

ADVANCING EQUAL PAY FOR WOMEN AND MEN IN THE WORKPLACE

EMPLOYER'S MANUAL >>>



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EQUAL EMPLOYMENT OPPORTUNITIES COMMISSION (EEOC) – INTRODUCTORY COMMENTS



Dear employer – this pamphlet is for you.

This is your opportunity to generate change and advance the cause of gender equality in your organization.

This manual can help you determine whether wage gaps exist in your organization and, if so, to plan and implement a process of gradual change aimed at closing the gaps. The manual contains tools for operation and implementation, based on experience amassed in Israel and abroad. These tools will help you analyze wage pay data, interpret the findings and formulate a plan of action to reduce disparities, should they exist.

Not only do reduced wage gaps and increased gender equality help female and male employees realize their professional and personal potential; they have numerous organizational and business advantages as well.

The Equal Employment Opportunities Commission in the Ministry of Economy has been working for the past several years to reduce gender gaps, seeing them as an inseparable part of discrimination against women in the labor market and in society as a whole. For the past three years, as part of the "Shavot Erech" (Equal Pay) Project, three civil-society organizations – Shatil, the Israel Women's Network, and the Adva Center – have been cooperating with the Equal Employment Opportunity Commission to raise awareness and encourage disparity-reducing efforts in the policy-making and public agenda-setting sphere, and among employers and employees.

Shavot Erech and its wide-ranging efforts are practical embodiments of the strategic approach on which the Commission's work is based – maximizing resources through the creation of strategic partnerships between organizations with shared interests, in order to build processes of long-term change.

The Equal Employment Opportunities Commission stands ready to help you advance the cause of equality and diversity in your organization.

For more information, visit the Equal Employment Opportunities Commission's Facebook page, or the following website:

<http://www.economy.gov.il/genderpaygaps>

// GENDER PAY GAPS AND THEIR CAUSES

Gender pay gaps are differences between the wages of women and of men. While the term “pay gap” is most commonly used to describe a more general hourly or monthly wage disparity in the economy as a whole, gender pay gaps are also calculated within and between economic sectors and occupations, as well as between women and men within organizations.

The overall hourly and monthly pay gaps

The gender gap is especially large in monthly wage terms: in 2013 the mean women’s wage was 68% that of men. Over the past decade, and compared with 2002, the gap has narrowed by 5%. One factor that drives gender wage disparities is the fact that women, on average, work fewer hours than men. However, even in terms of hourly wage women earn less than men. Women’s mean hourly wage in 2013 was 86% that of men.

Factors for gender pay gaps:

Gender pay gaps are caused by a number of interrelated factors rooted in the gender distribution of work in the labor market and in the family. These factors include:

Women’s and men’s employment in different industries (sectoral segregation) and in different occupations (occupational segregation) – Gender gaps in the labor market stem largely from occupational segregation: the fact that women are concentrated in specific sectors and occupations that pay less than those in which men are employed.

Wage gaps are also rooted in vertical segregation within organizations – women are underrepresented in senior positions, and overrepresented in mid-level and low-level jobs.

Part-time work – Women are more likely than men to work part-time, due to the need to balance paid work with care for their families. Part-time workers have fewer opportunities for advancement than do full-time workers, are less financially independent, and have smaller pensions, which also affect their economic security once they retire.

The “price of motherhood” – The “price of motherhood” is an expression that refers to the price that women pay for being mothers. Israeli and foreign studies point to a pay decrease suffered by women with each additional child – and, by contrast, an increase in fathers’ wages. Moreover, in Israel as elsewhere, there is evidence of discrimination against pregnant women and mothers of young children, who are perceived as less committed to their work and whose advancement and training opportunities are therefore often compromised, as is their wage.

Employer stereotypes and prejudices – For example, the assumption that women are secondary wage earners, or that they are unable or unwilling to take on managerial roles or jobs considered “masculine.”

Occupational norms that create and perpetuate gender inequality – For example, the “long work day” norm. Those who work longer hours are perceived as more serious and are better paid, promoted more rapidly, and have better chances of attaining financial security and the esteem of their superiors and colleagues. By contrast, those who go against this norm, even if their productivity is high, are regarded as less committed to their careers. As a result, their reputation and potential for promotion suffer.

Bargaining power and gender bias in wage negotiations – A major factor in determining wage levels is the identity of those involved in wage negotiations. Studies point to gender differences in how wage negotiations are handled. Negotiating behaviors such as assertiveness, dominance and the like are associated with men. Women who adopt these behaviors often encounter negative attitudes and are perceived as “problematic” or “combative.” For this reason women often refrain from conducting salary negotiations, make lower salary demands or take whatever wage is offered to them.



Advantages in closing the gender pay gaps

Beyond the moral and social duty of addressing this issue, closing the gender pay gap has organizational and business advantages:

Reducing the rate of personnel turnover – When employees feel that they are being compensated fairly, they tend to stay. Low turnover rates keep hiring costs down and preserve the organization's knowledge and human capital. An OECD study found that employers who have adopted family-friendly employment norms report less employee turnover.

Attracting quality personnel – Companies known for the fairness of their employment conditions and for friendliness to women and families attract higher-quality and better-educated workers of both sexes.

A good work atmosphere fosters productivity – When workers feel that they are treated fairly they are less frustrated, the overall atmosphere within the organization is pleasant, and employees have a sense of belonging. In the long term, this fosters labor productivity. Committed and satisfied employees work harder.

Organizational branding – Gender equality is, today, a common means of assessing corporate social responsibility. More and more corporations in Israel and around the world are reporting to corporate social responsibility indices (such as the Israeli Maala Index), out of an understanding that a business' reputation for social responsibility enhances its image in the eyes of consumers and the public at large.

Reduced risk of employee lawsuits – Unequal pay for equal or equivalent work is discrimination, which is prohibited by law. Identifying wage gaps and taking measures to reduce them constitute a means of protection against employee lawsuits.

Legal obligations of employers

Employees have a legal duty to accord equal opportunities to women. The main laws that set forth employer obligations in this sphere are the Equal Employment Opportunities Law-1988 and the Equal Pay Law -1996.

The Equal Employment Opportunities Law prohibits discrimination on a number of grounds, including gender. The law defines discrimination as differential treatment based on gender or other criteria such as sexual orientation, personal status, age, pregnancy, fertility treatments or parenthood.

The Equal Pay Law deals in depth with wage equality between female and male workers.

The gender-equality obligation and the prohibition on discrimination refer to different stages of employment:

Hiring –Want ads should be formulated in neutral terms that refer solely to occupational requirements; job interviews should focus on occupational issues, with no gender-related questions or remarks ("Are you planning to have more children?" or "This job isn't really suitable for a woman").

Work conditions -- All employees' work conditions should be determined in accordance with their experience and ability, regardless of group affiliation. However, special rights may be accorded to relevant categories of worker. For example, protecting pregnant women from possible safety hazards; reasonable, appropriate and proportional work condition adaptations; conferral of rights on working parents, e.g., a shorter work day for all parents, women and men. Examples of unfair work conditions include offering the option of overtime solely to younger employees, or deciding not to hire mothers of young children for certain kinds of jobs. The prohibition on discrimination also encompasses a prohibition on compromising the terms of employment – e.g., reducing wages or working hours unilaterally, e.g., for a pregnant employee.

Promotion/occupational advancement – Occupational advancement must be based on professional skills. Discrimination could take the form of making advancement conditional on factors irrelevant to the nature or essence of the job, such as age, familial status or gender; it could also manifest as a systematic failure to promote women.

