Stay Ahead of the Trend:

Laws and attitudes are changing across the globe to reduce the gender pay gap through mandatory reporting

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Introduction

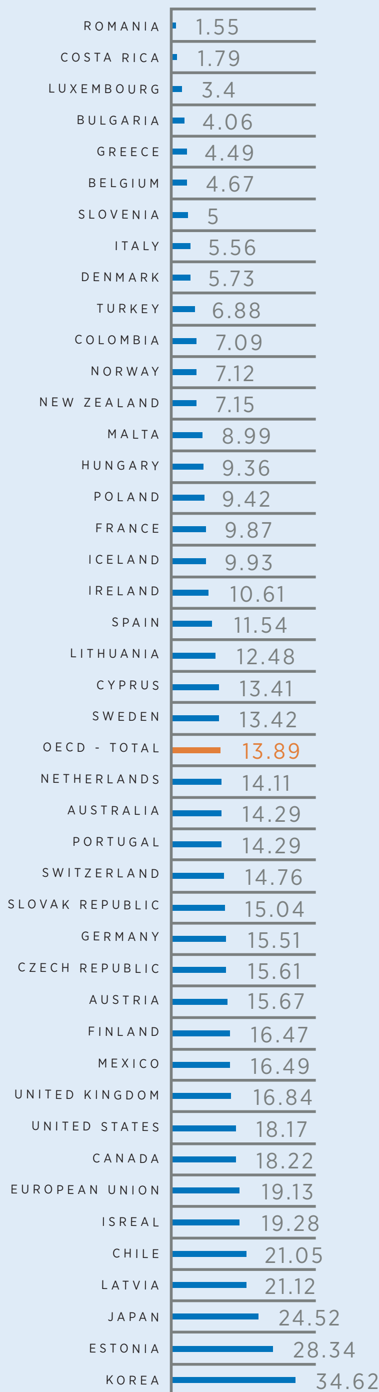
The prevalence of gender pay gap (GPG) in favor of men across countries and corporations is global and quasi-universal across employers. The GPG reporting landscape is rapidly evolving, as an increasing number of countries around the world are taking the lead to introduce legislation aimed at narrowing the gap.

Keeping pace with the myriad of existing and emerging legal requirements that vary across countries can be particularly challenging for multinational employers, as there is no one-size-fits-all approach or narrative suited for all the countries in which they operate. The challenge is simultaneously managing the reputational impact of GPG reporting, maintaining employees' trust and remaining a competitive recruiter while corporate HR strategies and action plans aimed at addressing any GPG are developed and implemented. In particular, multinational employers making GPG indicators public in one country are likely to face similar disclosure requests from their employees in other countries, even if they may not be required to do so by local legislation.

The objective of this white paper is to inform future HR strategies of multinational companies, highlighting potential GPG reporting risks (reputational and other) that should already be on corporate radars in light of recent trends in worldwide legislation aimed at narrowing and ultimately closing the GPG.

To meet this objective, this whitepaper highlights the universal nature of GPG across countries; stresses the distinction between GPG and pay equity; provides recent examples of the wave of country-level legislation aimed at narrowing the GPG through *inter alia* public disclosure of employer GPG indicators to shed light on the variance across jurisdictions in terms of mandatory requirements; elaborates on why closing GPG should matter at corporate level; and concludes with employers' need to be proactive in carrying out internal reviews and identifying pay practices that would require action to redress any GPG.

The gender pay gap reporting landscape is rapidly evolving, as an increasing number of countries around the world are taking the lead to introduce legislation aimed at narrowing the gap.



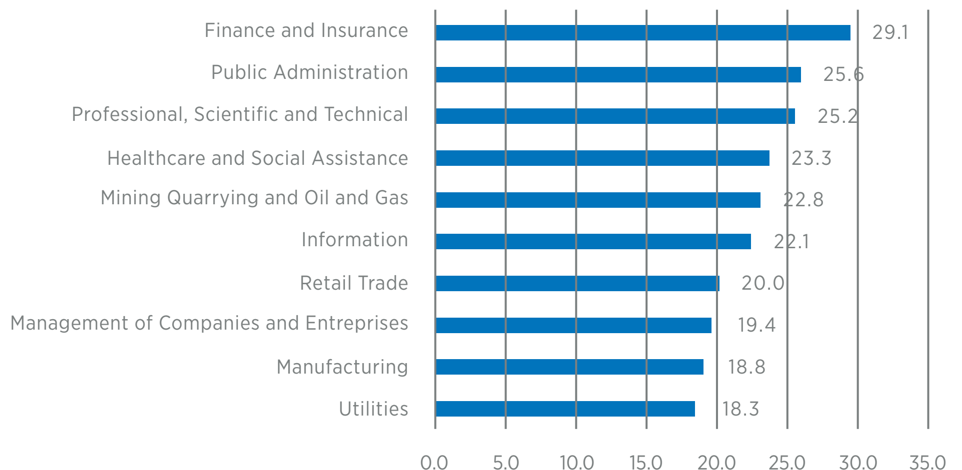
Gender pay gap is a global phenomenon.

