

Advancing Gender Pay Equality: Further Experiences in Pay Transparency & Work of Equal Value

13th Annual NERI Labour Market Conference

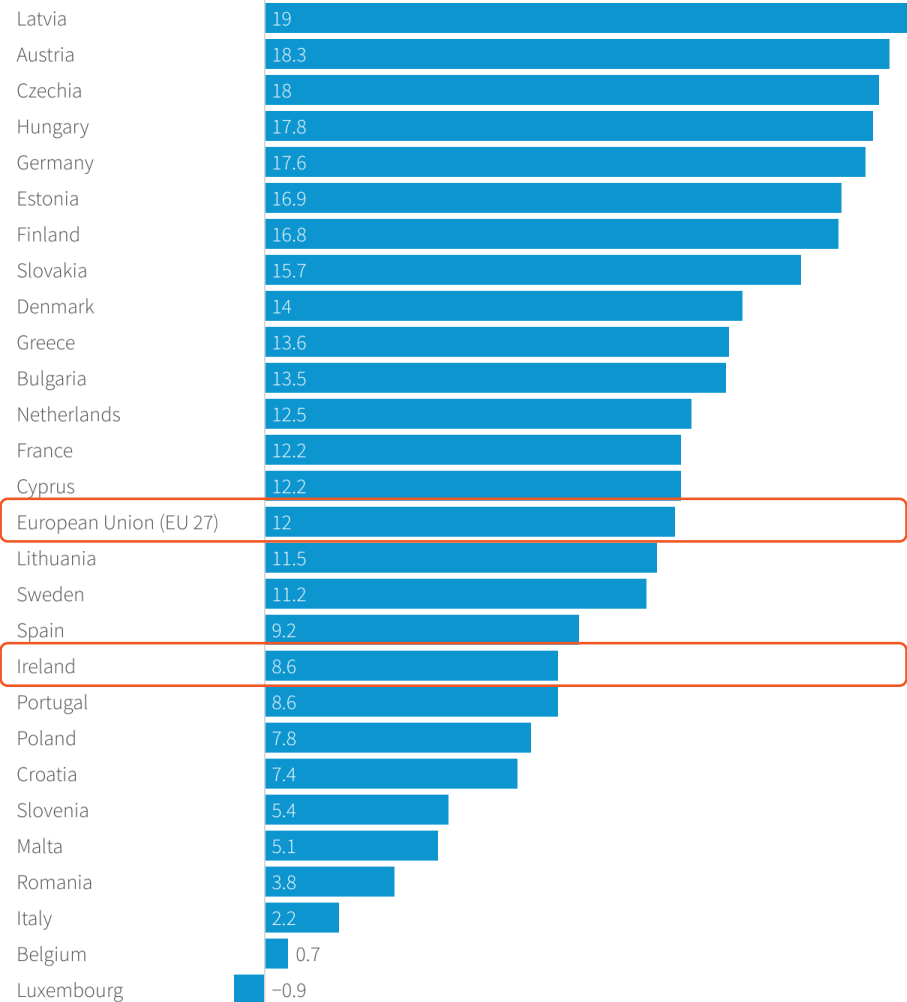
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Policy context

