



Reducing the Gender Wage Gap
Soolise palgalõhe vähendamine

BACKGROUND

- Out of all the EU countries, Estonia has the largest gender pay gap, 22,7% according to Eurostat.
- The gender pay gap is a key indicator of gender inequality in society.
- The gender pay gap is not inevitable, but emerges as a result of social practices. It is shaped by attitudes and behaviours of employers and employees, and by factors beyond the labour market. The state has an important role in reducing the gender pay gap and can take several courses of action.
- The gender pay gap is shaped by everyday activities of organisations, such as management and personnel practices. Gender plays an implicit role in organisational decision-making but its influence is rarely acknowledged.
- The reasons behind the gender pay gap are structural, rather than having to do with individual women. Certain core values in the labour market and organisations give an advantage to employees who correspond better to the male norm.

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HOW TO REDUCE THE GENDER PAY GAP?

A BRIEF OVERVIEW OF A QUALITATIVE STUDY
AND RECOMMENDATIONS FOR EMPLOYERS AND THE STATE

COMMON ATTITUDES AND PRACTICES THAT PREVENT THE REDUCTION OF THE GENDER PAY GAP IN THE ESTONIAN LABOUR MARKET

Attitudes and management styles that increase the gender pay gap:

- Salary information is nontransparent: it is typical to consider the salary as a personal matter; most managers and employees are opposed to practical measures to increase pay transparency, even if they discursively support the idea.
- Salary negotiations are largely inaccessible to low-ranking employees, typically women. It has been left to the employee to justify why they “deserve” a pay rise. It is typical to hold individual salary negotiations where the initiative to ask for an increase in pay lies with the employee.
- Organisations generally lack systematic and goal-oriented activities to deal with gender equality and the gender pay gap, no one takes responsibility in these matters.
- An ideology of individualism prevails in labour relations: the responsibility for fair labour relations has been left to the employee; collective salary negotiations (e.g. through a trade union) are rare.
- There is resistance among employers, employees and state representatives to specific measures to reduce the gender pay gap, such as quotas or the obligation to report gender pay gap data to the state, considered as “over-regulation”.
- Employers have not sufficiently compared or standardised work and work tasks within organisations which makes it difficult to assess the gender pay gap. Instead, the uniqueness and incomparability of work, workers and jobs is emphasised.

Four main misconceptions among employers, employees and state officials that perpetuate the gender pay gap:

1. The gender pay gap emerges as a result of employers’ conscious or deliberate decisions.
2. The gender pay gap is the result of paying different salaries to men and women working in the same job.
3. Employers cannot do much to reduce the gender pay gap in their organisation because salaries are determined by the market.
4. It is impossible to measure the gender pay gap because most jobs and people in an organisation are unique and incomparable. Salaries must account for the individual characteristics of employees.

RESEARCH METHODS

- Data was collected via qualitative interviews, an open-ended web form and existing documents were analysed:
 - Macro level: 8 interviews with state officials; an analysis of a proposed law to reduce the gender pay gap (2018)
 - Meso level: a case study involving four organisations - interviews with 51 employees (including managers) and an analysis of salary information; interviews with managers from 7 other organisations.
 - Micro level: 48 gender pay gap experiences collected via a web form and interviews with 9 respondents.
- Data was analysed using qualitative thematic analysis and ways of framing the gender pay gap were studied.



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AIMS

- To understand the emergence and continuation of the gender pay gap in the Estonian labour market and organisations
- To identify and explain factors shaping the gender pay gap in Estonia:
 - What patterns of thought and everyday activities in working life shape the gender pay gap in the Estonian labour market?
 - How do relevant stakeholders in the labour market - representatives of the state, employers and employees - understand the gender pay gap and the reasons behind it? What solutions do they propose to the problem?
- To propose evidence-based solutions to reduce the gender pay gap

RECOMMENDATIONS TO REDUCE THE GENDER PAY GAP

FOR THE STATE

- to raise awareness of employers and employees about the nature of and reasons behind the gender pay gap.
- to support employers in fulfilling tasks stipulated in the Gender Equality Act and to monitor their gender pay gap.
- based on world’s best practice, implement specific initiatives to reduce the gender pay gap.

FOR THE EMPLOYER

- to increase the transparency of an organisation’s pay and grading systems.
- to take concrete steps to reduce the gender pay gap in the organisation.
- add responsibility for reducing the gender pay gap to a designated manager and increase awareness across management.



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