



Overview on Global ExecuNet (GEN) survey 2018 results

## **Gender-specific analysis of compensation in selected countries**

For the eighth year in a row, hkp/// group has examined top executive compensation in a global context. This article's focus primarily lies within the differences in compensation levels of men and women in selected countries.

Over the last years, topics related to gender equality have received increased attention, especially in the global perspective. Equal compensation between female and male employees is an important aspect of gender equality and is subject to our 2019 special analysis. Several recently adopted regulations and laws, e. g. the *Transparency in Wage Structures Act (Entgelttransparenzgesetz)* in Germany from June 2017 or the upcoming *Law on Equal Wages and Salaries for Men and Women* in the United Arab Emirates (UAE), reflect the topicality of equal gender pay.

”

**Over the last years, topics related to gender equality have received increased attention globally. Equal compensation between female and male employees is an important aspect of gender equality and it is subject to our 2019 special analysis.**

“

Petra Knab-Hägele, Senior Partner hkp/// group



In the following, top and middle management compensation for selected countries worldwide, namely Brazil, China, Germany, Great Britain, the UAE, and the USA, is analyzed regarding pay differences between male and female managers. Along with the expectations, the percentage of female incumbents is higher on the lower management levels than on the top levels for all considered countries. China and the United States are the countries with the largest proportion of female employees across all analyzed levels. Interestingly, these two countries also exhibit either only slightly lower or even higher compensation levels for female managers than for their male counterparts.

All other countries in this analysis show a rather strong pay gap in favor of male top executives. In Germany and Brazil, the difference between the compensation levels of men and women is the largest.

### Regulations concerning gender pay gap

Regulations and laws concerning equal gender pay have established a common ground for discussions and reached successful practical realization in many countries worldwide. The USA was the first country to put this issue on the political agenda and adopted the Equal Pay Act in 1963 aiming at abolishing wage disparity based on gender. Although there is no regulation on the national level which requires companies to disclose information on gender pay equality, several US states (e. g. New Mexico, New York) have local regulations that require disclosure of gender-specific wage differences under certain conditions. The early political attention that equal pay received in the USA may have been contributing to the rather low or even non-existing pay discrimination of female employees. The analysis of hkp/// GEN data also indicates rather small differences in the compensation between females and males in the USA.

*Directive 2006/54/EC* of the European Union promotes the elimination of discrimination on grounds of gender in the field of employment and occupation. Although a common EU guideline concerning gender pay gap is in place, the legislation in given countries may vary. *Equality Act 2010 Regulations 2017 (SI 2017/172)* recently adopted in Great Britain binds employers to report the difference between the median and average hourly rate among male and female employees, as well as the difference between the median bonus payments.

The **Global ExecuNet (GEN) survey** has been carried out annually by hkp/// RemuNet since 2011. The survey mainly focuses on multinational corporations whose executives are located in a variety of countries. Since 2015, the results of the GEN survey have also been made available to German survey participants of the DAX Top Executive and Top Management surveys as part of the International Module. The compensation survey covers data from more than 105,000 Top Executives in 56 countries worldwide.

	Brazil	China	Germany	Great Britain	UAE	USA
hkp/// Executive Level 9	13 %	25 %	11 %	12 %	No sufficient data available	16 %
hkp/// Executive Level 10	20 %	27 %	13 %	15 %	14 %	23 %
hkp/// Executive Level 11	23 %	32 %	14 %	20 %	23 %	28 %

Fig. 1: Average female percentage in data submissions per country and hkp/// Executive Level (all companies considered)

Germany adopted a similar law (*Entgelttransparenzgesetz*) in 2017. According to this law, employees have the right to request information from their employer about the average salary of employees of the opposite gender in comparable jobs under certain conditions. By raising awareness and putting pressure on organizations, transparency regulations such as those existing in Great Britain and Germany might serve as a useful tool to reduce the gender pay gap. Both laws, however, have only been adopted recently, it might therefore still take some time before the effect becomes visible in actual compensation data.