The Gender Pay Gap in the EU

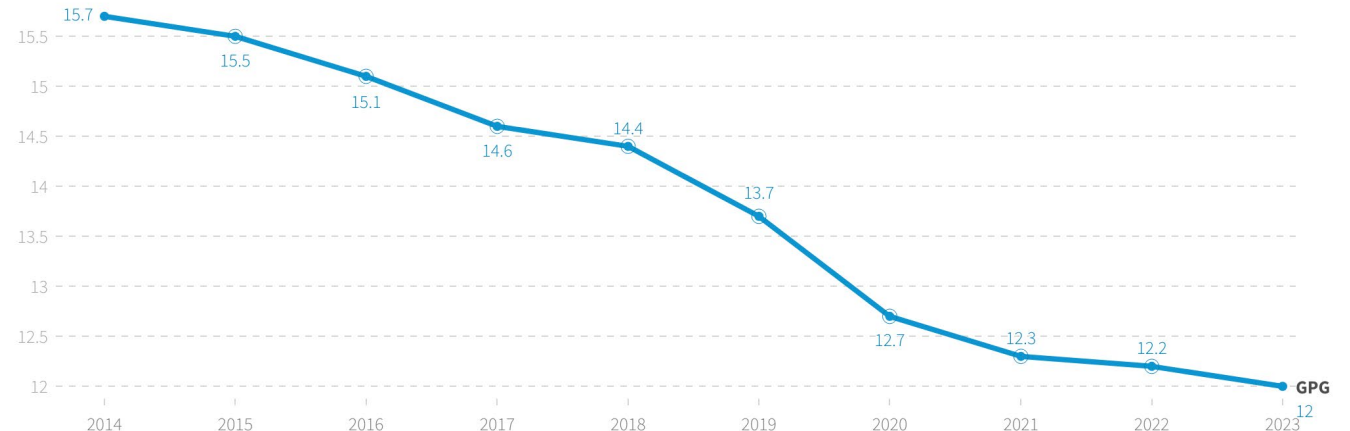
Unadjusted GPG by EU MS, 2023



The **gender pay gap (GPG)** in EU in 2023 was still **12%**, with large differences between countries: from -0.9% in Luxembourg to 19% in Latvia. (Eurostat, 2024)

- Women would need to work **1.5 extra months** to make up the difference
- Women on average earn **0.88€** for every **1€** earned by men

Unadjusted GPG (EU 27), 2014-2023



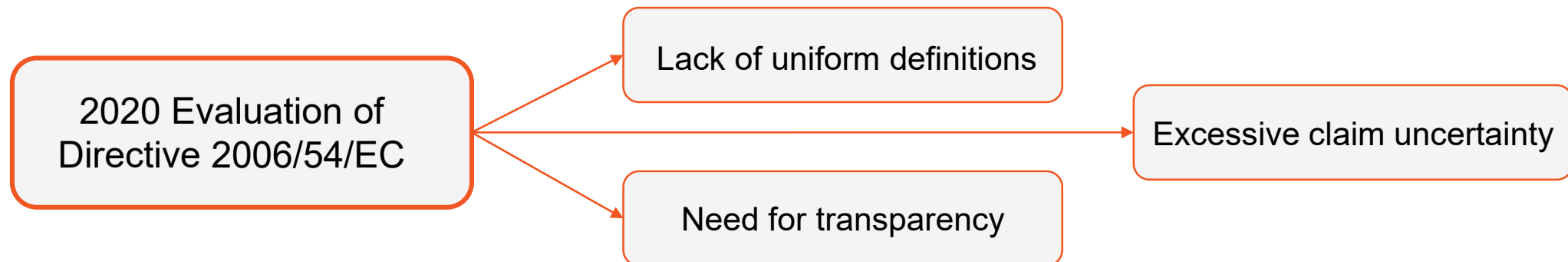
- Progress is **steady but slow**
- The gap decreased by only **3.7% pp** in 10 years

Policy background

Addressing the gender pay gap and its root causes is one of the key objectives of the Gender Equality Strategy 2020-2025 and the Roadmap for Women's Rights (Published on 7 March 2025)

Foundational Principles of Equal Pay Legislation in the EU:

- 1957 Treaty of Rome (Article 119)
- 2000 Charter of Fundamental Rights of the European Union (Article 23)
- 2007 Treaty on the Functioning of the European Union (Article 157)
- Directive on the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (Directive 2006/54/EC)
- Recommendation on strengthening the principle of equal pay between men and women through transparency (Recommendation C(2014) 1405)



A renewed policy background – Competitiveness compass



Pillars of the competitiveness compass:

- **Closing the innovation gap:**
 - Ease **mobility** and **retention of talent**
 - Boost **innovation** and **research**

Horizontal enablers:

- **Simplification**
 - Removing barriers in the Single Market
 - Financing
- **Skills and quality jobs**
 - Better coordination

