



GENDER INEQUALITY WITHIN FIRMS: WHAT DOES THE PROFESSIONAL EQUALITY INDEX MEASURE?

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In 2016, in private companies with 50 or more employees, the average hourly wage of women was 19% lower than that of men. When the effect of age and socio-professional categories is considered, the resulting pay gap is 12%. In September 2018, the French government introduced a set of measures aimed at reducing these inequalities. Among these, all private companies with more than 50 employees must calculate and publish the professional equality index from March 1st, 2020. Companies must reach a minimum value on this index, or expose themselves to sanctions. The index combines several indicators, each relating to an important aspect of professional inequalities between men and women, with calculations based on the professional situation of men and women employed in companies. Using administrative data, we roughly calculate the indicators that constitute the index for all French companies and offer an overview of the extent of professional gender inequalities at company level. We also document the effects of certain methodological choices used to calculate the index, and suggest possible alternatives. These alternatives could improve the identification of companies with high gender inequalities.

- There are large disparities between companies in terms of professional gender inequalities. In 50% of companies with 50 or more employees, women earn on average at least 5.8% less than men.
- 15.2% of companies have no women among their 10 highest hourly earners. 17.9% have only one.
- The rate of wage increase for women is on average lower than for men. These average results, however, conceal wide disparities between companies.
- Despite the inclusion of several dimensions of inequality, the index could be improved: for example, by considering the overall representation of men and women in the firm.
- By making *ad hoc* corrections, the index tends to underestimate pay inequalities, and provides no incentive to reduce them within groups of employees for which they are less than 5%.



The decree of January 8th, 2019, establishes an index of professional equality between men and women. The purpose of this index is to give a comprehensive account of the imbalances between the professional situations of men and women in companies. An index value that is too low ought to alert the company about its human resources management, and may ultimately lead to sanctions by the authorities. Following companies with more than 1,000 employees (January 1st, 2019), and those with more than 250 employees (September 1st, 2019), on March 1st, 2020, it was the turn of companies with more than 50 employees to publish their index and present it to their social and economic committee (CES) and to the relevant authorities ¹.

What does the decree say?

The aggregate index is the sum of several indicators, each of which reflects an aspect of occupational inequality within a company. The digital platform of the Ministry of Labor² is designed for employers and explains the calculation method for four or five indicators:

1. the **pay increases for women after maternity leave** (15 points);
2. the **number of men and women among the 10 highest earners in the company** (10 points);
3. an **indicator of salary mobility**:
 - the gender differences in the rate of pay increase excluding promotion (20 points), and in the rate of promotion (15 points), for companies with more than 250 employees,
 - the gender differences in pay increases (35 points), for companies with 50 to 249 employees;
4. the **pay gap between men and women, given age and employment category** (40 points)

The overall result for a company (the sum of the scores obtained for the different indicators) ranges between 0 and 100 points. Companies risk sanctions if they don't get at **least 75 points out of 100** (after a period of three years to comply, and with possibilities for flexibility).

The first indicator, which we cannot calculate with the data at our disposal, corresponds to a criterion dealt with by previous legislation. According to the French labor code (article L1225-26), it is illegal for a company not to

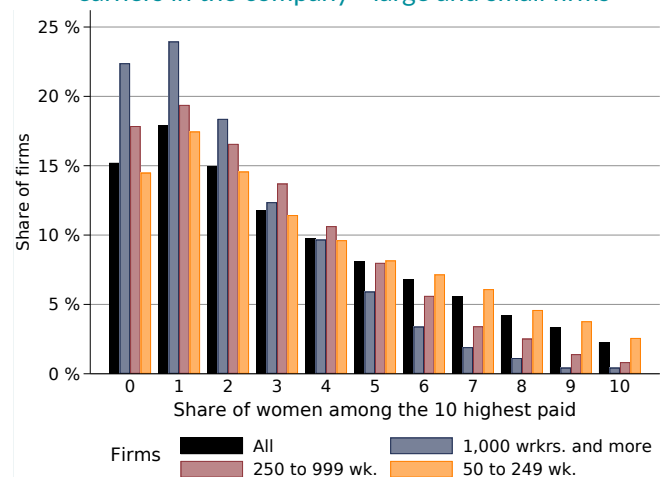
¹The Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi (DIRECCTE).