Gender pay gap is not unique to any one country or corporation. It is a global issue. An increasing number of countries around the world are introducing legislation with an array of provisions aimed at narrowing and ultimately closing the GPG.

To illustrate this phenomenon, the figure at left shows that according to the latest available data a GPG exists in favor of men in every single one of the 35 developed and emerging Organisation for Economic Co-operation (OECD) countries, and ranges between 1.55 percent in Romania to 34.62 percent in South Korea, with an overall average across OECD countries of 13.89 percent. The OECD GPG indicator (a commonly used indicator to measure the GPG at national level), is unadjusted, meaning that it is calculated irrespective of differences in employee characteristics. In contrast, when GPG takes underlying differences in for example, education, experience, or other factors affecting pay differentials into account, the result is referred to as the adjusted GPG. The data in the figure at left indicates the difference between median earnings of men and women relative to median earnings of men. The data in the figure refer to full-time employees and to the self-employed.

A recent study by the World Economic Forum (WEF), suggests that closing the GPG will take decades in practically every country. If country GPGs continue to evolve at their current rates, it would take somewhere between 46 and 158 years to close the gaps.[2] In March 2017, Iceland became the first country in the world to introduce legislation to close its GPG by requiring companies to prove that they pay men and women equally. By 2022, employers in Iceland with more than 25 employees will undergo audits to confirm that they are in compliance with equal pay laws. By strengthening enforcement of equal pay laws, the new legislation is anticipated to fully close the country's GPG within five years.

Additionally, GPG tends to demonstrate a high variance across sectors within countries. For example in the U.K. the financial sector GPG is 39.5 percent, while the national GPG is 16.84 percent. In the U.S., according to a 2016 Forbes publication[3] the 10 industries with the highest GPG are depicted in the figure below.



The Good News:

GPG does not necessarily imply pay discrimination

It is a common misconception that a GPG reveals pay inequality or pay discrimination, which refers to a difference in the pay of employees who do the same work, or work of similar value to the employer. GPG is a broader concept than pay discrimination. While a high GPG may stem from gender pay discrimination, this is not necessarily so. GPG is the difference in pay between an average male employee and an average female employee and essentially reflects the clustering of one gender (most frequently men) in higher-paying positions than the other gender (most frequently women) in lower paying positions. As such, pay inequality involves gender-based discrimination in terms of setting wages, whereas a GPG does not necessarily imply discrimination.

Gender pay gap is the difference in pay between an average male employee and an average female employee and essentially reflects the clustering of one gender (most frequently men) in higher-paying positions and the other gender (most frequently women) in lower-paying positions.

A more accurate picture of the relation between GPG and equal pay for equal work can be obtained by calculating the GPG over the range of wage quantiles (i.e., cut points dividing the frequency of wage distribution into equal continuous intervals).

Typically, GPG is measured by the difference between the median pay of men and the median pay of women, relative to the median pay of men. Another frequently used GPG indicator is the difference between the average pay of men and the average pay of women, relative to average pay of men. GPG does not measure equal pay for equal work, which is measured by the difference in pay between men and women at the same pay grade of a pay scale, having the same responsibilities and work schedules. GPG is also different from equal pay for equal value, meaning equal pay across men and women in different roles, but where the roles are of the same value to the employer. GPG is a different concept that reveals the implications of unequal pay practices, imbalanced promotion practices and lack of work-life balance programs.