Other countries also ratified legislations concerning equal pay. Article 461 of the Brazilian Labor Code sets the ground for equal pay in quite general terms, in which it states that all employees shall be paid equally for the same work. China, in contrast, implemented an explicit legislation with the *Law on the*

*Protection of Women's Rights and Interests* (2005 Amendment). It promotes equal pay between women and men and may have already accelerated the elimination of pay differences between female and male employees, which is supported by the analysis of GEN data.

In the United Arab Emirates, the right to equal pay for equal work was already set forth in the 1980 *United Arab Emirates Federal Labor Law*. However, the upcoming *Law on Equal Wages and Salaries for Men and Women* will be the first law that explicitly elaborates and enforces the right to equal pay between men and women.

### Percentage of female top executives per level and country

The percentage of women in management positions is examined at hkp/// Executive Level 9 to 11, which correspond to typical top and middle management jobs.

Along with the expectations, the percentage of female managers in the hkp/// group data sample is smaller than that of men on all management levels across all countries, with the proportion ranging from around one tenth to around one third of the submitted data.

The proportion of female executives also noticeably decreases with the higher job value: the average percentage of female managers across all countries analyzed equals about 16% at the highest level, hkp/// Executive Level 9<sup>1</sup>, whereas it reaches an average of 23% at the lowest considered level, hkp/// Executive Level 11. The highest percentage of women across all considered levels is observed in China, followed by the USA. Germany exhibits the smallest percentage of females on each hkp/// Executive Level.

”

***In Germany, male top and middle managers still earn about 4% to 7% more than their female counterparts.***

“

Jennifer S. Schulz, Senior Manager hkp/// group



<sup>1</sup>) hkp/// Executive Level 9 corresponds to 968-1.260 Hay-Points / TW GG 17 / Mercer IPE 61-63; hkp/// Executive Level 10 corresponds to 735-967 Hay-Points / TW GG 15-16 / Mercer IPE 58-61; hkp/// Executive Level 11 corresponds to 566-734 Hay-Points / TW GG 14-15 / Mercer IPE 56-58.



### Compensation differences of male and female managers per country

The gender pay gap<sup>2</sup> was analyzed in the selected countries at hkp/// Executive Level 9-11. The GEN data analysis shows that China is the only country with a positive pay gap in favor of women for all analyzed management levels, with median compensation for female managers being between 0.4% and 7.7% higher than those for their male counterparts. The compensation data for Brazil and Germany in the GEN data sample suggests the largest pay gap in favor of men among all countries considered.

The differences in pay between genders do not necessarily follow the same pattern within one country: whereas the gender pay gap is positive at hkp/// Executive Level 9, it sharply becomes negative at the lower levels in Great Britain.

Except for China, the gender pay gap is always negative at the lowest management level analyzed, hkp/// Executive Level 11, and ranges from -0.4% in the United Emirates to -6.5% in Brazil. The gender pay gap becomes more heterogeneous at the higher levels, where no clear pattern between the analyzed countries can be observed.

The results suggest a possible connection between the percentage of women in management positions and the gender pay gap. In the two countries with the highest percentage of female managers, the gender pay gaps are either very small, like in the USA, or even in favor of women, like in China. Germany, the country with the lowest ratios of female managers, also exhibits considerably high gender pay gaps.

”

*The United States has been dealing with the equal gender pay related topics since the 60s, the result – merely 2% gender pay gap.*

“

Verena Vandervelt, Manager



Fig. 2: Gender pay gap in % per country and hkp/// Executive Level (only companies which provided compensation data for both male and female managers considered)

2) The gender pay gap per level is calculated as the difference between the median target direct compensation for women and men in relation to the median target direct compensation for men on the relevant hkp/// Executive Level.

## Background Information on GEN

### The International Module

Globally competitive compensation is a key factor in attracting, motivating and retaining essential employees in companies present across the globe. Therefore, multinational corporations always strive to gain an insight into the compensation packages offered by their competitors. As part of the International Module, hkp/// is pursuing an approach that, at relatively low data submission costs for participants, provides crucial evaluations for top and middle management in a variety of countries.

