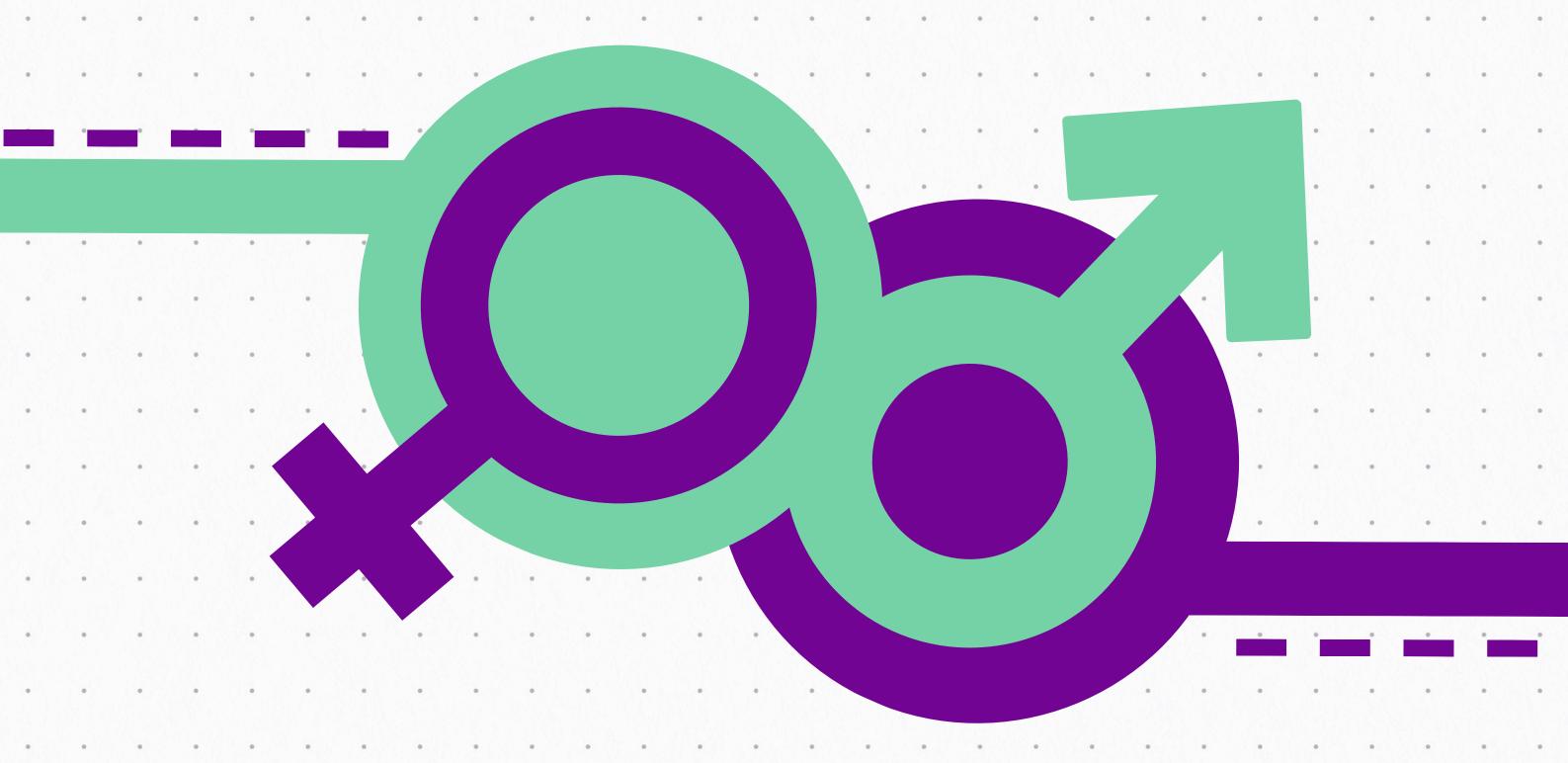**EquiLead's Gender Equity Initiative**

Bridging the Gender Pay Gap: Insights & Action for Organisations

A practical guide to benchmarking salaries, identifying gaps, and taking steps toward equitable pay.

The Gender Pay Gap: Understanding Workplace Inequity

DID YOU KNOW?

Across OECD countries, women earn on average **87 cents for every dollar earned by men**— **a 13% pay gap** that reflects deep-rooted inequity

Factors Driving the Gap

Career interruptions
maternity/parental leave, unpaid care

Job type
part-time, vulnerable roles, low protection

Systemic barriers
discrimination, undervaluation of women+ dominated sectors or their labour

Intersectional identities
Religion, region, caste, class, language, disability, LGBTQ+

Life-cycle and Long-term impact

Early low pay, mid-career breaks, and now thinking about whether my pension will be enough.

Early Career
Part-time roles and lower pay limit early financial growth.

Mid-Career
Career breaks and slower promotions reduce cumulative earnings.

Retirement
Lower pensions and savings increase risk of poverty.

Approaches to Closing the Gender Pay Gap

Institutions worldwide are adopting different approaches to reduce and eventually eliminate gender-based pay disparities. While strategies vary, three key methods often work in tandem: job classification, pay audits, and salary benchmarking.