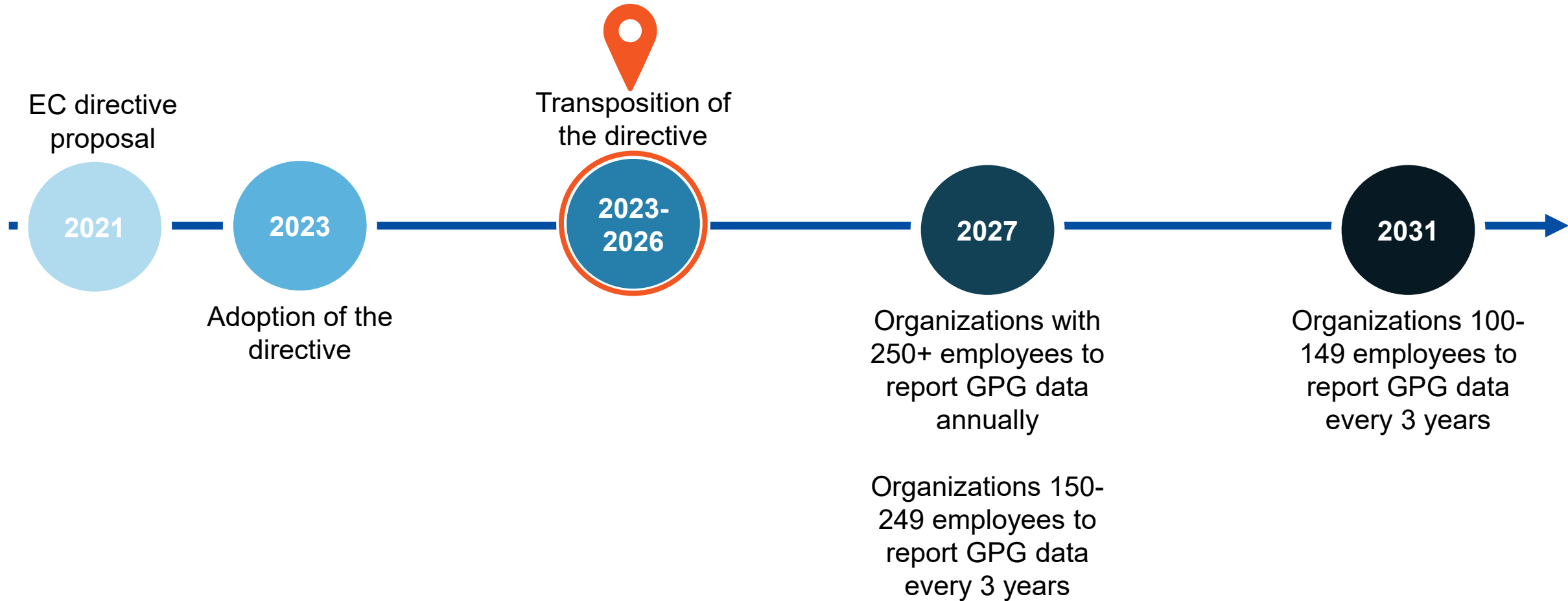


- ✓ **Pay transparency** and its organisational structures reveal **how skills are valued** and **identify development needs**
- ✓ Encourages **upskilling** and **capability enhancement**, ultimately driving innovation
- ✓ **Reduces employee turnover** and **increases motivation and productivity** through fair compensation
- ✓ Pay transparency **attracts and retains** high-quality employees by increasing perceived fairness and support
- ✓ Supports EU industrial strategy by **closing innovation gaps** through appropriate skills valuation

Pay Transparency Directive (2023/970) – Key elements

- ✓ Compulsory to inform job seekers of starting salary or pay range;
- ✓ Employers cannot ask candidates about their pay history;
- ✓ Once in their role, employees can request average pay levels broken down by gender for categories of employees performing the **same work or work of equal value**;
- ✓ Access to criteria used to determine pay and career progression (objective and gender-neutral), including **skills, effort, responsibility**, and **working conditions**;
- ✓ Reporting: **annually** for companies with more than **250 employees**, every **three years** for those with over **100 employees** (see timeline next slide);
- ✓ Joint pay assessment with workers' representatives to identify remedy and prevent discriminatory pay differences if **GPG >5%**, not justified by objective, gender-neutral criteria and not tackled within 6 months;
- ✓ Compensation for gender pay discrimination includes full recovery of back pay, bonuses, and non-cash benefits;
- ✓ Burden of proof rests with the employer;
- ✓ Member states to provide support (analytical tools and methodologies, technical assistance and training, ensure involvement of social partners).