²<https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/questions-reponses-sur-le-calcul-de-l-index-de-l-egalite>. A hotline is also available to companies who require additional information. It is on these sources that the following analysis is based.

grant women, when they return from maternity leave, the same salary increases as those granted to other employees during their absence. Breaking this law is given a score of 0 out of 15 points; respecting the law earns a score of 15 points. **It is thus possible for a company not to comply with the law in this area, while meeting the criterion for an overall result greater than 75 points out of 100.**

We will detail the calculation method and propose an approximation of each of the three other indicators that constitute the index. Our analyses use exhaustive administrative data on jobs in the private sector (see Box 1). They are not intended to calculate exactly the various indicators, but they allow us to give an overview of the situation of French companies and to illustrate the implications of the methodological choices made in the decree.

Figure 1: Number of women in the top 10 highest earners in the company - large and small firms



Interpretation: In 24.0% of companies with more than 1,000 employees, 1 of the 10 highest salaries in the company is earned by a woman; this is the case in 19.4% of companies with 250 to 999 employees, and 17.5% of companies with 50 to 249 employees.

Note: The companies considered in this calculation are all those in the private sector with a workforce of at least 50 employees as of December 31st, 2016. The 10 highest earnings in the company are the 10 highest values of annual gross compensation based on the volume of hours worked, for company employees who are present at least six months of the year. This figure excludes cases where the 10 highest remunerations of the company concern more than 10 employees (that is, about 200 'SIREN', or less than 1% of companies).
Source: DADS, fichier Postes 2016.

Share of women among the 10 highest earners

This indicator measures the number of women among the 10 highest earners (in full-time equivalents, FTEs): the closer this number is to parity, the more points that are attributed to the company³. It can be seen as a measure of the "glass ceiling" which may prohibit women from accessing the highest paid positions in companies. Its objective is to indirectly capture **how decision-making is shared within the company.**

³10 points for 4 to 6 women, 5 points for 2, 3, 7 or 8 women, and 0 points otherwise.

Box 1: Methodology and data used

The results presented in this policy brief are based on the use of annual declarations of social data (DADS). These data identify all “positions” in French companies. A position is defined as all the periods of work carried out by an individual within a company (we aggregate positions at the company level).

Definition of the field. We consider all positions occupied in 2016 by ordinary jobs in the private sector in France (interns and subsidized jobs are excluded). Unlike the decree, we do not exclude positions on the basis of working time over the year. We link pay to the number of hours worked, in order to take into account hourly wages.

CSP and age of individuals. We use the categorization of professions and socio-professional categories proposed by INSEE and used by default for the decree. Age and gender are also reported in the data.

Company activity and size. We consider the SIREN number as the activity of a company, which differs from the recommendations of the decree on economic and social entities (Unités Economiques et Sociales). The size of a company is the workforce declared on December 31st, 2016. We include all employees declared as such by their employer, including when they are posted to another company (temporary workers are therefore assigned to their temporary employment agency, which differs from the decree, but allows them to be included in the calculation).

Income and hours worked. The concept of income used in the decree is “the basic or minimum ordinary salary or wages, but also all other benefits and accessories paid, directly or indirectly, in cash or in kind, by the employer to the employee because of the latter’s employment.” However, the following are excluded: overtime and additional hours, hardship or seniority bonuses, severance pay, profit-sharing and participation.

Instead, DADS use as a salary concept “the total pay received by the employee under his employment contract, including profit-sharing and participation.” It includes wages, *including overtime and additional hours*, bonuses, employee savings, indemnities (sickness, partial unemployment, dismissal), taxable benefits in kind (accommodation, car, etc.) and various other payments.