Basically, the overall GPG compares the median hourly wage of women with the median hourly wage of men relative to median hourly wage of men across all employment grade levels within the company, which means that the women whose wages are taken into account could have very different responsibilities from the men in the same grade level. To illustrate this with an example, consider a company with 50 female support staff earning an hourly wage of US$20, and 100 male engineers earning an hourly wage of US$80. This scenario would result in a pay gap of 75 percent, which would not be due to an equal pay issue (i.e., pay discrimination), but rather to the lack of female engineers. While unlikely to have unequal pay practices, airline companies have reported some of the largest GPGs. This is the type of information that a GPG indicator is likely to highlight.

The overall GPG, when considered along with GPG expressed in quantiles, can reveal whether an employer has more or fewer women in its different pay grades, or in its senior and executive positions.

However, what the GPG figures do not provide is information on the underlying determinants of the gap. In other words, on how much of the GPG can be explained. The causes of GPG are often deep-rooted and frequently related to women working in sectors that pay less, taking family-related career breaks (most often for child rearing or elderly relatives' care), and holding part-time positions more frequently than their male counterparts.[4] According to the U.K.'s Office of National Statistics, 36.1 percent of the country's national GPG can be explained (e.g., by differences in occupations, sector of activity, flexible or part-time contracts, education, experience and other similar factors), which leaves 63.9 percent of the GPG unexplained. This unexplained portion of the GPG is considered as a proxy for gender-based pay discrimination by economists. Furthermore, GPG figures do not provide information or guidance on what specific actions by the employer would effectively address the gap.

Countries taking the lead:

GPG reporting requirements vary across jurisdictions

From a national perspective closing the GPG is not only important in terms of equity, it is a key contributor to productivity, innovation and gross domestic product (GDP) growth. A number of countries have therefore taken the lead, and have either already enacted legislation entailing disclosure of aggregate GPG data by larger corporations, or are in the process of doing so.

Gender pay reporting legislation varies across countries, from being nonexistent in most developing countries, through minimal legislation in Japan, to intricate requirements in the U.K., France, Germany and Belgium. It is crucial for multinational companies to know the mandatory reporting requirements in each of the jurisdictions in which they operate. The legislation of the country or jurisdiction where a multinational is headquartered, which shapes corporate and HR strategies, likely diverge from the laws of countries or jurisdictions where employees are recruited.

The country examples provided below, while by no means exhaustive, are intended to demonstrate the global trend, and to highlight the differences across enacted and/or proposed legislation (or amendments) in different countries. These differences are precisely what makes GPG reporting particularly challenging for corporations operating in more than one country.

Some countries have a long standing history of prioritizing measures to close the GPG, while others have started addressing the issue only in the past several years, as the broader context is driving a wave of new gender-related legislation at country level.

Examples of countries required to share their GPG report with employees or employee representatives include Austria, Belgium, Canada (in some provinces), Denmark, Finland, France, Italy and Sweden. The U.K., Germany and Australia are examples of countries where the GPG report must be made public. It is worth recalling here that, in Sweden, as is the case in Finland and Norway, there is exceptional pay transparency, in that the government makes all income tax returns publicly available.

While mandatory disclosure of GPG data is not yet required in the U.S., the momentum among institutional investors and state legislatures to address GPG is already there. In the U.S., it is mainly gender pay equity legislation, and in some cases pay transparency provisions, that have picked up momentum since 2016. In particular, California, New York, Nebraska, Maryland and Massachusetts strengthened their equal pay laws beyond federal legislation. An additional 12 states enhanced their pay equity laws in 2017, and some 23 states followed suit in 2018.

Examples of voluntary disclosure of GPG by multinational companies in the U.S. include Salesforce and SAP who analyzed their U.S. employees' pay structure in 2017, and made salary adjustments. The Dow Jones news and information company has gone even further by carrying out a group-wide pay equity review covering pay practices not only by gender, but also for all minority groups.

Several country examples are detailed below, to show the variance in legal requirements that multinational companies have to deal with, not only in terms of the GPG indicators required, but also in terms of thresholds in the number of employees that trigger the application of local laws, the frequency of reporting and the enforcement mechanisms. These examples are intended to demonstrate that there is no one-size-fits-all jurisdictions in terms of pay practice review, narrative, or corporate or human resources (HR) strategic planning.

