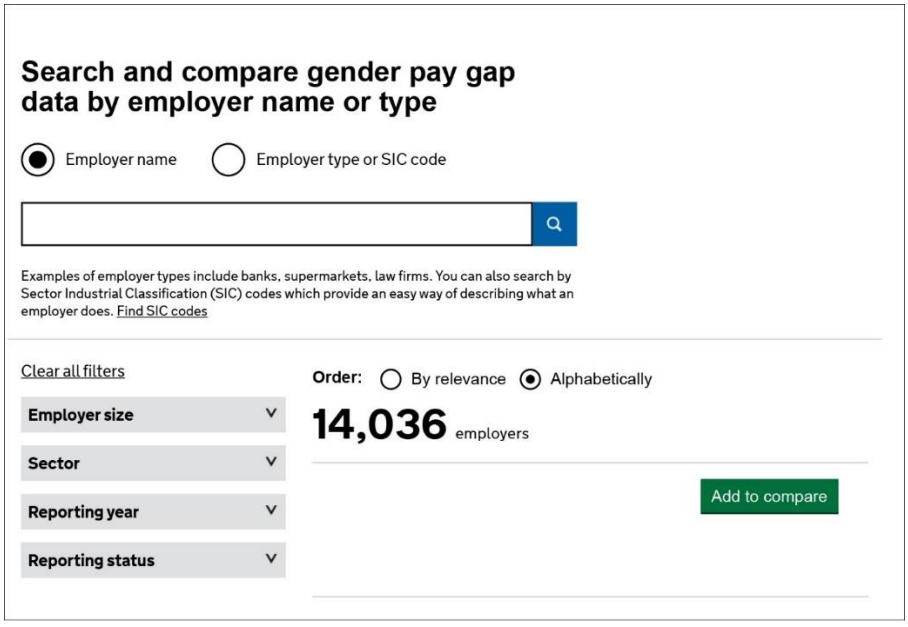
According to Duchini et al. (2020) UK's pay transparency regulations are also influencing hiring practices; those employers affected tend to adopt practices that are more attractive to women, such as providing information about wages in job advertisement and offering flexible working arrangements. This can have large effects: in a recent survey experiment (Blundell, 2021[7]), in order to not be hired by the (hypothetical) employer with the highest gender pay gap in their industry, a majority of women would accept a 2.5% lower salary. In the experiment women are prepared to accept, on average, 4.9% lower pay to avoid this high pay gap employer (Blundell, 2021[7]).

### *5.3.1. About half of OECD countries with pay reporting mechanisms require transparency to the public*

Approximately half of the countries with pay reporting mechanisms require some form of gender-disaggregated pay statistics to be shared with the general public (see Table 5.3).

**All collected information must be shared with the public in the form of a report or action plan** in Australia, Canada (under the Employment Equity Act), Norway, Spain, and the United Kingdom.

### Figure 5.2. United Kingdom's gender pay gap service for searching and comparing gender pay gap data




Source: United Kingdom's gender pay gap service, https://gender-pay-gap.service.gov.uk/viewing/search-results?t=1&search=&orderBy=alphabetically

**In the remaining countries only a part of the results must be shared**. For instance, in France the overall score of the Professional Equality Index and the results of all the indicators obtained in the Index are public, but not the report detailing the calculations of the Index. In Japan, Korea, and Lithuania, the calculated pay statistics, e.g. gender pay gaps or average pay by gender, that must be published.

**When results are shared with the general public, in most cases individual employers can be identified**. They are typically required to publish the results on their company websites. This transparency is key to building social pressure, as various stakeholders, including social actors, media, individual employees and shareholders, can compare the gender pay gaps across companies.

**In some countries, gender pay gaps are shared publicly at aggregate levels, such that individual employers cannot be identified** (Australia and Portugal). For example, the Australian Workplace Gender Equality Agency prepares and publishes annually gender pay gaps at aggregate level for the entire dataset of employers disaggregated by industry, occupation and manager categories.[12] The Portuguese Ministry for Labour, Solidarity and Social Security (Strategy and Planning Office) annually prepares and publishes the aggregate gender pay gaps (adjusted and unadjusted gaps) disaggregated by industry, occupation, educational attainment, seniority, region.

Importantly, for any of these communication measures to have an effect, stakeholders like workers and the public must know to look for results of pay gap reporting. Pay gap reporting regimes should therefore be connected to regular awareness-raising campaigns so that employers, workers, and the public are "on the lookout" for gender pay gaps – and engaged in closing them.

### 5.3.2. How should pay information be reported?

Very little research has looked at how gender pay gaps can be best communicated to ensure stakeholder understanding. But how gender pay gaps are reported to stakeholders matters, as illustrated by a UK study. Using a randomised control trial, the Behavioural Insights Team commissioned by the UK Government Equalities Office tested five alternative ways[13] of communicating the wage gap (United Kingdom Government Equalities Office, 2018[8]). The study revealed that benchmarking information – placing a company's result in the context of other companies' results – helps readers differentiate between companies with high gender wage gaps and companies with low ones. When statistics are presented in terms of money, rather than a simple percentage, the ability to understand the gender pay gap is maximised. A likely explanation for this is that people relate to monetary comparisons (e.g. 90 pence to every pound) more easily than percentages. The findings of this study have direct implications for the effectiveness of pay reporting rules.

## Table 5.3. Transparency of gender pay gap reporting to the public

Whether and how pay gap reporting results need to be shared with the general public, 2022

| Country | Who | Where | How much information is shared? | Can individual employers be identified? |
|---|---|---|---|---|
| Australia | Workplace Gender Equality Agency (prepares and publishes) | Website of the WGEA: Data Explorer (an interactive public platform) at https://data.wgea.gov.au/home | Gender pay gaps at aggregate level. This means that the gender pay gap for the entire dataset is published annually, as are gender pay gaps by industry, occupation and manager categories. The data does not include personal or identifiable information of individual employees. | No, individual organisation gender pay gaps are confidential data. (As of 2024 gender pay gaps of individual employers must be published). |
| Canada EEA | Minister of Labour | Three government websites – as part of employers' annual employment equity reports, on the Government of Canada's open data portal, and a user-friendly, public-facing data visualisation website. The Minister of Labour must also table in Parliament an annual report consolidating and analysing employers' annual employment equity reports available to the public. | The whole report is public and it includes pay gap information starting in 2022. | Yes, the annual employment equity report of employers includes their legal name, their business name, and the address of their principal place of business, and the census metropolitan areas and provinces/territories where employees are located. |
| France | Ministry of Labour and the employers themselves. | Each year, by 1 March at the latest, companies must publish in a legible and visible manner on their website, if it exists, or failing that, inform all employees by any means. At the same time, the companies' Index scores are published by the administration on the website of the Ministry of Labour at https://index-egapro.travail.gouv.fr/consulter-index. | The overall score and the results of all the indicators obtained in the Index are public. | Y |
| Iceland | The Directorate of Equality | Published it in an accessible manner on its website. | Register of companies and institutions that have acquired the Equal Pay Certification. | Y |
| Israel | Employers | Company website if there is one, and public places, like a newspaper. | All required reporting is public | Y |
| Japan | Employers | On corporate websites and on the website run by he MHLW including "Database on firms that promote women's participation and advancement". Available at https://positive-ryouritsu.mhlw.go.jp/positivedb/ | Information on the proportion of female average annual remuneration to male average for entire workforce, as well as for regular workers and non-regular workers is required to be shared. | Y |

| Country | Who | Where | How much information is shared? | Can individual employers be identified? |
|---|---|---|---|---|
| Korea | Ministry of Employment and Labour | Posted in the Official Gazette or on the website of the Ministry of Employment and Labour for six months. | Name of the business owner, name and address of the business (For corporations, name of the representative of a corporation, name and address of the corporation); the total number of employees, number of female employees and the ratio thereof, total number of managers, number of female managers and the ratio thereof, and employment standards of female employees of the relevant type of business. | Yes, note that the businesses that are put on the publicised list include only (a) Businesses whose ratio of employed female workers or managers by job categories is less than 70% of the average by industry and size three times in a row prior to the date of disclosure of the list, and (b) business owners who failed to comply with the request to implement appropriate measures after submitting their performance results. |
| Lithuania | By the employer and the Social Insurance System | Government website | Those with at least 8 employees, of which more than 3 are women and more than 3 men, average of calculated income by gender (with social insurance contributions deducted) is shown. | Yes |
| Norway | Employer | Annual report or another document available to the general public (the annual report shall specify where the document can be found). | The statement shall be formulated such that no personal circumstances of individual employees are revealed. The results of the pay review shall be included in the statement in anonymised form. | Yes |
| Portugal | Strategy and Planning Office from Ministry for Labour, Solidarity and Social Security (GEP/MTSSS) | The barometer is published on the website http://www.gep.mtsss.gov.pt/trabalho | Both average and median remuneration are available in the Barometer (for example) and in statistics (namely in *Boletim Estatístico* from Strategy and Planning Office from Ministry for Labour, Solidarity and Social Security http://www.gep.mtsss.gov.pt/trabalho) by different qualification, occupation, seniority, region, sector of activity, firm dimension and it is possible to cross different characteristics. Individual information is not publicly available. | It is possible to identify, but this information isn´t publicly available (Data protection law). |

| Country | Who | Where | How much information is shared? | Can individual employers be identified? |
|---|---|---|---|---|
| Spain | Registry is under the competence of the Ministry of Labour and Social Economy or the Autonomous Communities according to the territorial scope of the equality plan. | Equality plans are registered in a public registry at https://expinterweb.mites.gob.es/regcon/pub/consultaPublicaEstatal | The whole pay audit.<br>Note that the pay registry is not publicly available. | Yes |
| United Kingdom | Employers | On their own website and the government website at www.gender-pay-gap.service.gov.uk. Where an audit has been ordered by a tribunal it should be published in line with the Equality Act 2010 (Equal Pay Audits) Regulations 2014, regulation 9. | The whole report is public. | Yes |

Note: Table summarises whether or not and, when relevant, how employers need to publish results of pay reporting to the general public in countries with requirements to publish pay reporting results to the general public in the public and/or private sectors.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022 (see Annex A).

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Swedish National Audit Office (2019), *The Discrimination Act's equal pay survey requirement – a blunt instrument for reducing the gender pay gap (RiR 2019:16)*, https://www.riksrevisionen.se/en/audit-reports/audit-reports/2019/the-discrimination-acts-equal-pay-survey-requirement---a-blunt-instrument-for-reducing-the-gender-pay-gap.html. [5]

United Kingdom Government Equalities Office (2018), "Presenting gender pay gap figures to the public: an online randomised control trial", *GOV.UK*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/716145/Presenting_GPG_figures_to_the_public.pdf. [8]


## Notes

[1] See Chapter 7, on practical tools and guidance, for more information on how these websites look and on other digital tools to facilitate gender pay gap reporting.

[2] For example, it may be difficult for governments to know exactly which companies are required to report if companies' inclusion in a pay reporting system depends on the firm's size at a given point in a year. The government simply might not have this information.

[3] Reflecting OECD governments' responses to the OECD GPTQ 2022 question "To what extent are employers in your country aware of reporting requirements? If needed, please specify", with the following

possible responses: “very unaware”, “fairly unaware”, “not unaware nor aware”, “fairly aware”, and “very aware”.

[4] The Swedish National Audit Office report based on this survey (“*Diskrimineringslagens krav på lönekartläggning – ett trubbigt verktyg för att minska löneskillnader mellan könen*”) is available at https://www.riksrevisionen.se/rapporter/granskningsrapporter/2019/diskrimineringslagens-krav-pa-lonekartlaggning--ett-trubbigt-verktyg-for-att-minska-loneskillnader-mellan-konen.html.

[5] The Ministry of Social Affairs and Health report based on this survey (“*Työpaikkojen tasa-arvosuunnitelmat ja palkkakartoitukset 2020*”) is available at https://julkaisut.valtioneuvosto.fi/handle/10024/162520.

[6] For Canada and Chile this refers to segments of the private sector: federally regulated employees in Canada, and certain financial sector workers in Chile.

[7] On the Egapro website (https://egapro.travail.gouv.fr/consulter-index/) it is possible to consult gender pay gap information for all French companies that need to report. This information includes the overall index score and scores for the individual indicators.

[8] All employers in Spain, regardless of size, are obliged to keep a register with the average values of salaries, salary supplements and non-wage payments of its staff, broken down by sex and distributed by professional groups, professional categories, or jobs of equal or equal value. Employees have the right to access, through the legal representation of workers in the company, the wage register of their company. These registries are not available to the general public.

[9] Canada’s pay reporting regulation is two-fold, pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[10] The Structure of Earnings survey provides detailed information about the earnings of employees in the labour market disaggregated by level of education, occupation, region, industry, gender and age. The structural statistics on earnings form part of Statistics Denmark’s coherent statistical system for earnings and labour costs. Employees in the public sector, in corporations and in organisations are covered. More information is available at https://www.dst.dk/en/Statistik/dokumentation/documentationofstatistics/structure-of-earnings.

[11] *Base de données économiques, sociales et environnementales* (BDESE), i.e. the economic, social and environmental database, gathers all the information necessary for the consultations and recurrent information that the employer makes available to the worker representatives in the *Commitée Sociale et Economique*, i.e. the Social and Economic Committee (CSE).

[12] 2023 legislation now requires the Workplace Gender Equality Agency to also publish employer gender pay gaps. This will begin in 2024, however, the Workplace Gender Equality Agency will also continue to publish these aggregate gender pay gaps.

[13] The treatment groups were exposed to the following interventions: 1) the gender pay gap (GPG) presented as percentage and visually in a bar chart; 2) identical to 1st but with benchmarking (against other companies) information; 3) identical to 2, but GPG presented in terms of money and visually as coins; 4) GPG presented as percentages in the type of the UK Energy Performance Certificate. The control group only saw the percentage difference GPG.

# 6 A closer look at compliance: Incentives and penalties in enforcing gender pay gap reporting

Most OECD countries have some degree of monitoring of firms' compliance with gender pay gap reporting rules, although practices differ widely. In general, countries that embed pay reporting within equal pay auditing systems tend to have more comprehensive methods of monitoring compliance. Financial penalties are commonly listed as a tool to enforce compliance, but potential fine amounts are often small and fines rarely issued. Other strategies for compliance include more commonly used "name and shame" procedures and equal pay certificates.

## Key findings

- Most OECD countries with gender pay gap reporting schemes in the private sector have established government agencies for monitoring purposes (17 out of 21 countries). The specific institutional authority responsible for monitoring varies across countries, with many assigning oversight authority to a gender equality agency, government ombudsman, or incorporating these responsibilities into the inspection duties of a labour ministry.
- In cases where formal inspections are lacking, monitoring firm compliance often relies on employees and their representatives holding companies accountable by filing complaints or signalling non-compliance – which can be a high bar, in practice.
- A significant majority of countries with government monitoring have mechanisms in place that allow the issuance of penalties on non-compliant employers (15 out of 19).
- Financial penalties are the most commonly reported option for enforcing pay reporting rules and can be applied in at least 13 countries. The potential cost of non-compliance varies considerably, ranging from a minimum fine of EUR 25 in Belgium to unlimited fines in the United Kingdom. However, it is worth noting that fines are very rarely issued.
- Non-compliance may also result in non-financial consequences such as reputational risk, which can occur through "name and shame" policies, action plans or equal pay audits. Avoiding bad publicity and reputational damage can act as an additional incentive for employers to comply.
- Certifications for employers who strongly promote gender equality in their organisations can incentivise employers to analyse and correct gender pay gaps. Such certifications are a recent phenomenon in pay transparency legislation, and only a handful of countries provide or will provide them. A risk with providing certifications is that they may be mistakenly viewed as a "permanent" good performer status and may lead employers to become complacent.
- Social dialogue between employers and worker representatives is identified by governments as an important potential avenue for change. Workers and their representatives can effectively act as de facto enforcers of gender pay gap reporting rules. Therefore actively engaging them in the design and regulatory enforcement efforts related to gender pay gap reporting may be beneficial.
- ***Policy takeaway***: Improve the enforcement of pay gap reporting rules by improving monitoring mechanisms and implementing stronger sanctions. This helps to ensure that relevant employers participate in pay reporting, provide the correct data, and share results appropriately. Currently, very few countries have systematic compliance mechanisms in place, and sanctions are generally weak. Labour inspectorates may be well-placed to monitor compliance and impose sanctions for non-compliance with pay gap reporting. Government ombudsmen or contact points for workers can also be effective but require more involvement from individual employees and their representatives.

