Gender Pay Gap Report

Romania, March 2022

Content

1

About gender pay gap (GPG): context and macro-perspective

What is and why we should assess the gender pay gap (GPG)?

Women's labour force participation has grown significantly in recent decades. Women have started to reach higher paid job, following an increased rate of pursuing higher education. However, despite this progress, wage gaps between men and women persist.

The **gender pay gap (GPG)** refers to the difference in earnings between women and men. Experts have calculated this indicator/gap in various ways, but the results point to the same conclusion: women consistently earn less than men, and the gap is wider if we look at specific segments (ie sectors, job level, age etc.)

Why do women earn less. Potential causes for GPG:

Under-representation of women in corporate boards and management positions. According to the EC, less than 8% of top companies CEOs are women.

Unequal share of care and unpaid work. Women spend more hours on unpaid work, which affects their career. Also, there is the "motherhood penalty".

Sectorial segregation: women are overrepresented in relatively low-paying sectors such as care, health and education.

Although the GPG has decreased over the last years at EU level, it remains high at an average of 14.1%

Employment among women increased in recent years, but it remains significantly low compared to men, 67% vs 78% respectively.
In terms of GPG, we observed a slight decrease year over year. Still, the average remains double digits - 14.1%.
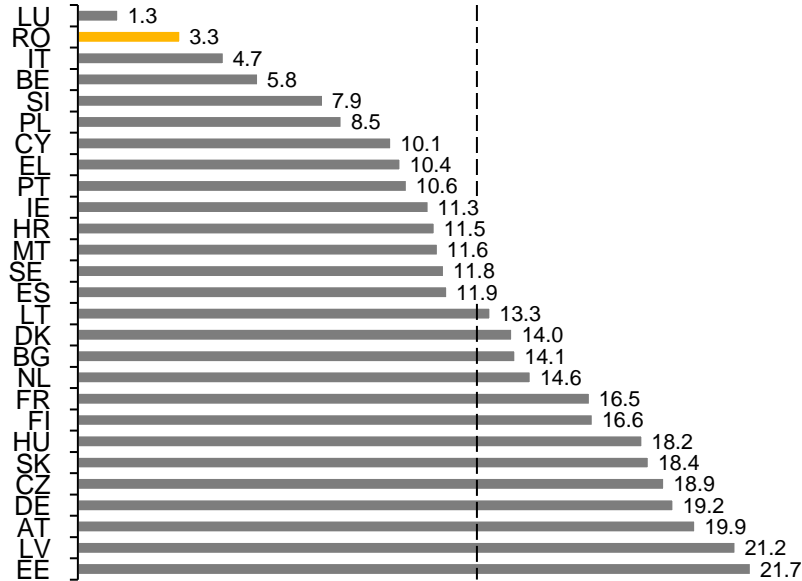
EU – 27 employment by gender (2011-2020, %)
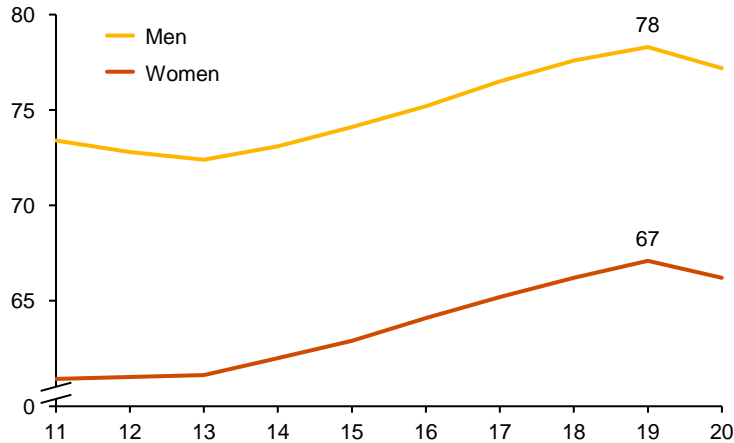
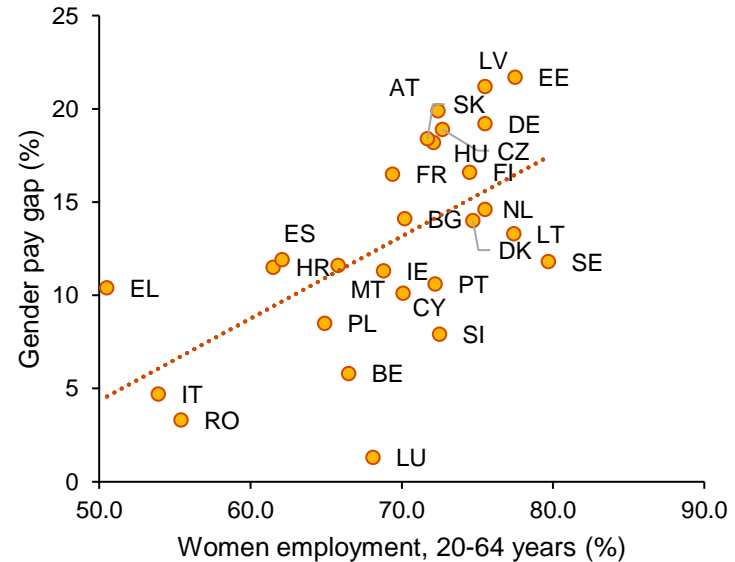**Gender pay gap at EU level** (2015-2019, %)
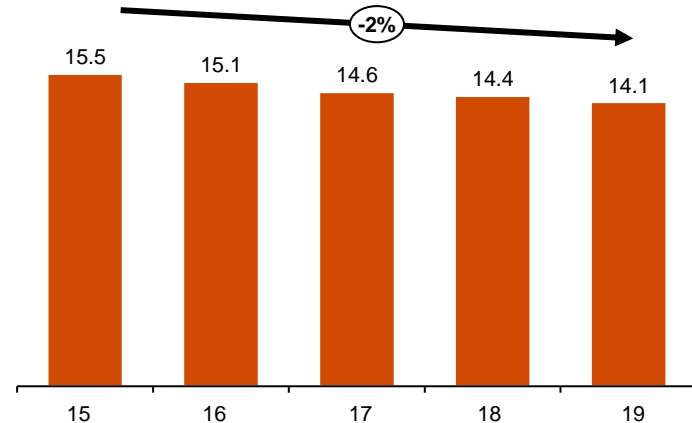
Countries with higher employment rates among women have higher GPG. Romania is at the lower end for both women employment (55.4%) and GPG (3.3%)
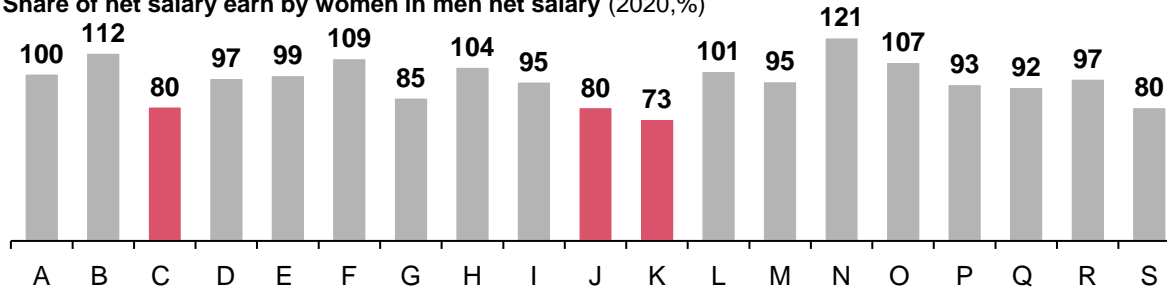
Gender pay gap at EU level (2019, %)

Country	Value
LU	1.3
RO	3.3
IT	4.7
BE	5.8
SI	7.9
PL	8.5
CY	10.1
EL	10.4
PT	10.6
IE	11.3
HR	11.5
MT	11.6
SE	11.8
ES	11.9
LT	13.3
DK	14.0
BG	14.1
NL	14.6
FR	16.5
FI	16.6
HU	18.2
SK	18.4
CZ	18.9
DE	19.2
AT	19.9
LV	21.2
EE	21.7

Ø14.1

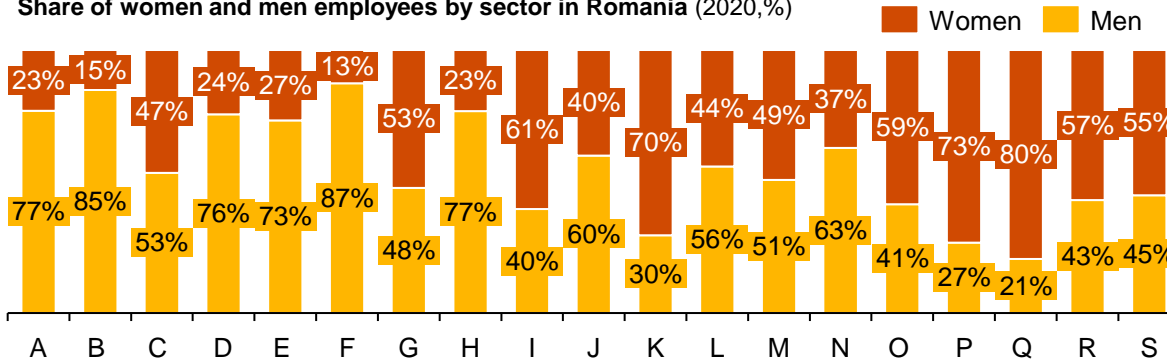**Employment of women and GPG at EU level** (2019, %)

In Romania, according to official data, highest GPGs are in financial services, manufacturing and ITC, while in administrative activities, mining and construction women earn more than men

Share of net salary earn by women in men net salary (2020,%)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
100	112	80	97	99	109	85	104	95	80	73	101	95	121	107	93	92	97	80

Share of women and men employees by sector in Romania (2020,%) ▇ Women ▇ Men

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Women	23%	15%	47%	24%	27%	13%	53%	23%	61%	40%	70%	44%	49%	37%	59%	73%	80%	57%	55%
Men	77%	85%	53%	76%	73%	87%	48%	77%	40%	60%	30%	56%	51%	63%	41%	27%	21%	43%	45%