Chapter	Countries		
Americas Chapter	Argentina	Chile	USA
	Brazil	Columbia	
	Canada	Mexico	
Asia Chapter	Australia	Japan	Philippines
	China	Korea	Singapore
	Hong Kong	Malaysia	Taiwan
	India	Myanmar	Thailand
	Indonesia	New Zealand	Vietnam
European Chapter	Austria	Great Britain	Portugal
	Belgium	Hungary	Russia
	Czech Republic	Ireland	Spain
	Denmark	Italy	Sweden
	Finland	Luxembourg*	Switzerland
	France	Netherlands	Turkey
	Germany	Norway	Ukraine
	Greece	Poland	
MEA Chapter	Angola	Morocco	Saudi Arabia
	Egypt	Nigeria	South Africa
	Kazakhstan	Oman	UAE
	Kenya	Qatar	

\* new in 2019

Fig. 3: Overview countries per Chapter

The data for the GEN survey is currently collected in 56 countries worldwide. New countries are included when sufficient data becomes available.

The results are divided into four chapters, the Americas Chapter (North & South America), the Asian Chapter (Asia Pacific), the European Chapter (Europe) and the MEA Chapter (Middle East & Africa). The survey participants receive a comprehensive report for each chapter for which they have provided compensation.

3) 566-3.020 Hay-Points; TW GG 14-21; Mercer IPE 56-71

”

*The International Module provides compensation data from 56 countries, allowing for a review of the global competitiveness of executive compensation in global companies.*

“

Alena Vititneva, Consultant



### Job Families & hkp/// Executive Levels

The International Module covers top and middle management positions of multinational companies. This corresponds to a functional value of hkp/// Executive Level 5 to 11<sup>3</sup>. The final report contains evaluations for all hkp/// Executive Levels and countries.

A total of 11 different job families are analyzed. In addition to the market statistics per hkp/// Executive Level and country, the final report contains evaluations differentiated by job families.

General Management	Research	Customer Support & Distribution
Procurement	Finance	Production & Manufacturing
Marketing & Sales	Human Resources	Other
Information Technology	Legal & Intellectual Property	

Fig. 4: Overview job families

### Survey Report

In order to enable a sound analysis of the compensation levels and structures, market data for base salary as well as annual and multi-year variable compensation per hkp/// Executive Level, job family and country are evaluated. Benefits and pensions are not reported due to a lack of comparability across countries and regions. The variable compensation components are reported not only as absolute values but also as a percentage of the base salary.

## Gender-specific analysis of compensation in selected countries

For additional information regarding the interpretation of the compensation data, market statistics for the position-related data elements “age” and “job value” are displayed in the final report. The preparation of the compensation data within concise graphics enables a simple and efficient market analysis. The final report is available to survey participants with compensation data in both EUR and local currency and is written in English.

### Global ExecuNet Chapter Meetings

All participants of the International Module are invited to participate in selected Global ExecuNet Chapter meetings free of charge. These survey sessions, moderated by experienced hkp/// experts, are attended exclusively by survey participants. In addition to the discussion of the survey results, the networks offer a distinct focus on current compensation trends in the respective region and serve to develop and expand the regional network. For instance, at the AsiaNet Meeting, specific issues related to pay in China or Southeast Asia are discussed.