Do firms comply with gender pay gap reporting rules if there is no enforcement of the rules? Not always. Weak enforcement of pay reporting rules is identified by OECD governments as one of the key barriers to effective company pay reporting (OECD, 2021[1]). Compliance drastically decreases in the absence of a government organisation that supervises pay reporting, commonly known as a monitoring body (OECD, 2021[1]). Moreover, even in cases where a monitoring body exists, the quality of such monitoring matters – weak enforcement mechanisms will likely have little effect on firms' compliance (Cowper-Coles et al., 2021[2]).

Although most OECD countries with pay reporting schemes have some degree of monitoring, responses indicate that many countries do not regularly or thoroughly monitor compliance (see Section 6.1).

For efficient observation and enforcement of compliance, the monitoring body should be well-funded and dedicated to its task. Generally, the responsibilities of a monitoring body include collecting or receiving gender-disaggregated pay statistics, reviewing reports on equal pay audits (or "joint pay assessments" in EU parlance) submitted by employers, identifying non-compliant firms, and taking appropriate action against non-compliance with pay reporting rules.

Monitoring bodies can also have broader responsibilities. For example, under the EU Pay Transparency Directive (Article 29[3]),[1] Member States are required to ensure that the following tasks are fulfilled by a monitoring body, though it does not specify where this monitoring body should be seated:

> *(a) raising awareness among public and private undertakings and organisations, the social partners and the public to promote the principle of equal pay and the right to pay transparency, including by addressing intersectional discrimination in relation to equal pay for equal work or work of equal value;*
>
> *(b) analysing the causes of the gender pay gap and devising tools to help assess pay inequalities, making use, in particular, of the analytical work and tools of the EIGE;*
>
> *(c) collecting data received from employers pursuant to Article 9(7), and promptly publishing the data referred to in Article 9(1), points (a) to (e), in an easily accessible and user-friendly manner that allows comparison between employers, sectors and regions of the Member State concerned, and ensuring that the data from the previous four years is accessible if available;*
>
> *(d) collecting the joint pay assessment reports pursuant to Article 10(3);*
>
> *(e) aggregating data on the number and types of pay discrimination complaints brought before the competent authorities, including equality bodies, and claims brought before the national courts.*

While government authority to impose sanctions and penalties can help ensure compliance, compliance may also be encouraged through incentives. Equal pay certifications, for example, could serve as a valuable tool. These certifications require employers to analyse their pay practices, as well as identify and address any pay disparities. As such, certifications provide an official recognition that an employer has taken proactive steps to ensure pay equity among their employees. The risk with providing certifications is that they may be mistakenly viewed as a "permanent" good performer status and may lead employers to become complacent. These and other incentives are discussed in Section 6.5.

Importantly, even when government involvement is limited, compliance can be ensured through the active engagement of workers and their representatives. These stakeholders should have a vested interest in holding employers accountable for pay gaps (Section 6.4).

## 6.1. Who monitors compliance with reporting requirements?

A majority of countries with pay reporting schemes have some degree of monitoring conducted by a government agency, although practices vary widely across countries (see Table 6.1). In several countries such as Australia, Austria, Finland, Iceland, Italy, Norway, Portugal, Sweden, and the United Kingdom, oversight authority is given to a **gender equality agency or government ombudsman**. Other countries incorporate pay reporting monitoring within the **inspection duties of a labour ministry**, as seen in Belgium, Canada under the Employment Equity Act, France, Italy, Japan, Korea, Portugal, and Spain.

Generally, **countries that embed pay reporting within equal pay auditing systems tend to have more comprehensive methods of monitoring compliance**, often involving dedicated government actors. This is because follow-up action is often a necessary component of an equal pay audit process (see Chapter 4).

Some countries report little to no government monitoring of firms. For example, Finland and Sweden rely on unions instead for holding employees accountable. Others, such as Lithuania and Switzerland, place primary responsibility on employers themselves (or their representatives). However, in these countries the

government provides statistical resources to employers. The Lithuanian social security administration calculates aggregate wage gaps *for* firms, ensuring that basic gender pay gap analysis always takes place (see Chapter 7).

Countries with more rigorous monitoring practices typically have penalties on the books to ensure compliance. This includes Australia, Belgium, Canada, Denmark, Finland, France, Iceland, Italy, Japan, Korea, Norway (for pay reporting but not equal pay audits), Portugal, Spain, Sweden, and the United Kingdom. In some countries, failure to comply does not directly result in penalties; instead, employers may face potential court proceedings and associated legal damages through the justice system. This is the case in Austria and the United Kingdom, as well as in countries where the court system helps to enforce compliance.

Enforcement of pay gap reporting (and follow-up action) can be carried out by workers and their representatives. Enforcement of equal pay legislation, particularly when unfair pay practices are exposed, often occurs through a judicial process where workers or their representatives can pursue a claim. While these rights exist in theory, legal proceedings can be lengthy, costly and complex in practice. Many employees may be unaware of their rights or hesitant to file a complaint due to fear of retaliation or stigma. Additionally, some employers may exploit legal loopholes or engage in subtle forms of discrimination that are difficult to detect or prove. The efficiency of courts to enforce compliance with such legislation is therefore often a challenge.[2]

### Table 6.1. Government monitoring bodies and enforcement mechanisms

Description of which government actors monitor pay reporting rules and how requirements are enforced, including whether penalties are issued for non-compliance, 2022

| Country | Monitoring bodies and enforcement | Penalties (Y/N) |
|---|---|---|
| Austria | If a company of more than 150 employees fails to submit the report on pay levels by gender to the works council, said council may pursue their claims by judicial process. If such a council does not exist, individual employees themselves may seek a court order forcing the company to compile and disclose the report. The limitation period expires after three years. | No |
| Australia | The Workplace Gender Equality Agency asks employers to report on which date they shared their data and may review a relevant employer's compliance with the WGE Act by seeking further information from the employer. The WGEA also shares non-confidential employer data with employees, shareholders and other members. | Yes |
| Belgium | The inspectors of the Directorate General for Social Law Control of the FPS Employment are competent to check whether the employer has submitted the report on the wage gap to the participation bodies. | Yes |
| Canada | EEA: The Minister of Labour is responsible for enforcing the obligations of employers to report annually and has the authority to issue a notice of assessment of a monetary penalty for a violation of reporting requirements by employers.<br>PEA: The Pay Equity Commissioner is responsible for administering and enforcing the PEA and supporting regulations. In circumstances of non-compliance the Commissioner may carry out an investigation or audit, or order that the employer carry out an internal audit. Based on the results of the investigation or audit, the Commissioner may order certain actions be taken, and may issue an administrative monetary penalty for non-compliance. | Yes |
| Chile | Employers must provide the report (yearbook) to the CMF,[1] but there is no information on related measures or possible sanctions. | No |
| Denmark | Courts enforce the reporting rules. | Yes |
| Finland | The Ombudsman for Equality enforces the reporting rules through the National Non-Discrimination and Equality Tribunal. | Yes |
| France | Only the obligation to publish the overall score and all the indicators that make up the index may be sanctioned, as may the absence of appropriate and relevant corrective measures following the publication of an index of less than 75 points, and the failure to achieve results at the end of the three-year period. The labour inspectorate is responsible for monitoring compliance with these obligations. | Yes |
| Iceland | The Directorate of Equality enforces the reporting rules. | Yes |
| Ireland | No response. | No response. |

| Country | Monitoring bodies and enforcement | Penalties (Y/N) |
|---|---|---|
| Israel | The Equal Employment Opportunity Commission can request any information on gender pay gaps. The EEOC can request the information by decree. | Yes |
| Italy | National and/or Regional Labour Inspectorate and National and/or Regional Councillor for Equality enforce the reporting rules. | Yes |
| Japan | Minister of the Ministry of Health, Labour, and Welfare and the head of local labour bureaus in each prefecture enforce the reporting rules. | Yes |
| Korea | Ministry of Employment and Labor. | Yes |
| Lithuania | Lithuania's State Social Insurance System (SODRA)[2] gathers salary information from employers and releases anonymised aggregated data to the public. The employer is responsible for computing the employee's wages, including contributions, which allows SODRA to determine the individual's earnings. | Yes |
| Norway | The Equality and Discrimination Ombud follows up on the activity and reporting duties. The ombudsman can, among other things guide and give advice, ask to see statements or documentation, ask the employer to supplement or correct a flawed equality statement, or/and come on a follow-up visit to the business.<br>If the Ombud believes that the business is not complying with its duty, they can lodge a complaint against the employer with the Discrimination Tribunal. The tribunal can order the employer to give an account in accordance with the law, and they can decide on compulsory fines.<br>The Equality and Discrimination Tribunal processes the cases submitted to it. A party, the Ombud or other persons with legal standing may submit a case to the Tribunal. More information on the functioning of the tribunal is found at https://lovdata.no/dokument/NLE/lov/2017-06-16-50?q=act%20relating%20equality%20ombud. | Yes |
| Portugal | The labour inspectorate, i.e. the Authority for Working Conditions (ACT) and the Commission for Equality in Labour and Employment (CITE) enforce the reporting rules. | Yes |
| Spain | The Labour and Social Security Inspectorate supervises compliance with the obligations relating to pay registration, as the responsible body for monitoring compliance with the rules of the social order, as well as for demanding the relevant responsibilities. | Yes |
| Sweden | The Equality Ombudsman enforces the reporting rules. A natural person who has been discriminated against can make a report to the Equality Ombudsman. The Ombudsman can investigate and take the case to court. | Yes |
| Switzerland | There is no monitoring or enforcing of reporting rules. | No |
| United Kingdom | The Equality and Human Rights Commission enforces the reporting rules. | Yes, but there are no direct penalties for non-compliance |

Note: Table 6.1 summarises information regarding the monitoring and enforcement of pay reporting requirements in countries with such requirements in the private and/or public sectors. For more information on the form and application of penalties please refer to Table 6.2.
1. The Financial Market Commission (CMF) is a public service of a technical nature whose main objectives are to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public faith. Companies analyse their gender equality, taking remuneration into account, in order to comply with CMF rules.
2. Amendments to Lithuania's State Social Insurance Law entered into force on 4 January 2021, which allow the Social Insurance System to publish company wages differentiated by gender (Article 15, Part 3, Clause 6 of the State Social Insurance Law).
Source: OECD Gender Pay Transparency Questionnaire (GPTQ) 2022 (see Annex A).

## 6.2. Drawing on general economic theories of enforcement

How *should* gender pay gap reporting be enforced? There are likely multiple paths to ensure compliance. In regulatory enforcement, the basic economic argument is simple: the probability and the severity of punishment influence the likelihood of compliance (Becker, 1968[3]). This suggests that regulatory enforcement measures must be designed in a way that makes it more costly for companies to ignore their reporting obligations than to comply with them. By increasing the expected costs of non-compliance, companies are more likely to comply with gender pay gap reporting regulations.

However, enforcement is also costly to the agent(s) tasked with enforcement and to firms subject to enforcement. A well-formulated enforcement strategy should therefore "provide correct incentives for regulated subjects as well as appropriate guidelines for enforcement staff, and minimis[e] both the monitoring effort and costs for the regulated subjects and the public sector" (OECD, 2014[4]).

These considerations often come into play when assessing the enforcement of environmental regulation, for example, and the solution offered is *targeted* enforcement efforts (Friesen, 2003[5]; Shimshack, 2014[6]). In short, enforcement can be made more efficient and effective through targeting enforcement efforts at companies that are most likely to engage in non-compliance.

In line with this principle, the OECD Best Practice Principles for Regulatory Enforcement and Inspection (OECD, 2014[4]) offers general guidance on "risk focus" within enforcement design. In the case of gender pay gap reporting, the risk is non-reporting by firms, which is likely higher in cases where the firms have high known or expected gender inequalities.

> *All enforcement activities should be informed by the analysis of risks. Each activity and business should have their level of risk assessed. Enforcement resources should then be allocated accordingly. Each set of regulations should likewise be given a level of priority commensurate to the risks they are trying to address. Risk should be understood here as the combination of the likelihood of an adverse event (hazard, harm) occurring, and of the potential magnitude of the damage caused (itself combining number of people affected, and severity of the damage for each) (OECD, 2014[4]).*

In this exercise, it may be helpful to assess risks at the aggregate level, as this enables an understanding on the extent of non-reporting in different industries and sectors. In short, it helps highlight problem areas for targeting purposes.

> *Assessing risks and prioritising on their basis does not need to mean complex data-mining methods – not all regulatory fields will have adequate data for this, and not all agencies will have the capacity – nor is it always necessary to use such techniques to achieve real improvements in targeting. In the absence of comprehensive and/or fully reliable data, regulatory enforcement agencies should rely on interpreting what data exists (at least to establish which sectors appear to generate the most damage), using international experience in the same field, as well as senior officers and experts' understanding of the field, to develop a risk-based categorisation of sectors, business types and objects of inspection. Risk focus should not be seen as the opposite of relying on the expertise of enforcement officials, but rather a way to structure and orient such expert knowledge (OECD, 2014[4]).*

At the same time, it is difficult to measure the *effectiveness* of targeted enforcement, as non-compliance rates are not a function of the whole universe of firms – rather, they reflect outcomes in firms selected by the enforcement agency, which may over- or under-represent true values of non-compliance.

**How do these general theories of regulatory enforcement relate to gender pay gap reporting?** In the case of pay reporting, the regulatory literature implies that **it may be more efficient to target companies with a history of non-compliance or those in industries with a history of large gender pay gaps, where non-compliance may be more likely and the risk of harm (to disadvantaged workers) may be higher.** It is also important to take advantage of available data – e.g. statistics on which firms have historically performed pay gap reporting – to identify potential non-compliance.

Importantly, the OECD Best Practice Principles for Regulatory Enforcement and Inspection (OECD, 2014[4]) also note the importance of simulating statistically representative information on compliance by using different indicators. This includes the use of random, statistically representative surveys every few years "to get a reality check [on] business operators' compliance in critical areas." Applied to pay gap reporting, this could take the form of infrequent, random compliance checks on top of more targeted enforcement.

Two other enforcement mechanisms are worth noting in the case of pay transparency compliance. The first is enabling workers or their representatives to notify cases of non-compliance to a monitoring body. This can take different routes. **Either workers can file a formal complaint (in this case there are stricter requirements on who can notify), or they can more simply "signal" when they think a firm is failing to comply (in this case less proof is necessary).** The institutional recipient of these complaints or "signals" could be seated, for example, in an Ombudsman office or a gender equality ministry. While there may not be institutional capacity to respond to every complaint, this provides a mechanism for aggregating

and recording concerns against specific firms and/or industries over time, thus, potentially facilitating targeting efforts.

Aside from formal enforcement mechanisms to ensure compliance with laws and regulations, an important *informal* enforcement mechanism is reputational risk. "Naming and shaming" may be even more powerful than fines, which a firm can internalise financially (OECD, 2014[4]). This strategy could, for instance, be used as an escalation of enforcement in cases of serious compliance issues.

Experimental evidence indicates that individuals' compliance with laws is also influenced by their beliefs about what is socially acceptable behaviour (Acemoglu and Jackson, 2017[7]). This has clear indications for enforcing gender pay gap reporting: the success of such regulations will likely depend not only on the threat of punishment but also on social norms regarding gender equality. If social norms around gender equality are weak or non-existent, then even strict regulations and inspections may not lead to compliance with gender pay gap reporting. To increase compliance, efforts may need to be made to change social norms and beliefs around gender equality and the importance of equal pay through education and awareness-raising campaigns, alongside strict regulatory enforcement measures.

## 6.3. Penalties can be an important tool to enforce compliance

**Financial penalties are the most common option for enforcing pay gap reporting** rules (see Table 6.2 and Subsection 6.3.1). Another frequently reported option public disclosure of the names and/or contact details of non-compliant employers, often referred to as "name and shame". Additionally, non-compliant firms may be required to conduct equal pay audits and, in some cases, develop action plans based on these audits (see Subsection 6.3.2).