1. Job Classification

Job classification is a systematic method of grading and ranking positions based on objective factors that determine their value. These factors may include required skills, responsibilities, education level, working conditions, leadership roles, and the degree of accuracy or complexity involved. Each factor is assigned points, and the total score determines where a job sits on a pay grid. By focusing on the inherent value of roles, rather than who performs them, job classification helps correct the historic undervaluation of jobs dominated by women.

Job Evaluation Toolkit

Skills Required	Responsibility Level	Complexity of Task	Impact on Organization
High Medium Low	High Medium Low	High Medium Low	High Medium Low

2. Pay Audits

A pay audit examines actual employee pay data within an organisation to identify pay gaps between men and women (and across other identity groups, where possible). It looks for patterns of inequity, unexplained disparities, and systemic biases that may persist even when jobs are classified fairly. Pay audits are diagnostic—they highlight where inequities exist but don't prescribe how to fix them.

3. Salary Benchmarking

Salary benchmarking involves comparing an organization's pay practices with external market standards and peer organizations to ensure fair and competitive compensation. It answers the question: Are we paying equitably for similar work compared to others in our sector or region? Unlike pay audits (which focus internally) and job classification (which evaluates roles), benchmarking creates an evidence-based pay structure aligned with both industry practices and equity goals.

*Source: **Pay Transparency Tools to Close the Gender Wage Gap** published by Secretary General-OECD*

This guidebook focuses on salary benchmarking as a practical tool to move from intention to action. By embedding a gender lens into benchmarking, organizations can not only stay competitive in the labour market but also actively ensure fairness, transparency, and pay equity across their workforce.

The approaches outlined here are suggestive and not exhaustive. Organizations may adopt or adapt them based on their current resources, stage of growth, and bandwidth. An interactive checklist along with salary benchmarking guidelines is provided below. Please feel free to customize these as per your unique context and needs.

Detailed Salary Benchmarking Checklist & Guidelines

Self-Diagnostic Checklist (Click on the boxes)

1. Policy & Commitment

☐ Does your organisation have a formal structure or process to address pay parity?

☐ Is the standardized salary band and linkage of pay with progression in skills, outcomes, leadership, tenure, etc. communicated to all staff?

☐ Are senior leaders accountable for pay equity outcomes?

☐ Are job descriptions and evaluations free from gendered assumptions?

☐ Are non-monetary benefits (flexibility, parental leave, health insurance) equitably accessible- are understandable and used/availed regularly by employees?

☐ Is there a safe grievance redressal mechanism for pay-related concerns?

2. Pay Practices

☐ Are there structured salary bands for each role?

☐ Are salary bands aligned with role competencies, and does the process ensure fair, capability-based pay across all roles and levels?

☐ Are salaries regularly benchmarked against industry standards?

☐ Are promotion and increment decisions tracked for gender balance?

☐ Do recruitment and promotion practices integrate gender-sensitive checks?

3. Monitoring & Reporting

☐ Is pay data disaggregated by gender and other identities (e.g., caste, disability, location)?

☐ Does your organization's salary bench-marking exercise include gender considerations, and has it been conducted in the last 12 months?

☐ Are the findings shared transparently with staff?

☐ Are corrective measures implemented when disparities are found?

☐ Is progress on closing pay gaps monitored and reported annually?

Scoring & Reflection – Count the number of boxes you checked:

- 10–16: Strong practices in place – continue refining and monitoring.
- 5–10: Progress made but room for improvement – identify and prioritise gaps.
- 0–5: Needs urgent attention – develop policies and practices immediately.

Salary Benchmarking Process

Position Matching & Role Categorisation
Review and standardise all job roles, defining responsibilities, seniority, and skills, while aligning with external sector benchmarks.

Market Scoping
Identify and shortlist peer organizations for benchmarking, ensuring diversity in sector, size, geography, and operational structure.

Data Collection
Design surveys and collect pay data, including base, variable, benefits; use interviews and secondary sources for insights.

Data Analysis & Segmentation
Clean and verify compensation data, analyse salary components, segment by region, seniority, and objectively assess roles.

Comparison and Key Findings
Match internal roles to market benchmarks by responsibilities, seniority, and skills; highlight trends in pay and benefits.
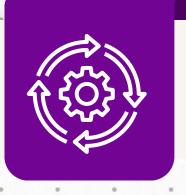
Recommendations & Actionable Steps
Recommend equitable salary ranges, provide strategic steps, establish pay parity frameworks, and set measurable improvement goals.

Reporting & Consultation
Develop a detailed report with analysis, comparative insights, actionable recommendations, and conduct leadership consultation sessions.

Implementation & Monitoring
Create implementation plans, set monitoring protocols, and provide ongoing support for adopting fair, equitable compensation practices.

Timeline

- **Weeks 1-3**: Finalise internal role categorisation and organisation selection.
- **Weeks 4-8**: Collect primary and secondary data comprehensively.
- **Weeks 9**: Initial data analysis and preliminary reporting.
- **Weeks 10-12:** Final analysis, stakeholder consultations, and completion of the final report.