The concept we use is therefore broader than that mentioned in the decree. It allows us to consider some potentially crucial aspects of gender inequalities (for example, the propensity to work overtime), but caution is advised when interpreting the results regarding publications made by companies. More precise and exhaustive data on the detail of salary components would make it possible to better identify the sources of pay inequality.

Pay rises and promotion. It is difficult to use DADS to capture promotions as defined in the decree; in fact, the concept of promotion is based on the hierarchy of jobs specific to each company, and this information does not appear in DADS. We therefore do not deal with the issue of promotions as part of our analysis.

The rate of pay increase, as defined in the decree, corresponds to the share of employees benefiting, during a year, from an individual pay rise. Two main difficulties emerge for the calculation of this rate on the basis of DADS. The first relates to the distinction between collective pay rises and individual pay rises, which is not made in DADS. We rely on a comparison of all types of pay rises between women and men. This is not a problem if women and men benefit on average in the same way from collective pay rises: the differences in rate of increase will be due to the differences in individual pay rises. However, if women and men benefit unequally from collective pay rises (for example if women work in jobs where these are more or less common than in jobs held by men), this can introduce a bias in our measure.

A further difficulty is that individual pay in the administrative data is systematically subject to an anonymization procedure that adds statistical “noise” which is, by definition, unknown; from one year to the next, this makes artificial pay increases – and decreases – appear. To compensate for this fact, we consider as a pay rise only an increase of at least 1% of hourly wages from one year to the next.

Women are deeply under-represented among the 10 highest earners. **On average, French companies include three women among their 10 highest hourly earners in 2016. But 15.2% of companies have none and 17.9% have only one** (Figure 1).

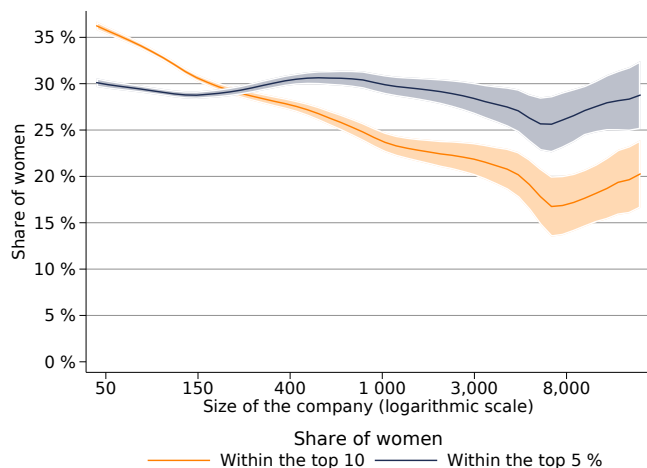
These results vary according to company size. **Women are even more under-represented among the 10 highest earners of large companies.** For companies with more than 1,000 employees, 22.4% have no women among the 10 highest paid employees, and only 13% have at least as many women as men among these highest paid employees.

In a company of 1,000 employees, the 10 highest earners represent a much lower proportion of the workforce than in a company of 50 employees; and it follows that these

jobs are relatively higher in the hierarchy. **The choice to focus on a fixed number of earners rather than a proportion of the workforce therefore implies distortions linked to company size.** Figure 2 illustrates this by showing the average share of women among the 10 highest earners and among the top 5% earners, compared to company size. While the number of women among the 10 highest earners sharply decreases with the size of the company, the share of women among the top 5% earners is more stable at around 30%, although it still decreases with the size of the company.

The share of women among the highest paid is also likely to reflect the general job structure of the company or its sector of activity. Figure 3 shows the average number of women in the 10 highest earners, compared to the

Figure 2: Average number of women in the company's 10 highest earners and top 5% earners, by company size