NACE Rev 2	Name
A	Agiculture
B	Mining
C	Manufacturing
D	Energy supply
E	Water supply & waste management
F	Construction
G	Wholesale & retail
H	Transport
I	Hospitality
J	ITC
K	Financial services
L	Real estate
M	Professional activities
N	Administrative & support activities
O	Public administration
P	Education
Q	Healthcare & social security
R	Arts & recreation
S	Other services

In 2021, the European Commission published the draft Transparency Pay Directive – equal pay for equal (value of) work for consultation

Transparency Pay Directive (draft)

→ Salary grids that ensure gender equal pay

→ Employee access to data

→ Employers with :250 employees – mandatory publication of the gender pay gap

Implications

Facilitating employee access to justice

→ Discriminated employees can claim compensation

→ Possibility to initiate collective actions

→ The burden of proof lies with the employer

Risk for the past

→ Employees can claim compensation for discrimination occurred before the new legislation effective date

→ Assessing risk and taking corrective actions beforehand is important

Compensation policy

→ Need for documented policy to include clear and balanced criteria

→ Related recruitment, performance evaluation and career progression policies are also important

2 Gender Pay Gap Analysis

Methodological overview

Although national statistics reveal positive outcomes as compared to other EU countries, public sector and the predominance of the "minimum wage" practice impact the overall results. The perspective of the EU directive on gender pay transparency and the ESG requirements are bringing the equal pay topic high on the agenda of many companies in Romania. **The aim** of this analysis is to have an objective and realistic picture on the gender pay difference in the Romanian private sector.

We analysed **227,610 unique datapoints** from the year 2021 from private large companies from various regions and sectors in Romania. See Appendix 1 for demographic breakdown.

Our methodology is based on the UK GPG methodology which is also the basis of the EU Directive proposal and analyses the gender pay gap as the difference between the average (average or median) earnings of men compared to women across a workforce.

The following indicators are calculated and presented in the next slides on various demographic criteria:
- **Percentage of men and women in each base pay quarter**. Base salaries for both men and women were sorted ascendingly from lowest to highest. The full set of data was divided in 4 equal parts, each representing a pay quartile. Then we analysed how many men and women are paid within the value range of each individual quartile.
- **Percentage of men and women receiving bonus pay**.
- **Average** and/or **median gender pay gap** using **base pay** and **bonus pay**. Average and median was calculated from monthly gross RON base salaries for both men and women. The gender pay gap is reflected below the bars in terms of the % men earn compared to women.

The median is the middle number in a sorted, ascending, list of numbers.
Average is the mathematical average of all values.
All values are monthly, gross in RON.

Individual company analysis available at a click of a button

PwC's Gender Pay Gap dashboard can rapidly give you a view of the gap within your own company. Company level data is available to be analysed at multiple granularity levels as well as benchmarked compared to market data in an easy to use dashboard.

Detailed, high quality data at your fingertip
- We work with an interactive, insights-enabling solution (PBI dashboard)
- We use a reliable measurement approach
- We are able to provide company specific metrics together with benchmark data
- Contact us for more details

Our tool allows you to focus on 2 areas:

1 Identify current gap within the company by analyzing the data based on a proven and tested methodology (drill down options available)

2 Benchmark data against relevant sample (e.g. against sector or against a preferred sample of comparators)
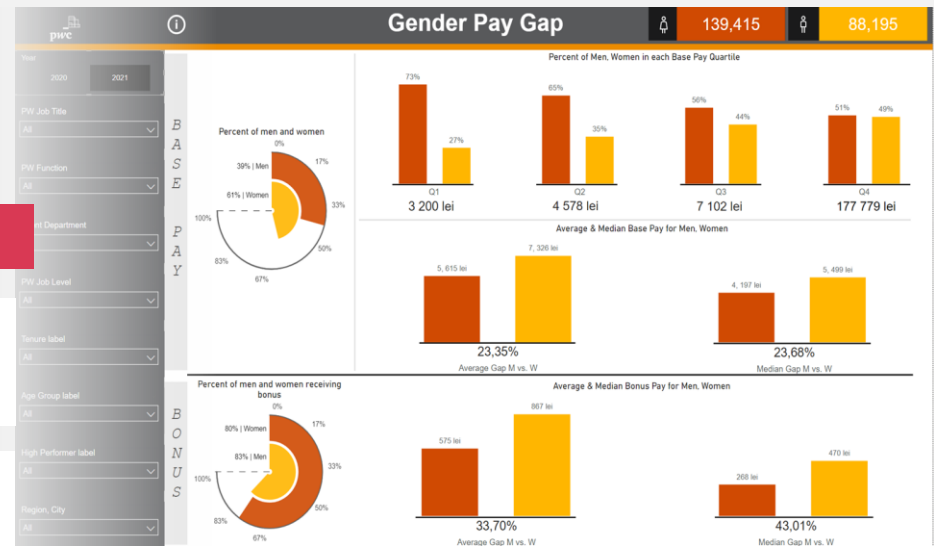
In 2021, the analysed data shows that women tend to have lower paid jobs than men and the GPG between Men and Woman is 23%

Overall view Base Pay Gender pay gap

Looking at the percentage of men and woman in each base pay quartile, the high difference in the first and second quartile means that when it comes to pay, women tend to have lower paid jobs than men. The gap decreases when we look at the third quartile and distribution is the fairest in quartile 4, meaning that high salaries are distributed equally between man and woman.
However, this is influenced also by the overall higher percentage of women in the sample. An "equal" distribution would be close the overall sample distribution (ie 61% women, 39% men).

Percent of Men and Woman in each Base Pay Quartile

	Q1	Q2	Q3	Q4
Woman	73%	65%	56%	51%
Man	27%	35%	44%	49%

Average Base Pay GPG

Woman: 5, 615 lei
Man: 7, 326 lei
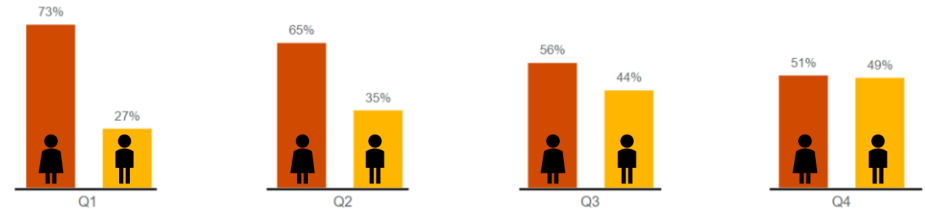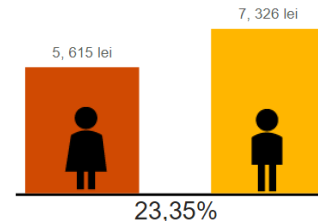
23,35%
Average Gap M vs. W

Median Base Pay GPG

Woman: 4, 197 lei
Man: 5, 499 lei

23,68%
Median Gap M vs. W

Woman FTE	139,415	61%
Man FTE	88,195	39%
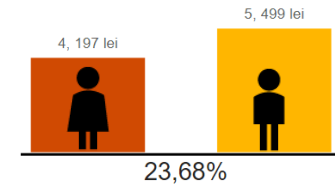
While there are no significant differences in terms of bonus pay eligibility, the average GPG between Men and Woman is higher on bonus payments (31%)
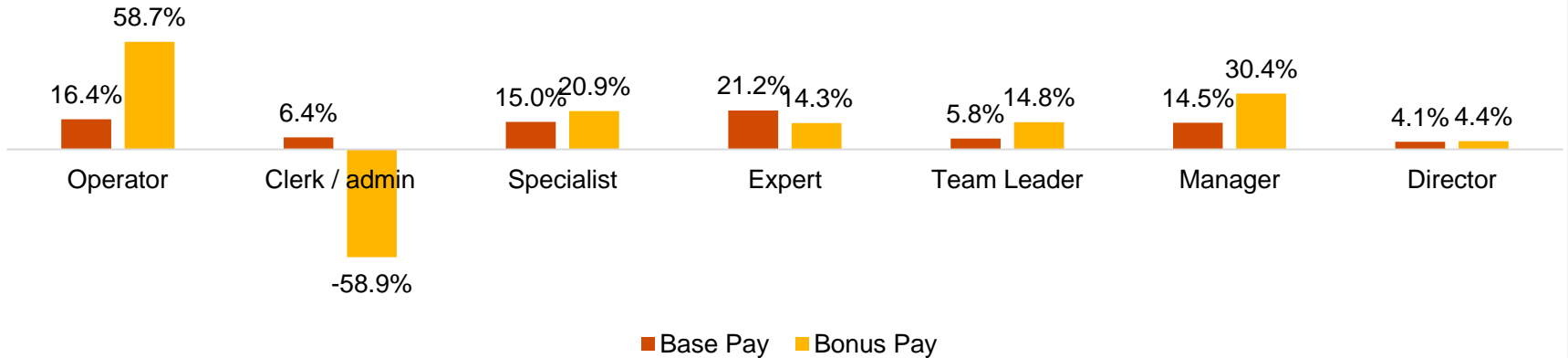
Overall view Bonus Pay Gender pay gap

Although almost the same percentage of men and women receive a bonus (83 and 80%, in terms of pay, the gender gap is significant. The significantly higher gap in average as compared to median values reflects outliers in the analysed data (ie some bonus data points for men are significantly higher than the rest of the data).

