OECD
BETTER POLICIES FOR BETTER LIVES

Communicating gender pay gap reporting rules and results

MAKING PAY TRANSPARENCY WORK

January 2024 http://oe.cd/pay-transparency-2023

Key findings

- 21 out of 38 OECD countries require mandatory, systematic gender pay gap reporting by private sector firms. The success of such policies depends critically on knowledge of them: both the degree to which employers are familiar with pay reporting rules, *and* the degree to which workers and other stakeholders understand firms' pay reporting obligations.
- In OECD countries with pay reporting requirements, employers are expected to familiarise themselves with legal reporting requirements. Relevant information is typically posted on government websites and is rarely directly communicated to individual employers.
- The degree of employer awareness of pay reporting requirements varies considerably across countries, with only five OECD countries explicitly measuring employer awareness of pay reporting rules beyond pay reporting compliance rates.
- Most countries' pay reporting rules guide employers on how and to whom pay gap results should be reported. Typically, firms must inform workers' representatives and/or government bodies about the results of reporting and auditing processes. In some cases, individual employees must also be informed.
- One reporting strategy implies "naming and shaming" – perhaps or "naming and praising". 11 OECD countries with pay reporting mechanisms require the results (or a part of the results) to be shared with the general public. In most of these countries, the results must be shared in a way that allows individual employers to be identified. This approach enables public knowledge to be used as a tool for social pressure to, ideally, promote gender equality.
- **Policy takeaway**: Governments should focus more on communicating pay gap reporting requirements to employers, as this is foundational to the success of a pay reporting regime. Additionally, employers need greater clarity on how to disseminate pay gap results to pre-defined stakeholders. Awareness-raising campaigns should be conducted to ensure that stakeholders such as workers, unions and the public are aware of and responsive to companies' gender pay gap results.

Many OECD governments have put pay transparency policies in place to tackle gender wage gaps. The OECD report ***Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform*** presents an in-depth assessment of a commonly mandated pay transparency measure for private sector firms – gender pay gap reporting (OECD, 2023[1]). Over half of OECD national governments (21 of 38) now require private sector employers to report gender-disaggregated pay information to stakeholders like workers, their representatives, the government, and/or the public. In almost half of these countries (10 of 21), pay reporting requirements are embedded within more comprehensive, mandatory, equal pay auditing processes.

Such measures are only effective if employers, employees, and the general public understand the rules of pay gap reporting well. Employers may not fully understand their obligations, and employees may not expect much employer engagement in reducing the gender wage gap. In spite of these concerns, governments rarely directly communicate pay reporting rules to employers and instead count on firms to familiarise themselves with legal measures. Governments also rarely measure employer awareness of pay reporting requirements, which complicates assessing the impact of (poor) communication on the effectiveness of reporting rules.

Accountability and transparency rest on clear guidance on who should have access to pay gap results. Different actors – including workers, their representatives, government and the public – have a role to play in holding firms accountable for their pay gaps. Public scrutiny may help motivate companies to address pay discrepancies.

How are reporting requirements communicated to employers?

Employers are usually expected to familiarise themselves with legal measures, with information provided online

Only a few countries, such as Australia, Canada, and France, directly email employers to provide them with online resources and remind them of their reporting obligations. Austria (Figure 1), Chile and Japan produce information leaflets and brochures on pay reporting rules.

Figure 1. Austrian Income Report Toolbox

Source: Printable version of Austrian Income Report Toolbox, available at www.einkommensbericht.gv.at/.

In most countries reporting rules are simply communicated publicly through designated ministry websites. Such websites can be found in at least Australia,[1] Austria, Belgium, Canada, Norway,[2] Sweden, Switzerland, and the United Kingdom.[3] Countries with the lowest degree of outreach do not specifically communicate pay reporting requirements to relevant employers or present them online in layman's terms, but rather use standard processes for communication of legislation or regulations, such as press releases, legal bulletins, or government gazettes.

In Austria, Belgium and Finland, workers and their representatives have helped to communicate pay reporting requirements *to* the employers. In Austria, workers' representatives, together with the Federal Ministry for Education and Women, published a brochure in order to support companies in the reporting process. In Belgium, the employee representatives who sit on the participation bodies are trained on the competences of the body and the obligations of the employer. For a full list of how reporting rules are communicated, see Figure 5.1. in (OECD, 2023[1]).