Salary and compensation – The Equal Pay Law mandates equality between the sexes regarding all aspects of wage or other types of compensation (e.g.: overtime quotas, company cars, share allocation, grants and the like) for the same or equivalent work. This means that the employer has a duty to verify that differences in wage and other compensation are based on relevant considerations such as productivity, education, skills, seniority, or the degree of responsibility entailed by the job. One common means of determining whether tasks carried out by different employees are "equivalent" is that of job analysis. Beyond this, in equal-pay lawsuits the labor court is authorized, on the request of one of the sides, to appoint a job-analysis specialist to determine whether the work at issue is equivalent. Based on the wording of the law and cases adjudicated by the courts, equivalency determinations look at such variables as degree of budgetary responsibility, employee responsibility, required skills, complexity of the work, environmental conditions and the degree of physical effort required.

Employee dismissal – Equal opportunity in the workplace also relates to the issue of dismissal and dismissal processes. The Women's Labor Law-1954 confers protection from dismissal on female employees and their partners during pregnancy, the perinatal

period, fertility treatments or absences from work due to these reasons. For example, firing a pregnant woman entails a special authorization from the Ministry of Economy. Beyond this, there must be verification that dismissals are carried out for professional reasons, and not for reasons related to gender or age, which would constitute discrimination as prohibited by the Equal Employment Opportunities Law. For example, dismissal due to the employee's belonging to a particular gender or age category ("I like to have young women in sales positions") is forbidden.

Information disclosure and employee grievances

The Equal Pay Law stipulates that employers give employees, on demand, information regarding the wage levels of persons employed by them by job category, without disclosure of details regarding the employees' identity. Additionally, the Equal Employment Opportunities Law prohibits the prejudicial treatment of an employee who has filed a complaint or claim regarding discrimination in the workplace.

Claims may be filed by female employees who have been discriminated against, by worker organizations or by public organizations/associations in the women's rights sphere.

Consequences of violating legislation relating to gender equality in the workplace

If a court claim has been filed and wage differences have been found to be unjustified, the employer will be required to pay the difference to the employee who was discriminated against. The court is also authorized to award compensation for non-financial damages suffered by the complainant.

Different remuneration for male and female employees who do equal or equivalent work also constitutes discrimination prohibited by the Equal Employment Opportunities Law. In claims relating to this law, the court is entitled to issue orders, e.g. a re-employment order for an employee who has been dismissed.

In the Orit Goren/Home Center affair, the court ruled in favor of a female petitioner's wage differential claim vis-à-vis a male employee in an identical position. However, the National Labor Court [majority opinion] invalidated the discrimination claim and accepted Home Center's contention that the wage had been determined on an individual-negotiation basis, with no attention to gender. The case reached the Supreme Court of Israel; the Israel Women's Network represented the petitioner, and the Equal Employment Opportunities Commission (EEOC) joined the case as amicus curiae. In its ruling, the Supreme Court adopted in full the EEOC's position, stating that, when a wage difference per the Equal Pay Law has been proven to exist, the responsibility for proving that there has been no discrimination under the Equal Employment Opportunities Law lies with the employer. This ruling may potentially aid future female complainants to obtain compensation for discrimination, and not only with regard to wage differentials.

WANT MORE INFORMATION?

VISIT THE WEBSITE OF THE EQUAL EMPLOYMENT OPPORTUNITIES COMMISSION – INFORMATION FOR EMPLOYERS PAGE:

economy.gov.il/genderpaygaps



STAGE I // GENDER-ORIENTED ASSESSMENT OF THE ORGANIZATION'S PAY DATA

Has it ever occurred to you to compare the average women's wage with the average men's wage in your organization?

Are their disparities in the benefits given to women and men who occupy similar positions in the organization?

Many employers report that when they were required to examine their organization's gender pay structure for the first time, the findings were surprising. Given the prevalence of pay gaps in Israel and around the world, your organization may also have gender wage disparities, without your being aware of it.

In the following pages we present a model for gender-oriented assessment of your organization's wage data. The aim of the process is to determine whether there are significant male-female wage differentials in the organization, to map the disparities and, in the next stage, to analyze the reasons for these disparities.

The assessment model has four parts:

- Forming an assessment team
- Deciding on the scope of the assessment
- Creating a database
- Creating a gender profile for the company and/or the unit under assessment

The assessment process entails organizational commitment both in terms of reliable data gathering and analysis, and in terms of correctly interpreting and responding to the findings. The assessment findings may substantiate a gut feeling regarding the existence or non-existence of pay gaps in the organization, or they may reveal wage distortions of which you may not have been aware.

It is important that you "face the numbers" and not fear the findings that you obtain. Should significant and unjustified wage disparities be discovered, they can be addressed in a gradual, calculated manner, as proposed in Stage 3 of the Manual.

1. Forming an assessment team

Decide who will be guiding the assessment process. At the assessment stage there is no need for a large team; 2-3 men/women will suffice.

It is most important that an assessment coordinator be appointed to oversee the data collection process.

We recommend that the assessment team include an employee from the organization's payroll and/or human resources unit – one who has access to the necessary data and to the personnel management systems, and who is familiar with the organization's wage policy;

We also recommend that the team include someone from the organization's senior managerial echelon, to affirm the organization's commitment to the process at all levels.

2. Deciding on the scope of the assessment

It is advisable that a decision be made regarding the sample population to be tested from among the entire staff in the organization's various units. The scope of the assessment will depend, among other things, on the organization's size, available resources, the organization's degree of commitment to the process, and the circumstances that led to the assessment's initiation.

We recommend that you undertake at least a basic assessment of the full work staff (including temporary and contractor employees), in order to obtain an initial picture of the organization's gender pay gap situation. Afterwards you can conduct a more in-depth assessment, gradually, by department or professional grade. For example, each year you might choose a particular organizational segment and add it to the assessment.

To help focus, you may use the following guiding questions:

- Is there an occupational unit / division that is particularly relevant to the process?

"I was convinced there were no pay gaps at Microsoft Israel. I decided to conduct an assessment and discovered gaps of 25%. I was very surprised. The managers are responsible for investigating wage disparities, and the common excuse "She didn't ask" is not acceptable."

(Arie Scope, former Microsoft Israel CEO, in an interview for The Marker, March 3, 2014).

- Would it be worthwhile to focus on a specific professional grade? If so, would you choose the more senior or the more junior levels?
- Would it be worthwhile to examine a specific job/occupation? For example, one where women (or men) are better or less-well represented?

Creating a database

In order to conduct a gender-oriented pay analysis, you need to create a body of relevant information. Most of the information needed may be retrieved from the organization's existing payroll and human resources systems.

Basic gender segmentation involves collecting the following types of information for each employee:

- Gender
- Pay data: base pay and gross pay (see Appendix 2)
- Human resources information: personal information (e.g.: age, educational background, marital status, seniority) and job characteristics (rank, department, job slot)

Points of emphasis for data collection

To ensure the reliability of the data you collect, adhere to the following guidelines:

- Collect mean and median wage data for women and men (the median wage is the wage that is exceeded by half of all employees and that exceeds the wage earned by the other half), over a sufficiently representative period of time (at least one quarter). We recommend not relying on just one month;
- Collect data regarding the various forms of compensation that are given differentially to organization employees, including in-kind compensation (e.g. overtime, company car, share allocations or options, per diem expenses);
- Create a basis for comparison between employees in different job slots by converting the wages earned by part-time employees to full-time pay;
- Identify gaps in the information obtained, and figure out how to fill them in;
- Verify that the data are recorded in a consistent and systematic way.

Creating a gender profile for the company's employment data

Now you can create an initial picture of your organization's employment and wage profile for women and men, through different segmentations, and based on the data that were gathered during the previous stage.

Possible segmentations:

- Women versus men within different occupational sub-units (by division, job, rank and the like), in numbers and percentages (use clear language: "number," "percent");
- Mean and/or median total payments (salary and benefits) for women compared with men, per the same occupational sub-units;
- Percentage of women versus men by seniority level. This can be broken down into several seniority categories, e.g.: 0-5 years, 6-10 years, 11-15 years, 16 years and over;
- Percentage of women versus men by years of schooling. This can be broken down into several years-of-schooling categories, e.g.: fewer than 12 years of schooling, 12 years of schooling, post-secondary education, bachelor's degrees, advanced degrees;
- Percentage of women versus men by age. This can be broken down into similarly-sized employee age categories, e.g.: 25-30, 31-35, 36-40, 41-50, 51-60, 60 and over.

