



International
Labour
Organization

Pay, Policies and Parenthood

Shauna Olney
PSI World Women's Committee
Geneva, 26 March 2015



Gender, Equality and Diversity Branch





Explained/Unexplained

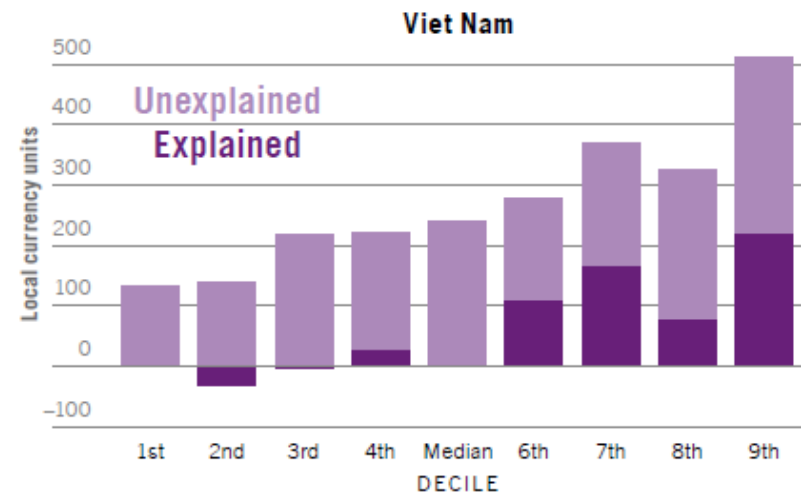
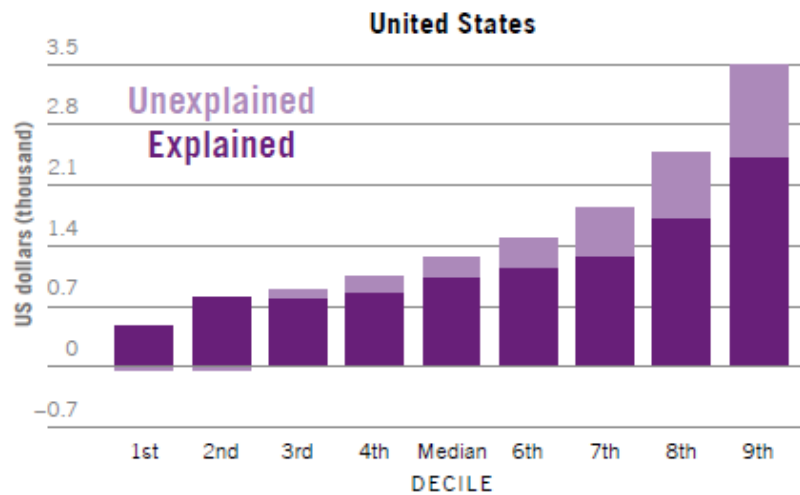
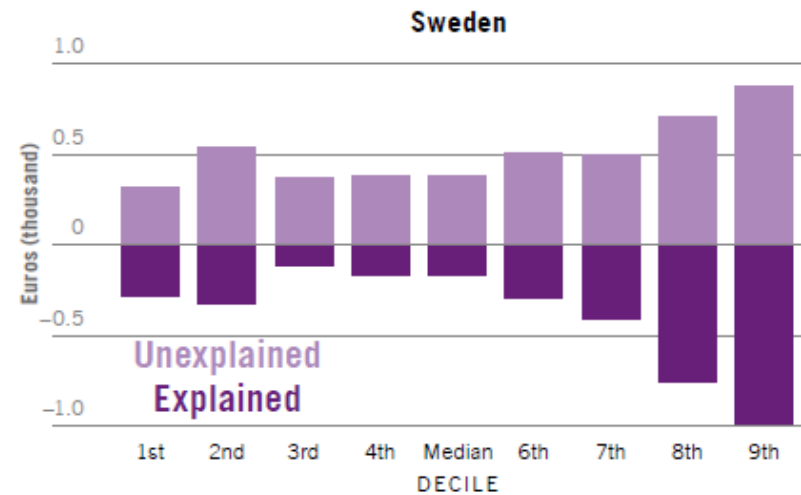
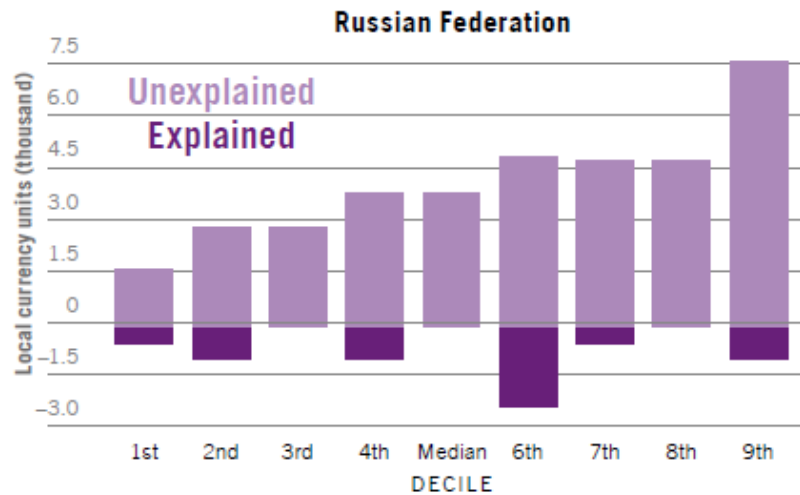
- Explained
 - Experience
 - Education
 - Occupational category
 - Economic activity
 - Hours worked
- Unexplained - wage penalty

