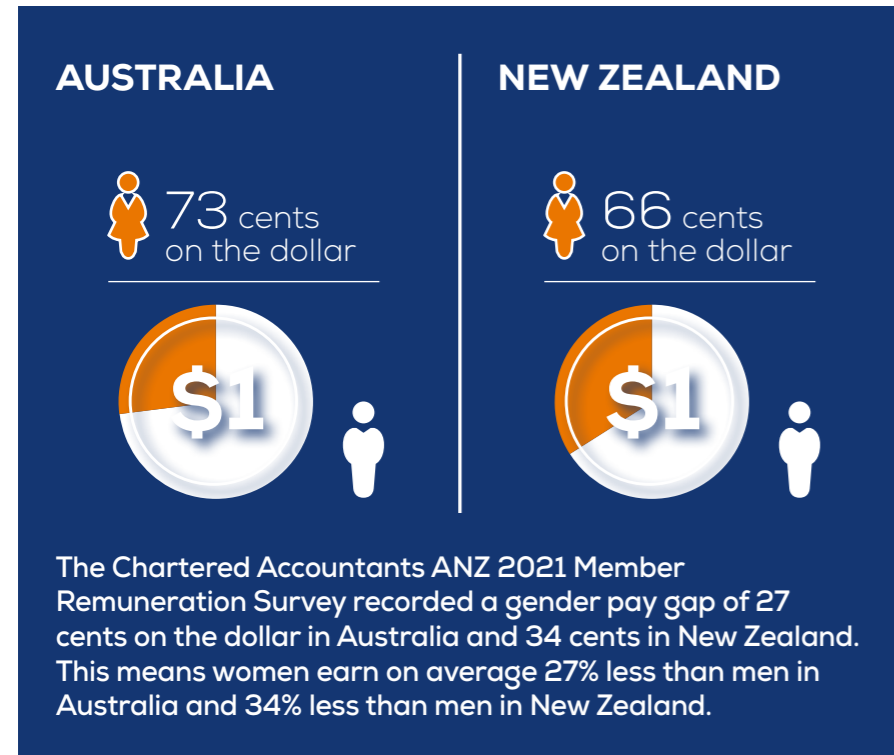


# How to take action on the Gender Pay Gap



## What is a Gender Pay Gap?

A gender pay gap is the difference between women's and men's average weekly full-time earnings within an organisation, sector or economy as a whole.

The pay gap is calculated from the average (or mean) difference in pay and expressed as a percentage of men's average pay.

It indicates women's overall financial position in the workforce and is an internationally established measure.

# Gender Pay Gap by nations



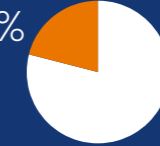
Organisation for Economic Co-operation and Development (OECD)

## The Bottom Line

McKinsey research shows gender-diverse companies are 21% more likely to experience above-average profitability and 27% more likely to create longer-term value than companies that are not gender-diverse.<sup>1</sup>

Likely above average profitability

21%



Likely creation of longer-term value

27%



## Conduct a Gender Pay Gap analysis for your organisation

$$GPG = 100\% \times \frac{[ \text{MALE AVERAGE EARNINGS} ] - [ \text{FEMALE AVERAGE EARNINGS} ]}{[ \text{MALE AVERAGE EARNINGS} ]}$$



**EQUAL WORK**      **EQUAL PAY**

Addressing the pay gap ensures your firm is a more diverse and inclusive place to work and will attract the best people.

## Myth busters

A gender pay gap is not about pay equality, which is a measure of the difference in pay between a male employee and a female employee.

By law, female and male employees must be paid equally for work of equal or comparable value. "Equal pay for equal work" was legislated in Australia in 1969 and 1972 in New Zealand.

Under Australia's Workplace Gender Equality Act 2012, all non-public sector

employers must report annually to the Workplace Gender Equality Agency on prescribed gender equity indicators.

A gender pay gap is not a women's issue – it affects your organisation's net profit.

Organisations that fail to address their gender pay gap risk losing top talent to other more progressive organisations. This results in high staff turnover and higher recruitment and training costs. It can undermine an organisation's succession and leadership plans.

## Actions to change your firm's culture and tackle the Gender Pay Gap

- Monitor any gender pay gaps from entry level and review annually
- Address any gender bias in interviews and selection panels by diversifying to include women and other minorities
- Hold frequent performance reviews that are more transparent, accountable and fair
- Ensure an equal and transparent promotion process for men and women
- Change your remuneration structure and scale to reward performance and outcomes, instead of traditional billable hours that favour full-time workers
- Create a formal mentorship program to support employees' progress and widen your talent pool
- Accelerate your representation of women at senior levels, including the board, management and the C-suite
- Normalise career breaks for study, travel, parental or carer leave, to reduce the significant impact to employees' promotion or remuneration prospects
- Embrace and create a flexible workplace
- Encourage education programs for decision-makers - including partners and the executive team about unconscious bias
- Assess the workplace culture and enact holistic cultural change to ensure women can fully participate in your organisation as equals
- Embed diversity and inclusion measures in organisational and leadership key performance indicators (KPIs).

1. McKinsey & Co. Delivering through diversity 2018  
2. <https://data.oecd.org/earnwage/gender-wage-gap.htm>  
3. OECD Family Database, 2015

4. Workplace Gender Equality Agency Australia's Gender Pay Gap statistics 2021  
5. Stats NZ Household labour force survey (income) population reweight, June quarters 2014-19  
6. Ministry of Manpower, Singapore's Adjusted Gender Pay Gap