Pay Transparency Directive (2023/970) – Timeline





Eurofound research

Eurofound contribution

RESEARCH REPORT



**Pay transparency in Europe:
First experiences with gender pay
reports and audits in four Member States**



2018

WORKING PAPER



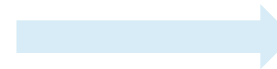
Working conditions

**Measures to promote gender pay
transparency in companies:
How much do they cost and what
are their benefits and opportunities?**

Pay transparency in Europe:
First experiences with gender pay reports and
audits in four Member States

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

2020



Stocktaking
following the
adoption of
the directive,
but prior to its
complete
transposition

*“Advancing Gender Pay Equality:
Further Experiences in Pay
Transparency and Work of Equal
Value”*

2025

Objectives and methodology



Objective 1

To learn from Member States with existing **experience in pay transparency** measures:

- a) Explore ongoing changes and adaptations in existing measures.
- b) Identify which measures are effective and which are not.

Knowledge gained informs Member States without pay transparency legislation.



Objective 2

To understand the practical application of the **equal pay for equal work or work of equal value** between men and women:

- a) Provide a brief update overview how the principle is defined.
- b) Focus on practical applications and real-world examples.
- c) Understand how the principle is implemented in various contexts.

Knowledge gained informs stakeholders (employers, social partners, equality bodies, worker's representatives, consultancies, competent authorities, national courts...) actively working in the transposition of the directive.



Methodology

Multi-stage methodology involving literature review, expert consultation, and case studies.