Source: ILO Global Wage Report 2014/15.

Figure 36 Explained and unexplained gender wage gaps in selected countries, latest year



Source: ILO Global Wage Report 2014/15.



Note: In Europe in 2010, the bottom 10 per cent of women earned about €100 per month less than the bottom 10 per cent of men. Conversely, the top 10 per cent of high-earning women earned close to €700 per month less than the top 10 per cent of men.

Source: ILO estimates.

WIVES.

Look this ad over carefully. Circle the items you want for Christmas. Show it to your husband. If he does not go to the store immediately, cry a little. Not a lot. Just a little. He'll go, he'll go.

CIRCLE ALL THE QUALITY DORMEYER APPLIANCES YOU WANT!



Husbands:

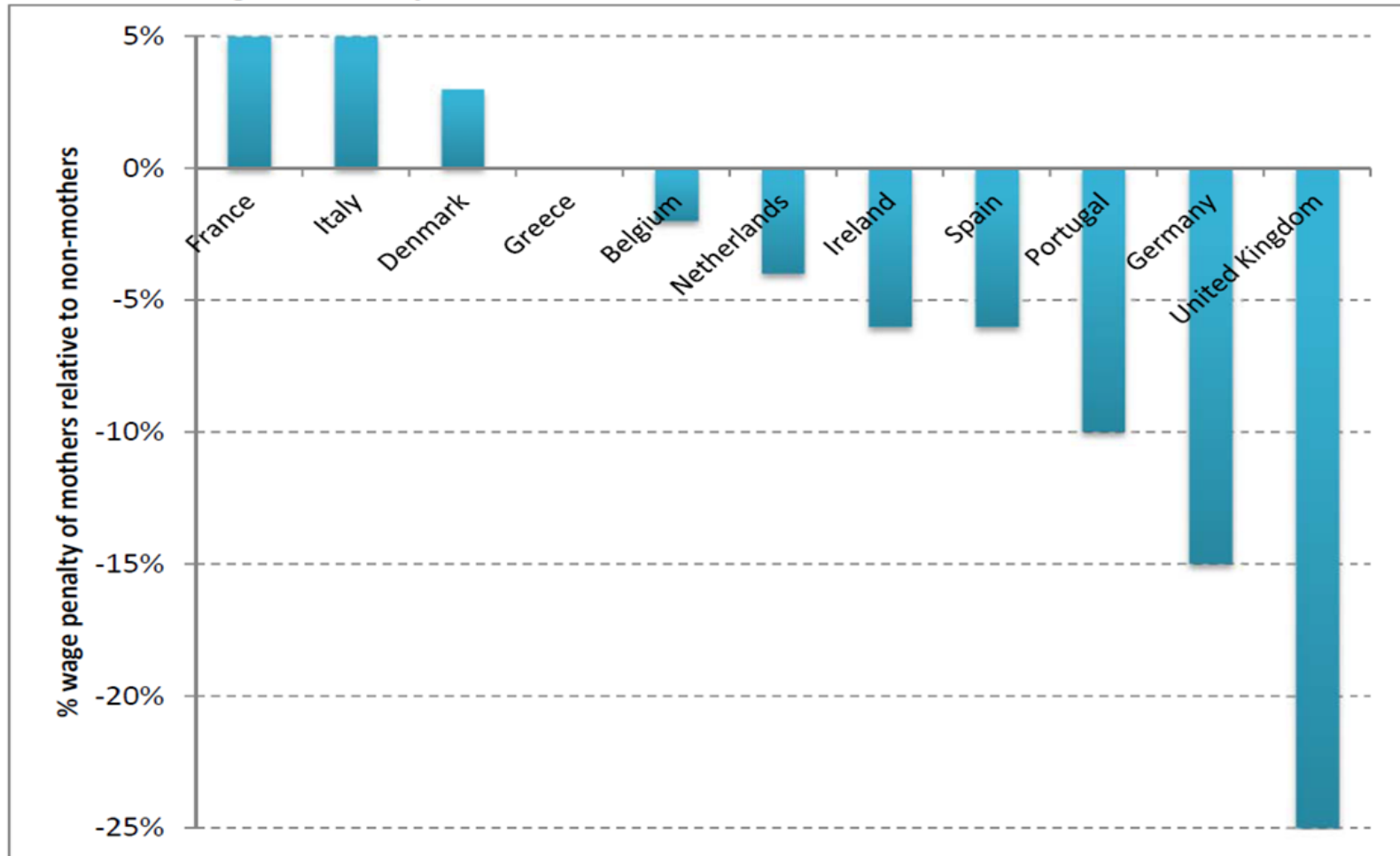
Look this ad over carefully. Pick out what your wife wants. Go buy it. Before she starts to cry.