How can data be presented and analyzed easily? Use the Gender Pay Gap Calculator.

Data can be processed independently via some of the organization's existing payroll systems. To make the process easier, a Gender Pay Gap Calculator was developed in the framework of the "Shavot Erech" project. The calculator is a tool for gender-oriented analysis of organizational wage data, inspired by the innovative models created in Australia, New Zealand and Germany. The Calculator is a free Excel-based tool that is available for use by organizations wishing to undertake a gender-oriented analysis of wage disparities such as the one proposed in the present Manual. Use of the tool is independent and anonymous, and its findings are presented via a set of user-friendly visual reports (see Appendix 3: User's Guide to the Gender Pay Gap Calculator).

STAGE 2 // INTERPRETING THE FINDINGS

1. Summarizing and analyzing the findings

After gathering data on the organization's gender-based wage disparities, it is now time to summarize and analyze the data. This analysis lays a foundation for development of a plan of action to reduce the gaps.

The summary is intended to create a clear picture of the division of work between genders and the organization's pay gaps. We recommend that the summary answer questions about the place of women and men in the organization, e.g.:

How many women and how many men are employed by the organization?

Are women or men concentrated in specific jobs or departments within the organization?

Is there a lack of women or men at different echelons within the organization (in managerial positions, temporary jobs, etc.)?

Other questions to be answered: where exactly were pay gaps found, and how large are they?

Three main types of pay gaps may be detected:

- **Overall gaps** – comparison between all male and female employees in the organization and/or the unit subjected to in-depth investigation with regard to mean/median monthly/hourly pay – base pay and other compensation;
- **Gaps between equals** – disparities in salary or other forms of compensation between male and female employees in the relevant unit who perform equal work – whether actually equal, or equivalent (male and female employees who perform tasks that, though different, represent similar levels of complexity, responsibility and importance to the organization, e.g.: a technician and a secretary);
- **Gaps at the pay-grade level** – male and female employees who are at the same grade within the professional hierarchy but who receive different salaries and other compensation; in the public sector, pay grades are based on a combination of job classification (for instance, humanities and social science graduates, management, attorneys) and grade (numerical). In the private sector an employee's pay grade is based on his/her place within the organizational hierarchy. If no structured hierarchy exists, the organization's employees should be divided up among several sub-units on a hierarchical scale, based on similar or identical levels of responsibility, job complexity and degree of supervision required. For example: (1) senior management; (2) middle management; (3) professional staff (4) sales staff (5) administrative; (6) production workers.

The Elhanani affair – occupational comparison in the labor court

In a 2013 ruling, the Tel Aviv Regional Labor Court affirmed that the salary of a senior female employee in the Water Authority should equal that of other Authority employees whose grade was higher than hers.

Sara Elhanani claimed gender discrimination due to the fact that she had not been promoted to the rank of a senior department head employed on a senior management contract basis, like other Water Authority employees. Elhanani was the Director of the Water Quality Department. Her attempts, over the years, to change the classification of her job to that of senior department director had failed, despite her contention that the job was identical to, or surpassed, the jobs of senior department heads, all male, within the Water Authority.

Judge Ariella Giltzer-Katz ruled that the activity of the department headed by Elhanani and that of the other departments headed by "senior department directors" should be subject to substantive comparison. The comparison encompassed such parameters as departmental budget, number of employees, the department's importance to the organization, responsibility, professionalism and complexity of work.

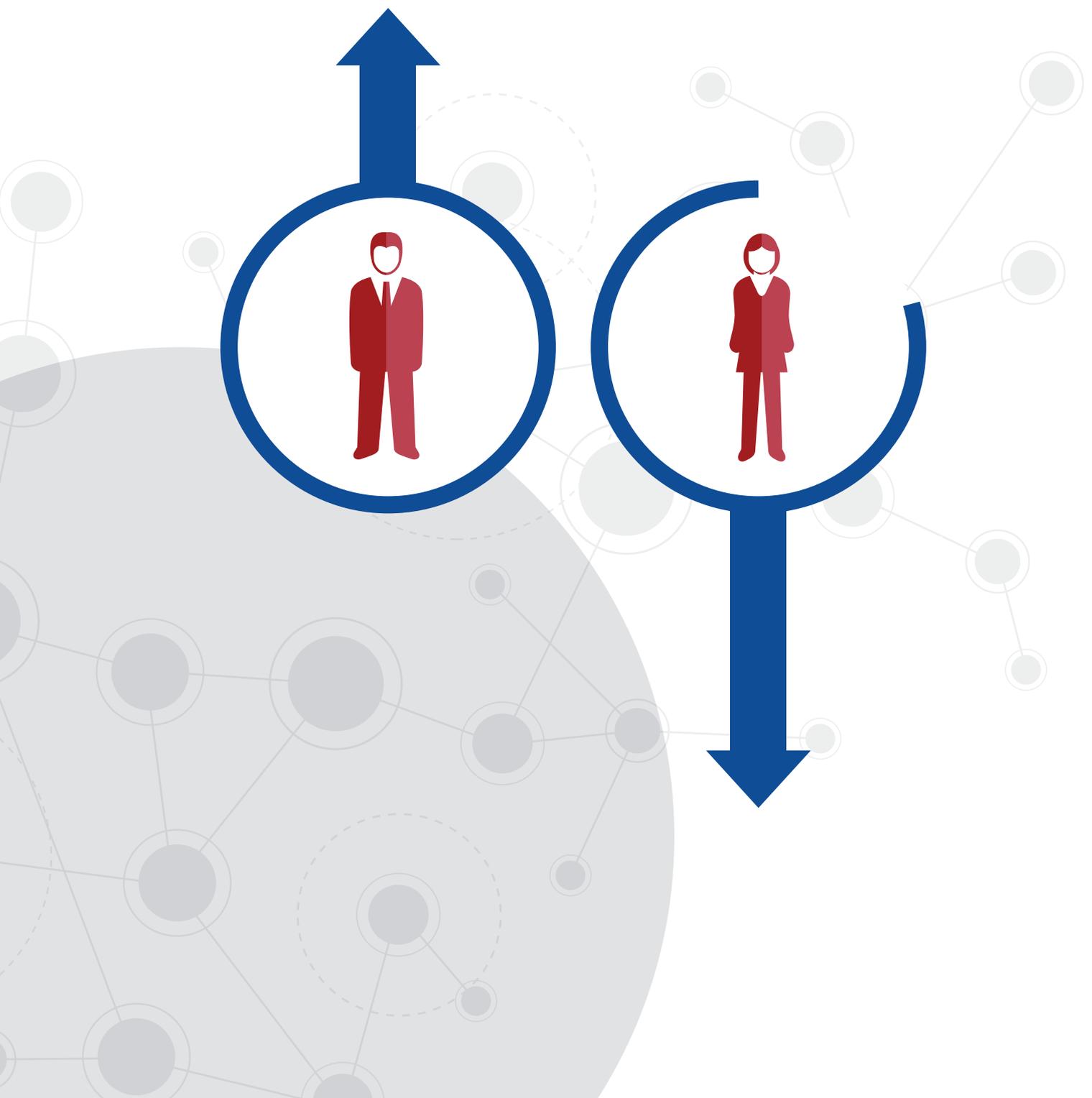
Based on the substantive comparison, Judge Giltzer-Katz concluded that, in professional terms, managing the Water Quality Department was no less demanding a job than that of managing the other departments to which the Water Quality Department had been compared. Based on this conclusion, she ruled that the years-long refusal to upgrade the position had been due to the fact that the department was headed by a woman. Elhanani was awarded 24 months' worth of retroactive pay per the Equal Pay Law, as well as compensation without proof of damage per the Equal Employment Opportunities Law.