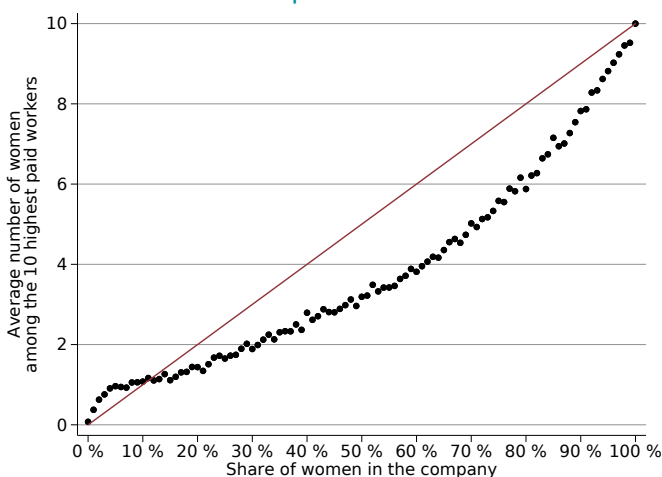


Interpretation: In companies with 250 employees, women represent on average 26% of the 10 highest earners (2.61 out of 10), and 26.0% of the top 5% earners in the company. In companies with 1,000 employees, women represent on average 25.3% of the 10 highest earners (2.5 out of 10), and 32.9% of the top 5% earners in the company.

Note: cf. Figure 1. Source: DADS, fichier Postes 2016.

proportion of women in the total workforce of the company. The average number of women among the 10 highest earners increases very strongly in connection with the proportion of women in the company. We also observe that women are under-represented among the highest earners for companies at all levels of female employment, including the most "feminized" companies. **Even companies with 75% women have, on average, only 5.6 women among the top 10 salaries.**

Figure 3: Proportion of women in the company and in the top 10 earners



Interpretation: On average, in companies where women represent 10% of the workforce, there are 1.1 women among the 10 highest earners (or 11%). In companies where women represent 50% of the workforce, there are 3.2 women among the 10 highest earners (or 32%).

Note: cf. Figure 1. Source: DADS, fichier Postes 2016.

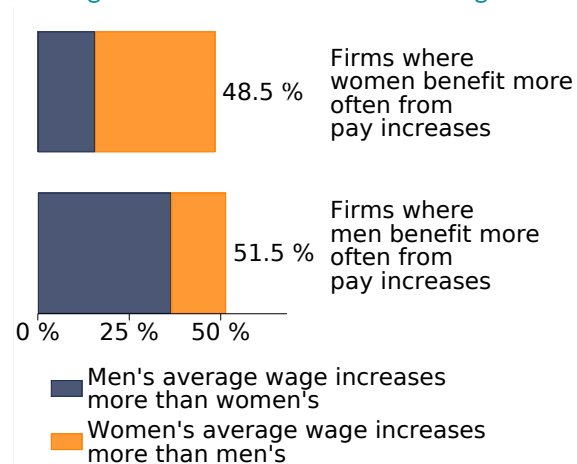
How much mobility is there for men and women?

Differentials in professional trajectories, measured by **promotions and salary progression, contribute to widen gender inequalities over the course of a career**⁴. Including a measure of this in the professional gender equality index allows us to understand how inequalities observed at a given moment may increase or decline over time.

Companies earn more points on the second indicator of the decree as men and women's rates of pay increase and promotion are more similar.

Figure 4 shows that, according to our data, the share of men awarded a pay rise is higher than the share of women awarded a pay rise in 51.5% of companies. This comparison of the share of increases for men and women provided for by **the decree does not, however, take into account the size of the increases granted by the company to men and women**. It will therefore fail to capture, for example, the fact that men may have had larger increases than women, which occurs in 32.3% of companies that awarded increases to a greater proportion of women than men in 2016.

Figure 4: Rate of increase and changes in wages



Interpretation: In 2016, in 48.5% of private companies with more than 50 employees, the share of women awarded a pay rise was greater than the share of men awarded a pay rise. In 32.3% of them, the growth in men's wages was faster than the growth in women's wages.

Note: The companies included in this table are all private companies with more than 50 employees. The share of men awarded a pay rise is equal to the number of women who benefited from an increase during the year (see Box 1), compared to the number of women employees in the company. The average increase in hourly wages only concerns employees present from one year to another; it is weighted by the number of hours worked by each employee.

Source: DADS, fichier Postes 2016.