The literature on pay transparency emphasises the importance of government agencies having the authority to publicly name businesses that violate the law and impose substantial financial penalties on those intentionally non-compliant (OECD, 2021[1]; Cowper-Coles et al., 2021[2]). However, the extent to which financial penalties are effectively enforced or sufficiently impactful on non-compliant employers remains questionable in many countries.

Australia and Italy offer examples of different standalone penalties. In Australia, cases of non-compliance can be tabled in Parliament. Non-compliant organisations may be disqualified from tendering for certain contracts under Commonwealth procurement frameworks and may become ineligible for certain Commonwealth grants or other financial assistance.

In Italy, if non-compliance persists for more than 12 months, non-compliant employers face a suspension of any contributory benefits enjoyed by the company for a period of one year.

## Table 6.2. Penalties for non-compliance of reporting requirements

Information about the types of penalties used in cases of non-compliance, 2022.

| Country | Financial penalties | Name and shame | Action plans and/or pay audits | Other |
|---|---|---|---|---|
| Australia | No | Yes, non-compliant employers are publicly named on an annual basis. | No | Tabling in Parliament, and non-compliant organisations may not be eligible to tender for some contracts of a specified amount under Commonwealth procurement frameworks and may not be eligible for some Commonwealth grants or other financial help. |
| Belgium | Yes, according to Article 191/1 of the Social Penal Code, the employer who does not communicate the analysis report on the structure of remuneration to the participation bodies every two years is subject to a sanction. The sanction applied is a Level 2 sanction, which consists of either a criminal fine of EUR 50 to EUR 500 or an administrative fine of 25 to EUR 250. | No | No | No |
| Canada | EEA: Yes, the amount of a monetary penalty may not exceed USD 10 000 for a single violation and USD 50 000 for repeated or continued violations.<br>PEA: Regulations related to the issuing of administrative monetary penalties are currently being developed. | EEA: No<br>PEA: Yes, information about non-compliant parties is published in accordance with the PEA and supporting regulations. | EEA: No<br>PEA: Yes, employers may be ordered to carry out an internal audit and to take certain actions depending on the results. | No |
| Denmark | Yes | No | Yes, employers have alternative choice to instead do an internal report on equal pay and create an action plan. | No |
| Finland | Yes | No | No | No |
| France | Yes, a penalty of up to 1% of the company's payroll is provided for in the event of failure to publish in a visible and legible manner the overall score obtained in the Index, as well as each of its component indicators, in the absence of appropriate and relevant corrective measures and in the absence of results at the end of the three-year period allowed (Article L. 2242-8 of the Labour Code – Articles L. 1142-10 and L. 2242-8 of the Labour Code) | No | No | No |
| Iceland | Yes | No | No | No |

| Country | Financial penalties | Name and shame | Action plans and/or pay audits | Other |
|---|---|---|---|---|
| Ireland | No response. | No response. | No response. | No response. |
| Israel | In cases of non-compliance, or if the employer does not provide the data, financial sanction can be imposed. | No | No | No |
| Italy | Yes, in the event of false/incomplete report, pecuniary administrative sanction EUR 1 000-5 000. | No | No | If non-compliance continues for more than 12 months, suspension of any contributory benefits enjoyed by company for one year. |
| Japan | No | Yes | Yes, employers with 301 or more regular workers are required to grasp the status of the wage gap between men and women, and to grasp the situation and analyse issues such as the ratio of female managers, which is the main cause of the gap, and to prepare an action plan that includes numerical targets and a planning period. | No |
| Korea | No | Yes, businesses that are put on the publicised list include<br>(a) Businesses whose ratio of employed female workers or managers by job categories is less than 70% of the average by industry and size three times in a row prior to the date of disclosure of the list, and<br>(b) business owners who failed to comply with the request to implement appropriate measures after submitting their performance results. | Yes, businesses whose figures are below 70% of the average for each sector are to establish an improvement plan and an implementation guidance is provided. | No |
| Lithuania | Yes, fines for non-compliance range from EUR 240 to EUR 280 | No | No | No |
| Norway | Yes, the Tribunal may make an administrative decision to impose a coercive fine to ensure implementation of an order issued if the deadline for complying with the order is breached. The coercive fine shall take the form of a lump-sum coercive fine or an accruing daily fine. The coercive fine begins to run if the deadline for complying with the order is breached and shall normally run until | No | No | The Tribunal may order the stoppage or remediation of an act or other measures necessary to secure the cessation of discrimination, harassment, instructions or retaliation, and to prevent repetition. |

| Country | Financial penalties | Name and shame | Action plans and/or pay audits | Other |
|---|---|---|---|---|
| | the order has been complied with.<br>A decision to impose a coercive fine may be made by a Tribunal chairperson. A party may apply for review of a decision to impose a coercive fine.<br>The Tribunal may reduce or waive an imposed coercive fine when indicated by special reasons.<br>Coercive fines are payable to the State and are collected by the Norwegian National Collection Agency.<br>The ministry may issue regulations containing rules on the size and duration of coercive fines, as well as other provisions on setting and implementation. | | | The Tribunal may set a deadline for compliance with the order. |
| Portugal | Yes, failure to deliver the annual report within the specified period is considered a serious offense, which can lead to fines that may vary between EUR 612 and EUR 9 690.<br>Additionally, the Commission for Equality in Labour and Employment (CITE) can issue biding opinions where it concludes there is evidence of pay discrimination based on sex. | No | Yes, the Authority for Working Conditions notifies the employers who have presented disparities in the Balance of remuneration differences between men and women. Posteriorly, employers have to demonstrate that pay differences do not result from discriminatory practices. | No |
| Spain | Yes | No | No | No |
| Sweden | Yes, if the Equality Ombudsman finds that an employer has failed to fulfil their obligations to work on pay surveys, the employer may be ordered to fulfil them. Such an order is to be combined with a conditional financial penalty and be issued by the Board against Discrimination upon application by the Equality Ombudsman (Chapter 4, section 5 of the Discrimination Act). | No | No | No |
| United Kingdom | Yes, the Equality and Human Rights Commission can take legal action against employers if they refuse to report and this can result in unlimited fines. | Yes | Yes, since 2014 Employment Tribunals are required to order employers to conduct an equal pay audit if they are found to have breached equal pay provisions (exceptions are set out in regulation). The tribunal will determine whether or not an audit complies. If not, it will arrange a hearing to consider the issue | No |

| Country | Financial penalties | Name and shame | Action plans and/or pay audits | Other |
|---|---|---|---|---|
| | | | further. If they fail to comply following a hearing the tribunal can order non-compliant employers to pay a penalty not exceeding GBP 5 000. | |

Note: This table summarises the types of penalties used in countries with such enforcement of non-compliance of reporting requirements.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022 (see Annex A).

### *6.3.1. Financial penalties are the most common option for enforcing pay reporting rules*

In most cases, **non-compliance refers to the failure to publish the gender pay gap report** or communicate the results to the appropriate bodies within the specified period (as is the case in Belgium, Canada, France, and Portugal).

Financial penalties are the predominant enforcement mechanism in the majority of countries where pay reporting rules are in place. This is the case in Belgium, Canada, Denmark, Finland, France, Iceland, Italy, Lithuania, Norway, Portugal, Spain, Sweden, and the United Kingdom.

France's legislation goes beyond penalties for failure to publish the overall Professional Equity Index[3] score and its component indicators. It also allows financial penalties for employers who fail to develop appropriate and relevant corrective measures and achieve concrete results within a three-year period. In Canada and Italy, fines can be imposed if a pay report contains incomplete information or knowingly false and misleading data.

In Norway, the Equality and Discrimination Tribunal holds the authority to take action against discriminatory acts. They have the power to order remediation measures and other necessary actions to prevent discrimination, harassment, instructions, or retaliation. In cases where the deadline for complying with an order is breached, the Tribunal may impose an administrative decision to enforce compliance, typically in the form of a coercive fine.

This coercive fine can be either a lump-sum payment or an accruing daily fine. It becomes effective when the deadline for complying with the order has been missed and generally continues until the order has been fully implemented. If a party disagrees with the decision to impose a coercive fine, they have the option to request a review. In certain circumstances, the Tribunal may reduce or even waive the imposed fine based on special reasons.

Since the strengthening of the law in 2020, the Discrimination Tribunal in Norway has not yet resorted to financial penalties as a means to ensure compliance with reporting requirements. The first case appealing for such measures was brought to the Tribunal in March 2023, and as of now, the complaint has not been processed.

While Denmark does not provide detailed information on their enforcement mechanism, they report that employees who have experienced infringements on their right to equal pay and made a complaint to either the Board of Equal Treatment, industrial arbitration or national courts are rewarded compensation equivalent to the pay they should have received had the equal pay principle not been violated.

#### *There is considerable variation in the potential cost of non-compliance*

**Potential fine amounts can range from a minimum of EUR 25 in Belgium to unlimited fines in the United Kingdom**. "Administrative" offenses in Belgium can receive fines up to EUR 250, and criminal offenses can be fined between EUR 50 and EUR 500. Lithuania also has relatively small fines, ranging from EUR 140 to EUR 280. In practice, these fines are so small that they are unlikely to impact bigger businesses and, as such, have disproportionate impact on SMEs. Italy and Portugal represent a middle ground with potential fine amounts ranging between EUR 1 000 and EUR 5 000, and EUR 612 and EUR 9 690, respectively.

The largest potential fixed fine amounts can be found in the United Kingdom (unlimited fines possible, if rarely enforced) and Canada, under the Employment Equity Act. Canada's Department of Employment and Social Development Labour Programme has the authority to issue a notice of a monetary penalty of up to USD 10 000 for a single violation and to USD 50 000 for repeated or continued violations.

France has taken a slightly different approach and has **linked the maximum fine amount to the company payroll**: a penalty of up to 1% of the company's payroll is possible in the event of non-compliance. This

approach is beneficial in that in treats larger and smaller firms more equally and can potentially amount to larger fines, nevertheless, it is still questionable whether fines this size will significantly influence the behaviour of larger companies. The remaining countries provide no general detail on fine amounts in their responses to GPTQ.

### *Financial penalties are rarely if ever issued*

The discussion above highlights the potential of financial penalties to promote compliance with reporting requirements, particularly in countries where significant sums can be imposed as fines. However, **many countries with pay reporting systems state that penalties are infrequently imposed and carried out**.

Canada (under the Pay Equity Act), Denmark, Italy, and the United Kingdom are among the countries reporting that financial penalties have *never been issued*. In Canada (under the Employment Equity Act) the last penalties were issued in 1991.

In Sweden, in 2016, Försvarsförbundet[4] (the Swedish Union of Defence Employees) brought a case against the Swedish Armed Forces (the employer) for not having fulfilled their obligation to conduct an equal pay audit since 2008. Deciding in favour of Försvarsförbundet, the Anti-Discrimination Board ordered the employer to fulfil their obligations within four months of the decision or pay a penalty of SEK 2000 000 (about EUR 176 000). The obligations to be fulfilled included:

1. Conducting a central exercise of identifying and categorising work as equal and of equal value across sub-departments, according to a common standard,
2. Centrally analysing whether there is objective cause for pay differences between women and men performing equal work (i.e. not directly or indirectly related to gender),
3. Conducting a central exercise of identifying groups of workers undertaking work that is, or is typically viewed as, female-dominated and groups of workers undertaking work of equal value but that is not, or is not typically viewed as, female-dominated, and
4. Centrally analysing whether there is objective cause for any potential pay differences between groups of workers in female-dominated and non-female-dominated groups performing work of equal value are (i.e. not directly or indirectly related to gender).

Some countries, such as Belgium, Finland, Norway, Portugal, and Spain, do not even collect data on compliance, as reported in OECD GPTQ 2022. Iceland also states that penalties have not been enforced yet due to ongoing implementation of Equal Pay Standard and Equal Pay Certification, which were introduced in 2018 and 2020.

France again stands out as an exception to this pattern of relaxed oversight. The French Labour Inspectorate actively enforces pay auditing processes and imposes financial penalties on companies that fail to publish the Index or take corrective measures. The obstruction of the functioning of the Social and Economic Committee (CSE) can also lead to criminal proceedings initiated by the Labour Inspectorate or worker representatives. Although France has observed an improvement in the response rate from companies, the Index score has remained stable at 86, indicating only limited improvement in pay equity. See more on French enforcement in Box 6.1.

Interestingly, limited evidence indicates that the potential of financial penalties can act as an incentive for compliance. As a result of the introduction of fines in Spain, employers – now aware of the potential of greater enforcement – have more frequently engaged with trade union requests for equality plan negotiations. The perception is that negotiations for equality plans have increased significantly, by about 40% (Cowper-Coles et al., 2021[2]).

### Box 6.1. Country highlight: France

The French Labour Inspectorate is strongly mobilised on the subject of equal pay, and the French pay auditing process has teeth. As of 17 July 2022 (GPTQ, 2022), and since 2019, it has carried out over 37 000 interventions on professional equality and issued 635 formal notices relating to the Index, which have resulted in 42 companies sanctioned for failure to publish the Index or failure to take adequate and relevant corrective measures following the publication of an Index below 75 points. These figures represent increases of 19'500, 341, and 31, respectively, since the last stocktaking. Nevertheless, even the French system has received criticism in the media for infrequent penalties (Terriennes, 2021[8]).

In France, a penalty of up to 1% of the company's payroll can be imposed if an employer does not publish the overall score and all of the indicators making up the index, if they do not implement adequate and relevant corrective measures following the publication of an index of less than 75 points, and if they fail to achieve results at the end of the three-year period.

While there is no specific sanction for not providing the workers' representatives (the Social and Economic Committee, or *Comité Social et Économique* (CSE)) with the results of the pay survey or for not informing the CSE when the indicators have not been calculated, the obstruction of the functioning of the CSE can be raised against the employer. The notion of obstruction is broad and diversified: it may include any actions aimed at preventing the setting up or the good functioning of the body, or the omission of a compulsory formality. The offence of obstruction can be recorded by the labour inspectorate. The institutions representing personnel, or the trade union organisations concerned by the official report may, if necessary, file a civil suit. Criminal proceedings may be initiated by the Labour Inspectorate or by the worker representatives themselves. The worker representatives may also file a complaint.

France stands out from other countries in that it not only collects data on how companies comply with certain standards, but also has seen an improvement in the response rate from companies (Ministère du Travail, de l'Emploi et de l'Insertion, 2022[9]). In 2020, the response rate[1] was at 54%, but it increased to 61% in 2021 and has remained steady at 61% in 2022. When looking at the response rates by company size, it appears that larger companies with over 1 000 employees had a higher response rate in 2022 than smaller companies with 50 to 250 employees, with a rate of 85% compared to 53%. On average, companies have maintained a stable Index score of 85 in 2021 and 86 in 2022, indicating that there has been limited improvement in equity thus far.

1. It should be noted that this response rate includes companies that cannot calculate their Index. In France, reporting is set up in such a way that sometimes companies cannot calculate all items of the Index.
Source: OECD GPTQ (2022), unless otherwise cited

### *6.3.2. Non-compliance may also result in "name and shame", follow-up action plans or mandatory equal pay audits*

The **name and shame procedure is the second most commonly reported option for enforcing compliance**. It is employed in Anglo-Saxon countries such as Australia, Canada (under the Pay Equity Act), and the United Kingdom, as well as in Japan and Korea, the two Asian countries with pay reporting rules (See Boxes 3.1 and 3.7 for more information).

**Action plans or pay audits are also relatively common, and often complementary, tools** (Canada under the Pay Equity Act, Denmark, Korea, and the United Kingdom, see also countries with equal pay auditing requirements in Chapter 4). In the United Kingdom, non-compliance often pertains to a failure to

adhere with equal pay provisions rather than with pay transparency requirements. In other words, they could also be considered follow-up measures, which are explored in Chapter 4.