(For more information, see Sharon Rabin-Margaliot, October 2013. "Not Less Equal [Worth Less]." *Orekh HaDin*, pp. 114-117.)

2. Possible reasons for the existence of gender pay gaps

After a mapping of women's and men's places within the organization has been carried out, and after any pay disparities have been identified, try to pinpoint the reasons for the gaps. Based on worldwide experience that has been substantiated by research, the following causes are the most common:

- High concentration of women at the organization's lower grades;
- More rapid advancement of men than of women;
- Over-valuing of male occupations and under-valuing of female occupations;
- Occupational norms that make it hard for women to advance, such as long work-day requirements or the practice of scheduling evening meetings;
- Salaries are based on personal negotiation, and women tend to demand lower salaries;
- Discrimination against women and mothers based on stereotypes and prejudices.



STAGE 3 // DRAWING UP A PLAN TO REDUCE PAY GAPS AND ADVANCE GENDER EQUALITY

Once the reasons behind the gender gaps have been analyzed, it is time to decide on a practicable plan of action tailored specifically to your organization. To ensure the plan's success, we recommend that it include the following elements:

1. Measurable targets

Set plan-outcome targets, for example:

- Reduce the company's general pay gap from X to Y within 5 years;
- Recruit X women for the organization/department;
- Female representation of X% in the senior management.

We also recommend setting targets for the process itself:

- Appoint a process implementation and supervision team;
- Incorporate changes into the recruiting procedure;
- Subject one department per year to a comprehensive gender analysis;
- Formulate an organizational strategy to reduce the gaps (see below);
- Develop parent-friendly occupational norms, and a time bank.

2. Setting priorities and formulating a work plan

Which pay gaps should be addressed first? We recommend starting with pay gaps for equal or equivalent work, since these disparities constitute a violation of the Equal Pay Law, and expose you to discrimination lawsuits. Beyond that, your work plan should focus on the main causes of pay gaps in your organization, and address these causes. Later in this section you will find recommended and commonly-used pay gap reduction strategies on which you can base your work plan.

3. Setting a timetable

Because the process is an ongoing one, it is advisable to draw up a plan for several years in advance, with targets set for each year.

4. Appointing an implementation team

We recommend that the implementation team include representatives from the senior management and from the organization's human resources department. It is highly advisable that you also include other entities that help shape the organization's work environment and internal processes, such as: employee representation, corporate responsibility, O&M, organizational development and training, advancement of women, etc. These entities may help greatly in terms of extracting meaningful insights from the assessment process findings.

5. Allocating resources

Once a work plan has been drawn up, costs must be estimated and a budget allocated. Some of the actions to be taken, such as manager and employee workshops or the dissemination of informational material on gender pay gaps, do not require a budget. Others do, e.g. equalizing the wages of female and male employees who are doing equal work. Another example would be equalizing benefits and/or allocating overtime hours to organization staffers involved in implementing the plan.

6. Informational activity

A gender pay gap reduction plan entails changes in organizational culture and will affect all of your employees. To mobilize the organization for this change, it is important that you expose employees to information, present them with the main points of the plan, and explain the plan's implications for the organization. The plan should also be presented to shareholders, the board of directors or other organizational stakeholders.

The Equal Employment Opportunities Commission and the Israel Women's Network can help you with your information campaign.

// PAY GAP REDUCTION STRATEGIES

Today, efforts to advance equal employment opportunity for different populations (workplace diversity), fairness and pay gap reduction are regarded as matters of corporate responsibility. Below are examples of measures that companies commonly take in order to reduce pay gaps and advance equal opportunity in general. Some of these are one-time or short-term measures, such as rectifying specific wage distortions, but the most important measures are those that have a long-term impact on the pay gap scenario. The latter involve incorporating the gender perspective into company mechanisms (such as employee recruitment and advancement), and changing prevailing occupational norms.

The following are measures that companies around the world most commonly take in order to reduce gender pay gaps.

1. Changes directly related to how pay and benefits are distributed

Pay raises and compensation

- Correcting pay distortions – equalizing the pay of male and female employees who hold equal or equivalent jobs, affirmative action when pay increases are being instituted and when personal or collective wage agreements are being signed;
- Examining criteria by which different forms of compensation are granted, e.g. bonuses, company cars, mobile phones.

Setting clear and transparent criteria for employee advancement, determining pay, and allocating benefits

The clearer the company's policy is on these issues, the greater the chance of avoiding biases, e.g., the tendency to advance those who resemble us, the tendency to regard men as primary breadwinners and to offer them higher salaries or more rapid advancement. Transparency regarding advancement and pay raise processes reinforces a sense of fairness among the organization's male and female employees. By contrast, secrecy regarding pay tends to increase suspicion, intrigue and a sense of being discriminated against.

As part of a joint project of the Adva Center and the Be'er-Sheva Municipality Women's Status Advisor, the Municipality performed a gender-oriented employment conditions analysis. The Municipality allocates Mirs phones to nearly a quarter of its employees. An examination of the way in which the allocations are made revealed an obvious gender bias: women account for 70% of municipal employees but only 8% receive Mirs phones compared with 40% of men – with no connection between the nature of the job and Mirs phone allocation. In the wake of the assessment, the criteria for allocating the phones were examined and the allocation method was changed.

2. Changing organizational norms

Incorporating gender targets into the process by which female and male employees are recruited

- Hold workshops on gender stereotypes and hidden biases for those involved in personnel recruitment as well as for those in charge of payroll and determining employee wages;
- Formulate help wanted ads and job definitions in neutral terms;
- Give preference to women when recruiting for departments, job grades or positions where men currently predominate and vice versa – including actively recruiting male and female employees from within the company and outside it.
- Occupational training and career development

Provide occupational training to employees to ensure effective job performance;

- Encourage women and men to take part in occupational training that facilitates advancement;
- Make sure that occupational training is accessible to employees at all levels, including male and female part-time employees;
- Create a mentoring program aimed at promoting male and female employees with documented potential to more senior positions.

A Finnish food processing firm discovered that its female employees were earning less because their work was considered to be easier, due to the type of machinery they were operating. The company organized training and instituted rotations for all of its employees on all of the machinery types in use – a measure that made it possible to raise the women's wages.

A cleaning services company in Luxembourg found that most of its employees were women at low salary levels, while most of its team leaders were men. The firm organized in-service training to impart skills and facilitate occupational development for its female workers, and began promoting them to team leader positions.

Advancing occupational norms that making it easier for parents to balance their responsibilities at work and at home

Around the world, the largest pay gaps between women and men are those between mothers and fathers, and they stem from gender-based divisions of labor at home, with the women playing a more active role in childrearing and household tasks.

Arrangements that make it easier to balance work and family life are beneficial to women and open up new job opportunities for them. However, they also benefit men and enable them to be more involved in childrearing.

Common examples:

- Make working hours more flexible by instituting a time bank – an arrangement whereby employees set their own daily work schedules (in accordance with the organization's needs), and fulfill a monthly quota of working hours. This arrangement is the norm in Denmark. In the UK and the Netherlands, employees organize their own work week, with employer authorization;
- Hold work meetings no later than the afternoon hours, or allowing employees to participate in work meetings from home, via computer;
- Give employees the option of working from home in the evenings or when a child is ill;
- Allow vacation days to be coordinated with school vacations.

It should be noted that employment policies that encourage an effective work-life balance are good for both employees and employers. An OECD study indicates that employers who institute such policies report lower employee turnover, greater satisfaction, fewer absences and higher rates of mothers returning to their jobs after maternity leave (OECD, 2007).

Creating an employee evaluation mechanism that is based on productivity and target attainment, rather than on hours present in the workplace

Studies show that one cause of gender pay gaps is men's propensity to spend many hours in the workplace, while women who are mothers limit their hours in the workplace so that they can care for their children and carry out household tasks. Long work-days do not necessarily translate into greater productivity.