Pay inequalities

The largest number of points in the index is awarded according to the pay gap between men and women. **There**

⁴See, for example: L. Gobillon, D. Meurs and S. Roux, Estimating Gender Differences in Access to Jobs, *Journal of Labor Economics*, 2015, vol. 33, n°2, pp. 317-363

is no single method for calculating this gap: everything depends on the pay gap that the law considers to be “justified” due to, for example, differences in qualifications, professional experience or position occupied.

Once the factors which are considered to generate “justified” pay differentials have been identified, **decomposition methods can be used to calculate pay gaps which are not attributable to these factors.** The measure proposed by the decree which aggregates pay gaps for people of the same age category and socio-professional category (CSP) is constructed with this goal in mind.

The choice of the sources of justifiable pay gaps is crucial. French law gives a general framework by affirming that “any employer ensures, for the same work or for work of equal value, equal pay between men and women” and stating that “work is considered to be of equal value when it requires from employees comparable professional skills established by a title, diploma or professional experience, capabilities gained through experience, responsibilities and physical or stressful workload” (Article L3221-2 and Article L3221-4 of the French labor code).

The decree uses age and socio-professional categories to group comparable employees. This choice is undoubtedly linked to the difficulties in correctly measuring for all employees the factors identified above. However, it must be kept in mind that the choice of characteristics that might justify inequalities affects the measurement of pay gaps. For example, the ‘Executives’ (“Cadre”) category encompasses a wide variety of occupations and skills which can give rise to pay gaps that are justified according the law, but which will not be recorded as such by the indicator.

Inequalities measured using the definition in the decree

How is the pay gap between men and women calculated according to the decree? This computation first selects the relevant employees, and then measures pay gaps in groups defined by the employees’ socio-professional and age category. Among those groups, those including few men and women are excluded from the calculation. The gaps are adjusted by 5 percentage points toward 0, then aggregated according to the weight of each group in the total workforce of the company (cf. Box 2 for more details). The company then obtains a score of 40 points when the absolute value of its aggregate pay gap is between 0% and 1%, and loses one point for each additional percentage point.

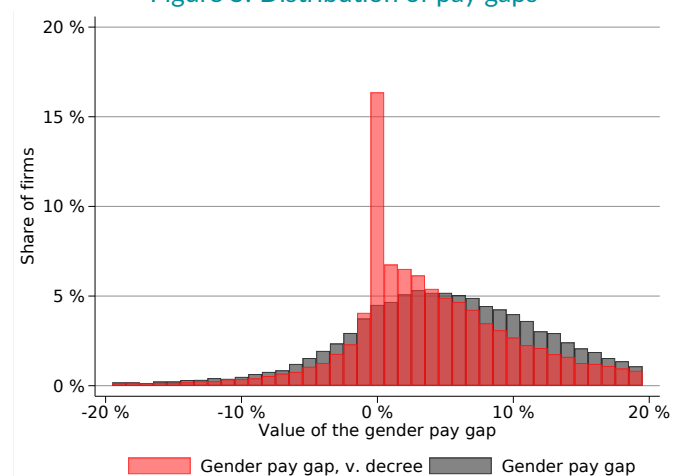
Figure 5 describes the distribution of pay gaps, as calculated according to the method recommended by the decree (in red), and according to an alternative method (in black). This alternative method includes all employees of a company over a year (unlike the decree, which excludes people present in the company for less than six months);

all the groups including at least one woman and one man (the decree excludes groups comprising less than three women or less than three men); and it does not make the adjustment of 5 percentage points to 0.

The main observation to be taken from the distribution of pay gaps as calculated according to the decree is that a **large number of companies (9%) obtain a difference exactly equal to 0** (and 16% are between 0 and 1%)⁵. The median and the mean of the distribution of this gap among French companies are positive. On average, this indicates that wage gaps are at the disadvantage of women.