In Denmark, employers have the option to do an internal report on equal pay and create an action plan instead of reporting gender pay information. This is similar to the United Kingdom's regulations, where employers who are found to have breached equal pay provisions by the Employment Tribunals are ordered to conduct equal pay audits. See Chapter 4 for more information on non-mandatory audits and audits other than those required as part of pay reporting.

*Bad publicity and reputational risk can induce compliance*

In Australia, non-compliant employers are publicly named annually. The potential inclusion in this public dataset can serve as a deterrent for employers who might consider non-compliance. Additionally, legislation passed in March 2023 now requires the Workplace Gender Equality Agency to publish employer gender pay gaps. This will begin in 2024.

In the United Kingdom, where gender pay gaps are publicly shared, there is significant public pressure and reputational risk, which strongly incentivise employers to report their data and take steps to reduce gaps. In the first two years of reporting, for example, there was a 100% compliance rate (GPTQ, 2022). The country's media also play a role in ensuring that poorly performing firms face substantial reputational damage and financial consequences when their results are made public (Duchini, Simion and Turrell, 2020[10]).

Although Sweden does not require companies to publish their gender pay gap information, bad publicity in media can occur in relation to supervision of the Equality Ombudsman. The Ombudsman can publish the result of the supervision on their website and sometimes makes press releases on their decisions.[5]

*Comprehensive non-financial penalties in Korea*

Korea represents a particularly comprehensive example of the use of various penalties other than fines. According to the nation's regulations, non-compliant businesses are published in a yearly list. Such businesses include those: (a) whose ratio of employed female workers or managers by job categories is less than 70% of the average by industry and size three times in a row prior to the date of disclosure of the list, and those (b) who failed to comply with the request to implement appropriate measures after submitting their performance results. Beyond this, businesses whose figures are below 70% of the average for each sector are required to establish an improvement plan, for which an implementation guidance is provided.

## 6.4. Social dialogue between employers and worker representatives are an important potential avenue for change

Workers and worker representatives can play an important role as de facto enforcers of gender pay gap reporting rules. Through collective action and advocacy, they can raise awareness of pay disparities and advocate for greater transparency and accountability in pay practices, and can address gender-based discrimination in hiring, promotion, and compensation. Worker representatives can also push for policies that promote gender equality in the workplace. Their active engagement in regulatory enforcement efforts related to gender pay gap reporting – such as direct communication with employers or with government ombudsman – can be highly beneficial.

Responses to a survey on worker and employer representatives indicate that this communication avenue is commonly used and can be a fruitful catalyst for change. In nearly all countries worker representatives report being consulted by employers "frequently" or "sometimes" and only three countries (Austria, Canada and Italy) indicated that to their knowledge this had never happened.[6] From employer representatives, all

reported that consultations happened “sometimes” or “frequently”, no employer representative selected “never” (ILO, 2022[11]).

However, only a limited number of countries emphasise social dialogue in the fight against the gender pay gap. For instance, as of 2021, only nine OECD countries promoted equal pay considerations in collective bargaining (OECD, 2021[1]). However, many countries report that although such social dialogue is not explicitly promoted, pay equity is still commonly covered in collective bargaining (OECD, 2021[1]).

The Belgian response to the GPTQ (2022) highlights the significance of social dialogue within companies for compliance with pay gap reporting. Employee representatives can remind employers to submit the pay gap report. In fact, the report is not only submitted to the participation body, but it is mandatory to discuss the report within three months of the end of the financial year, ensuring that the wage gap remains a topic for social consultation.

## 6.5. Other incentives for pay reporting

Countries employ various incentive mechanisms to encourage pay reporting and improvements in the gender wage gap, in addition to or instead of penalties. One notable approach is the implementation of equal pay certifications, which is a recent development in pay transparency legislation (see Subsection 6.5.1). These certifications aim to recognise and reward employers who demonstrate compliance with equal pay standards.

Another commonly reported incentive mechanism is providing relevant employers with clear communication, guidance and encouragement to report (Chapter 5). In Norway, for example, the Ombud plays a role in assisting employers by preparing a joint compliance strategy, offering support with reporting, and planning follow-up visits (OECD GPTQ, 2022). This support helps employers navigate the reporting process and ensures their understanding of the requirements.

Digital tools are also recognised as facilitators of reporting and monitoring. When countries equip employers with digital tools, the overall reporting process becomes simplified, and administrative costs for employers are significantly reduced (for more information, refer to Chapter 7). Governments can offer online pay reporting portals or implement automated data collection and analysis systems, making it easier for employers to submit accurate information and allowing for efficient monitoring of pay gaps.

By providing incentives such as equal pay certifications, guidance and support for reporting, and digital tools to streamline the process, countries aim to promote greater participation in pay reporting and facilitate improvements in addressing the gender wage gap. These incentive mechanisms help create a more favourable environment for employers to engage in transparent reporting and take proactive steps towards achieving pay equity.

### *6.5.1. Certifications, a recent phenomenon in pay transparency legislation*

While company certifications are not a novel approach, *equal pay* certifications are a recent phenomenon in pay transparency legislation. Where financial penalties are the “stick” of enforcing pay reporting rules, certifications represent the “carrot”.

However, the effectiveness of these certifications in inducing compliance and reducing of gender pay gaps has not been well-researched. Some experts suggest that when certifications establish minimum standards or “pass marks”, the businesses that meet those standards may grow complacent even if gender inequalities persist (Cowper-Coles et al., 2021[2]).

It is worth noting that existing certifications often address workplace gender inequality as a whole, rather than solely focusing on equal pay only. This is in line with the common understanding that gender pay gap reporting should be viewed, by governments and employers, as one component of a larger support

package to combat gender inequality in the workplace (and beyond) (OECD, 2021[1]; Cowper-Coles et al., 2021[2]).

A first example is **Iceland's Equal Pay Certificate**,[7] introduced in 2018. The Certification consists of a written statement from the certifying body, confirming that the equal pay system and its implementation meet the requirements of the Equal Pay Standard (ÍST 85:2012) as listed in Article 1c of that standard (Iceland's Directorate of Equality, n.d.[12]). More generally, the aim of the certificate is to uphold current equal pay laws and to abolish gender-based pay disparities. By putting this norm into practice, businesses and institutions can create a management structure that guarantees pay-related proceedings and decisions are based on objective analysis and without gender discrimination (Iceland's Directorate of Equality, n.d.[12]).

**Portugal's Equality Platform and Standard**, was prepared by the Technical Commission for Standardisation CT 216 "Wage Equality between Women and Men", whose co-ordination is ensured by the National Standardisation Organism (*Instituto Português da Qualidade*, I.P.) under the "Equality Platform and Standard project". This project, funded by the Programme Work-life Balance and Gender Equality of EEA Grants 2014-21, includes developing mechanisms to combat gender inequalities in the labour market and constructing a digital platform to monitor the implementation of public policies within the scope of the Agenda for Equality in the Labour Market and in Companies. Also, at the end of 2022, Portugal created a distinction, **"**Company that Promotes Equal Pay between Women and Men", for companies that with good practices in promoting equal pay between women and men for equal work or work of equal value.

**In Italy, the Equal Opportunities Certification**[8] came into force in December 2022. Its objective is to certify at least 800 small and medium-sized enterprises by June 2026. The certification criteria include ensuring sufficient opportunities for women, guaranteeing equal pay for equal work, setting up management policies for gender diversity, and offering maternity protection (Italian Government, n.d.[13]). Businesses that have been granted a certification for gender equality can qualify for a waiver from paying a portion of their overall social security contributions made by the employer (European Commission, 2023[14]).

### *Gender equality certificates outside of pay reporting schemes*

Costa Rica's INAMU Gender Equality Seal Programme[9] serves as an example of an institutional programme that collaborates with the private sector to implement actions aimed at closing the gender gaps and ensuring gender equality in labour relations. INAMU employs various forms of technical assistance, including free teaching tools, training processes and bilateral consultations, to implement the methodology of the National Gender Equality Standard together with companies. The methodology contains the following steps: i) decision and commitment of senior management; ii) planning of the process through the diagnosis of gender gaps, the gender equality policy and its action plan; and iii) areas of action such as human resource management, comprehensive health, social co-responsibility for care and the working environment.

In Mexico, the Ministry of Labour and Social Welfare, the National Institute for Women, and the National Council to Prevent Discrimination promote the voluntary adoption of the Mexican Standard (NMX-R-025-SCFI-2015) on Labour Equality and Non-Discrimination.[10] The Ministry of Labour and Social Welfare is also developing the Accreditation System for Good Labour Practices and Decent Work. These mechanisms seek to ensure equal opportunities between women and men, non-discrimination, prevention and punishment of workplace violence, and conciliation between work and personal life. Compliance with the Mexican Standard regarding labour equality and non-discrimination allows companies to receive a certification, but it is not mandatory.

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## Notes

[1] The European Union Pay Transparency Directive is available at https://www.europarl.europa.eu/doceo/document/TA-9-2023-0091_EN.html#title2.

[2] See Chapter 1, Box 1.2., *Pay transparency helps, but employees still bear the burden of rectifying pay inequity for a broader discussion.*

[3] *Index de l'égalité professionnelle*, more information available at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.

[4] Försvarsförbundet is a Swedish trade union within TCO for employees in the Swedish Armed Forces, FMV, FRA, the Swedish Recruitment Authority, the Swedish Defence University and the Swedish Fortifications Agency.

[5] For an example from the Ombudsman's website, see (in Swedish) https://www.do.se/kunskap-stod-och-vagledning/tvister-domar-och-tillsynsbeslut/arbetsliv/kriminalvarden-brister-i-arbetet-med-lonekartlaggning

[6] The survey was conducted with 97 worker representatives from 15 countries, either at the national or sectoral level. Additionally, it was sent to 17 employers' organisations, and approximately 60 percent of them responded, representing 10 countries.

[7] More information available at https://kvenrettindafelag.is/en/resources/equal-pay-standard/.

[8] *Sistema di certificazione della parità di genere*. More information available at https://italiadomani.gov.it/en/Interventi/investimenti/sistema-di-certificazione-della-parita-di-genere.html.

[9] More information available at https://www.inamu.go.cr/web/inamu/sello-de-igualdad-de-genero1.

[10] More information available at https://www.gob.mx/normalaboral.

# 7 Practical tools to facilitate gender pay gap reporting

For a pay gap reporting system to work, employers must clearly understand the information they need to report. While some countries offer very little guidance about what statistical analysis to perform and how to share the results, an increasing number of governments in the OECD provide employers with digital tools such as gender pay gap calculators and online reporting portals. The use of pre-existing data, too, has appeared as a new frontier in pay transparency – this can allow governments to calculate companies' gender pay gaps with little or no additional administrative burden on employers.

## Key findings

- Pay gap reporting systems are most effective when their requirements are clearly understood by employers. To support employers in analysing and sharing the correct information, many governments have introduced new tools to simplify reporting.
- Governments offer pay reporting support to employers in at least 18 out of the 21 OECD countries with pay reporting requirements in the private sector. In most cases reporting is facilitated by providing detailed guidance like step-by-step guides, checklists, as well as video recordings. Many countries have also designated a contact point in government to answer specific questions.
- At least seven OECD countries provide employers with an online reporting portal, where employers can register and report their pay data. Several countries also provide employers with gender pay gap calculators.
- A few countries use pre-existing data to calculate pay gaps. At least two OECD countries – Lithuania and Portugal – are now using administrative data to carry out pay gap analyses for individual employers across an entire country, eliminating the need for companies to calculate the gender wage gap themselves. Australia has established a task force to explore implementing this approach. And the national statistical office in Denmark uses its Structure of Earnings Survey – with linked employer-employee survey data covering nearly all workers – to estimate within-company wage gaps for affected firms.
- Governments *without* private sector pay reporting requirements are increasingly offering tools to support voluntary gender pay gap analysis, including wage gap calculators and public pay gap registries. These tools can empower employers who are not legally obligated to report and encourage greater transparency.
- **Policy takeaway**: Governments should continue investing in digital tools. These can streamline and simplify pay gap reporting and monitoring processes, ultimately contributing to more accurate and comprehensive gender pay gap analyses. Such tools can include the provision of free wage gap calculators for firms, the use of online portals to submit employee wage data, and taking advantage of gender-disaggregated, linked employer-employee data already held by the government to calculate wage gaps for employers.

## 7.1. How can governments facilitate employers' reporting process?

In most countries with pay gap reporting regimes, governments provide support to firms fulfilling pay reporting requirements (see Table 7.1). This support aims to clarify and enhance firms' understanding of the reporting process. Typically, governments offer written overviews on pay reporting requirements and additional information on compliance. These resources are easily accessible online on government websites.

A recent trend observed in several countries, including Australia, Canada under the Employment Equity Act,[1] France, Iceland, Italy, Korea, Portugal, Sweden, Switzerland, and the United Kingdom, is the adoption of online digital technologies to facilitate the reporting process (see Section 7.1.2). These technological tools, ranging from online reporting portals, gender pay gap calculators or other software, are designed to streamline and simplify the reporting experience for employers.

## Table 7.1. Practical tools provided by governments to facilitate reporting

Tools, including software and calculators, provided by the government to facilitate reporting in countries with private sector gender pay gap reporting requirements.

| Country | Tool(s) |
|---|---|
| Austria | Online-Toolbox at www.einkommensbericht.gv.at offers guidance for each step of the pay gap report. |
| Australia | Online portal to facilitate reporting at https://client-portal.wgea.gov.au/s/ as well as a Knowledge Hub at https://client-portal.wgea.gov.au/s/topiccatalog designed to help employers navigate the reporting process.<br>Website of the Workplace Gender Equality Agency for pay reporting at https://www.wgea.gov.au/reporting-guide offers tools, and resources, including videos and step-by-step guides, and provides a comprehensive overview of reporting requirements.<br>The Agency's staff are also available for individual employer queries that are lodged by phone, e-mail and live chat.<br>For organisations that want to conduct their own gender pay gap analysis, the Workplace Gender Equality Agency provides a Gender Pay Gap calculator for free download at https://www.wgea.gov.au/tools/the-gender-pay-gap-calculator. |
| Belgium | Website of the Federal Public Service Employment explains the obligations of pay reporting relevant for employers at https://emploi.belgique.be/fr/themes/egalite-et-non-discrimination/egalite-femmes-hommes-lecart-salarial#toc_heading_4. On this website employers can find downloadable forms provided for in the Ministerial Order of 25 April 2014 establishing the model to be used as the basis for the analysis report (one for those with 50-100 employees and one for those with 100 or more employees).<br>Employee representatives who sit on the participation bodies are trained on the competences of the body and the obligations of the employer, e.g. in the context of the wage gap. They can remind the employer to do the necessary. |
| Canada | EEA: Online portal to facilitate reporting, the Workplace Equity Information Management System (WEIMS), at https://equity.esdc.gc.ca/sgiemt-weims/emp/WeimsMaintLogin.jsp, it generates employers' annual employment equity report, using their individual employee-level data. WEIMS was developed in 2009 and updated in 2021 to automatically calculate mean and median pay gaps for employers.<br>PEA: Resources, such as videos, to support the implementation of the Act at www.payequitychrc.ca. The Pay Equity Commissioner is also responsible for providing assistance and guidance to workplace parties to help them meet their obligations. |
| Chile | No digital tools are provided by the government to facilitate reporting. |
| Denmark | Statistics Denmark provide gender-segregated pay statistics automatically and free of charge. If a company chooses not to use these statistics they must make their own. More information is available on the government website: https://bm.dk/arbejdsomraader/arbejdsvilkaar/ligestilling/lovgivning-om-ligestilling/ligeloensloven/#:~:text=Ligel%C3%B8nsloven%20forbyder%20l%C3%B8nm%C3%A6ssig%20forskelsbehandling%20p%C3%A5,Ligel%C3%B8nsloven%20er%20fra%201976 |
| Finland | No tools provided by the government. Employers may make use of their own tools or commercial tools. |
| France | Several tools have been deployed from 2019 by the Ministry of Labour to support companies in implementing the Professional Equality Index, such as:<br>- Calculation simulator[1] and a declaration tool are available online at https://index-egapro.travail.gouv.fr, along with frequently asked questions at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.<br>- Provision of an online self-training course (MOOC) for companies as well as in person training sessions to help calculate the Index and design corrective measures if necessary.<br>- A telephone assistance platform.<br>- Designation of "professional equality" referents within the ministry's decentralised departments.<br>- A network of professional equality ambassadors, made up of company directors and HR managers throughout France.<br>In addition, communication actions and mailing campaigns have been organised to encourage employers to comply with these obligations (before each annual publication of the Index, as well as at the time of the implementation of the various support measures mentioned above). For example: information campaign on social networks, press releases, publication of various web contents, sending of information and reminder emails to all the companies concerned, dissemination of information in the Bercy entreprises newsletter, or specific mailing addressed to companies having declared an insufficient Index<br>To help employers in the public sector to build their action plan on professional equality between women and men as provided for by the provisions of the law on the transformation of the civil service, a methodological guide has been developed by the DGAFP. It allows the construction of relevant indicators on gender gaps in pay and promotion, as well as the impact on careers.<br>In addition, there is the DGAFP tool for calculating pay gaps, its instructions for use, as well as a reading grid to better understand the results of the tool. A file is also available to simulate the effect of staff movements, as well as to break down the segregation effect by corps. https://www.fonction-publique.gouv.fr/files/files/carrieres_et_parcours_professionnel/egalite-pro/DESSI-guide-indicateurs-egalite-pro.pdf |
| Iceland | The government provides a job classifications and pay analysing software open for all. |
| Italy | Digital platform, set up and managed by the Ministry of Labour and Social Policies at https://servizi.lavoro.gov.it/Public/login?retUrl=https://servizi.lavoro.gov.it/&App=ServiziHome |
| Israel | The EEOC issued guidelines to employers about the reporting obligation that include explanations and sample reports. |

