

# HOW TO: MEASURE AND ADDRESS THE GENDER PAY GAP IN GLOBAL HEALTH

This guide seeks to support organisations in measuring, addressing and closing the gender pay gap. The guide emphasises the need to report and act on the gender pay gap and recommends resources to support organisations as they do so.

## Why the gender pay gap matters

The gender pay gap provides a stark measure of power and privilege by comparing the average hourly pay of men and women in an organisation. Gender pay gaps are unfair and avoidable. Still, within organisations, sectors and countries, differences in income between women and men persist.

The full extent of the gender pay gap in global health is unknown, given that in the absence of statutory requirements,

organisations rarely publish remuneration disaggregated by gender. Policy action to mandate reporting and to close the gender pay gap is long overdue.

Closing the gender pay gap is crucial to advancing gender equality. Disclosing the gender pay gap promotes accountability, and can contribute to reducing the pay gap and improving the gender balance in hiring and promotion. Further, closing the gender pay gap can yield economic returns by enabling organisations, sectors and governments to benefit from both women's and men's potential.<sup>1</sup>

## What is the gender pay gap?

The gender pay gap is a measure of the difference in the average hourly wage of all women and men in an organisation or across a workforce. The gap can be expressed as the proportion of men's earnings that women earn or the difference between men's and women's earnings. Typically, the gap reflects the gendered distribution of employees across the levels of an organisation—if an organisation has more men in senior positions and more women in lower-paid posts, it will have a wider gender pay gap.

The gender pay gap is not the same as unequal pay, which is paying men and women differently for performing the same (or similar) work. Unequal pay contributes to the gender pay gap but is not equivalent to it. Unequal pay is prohibited in an estimated 64 countries around the world.<sup>2</sup> Equal pay audits aim

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to identify, investigate and eliminate reasons for unequal pay among men and women doing the same work in an organisation.<sup>3</sup>

## Reporting the gap: transparency fuels progress

Measuring, tracking and publishing the gender pay gap is a crucial first step to informing and driving progress to close it.

Transparency around gender pay gaps and targets leads to more equitable outcomes in pay and parity at leadership levels. Research further suggests that the gender pay gap shrinks when companies are required to disclose them.<sup>4</sup> Recent legislation to mandate reporting in Denmark, Iceland and other European countries demonstrate efforts to promote gender equality and other societal benefits. Yet even in the absence of legislative requirements, growing evidence of its benefits should encourage organisations to measure and publish their gender pay gap data.

Understanding the factors that drive the gender pay gap is key to developing a more effective plan for closing the gap. After assessing the organisation's gender pay gap and examining underlying causes, organisations should reflect on their findings and develop a concrete plan to address the causes of the gap. Alongside transparency on the gender pay gap, the action plan should be made publicly available to demonstrate commitment and to act as an accountability mechanism.

## How to measure the gender pay gap

This section outlines the methods used to measure gender pay gaps. The measurement tools and recommendations draw heavily on resources published by the UK Government. These were developed as a result of 2010 legislation which requires that companies with 250 employees or more report their gender pay gap data on an annual basis. While aimed at UK-based organisations, these tools are relevant to a range of national contexts and provide useful guidance for other organisations seeking to understand, measure and address gender pay gaps.

Standardised methods<sup>5</sup> to measure the gender pay gap include the following variables (see Fig.):

- ✓ Mean and median pay gap in hourly wages of men and women
- ✓ Mean and median pay gap in bonus pay of men and women
- ✓ Proportion of men and women occupying pay quartiles
- ✓ Percentage of men and women receiving bonuses

The mean is the average hourly rate of pay, calculated by adding together the hourly pay rates for male or female employees and then dividing by the number of male or female employees respectively. Full details of how to calculate pay and bonus gaps can be found [here](#).<sup>6</sup> The median is the middle hourly pay rate, when you arrange pay rates in order from lowest to highest.

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Gender pay gap analysis should also involve looking at bonus payments, or what people receive in addition to their salary. In its review of the gender pay gap among reporting organisations, the GH5050 2019 Report found no difference between the proportion of men and women who receive bonus pay, yet found a gender gap in the median bonus pay – of 22.8% – that those women and men receive. Thus while the numbers of women and men receiving bonus pay are roughly equal, men are awarded substantially higher bonuses.



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## Ten actions for organisations to close the gap

### Committing to close the gender pay gap

1. Commit to closing the gender pay gap; among other things that means ensuring an equal distribution of male and female staff at all levels within an organisation and ensuring equal pay for the same work irrespective of whether it is earned by men or women (an equal pay audit will investigate whether men and women are receiving equal pay for equal work).

2. Ensure that all staff are informed of the gender pay gap, how it differs from equal pay for equal work and how it is calculated.

### ***Understanding, monitoring and reporting the gender pay gap***

3. Collect, analyse and publish gender pay gap data as good practice regardless of whether it is a legal requirement.

4. Calculate and publish an equal pay audit to ensure that unequal pay is not influencing the gender pay gap.

5. Analyse the impact of occupational segregation (clustering of men and women into specific professions and specialisms) on the gender pay gap and address it where relevant.

6. Compare the organisation's gender pay gap with similar organisations in the sector. This [site](#) allows you to search and compare gender pay gap data from UK-based organisations.

7. Apply an intersectional lens: disaggregate gender pay gap by other identifiable characteristics relevant to the context such as race/ethnicity or disability status.