The United Kingdom

The U.K. has one of the highest GPGs of European Union (EU) member states (16.84 percent). In an effort to narrow the GPG, the government has introduced legislation that took effect 6 April 2017. The legislation requires that all employers with 250 or more employees annually publish on their websites in a manner that is accessible to the public for a period of three years, indicators consisting of: (a) the average and median hourly GPG of full-pay relevant employees; (b) the mean and median gender bonus pay gaps; (c) the percentage of men and women who were paid a bonus pay; and (d) the percentage of full-pay relevant men and women in each pay quartile. The first time results were published 5 April 2018 for the private sector based on pay levels that existed on 5 April 2017. Of the 10,400 employers that published their first time GPG data, 78 percent indicated a gap in favor of men.

Germany

In Germany, the Pay Transparency Act which came into effect on 6 January 2018 requires employers with more than 200 employees to answer individual employee information requests regarding their comparable coworkers wage levels. They will also be required to provide the criteria used to set such wage levels.

Employers with more than 500 employees are required to prepare a management report according to the rules laid out by the German Commercial Code (HGB). This management report and a report on equal pay will serve to disclose cases of remuneration differentials between women and men. Disclosures will be made every five years for employers bound by a collective bargaining agreement and every three years for all others. For companies with more than 500 employees, publication of the management report in Germany's Official Journal is mandatory.

Germany's Ministry for Family, Senior Citizens, Women and Youth will publish a series of brochures to inform the public about the legal provisions that are now in effect as a result of the Pay Transparency Act. The brochures and other publications will allow employers, employees and Works Councils at companies in Germany to implement the key provisions.

Belgium

All employers with at least 50 employees on average were required to prepare an employee remuneration report (for the first time by 31 March 2017) covering their 2015 and 2016 remunerations, and submit the report to the company works council, or in the absence of a works council, to the union delegation. The employee remunerations reports are due once every two years, and criminal or administrative fines apply for non-compliance. There are two standard reporting forms based on company size. Employers with at least 100 employees are required to complete a full form, whereas companies with between 50 and 100 employees on average are required to complete a short form.

In terms of indicators, the long form includes a breakdown by gender of: (a) salary and direct social benefits, which for part-time employees is to be provided on a full-time equivalent basis; (b) other extra-statutory benefits and employer premium for extra-statutory insurances. These are further broken down by employee function or level, employee seniority (less than 10 years, between 10 and 20 years, and more than 20 years), and employee qualifications or education. Whereas the short form for employers with between 50 and 100 employees includes a breakdown by gender of: (a) salary and direct social benefits, which for part-time employees is to be provided on a full-time equivalent basis; and (b) other extra-statutory benefits. These figures too are further broken down by employee seniority, and employee qualifications or education.

Companies who identify a GPG are required to produce an action plan for addressing the gap. Additionally, employers who fail to submit a report to the works council, or to the union delegation (where applicable), could be penalized with either a criminal fine of 400 to 4,000 euros, or an administrative fine of 200 to 2,000 euros.

Austria

In Austria, since 2014, employers with more than 150 employees are required to report on their gender composition and remuneration every two years (including bonuses, supplemental medical insurance, overtime pay and any in-kind benefits). Aggregated remuneration data includes pay by gender and by occupational grouping, average or median salary by gender, occupational group, and pay grade. The report must be provided to the works council, or directly to employees in the absence of a works council. The law does not provide for sanction in case of non-compliance.

Australia

In Australia, all private sector employers with 100 or more employees (representing approximately one-third of the country's labor force) are required to annually report six gender equality indicators to the Workplace Gender Equality Agency (WGEA). The indicators measure: (a) workforce gender composition; (b) governing bodies' gender composition; (c) gender pay gap; (d) availability of flexible working arrangements for employees and support for employees with family responsibilities; and (e) employee consultations on matters related to gender equality.

From the information and data provided in an employer's annual report, the WGEA calculates the employer's GPG based on average remuneration (i.e., including full-time base salary and any additional cash or in-kind benefits).

Individual employers' public reports including aggregate data is published on the WGEA website, and a name and shame enforcement strategy consisting of the WGEA naming non-compliant employers in a report applies.

Ireland

In Ireland, a bill proposed in June 2018 would require publication of gender pay data, initially by companies with over 250 employees. The bill aims to lower the threshold in phases over a period of three years to companies with over 150 employees, and eventually expand to companies with over 50 employees.

The bill requires several GPG indicators to be reported including average and median gaps in hourly pay and bonuses, part-time pay disparities, the GPG of part-time employees on temporary contracts, the differences in pay across job classifications, and the percentages by gender of employees receiving bonuses and in-kind benefits.