Percent of Men and Women receiving bonus

- 0%
- 17%
- 33%
- 50%
- 67%
- 83%
- 100%
- 80% | Women
- 83% | Men

Average Bonus Pay GPG

721 lei

1, 042 lei

30,83%

Average Gap M vs. W

Median Bonus Pay GPG

423 lei

513 lei

17,59%

Median Gap M vs. W
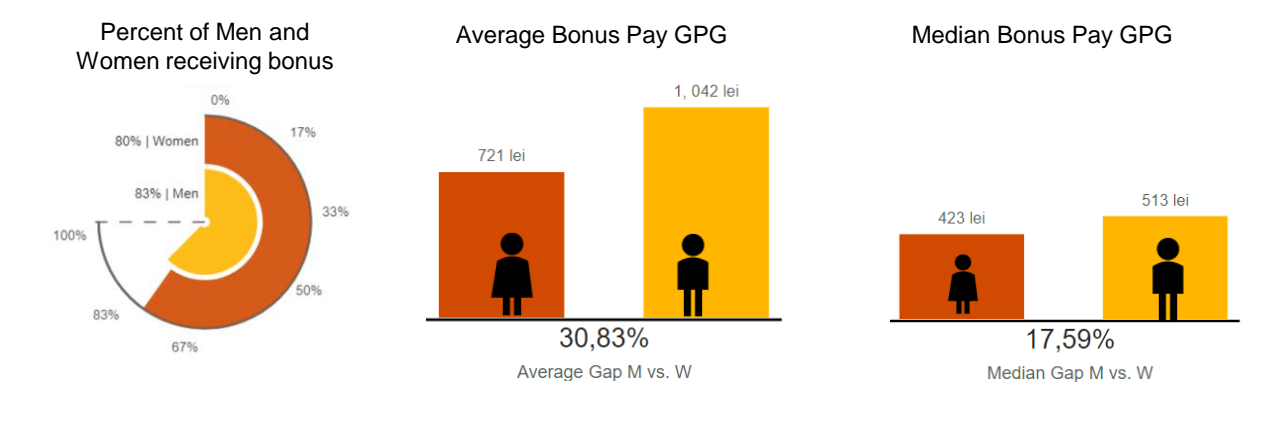
The smallest differences are found in top management positions, and the largest at the level of operator / blue collar

Gender pay gap by job category

Average gender compensation difference
Job family view (M / F)

Job Category	Base Pay	Bonus Pay
Operator	16.4%	58.7%
Clerk / admin	6.4%	-58.9%
Specialist	15.0%	20.9%
Expert	21.2%	14.3%
Team Leader	5.8%	14.8%
Manager	14.5%	30.4%
Director	4.1%	4.4%

■ Base Pay ■ Bonus Pay

Note: For more information, access PwC's Gender Pay Gap dashboard, more info on slide 13

Lower paid operator jobs are primarily held by women while men lead the upper pay quartile

BASE PAY

Percent of men and women

- 0%
- 40% | Men
- 17%
- 60% | Women
- 33%
- 100%
- 83%
- 67%
- 50%
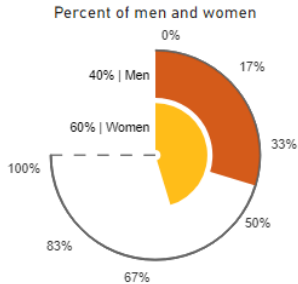
56,990 women
37,319 men

Percent of Men and Women in each Base Pay Quartile

- Q1: 77% / 23%
- Q2: 67% / 33%
- Q3: 65% / 35%
- Q4: 33% / 67%

Base Pay Median Gap

- 3,025 lei
- 3,620 lei
- 16,44%
- Men / Woman

Bonus Pay Median Gap

- 177 lei
- 429 lei
- 58,68%
- Man / Woman

15
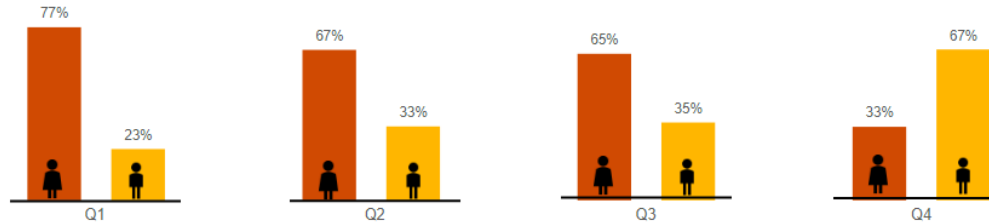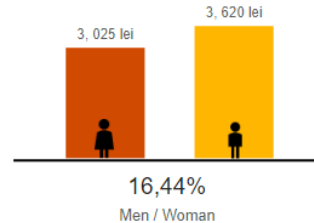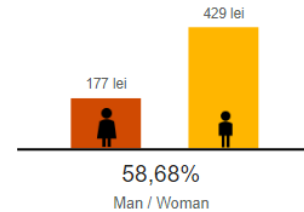
In a female dominated category, the pay gap is significantly lower for base pay (6.34%) and negative for bonus payments

Focus view – Clerk / Admin Job Family

B A S E P A Y

Percent of men and women

0%

17%

21% | Men

79% | Women

33%

100%

50%

83%

67%

11,152 women
2,888 men

Percent of Men and Women in each Base Pay Quartile

87% 13% Q1

79% 21% Q2

75% 25% Q3

77% 23% Q4

Base Pay Median Gap

3, 800 lei   4, 061 lei

6,43%
Men / Woman

Bonus Pay Median Gap

510 lei   321 lei

-58,86%
Man / Woman

pwc

16
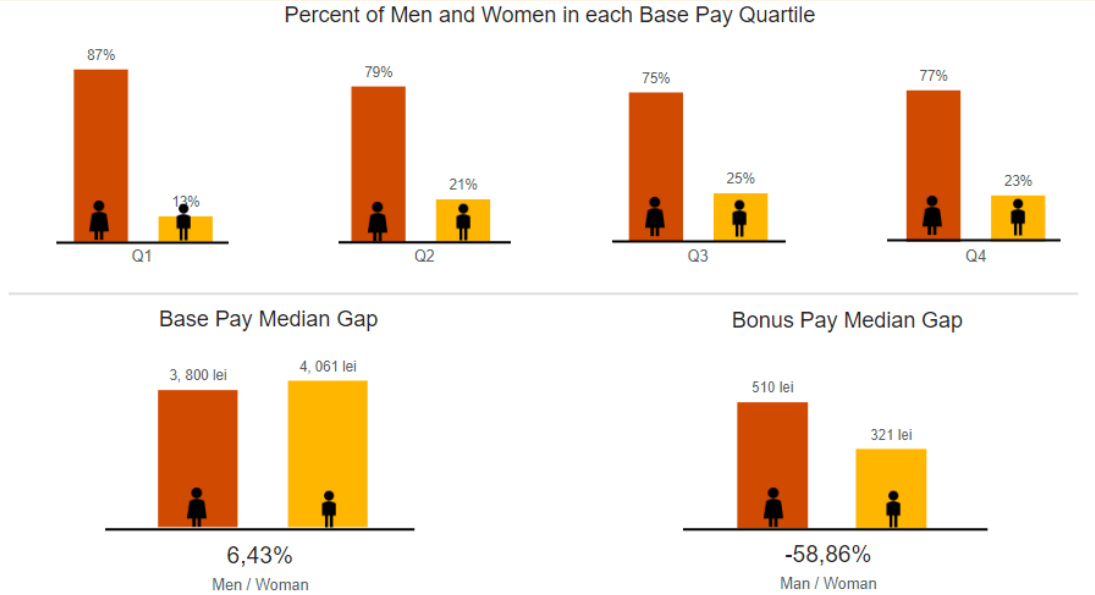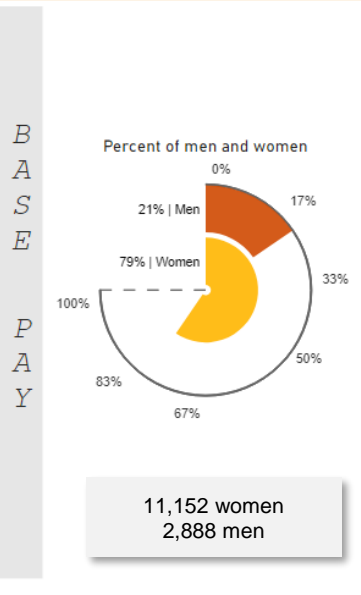
At specialist level the pay gap increases, reaching 15.01% for base pay

Focus view – Specialist Job Family
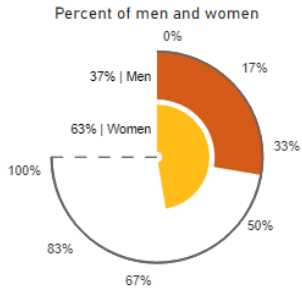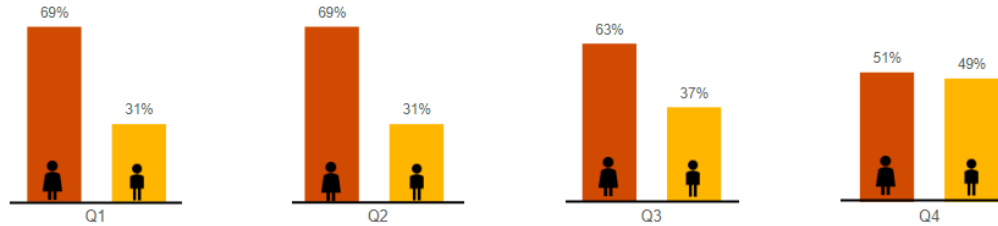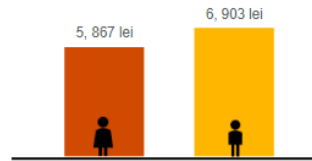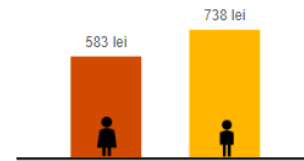
For experts, the gap is even wider (21.17%), with a much higher share of women in the first quartile