| Country | Tool(s) |
|---|---|
| Ireland | No response. |
| Japan | Website run by the Ministry of Health, Labour, and Welfare with a database on firms that promote women's participation and advancement available at https://positive-ryouritsu.mhlw.go.jp/positivedb/en_about.html |
| Korea | Companies submit wage data through the government website (https://aa-net.or.kr/) and the government can monitor the submission through the aforementioned website.<br>(1) direct contact number of person in charge in public corporation<br>(2) chatbot-enabled platform to respond employers' needs in real time<br>(3) booklets on how to report<br>(4) video on the website(aa-net) that details how to report |
| Lithuania | No digital tools are provided, but the government gives recommendations for pay reporting. Government additionally calculates firm-level gender wage gap for firms using pre-existing administrative data. |
| New Zealand* | Guidelines for the measurement and analysis of organisational gender pay gaps for all employers, available at https://www.publicservice.govt.nz/system/public-service-people/pay-gaps-and-pay-equity/kia-toipoto/ and at https://stats.govt.nz/methods/organisational-gender-pay-gaps-measurement-and-analysis-guidelines.<br>The Equal Pay Taskforce, based at *Te Kawa Mataaho* Public Service Commission, helps agencies implement *Kia Toipoto*, supports implementation of pay equity in accordance with the Equal Pay Act, and provides guidance, resources, workshops and advice.<br>The Ministry for Women has a "What's my gender pay gap?" tool available at https://women.govt.nz/gpg, which provides information on pay gaps by sector and by some occupations, as well as for other indicators such as pay gaps by region, ethnicity, field of study and age. The tool does not allow for the calculation of pay gaps but provides information from the 2019 Household Labour Force Survey. |
| Norway | Information and support available for the private sector at www.bufdir.no/arp. Available tools include mapping tools available free for everyone in Excel – with calculators and help to define work of equal value, templates for the equality statement and action plans. |
| Portugal | Each firm that submits the Single Report[2] and has access to comparative information (Barometer of Pay Differences between Women and Men[3]) allowing them to position themselves in relation to their sector from a gender pay gap perspective. The Barometer also constitutes a digital tool that facilitates reporting.<br>Guidance is provided on how to interpret information in the Barometer (http://www.gep.mtsss.gov.pt/documents/10182/45673/Como_Interpretar_BdD.pdf/20254ba8-7cfa-4469-ad05-2fa2b23c03ae) and on how to calculate the unadjusted and adjusted gender pay gaps (http://www.gep.mtsss.gov.pt/documents/10182/45673/Como_calcular_GPG_GPG+ajustado.pdf/a3913a9e-624f-44b8-a739-d3a81e73aa5c).<br>Employers also have access to a guide for objective job evaluation, based on common criteria for men and women (https://cite.gov.pt/documents/14333/297943/CITE+-+Guia+de+avalia%C3%A7%C3%A3o+de+diferen%C3%A7as+remunerat%C3%B3rias.pdf/2a55800d-328a-465f-ad63-12853d3da9d6).<br>The Resolution of the Council of Ministers No. 13/2013 announced that an electronic tool would be made available to companies, by the Commission for Equality in Work and Employment. This gave rise, in 2015, to the Gender Pay Gap Calculator (Calculator DSG), which has been upgraded in recent years. The Calculator DSG was accompanied by a second web tool, the Self-Assessment Survey on Equal Pay between Men and Women in Companies. |
| Spain | Tool for pay registries available at https://www.mites.gob.es/es/portada/herramienta_registro_retributivo/index.htm.<br>Technical Guide on pay audits with gender perspective for enterprises, which is available at https://www.igualdadenlaempresa.es/asesoramiento/herramientas-igualdad/home.htm<br>Tool that aims to facilitate the practical job-evaluation and, in this light, helps to close the pay gap, available at https://www.mites.gob.es/es/portada/herramienta_valoracion_puesto/index.htm |
| Sweden | The Equality Ombudsman has guidance on their website at http://e-utbildning.do.se/lonekartlaggning/, which includes a video and an online training. |
| Switzerland | The law requires the federal government to provide a free standard analysis tool for all employers, i.e. the online tool Logib available at https://www.ebg.admin.ch/ebg/en/home/services/logib-triage.html. This offers a very large range of pay (gap) information including the metrics mentioned above. The federal government has made the Logib standard analysis tool available to all employers. The webtool is free, anonymous, secure and easy to use. Logib consists of two modules. Module 1 is based on a statistical method and is therefore particularly well-suited to larger companies with many employees. Smaller enterprises can use the new Module 2. |
| United Kingdom | Employers are provided with a digital service for reporting data at https://www.gov.uk/guidance/report-your-gender-pay-gap-data and a website with guidance at https://www.gov.uk/government/collections/gender-pay-gap-reporting. |

Notes: Table summarises pay reporting tools provided by the government in countries with such requirements in the public and/or private sectors.
*New Zealand's regulations and tools apply only to the public sector.

1. More specifically, the online tool is a tool for entering the statistics needed to calculate the Index (number of employees, average amounts, etc.), however, these statistics are calculated by the company, which must determine which employees fall within the scope of the calculation (according to their type of contract, the length of time they have been with the company, etc.), what their remuneration is, whether they have benefited from increases, promotions, etc.
2. In Portugal, all employers with at least one employee must submit the Single Report (*Relatório Único*) to the Ministry of Labour. This report contains information on the social activity of the company, information on the firm (location, industry, employment, sales, ownership, and legal setting, among other features), and on each of its workers (gender, age, education, skill, occupational category, tenure, wages, hours worked, and more), with the content and deadline for submission regulated by Ministerial Order no. 55/2010, of 21 January. The information contained in the report is included in the *Quadros de Pessoal*, where information about each individual company is available for consultation only by the respective company itself and the labour inspectorate (*Autoridade para as Condicoes do Trabalho* (ACT)), for inspection purposes and preventive activities.
3. For more information on the Portuguese Barometer refer to http://www.gep.mtsss.gov.pt/relatorio-unico#balan%c3%a7o+das+diferen%c3%a7as+remunerat%c3%b3rias.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (OECD GPTQ 2022, see Annex A).

### *7.1.1. Various ways of providing guidance*

Providing guidance on reporting requirements is crucial to ensure that employers understand how to carry out gender pay gap calculations, define equal pay for work of equal value, and design actions to address gender pay gaps and unequal pay (Cowper-Coles et al., 2021[1]). Most countries offer information online (sometimes in downloadable form) on conducting pay analyses and gender pay gap calculations, and some countries provide information on concrete actions that employers can take. This information is available in countries such as Austria, Australia, Belgium, Canada under the Pay Equity Act, New Zealand, Norway, Spain, Sweden, and the United Kingdom.[2]

Guidance is often provided in the form of a step-by-step plan or checklist. For example, the Austrian Income Report Toolbox,[3] accessible online, offers employers detailed instructions on creating, analysing, and communicating pay reports, as well as taking concrete action (Figure 7.1). Norway follows a similar pattern with additional steps for assessing the results of the pay gap analysis.[4] Belgium provides tools like a checklist for ensuring "gender neutrality" in the evaluation and classification of functions for employers.[5]

**Figure 7.1. Austrian Income Report Toolbox**

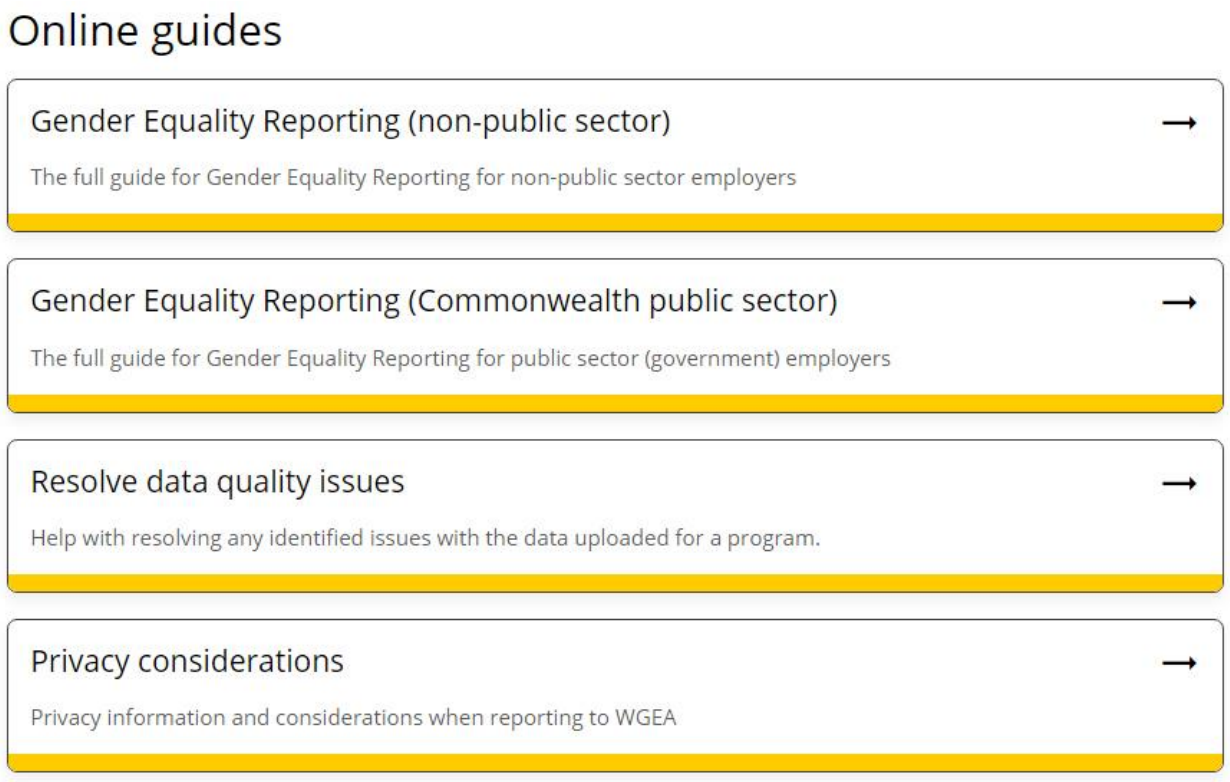

Source: Austrian Income Report Toolbox, available at https://www.einkommensbericht.gv.at/

In many countries, designated **contact points** are available for employer inquiries. For instance, in Australia, the Workplace Gender Equality Agency staff can be contacted by phone, email and live chat. In Canada, the Pay Equity Commissioner provides assistance and guidance to workplace parties. France

has “professional equality” referents within the Labour Ministry’s decentralised departments. Korea offers a direct contact number of a person in charge in public corporations and a chatbot-enabled platform on the government website to respond to employers’ needs in real time. New Zealand has the Equal Pay Taskforce, based in the *Te Kawa Mataaho* Public Service Commission, supporting pay gap reporting in the public sector and providing guidance, resources, workshops on implementing pay equity in accordance with the Equal Pay Act.

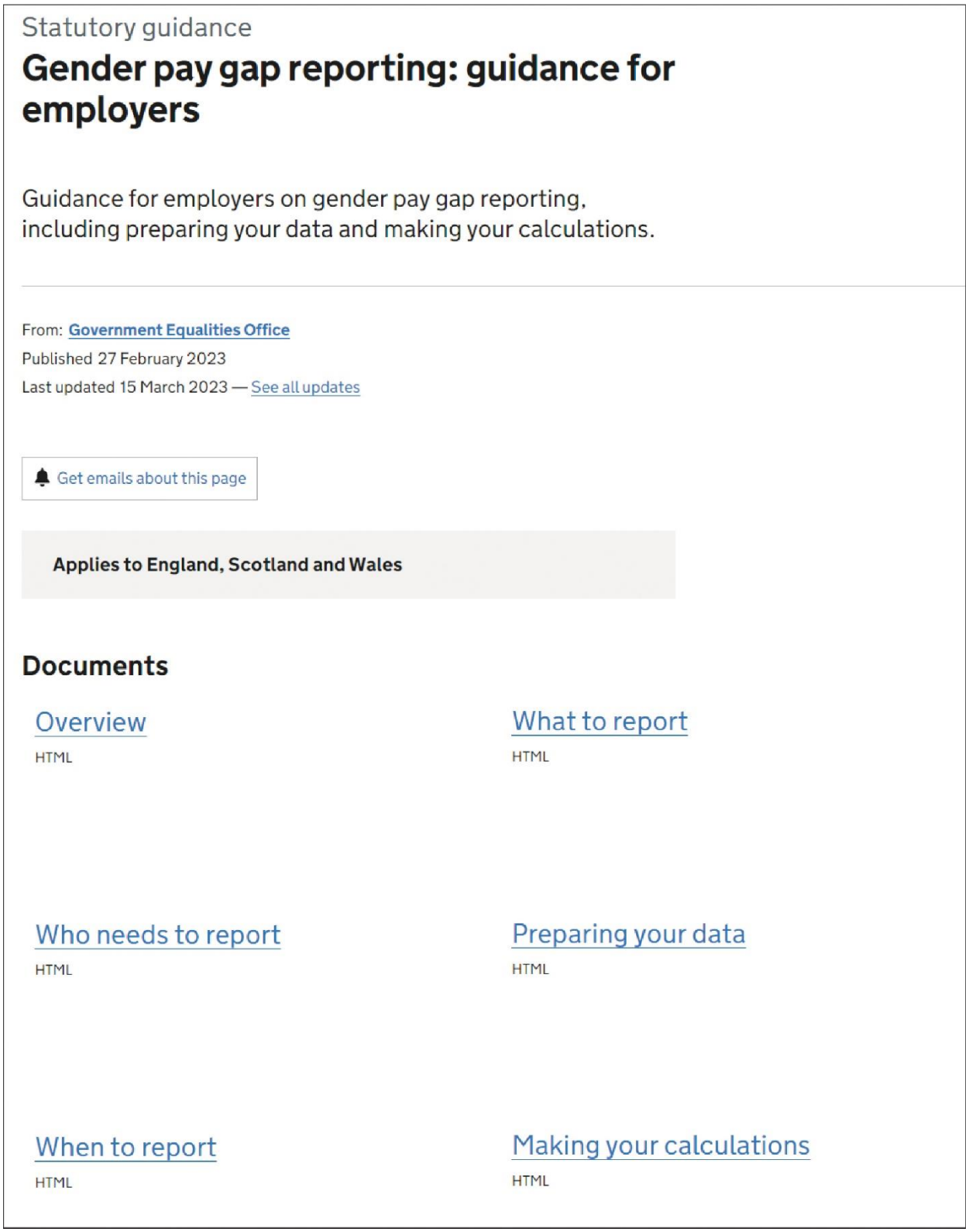
Some countries including Australia (Figure 7.2), New Zealand, and the United Kingdom (Figure 7.3), offer comprehensive and detailed guidance across multiple cross-referenced websites. This approach helps direct employers to the specific information they need. However, for individuals unfamiliar with reporting requirements, these websites may also prove complex and overwhelming due to the vast amount of information available.