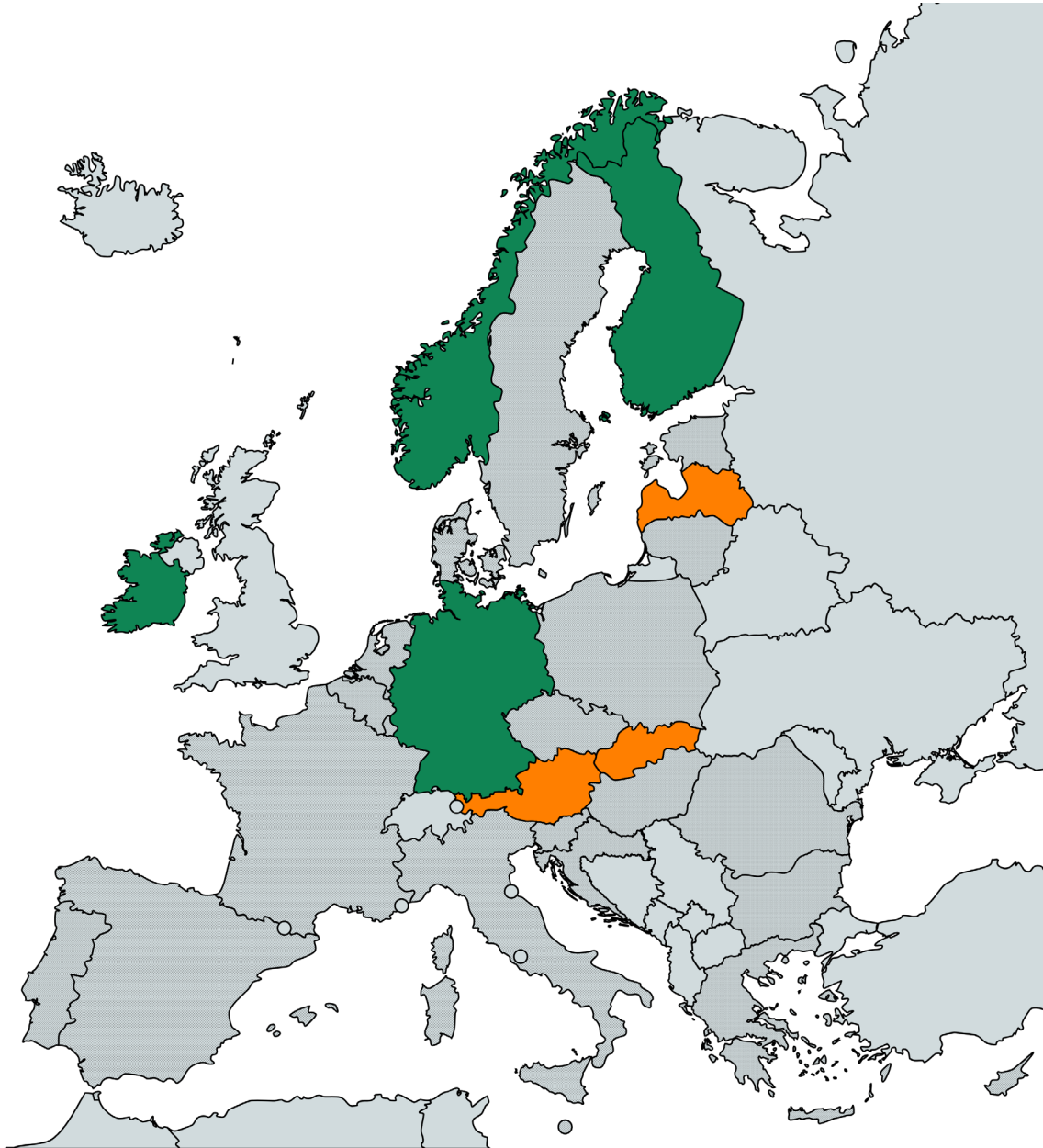
Objective 1 - First results

Evaluating pay transparency measures – Lessons from Member States experiences

Pay transparency instruments (PTI) in the Directive

Types of pay transparency instruments in the EU and Norway (other instruments)

- Right to obtain information
- Transparency in vacancy notices
- No such instruments



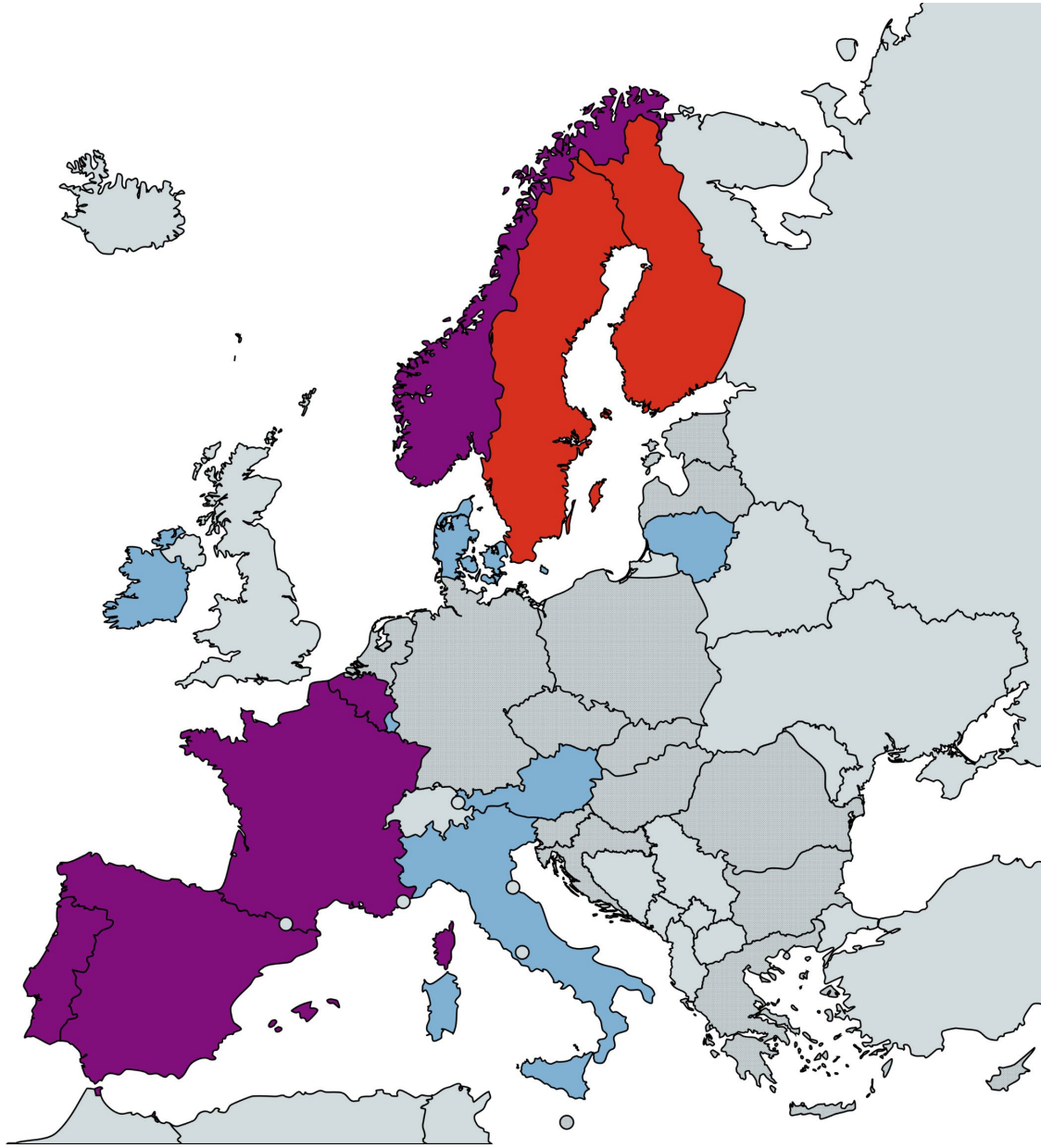
Article 5 - Pay transparency prior to employment