Focus view – Experts Job Family

BASE PAY
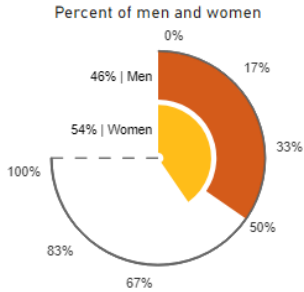
Percent of men and women

0%
17%
43% | Women
57% | Men
33%
100%
50%
83%
67%

2,149 women
2,893 men

Percent of Men and Women in each Base Pay Quartile

Q1: 61% | 39%
Q2: 48% | 52%
Q3: 37% | 63%
Q4: 25% | 75%

Base Pay Median Gap
12, 061 lei | 15, 300 lei
21,17%
Men / Woman

Bonus Pay Median Gap
1, 000 lei | 1, 167 lei
14,29%
Men / Women
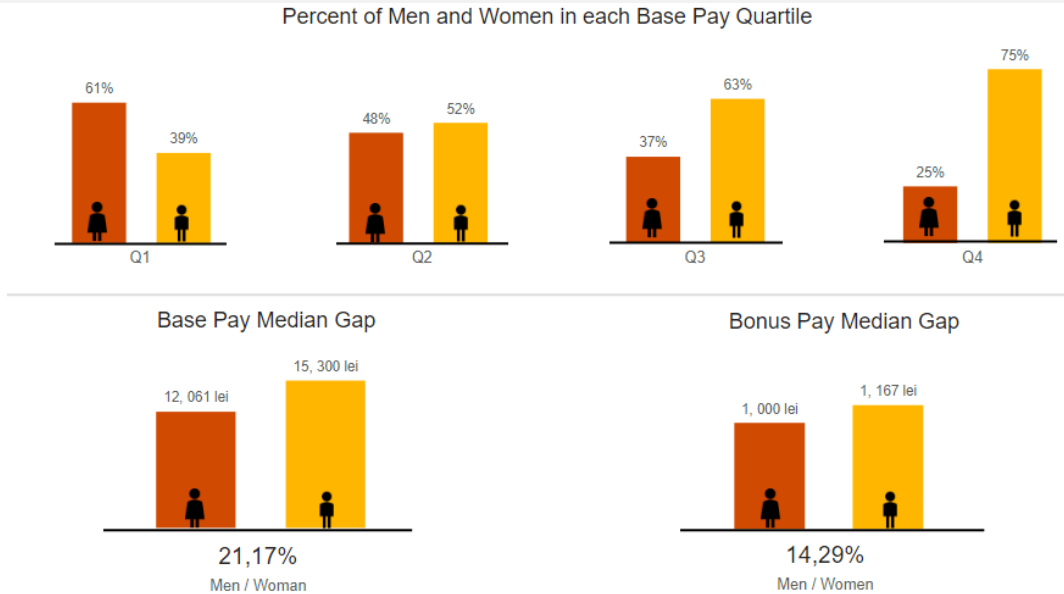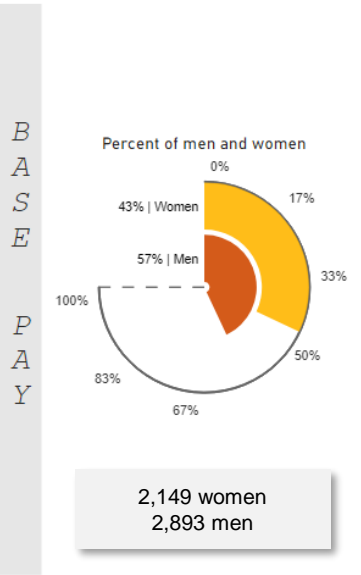
At team leader level, the pay gap is back at 5.83% and we see a more balanced gender representation among quartiles

Focus view – Team Leader Job Family

B A S E   P A Y

Percent of men and women

0%
17%
46% | Men
54% | Women
100%
33%
83%
50%
67%

7,617 women
6,524 men

Percent of Men and Women in each Base Pay Quartile

63% | 37% — Q1
53% | 47% — Q2
45% | 55% — Q3
54% | 46% — Q4

Base Pay Median Gap

7, 000 lei | 7, 433 lei
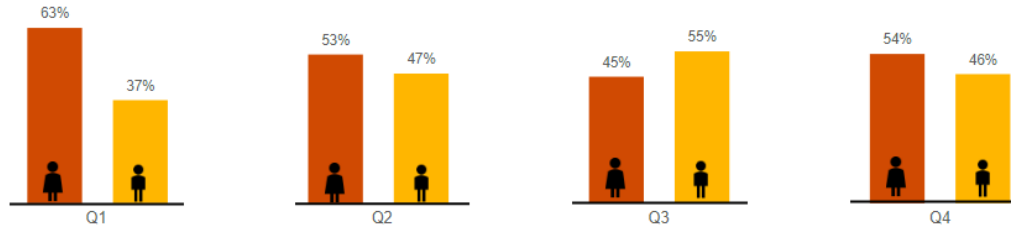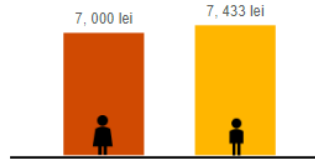
5,83%

Men / Woman

Bonus Pay Median Gap

852 lei | 1, 000 lei

14,84%

Men / Women

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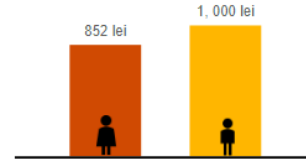
The pay gap increases again for Managers and reaches 14.47%

Focus view – Manager Job Family

B A S E   P A Y

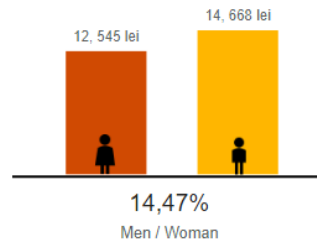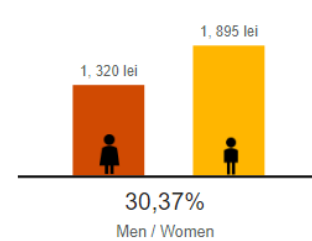**Percent of men and women**

0%
48% | Men
52% | Women
17%
33%
50%
100%
83%
67%
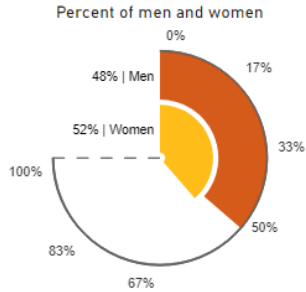
5,861 women
5,517 men

Percent of Men and Women in each Base Pay Quartile

- Q1: 67% / 33%
- Q2: 46% / 54%
- Q3: 50% / 50%
- Q4: 44% / 56%

Base Pay Median Gap

12, 545 lei / 14, 668 lei

14,47%
Men / Woman

Bonus Pay Median Gap

1, 320 lei / 1, 895 lei

30,37%
Men / Women
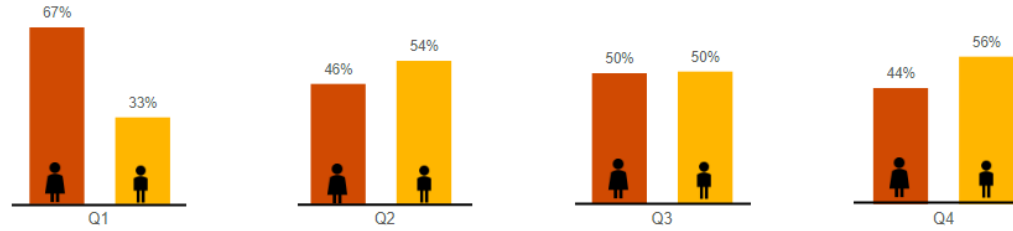
For Directors the gap is the smallest (4.08%) amongst all categories, although women representation is slightly lower
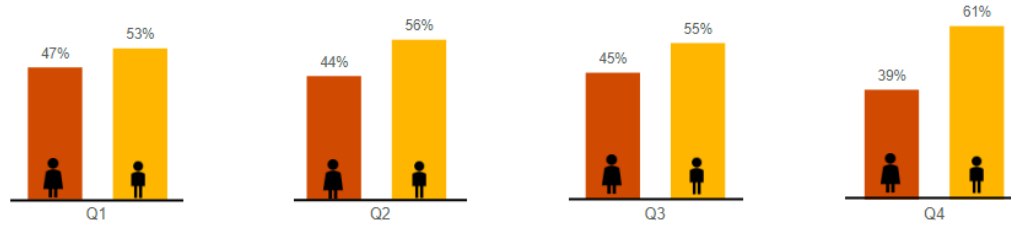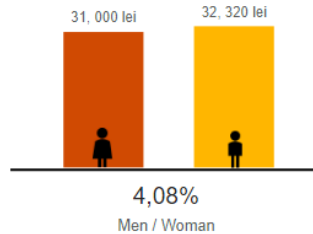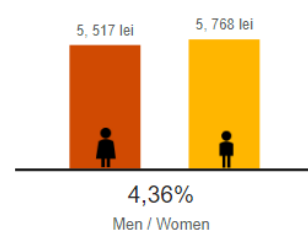
Focus view – Director Job Family

Percent of men and women

- 43% | Women
- 57% | Men
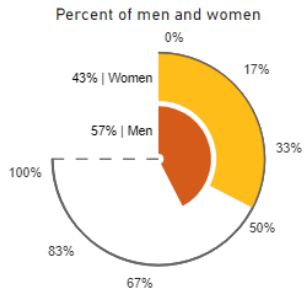
649 women
845 men

Percent of Men and Women in each Base Pay Quartile

Q1: 47% / 53%
Q2: 44% / 56%
Q3: 45% / 55%
Q4: 39% / 61%

Base Pay Median Gap

31, 000 lei | 32, 320 lei

4,08%

Men / Woman

Bonus Pay Median Gap

5, 517 lei | 5, 768 lei

4,36%

Men / Women
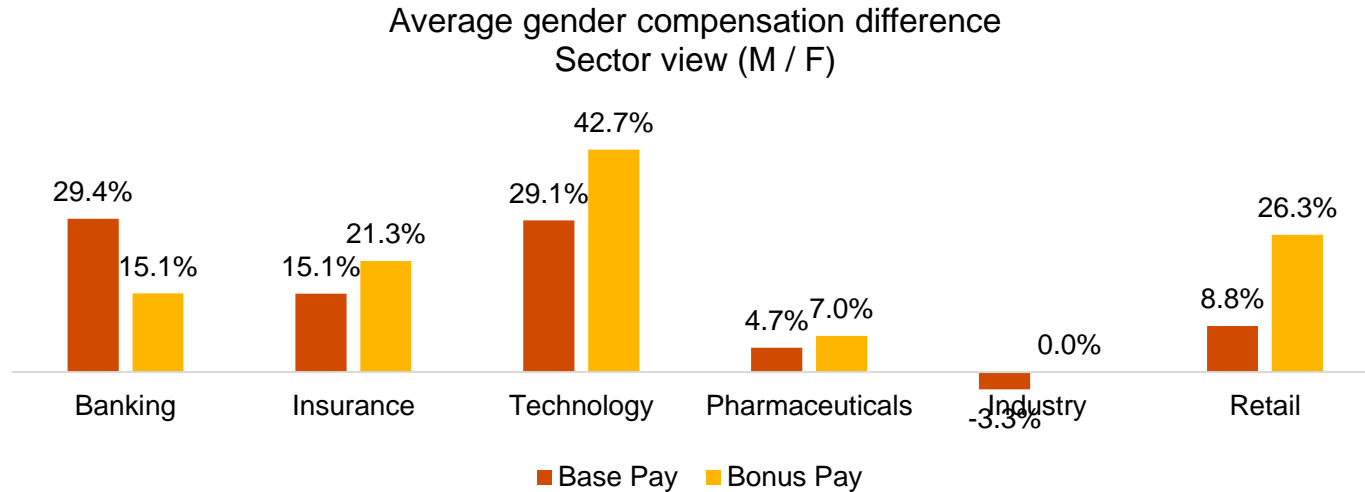
From a sector perspective, the highest differences are found in Technology and Banking

