

Targeted consultation with social partners on pay transparency

(Feedback period: 5 March 2020 - 14 May 2020)

Fields marked with * are mandatory.

Introduction

The purpose of this questionnaire is to seek feedback from social partners on their views on pay transparency measures in the EU companies and organisations. The result of this targeted consultation will feed into the Commission's preparation of an initiative introducing binding pay transparency measures at EU level.

This targeted consultation is done in parallel with an online [public consultation](#) open for feedback until 28 May to citizens and stakeholders and contains a mini-survey for companies. Social partners are kindly invited to disseminate this survey among their members and individual undertakings and organisations. A targeted hearing with Social Partners is foreseen for June 2020.

People doing same work or work of equal value should receive the same pay regardless of their gender; this is one of the EU fundamental principles. Yet, despite the Equal Pay principle being in place since the Treaty of Rome in 1957, its effective implementation remains a major challenge. This is partly reflected in the continuing evidence of non-compliance with the law and in the persistence and magnitude of the pay gap between men and women at around 15 % on average in the EU. The explanatory factors behind the gender pay gap are complex and mutually reinforcing. They include horizontal and vertical labour market segregation, continued unequal sharing of caring responsibilities and its consequences for participation of women in the labour market, etc. Part of the difference can however be attributed to gender-based pay discrimination.

Pay transparency may contribute to a better enforcement of the equal pay right. More transparency about pay levels could help explain better the gender pay gap and how to find efficient solutions to close it. This questionnaire is related to the initiative of introducing binding pay transparency measures which is part of the [Commission's Work Programme for 2020](#). It follows-up on [the Commission's evaluation](#) of the relevant provisions of [Directive 2006/54/EC on gender equality in employment and occupation](#). This evaluation suggested that insufficient transparency about pay within organisations means that pay discrimination may go undetected or, where it is suspected, it could be difficult to prove. It pointed to and unveiled problems in enforcing the principle of equal pay across the EU and fragmented pay transparency measures across the EU.

Social Partners are also kindly invited to disseminate [the mini-survey addressing employers](#) among individual undertakings and organisations. The purpose of this mini-survey is to seek feedback from public or private employers on their views on pay transparency measures.

Background information on respondents

* First name

Ebba

* Surname

Ohlund

* Position

Deputy Secretary General

* E-mail

ohlund@cec-managers.org

* I am replying on behalf of:

- Trade union
- Employers' organisation

Name of the social partner

CEC European Managers

* Geographic scope

- EU level (all Member States)
- Several Member States
- National level (one Member State)

* Member States where the social partner operates

- Austria
- Belgium
- Bulgaria
- Croatia
- Republic of Cyprus
- Czechia
- Denmark
- Estonia

- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden

I agree with the [personal data protection provisions](#)

General state of play

Organisations: they refer to companies and also to other private or public organisations

1. What is your perception of gender pay discrimination between employees? Is it often reported as an issue from your members?

Please explain

2. How easy is it for your members to use the equal pay legislation in your country?

	Very easy	Quite easy	Quite difficult	Very difficult	Do not know
Understand the requirements of the legal provisions concerned	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees' right to get pay information on comparators (other employees performing work of equal value)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make comparisons between different jobs to assess work of equal value	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Get sufficient resources to make an equal pay claim	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make a collective claim	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain

3. In your opinion, is there a conflict between the [General Data Protection Regulation \(GDPR\)](#) and pay transparency measures?

- Yes
 No

Please explain

From a preliminary analysis, there doesn't seem to be conflict between the GDPR regulation and pay transparency measures, insofar information collected from each individual does not belong to any of the categories mentioned under art. 9 of the GDPR and are collected and analyzed in an anonymous way. Furthermore, it is important that national legislation provisions identify a public authority as the controller (in accordance with the GDPR denominations) and is fully consistent with the other GDPR provisions. However, a more detailed evaluation of the mutual interactions between GDPR and possible alternatives for pay transparency measures is necessary. We invite the European Commission to operate such assessment and share it among all relevant stakeholders.

4. Would you like to share good/bad practice of pay transparency?

Please explain

Looking at the different legal provisions adopted by Member States, we consider the French example of a "gender equality" index as an interesting model, as it underlines the idea that in order to intervene on gender pay gap, a mix of different interventions is necessary, each of which touches on different issues: presence of women in top-management positions, rate of career advancements, etc.

5. Do you think different sectors would require 'tailor-made' pay transparency measures?

Please explain

In all those sectors where a clear over-representation of one gender can be identified (education or care, on the one way, engineering or IT on the other), pay transparency measures should be defined such in a way as to neuter this peculiarity. As the obligation to report only applies to individual companies (and not to sectors as such), feedback collected at individual level would need to be "collated" horizontally.