Employer awareness of reporting requirements is rarely measured outside of compliance (with reporting) estimates

Do employers know what they are required to report? Across countries, it is challenging to estimate employers' knowledge of reporting requirements. Some countries consider employers' compliance with reporting rules as an indicator of their awareness. However, compliance encompasses various factors, including awareness of reporting rules, ability to report, and willingness to report. Compliance is also imprecisely measured by governments that may not have full information on which companies *should* report, according to defined inclusion criteria like firm size.[4]

Despite governments acknowledging that employers are often unaware of gender pay gap reporting and auditing requirements (OECD, 2021[2]), most countries do not systematically survey or measure employers' awareness of the rules.

For example, research on a small number of Swedish employer and employee organisations suggest incomplete awareness of reporting rules, despite Sweden having one of the longest-running pay reporting programmes in the OECD. Many Swedish employers were unaware of the changes in the Equal Opportunities Act, including equal pay audits, according to the Swedish Equality Ombudsman survey from 2017. The survey also highlighted differences in knowledge between small and large companies, with employers large enough to have a human resources department or HR function having greater knowledge of the rules (Swedish National Audit Office, 2019[3]).

Both Swedish employer and employee organisations faced challenges in assessing the extent of compliance with various aspects of the legislation. Most employer organisations indicated an inability to assess compliance, while employee organisations provided varied responses, making it impossible to properly evaluate employers' adherence to legal requirements (Swedish National Audit Office, 2019[3]).

A survey conducted by the Finnish Social and Health Ministry in 2020 identified several potential reasons for incomplete reporting in Finland. The study, based on a representative sample of Finnish employers,

---

[1] Employer portal for Gender Equality Reporting in Australia at www.wgea.gov.au/reporting-guide.

[2] Information and support available for the private sector in Norway at https://ny.bufdir.no/fagstotte/produkter/aktivitets__og_redegjorelsesplikt_for_arbeidsgivere/.

[3] Guidance for employers on gender pay gap reporting at www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers.

[4] For example, it may be difficult for governments to know exactly which companies are required to report if companies' inclusion in a pay reporting system depends on the firm's size at a given point in a year. The government simply might not have this information.

revealed that only 53% of employers had conducted an equal pay audit (this represents an increase from the last survey), a third (35%) had not conducted it, and 12% could not say whether or not they had done it. Information from Finland highlights discrepancies between private and public sector employers: 86% of public sector employers, compared to just 50% private sector employers, report having conducted an equal pay audit (Ministry of Social Affairs and Health, Finland, 2020[4]).

Interestingly, the gender composition of a firm correlates with compliance. Under half (48%) of organisations with a male majority had fulfilled their equal pay auditing requirements, while nearly six in ten (59%) organisations with a female majority had conducted an audit in Finland. Many private sector employers (61%) indicated that pay analysis was not necessary, but this was less common in organisations with female majority (51%) than in those with a male majority (65%). Employers also pointed to the frequency and quality of wage surveys as a barrier to full compliance (Ministry of Social Affairs and Health, Finland, 2020[4]).

Canada, Iceland, Switzerland are relatively optimistic around employers' awareness of reporting rules. In Canada, the Employment Equity Program is regularly evaluated, and a survey conducted as part of the 2019 evaluation found that 96% of employers had a moderate to very high level of understanding of their employment equity obligations, including reporting rules, with 73% of employers claiming a high to very high level of understanding. Initial indications in Switzerland are that the law is being implemented well by employers, although reliable statements on this will only be possible with the evaluation in 2025. In Iceland, based on regular surveys on employers' attitude and awareness of the Equal Pay Standard, it is suggested that employers are becoming increasingly aware.

In Australia and the United Kingdom, awareness is measured by proxy through reporting rates. In Australia, the non-compliance rate in the most recently completed reporting period was approximately 7%. The United Kingdom estimates there was 100% compliance by firms in the first two years of reporting.

Using non-compliance rates as a proxy for awareness is an inexpensive and non-labour-intensive approach to gathering more information on employers understanding of their reporting requirements. One significant limitation to using compliance rates as an indicator for employer awareness is that not every government knows accurately which firms *should* report based on firm criteria (e.g. firm size at a given point in the year). In short, this can mean an imprecise denominator in estimates of compliance. The United Kingdom is a noteworthy exception, as the government invested significant resources in researching and building a registry of firms they believed should report. At the same time, many countries do not even attempt to estimate reporting rates – part of a broader pattern of weak enforcement of reporting rules (see Chapter 6 of (OECD, 2023[1])).