Dormeyer
MADE IN U.S.A. • CHICAGO, ILL. • U.S.A.



Motherhood pay penalty

Figure 2.1. Unadjusted estimates of wage penalty effect of *two children* on women's wages in European countries



Source: Adapted from Davies and Pierre (2005), table 1, ECHP data.

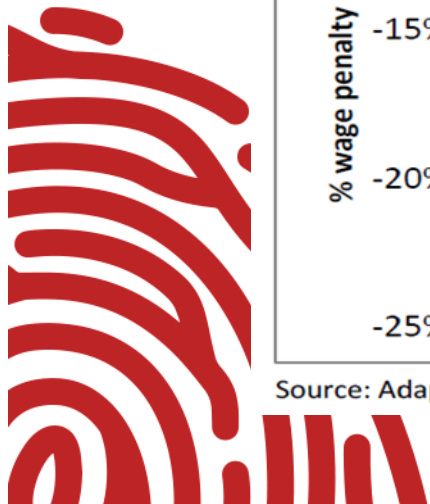
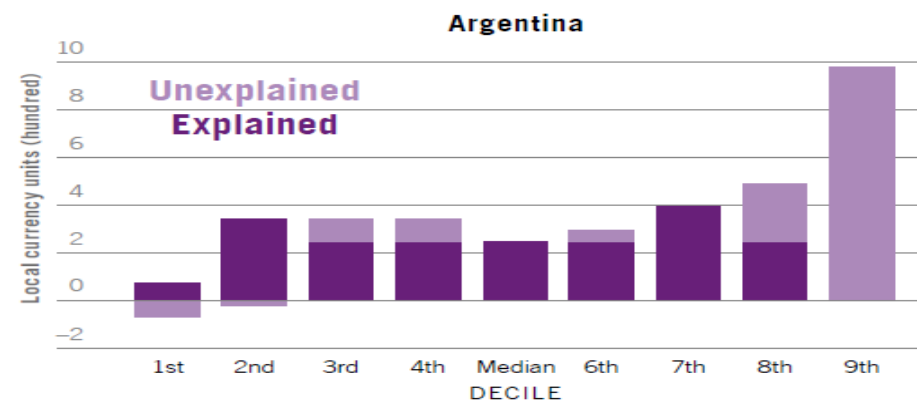
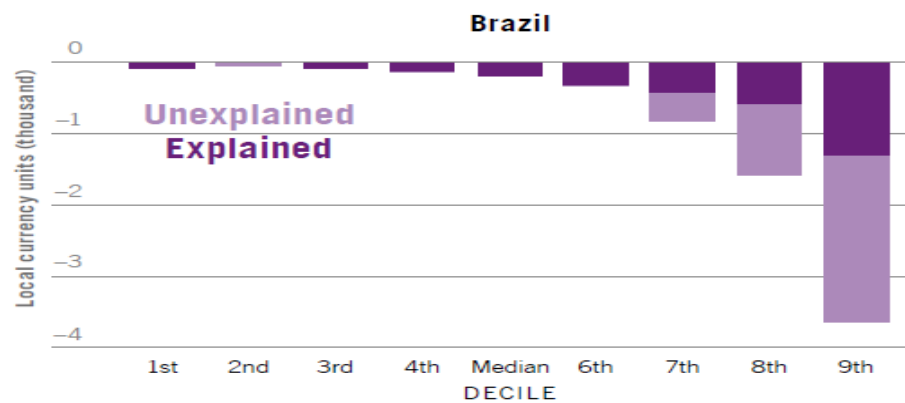
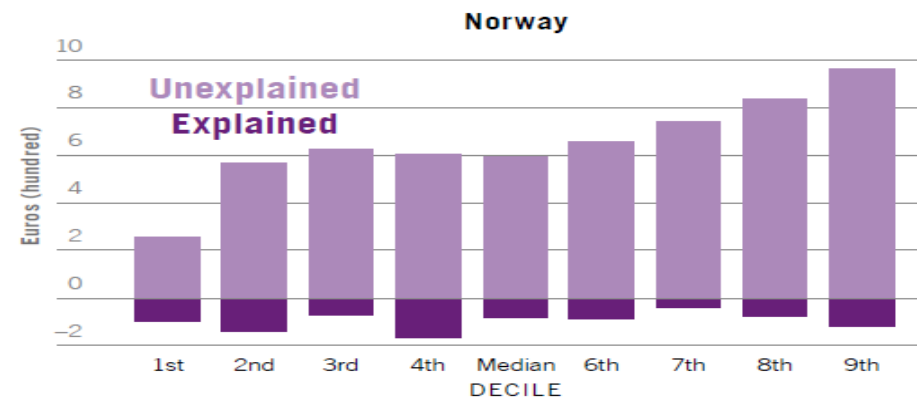
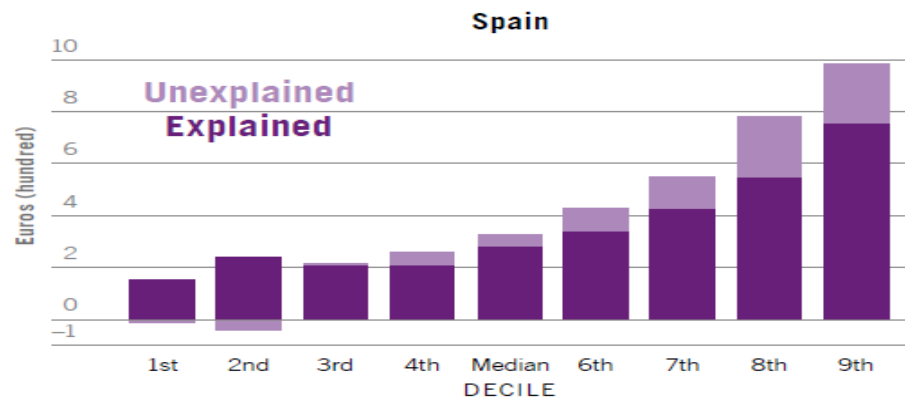
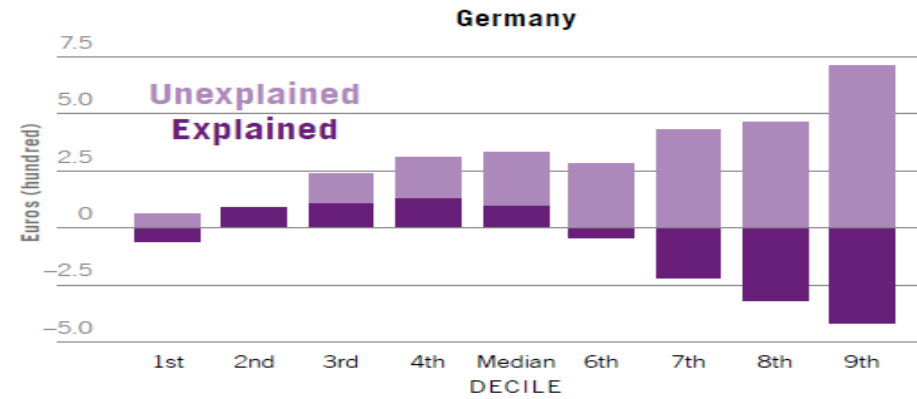
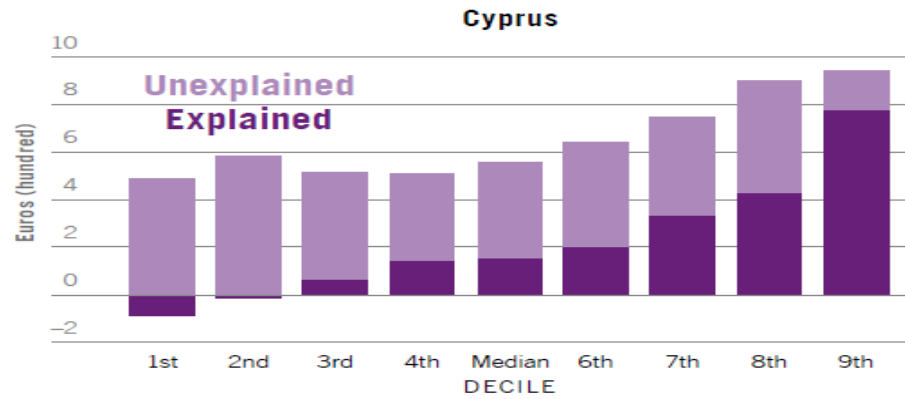