Article 7 - Right to information

Pay transparency instruments (PTI) in the Directive

Types of pay
transparency
instruments in the EU
and Norway

- Reports and audits
- Reports
- Audits
- No such instruments



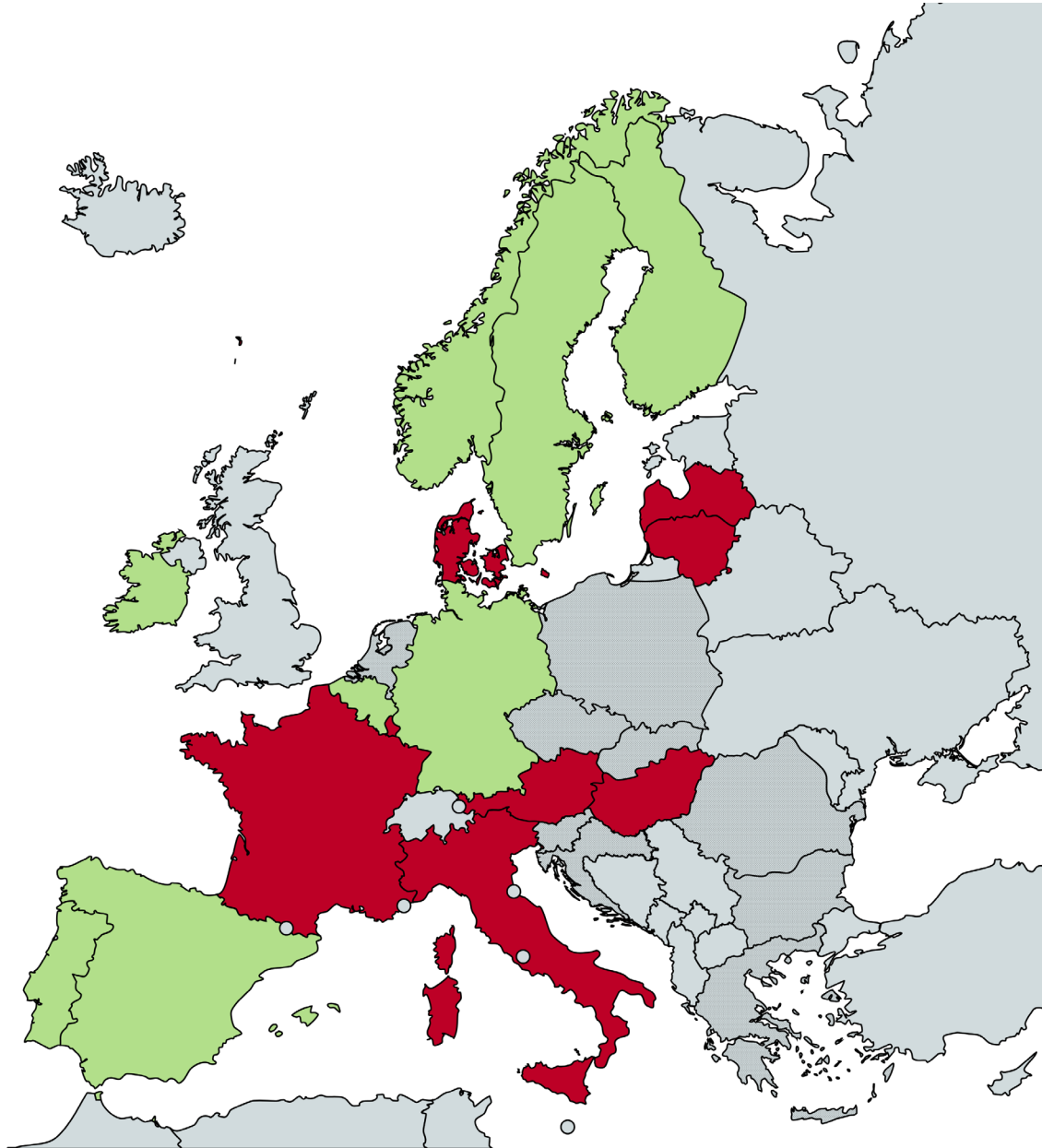
Article 9 - Reporting on
pay gap between female
and male workers