### Figure 7.2. Australian Gender Equality Reporting Guide




Source: Employer portal for Gender Equality Reporting in Australia, available at https://www.wgea.gov.au/reporting-guide.

Figure 7.3. United Kingdom's guidance for employers on gender pay gap reporting




Source: Guidance for employers on gender pay gap reporting, the United Kingdom https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers.

**Videos** are effective tools to communicate information, as they are more engaging than long imageless text and may improve knowledge retention. As such, videos have the potential to make complex information easier to interpret. Several pay transparency websites, such as the Australian Workplace Gender Equality Agency,[6] the French Ministry of Labour,[7] the Icelandic Office of Equality,[8] and the Swedish Equality Ombudsman,[9] offer videos. Norway[10] also provides instructional videos covering a wide range of topics, including reporting obligations, equality, and discrimination.

### *7.1.2. Digital tools can streamline and simplify companies' reporting and monitoring processes*

Governments are going beyond written and video guidance to support firms in calculating their own pay gaps by increasingly **offering digital tools to facilitate reporting**. By removing some of the administrative and logistical pressure and resolving some of the "know how" challenges, governments make it easier for employers to comply with reporting requirements. This is particularly advantageous for small businesses with limited resources. This use of digital tools may therefore help extend pay transparency to more workers without burdening employers excessively.

**Digital tools can also establish a standardised framework for data collection standards** within and across firms. This promotes effective monitoring of reporting requirements, facilitates national-level data comparisons, and supports the straightforward dissemination of results.

Several countries, including Australia, Canada (under the Employment Equity Act), France (Figure 7.4), Italy, Korea, Switzerland, and the United Kingdom, provide employers with **online reporting portals**. These portals allow employers can register, calculate and/or report their pay data.

Figure 7.4. Index Egapro, the French online reporting portal


Source: Index Egapro, the French online reporting portal, by Ministère du Travail, du Plein emploi et de l'Insertion, https://egapro.travail.gouv.fr/index-egapro.

In countries like Australia, Canada, and Switzerland, the online portal utilises individual employee-level data to automatically calculate organisation-wide gender pay gap information and to generate employers' gender pay gap report. Some countries, such as Belgium and Spain, rely on downloadable reporting forms available on government websites. Most countries that require reporting to government, including Australia, Canada, France, Italy, Switzerland and the United Kingdom, also mandate the use of an online portal for submitting and/or calculating pay gap statistics.

A handful of countries also provide employers with **gender pay gap calculator** software. For example, Australia[11] and Norway[12] offer downloadable gender pay gap calculators for employers interested in conducting their own gender pay gap analysis. In France both an anonymous calculation simulator as well as a declaration tool are available online.[13] Portugal's Gender Pay Gap Calculator (DSG)[14] has undergone

upgrades in recent years and is accompanied by a second web tool, the Self-Assessment Survey on Equal Pay between Men and Women in Companies.

Less common online tools for employers include France and Sweden's **e-trainings available to relevant employers**. The French training[15] aims to educate employers on how the Professional Equality Index works; to calculate the overall score and indicators of the Index; establish connections with other obligations related to professional equality; and provide access to useful resources for further understanding and improving gender equality. The course is designed to be followed over the course of two weeks with a workload of 1.5 hours per week. In Sweden,[16] the training includes three modules collaboration and co-operation, data collection and analysis, as well as documentation. The training tool also includes a self-assessment to evaluate understanding of the main concepts and tasks.

Iceland's job classification and pay analysing software, Embla,[17] is unique. It is based on the methodology job classification outlined in Annex B of the Equal Pay Standard ÍST85:2012, which sets out two methods of classifying jobs one "paired comparison" and "scoring for each criterion". Embla is based on the second method, allocating 1 000 points (100%) for job classification. It is important to note that companies define the criteria and their weights according to their specific roles and policies.

The United States provides instructions on-line and a portal for submission of information for federal agencies completing the Equal Employment Opportunity Commission (EEOC) MD-715 report. For these reports, which do not include pay data information, the EEOC provides a portal for electronic submission of information, which can be done manually or through up-loads. Even though this is not used for pay gap reporting it is a comparable tool/portal. Extensive instructions[18] also are available to aid covered entities in reporting (GPTQ, 2022).

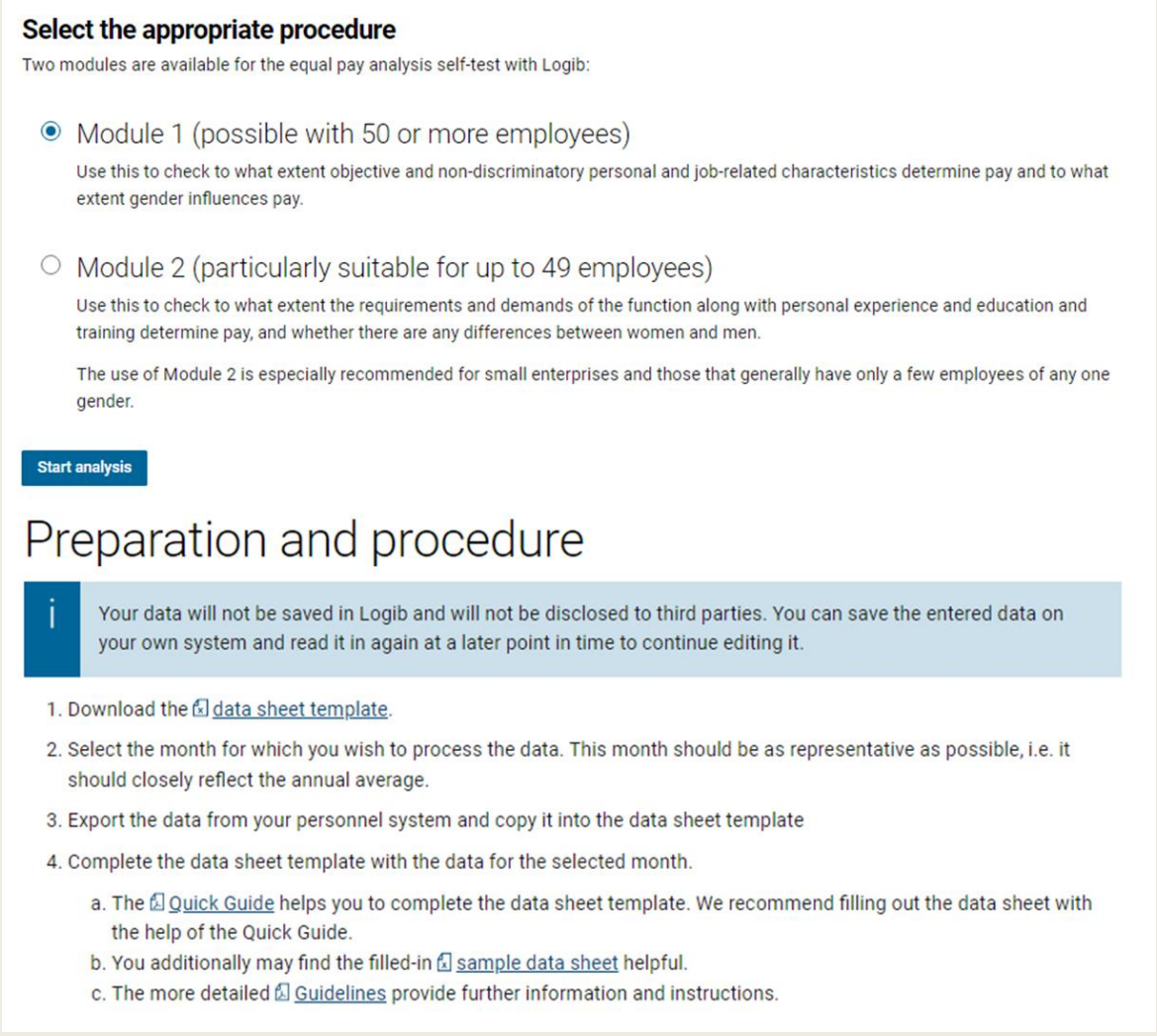
## Box 7.1. The Logib gender pay gap reporting tool

### Switzerland pioneered the Logib tool to calculate pay gaps

Although Switzerland's pay transparency law does not provide explicit instructions on the format and content of the gender pay gap report (refer to Chapter 3), the law does mandate the federal government to offer a free standard analysis tool to all employers: the online tool Logib.[1]

The Logib webtool is accessible at no cost and provides anonymity, security, and user-friendly features. First introduced in 2006 and subsequently modified, Logib offers a comprehensive range of pay (gap) information. Two procedures are available: one tailored for small firms (Module 2) and one for larger ones (Module 1) (Figure 7.5). The process involves employers completing a data sheet template, which the tool then utilises to calculate gender pay gaps and generate a report.

## Figure 7.5. Logib procedure




Source: Switzerland's Logib gender pay gap reporting tool, https://www.logib.admin.ch/home.

**Logib is now being applied elsewhere**

Logib has been applied in other countries, for instance in the Czech Republic, where the Ministry of Labour and Social Affairs runs a project focusing on the promotion of equal pay as part of the government's Strategy for Equality Between Women and Men 2021 – 2030 (see Section 7.4).

Logib has also been labelled "EPIC Good Practice" by the Equal Pay International Coalition, which has shared this resource with members.

Note: For more information on how Logib works, see the dedicated Swiss Government website: https://www.logib.admin.ch/home.
1. The law requires the federal government to provide a free standard analysis tool for all employers, i.e. the online tool Logib available at https://www.ebg.admin.ch/ebg/en/home/services/logib-triage.html. This offers a very large range of pay (gap) information including the metrics mentioned above. The federal government has made the Logib standard analysis tool available to all employers. The webtool is free, anonymous, secure and easy to use. Logib consists of two modules. Module 1 is based on a statistical method and is therefore particularly well-suited to larger companies with many employees. Smaller enterprises can use the new Module 2.
Source: Government of Switzerland Logib website (https://www.logib.admin.ch/home); (EPIC, n.d.[2]).

## 7.2. A new frontier in pay reporting: Using pre-existing survey and administrative data

Reporting portals and gender pay gap calculators have the potential to alleviate the administrative burden placed on employers. Nevertheless, in many cases, collected data *already exist* that can eliminate the need for companies to perform their own calculations entirely.

Government administrative and survey data – such as tax records, social security contribution records, and detailed employer-employee data – offer valuable opportunities for simplifying gender pay gap reporting. In short, **governments can generate gender-disaggregated wage statistics for companies using the individual-level data they have *already* collected.**

Administrative data can enable pay transparency when linking at least three pieces of information: an individual's earnings, their employer,[19] and their gender (information typically held by the employer). Ideally the dataset would also include job category (to enable comparisons) and hours worked by employee (to ensure the inclusion of part-time workers as required by reporting regulations).

This combination of information can allow a central agency – such as a tax authority – to conduct pay gap analyses for individual employers across an entire country, eliminating the need for companies to calculate the gender wage gap themselves.

This approach presents a promising avenue for implementing pay transparency measures while also addressing a major criticism of pay transparency regulations: the administrative burden imposed on employers. Typically, companies are required to calculate the gender wage gap within their organisation internally. In many countries, companies are also required to calculate disaggregated wage gaps, for example by comparing men and women across different job classes or levels of seniority. While claims of excessive burden from the industry are somewhat exaggerated, and the actual costs of conducting pay gap calculations are often low (Procedure 2021/0050(COD), n.d.[3]; Aumayr-Pintar, Christine, 2020[4]; OECD, 2021[5]), there are undoubtedly initial costs and ongoing human resource requirements associated with producing pay gap estimates within a given firm.

Although this strategy is rare, at least two OECD countries are currently using administrative data to calculate gender wage gaps: Lithuania and Portugal. Another OECD country, Australia, has established a task force to explore implementing this approach.

Existing survey data that can link individual workers' wages to their employers can also be used to estimate within-company wage gaps. Denmark's national statistical office, Statistics Denmark, employs this strategy through their national linked employer-employee Structure of Earnings Survey.

### *7.2.1. Lithuania uses data from the State Social Insurance System*

Since 2021, Lithuania's State Social Insurance System (SODRA)[20] has been annually publishing company-level average wages by gender in an online public register of companies (https://rekvizitai.vz.lt/imone/). The website is available in seven languages. Average wages by gender are published for every company with a minimum eight employees, including at least four women and four men. Average wages are based on the income used to calculate social insurance contributions.

Determining workers' gender is simple. All Lithuanian citizens have a personal identity code, and that of men starts with 3 or 5 and that of women with 4 or 6. When employers submit notifications regarding new hires, they also indicate the employee's personal identity code.[21]

Lithuania's approach represents a novel, simple and straightforward tool for presenting aggregate gender wage gaps within companies. The government effectively analyses existing data it already holds and publishes it on their public website. The visual presentation of the gap could be improved; currently, it only displays average wages for women and men without comparing them to, for example, the national averages. Nevertheless, this is an efficient use of data with low administrative costs.

In addition to this new data source for pay transparency, companies in Lithuania with a minimum of 20 employees are also required to calculate and report – to the employee works council or union – the average remuneration of employees by occupation group and gender, excluding managers. This aids individual workers and their representatives in identifying possible drivers of the gender wage gap, such as systematically underpaid occupation groups. Moreover, it increases accountability and understanding of gender inequalities within the organisation.

A common critique of pay transparency remains relevant in the Lithuanian context: the responsibility for addressing and seeking redress for revealed pay inequities still largely falls on individual employees and her representatives. Similar to other OECD countries without an equal pay auditing system (discussed in Chapter 4), there is no formal response or action plan required of employers when a gender wage gap is identified.

### *7.2.2. Denmark's national statistical office calculates wage gaps for firms*

Companies in Denmark with a minimum of 35 employees have an annual requirement to report the gender wage gap in their organisation. However, many companies take advantage of a significant time-saving resource for calculating their wage gap: the technical expertise of the Danish National Statistical Office, Statistics Denmark.

Statistics Denmark is commissioned by the Ministry of Employment to carry out gender wage gap calculations for all eligible firms based on availability of adequate data, including minimum number of male and female workers overall and by job classification. This is an optional service, as employers can choose to perform the analysis themselves, although most opt not to do so.

To estimate the gender wage gap, Statistics Denmark utilises an existing national survey which covers almost all workers in Denmark: the Structure of Earnings Survey.[22] This survey provides linked employer-employee data, primarily derived from payroll systems, ensuring a highly automated data collection. The calculations themselves are also automated, meaning that production is programmed and seldom requires adjustments beyond data quality assurance. Statistics Denmark then shares the calculated gender wage gap results with employers, who, in turn, are obligated to share it to their workers' representatives.[23]

### 7.2.3. Portugal generates statistics from a mandatory annual employment survey

Portugal provides detailed information about the data available for calculating wage gap statistics the annual, longstanding *Quadros de Pessoal* employment survey (OECD GPTQ 2022). Employers provide individual level pay information for each worker in the survey:

> Quadros de Pessoal (QP) *is a mandatory annual employment survey collected by the Portuguese Ministry for Labour, Solidarity, and Social Security, which each firm with at least a single wage earner in the private sector is legally obliged to complete. QP has existed since 1985 and contains information on the firm (location, industry, employment, sales, ownership, and legal setting, among other features), and on each of its workers (gender, age, education, skill, occupational category, tenure, wages, hours worked, and more).*
>
> *The information on earnings is very complete. It includes the monthly base wage (gross pay for normal hours of work), regular and non-regular benefits, and overtime pay, as well as the mechanism of wage bargaining. Information on normal and overtime hours of work is also available. From 1994 and thereafter data reported in QP refer to the month of October of each year. Firms and workers entering the QP dataset are assigned a unique identification number that makes it possible to track firms and workers over time. Also, the worker files include the number of the firm to which each worker is affiliated in a given year, making it possible to match firms and their workers, and to identify each worker-firm pair.*
>
> *The possibility to match workers with their employers, the longitudinal nature of the data, and the long-time span covered, makes QP an appropriate source to empirically evaluate wage persistence effects. Moreover, employer-reported wage information is known to be subject to less measurement error than worker-reported data.*

With these data, the Ministry of Work, Solidarity and Social Security creates a publicly available "Barometer of Pay Differences between Women and Men."[24] This Barometer presents average adjusted gender wage gaps across different firm sizes and sectors. The adjusted gender pay gap used in the Barometer is similar to the factor-weighted gender pay gap used by the ILO, i.e. by "grouping" women and men in homogenous groups according to pre-determined factors, and taking the weighted average of these groups in total population (International Labour Organisation, 2018[6]).