An employee evaluation mechanism that emphasizes performance would undermine the Israeli masculine norm of "killing time" at the office, and move the focus to job performance. Such a mechanism would be gender-neutral and fairer.



STAGE 4 // GUIDING AND SUPERVISING THE IMPLEMENTATION PROCESS

Once the organization's pay gaps have been mapped, a plan of action formulated and a team appointed, a supervisory mechanism to ensure actual implementation and target attainment must be chosen. The supervisory process should include a periodic reporting mechanism, evaluation of the strategies employed, and assessment of the degree to which objectives are being achieved. We highly recommend conducting annual wage analysis and strategy evaluations on a yearly basis as part of the organization's work-plan formulation process, and at times when decisions about employee pay changes are being made.

We also recommend that the supervisory process be executed by senior staff who are regularly involved in supervisory activities within the organization.

1. Periodic pay gap assessment

The process began with a preliminary assessment of gender pay gaps among the organization's staff. The supervisory mechanism should include a repeat assessment of data examined in the past, to see whether there has been any change. If the organization is a large one and a partial wage analysis is being conducted for a division/department/pay grade or sample, we recommend expanding the analysis and, on a yearly basis, including additional organization units.

2. Assessment of target attainment

The main indices for assessing pay gap reductions are the targets set forth in the plan of action.

Commonly-used indices:

- Change in the percentages of women and men employed by the organization;
- Employee recruitment data by gender;
- Senior staff data by gender;
- Percentage of employees who have undergone occupational training, by gender;
- Change in the overall pay gap (mean and/or median employee wage) between female and male workers;
- Change in the gender pay gap within a specific department/division/position grade in the organization;
- Number/proportion of company employees who received informational material on the topic of gender pay gaps;
- Percentage of those involved in personnel recruitment who underwent workshops on gender bias;
- Change in the male/female employee turnover rate. Here, it is also advisable to look at the departure rate of female employees, who are generally the first to be hurt by gender-blind policies (e.g., pregnant women, young mothers, etc.);
- Percentages of women and men who were promoted, and the percentages and increase compared with the previous assessment;
- Male/female employee satisfaction levels regarding the process.

3. Assessment of the plan of action

This assessment has two parts:

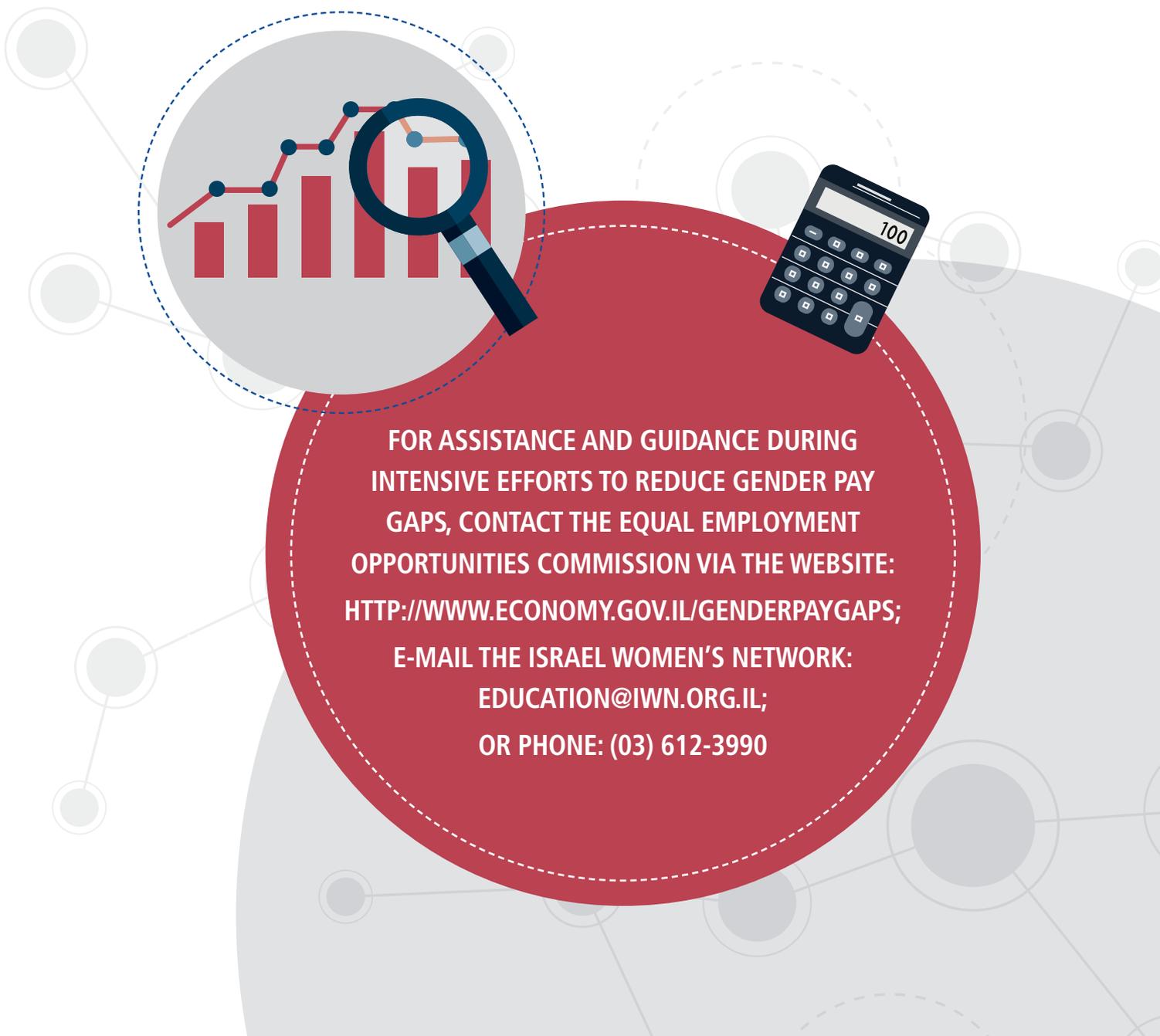
- Have we taken the measures noted in the original plan? Which measures have not been taken, and why?
- Measures taken versus targets: did the measures that we took bring results? Because the process is an ongoing, long-term one, not all measures will have immediate outcomes. However, even measures such as changing occupational norms can have a short-term impact on female and male employee satisfaction, employee turnover rates and gender gaps.

4. Incorporating gender equality into everyday activity

Advancing gender equality and reducing wage gaps are ongoing processes. Beyond the periodic assessments and efforts to improve the organization's work plan from a gender standpoint, the objectives should be incorporated into ongoing company activity, e.g.:

- Verify the presence of gender balance in the organization's employee hiring and advancement processes;
- Take gender pay gaps into account when making a salary offer to a new male/female employee, conferring pay raises or distributing bonuses to existing employees;
- Link wages to employees' utility to the company and to their performance;
- Take gender disparity into account when appointing managers or directors, and when allocating benefits such as options, shares, bonuses and company cars;
- Take gender gaps into account when planning new projects, changing areas of responsibility or undertaking re-organization measures (e.g.: re-allocation of sales areas);
- Increase transparency and organizational commitment by addressing gender pay gaps in corporate responsibility reports and in internal reports to shareholders.

Based on the results of the supervisory process, changes may be introduced into the plan of action and, if necessary, into the targets.