Type of possible legal obligation and social partner's involvement

6. Different combination of legislative options could be set to achieve a minimum level of requirements on pay transparency at EU level.

What combination of the options listed below do you think would be the most effective and would best support a better enforcement of the equal pay principle in the EU?

(multiple answers possible)

- Employees have the right to access information on pay levels and gender pay gaps of categories of individuals performing the same work or work of equal value
- Employer reports regularly on pay levels and gender pay gaps per employees' category
- Employers and employees representatives analyse information about pay levels and gender pay gaps per employees' category in regular pay audits
- Gender-neutrality of job evaluation and classification systems
- Obligation to include equal pay matters in collective bargaining
- Confidentiality clauses on disclosing pay should be forbidden in working arrangements
- Employers should be forbidden to ask for compensation history of employees
- Every employer who advertises a publicly advertised job posting should include in the posting information about the expected salary for the position or the range of expected salary for the position

Please explain your choice of options

As far as the right of employees to access pay information is concerned, it is vital to ensure that no individualized information (on a specific person) can be obtained. The reference must always remain an average value, calculated against people belonging to the same category/professional level, and should in no circumstance give the possibility to retrace a specific, clearly recognizable individual. We are not in favor of measures that would infringe on the direct relation between the employee and the employer: for positions that entail a strong amount of responsibility, confidentiality clauses are common and the liberty to respect such obligations (stemming from the individual bargaining) should be preserved. Finally, we favor the adoption of measures that can have a direct impact on business practices and internal procedures: joint analysis, elaboration of reports and audits, they all support a culture of internal cooperation among different actors within the company, allowing for a circulation of information and an indirect awareness-raising process that can really make a difference in building a solid equality company culture.

7. Would you think of other possible modalities of options to be set at EU level?

Please give details and explain

Looking from a more general perspective to the issue of gender pay gap, large multinational companies could be requested to collect data about their salary definition policies in the different countries where they operate. This will allow for a more global analysis of the company policy, and have positive indirect effects on supporting a new business culture that is more open to transparency.

8. The frequency of the modalities could vary, including the calendar year, fiscal year or a specific period (e.g. every 2 years)

What frequency would you prefer for the above-mentioned modalities?

Please specify modalities and frequency.

We believe that a one-year frequency would offer a good balance between the inevitable increase in the administrative burden that the implementation of such measures would imply and the necessity to monitor the situation. However, if pay transparency measures are reinforced by specific obligations to achieve clearly identified targets (i.e. reducing the gap by a specific percentage), then we would suggest the adoption of longer time-frames (see the French example).

9. Different organisation size thresholds could be applied to different legal obligations being imposed on the organisations. What thresholds would you find adequate to apply for pay transparency measures listed below?

(multiple answers possible)

	0-9 employees	10-49 employees	50-249 employees	250+ employees	Do not know
Right to access pay information (employees have the right to access information on pay levels and gender pay gaps of categories of individuals performing the same work or work of equal value)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay report (employer reports regularly on pay levels and gender pay gaps per employees' category)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay audit (employers and employees representatives analysing information about pay levels and gender pay gaps per employees' category in regular pay audits)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender-neutrality of job evaluation and classification systems	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to include equal pay matters in collective bargaining	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please explain

Pay transparency measures should in principle be applicable to all company of all sizes, as the respect of the principle of equal pay for equal job should be guaranteed and enforced to all workers, and should not depend on the "opportunity" to work for a large company. However, one must also take into account the foreseeable red-tape costs that will be associated with the implementation of some specific measures, as for example reporting or auditing. Furthermore, when it comes to the right to access pay information, even in medium-sized companies the risk is high that, given the specific structure of the company and the relatively small "sample" of employees belonging to a specific category (with managerial profiles being precisely this kind of category), it would be easy to rapidly identify the specific individuals to whom "anonymous" data would refer to. In practice, as we don't believe that the right to access pay information should be designed such in a way as to allow for individual information to be made available upon request (whether with or without the consent of the target person), we fear that its application in small companies might bring indirect infringements of privacy.

10. Apart from organisation thresholds, what exemptions or criteria to grant exemptions from applying pay transparency measures would you find adequate?

Please explain.

We don't believe that specific categories of companies/associations should be granted exemptions from the application of pay transparency measures. Other than the size criterion, all companies should be subject to these provisions.

11. What type of binding pay transparency measures do you think would be the most effective as it concerns the direct involvement of social partners?

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Obligation to adopt an equal pay plan at organisation level	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring and scrutiny of social partners in pay audits /pay reports at organisation level – followed by action plans	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to insert equal pay clauses in collective agreements at the organisation level	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-regulatory measures linked to pay reporting taken by organisations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Certification system for organisations guaranteeing neutrality of job classification and evaluation systems	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to include equal pay measures in inter-sectoral agreements, especially on gender-neutral job classification (work of equal value)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obligation to regular equal pay bargaining	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Gender neutral job evaluation and classification

Gender-neutral job evaluation and classification systems: systematic way of determining the value/worth of a job in relation to other jobs in an organisation with the aim to compare their relative worth and ultimately establishing a rational pay structure.