Information about each individual company is available for consultation only by the respective company itself and the labour inspectorate (*Autoridade para as Condicoes do Trabalho* (ACT)), for inspection purposes and preventive activities. Portugal requires companies to report aggregated pay gap information to individual employees and their representatives. However, *individual* employers' results are not publicly disclosed, although the structure of the *Quadros de Pessoal* data suggest this could be possible.

### 7.2.4. Australia is researching digital solutions to ease employer reporting requirements

Australia is also exploring how to use pre-existing data to address gender wage gaps. The first recommendation of the 2021 Australian Review of the Workplace Gender Equality Act 2012 (the Review) aimed to "make it easier for employers to report to Workplace Gender Equality Agency (WGEA) and improve collection and sharing of gender data". The focus was on finding ways to assist employers in extracting data from their own employer systems more easily using digital solutions whenever possible. In October 2022, the Department of the Prime Minister and Cabinet (PMC) and the Australian Bureau of Statistics (ABS) established the Gender Data Steering Group (GDSG) in response to the Review. The GDSG's purpose is to maximise the utilisation of the government's significant data holdings as an evidence base for gender equality policy and contribute to the Gender Indicators Australia (GIA) and the National Strategy to Achieve Gender Equality.

The GDSG comprises representatives from across the Australian Government, such as WGEA, the Australian Taxation Office, and others. It fosters collaboration among government agencies in terms of collecting, sharing, and utilising gender disaggregated and intersectional data.

The use of administrative data would be a significant advancement, considering that Australian companies are currently required to share individual-level remuneration information with WGEA. With the introduction and passing of new legislation, employers will now report hours worked and actual earnings for base salary and total remuneration to WGEA. This eliminates the need for employers to annualise the data themselves, as WGEA will handle that task. WGEA then calculates the "remuneration gap" (which includes non-wage compensation) and provides a scorecard to each company. Compared to processes in other OECD countries, this is a relatively time-intensive administrative. However, there is potential to streamline this process with the proposed use of existing government data.[25]

## 7.3. Non-governmental tools to facilitate pay reporting

An increasing number of **non-governmental resources** are available to support companies interested in gender pay gap analysis, either some provided freely or as part of a for-profit enterprise.

The Confederation of Norwegian Enterprise (NHO) has developed an Excel tool exclusively available to members of the Confederation. This tool assists employers in creating job groups, thus facilitating the comparison of pay for work of equal value. Additionally, the tool includes a report that presents women's average salary as a percentage of the average salary for men in the different job groups and salary types (NHO, n.d.[7]).

In Spain, the Women's Institute (*Instituto de las Mujeres*) under the Ministry of Equality offers an Advisory Service for Equality Plans and Measures. This is an initiative of the Women's Institute promoted within the framework of Organic Law 3/2007, of 22 March for the effective equality of women and men, which aims to achieved effective equality between women and men in the workplace. Co-funded by the European Social Fund, this service is entirely free and provides guidance, tools, methodologies and training to companies in the negotiation, preparation, implementation, monitoring and evaluation of equality plans (Women's Institute, n.d.[8]).

In the United States, several non-governmental organisations provide free gender pay gap calculators, including that of the Pew Research Centre[26] and that of the Boston Women's Workforce Council (BWWC) in collaboration with the Boston Mayor's Office of Women's Advancement (MOWA).[27]

Raður[28] is a for-profit Icelandic consulting company that specialises in assisting companies seeking certification under Iceland's equal pay standard. They guide organisations through the implementation of the equal pay standard and help them meet the conditions of equal pay certification. Raður supports organisations that aim to be leaders in equality issues and actively contributes to the development of solutions that ensure the sustainable operation of equal pay systems. They also provide professional support to managers in this field (Ráður, n.d.[9]).

Gapsquare[29] is a for-profit software company based in the United Kingdom that offers a platform for companies to analyse and manage their gender pay and diversity data. Using advanced algorithms, their platform identifies patterns and provides insights within the data, enabling companies to make informed decisions about diversity and inclusion policies. Additionally, Gapsquare provides consulting services to help companies interpret their data and develop effective strategies for promoting diversity and inclusion.

## 7.4. Government initiatives in countries without private sector pay reporting requirements

Some countries without private sector pay transparency mandates are taking alternative approaches to encourage and support employers in calculating gender pay gaps.

In Estonia, a digital tool called the Pay Mirror[30] is being developed to assist employers in analysing and reporting gender pay gaps in their organisations. The prototype of this tool was created in the framework of the gender wage gap research project REGE in co-operation with Tallinn University and Statistics Estonia. The Ministry of Social Affairs and Statistics Estonia are responsible for further development, and the finalised and published tool is planned for the beginning of 2024. The application will generate an organisation payroll report automatically from the registry data, making it easy and accessible for employers to identify the pay gap in their organisation.

Poland launched the Equality of Wages application[31] in April 2017, which enables companies to estimate differences in employee remuneration easily, taking into account factors such as gender, age, education and other selected characteristics. In other words, the application provides an estimate of the adjusted wage gap. The application is available free of charge on the Ministry's website and supports employers in shaping informed and non-discriminatory payroll policies. From 2017 to 2019, the website with the application recorded over 10 300 visits. By using the application, employers can avoid additional administrative or financial burdens.

In the Czech Republic, the government's Strategy for Equality Between Women and Men 2021 – 2030 encourages the use of the Logib system (Box 7.1) by government agencies and employers for equal pay analyses. Logib is utilised by labour inspectorates for equal pay inspections and by medical facilities of the Ministry of Health. There will also be an incentive for employers to use Logib in European Social Fund projects. The use of Logib and standardisation of pay audits are outputs of the "Equal Pay" project conducted by the Ministry of Labour and Social Affairs. The Action Plan for Equal Pay of Women and Men 2023-26 approved by government in December 2022 includes measures such as recommending the analysis of remuneration systems in state-owned enterprises, contributory organisations and regional authorities using the Logib tool. It also involves developing a strategy for supporting equal pay in public procurement through the utilisation of Logib.

In New Zealand, where pay reporting is only mandatory in the *public* sector, the "Mind the Gap[32]" public pay gap registry encourages pay gap reporting from all private sector businesses. The registry entry features the names of the Board Chair and CEO. It is recommended that all employers of 50 or more people report their pay gaps on Mind the Gap. The registry primarily focuses on inviting large employers to report on the registry (with 160+ invitations sent) for maximum impact. However, small businesses are also welcome to voluntarily report on the registry, and several small to medium-sized businesses have chosen to do so. In general, for organisations with fewer than 50 employees, it is recommended that they undertake pay reviews and work to address the gaps they find (MindTheGap, n.d.[10]).

## References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OECD (2021), *Pay Transparency Tools to Close the Gender Wage Gap*, Gender Equality at Work, OECD Publishing, Paris, https://doi.org/10.1787/eba5b91d-en. [5]

Procedure 2021/0050(COD) (n.d.), "Equal pay for equal work between men and women (pay transparency and enforcement mechanisms)", *European Commission*, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0093. [3]

Ráður (n.d.), *Ráður*, https://radur.is/ (accessed on 21 November 2022). [9]

Women's Institute (n.d.), *Ministry of Equality*, https://www.igualdadenlaempresa.es/asesoramiento/home.htm (accessed on 21 November 2022). [8]

## Notes

[1] Canada's pay reporting regulation is two-fold. Pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally-regulated employers in both the private (10 employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[2] The initiatives listed here are not exhaustive of all efforts in the OECD to support companies in gender pay gap reporting. Some countries may not have reported these efforts in their response to the 2022 Gender Pay Transparency Questionnaire.

[3] Online-Toolbox at www.einkommensbericht.gv.at offers guidance for each step of the pay gap report.

[4] Information and support available for the private sector at https://ny.bufdir.no/fagstotte/produkter/aktivitets__og_redegjorelsesplikt_for_arbeidsgivere/.

[5] Available at https://emploi.belgique.be/fr/actualites/check-list-non-sexisme-et-classification-des-fonctions.

[6] Available at https://www.wgea.gov.au/what-we-do/reporting.

[7] Available at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.

[8] Available (in Icelandic) at https://www.jafnretti.is/is/vinnumarkadur/jafnlaunastadfesting/fraedslumyndbond.

[9] Available on Youtube (in Swedish) at https://youtu.be/Qinhj0ZUHhY.

[10] These videos (in Norwegian) are collected on a playlist on YouTube, available at https://www.youtube.com/playlist?list=PLjpNIfkX49jFS8hPDzqOrvI6Umo7RDFig.

[11] Available at https://www.wgea.gov.au/tools/the-gender-pay-gap-calculator in Excel format.

[12] Available at www.bufdir.no/arp in Excel format.

[13] Available online at https://index-egapro.travail.gouv.fr for relevant employers or in Excel format at https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/indexegapro.

[14] Available at http://calculadora.cite.pt/index.php/welcome/home.

[15] Offered by the *France Université Numérique* and available at https://www.fun-mooc.fr/fr/cours/tout-savoir-sur-lindex-de-legalite-professionnelle-femmes-hommes/.

[16] Available at (in Swedish) https://e-utbildning.do.se/lonekartlaggning/lonekartlaggning/samverkan/index.html.

[17] Available (in Icelandic) at https://www.stjornarradid.is/verkefni/mannrettindi-og-jafnretti/jafnretti/jafnlaunavottun/embla-launagreiningartol/.

[18] See https://www.eeoc.gov/federal-sector/management-directive/instructions-federal-agencies-eeo-md-715.

[19] The government also needs to know the size of the employer, to determine whether they are required to report – but this information should be observable from the dataset in use.

[20] Amendments to Lithuania's State Social Insurance Law entered into force on 4 January 2021, which allow the Social Insurance System to publish company wages differentiated by gender (Article 15, Part 3, Clause 6 of the State Social Insurance Law).

[21] Information gathered during a virtual fact-finding mission with representatives of the Government of Lithuania in the Social Insurance Group, the Equal Opportunities, Equality between Women and Men Group, and Labour Law Unit.

[22] More information available on this survey at https://www.dst.dk/en/Statistik/dokumentation/documentationofstatistics/structure-of-earnings.

[23] Information gathered during a virtual fact-finding mission with representatives of the Government of Denmark in the Ministry of Employment and Statistics Denmark.

[24] Available at http://www.gep.mtsss.gov.pt/trabalho.

[25] Information gathered during a virtual fact-finding mission with representatives of the Government of Australia in the Women's Economic Security Branch at the Department of the Prime Minister and Cabinet and the Australian Government Office for Women.

[26] Available at https://www.pewresearch.org/social-trends/interactives/wage-gap-calculator/.

[27] Available at https://wagegapcalculator.org/.

[28] See https://radur.is/ fore more.

[29] See https://gapsquare.com/ for more.

[30] There is no webpage at the moment about the project, however, some information is available about the prototype in the report of the research project https://www.etag.ee/wp-content/uploads/2022/05/RITA-1-lopparuandne_REGE_projekt_31.03.22_parandatud.pdf (p. 76-80) and on the home page for the research project https://rege.tlu.ee/.

[31] Available at https://www.gov.pl/web/rodzina/aplikacja-do-mierzenia-nierownosci-placowych.

[32] Available at https://www.mindthegap.nz/registry.

# Annex A. OECD follow-up questionnaire on pay reporting rules to promote equal pay

The following questionnaire was distributed in June 2022 to gender, labour, and/or social ministries in every OECD country as a follow-up to the report *Pay Transparency Tools to Close the Gender Wage Gap* (OECD 2021). The following instructions were shared with OECD Member Country Delegates, along with a list of definitions of terms:

The aim of this questionnaire is two-fold. First, we wish to validate the information specifically on pay reporting rules across countries (pre-filled based on country answers received in the previous questionnaire). Secondly, we want to gather new, more specific, information on these rules. This information will be used to establish a gender pay transparency reform database with the purpose of enabling cross-country analysis on the effectiveness of pay reporting rules aimed at closing the gender wage gap.

This questionnaire requests information on the regular reporting by companies on pay levels by gender and more exhaustive pay audit systems aimed at promoting equal pay in your country. If your country does have measures in place in the aforementioned categories, we ask that you validate, i.e. confirm, the information provided in this questionnaire and that you fill in any questions left blank.

The questionnaire is divided into the following sections:

A. Rights to equal pay
B. Information about pay reporting measure(s)
C. Required content in reported pay gap statistics
D. Accountability to workers, workers' representatives and government bodies
E. Enforcement of pay reporting rules
F. Transparency to the public
G. Guidance and help
H. Other reported gender gaps
I. Evaluations of non-pay reporting rules targeting the gender gap
J. Other pay transparency measures

**Country name:**

Response

**Contact person name, email address and phone number:**

Response

## A. Rights to equal pay

**This section refers to the right of an employee to receive equal pay for equal work and/or equal pay for work of equal value.**

1. Does your country guarantee the right to *equal pay for equal work*? If needed, please specify.

   Yes ☐ No ☐

   Response

2. If yes – your country does guarantee the right to *equal pay for equal work* – how is this guaranteed in law? E.g. through the court system (case law), legislation, etc. Please specify the name of legislation.

   Response

3. Does your country guarantee the right to *equal pay for work of equal value*? If needed, please specify.

   Yes ☐ No ☐

   Response

4. If yes – your country does guarantee the right to *equal pay for work of equal value* – how is this guaranteed in law? E.g. through the court system (case law), legislation, etc. Please specify the name of legislation.

   Response

## B. Information about pay reporting measure(s)

**This section refers to measures that require or incentivise employers to report remuneration by gender and other employee characteristics.**

5. Is there a legal obligation or any other measure (e.g. an incentive) in place to ensure that employers regularly report (including to employees, workers' representatives, social partners, or a government body) the average or median remuneration of men and women at company level in private companies, enterprises or organisations?

   Yes ☐ No ☐

6. Is there a legal obligation or any other measure (e.g. an incentive) in place to ensure that employers regularly report (including to employees, workers' representatives, social partners, or a government body) the average or median remuneration of men and women in the public sector?

Yes ☐ No ☐

**If the answer to Questions 5 AND/OR 6 is YES, please proceed to Question 7.**

**If the answer to Questions 5 AND 6 is NO, please proceed to Question 37 by *clicking here*.**

7. Do reporting requirements differ between private and public sectors?

   Yes ☐ No ☐ N.A. ☐

**If the answer to Question 7 is YES, please complete information regarding the rules in the private sector below (Sections B, C, D, E, and F, i.e. Questions 8 to 31).**

**To complete information for the rules regarding the public sector, *please click here* (Sections B2, C2, D2, E2, and F2, i.e. Questions 41 to 64).**

8. Name of measure(s) that lay down pay reporting duty. Please prove link(s) to public sites detailing these measures.

| Response |
|---|

9. When were these measures put into effect? Please specify if the measures were implemented in stages by firm size.

| Response |
|---|

10. Is reporting mandatory (obligatory by law) or recommended? Specify if needed. (Questions about enforcement follow below.)

    Yes ☐ No ☐

| Response |
|---|

11. What is the time interval of the duty to report? In other words, how often do companies need to report (annually, every two years, etc)?

| Response |
|---|

12. Is the reporting duty limited to:

    a. Employers of certain size? If so, please provide the cut-off number of employees.