Figure 39 Explained and unexplained migrant–national wage gaps in selected countries, latest year

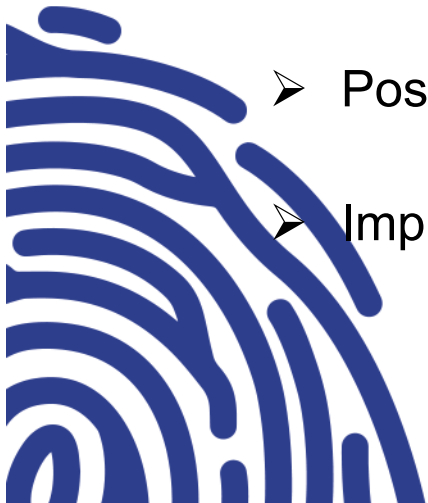


Source: ILO estimates.

Source: ILO Global Wage Report 2014/15.

Redressing the motherhood pay gap

- Maternity leave – job protection
- Accessible child care
- Flexible working arrangements
- Progressive cultural context
- Tax and benefit system
- Positive measures for hiring and promotion
- Improved coverage of work/family and social policies



PERFORM REGULAR PAY EQUITY ANALYSIS

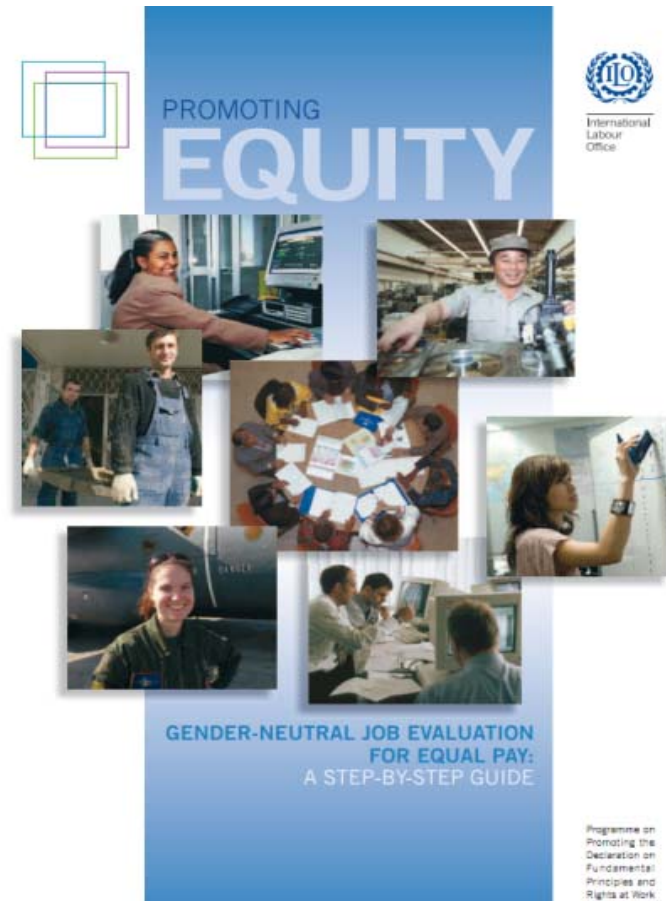
- ✓ Identify suitable pay equity analysis tools (ex. Logib-D)
- ✓ Gather comprehensive company pay data
- ✓ Find gendered pay differences within company: different levels and different functions
- ✓ Perform thorough pay equity analyses – explained / unexplained gap
- ✓ Review results to gain insights into prevalent pay gaps
- ✓ Conduct reviews periodically to consistently drive pay equity