12. Do you think that making the current organisation-level job evaluation and classification systems gender-neutral would bring additional costs to organisations?

- Yes
- No

13. In your opinion, would making the job evaluation and classification system gender-neutral be beneficial to organisation performance, image, etc.?

- Yes
- No

* In both cases, please explain

We cannot identify the extent to which the adoption of gender-neutral job evaluation and classification systems could result into a cost increase for companies. Conversely, we can see a clear interest in adopting them, under several points of view: increasing the sense of fairness and equity felt by employees, resulting in an improvement of morale, motivations and working conditions; an indirect awareness-raising effect on the importance of investing in a diverse workforce (and the existing obstacles from within potentially preventing from exploiting its full potential); a strong effect on the external image of the company (credibility and reputation)

Standardised solutions to pay transparency

14. The involvement of various actors in the process and availability of ‘ready-made’ standard solutions or software can be an important factor to implement pay transparency measures in a cost-efficient way.

How would you rate the following possibilities of standardised solutions to pay transparency?

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know
Social partners to agree on and develop the standardised /automated tools (including software) for pay reporting /auditing	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employers' organisations compiling pay statistics (pay reports and/or pay audits) for their members	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Labour inspectorate/equality body to perform automated checks based on employment, tax and/or social security registers	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
State providing organisations with IT application or tools to implement pay transparency	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Impacts

15. Do you agree/disagree with the following statements about the possible impacts of pay transparency measures?

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	Strongly agree	Somehow agree	Somehow disagree	Strongly disagree	Do not know
Pay transparency helps enforce the right to equal pay	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency reduces pay discrimination	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency contributes to raising awareness on equal pay issues	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency is a powerful tool for equality bodies/labour inspectorates /social partners to support employees in defending their right to equal pay	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency would encourage employers to take action to better implement the principle of equal pay for the same work or work of equal value	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency helps improve work climate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency has a positive impact on employees' motivation and productivity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency can result in salaries flattening or decreasing and greater wage moderation by organisations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency might make it difficult to reward high-performing employees	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency limits employers' discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Pay transparency creates significant additional administrative burden for organisations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency must be part of wider equal pay policies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Effectiveness of pay transparency depends on the size of the organisation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pay transparency measures should be tailored to the size of the organisation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. What in your opinion would be other possible impacts of pay transparency measures?

Please explain

Before entering into the detail of this question, we would like to provide some explanations about some of the statements above. Namely, we believe it is important to underline the possible "ambivalence" of how pay transparency measures could impact on some of the scenarios identified above. For instance, the impact on employees' productivity and work climate is difficult to foretell: some employees might find it demotivating to be made aware of the disparities in their salary levels, and it might be difficult to argue about the legitimacy of a disparity justified by a real difference in performance levels or other criteria that cannot be objectified. Other studies though show that an open discussion about how salaries are set and how each employee performs in comparison with colleagues is seen by many as the most rewarding example of employer engagement, helping create a more positive and serene work environment. Therefore, we believe it is fundamental to stress that pay transparency measures must be considered as one component of a broader equality policy, that takes into account pay levels but also career advancement policies, gender under-representation in specific categories/job profiles. As we will further defend in the document in attachment, pay transparency measures must be seen in the larger context of how they can contribute to tackling the low presence of women in the overall workforce (and within the managerial workforce more significantly).

As far as other possible impacts of these measures are concerned, it would be interesting to assess the extent to which pay transparency could contribute to reducing gender prevalence in specific sectors: a more reliable information about salary policies and levels in the different sectors, and objective, standardized figures on the actual gender pay gap would probably represent an additional consideration job-seekers (and students, before them) could apply in choosing a specific career. Potentially,

Awareness

17. Are you often solicited by employees on issues related to gender equal pay? Is this issue otherwise raised in your organisation?

- Yes
 No

Please explain

18. Is adequate expertise on this topic available in your organisation e.g. you are able to assist your members on questions related to it?

- Yes
 No

Please explain

19. How effective do you think the following measures would be in increasing awareness about equal pay legal provisions?

	Very effective	Somewhat effective	Somewhat ineffective	Very ineffective	Do not know

Training /guidance on gender neutral job evaluation and classification systems	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training / guidance on producing pay reporting /pay auditing	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training guidance on interpretation of pay report /pay audit results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information webpage and online guidebooks	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Awareness campaigns on equal pay for equal work or work of equal value at company or sectorial level	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please upload your position paper, if any, and any other relevant documents

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Contact

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