Article 10 - Joint pay
assessment
(ex pay auditing)

Principle of equal value in PTI

Overview of countries
with at least one pay
transparency
instrument that
includes work of
equal value
principles

- Yes (at least one PTI)
- No
- No PTI instruments



Article 4 - Equal work and
work of equal value

Pay audits and right to
obtain information usually,
yes.

Reports generally, no.

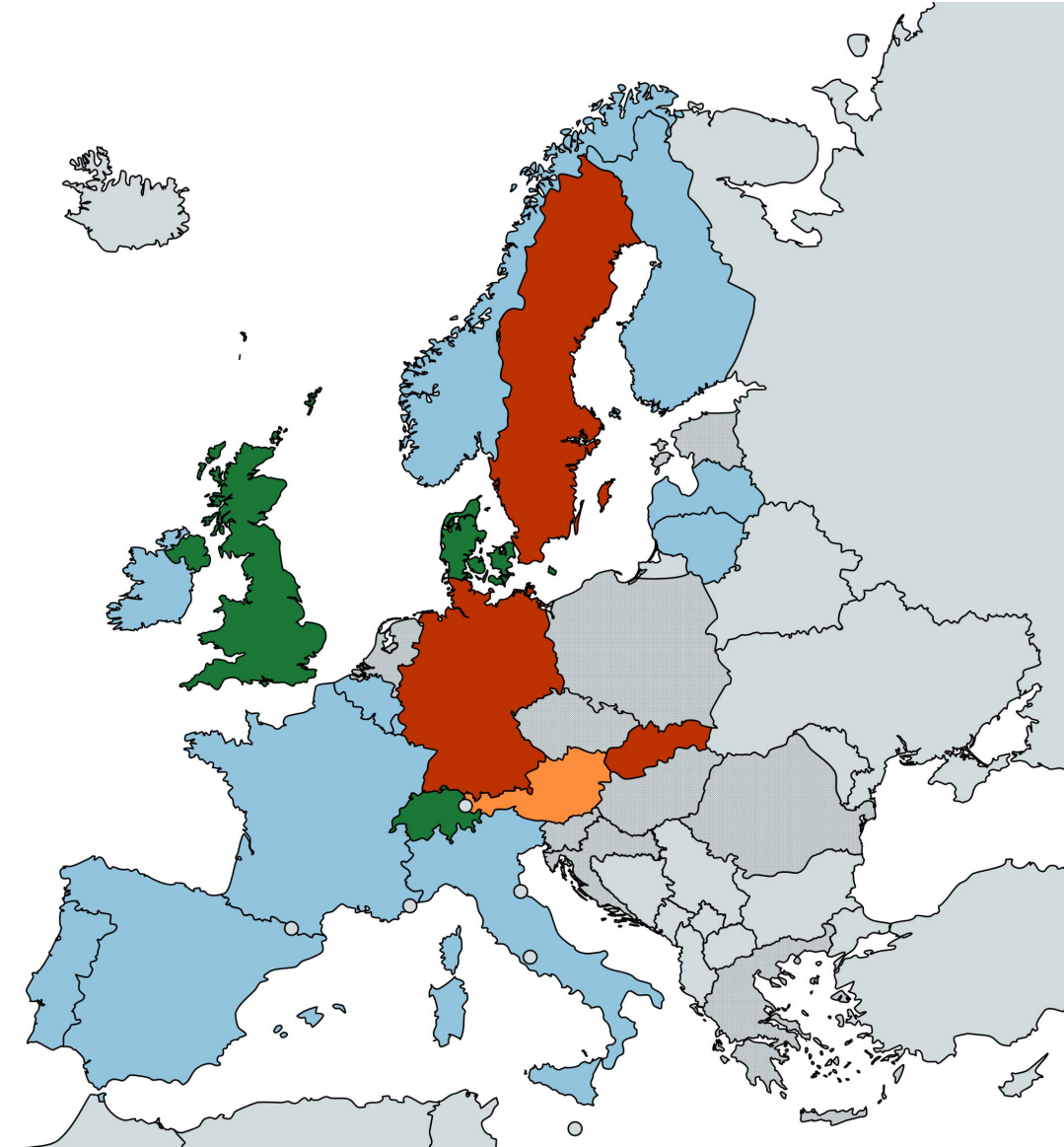
Pay transparency instruments (PTI) have ‘mushroomed’, but official evidence on whether they work is lacking