The bill includes several employer compliance provisions. Specifically, the Irish Human Rights and Equality Commission could apply to the Circuit Court to ensure employer compliance; employees would be able to apply to the Workplace Relations Commission; and the bill also provides for designated officers appointed by the Minister for Labor Affairs to investigate a sample of employers to ensure the accuracy of company reports.

France

Since 2001, France has mandated that employers review their pay practices and develop annual action plans for the following year that aims at achieving equal pay. Specifically, companies with at least 50 employees must annually prepare a written comparative gender status report that is submitted to the works council for annual consultations on gender equality.

Employers must also negotiate a collective agreement on gender equality annually with union representatives, aimed at closing any GPG as well as gender promotion gaps (i.e., lower career advancement opportunities that tends to keep women in lower-paying roles), and follow up on measures aimed at closing these gaps. Companies with at least 50 employees that do not have a collective agreement with union representatives, must unilaterally implement a gender equality action plan with clearly specified targets, an overview of which must be published on the company's website, and communicated to the Labor Inspector.

In companies with 50 to 299 employees the report must analyze remuneration and career path for men versus woman for each professional category. Employers with 300 employees or more must address additional grounds prescribed by the Labor Code, relying on indicators broken down by gender, seniority and age, including: (a) the company's pay range; (b) the average or median monthly pay and the number of women in the top 10 highest-paid employees. The companies must also provide a diagnosis and an analysis for each professional category regarding remuneration, and an analysis of pay and promotion disparities according to age, job and seniority.

In addition to the above requirements, effective 1 January 2019, employers with more than 250 employees are required to annually publish government-specified GPG indicators on their websites. The first publication date of GPG indicator is 1 March 2019. Effective 1 January 2020, companies with 50 to 250 employees will also be required to annually publish government specified GPG indicators on their websites. The first publication date of GPG indicators for smaller employers is 1 March 2020.

Beyond a certain GPG threshold that remains to be defined by a forthcoming decree, companies will be required to adopt corrective measures through a negotiated action plan to eliminate GPG.

On 22 November 2018, a government press release published on the Ministry of Labor website detailed the indicators that must be used by employers to measure GPG and the points system associated with those indicators. The system will result in a GPG score ranging between 0 and 100 for each employer, which will have to be published on the employer's website, starting on 1 September 2019 for employers with more than 250 employers.

Five indicators, with a maximum number of points associated to each indicator, are used to rank employers with more than 250 employees. All but one of the five indicators are also used to rate employers with 50 to 250 employees. Given that only four of the indicators apply to smaller employers, the number points associated to the indicators are adjusted for smaller employers, so that regardless of employer size the points to add up to a maximum score of 100 points. The GPG indicators and the associated number of points are detailed below.

- Redressing GPG that exists for employees at a comparable age and position is the indicator with highest maximum number of points, at 40 points. A company must attain a GPG of 0 percent for all employees at a comparable age and position in order to receive 40 points for this indicator, regardless of company size.

- An equal pay increase opportunity indicator carries a maximum of 20 points for companies with more than 250 employees and 35 points for companies with between 50 to 250 employees. The points for this indicator are granted if the company has increased the pay of as many employees of each gender, within a 2 percent margin, or within a difference not exceeding two employees.
- Equal promotion opportunity is an indicator that carries 15 points, and only applies to large employers with more than 250 employees. The maximum of 15 points is granted if the employer has promoted as many employees of each gender, within a 2 percent margin, or within a difference not exceeding two employees.
- An indicator that carries 15 points, regardless of employer size, measures the extent to which employees returning from maternity leave receive any collective pay increases granted to other employees during their maternity leave.
- Finally an indicator grants 10 points, regardless of employer size, when a minimum of four individuals of each gender are among the employer's 10 highest paid employees.

In terms of enforcing compliance, effective 1 March 2022, employers with more than 250 employees will be subject to a financial sanctions of up to 1 percent of the payroll if they have not achieved the GPG thresholds (which remain to be set by a forthcoming decree). Effective 1 March 2023, all companies with more than 50 employees who have not achieved the GPG thresholds will be subject to financial penalties of up to 1 percent of the payroll. The sanctions will be inversely proportional to the efforts made by a company.