As summarized in Table 1, the pay gaps we measure are substantial, and considerably smaller for the definition given by the decree. Thus, 42% of companies have a pay gap of more than 5% in men’s favor (5% being the value of the relevance threshold defined by the decree). Almost a quarter of companies (23%) have a pay gap according to the decree of between 0% and 2% (which corresponds to obtaining 39 or 40 points out of 40), while they constitute only 9% when we apply our alternative definition. This is particularly pronounced for large companies (28% show pay gaps greater than 10%, but only 9% of these firms have such a gap when the decree definition is applied).

Figure 5: Distribution of pay gaps



Interpretation: In 2016, the decree version of the pay gap was between 0% and 1% for 16% of companies; the pay gap as calculated according to our alternative proposal was between 0% and 1% for 5% of companies.

Note: The companies considered in this figure are all those for which the “decree” version of the pay gap is calculable (this version is not calculable for companies in which the partition into 16 groups by age and CSP does not result in any group having at least three men and three women). The pay gaps considered are detailed in Box ???. The figure is truncated beyond -20% and 20%, which excludes 8% of companies.

Source: DADS, fichier Postes 2016.

⁵This figure relates to the number of companies for which this calculation can be carried out: the criteria of the decree do not allow these pay gaps to be calculated for a substantial number of companies with less than 100 employees.

Box 2: Calculation of pay gaps

The first step in the calculation is to select the population of employees to be included in the sample. This begins with the definition of a reference period of 12 consecutive months chosen by the company. The employees included in the sample are those actually employed by the company, and present for at least six months of the reference period.

The company's workforce is then divided into 16 groups, defined by four age categories and four socio-professional categories (workers, employees, technicians and supervisors, and executives, or 'cadres'). The groups thus formed are then considered in the calculation of the indicator only if they include at least three men and three women. Within each group, the pay gap is calculated by relating the difference in the average earnings of men and women to that of men (average earnings is understood here as the total pay of women or men linked to total hours worked by women or men.). This relative gap, if positive, is then reduced by 5 percentage points toward 0, but it is not allowed to become negative (a symmetrical correction is applied to increase the gap when it is negative). Once "corrected" for each group, the differences are then aggregated at company level, adjusting them by the weight of each group in the company's total workforce.

We illustrate below the method of calculating the pay gap in a fictional company with 88 employees. The table below gives the number of men and women employed in this fictional company according to the categories proposed by the decree, as well as the total number of employees in a given socio-professional and age category.

Group	W	M	Tot	Tot "decree"	Weight	Weight "decree"	Pay W (av)	Pay M (av)	Gap $\frac{M-W}{M}$	Gap "relevant"
Workers, under 30 yrs	2	20	22	.	0.25	0	1,500	1,670	10 %	5 %
Employees, under 30 yrs	5	8	13	13	0.15	0.21	1,800	1,785	-1 %	0 %
Employees, 30-39 yrs	8	12	20	20	0.23	0.33	2,030	2,200	8 %	3 %
Employees, 40-49 yrs	5	6	11	11	0.13	0.18	2,315	2,465	6 %	1 %
Cadres, 40-49 yrs	7	10	17	17	0.19	0.28	3,000	3,200	6 %	1 %
Cadres, 50+ yrs	1	4	5	.	0.06	0	4,000	4,800	17 %	12 %
Total	28	60	88	61	1	1	2,315	2,335	1 %	0 %

Two groups (workers under 30 years old, and cadres aged 50+) are excluded from the "decree" calculation, as they each include less than three women. The weights of each group are calculated in relation to the groups actually included in each calculation. The last four columns report the average wages of men and women, the gap between the two relative to men's wages, and the gap corrected for the "relevance threshold" introduced by the decree.

The pay gaps in Figure 5 are obtained by the weighted sum of the gaps without taking into account the sample restrictions and the relevance threshold:

$$(10 \% \times 0.25) + (-1 \% \times 0.15) + (8 \% \times 0.23) + (6 \% \times 0.13) + (6 \% \times 0.19) + (17 \% \times 0.06) = 7.13 \%$$

The "decree" version of the pay gap takes these restrictions into account, which in our example gives:

$$(0 \% \times 0.21) + (3 \% \times 0.33) + (1 \% \times 0.18) + (1 \% \times 0.28) = 1.45 \%$$

The average wages of men and women in the company are quite similar (2,315 for women, 2,335 for men), which illustrates the need to consider the company's employment structure: men are more numerous at the bottom of the hierarchy (1/3 of them are manual workers, the lowest-paid category of the company, against 1/14 of women), this "compensates" for the fact that, in almost all categories, the pay gaps are substantially in their favor.