Gender pay gap by sector

Average gender compensation difference
Sector view (M / F)

Sector	Base Pay	Bonus Pay
Banking	29.4%	15.1%
Insurance	15.1%	21.3%
Technology	29.1%	42.7%
Pharmaceuticals	4.7%	7.0%
Industry	-3.3%	0.0%
Retail	8.8%	26.3%

■ Base Pay ■ Bonus Pay

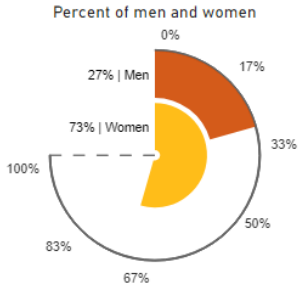*Note: For more information, access PwC's Gender Pay Gap dashboard, more info on slide 13*

Although Banking is a women dominated sector, they tend to have lower level jobs determining a high pay gap
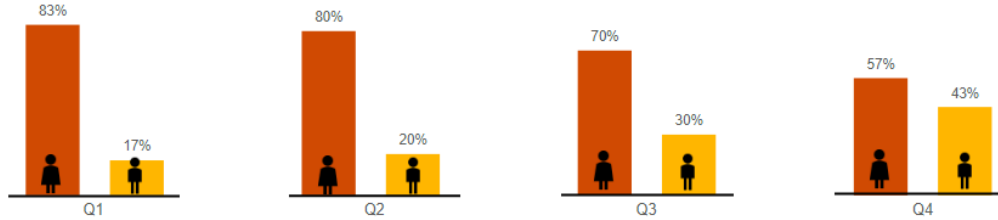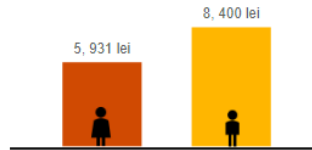
Focus view – Banking Sector

Percent of men and women

0%
27% | Men
17%
73% | Women
33%
100%
50%
83%
67%

**24,212 women
9,150 men**

BASE PAY

Percent of Men and Women in each Base Pay Quartile

Q1: 83% / 17%
Q2: 80% / 20%
Q3: 70% / 30%
Q4: 57% / 43%

Base Pay Median Gap
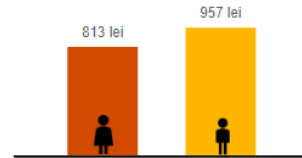5, 931 lei / 8, 400 lei
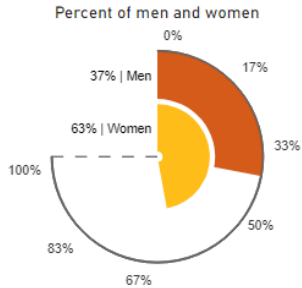29,40%
Men / Woman

Bonus Pay Median Gap
813 lei / 957 lei
15,08%
Men / Women

In Insurance, the gap is at 15.07%, lower than in banking but still high
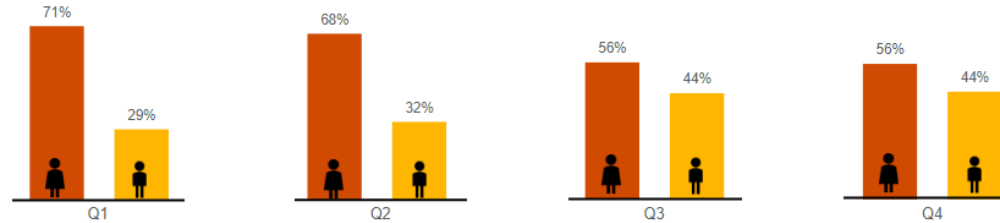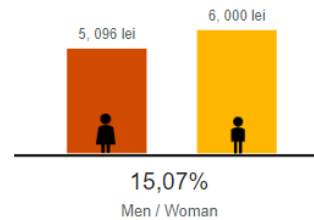
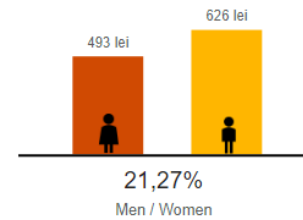**Focus view – Insurance Sector**

B A S E   P A Y

Percent of men and women

0%
17%
37% | Men
33%
63% | Women
50%
100%
83%
67%

2,745 women
1,627 men

Percent of Men and Women in each Base Pay Quartile

71% | 29% — Q1
68% | 32% — Q2
56% | 44% — Q3
56% | 44% — Q4

Base Pay Median Gap

5, 096 lei | 6, 000 lei

15,07%
Men / Woman

Bonus Pay Median Gap

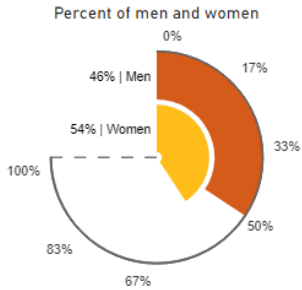493 lei | 626 lei

21,27%
Men / Women

In Technology, we notice one of the highest gaps, 29.09% for base pay, while in terms of bonus pay, the gap is even more significant
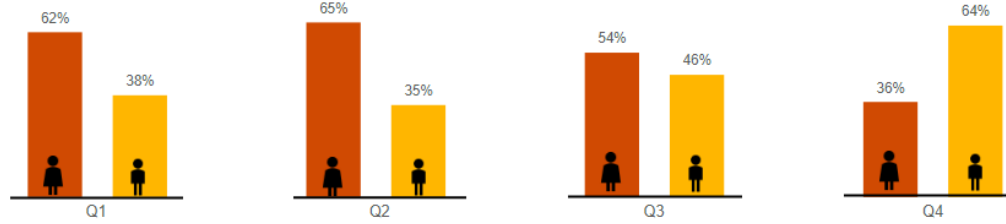
Focus view – Technology Sector

Percent of men and women

0%
17%
46% | Men
33%
54% | Women
100%
50%
83%
67%

18,246 women
15,365 men

Percent of Men and Women in each Base Pay Quartile

Q1: 62% / 38%
Q2: 65% / 35%
Q3: 54% / 46%
Q4: 36% / 64%

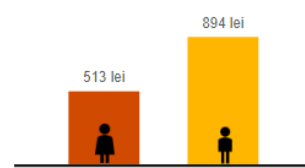**Base Pay Median Gap**

7, 195 lei
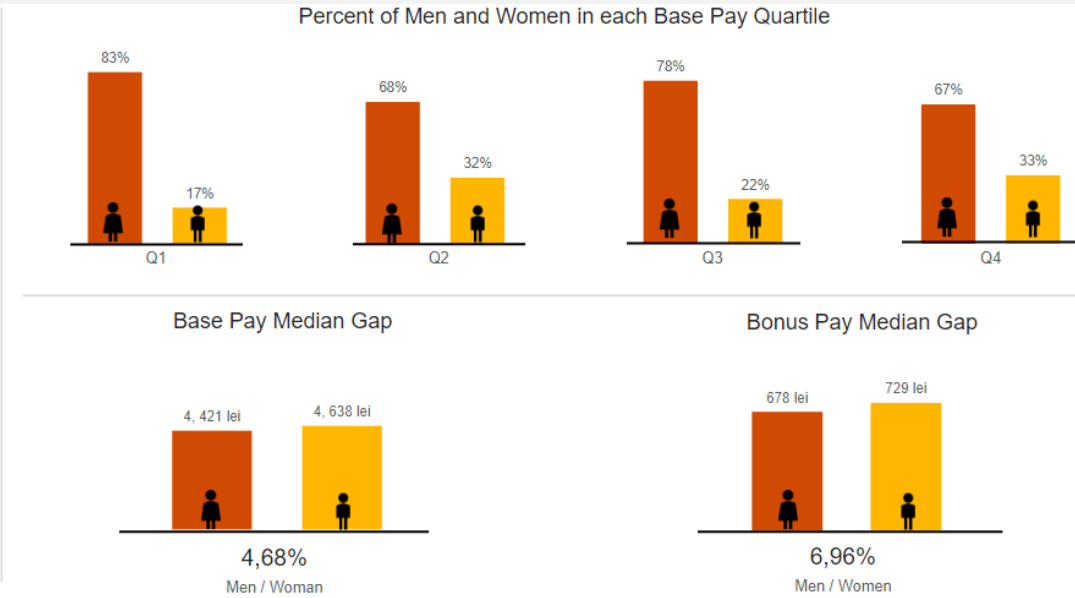10, 146 lei
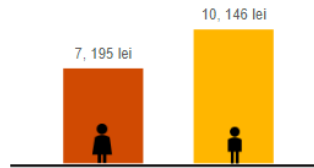
29,09%
Men / Woman

Bonus Pay Median Gap

513 lei
894 lei

42,66%
Men / Women

Pharma is one of the most balanced sectors, with a relatively low gap of 4.68% for base pay