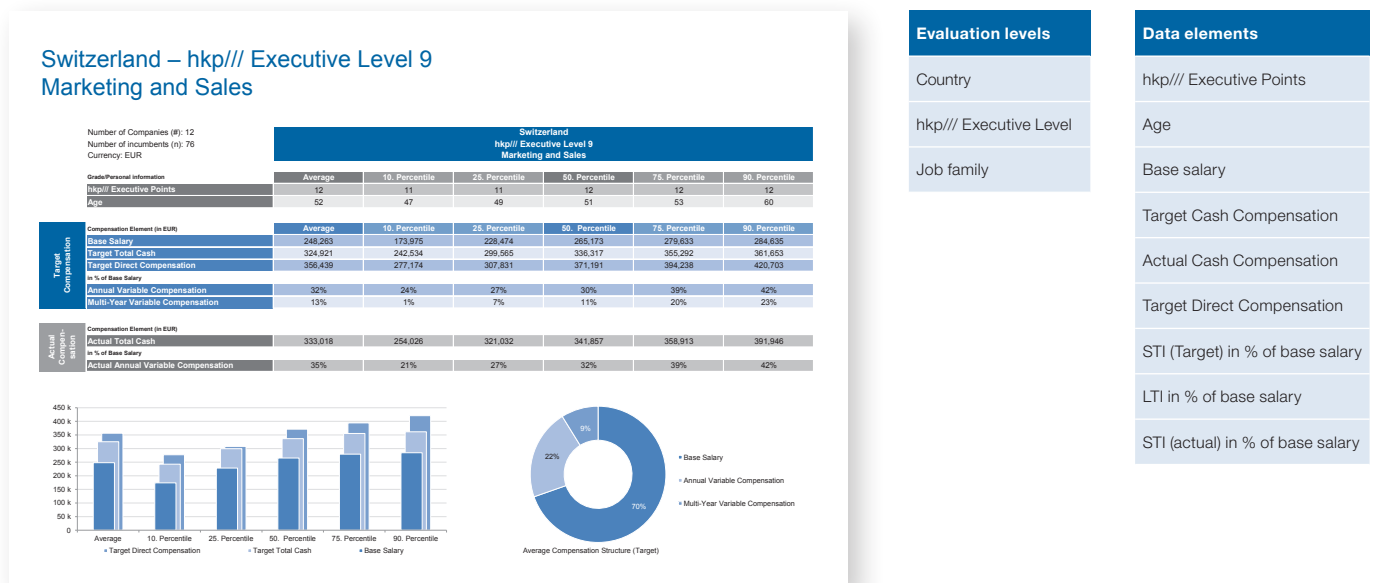


Fig. 5: Example of the final report and the data elements

### Your benefits at a glance

- High-quality compensation data for 56 countries at an attractive participation fee.
- The final reports of the four regional chapters offer differentiated analysis as a basis for the regular review of the global competitiveness of executive remuneration in top and middle management.
- The composition of the database from both local and foreign-headquartered companies provides a highly relevant peer group of multinational companies based in Europe.
- The long-established hkp/// methodology for collecting and evaluating national and international compensation data offers a direct link to the study results of the DAX Top Executive and Top Management Surveys.
- The additional data collection effort for companies is marginal, as the international data can easily be submitted as part of the DAX Top Executive or Top Management Survey.
- Free participation in selected Global ExecuNet Chapter Meetings encourages dialogue on current compensation issues in each region and promotes the creation of a regional network.
- With servers based in the European Union and a secure online data exchange platform, hkp/// meets the highest confidentiality and security standards.



**Petra Knab-Hägele**, Senior Partner, with more than 20 years of consulting experience, is among the leading experts in questions of the implementation of corporate strategies in suitable management and control systems for top management and executive personnel in the German-speaking area. After starting her profession in strategy consulting, Petra Knab-Hägele joined a large international HR management consulting company in 1995 in which she was a partner from 2003 on, acting in the most varied fields of responsibility, among others as a member of the German management and in the leadership of the executive compensation & rewards business division. She has had many years of experience, in particular in the fields of executive compensation, value-oriented company control and incentivisation, performance management as well as sustainable (also stock-based) variable remuneration. In addition to that, she has headed large international post-merger projects focussing on HR management.

[petra.knab-haegele@hkp.com](mailto:petra.knab-haegele@hkp.com)



**Jennifer S. Schulz**, Senior Manager, is a respected expert in compensation and HR management with more than 15 years' experience in both consulting and industry in Germany and the Netherlands. After graduating in Mathematics at the University of Freiburg she started her career as a consultant in executive compensation at an international consulting company. Holding specialist and management positions in compensation and benefits, functional evaluation, global mobility and as a Director HR and Organization in the energy sector she gained broad industry experience and was involved in several larger reorganization projects. Since 2016, Jennifer S. Schulz is leading the Compensation Insights & Technology practice at hkp/// group in Frankfurt.