A methodology that reduces the representativeness of the indicator

The indicator recommended by the decree reveals a very large disparity between companies. However, the methodological assumptions and steps that we have outlined above raise questions.

Selecting the relevant sample of employees is a crucial first step. Excluding employees who are present for less than six months in the company⁶ substantially reduces

the size of the sample, with potential effects on the calculation of pay gaps, especially if the men and women affected by this exclusion do not have the same characteristics. The inclusion of all employees in the calculation seems to be a more accurate reflection of the employment structure in the company, as long as there is no clear reason for excluding them.

When calculating pay gaps within categories of employees, employees can adopt their own classification of employees, different from the "default" one set by the decree, after consulting their social and economic council (Comité Social et Economique). From the perspective of

⁶"Employees absent more than half of the annual reference period are not considered to be in the workforce of the company for the calculation of indicators," Annex I.2 of the decree.

Table 1: Pay gaps

Proportion of firms whose pay gap is...	Companies							
	50 à 249 employees		250 à 999 employees		1,000+ employees		All firms	
	Pay gap	Pay gap (v. decree)	Pay gap	Pay gap (v. decree)	Pay gap	Pay gap (v. decree)	Pay gap	Pay gap (v. decree)
<i>in favor of women</i>	23 %	18 %	14 %	13 %	7 %	6 %	21 %	16 %
<i>in favor of men...</i>								
between 0 and 2 points	9 %	24 %	9 %	20 %	7 %	23 %	9 %	23 %
between 2 and 5 points	15 %	16 %	17 %	25 %	19 %	33 %	16 %	18 %
between 5 and 10 points	22 %	19 %	30 %	26 %	39 %	28 %	24 %	20 %
between 10 and 20 points	24 %	17 %	25 %	14 %	25 %	8 %	24 %	16 %
more than 20 points	7 %	7 %	4 %	2 %	3 %	1 %	6 %	6 %
Total	100 % 22,678		100 % 5,278		100 % 1,150		100 % 29,106	

Interpretation: In 2016, the pay gap as calculated by applying the recommendations of the decree was negative for 16% of companies, and between 0% and 2% for 23% of companies; the pay gap as calculated according to our alternative proposal was negative for 21% of companies, and between 0% and 2% for 9% of companies.

Note: cf. Figure 5. Source: DADS, fichier Postes 2016.

an analysis of the structure of wage inequalities within a company, this possibility can be justified if we consider that the four “official” groups do not properly reflect the structure of the firm. But **introducing this possibility reduces the ability of the indicator to establish comparisons between companies**, which potentially defeats the idea of an identical criterion for all companies; in the same way as with the reference period, this freedom **opens the way for potential manipulations that aim to obtain a favorable classification for the company**.

In addition, **excluding from the calculation all groups not containing at least three women and three men reduces the representativeness of the indicator**, in particular for companies where relatively large groups may be affected by this criterion. This is particularly the case for companies in sectors where the proportion of men or women is very high; as, for example, in support services for the elderly. In relatively numerous cases (26% of companies with 50 to 99 employees), this classification even leads to the exclusion of all employees, which makes the indicator incalculable.⁷

Is the 5% threshold relevant?

Finally, we can question the relevance of the correction mechanism of 5 percentage points. This correction to 0 is defined by the text as the application of a “relevance threshold”. This raises several issues. On the one hand, **from a symbolic point of view, it implicitly interprets pay gaps lower than 5 points as being irrelevant**. However, as we show in Table 1, 5% of the pay gap at the level of a

company corresponds approximately to the median: 45% of companies have pay gaps below this threshold. In addition, **this threshold removes the incentive for companies to reduce wage inequality below 5%.**⁸

The age and socio-professional categories used by the decree are very broad and cover potentially very different situations. This is a reason to adjust the scale to account for systematic wage differences between men and women which do not arise from wage discrimination, but which are not necessarily captured by the indicator⁹. But **adapting the points scale, rather than correcting the indicator, would make it possible to reveal the underlying wage gaps**.