Focus view – Pharmaceuticals Sector

BASE PAY

Percent of men and women

0%
17%
26% | Men
74% | Women
33%
100%
50%
83%
67%

10,761 women
3,749 men

Percent of Men and Women in each Base Pay Quartile

83% 17% — Q1
68% 32% — Q2
78% 22% — Q3
67% 33% — Q4

Base Pay Median Gap

4, 421 lei   4, 638 lei

4,68%
Men / Woman

Bonus Pay Median Gap

678 lei   729 lei

6,96%
Men / Women
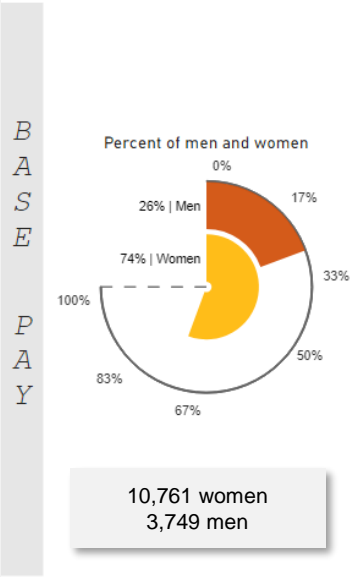
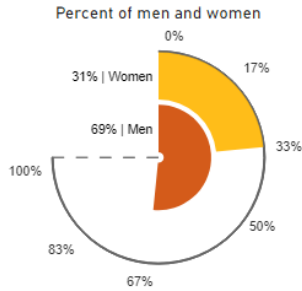# In our Industry sample, women earn, on average, slightly more, as most operators are men and women tend to have white collar jobs

Focus view – Industry Sector

B A S E   P A Y

Percent of men and women

- 0%
- 17%
- 31% | Women
- 69% | Men
- 33%
- 100%
- 50%
- 83%
- 67%

10,608 women
23,376 men

Percent of Men and Women in each Base Pay Quartile

- Q1: 37% / 63%
- Q2: 21% / 79%
- Q3: 32% / 68%
- Q4: 34% / 66%

Base Pay Median Gap

- 6,701 lei
- 6,487 lei

-3,30%
Men / Woman

Bonus Pay Median Gap

- 513 lei
- 513 lei

No Gap
Men / Women
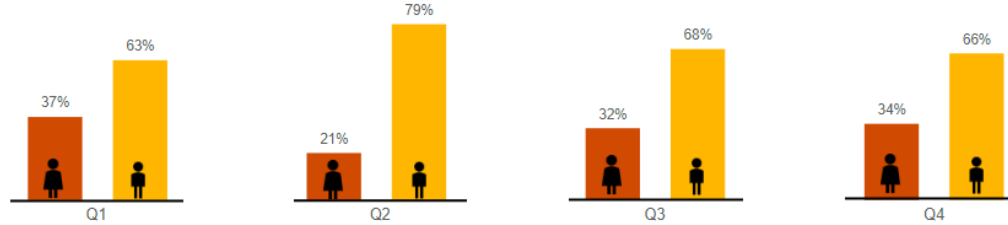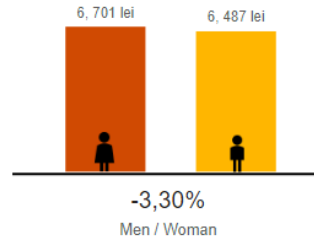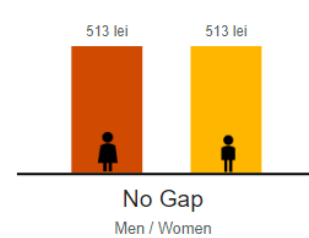
The Retail sector has a 8.83% gender pay gap, with a high share of women employed especially at operator level

Focus view – Retail Sector

Percent of men and women

- 33% | Men
- 67% | Women

64,036 women
31,241 men

Percent of Men and Women in each Base Pay Quartile

- Q1: 77% / 23%
- Q2: 71% / 29%
- Q3: 65% / 35%
- Q4: 56% / 44%

Base Pay Median Gap
- 3,200 lei / 3,510 lei
- 8,83%
- Men / Woman

Bonus Pay Median Gap
- 189 lei / 257 lei
- 26,30%
- Men / Women
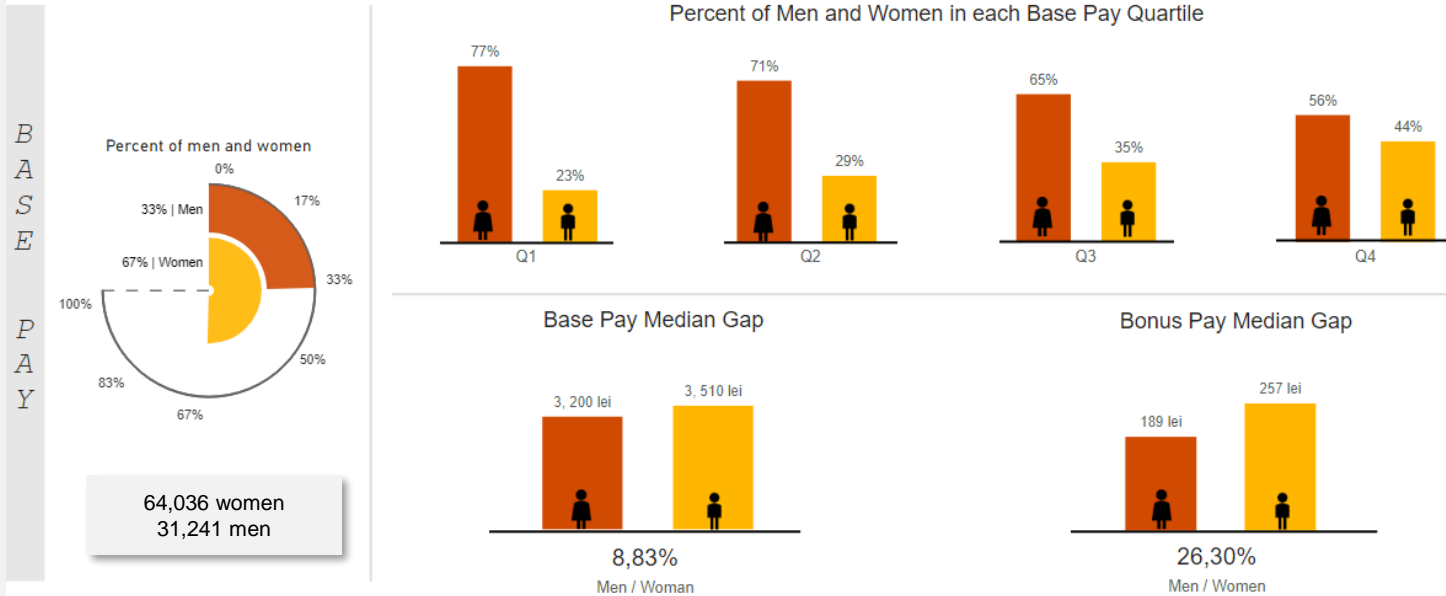
The differences are increasing with age, reflecting the heritage of older practices

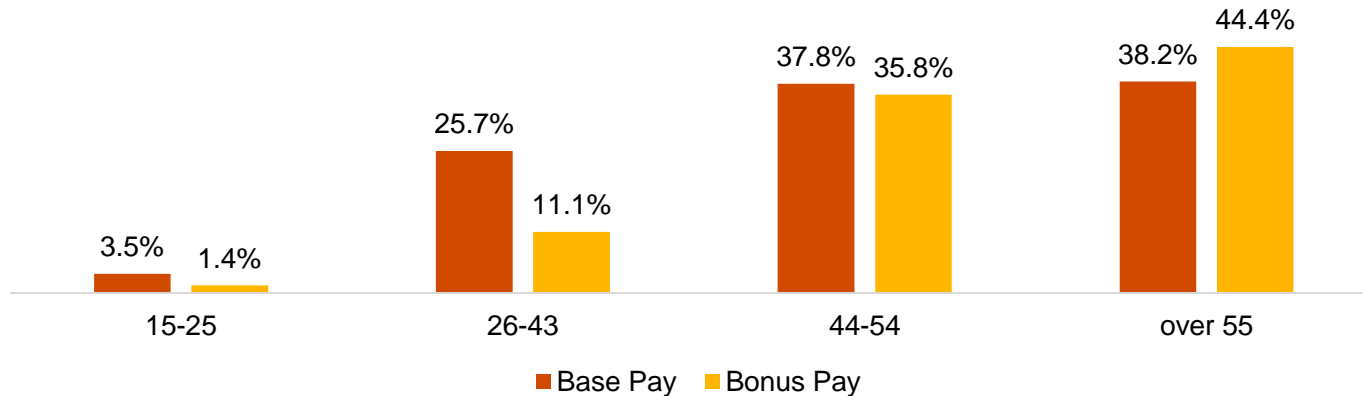**Gender pay gap by age group**

Average gender compensation difference
Age group view (M / F)

Age group	Base Pay	Bonus Pay
15-25	3.5%	1.4%
26-43	25.7%	11.1%
44-54	37.8%	35.8%
over 55	38.2%	44.4%

■ Base Pay ■ Bonus Pay

Note: For more information, access PwC's Gender Pay Gap dashboard, more info on slide 13
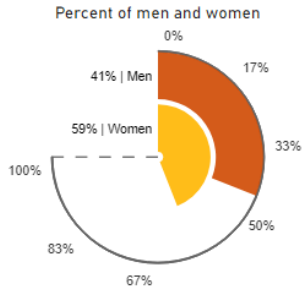
For Gen Z, entry level jobs, the gap is almost inexistent and the distribution along quartiles reflects the distribution of the entire sample
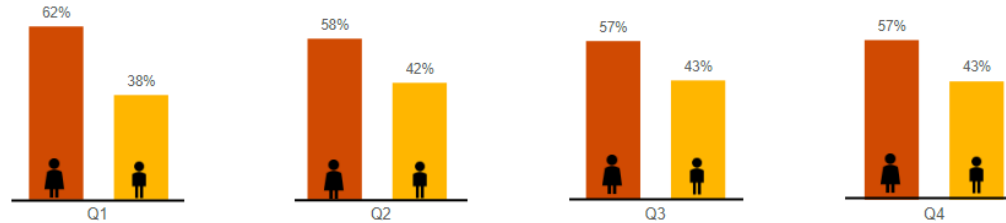
Focus view – Age group: 15 – 25 years old