Who needs to be informed about the results of pay reporting and auditing?

Employee representatives – such as unions, works councils, or other employee representatives – are commonly designated to receive reports from companies on pay gaps. These representatives then share the outcomes with employees (see Table 1). In some cases, employees are also directly informed.

Several countries explicitly require employer reporting to the government in various forms. These countries include Canada, Chile, Denmark, France, Iceland, Italy, Latvia, Lithuania, Switzerland, and the United Kingdom.

- Australia, Canada, Chile,[5] Denmark, France, Iceland, Italy, Latvia, Lithuania, Portugal, and the United Kingdom, require companies to report to a government agency;

[5] For Canada and Chile this refers to segments of the private sector: federally regulated employees in Canada, and certain financial sector workers in Chile.

- Denmark and Lithuania require a pay gap analysis be carried out by a government body (for more on these novel approaches, see Chapter 7 of (OECD, 2023[1]));
- Iceland and Switzerland require that pay gap analysis be examined by a government-validated auditor who is subject to government regulation.

Eleven OECD countries report the results of gender pay gap reporting to the public, though the content of this reporting varies. In Australia, for example, the public has been able to view select reported data – including gender composition of the workforce, including at seniority levels, and the existence of policies/strategies pertaining to gender equality and equal remuneration. New legislation now requires the government's Workplace Gender Equality Agency to publish employer gender pay gaps, which will occur for the first time in 2024. This is similar to countries like Lithuania and the United Kingdom where the public can see the company-level gender wage gap for specific firms.

Table 1. Who needs to be informed about the results of pay reporting?

	Individual employees	Works councils or workers' representatives at company level	Social partners	Equality and/or state bodies	General public
Austria	✓	✓			
Australia	✓	✓		✓	✓
Belgium		✓			
Canada	✓	✓		✓	✓
Chile				✓	
Denmark	✓	✓		✓	
Finland	✓	✓			
France	✓	✓		✓	✓
Iceland	✓	✓		✓*	✓
Israel	✓			✓	✓
Italy	✓	✓		✓	
Japan					✓
Korea					✓
Lithuania	✓	✓	✓	✓	✓
Norway	✓	✓			✓
Portugal	✓	✓	✓	✓	✓
Spain	✓	✓			✓
Sweden	✓	✓	✓	✓*	
Switzerland	✓		✓	✓	
United Kingdom					✓

Note: Table summarises whether or not employers need to be accountable down (i.e. to workers and workers' representatives), accountable up (i.e. to social partners and government bodies) and/or accountable to other actors (such as the general public) in countries with pay reporting requirements in the public and/or private sectors. Ireland did not report this information. In many countries where "workers representatives" are involved, they serve as the intermediary and communicate results to individual employees (e.g. Austria, Denmark, Spain). *In Iceland and Switzerland, auditing is carried out by a government-qualified inspector rather than a specific government body.
Source: OECD Gender Pay Transparency Follow-Up Questionnaire (GPTQ) 2022.

Downward accountability: Reporting to workers and their representatives

Pay transparency programmes attempt to promote equal pay by *providing information* about the existence and size of gender pay gaps. Therefore, it is crucial that the gender pay gap reporting system – and the information coming from pay gap analyses – are transparent to workers and other stakeholders. In short, employers should be accountable to their workers, whether that be workers themselves or their representatives.

A few countries explicitly regulate employers' engagement with employee representatives during the review and reporting process. In Finland, Norway, and Sweden, pay reporting requirements and equal pay audits must be conducted in co-operation with employees and their representatives – who are directly informed of the results as they are involved in producing them.

In most countries, employers must explicitly share with worker representatives the results of reporting and/or auditing processes. This is the case in at least Austria, Australia, Belgium, Canada, Denmark, Finland, France, Iceland, Italy, Lithuania, Portugal, Spain, and Sweden. The specific requirements vary. For example, in Belgium, discussion with employee representatives in the works council or the trade union delegation is required. In Finland, discussion with an elected representative, the occupational safety and health representative or another employee-appointed representative is necessary. In Italy, companies' trade unions must be informed. In Austria, various worker representation bodies should be informed depending on their availability.

Additionally, most of these countries also mandate employers to inform employees about the results of the pay gap analysis through communication with employee representatives, directly through a publicly available document (e.g. France[6]) or through direct communication with employees. In Switzerland, for example, the Logib reporting system requires employees to be informed in writing within one year of the conclusion of the audit.