DETERMINE EQUAL VALUE

- ✓ Determine numerical value of job based on skills and qualifications, responsibilities, effort and working conditions

Determining value: 6-Steps to Pay Equity

1. Which jobs to compare
2. Job evaluation method
3. Data on jobs to be evaluated
4. Analyzing questionnaire results
5. Determining the value of jobs
6. Making pay adjustments



CREATE A FAIR REWARD SYSTEM

- ✓ Ensure equity in structuring compensation and reward packages
- ✓ Set threshold, target and maximum for pay increases or bonuses to ensure equitable, merit-based distribution
- ✓ Fix clear and objective criteria to determine promotion criteria
- ✓ Discuss and compare reward/promotion criteria in peer group settings
- ✓ Drive accountability and minimise bias in compensation systems

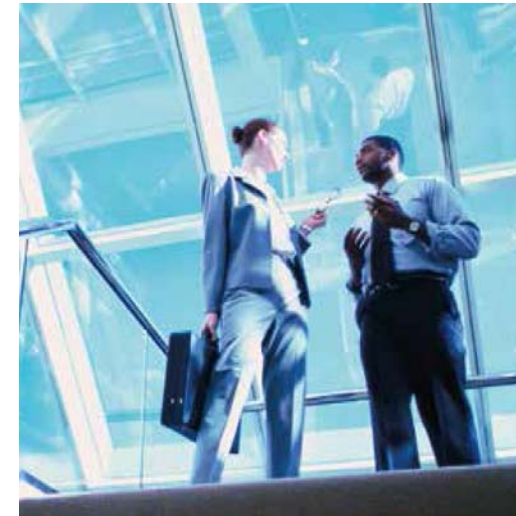
PROMOTE PAY TRANSPARENCY

- ✓ Strive for greater pay transparency - pay gap almost non-existent when pay information not withheld
- ✓ Publish criteria and formulas used to determine pay and merit
- ✓ Support Government efforts to promote pay transparency (US Lilly Ledbetter Fair Pay Act 2009, UK Equality Act 2010)

WHAT COMPANIES CAN DO

SUPPORT FLEXIBILITY

- ✓ Move away from “face-time” as key measure for employee performance by introducing flexible work schedules
- ✓ Support working arrangements that allow management of work and family responsibilities
- ✓ Train supervisors on managing flexible, productive work as real option for both women and men



The ILO and pay equity

Promote equal opportunities for men and women in the world of work

Dedicate research and technical expertise to understanding root causes of gender pay gap

Build capacity by examining good practices across the world

Recent publications:

- ***ILO Global Wage Report 2014/15*** compiles most recent gender pay statistics and analyzes causes of the gender pay gap;
- ***Motherhood Pay Gap*** reviews issues, theories and evidence on the motherhood pay penalty;
- ***Equal pay: An introductory guide*** clarifies key concepts related to equal pay and offers insights on application in practice
- ***ILO Women in Business and Management: Gaining Momentum Global Report*** looks at the gender pay gap from business perspective

Gender, Equality and Diversity Branch (GED)

Conditions of Work and Equality Department

International Labour Office (ILO)

4, route des Morillons

1211 Geneva 22, Switzerland

tel. +41 22 799 6730

ged@ilo.org

www.ilo.org/ged