Sweden

Like in France, since 2001 Swedish employers must periodically review their pay practices and develop an action plan for the following year with the goal of achieving equal pay. The Labor Code has recently been amended to require that employers carry out salary reviews annually, instead of previously once every three years. Additionally, the obligation to develop an action plan for achieving equal pay now applies to employers with 10 or more workers, when previously the obligation applied to employers with at least 25 employees. To enforce compliance, the relevant authority, namely the Equal Opportunities Ombudsman, may conduct inspections and decide on fines.

Why should your company care?

Redressing GPG makes business sense

There is mounting evidence that redressing GPG has a favorable impact on company performance. Recent attention on GPG is part of a broader momentum towards greater workplace equality and diversity. Research overwhelmingly supports that companies with greater diversity perform better financially. According to a Harvard Business Review publication "Why Diverse Teams are Smarter," a body of research supports that diverse teams are smarter, focus on facts, process facts more carefully, and are more creative.[5]

A gender diverse workforce performs better in terms of financial returns. In fact, a 2015 McKinsey study, "Why diversity matters," found that companies in the top 25 percent in terms of gender diversity were 15 percent more likely to observe greater financial returns than the national average for their industry.[6] A more recent 2018 McKinsey study, "Delivering through Diversity," expands on previous findings, confirming the correlation between gender, ethnic and cultural diversity and financial performance, in particular within executive teams.[7]

Lower proportions of women in managerial and leadership roles further perpetuate the GPG and the associated gender promotion gap. Companies with fewer females in managerial roles suffer from what is referred to as "in-group favoritism," which prevents women from climbing up the corporate ladder in companies where there aren't enough women in leadership roles.[8] Additionally, at senior grade levels, there are fewer promotion opportunities. Because men are considered as more likely to leave the company, companies increase their pay when they can't promote them in order to retain them. In contrast women tend to become established and more frequently display loyalty, staying with the employer despite fewer opportunities for promotion at higher grade levels. This too contributes to perpetuating the GPG and the gender promotion gap.

A study by The Catalyst, a research and advisory non-profit organization working to advance women in business, examined 353 Fortune 500 companies across 11 industries, revealing that companies with the highest representation of women on their top management teams experienced better financial performance in terms of return on equity (ROE) and total return to shareholders (TRS), i.e., 35.1 percent and 34 percent respectively higher than companies with the lowest representation of women in top management.[9] Conversely, the study also found that the Fortune 500 companies with the best financial performance had more women on their top management teams. The study also looked at the relationship between gender diversity and financial performance across five industries. In each of the industries, the ROE of companies with the highest female representation in top managerial roles was higher than the ROE of companies with the lowest female representation in top managerial roles.

Shareholder Activism

Institutional shareholders are increasingly advocating for gender pay equity and enticing large publicly-traded companies to voluntarily disclose their GPG data. For example, since 2016 the institutional investor Arjuna Capital has presented shareholder proposals related to gender pay equity, which has led to the disclosure of GPG data by a number of publically-traded companies. In particular, between January and March 2018, under shareholder pressure, six multinational banks and financial institutions either internally disclosed their GPG data and/or publicly disclosed their efforts to address their GPG, namely: JPMorgan, Citigroup, Bank of America, Wells Fargo, Bank of New York Mellon and Mastercard.

In April 2018, Arjuna Capital published its first Gender Pay Scorecard report[10], ranking 33 of the world's largest multinational corporations on their gender pay disclosure practices, performance and commitments[11]. Apple, Nike, Starbucks, Wells Fargo and JP Morgan stood out with the highest rankings.

While this is undeniably one step forward, the disclosed data does not include pay band gender ratios, which would show gender representation ratios in leadership and high paying roles, to which GPG is pegged.

In 2018, Institutional Shareholder Services (ISS)—a proxy advisory firm providing corporate governance and responsible investment (RI) solutions for asset owners, asset managers, hedge funds, and asset service providers – introduced guidelines on their assessment of shareholder gender pay equity proposals. The guidelines[12] take into account the company's diversity and pay policies and disclosure practices, as well as GPG-related disputes or legal proceedings[13].

Recent attention on GPG is part of a broader momentum towards greater workplace equality and diversity. Research overwhelmingly supports that companies with greater diversity perform better financially.