**FOR ASSISTANCE AND GUIDANCE DURING
INTENSIVE EFFORTS TO REDUCE GENDER PAY
GAPS, CONTACT THE EQUAL EMPLOYMENT
OPPORTUNITIES COMMISSION VIA THE WEBSITE:
[HTTP://WWW.ECONOMY.GOV.IL/GENDERPAYGAPS](http://www.economy.gov.il/genderpaygaps);
E-MAIL THE ISRAEL WOMEN'S NETWORK:
EDUCATION@IWN.ORG.IL;
OR PHONE: (03) 612-3990**

APPENDIX 1 // RELEVANT ENTITIES AND SOURCES OF ADDITIONAL INFORMATION

For assistance with gender pay gap assessment, measures to reduce pay gaps, or intra-organizational information campaigns, contact:

The Equal Employment Opportunities Commission

The Israel Women's Network

Additional reading:

Guidebooks from around the world on how to reduce organizational gender pay gaps

- Australian Government, Workplace Gender Equality Agency. 2014. Guide to Gender Pay Equity.
- Equality Commission for Northern Ireland. Equal Pay Review Kit - Step by Step Guidance.
- International Labour Office. 2008. Promoting Equity: Gender Neutral Job Evaluation for Equal Pay: A Step by Step Guide.

Pay calculators – international examples

- Australian Government, Workplace Gender Equality Agency. Payroll Analysis Tool (PAT).
- New-Zealand Government. Department of Labour. Pay and Employment Equity Analysis Tool (PEEAT), Version 2.3. User Guide.
- Switzerland's Federal Authorities. Federal Office for Gender Equality, Bern. 2014. Logib - step-by-step.

APPENDIX 2 // DATA ANALYSIS PARAMETERS

Human resources parameters

Personal attributes

- Gender
- Age
- Education
- Marital status

Job attributes

- Division / department
- Type of occupation / job title
- Seniority in the organization
- Job classification
- Position grade / level within the organizational hierarchy
- Job slot

Pay parameters

Labor wage components

- Mean wage for pension (base pay)
- Mean gross pay
- Total mean employer costs
- Mean hourly wage

Components of other compensation and benefits

- Overtime
- On-call hours
- Non-mandatory employer contributions to savings (e.g., advanced study funds – keren hishtalmut)
- Transportation and vehicle expenses
- Social compensation (per diem expenses, mobile phone refunds)
- Performance-based compensation (incentive pay, premiums)
- Subsidized occupational training (in-service training, courses, etc.)

APPENDIX 3 // USER'S GUIDE TO THE GENDER PAY GAP CALCULATOR

Purpose of the Gender Pay Gap Calculator

The Gender Pay Gap Calculator was developed as part of the "Shavot Erech – Advancing Equal Pay initiative", and was inspired by existing models in Australia, New Zealand and Germany. The tool enables users to detect the size and location of salary component gender gaps, based on data provided by payroll and human resources systems.

Use of the Calculator is independent, anonymous and free of charge, and facilitates the production of user-friendly reports.

Structure of the Calculator

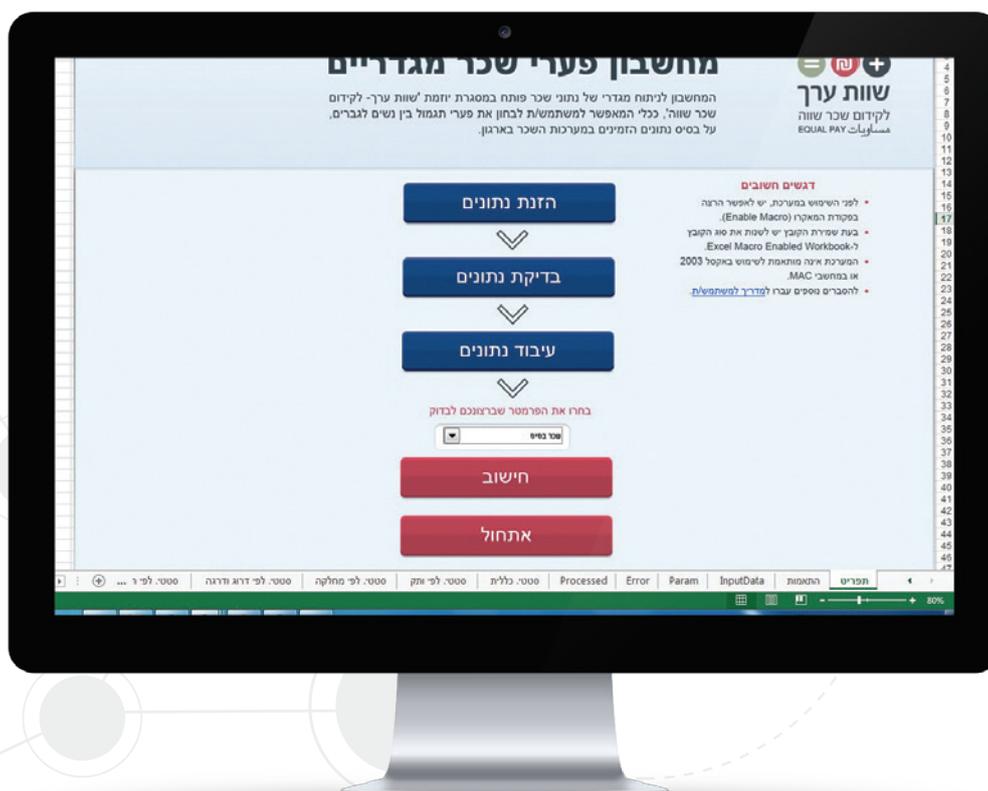
The Gender Pay Gap Calculator was developed on an Excel platform to facilitate independent use of the tool and to ensure a smooth interface with the payroll and human resources systems of many different organizations.

The Calculator has three main units:

- **Input unit:** used to input, analyze and process data from the organization's systems
- **Calculation unit:** used to calculate gaps based on different salary components;
- **Output unit:** used to view findings and present graphic and tabular reports broken down by gender, based on cross-sections and main statistical table parameters;

Preliminary guidelines and prerequisites

- **Version:** The system cannot be run on Excel 2003 (Excel 11.0) or older versions.
- **Macro operation:** Before any use of the system, the Excel macros must be enabled, so that automatic system commands may be run. A function can be executed via a security warning that pops up when the file is opened and appears under the toolbar (see macro operation image below).
- **Saving files:** When saving a file, verify that it is an –xslm file (Excel Macro Enabled Workbook).



4. Work stages

Stage I – Data entry and verification

Retrieving and entering data:

- Press the organization data entry control;
- Create an Excel file containing the organization source data, as follows:
 - For the employee group you want to assess, retrieve from the payroll system as much data as the analysis requires, based on the parameters appearing in the Data Entry worksheet (see Appendix 1);
 - Paste the data in a new Excel file in Sheet 1, starting from Column A1. Data not entered in this manner will not be accepted by the system;
 - Make sure the source data worksheet includes a first line with explanatory titles.
 - Save the file on your work computer.

Enter the Adaptations Worksheet and define the input structure as follows:

- Indicate the column into which each parameter in the source data file you have created is to be entered. For example, if the parameter "Gender" appears in Column G of the source file, enter the letter "G" under the relevant rubric (C3);
- If you have no data for a particular parameter, leave the cell empty. Make sure to enter critical parameters as defined in Appendix 4;
- Save the adaptations and return to the Data Entry worksheet;

The screenshot displays two Excel worksheets. The top worksheet, 'נתוני משאבי אנוש', has columns B through K. Column B is 'סמל העובד', C is 'מגדר', D is 'תחילת עבודה', E is 'תקן בשנים', F is 'שם יחידה', G is 'תפקיד תאור', H is 'דרגה/היררכיה', I is 'רמת השכלה', J is 'אחוז משרה', and K is 'רמת הש'. The bottom worksheet, 'נתוני שכר', has columns A through Q. Column A is 'סמל העובד', B is 'מגדר', C is 'תחילת עבודה', D is 'תקן בשנים', E is 'שם יחידה', F is 'תפקיד תאור', G is 'דרגה/היררכיה', H is 'רמת השכלה', I is 'אחוז משרה', J is 'סוג חוזה', K is 'הורות', L is 'שכר בסיס', M is 'שכר ברוטו', N is 'סך עלויות מעביד', O is 'נתוני שכר', and P is 'עמודה בקובץ נתוני ארגון'. Buttons for 'טעינת נתוני הארגון', 'גיליון התאמות', 'גיליון פרמטרים', and 'חזרה לתפריט הראשי' are visible on the right side of the top worksheet.