In Belgium and Italy there is no explicit requirement to inform employees. However, in Belgium, the employee representatives can inform the employees that the wage gap analysis has taken place, that a problem has been identified, if any, and that, as a result, an action plan is (or is not) being developed.

Upward accountability: Monitoring by government bodies

Reporting to a designated government agency is a common requirement for firms. The results of private sector pay reporting and/or auditing must be shared with (or the reporting process takes place through) government bodies in a number of countries, including Australia (Australian Workplace Gender Equality Agency), Canada (the Minister of Labour and the office of the Pay Equity Commissioner),[7] Chile (Chilean Financial Market Commission), Denmark (Statistics Denmark through the Structure of Earnings Survey[8]), France (Labour inspectorate in France's Ministry of Labour, Employment and Inclusion), Iceland (Directorate of Equality), Israel (Equal Employment Opportunity Commission), Italy (Italian Regional Gender Equality Advisor), Lithuania (State Labour Inspectorate), Portugal (Portuguese Ministry for Labour,

[6] On the Egapro website (https://egapro.travail.gouv.fr/consulter-index/) it is possible to consult gender pay gap information for all French companies that need to report. This information includes the overall index score and scores for the individual indicators.

[7] Canada's pay reporting regulation is two-fold, pay gap reporting under the Employment Equity Act applies to federally regulated private-sector employers with 100 or more employees. These employers submit annual reports to the Minister of Labour by 1 June of each year. Conversely, under the Pay Equity Act, federally regulated employers in both the private (ten employees or more) and public sectors (no employee threshold) are required to submit an annual statement on their pay equity plans to the Pay Equity Commissioner.

[8] The Structure of Earnings survey provides detailed information about the earnings of employees in the labour market disaggregated by level of education, occupation, region, industry, gender and age. The structural statistics on earnings form part of Statistics Denmark's coherent statistical system for earnings and labour costs. Employees in the public sector, in corporations and in organisations are covered. More information is available at www.dst.dk/en/Statistik/dokumentation/documentationofstatistics/structure-of-earnings.

Solidarity and Social Security (Labour Inspectorate and the Commission for Equality in Labour and Employment), and Sweden (Swedish Equality Ombudsman).

Among these, France has one of the most comprehensive information sharing system. French employers must declare the results of pay reporting to the authorities and make them available to the social and economic committee (CSE) via the economic and social database (BDESE).[9] This includes the individual indicator scores – including when some of them cannot be calculated – as well as details on the methodology used. The company is also required to communicate the results obtained for each of the indicators and the overall score of the Index to the administration digitally. If the overall score cannot be calculated, the company must provide an explanation for this.

About half of OECD countries with pay reporting mechanisms require transparency to the public

Approximately half of the countries with pay reporting mechanisms require some form of gender-disaggregated pay statistics to be shared with the general public.

All collected information must be shared with the public in the form of a report or action plan in Australia, Canada (under the Employment Equity Act), Norway, Spain, and the United Kingdom.

In the remaining countries only a part of the results must be shared. For instance, in France the overall score of the Professional Equality Index and the results of all the indicators obtained in the Index are public, but not the report detailing the calculations of the Index. In Japan, Korea, and Lithuania, the calculated pay statistics, e.g. gender pay gaps or average pay by gender, must be published.

When results are shared with the general public, in most cases individual employers can be identified. They are typically required to publish the results on their company websites. This transparency is key to building social pressure, as various stakeholders, including social actors, media, individual employees and shareholders, can compare the gender pay gaps across companies.

In some countries, gender pay gaps are shared publicly at aggregate levels, such that individual employers cannot be identified (Australia and Portugal). For example, the Australian Workplace Gender Equality Agency prepares and publishes annually gender pay gaps at aggregate level for the entire dataset of employers disaggregated by industry, occupation and manager categories.[10] The Portuguese Ministry for Labour, Solidarity and Social Security (Strategy and Planning Office) annually prepares and publishes the aggregate gender pay gaps (adjusted and unadjusted gaps) disaggregated by industry, occupation, educational attainment, seniority, region.

Importantly, for any of these communication measures to have an effect, stakeholders like workers and the public must know to look for results of pay gap reporting. Pay gap reporting regimes should therefore be connected to regular awareness-raising campaigns so that employers, workers, and the public are "on the lookout" for gender pay gaps – and engaged in closing them.