Risks and costs associated with disregarding pay practices

There are risks and costs associated with disregarding pay practices. Now that large companies have publicly reported their numbers in the U.K., multinationals find themselves facing new challenges. In 2017, a year before the U.K. GPG data was publicly disclosed, an iconic Silicon Valley technology company found itself facing a class action lawsuit in the U.S. by three of its former employees claiming that the company systematically paid women less than men for the same skills sets and roles, and placed women in less rewarding positions with fewer promotion opportunities. In the meantime, in complying with U.K. legislation, the company's UK branch disclosed that its female employees were paid 17 percent less than male employees on average, and 16 percent less at the median. The company's U.K. data also indicated a concentration of female employees in lower pay scale bands.

To provide another recent example, in early 2018, female employees at Nike brought the outcome of an internal gender discrimination and sexual harassment survey to the CEO's attention, leading to an internal review resulting in an apology issued by the CEO, 11 executives leaving the company and an increase in the salaries of 7,000 employees.

Pay practice transparency also matters in terms of attracting and retaining female talent. The outcome of a recent survey conducted in the U.S. by Payscale showed that employees who gave high ratings to their employers on pay transparency were 82 percent less likely to state that they wanted to leave the employer within six months, than employees who gave their employer low ratings.

An increasing number of organizations are looking into and publishing corporate gender equality information in general, and GPG data in particular. According to a recent gender equality report published by Equaleap (an organization promoting gender equality in the workplace) specifically focusing on S&P 100 US companies, only 19 of the companies reviewed have developed a strategy to close their GPG, with General Motors standing out as the only company that not only publishes its overall gender pay gap, and pay information by gender and by pay bands; but has an overall GPG of less than 3 percent, and can demonstrate pay equality across all its pay bands. The same report, taking 19 gender equality criteria combined (which include, pay equity, GPG, gender representation in senior management roles and the executive board, paid maternity and parental leave, non-discriminatory hiring practices, and health and family planning benefits), identified the five highest scoring companies as: General Motors (71%), Bank of America (68%), Johnson & Johnsons (68%), JPMorgan Chase (63%), and Citigroup (63%)[14].

Stay at the forefront and be proactive

In light of the increased global momentum of GPG reporting legislation, multinational employers should keep abreast of developments; be proactive in carrying out internal reviews to identify any areas where GPG exist that could be pre-emptively redressed; and carefully formulate a narrative explaining GPG figures, and their HR strategies and action plans aimed at narrowing any gaps.

Employers should also weigh the pros and cons of voluntary disclosure should the reviews reveal a GPG issue. Although it is the exception rather than the rule, a number of multinational companies have already opted for voluntary disclosure of GPG information. In The Netherlands, Aegon recently became the first company to proactively and on a voluntary basis conclude a collective agreement requiring that men and women be equally paid for equal work (which is more stringent than GPG), and that current remuneration be analyzed by 1 February 2019. In the U.K., Deloitte and PwC (PricewaterhouseCoopers) disclosed their GPG data prior to the U.K.'s GPG legislation, while encouraging other employers to follow their example. Prompted by its June 2018 pay gap report showing men earned 43.8 percent more than women on average, PwC banned all-male shortlists for U.K. job openings, while KPMG announced that it would not consider all-male shortlists proposed by employment companies. Pfizer is another U.K. good practice example. Pfizer reports the GPG data required by law, but also releases data and information on its other diversity programs and measures to provide a finer picture of GPG and efforts to promote women.

Companies have the opportunity to publish a narrative alongside any voluntary or mandatory disclosure of GPG data, providing the chance to explain the voluntarily-disclosed or legally-prescribed GPG data. They may also choose to provide additional data and clarifications, and to elaborate on strategic measures aimed at addressing any GPG issues, such as targeted diversity policies, mentoring or talent identification programs.

Advanced internal knowledge of corporate GPG data and profile can serve as basis to refine strategic HR planning by, for example, introducing mentoring programs, maternity and paternity leaves, flexible work or home office arrangements, or female career development opportunities in pay grades where the GPG data reveals issues. These measures among other progressive policies or programs serve to better attract, retain and motivate female employees. Employers might also consider offering training to their management and to their HR employees (including in unconscious bias awareness) as a preventive or remedial measure to curb any ongoing practices that inadvertently are either creating or contributing to an existing GPG.

While most corporations have initiatives in place to enhance diversity in general, and gender equity in particular, transparency, accountability and the tone and example set by top management are undeniably critical to actually achieving these goals.

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