The indicator assigns the same number of points to very heterogeneous situations

Figure 6 shows the distribution of wage gaps as measured with our alternative definition, compared to the gaps measured by the “decree version”. It highlights two of the stumbling blocks of the calculation proposed by the decree. Even at very low levels of “decree version” gaps (39 or 40 points), a significant number of companies report substantial pay gaps (50% of companies have pay gaps greater than or equal to 4%, 25% have pay gaps greater than or equal to 6%), which is the main consequence of the reduction caused by the 5-point “relevance threshold”. At the other extreme of the distribution of points, large pay gaps measured by the decree (20% or more) are associated with a large disparity in pay gaps as we mea-

⁷Groups comprising men but no woman, or women but no man, are *de facto* excluded from any calculation, since any pay gap within them is indeterminable. However, this criterion excludes only 1.5% of companies, and 2.5% of companies with 50 to 99 employees (compared to 17.0% and 26.5% respectively for the criterion of 3 men and 3 women).

⁸In particular, the most “virtuous” companies according to the decree, that is to say, those who do not show wage inequalities between men and women, do not benefit from the threshold; companies with pay gaps between 0% and 5% partially benefit (from 0 to 5 points), while companies with high inequalities benefit fully (5 points).

⁹If, for example, women hold jobs in a given category that are subordinate to those of men.

sure them: for a score of 10 points, 25% of companies have pay gaps of more than 31%, and 25% of companies have pay gaps of less than 13%. The measure proposed by the decree is very sensitive to the inclusion or exclusion of very unbalanced groups in terms of gender representation. Thus, very different underlying situations can be reflected in the same score on the index. It raises problems of fairness between companies, in particular because the variability of real situations is highest among the companies which have the least points on the decree index, and are therefore the most likely to be sanctioned.

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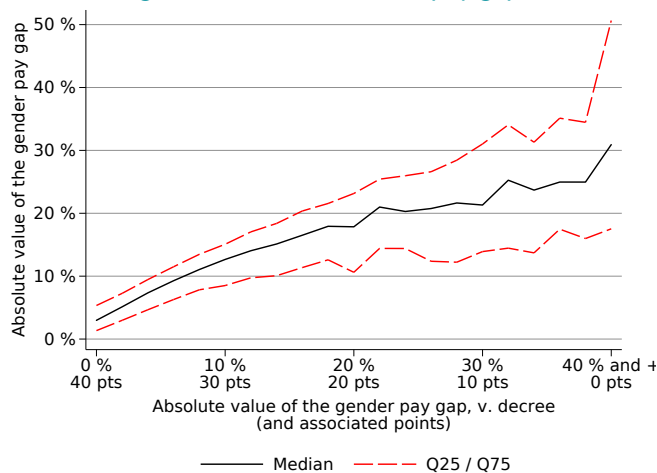
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Figure 6: Two measures of pay gaps



Interpretation: In 2016, the median of the pay gaps of companies obtaining 39 or 40 points on this index according to the scale of the decree was 3%, the first quartile of 1.5% and the third quartile of 6%. The median wage gap for companies obtaining 19 or 20 points according to the decree was 18%, the first quartile 11% and the third quartile 23%.

Note: cf. Figure 5.

Source: DADS, fichier Postes 2016.

Conclusion

The different components of the index of professional equality between men and women make it possible to capture different dimensions of gender wage inequalities. They show the existence of significant inequalities: women are under-represented among the highest paid; they are awarded pay rises less often than men; and the wage gap is largely to their disadvantage. An incentive system based on this index should therefore help reduce inequalities.

However, the methodological choices of indicators are subject to discussion and improvements could be made in order to better reflect inequalities within companies and to treat them more fairly.

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