

# QUICK BRIEF 2019



26 March 2019

## NBI GENDER PAY-GAP DIALOGUE

The NBI marked International Women's Day on Friday, 8 March 2019 by holding a Gender Pay-Gap Dialogue, hosted by Sanlam. The Dialogue forms part of a study into the gender pay-gap which is a strategic priority of the NBI's Transformation and Social Cohesion Programme. The study is supported by the International Labour Organisation (ILO) and the University of the Witwatersrand; and is one of the outcomes of the Presidential Job Summit hosted in October 2018.

The aim of the study is two-fold:

1. To understand how the gender pay-gap manifests itself in South African corporates and to contribute to this important body of research.
2. To develop a standardised methodology for determining the gender pay-gap in South African companies.

### **The Gender-Pay Gap in South Africa**

In South Africa, the gender pay-gap sits at 26.1% for median hourly wages according to the ILO's Global Wage Report 2018/19. This means that for every rand a man makes, a woman makes R0.69 in median hourly wages. This gap fluctuates depending on the methodology used, however, what is clear is that women continue to earn less than men in South African workplaces. Some of the gap can be explained by gendered work, differences in education and experience. However, a large part of the gender pay-gap is attributed to discrimination such as conscious and unconscious bias, these factors are known as the unexplained part of the gender pay-gap.

The Gender Pay-Gap Dialogue included presentations by various speakers on women's experiences in the workplace. **Professor Anita Bosch from the University of Stellenbosch Business School (USB)**, explained that South Africa produces more women graduates than men graduates in all subjects except for Science, Engineering and Technology (SET). This means that women are entering the workforce in higher numbers and with higher qualifications however, this is not reflected in senior management. In South Africa, women only occupy 22.9% of the positions in senior management and 7% of executive director positions on boards.

### **The Gender Pay-Gap and its Link to Inequality and Poverty**

**Farai Mubaiwa from the Arum Institute** shared the experiences of black women in corporate. Her presentation gave insight into how multiple identities can have an influence on one's experience in the workplace. While black women represent 36% of the Economically Active Population (EAP), they only represent of 4% of top management level compared with white men who occupy 46% of top management positions in South Africa. This disparity has massive implications at a macro-level. Inequality in South Africa is not only racialised but gendered.

- Women headed households experience higher poverty rates than households headed by men, and
- Households headed by women are 10% more likely to fall into poverty and 2% less likely to escape poverty.

In South Africa, the bulk of childcare responsibilities fall on women, and the pay disparity between men and women does not only affect individual women but their dependents too. In a society where over 40% of households are headed by women, addressing the gender pay-gap is not only about equity in the workplace but it's also about reducing inequality and ensuring that all citizens are given equal opportunity to participate and thrive in our economy.

### **The Dialogue unpacked the complex nature of the gender pay-gap, highlighting the following:**

- There is the practical application of the gender pay-gap that relates to its calculation. These issues include the availability of relevant data, different methodologies, which result in varying outcomes, and real financial implications for adjustments.
- The gender pay-gap highlights deeper organisational culture issues of inclusion and belonging as experienced by women in the workplace.

As part of the study into the gender pay-gap, the NBI is looking to work with companies on implementing a pilot study to provide greater insight into the most appropriate methodology and calculations for the South African workplace. **If your company is interested in being involved in this pilot study, please contact: [Khule Duma](#).**

## **Business Action for Sustainable Growth**

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