- Load the source data file that has been saved on your computer;
- Verify that the data have been pasted into the appropriate columns.

*Please note: data can also be copied manually into the Data Entry worksheet, from cell B3 on.

**Data entered may be deleted at any stage by pressing the Initialize control in the main menu.

2. Data validation:

At this stage the (optional) parameter values can be defined, for inclusion in a value sample over a particular range.

Defining parameter values: If you wish to include values from a certain range in your sample, switch to the parameters worksheet via the link provided in the Data Entry worksheet.

Define minimum and maximum values for each parameter. For example, you may decide to exclude from your sample employees whose job slot is less than 50%, or to exclude employees up to a specific pay level (pictured). When you are finished, return to the main menu.

[screenshot]

Now activate the Data Validation control in the main menu.

Now the system will execute an input validation for the data.

If errors are found, the system will present an error report (in a separate file), divided into two error types:

- **Critical error:** a situation where the system has detected an incorrect critical value or a value that lies outside the range defined in the parameters worksheet. In these cases the employee is excluded from the statistical calculations.
- **Non-critical error:** a situation where the system has detected an error that is not critical. In these cases the employee is included in the statistical calculations, except for the incorrect value detected.
- **Parameters error:** a situation where the system has detected values that are not included in the parameter range defined by the user. In these cases the employee is included in the statistical calculations, except for the incorrect value detected. Correct the errors as needed in the original worksheet or the Data Entry worksheet. If you wish to continue without making the corrections, return to the main menu for further action.

Data processing:

- Press the Data Processing control. Now the system will convert the data into a calculable format and calculate the base pay data (salary for pension purposes, gross pay and employer costs) for a full time position, to facilitate comparison of female and male employees with different job slots. The system will process only those values that have been identified as correct and as falling into the relevant range, per the filter defined in the parameters worksheet.

When the data have been processed, the system will display a message indicating the number of employees input; after confirmation, return to the main menu.

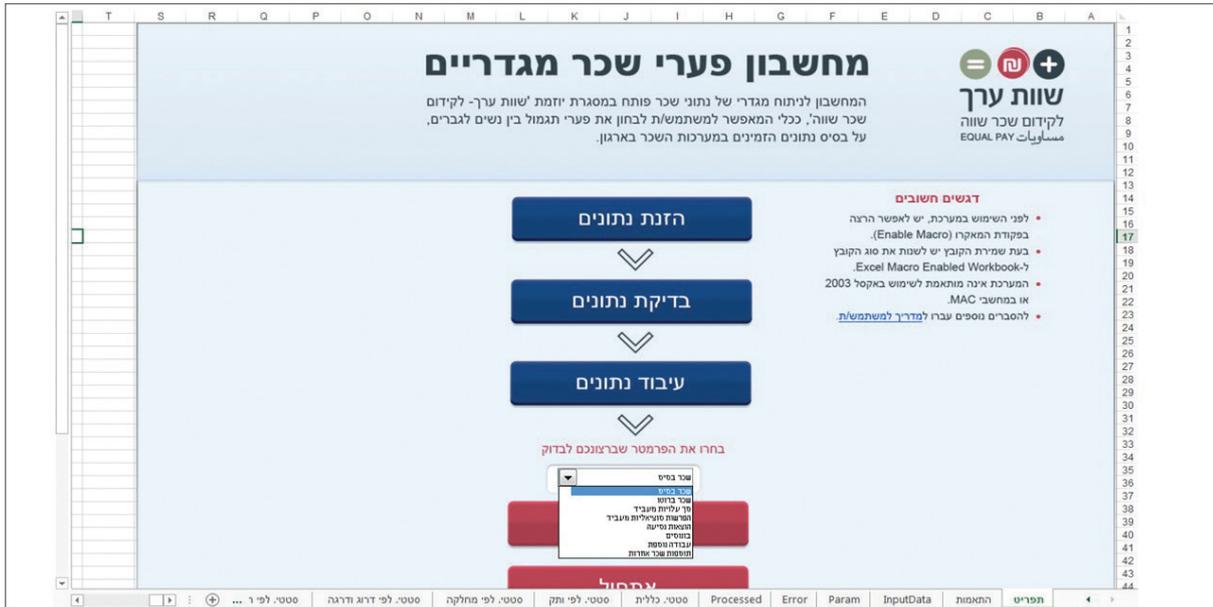


נתוני משאבי אנוש										
סמל העובד	מגדר	תחילת עבודה	תוק בשנים	שם יחידה	תאור תפקיד	דירוג/היררכיה	דרגה	אחוז משרה	רמת הש	ת
1	זכר	2/26/1975		תפעול ולוגיס	ס.מנ.מחלק מינהלים		36826	1.50		
2	זכר	11/22/1970		שכר גימלא	תפקיד מיוח אקדמאים		22/46/00	1.99		
3	זכר	8/29/1993		תפעול ולוגיס	פ.אומן מעול מינהלים		36821	1.00		
4	נקבה	7/22/1987		מינהל ונהל	תפקיד מיוח אקדמאים		22/46/00	1.00		
5	נקבה	2/21/1971		מזכר. כללי	מנהל מחלק מינהלים		36826	1.00		
6	זכר	2/20/1976		סגן תכנון	ראש מדור מינהלים		36826	1.00		
7	זכר	11/1/1970		מנהל משא	ס.מנ.מחלק מינהלים		36826	1.00		
8	נקבה	12/1/1964		מזכר. כללי	סגן מנהל מינהלים		36826	1.00		
9	נקבה	5/21/1989		רוחה צפון	מנהל מחלק מינהלים		22/44/01	1.00		
10	זכר	6/16/1985		שכר גימלא	ראש מדור מינהלים		36825	1.00		
11	זכר	12/1/1994		ב.שיווק ורש	מנהל מחלק מינהלים		22/45/00	1.00		

נתוני משאבי אנוש										
סמל העובד	מגדר	תחילת עבודה	תוק בשנים	שם יחידה	תאור תפקיד	דירוג/היררכיה	דרגה	אחוז משרה	רמת הש	ת
1	זכר	2/26/1975		תפעול ולוגיס	ס.מנ.מחלק מינהלים		36826	1.50		
2	זכר	11/22/1970		שכר גימלא	תפקיד מיוח אקדמאים		22/46/00	1.99		
3	זכר	8/29/1993		תפעול ולוגיס	פ.אומן מעול מינהלים		36821	1.00		
4	נקבה	7/22/1987		מינהל ונהל	תפקיד מיוח אקדמאים		22/46/00	1.00		
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6	זכר	2/20/1976		סגן תכנון	ראש מדור מינהלים		36826	1.00		
7	זכר	11/1/1970		מנהל משא	ס.מנ.מחלק מינהלים		36826	1.00		
8	נקבה	12/1/1964		מזכר. כללי	סגן מנהל מינהלים		36826	1.00		
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11	זכר	12/1/1994		ב.שיווק ורש	מנהל מחלק מינהלים		22/45/00	1.00		