[jennifer.schulz@hkp.com](mailto:jennifer.schulz@hkp.com)



**Verena Vandervelt**, Manager, studied Business Administration at the University of Cologne and completed an international double-degree program (CEMS), majoring in Human Resources Management and Finance. She spent her semesters abroad at the University of International Business and Economics in Beijing and at HEC Paris. Since her start at hkp/// group in spring 2014, Verena Vandervelt primarily accompanies projects on Top Executive compensation with a focus on compensation benchmarks, design of variable compensation systems and job grading. Furthermore, she leads international compensation surveys for Top Executives in DAX- and mid-sized companies as well as international studies on Executive und Non-Executive Director compensation in Europe.

[verena.vandervelt@hkp.com](mailto:verena.vandervelt@hkp.com)



**Alena Vititneva**, Consultant, did her Bachelor's in International Management at the Graduate School of Management of the Saint-Petersburg State University. She spent a semester abroad at the University of Cologne, where she also completed her Master's degree in Business Administration majoring in Corporate Development and Behavioral Economics. She collected practical "Compensation & Benefits" related experience in several DAX-companies during her studies. Alena Vititneva joined hkp/// group in September 2016 and is mainly involved in projects concerning Compensation Insights & Technology topics. She is responsible for German as well as international top executives surveys and specializes in the valuation of share based payments.

[alena.vititneva@hkp.com](mailto:alena.vititneva@hkp.com)

### Contact

Thomas Müller, Partner, Head of Marketing & Communication International  
hkp Deutschland GmbH  
Phone +49 69 175 363 323  
Mobile +49 176 100 88 237  
[thomas.mueller@hkp.com](mailto:thomas.mueller@hkp.com)

hkp/// group is a partner-led, international consulting firm. We are experienced in transformation and recognized innovation leader in HR, helping internationally active companies – from startups to large corporations – develop tailored, practical solutions.

The hkp/// group partners have many years of international experience in both consulting and industry. They are recognized experts for executive compensation, board services, performance & talent management, HR strategy & transformation, and HR & compensation benchmarking. They are also trusted advisors to our clients, which include supervisory and management boards, top managers as well as HR managers and experts.

Our ambition is to secure sustainable success for our clients in an increasingly dynamic world. We combine a profound understanding of corporate strategy, HR and financial know-how with outstanding industry expertise, especially for banks and insurance companies, automotive manufacturers and suppliers, the chemical and pharmaceutical industries, companies in transportation and logistics, oil and gas, real estate, IT and telecommunications as well as retail and wholesale businesses.

With more than 700,000 pieces of compensation data from more than 60 countries and all different industries at our disposal, hkp/// group is a leading supplier of compensation comparisons. In the area of board compensation alone, we offer access to remuneration data of 20,000 individuals in over 3,000 European companies (boardpay.com). We apply rigorous security standards, transmitting and analyzing data exclusively in Germany and the Netherlands.

 [www.xing.com/company/hkpgroup](https://www.xing.com/company/hkpgroup)

 [www.linkedin.com/company/hkpgroup](https://www.linkedin.com/company/hkpgroup)

 [www.twitter.com/hkp\\_group](https://www.twitter.com/hkp_group)

---

### Amsterdam

Vondelstraat 89A  
1054 GM Amsterdam  
The Netherlands  
Phone +31 20 737 0687  
amsterdam@hkp.com

### Dordrecht

Singel 380  
3311 HM Dordrecht  
The Netherlands  
Phone +31 78 613 72 76  
dordrecht@hkp.com

### Frankfurt

Friedrich-Ebert-Anlage 35-37  
60327 Frankfurt am Main  
Germany  
Phone +49 69 175 363 30  
frankfurt@hkp.com

### Zurich

c/o Aeberli Treuhand, Zimmergasse 17  
8008 Zürich  
Switzerland  
Phone +41 44 542 81 60  
zurich@hkp.com

---