       Yes ☐ No ☐

| Response |
|---|

       i. Which types of employees are included in this minimum threshold (e.g. full-time workers vs. part-time workers, temporary workers), and which types of employees are excluded (e.g. independent contractors)? Is employment measured in terms of headcounts or full-time equivalents?

| Response |
|---|

       ii. How is firm size and geography taken into account when identifying firm size? For example, does the minimum threshold include the total number of workers for a company in the country (firm) or only at a given worksite (plant or establishment)?

Response

iii. What is the reference date for the determination of firm size? Is it a specific date and if so which one or is it an average over a given reference period and if so how is this defined?

Response

iv. Does the government use an administrative source (e.g. tax data, social security data) to identify which firms are subject to reporting requirements and ensure compliance?

Response

b. Aside from minimum worker requirements for reporting, are there other criteria used to determine which employers must report pay? For example, are all employers above the size criteria included, to federally regulated employers, employers in certain industries, or only listed employers, etc.? Are certain employers exempted, and if so, why?

Response

## C. Required content in reported pay gap statistics

**This section refers to the content of required pay gap reporting (subsection I). Some countries embed pay reporting rules within broader equal pay auditing systems. We are interested in gathering more information on these auditing processes (subsection II), as well as potential follow up mechanisms (subsection III).**

### *I. Pay reporting requirements*

13. What (pay) information broken down by gender (i.e. gender disaggregated statistics) is reported for the whole company? E.g. average or median gross/net salary per month or year, including or excluding complementary/variable component such as bonuses etc.

Response

14. How specific does the reporting concerning the average or median remuneration of male and female employees have to be? Are averages or medians further disaggregated by other employee/job characteristics? E.g.

Response

a. Job category, if yes, which job classification system is used?

Yes ☐ No ☐

Response

b. Seniority/Tenure Yes ☐ No ☐

c. Education/Qualification Yes ☐ No ☐

d. Ethnicity/Race Yes ☐ No ☐

e. Age Yes ☐ No ☐

f. Parenthood status Yes ☐ No ☐

g. Other employee/job characteristics Yes ☐ No ☐

Response

### *II. Equal pay audit system*

15. Are more extensive *equal pay audits* mandated by the reporting rules? If yes, what information is gathered? E.g. pay differentials, wage structures, job evaluation plans, the applicable company pay regulations on basic pay, additional allowances, bonuses, occupational pensions, etc.

Yes ☐ No ☐

Response

**If the answer to Question 15 NO, please proceed to Question 19 by *clicking here*.**

16. Who is responsible for conducting pay audits? E.g. employer, government-hired auditor.

Response

17. What kind of analysis is conducted on the pay gap?

Response

a. Does this include analysis of gender pay gaps for *equal work*? Please specify.

Yes ☐ No ☐

Response

b. Does this include analysis of gender pay gaps for *work of equal value* (including different but comparable jobs)? Please specify.

Yes ☐ No ☐

Response

c. Does this include analysis of gender-neutral job evaluation and/or classification systems? Please specify.

Yes ☐ No ☐

Response

d. Does this include analysis of possible (in)direct discriminatory criteria applied in the general wage structure/wage regulation (e.g. the systematically lower pay of care workers – a field dominated by women)? Please specify.

Yes ☐ No ☐

Response

e. Is a method of statistical analysis applied? Please specify.

Yes ☐ No ☐

| Response |
|---|

18. Who carries out the analysis? E.g. (internal or external) pay and/or gender experts, general staff of the employer, public authority.

| Response |
|---|

### *III. Follow up*

19. Is there a legal obligation for pay reporting to be followed up with recommendations to the employer and/or social partners? If yes, how regularly does this happen in practice, and in what form?

Yes ☐ No ☐

| Response |
|---|

20. Are action plans or other stipulations to address pay gaps required as part of pay audits? If needed, please specify.

Yes ☐ No ☐

| Response |
|---|

21. Do action plans and stipulations around addressing pay gaps have built in time restrictions and/or monitoring to ensure they are followed up on? Please specify.

Yes ☐ No ☐ N.A. ☐

| Response |
|---|

22. Are audits part of more comprehensive gender equality plans? If needed, please specify.

Yes ☐ No ☐

| Response |
|---|

## D. Accountability to workers, workers' representatives and government bodies

**This section refers to information about <u>to whom</u> employers must report pay gap information (employees, trade unions, government bodies, or other social partners).**

23. To whom are pay gap results required to be reported?

a. Individual employees Yes ☐ No ☐

b. Works councils or other workers' representatives at company level Yes ☐ No ☐

c. Social partners Yes ☐ No ☐

d. Equality and/or state bodies Yes ☐ No ☐

e. Other actors Yes ☐ No ☐

Response

## E. Transparency to the public

**This section refers to information regarding transparency of measures to the general public. In other words, to what extent are reported information available to the general public?**

24. Are pay gap reporting results published for public viewing? Public viewing refers to the broader public beyond employees, employee representatives, the government, etc. If yes, who publishes them? For example employers, a government agency, etc.

    Yes ☐ No ☐

Response

25. If yes, how are the pay gaps published for the public? For example, on corporate website, on Ministry website, etc.

Response

26. How much information is required to be shared with the public? For example, the overall wage gap across the company, different forms of disaggregated wage gaps, a full report with e.g. follow-up actions?

Response

27. Can individual companies or locations be identified? If needed, please specify.

    Yes ☐ No ☐

Response

## F. Enforcement of pay reporting rules

**This section refers to information regarding the enforcement of the measures and any related potential penalties.**

28. Is the duty to report to workers, their representatives and/or the government (*Section B)* enforceable? If yes, who enforces this rule?

    Yes ☐ No ☐

Response

29. Are there penalties for non-compliance?

    Yes ☐ No ☐

    a. If yes, what are they? E.g. financial penalties, publicly naming violating firms, action plans etc.

Response

30. How often have penalties been used in your country?

| Response |
|---|

31. In addition to, or as an alternative to penalties, are there any *incentives* for compliance?

| Response |
|---|

## G. Guidance and help

**This section refers to any tools provided by the government or non-governmental organisations that support the reporting process and to the communication of reporting rules to employers and employees.**

32. Are there digital tools provided by the government to facilitate reporting? If yes, what are they (e.g. websites, platforms, online calculators, other types of software)?

    Yes ☐ No ☐

| Response |
|---|

33. What other free tools are commonly used in the country to calculate wage gaps? E.g. Those provided by non-governmental organisations.

| Response |
|---|

34. How are reporting rules communicated to employers and to employees? In other words, how do employers know what they need to report?

| Response |
|---|

35. Does the government measure employer awareness of reporting rules? If so, how is awareness measured?

    Yes ☐ No ☐

| Response |
|---|

36. To what extent are employers in your country aware of reporting requirements? If needed, please specify.

    Very unaware☐ Fairly unaware☐ Not unaware nor aware ☐ Fairly aware☐ Very aware☐

| Response |
|---|

## H. Other reported non-pay gender gaps

**In a few countries, gender gaps other than pay gaps are mandated for reporting and/or auditing. This section concentrates on these non-pay gender gap statistics.**

37. Is there a requirement for companies to report gender gaps other than pay gaps? If so, what is the name of the relevant regulation(s)?

Yes ☐ No ☐

| Response |
|---|

38. What *gender disaggregated* statistics other than pay gaps are required in reporting? E.g.

    a. Gender gap among overall number of employees Yes ☐ No ☐

        i. Is the gender gap in number of employees disaggregated further by other job characteristics? E.g.

            - Number of employees by job category Yes ☐ No ☐
            - Number of employees by level of seniority Yes ☐ No ☐
            - Number of employees by salary class Yes ☐ No ☐
            - Number of full- and part-time employees Yes ☐ No ☐

    b. Gender gap in worked hours (in excess) Yes ☐ No ☐

    c. Gender gap in promotions Yes ☐ No ☐

    d. Gender gap in training rates Yes ☐ No ☐

    e. Gender gap in days of parental leave-taking Yes ☐ No ☐

    f. Gender gap by Ethnicity/race Yes ☐ No ☐

Other, please specify.

| Response |
|---|

## I. Evaluations of (non-)pay reporting rules targeting the gender gap

**This section refers to any evaluations carried out – by government evaluation offices or academic researchers – on the effectiveness of pay reporting rule process and/or outcomes.**

39. Have there been any such evaluations carried out? If so, please provide links or attachments.

Yes ☐ No ☐

| Response |
|---|

## J. Other pay transparency measures

**This refers to any other government policies aimed at promoting pay transparency to promote gender equality in the public or private sectors that have not been addressed previously in this questionnaire.**

40. Are there any other measures related to pay transparency that you would like to share? This could include subnational initiatives. Information that was provided in the 2021 questionnaire does not need to be repeated.

| Response |
|---|

## INFORMATION REGARDING THE PUBLIC SECTOR

**Please complete information regarding the rules in the public sector here (Sections B2, C2, D2, E2, and F2, i.e. Questions 41 to 64) ONLY IF the answer to Question 7 (i.e. whether reporting requirements differ between private and public sectors) is YES.**

### *B2. Information about pay reporting measure(s)*

**This section refers to measures that require or incentivise employers in the public sector to report remuneration by gender and other employee characteristics.**

Name of measure(s) that lay down pay reporting duty.

| Response |
|---|

41. When were these measures put into effect? Please specify if the measures were implemented in stages by firm size.

| Response |
|---|

42. Is reporting mandatory (obligatory by law) or recommended? Specify if needed. (Questions about enforcement follow below.)

    Yes ☐ No ☐

| Response |
|---|

43. What is the time interval of the duty to report? In other words, how often do companies need to report (annually, every two years, etc)?

| Response |
|---|

44. Is the reporting duty limited to:

    a. Employers of certain size? If so, please provide the cut-off number of employees.

    Yes ☐ No ☐

| Response |
|---|

        i. Which types of employees are included in this minimum threshold (e.g. full-time workers vs. part-time workers, temporary workers), and which types of employees are excluded (e.g. independent contractors)? Is employment measured in terms of headcounts or full-time equivalents?

| Response |
|---|

    b. Aside from minimum worker requirements for reporting, are there other criteria used to determine which employers must report pay? For example, are all employers above the size criteria included, or is it limited to federally regulated employers, etc.? Are certain employers exempted, and if so, why?

| Response |
|---|

### *C2. Required content in reported pay gap statistics*

**This section refers to the content of required pay gap reporting (subsection I). Some countries embed pay reporting rules within broader equal pay auditing systems. We are interested in gathering more information on these auditing processes (subsection II), as well as potential follow up mechanisms (subsection III).**

#### *I. Pay reporting requirements*

46. What (pay) information broken down by gender (i.e. gender disaggregated statistics) is reported for the whole company? E.g. average or median gross/net salary per month or year, including or excluding complementary/variable component such as bonuses etc.

| Response |
|---|

47. How specific does the reporting concerning the average or median remuneration of male and female employees have to be? Are averages or medians further disaggregated by other employee/job characteristics? E.g.

    a. Job category, if yes, which job classification system is used?

    Yes ☐ No ☐

| Response |
|---|

    b. Seniority/tenure Yes ☐ No ☐

    c. Education Yes ☐ No ☐

    d. Race/Ethnicity Yes ☐ No ☐

    e. Age Yes ☐ No ☐

    f. Parenthood status Yes ☐ No ☐

    g. Other employee/job characteristics Yes ☐ No ☐

| Response |
|---|

#### *II. Equal pay audit system*

48. Are more extensive *equal pay audits* mandated by the reporting rules? If yes, what information is gathered? E.g. pay differentials, wage structures, job evaluation plans, the applicable company pay regulations on basic pay, additional allowances, bonuses, occupational pensions, etc.

    Yes ☐ No ☐

| Response |
|---|

49. Who is responsible for conducting pay audits? E.g. employer, government-hired auditor.

| Response |
|---|

50. What kind of analysis is conducted on the pay gap?

| Response |
|---|

a. Does this include analysis of gender pay gaps for *equal work*? Please specify.

Yes ☐ No ☐

| Response |
|---|

b. Does this include analysis of gender pay gaps for *work of equal value* (including different but comparable jobs)? Please specify.

Yes ☐ No ☐

| Response |
|---|

c. Does this include analysis of gender-neutral job evaluation and/or classification systems? Please specify.

Yes ☐ No ☐

| Response |
|---|

d. Does this include analysis of possible (in)direct discriminatory criteria applied in the general wage structure/wage regulation (e.g. the systematically lower pay of care workers – a field dominated by women)? Please specify.

Yes ☐ No ☐

| Response |
|---|

e. Is a method of statistical analysis applied? Please specify.

Yes ☐ No ☐

| Response |
|---|

51. Who carries out the analysis? E.g. (internal or external) pay and/or gender experts, general staff of the employer, public authority.

| Response |
|---|

### *III. Follow up*

52. Is there a legal obligation for pay reporting to be followed up with recommendations to the employer and/or social partners? If yes, how regularly does this happen in practice, and in what form?

Yes ☐ No ☐

| Response |
|---|

53. Are action plans or other stipulations to address pay gaps required as part of pay audits? If needed, please specify.

Yes ☐ No ☐

| Response |
|---|

54. Do action plans and stipulations around addressing pay gaps have built in time restrictions and/or monitoring to ensure they are followed up on? Please specify.

Yes ☐ No ☐ N.A. ☐

| Response |
|---|

55. Are audits part of more comprehensive gender equality plans? If needed, please specify.

Yes ☐ No ☐

| Response |
|---|

### *D2. Accountability to workers, workers' representatives and government bodies*

**This section refers to information about <u>to whom</u> employers must report pay gap information (employees, trade unions, government bodies, or other social partners).**

56. To whom are pay gap results required to be reported?

f. Individual employees Yes ☐ No ☐

g. Works councils or other workers' representatives at company level Yes ☐ No ☐

h. Social partners Yes ☐ No ☐

i. Equality and/or state bodies Yes ☐ No ☐

j. Other actors Yes ☐ No ☐

| Response |
|---|

### *E2. Transparency to the public*

**This section refers to information regarding transparency of measures to the general public. In other words, to what extent are reported information available to the general public?**

57. Are pay gap reporting results published for public viewing? Public viewing refers to the broader public beyond employees, employee representatives, the government, etc. If yes, who publishes them? For example employers, a government agency, etc.

Yes ☐ No ☐

| Response |
|---|

58. If yes, how are the pay gaps published for the public? For example, on corporate website, on Ministry website, etc.

| Response |
|---|

59. How much information is shared with the public? For example, the overall wage gap across the company, different forms of disaggregated wage gaps, a full report with e.g. follow-up actions?

| Response |
|---|

60. Can individual companies or locations be identified? If needed, please specify.

Yes ☐ No ☐

| Response |
|---|

### *F2. Enforcement*

**This section refers to information regarding the enforcement of the measures and related potential penalties.**

61. Is the duty to report to workers, their representatives and/or the government (*Section B)* enforceable? If yes, by whom is it enforced?

Yes ☐ No ☐

| Response |
|---|

62. Are there penalties for non-compliance?

Yes ☐ No ☐

a. If yes, what are they? E.g. financial penalties, publicly naming violating firms, action plans etc.

| Response |
|---|

63. How often have penalties been used in your country?

| Response |
|---|

64. In addition to, or as an alternative to penalties, are there any *incentives* for compliance?

| Response |
|---|

**Once the information about pay reporting requirements for both the private and the public sectors has been completed, please move on to sections G, H, I, and J (i.e. questions 32 to 40) by *clicking here*.**

# Reporting Gender Pay Gaps in OECD Countries

## GUIDANCE FOR PAY TRANSPARENCY IMPLEMENTATION, MONITORING AND REFORM

Pay transparency policies are gaining momentum throughout the OECD. Over half of OECD countries require private sector firms to report their gender pay gap statistics regularly to stakeholders like employees, employee representatives, the government, and/or the public. Gender pay gap reporting, equal pay audits and other pay transparency policies help advance gender equality at the workplace, as these measures present up-to-date information on a firm's gender pay gap, encourage employers to offer equal pay for work of equal value, and give individual workers and their representatives valuable insights to fight for pay equity. This report presents the most thorough stocktaking to date of gender pay gap reporting policies and evaluations across OECD countries, and offers guidance to countries interested in introducing, reforming and monitoring their pay transparency systems to promote equal pay for women and men.

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