### ***Progressing towards gender equality***

8. Develop, through a consultative planning process with engagement of staff from all levels, and publish an action plan to close the gender pay and bonus gaps with specific, time-bound targets, and regularly monitor progress of its implementation.

9. Consult staff associations, trade unions and women's networks on drivers of the gender pay gap and means of reducing it.

10. Ensure that complementary and reinforcing policies support career progression for all staff, including, for example, paid leave policies and making flexible work the default option to help address the motherhood pay penalty.<sup>7</sup>

## **What you can do**

### **If you are a senior manager or human resources officer...**

- Examine your organisation's current policies, action plans and reporting practices related to closing the gender pay gap.
- If no policy exists or data is not reported, encourage the organisation to collect, analyse, publish and act on gender pay gap data as good practice.
- Ensure that all staff are informed on the gender pay gap.
- Look for data or sources on how the organisation's gender pay gap compares with similar organisations in the sector.
- Promote complementary and reinforcing policies to support career progression for all staff.

### ... If you are an employee

- Get to know your organisation's policies and action plans - ask to see your company's action plan to close the gap.
- Look for data or sources on how your organisation's gender pay gap compares with similar organisations in the sector.
- Prepare a simple case for reporting and addressing the gender pay gap to rally peer support and encourage action at the leadership level.
- Engage with union members, senior managers and human resources or other staff to generate a shared understanding of how to progress towards gender equality and address the gender pay gap.

## GH5050 recommended resources

GH5050 recommends the following resources for further information and guidance to support organisations in understanding, measuring, reporting and closing the gender pay gap. These resources can also be found on the GH5050 site: [globalhealth5050.org/resources](https://globalhealth5050.org/resources).

- ✓ **Identifying causes:** This report asks eight key questions to help you identify different potential causes of the gender pay gap in your organisation - [Eight ways to understand your organisation's gender pay gap](#), The Home Office, United Kingdom.
- ✓ **Measuring the gap:** This guide explains what the gender pay gap is and how to report on it in compliance with UK legislation - [Managing Gender Pay Reporting](#), ACAS Working for everyone, United Kingdom.
- ✓ **Closing the gap:**
  - This resource presents effective, evidence-based actions for employees in closing gender pay gaps - [Actions to close the gender pay gap](#), Government Equalities Office and The Behavioural Insights Team, United Kingdom.
  - This report outlines [Four steps to developing a gender pay gap action plan](#), Government Equalities Office, United Kingdom.
- ✓ **Going beyond the gender pay gap:** GH5050 encourages organisations to consider other unfair pay gaps. This resource provides a starting point to [Tackling gender, disability and ethnicity pay gaps](#), Equality and Human Rights Commission, United Kingdom.



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The gender pay gap is a particularly vexing area of non-disclosure. The GH5050 report found that only seven of the 49 organisations which reported their gender pay gap data did so voluntarily... This data is shocking, if not surprising. With decades of experience working across sectors and borders, I have come to learn a great deal about how shadowy practices stall progress, including about how they stop women from breaking glass ceilings.

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## About the series

GH5050 How-To Guides consolidate global best practice and evidence to support organisations in developing and improving gender-related policies and practices. GH5050 encourages organisations to use these guides as a starting point. Recognising that every organisation – their staff, sector, context and experience – is unique, organisations should develop their policies through rigorous, evidence-informed and consultative processes to ensure that they are effective and tailor-made, while increasing ownership and commitment among all staff, management and board members.

In the series:

- Measuring and Addressing the Gender Pay Gap in Global Health
- Guide to Parental Leave, Flexible Working and Family-Friendly Workplace Policies *[coming]*
- How to Develop a Comprehensive Sexual Harassment Policy
- Reviewing Gender-Related Policies and Practices: Global Health 50/50 2019 Report Methodology

Located here: [globalhealth5050.org/GH5050-How-To-Series](http://globalhealth5050.org/GH5050-How-To-Series)

## GH5050 2019 Report and Organisational performance

Global Health 50/50 is an independent initiative to advance action and accountability for gender equality in global health and contribute to the 2030 Agenda for Sustainable Development. Its 2019 Report, [Equality Works](#) reviewed the gender-related policies and practices of 198 global organisations active in health, with a special focus on gender equality in the workplace.

To review your organisation's results, visit [globalhealth5050.org/data-2019/](http://globalhealth5050.org/data-2019/). If your organisation was not included in the report, we encourage you to take the GH5050 Organisational [Self-Assessment](#).

For more information contact: [info@globalhealth5050.org](mailto:info@globalhealth5050.org).

1 Bennedsen, M., Simintzi, E, Tsoutsoura, M. & Wolfenzon, D. Research: Gender pay gaps shrink when companies are required to disclose them. Harvard Business Review. (2019).

2 World Economic Forum (2018). The Global Gender Gap Report 2018.

3 Equal pay. Equality and Human Rights Commission.

4 Bennedsen, M. et al. (2019). Research: Gender pay gaps shrink when companies are required to disclose them. Harvard Business Review. (2019).

5 <https://www.gov.uk/guidance/gender-pay-gap-reporting-make-your-calculations>

6 [www.acas.org.uk/media/4764/Managing-gender-pay-reporting/pdf/Managing\\_gender\\_pay\\_reporting\\_07.02.19.pdf](http://www.acas.org.uk/media/4764/Managing-gender-pay-reporting/pdf/Managing_gender_pay_reporting_07.02.19.pdf)

7 The pay gap between working mothers and similar women without dependent children. <https://www.tuc.org.uk/sites/default/files/MotherhoodPayPenalty.pdf>

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