



NBI Newsflash

Paying Women Fairly is Good for Society and the Economy

In South Africa, women carry the responsibility for households, families and communities disproportionately, and yet remain underpaid. According to Statistics South Africa, 52% of women live in poverty compared to 46.1% of men^[1]. This is particularly alarming when considering that in South Africa, 42.6% of households are headed by women and have a 10% higher likelihood of falling into poverty. The implications of this on our society and economy are concerning, especially in addressing the challenge of poverty and inequality. It is for this reason, and many others, that the gender pay gap remains a crucial global and local issue.

The National Business Initiative's (NBI's) Report on Gender Equity in the Workplace explores the global and national context of the pay gap, the drivers of pay disparity in South African workplaces and key interventions that need to be made in addressing the issue. This Report sought to understand the multifaceted nature of the pay gap by broadening the scope of contributing factors to this global phenomenon.

Some of the valuable insights reflected in the Report include:

- The gender pay gap as complex. This requires a deep understanding of women's experiences in society and the various social barriers which restrict their professional upward mobility such as inadequate support structures, societal drivers, the motherhood penalty, underrepresentation at senior levels and restrictive organisational cultures.

- The need to shift organisational cultures towards becoming empowering environments, building supportive structures, addressing biases and having leadership buy-in that will foster gender equality at behavioural and governance levels.

A link to the Report can be found [here](#).

At a government level, one of the key interventions has been the amendment to the EEA4 requirements. The amendments to the form will mean that companies must disclose information on income differences according to race, gender and occupational levels. The collection of this information will allow for a diligent record of income disparities and for companies to provide reasons for the remuneration gap between lowest and highest paid employees. With this, employers are now required to ensure that:

- Matters of unequal pay within their companies are addressed through the necessary policies and interventions;
- Employees are paid equally for equal, similar or same work;
- Data on guaranteed/fixed salaries in accordance to gender, race and occupational levels is included;
- The average annual salary of the top 10% and bottom 10% of the organization is reported on; and
- The average annual salary of mid-level employees is disclosed.

These changes reflect a global trend towards measuring and addressing pay disparity within organisations, with governments moving towards mandatory public reporting on the gender pay gap.

To participate in the NBI's pilot project to develop a standardized methodology for the measurement of the gender pay gap contact: [Khanyisa Nomoyi](#).

[1] <http://www.statssa.gov.za/?p=12075>



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The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela

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