---

[9] *Base de données économiques, sociales et environnementales* (BDESE), i.e. the economic, social and environmental database, gathers all the information necessary for the consultations and recurrent information that the employer makes available to the worker representatives in the *Commitée Sociale et Economique*, i.e. the Social and Economic Committee (CSE).

[10] 2023 legislation now requires the Workplace Gender Equality Agency to also publish employer gender pay gaps. This will begin in 2024, however, the Workplace Gender Equality Agency will also continue to publish these aggregate gender pay gaps.

Transparency to the public can be a tool for social change

Public knowledge of gender pay information is important as it can help build social pressure to address gender inequality. For instance, the United Kingdom's "name and shame" approach to salary reporting has helped ensure 100% compliance in his first two years of programme implementation and is credited with stimulating public debate on the gender pay gap (OECD, 2021[2]).

UK's pay transparency regulations are also influencing hiring practices; those employers required to report pay gaps tend to adopt practices that are more attractive to women, such as providing information about wages in job advertisement and offering flexible working arrangements (Duchini, Simion and Turrell, 2020[5]). This can have large effects: in a recent survey experiment (Blundell, 2021[6]), in order to not be hired by the (hypothetical) employer with the highest gender pay gap in their industry, a majority of women would accept a 2.5% lower salary. In the experiment women are prepared to accept, on average, 4.9% lower pay to avoid this high pay gap employer (Blundell, 2021[6]).

How should pay information be reported?

Very little research has looked at how gender pay gaps can be best communicated to ensure stakeholder understanding. But how gender pay gaps are reported to stakeholders matters, as illustrated by a UK study. Using a randomised control trial, the Behavioural Insights Team commissioned by the UK Government Equalities Office tested five alternative ways[11] of communicating the wage gap (United Kingdom Government Equalities Office, 2018[7]). The study revealed that benchmarking information – placing a company's result in the context of other companies' results – helps readers differentiate between companies with high gender wage gaps and companies with low ones. Additionally, when statistics are presented in terms of money, rather than a simple percentage, the ability to understand the gender pay gap is maximised. A likely explanation for this is that people relate to monetary comparisons (e.g. 90 pence to every pound) more easily than percentages. The findings of this study have direct implications for the effectiveness of pay reporting rules – in short, governments and employers should make interpretation of results as straightforward as possible for a general audience.

[11] The treatment groups were exposed to the following interventions: 1) the gender pay gap (GPG) presented as percentage and visually in a bar chart; 2) identical to 1st but with benchmarking (against other companies) information; 3) identical to 2, but GPG presented in terms of money and visually as coins; 4) GPG presented as percentages in the type of the UK Energy Performance Certificate. The control group only saw the percentage difference GPG.

References

Blundell, J. (2021), “Wage responses to gender pay gap reporting requirements”, *CEP Discussion Papers DP /1/2, Centre for Economic Performance, LSE*, https://ideas.repec.org/p/cep/cepdps/dp1750.html (accessed on 26 August 2021). [6]

Duchini, E., S. Simion and A. Turrell (2020), “Pay Transparency and Cracks in the Glass Ceiling”, *CAGE Online Working Paper Series*, p. 482, https://ideas.repec.org/p/cge/wacage/482.html. [5]

Ministry of Social Affairs and Health, Finland (2020), *Työpaikkojen tasa-arvosuunnitelmat ja palkkakartoitukset 2020*, https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/162520/STM_2020_33_rap.pdf?sequence=4&isAllowed=y. [4]

OECD (2023), *Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring and Reform*, OECD Publishing, Paris, https://doi.org/10.1787/ea13aa68-en. [1]

OECD (2021), *Pay Transparency Tools to Close the Gender Wage Gap*, OECD Publishing, Paris, https://doi.org/10.1787/eba5b91d-en. [2]

Swedish National Audit Office (2019), *The Discrimination Act’s equal pay survey requirement – a blunt instrument for reducing the gender pay gap (RiR 2019:16)*, www.riksrevisionen.se/en/audit-reports/audit-reports/2019/the-discrimination-acts-equal-pay-survey-requirement---a-blunt-instrument-for-reducing-the-gender-pay-gap.html. [3]

United Kingdom Government Equalities Office (2018), “Presenting gender pay gap figures to the public: an online randomised control trial”, *GOV.UK*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/716145/Presenting_GPG_figures_to_the_public.pdf. [7]

Contact

Valerie FREY (✉ valerie.frey@oecd.org)