Stage II – Running the calculations

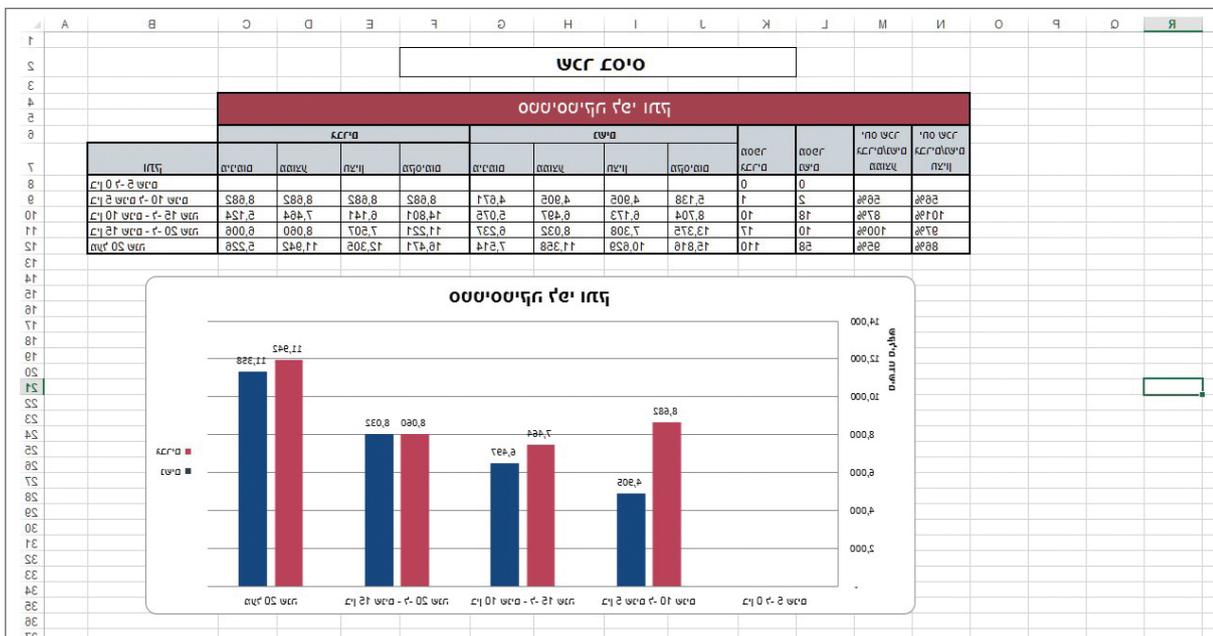
- **Selecting a salary component for calculation:** enter the window in the main menu and select the salary component for which you want to run the data calculation.



- **Running the calculations:** after selecting, press the "Calculation" control. When the action has been completed the system will display a message indicating that the calculation stage has been completed and that the results may be viewed.
- A different component may be chosen for calculation at any stage.

Stage III – Results

- The system will produce nine results worksheets, including graphs and tables, to be displayed in a separate file. Each worksheet will show the distribution of the selected salary component, calculated for a full-time position, for four statistical parameters: minimum, maximum, median and mean. Additionally, the number of women and the number of men in each subcategory will be displayed, as well as the women's pay as a percentage of the men's.



Please note: the graphs at the bottom of the tables refer to just one statistical parameter – the mean of the selected salary component.

Contents of the results worksheet:

- General results: distribution of the selected salary component for entire population, by gender;
- Results by seniority: distribution of the selected salary component by seniority and gender (divided into five seniority ranges);
- Results by department: distribution of the selected salary component by department/unit and gender;
- Results by organizational ranking: distribution of the selected salary component by organizational ranking and gender;
- Results by job title: distribution of the selected salary component by position and gender;
- Results by job slot: distribution of the selected salary component by job slot and gender (divided into four job slot ranges: up to 25% position; 25%-49% position; 50%-74% position; 75% position and above);
- Education: distribution of the selected salary component by educational level and gender;
- Contract type: distribution of the selected salary component by contract type and gender;
- Parenthood: distribution of the selected salary component by parental status/number of children, and gender.
- At each stage one may return to the main menu and choose a different salary component for calculation.

Saving the findings

It is advisable to save the results worksheets on your work computer.

ACKNOWLEDGEMENTS

Advancing Equal Wages for Women and Men in the Workplace: Employer's Manual was written by Yael Hasson and Noga Dagan-Buzaglo of the Adva Center, in the framework of the "Shavot Erech – Advancing Equal Pay" initiative. The Manual is based on knowledge gathered over the initiative's years of activity – through research conducted, through the study of similar test cases from around the world, and through actual efforts undertaken with Israel employers who are cooperating with the initiative in order to advance gender equality in their organizations.

The Gender Pay Gap Calculator was developed in the framework of Shavot Erech during 2013-2014, under the direction of Yael Wolfenson of Shatil and Hana Kupfer of the Equal Employment Opportunities Commission in the Ministry of Economy. Arie Hershko of Lion Logic was responsible for the tool's technical development.

The Calculator was tested with several pilot organizations during the course of 2013. The feedback obtained from the pilot participants was exceedingly helpful in the tool's further development and improvement. We would like to thank the organizations that took part in that process.

We also wish to thank Efrat Avivi, the system's user experience designer, and Zohar Naveh, the graphic designer who assisted with the Calculator and the Employer's Manual.

Finally, we would like to express our gratitude to the European Union for funding development of the Calculator and of the Employer's Manual.

APPENDIX 4 // PARAMETER TABLE

Parameter	Item	Calculator data entry format	Critical / non-critical component	
Personal and job attributes	Employee ID	ID no. or any serial number from the payroll system	Any text or number	Non-critical
	Gender	Employee gender – male or female	Only text may be entered into the format: M/F or male/female	Critical
	Start date	Date employee joined the organization	Only numerals may be entered in the format: DD/MM/YYYY or D/M/YY	It is critical to enter either the Start Date or the Seniority parameter. If both are entered, the system will use the seniority parameter.
	Seniority	No. of years with the organization/in the position	Number only	
	Unit name	Name or code of unit/ department to which employee belongs	Text or number may be entered	Non-critical
	Job title	Name or job code linked to a particular position	Text or number may be entered	Non-critical
	Ranking/ hierarchy	Ranking code as it appears in the ranking index or any other hierarchical division that exists in the organization	Text or number may be entered	Non-critical
	Grade	Grade code as it appears in the grade index	Text or number may be entered. Public sector only	Non-critical
	Job slot	% position held by the employee	May be entered as whole number or decimal, with or without percent sign. Example: a half-time job may be entered as 50% or 50 or 0.5	Critical
	Educational level	Educational level categories	Text or number may be entered	Non-critical
	Contract type	Contract type or employee status (temporary/ permanent/personal contract/collective agreement)	Text	Non-critical
	Marital status	No. of children or marital status (divorced/married etc.)	Text or number may be entered	Non-critical

*Monthly mean – annual wage divided by number of employee work months

Parameter	Item	Calculator data entry format	Critical / non-critical component	
Salary and benefit data	Salary for pension	Employee's base/current pay (monthly mean)* Includes cost of living increase or any other regular supplement to the base pay that is counted for pension purposes	No need to convert to full time – the system will make the adjustment automatically	Critical
	Gross pay	Employee's mean monthly gross pay	No need to convert to full time – the system will make the adjustment automatically	Critical
	Total employer costs	Employer's mean total expenditure on the employee for: wage, other compensation, in-kind benefits, contributions and commitments	No need to convert to full time – the system will make the adjustment automatically	Non-critical
	Employer social contributions	Total employer contributions to non-mandatory savings plans, e.g. provident funds, advanced study funds, or disability insurance	Only numbers may be entered	Critical
	Travel expenses	Total reimbursements for employee travel by car or public transportation	Only numbers may be entered	Non-critical
	Bonuses	Any irregular payment linked to performance in a given year	Only numbers may be entered	Non-critical
	Additional work	Payment for work performed beyond regular work hours, including overtime, on-call and shift work	Only numbers may be entered	Non-critical
	Hourly pay value	Employee's hourly wage	Only numbers may be entered	Non-critical
	Component 1/2/3	Other salary components, user-defined	Only numbers may be entered	Non-critical

*Monthly mean – annual wage divided by number of employee work months



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פרסום זה הופק בסיוע האיחוד האירופי. האחריות הבלעדית על תכניו של פרסום זה נתונה בידי הארגונים השותפים לפרויקט "שוות ערך" ואין להתייחס אליהם בשום אופן כמשקפים את העמדות של האיחוד האירופי.