B A S E   P A Y

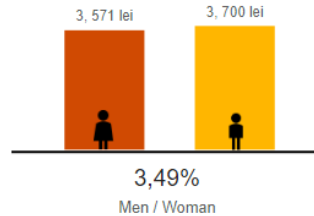Percent of men and women

0%
17%
41% | Men
33%
59% | Women
100%
50%
83%
67%

22,690 women
15,969 men

Percent of Men and Women in each Base Pay Quartile

62% — 38% — Q1
58% — 42% — Q2
57% — 43% — Q3
57% — 43% — Q4

Base Pay Median Gap

3, 571 lei — 3, 700 lei
3,49%
Men / Woman

Bonus Pay Median Gap

261 lei — 257 lei
-1,39%
Men / Women
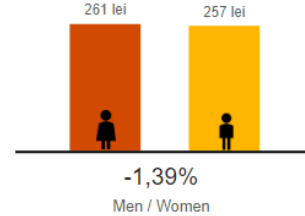
Together with age and experience, the gap is widening

B A S E   P A Y

Percent of men and women

0%
17%
38% | Men
33%
62% | Women
100%
50%
83%
67%

77,062 women
47,156 men

Percent of Men and Women in each Base Pay Quartile

75%
25%
Q1

65%
35%
Q2

58%
42%
Q3

50%
50%
Q4

Base Pay Median Gap

4, 616 lei
6, 212 lei

25,69%
Men / Woman

Bonus Pay Median Gap

470 lei
529 lei

11,07%
Men / Women
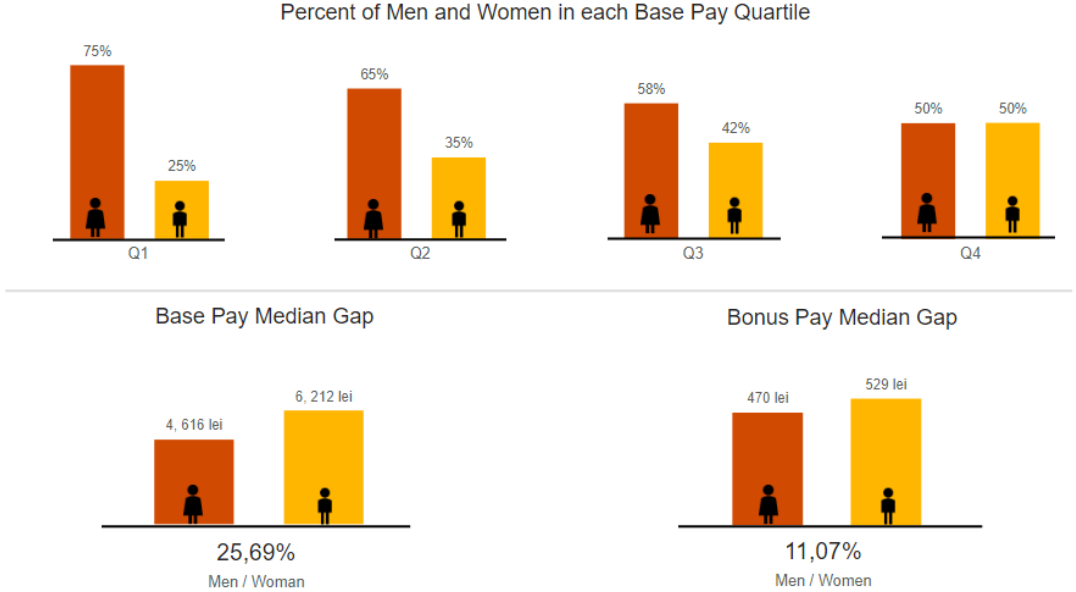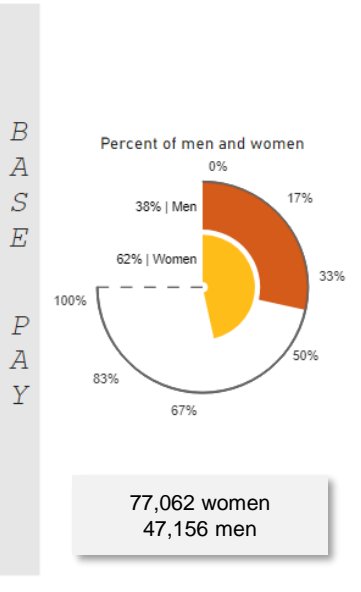
Clearly, women in Gen X are significantly lower paid, partially due to the type of roles occupied, partially to cultural inheritance

Focus view – Age group: 44 – 54 years old

BASE PAY

Percent of men and women

0%
37% | Men
17%
63% | Women
33%
100%
50%
83%
67%

33,169 women
19,292 men

Percent of Men and Women in each Base Pay Quartile

Q1: 83% / 17%
Q2: 71% / 29%
Q3: 48% / 52%
Q4: 51% / 49%

Base Pay Median Gap

3,640 lei / 5,854 lei

37,81%
Men / Woman

Bonus Pay Median Gap

367 lei / 572 lei

35,84%
Men / Women
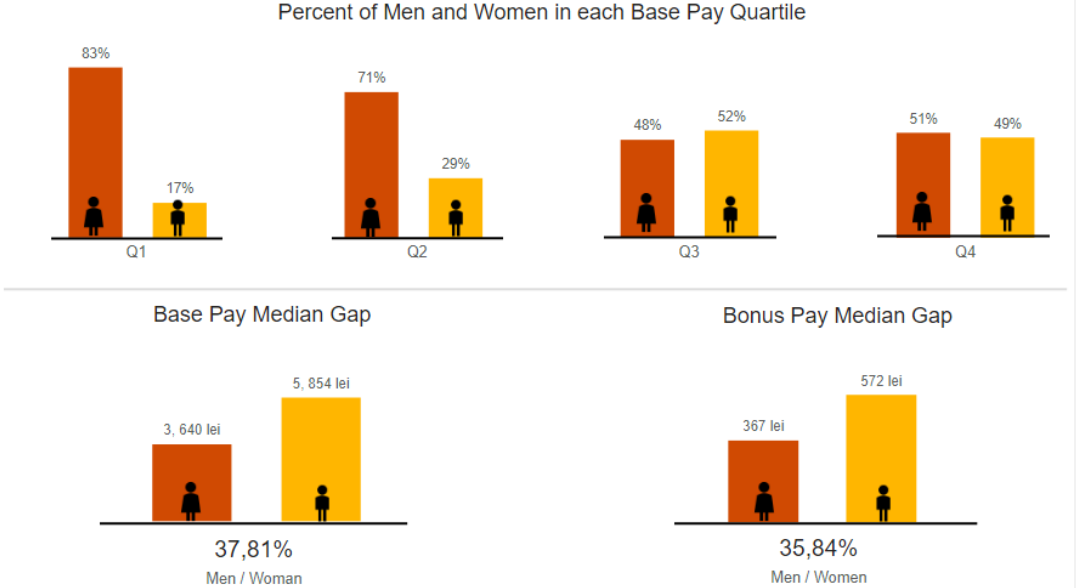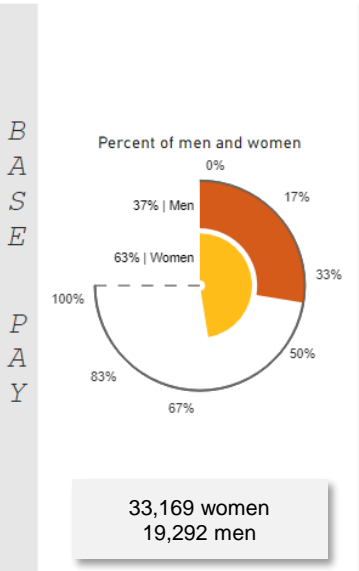
Above 55, the pattern continues, but bonus gap increases, as top executive positions in this age group are occupied mainly by men

Focus view – Age group: over 55 years old

BASE PAY

Percent of men and women

0%
17%
33%
50%
67%
83%
100%

48% | Men
52% | Women

5,121 women
4,706 men

Percent of Men and Women in each Base Pay Quartile

Q1: 74% / 26%
Q2: 57% / 43%
Q3: 40% / 60%
Q4: 37% / 63%

Base Pay Median Gap
3,450 lei / 5,585 lei
38,22%
Men / Woman

Bonus Pay Median Gap
292 lei / 525 lei
44,43%
Men / Women
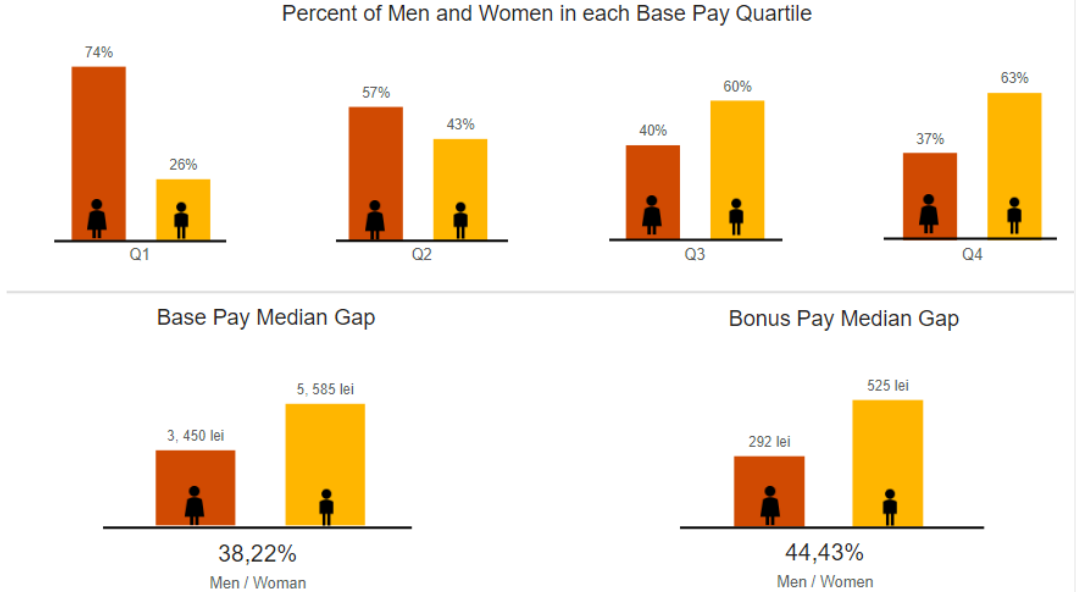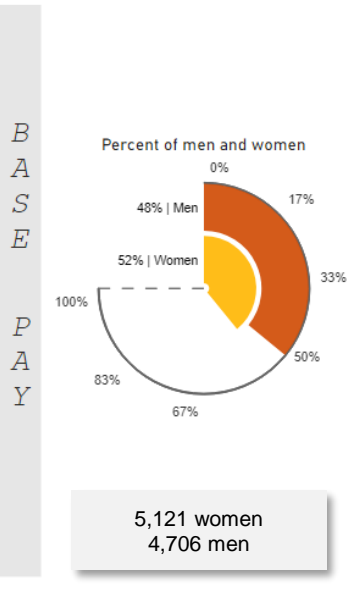
3 Opportunity for more detailed insights

EQUAL-SALARY Certification
Contact us now to be among the first certified Romanian companies!

