

► Pay transparency practices by companies

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► Why practice pay transparency?

- Pay transparency is one concrete and effective means to reducing the **gender pay gap** and improve workplace gender equality.
- It provides enterprises an opportunity to **identify and address discrimination** based on pay that may affect the effective functioning of an enterprise.
- It provides workers with relevant **information** to understand their pay rates and **negotiate** or **question** them if they think they are unfair.
- In this it reduces **information asymmetry** among different actors in the labour market.
- Pay transparency has the potential to contribute to rectifying the **undervaluing** of work predominantly carried out by **women** (for equal pay for work of equal value).

► What do companies gain from implementing gender-responsive measures?

When the overall workforce reaches gender parity (between 47% to 53% of men or women), women are likely to be better represented in middle, senior and top management positions.

Gender-balanced enterprises are:

11%

more likely to have gender balance in executive management positions.

8%

more likely to have gender balance at senior management

13%

more likely to have gender balance in middle management

► Views of employers on pay transparency legislation

Survey responses of employers vary depending on the country

- Pay transparency can help detect discriminatory pay practices and improve **enterprise reputation**.
- Most respondents neither agreed or disagreed concerning the impact of pay transparency legislation.
- **Key obstacles**: additional administrative costs, cumbersome processes; inadequate information and guidance from national authorities.
- Identifying comparators in pay transparency reporting is often challenging.

► Pay transparency in practice

- For companies, pay transparency is often an element of a **broader strategy** towards gender equality and diversity at work.
- The **size** of enterprise is important as well as **support** to undertake measures for pay transparency.
- Unless measures are compulsory, their application at a broader scale remains limited.

► Final remarks:

- Pay transparency is an important measure in a **range of tools** to reduce the gender pay gap.
- **Consultation** between employers and workers is a key feature - active social partnership is crucial to delivering the intended results of pay transparency.
- Increased attention to **national legal frameworks** to reinforce and support the importance of pay equity and **equal pay for work of equal value**.
- ILO **International Labour Standards** provide guidance in this area (Equal remuneration Convention, no.100)

▶ Resources

Empowering Women at Work Capacity Development Platform (ITCILO) [here](#)

Empowering Women: Company policies and practices for gender equality at work (ILO and UN Women) [here](#)

Closing the gender pay gap: A review of the issues, policy mechanisms and international evidence (ILO) [here](#)

Promoting Equity: gender-neutral job evaluation for equal pay. A step-by-step guide (ILO) [here](#)

Equal Pay: an introductory guide (ILO) [here](#)