

SDG 5, gender equality:
Good Practices in Combating Discrimination Against Women in Pay Policy
– A Comparative Analysis

Introduction

Pay equality between women and men is a key indicator of social justice and the effectiveness of employment systems. Although most countries declare support for the principle of equal pay for equal work, in practice, wage differences remain significant. This phenomenon stems, among other things, from entrenched stereotypes, sectoral segregation, lack of transparency, and barriers to women's career advancement. The aim of this essay is to present effective practices for combating pay discrimination, based both on international experience and examples from specific companies.

The Gender Pay Gap – The Global Scale of the Phenomenon

According to OECD data from 2022, the average gender pay gap among member states is around 11–12%. The smallest disparities were recorded in Luxembourg (0.4%), Belgium (1.1%), and Costa Rica (1.4%). On the other hand, the largest differences occur in South Korea (31.2%), Israel (25.4%) and Latvia (24.9%). In the European Union, the average difference in hourly wages between women and men in 2021 was 12.7%. Poland is among the countries with a relatively low pay gap (approx. 4.5%), although this data does not account for differences in access to managerial positions and bonus levels.

In countries such as Pakistan, the pay gap exceeds 30%, making them some of the most discriminatory in terms of compensation. In the United States, women earn on average 84 cents for every dollar earned by men. Even in countries considered models of equality, such as Norway and Iceland, women – particularly immigrants and older workers – still face inequalities.

Pay Transparency and Audits as the Key to Change



Pay transparency is one of the most effective tools for reducing inequality. In the United Kingdom, large companies are required to publish data on pay differences, which has contributed to a gradual narrowing of the gap. Iceland went further by introducing a pay equality certification system with the possibility of imposing penalties for non-compliance.

Examples from the private sector show the tangible benefits of such actions. Salesforce has conducted annual pay audits since 2015. After the first analysis, inequalities were uncovered that cost the company \$3 million to correct. By 2022, the total cost of equalisation exceeded \$22 million. These actions not only increased employee trust but also improved the company's image as a responsible employer.

A similar practice was implemented by Buffer, which developed and published a transparent pay-setting model. As a result, employee engagement increased, and satisfaction and transparency improved significantly.

Equal Opportunities in Career Development

Pay discrimination often stems from limited access for women to higher-level positions. Changing this requires modifying promotion processes, eliminating biases, and providing active support. Google introduced a 'self-nomination' policy that encourages more women to apply for promotions. Another solution is the principle of gender proportionality in management structures, applied by some European corporations.

It is also worth mentioning mentoring programs, such as the 'Women Inspired Network' implemented by Dentsply Sirona. This program enables the development of leadership competencies and supports women on their path to management positions. Research shows that women involved in mentoring are more likely to pursue promotions and better handle professional challenges.

Family-Friendly Policies and Flexibility as Elements of Balance

Pay equality cannot be achieved without simultaneously supporting women in balancing professional and private life. In this context, flexible work arrangements, parental leave available to both parents, and access to childcare play an important role. Employers such as Cisco and Deloitte offer extended family support packages that reduce the so-called motherhood penalty and promote women's professional activity.



Research by McKinsey shows that companies with higher levels of gender diversity achieve better financial results and are more innovative. Therefore, investments in equality are not only an ethical obligation but also a business strategy that brings measurable benefits.

Conclusions

Combating discrimination against women in pay policy requires a multifaceted approach. Key factors include pay transparency, systematic audits, transparent promotion procedures, mentoring, flexible work arrangements, and strong support from management. The experiences of companies such as Salesforce, Buffer, and Dentsply Sirona show that change is possible and brings tangible benefits for both employees and organisations. At the same time, countries that implement equality policies – such as Iceland or Belgium – achieve lower discrimination rates, serving as good practices to follow.

Questions

1. What mechanisms contribute to the persistence of the gender pay gap despite the formal prohibition of discrimination?
2. Based on the essay, compare the effectiveness of systemic solutions (e.g., state regulations) and private company initiatives in combating pay inequality. Which of them appear to be more effective, and why?
3. How do pay transparency and wage audits influence the reduction of discrimination? Can such measures also have negative consequences for organisations?
4. What role do mentoring programs and family-friendly policies play in levelling women's career opportunities? Provide examples from the essay and assess their impact.

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