How does it work?

1. Statistical analysis

The **quantitative analysis** determines whether there is an unexplained remuneration gap between women and men. An in-depth analysis highlights individual cases where a remuneration difference is observed - the "special cases". For certification to progress to the next phase, the remuneration difference must be significantly less or equal to 5% with an adjusted R^2 of ≥0.9.

2. Desktop review & on-site visit

The **desktop review and on-site visit** (carried out by PwC) evaluates the fairness of remuneration within the organisation (with a particular focus on the special cases flagged during the statistical analysis):
- Management commitment to equal pay between women and men
- Integration of the fair remuneration strategies within HR policies and practices
- Employees' perception of your remuneration policy

3. Certification

If the organisation meets all the above requirements, the **EQUAL-SALARY Foundation issues the Certification Label** which is valid for **3 years.** The EQUAL-SALARY Label can be used in all of your communication such as its website, recruitment advertisements, letter heads, annual reports.

4. Monitoring visit

Once certified, the organisation must complete **two further monitoring visits** to demonstrate its ongoing commitment to a fair, non-discriminatory remuneration policy between men and women, and **fulfilment of actions identified through the on site visit**.

Oana Munteanu

Director
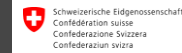PwC Romania
oana.munteanu@pwc.com

Madalina Pasca

Senior Manager
PwC Romania
madalina.pasca@pwc.com

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European Commission

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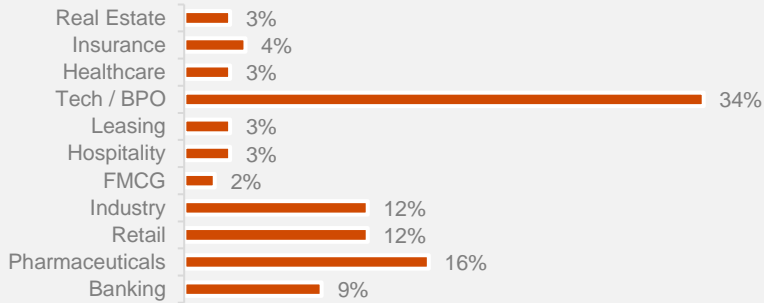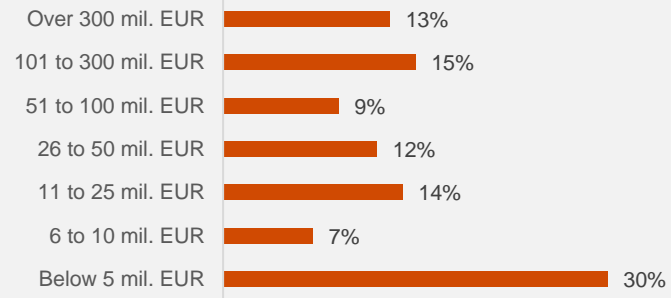
EQUAL-SALARY GLOBALLY CERTIFIED

4 Appendix

Appendix 1: Sample analysis – demographic breakdown

Breakdown by sector (% of participants)

- Real Estate: 3%
- Insurance: 4%
- Healthcare: 3%
- Tech / BPO: 34%
- Leasing: 3%
- Hospitality: 3%
- FMCG: 2%
- Industry: 12%
- Retail: 12%
- Pharmaceuticals: 16%
- Banking: 9%

Breakdown by company's turnover (% of participants)

- Over 300 mil. EUR: 13%
- 101 to 300 mil. EUR: 15%
- 51 to 100 mil. EUR: 9%
- 26 to 50 mil. EUR: 12%
- 11 to 25 mil. EUR: 14%
- 6 to 10 mil. EUR: 7%
- Below 5 mil. EUR: 30%

Breakdown by headcount (% of participants)

- Over 3000 employees: 12%
- 1001 to 3000 employees: 15%
- 501 to 1000 employees: 15%
- 101 to 500 employees: 32%
- Below 100 employees: 26%
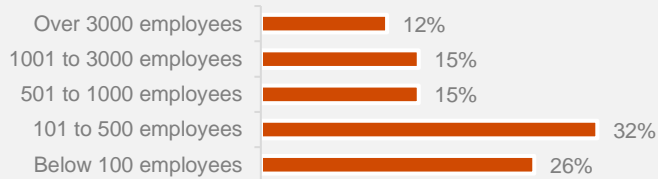
Breakdown by region (% job holders)

- Muntenia: 25%
- Bucuresti - Ilfov: 38%
- Banat-Transilvania: 27%
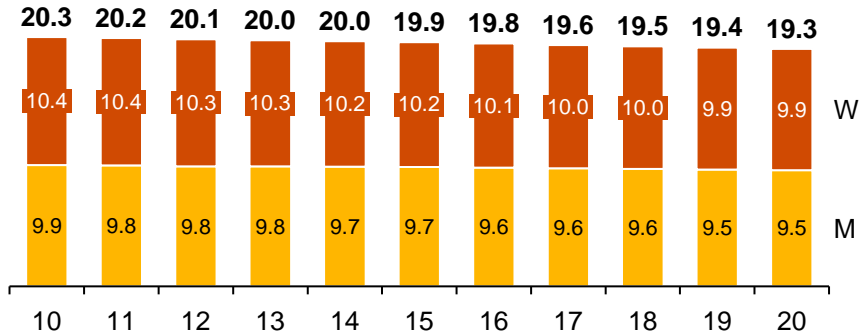- Moldova: 11%

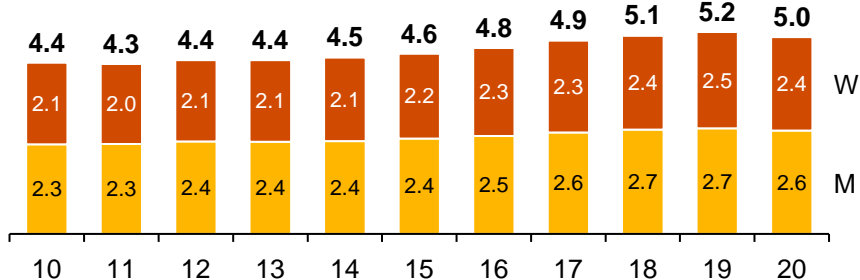Source: PayWell 2021 Salary & Benefits survey, 181 companies

37
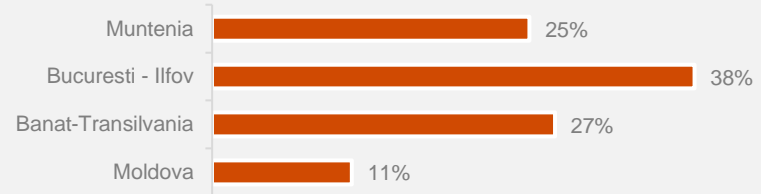
Appendix 2: national statistics

Although female population is higher and has decreased less over the last 10 years, women represent only 45% of total employees in Romania
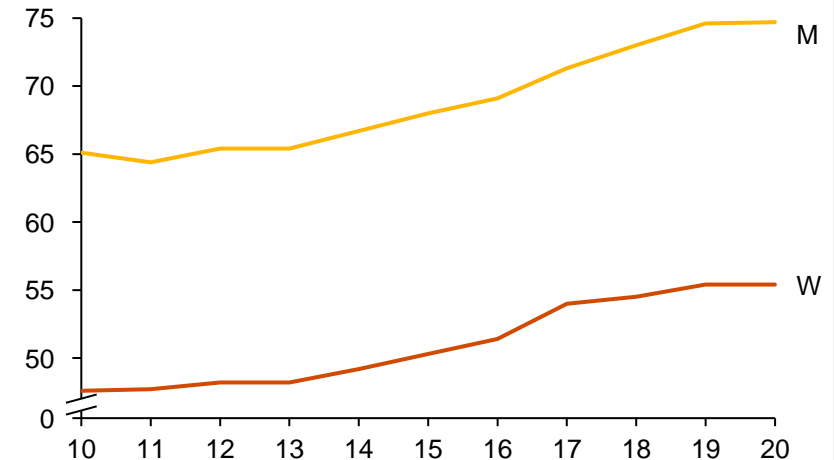

RO population by gender (2020, million people)

	10	11	12	13	14	15	16	17	18	19	20
Total	20.3	20.2	20.1	20.0	20.0	19.9	19.8	19.6	19.5	19.4	19.3
W	10.4	10.4	10.3	10.3	10.2	10.2	10.1	10.0	10.0	9.9	9.9
M	9.9	9.8	9.8	9.8	9.7	9.7	9.6	9.6	9.6	9.5	9.5

RO number of employees by gender (2020, million people)

	10	11	12	13	14	15	16	17	18	19	20
Total	4.4	4.3	4.4	4.4	4.5	4.6	4.8	4.9	5.1	5.2	5.0
W	2.1	2.0	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.5	2.4
M	2.3	2.3	2.4	2.4	2.4	2.4	2.5	2.6	2.7	2.7	2.6

RO employment by gender (20-64 years, %)

Reach us at:
ro_paywell@pwc.com

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