- Disappointing result from the first stage mapping of national evaluations: Only Germany has carried out a new evaluation since 2020.
- Academia, however, starts to fill the official evaluation gap:
 - 14 high quality studies detected, covering 5 EU Member states + CH + UK
 - Causal analytical quantitative research design (e.g. ‘Difference in difference evaluations’)
 - Impact of introduction of PTI/roll out to certain company sizes -> do the ‘treated’ companies appear to have a greater reduction of the GPG than non-treated?

Mixed evidence of whether the PTI affect the GPG: Some positive, some not significant effects

Effects of PTI on GPG

- Positive effect
- Mixed effect
- No significant effect
- No quantitative evaluation
- No PTI in place



- PTI worked in the UK (closing 19% of the gender pay gap), DK and Switzerland
- No effect of PTI on GPG in Germany, Sweden* and Slovakia,
- Mixed effects in Austria

* In contrast to the other countries where the effect of the introduction of the instrument was assessed, only the impact of a change of documentation requirement was studied.

Other effects of pay transparency

- ✓ **Pay compression:** Transparency can lead to pay compression by slowing down men's wage growth (2.9% slowdown of men's pay growth, but mainly in the upper part of the wage distribution)
- ✓ **Higher salaries:** Pay information in job ads in Slovakia led to a statistically significant increase of approximately 3% in the wages of newly hired workers
- ✓ **Increased hiring of women:** In the UK, pay reporting on the gender pay gap led to an increased hiring of women in above-median wage occupations.
- ✓ **Job satisfaction:** Although the Austrian pay transparency law did not narrow the gender wage gap, it did lead to higher job satisfaction.
- ✓ **Increased awareness:** Pay transparency can help raise awareness and public debate, as found in Germany, however women request wage information about five percentage points less often than men.
- ✓ **Improved workforce outcomes:** A culture of transparency can drive better workforce outcomes.

Designing pay transparency for better outcomes

- ✓ Pay transparency laws are most effective when they require **all employers** to actively disclose pay outcome information to the public about **all employees**
- ✓ **Active disclosure** (employer-initiated) achieves greater GPG reduction than passive disclosure (employee-requested)
- ✓ **Outcome transparency** is more impactful than process transparency in reducing GPG
- ✓ **Public disclosure** creates stronger effects than employee-only disclosure through additional social pressure, while non-compliance cannot be too cheap
- ✓ **Greater amounts of pay information** (disaggregated/individual vs. aggregated) increase effectiveness

Note: Pay communication transparency alone does not appear instrumental to reducing GPG



Objective 2 - First results

**Understand the practical application of the
“*equal pay for equal work or work of equal
value*” principle.**

Criteria for establishing the value of work



Objective



Gender-neutral



Bias-free

EQUAL VALUE

- ✓ Skills
- ✓ Responsibility
- ✓ Working conditions
- ✓ Effort

Article 4

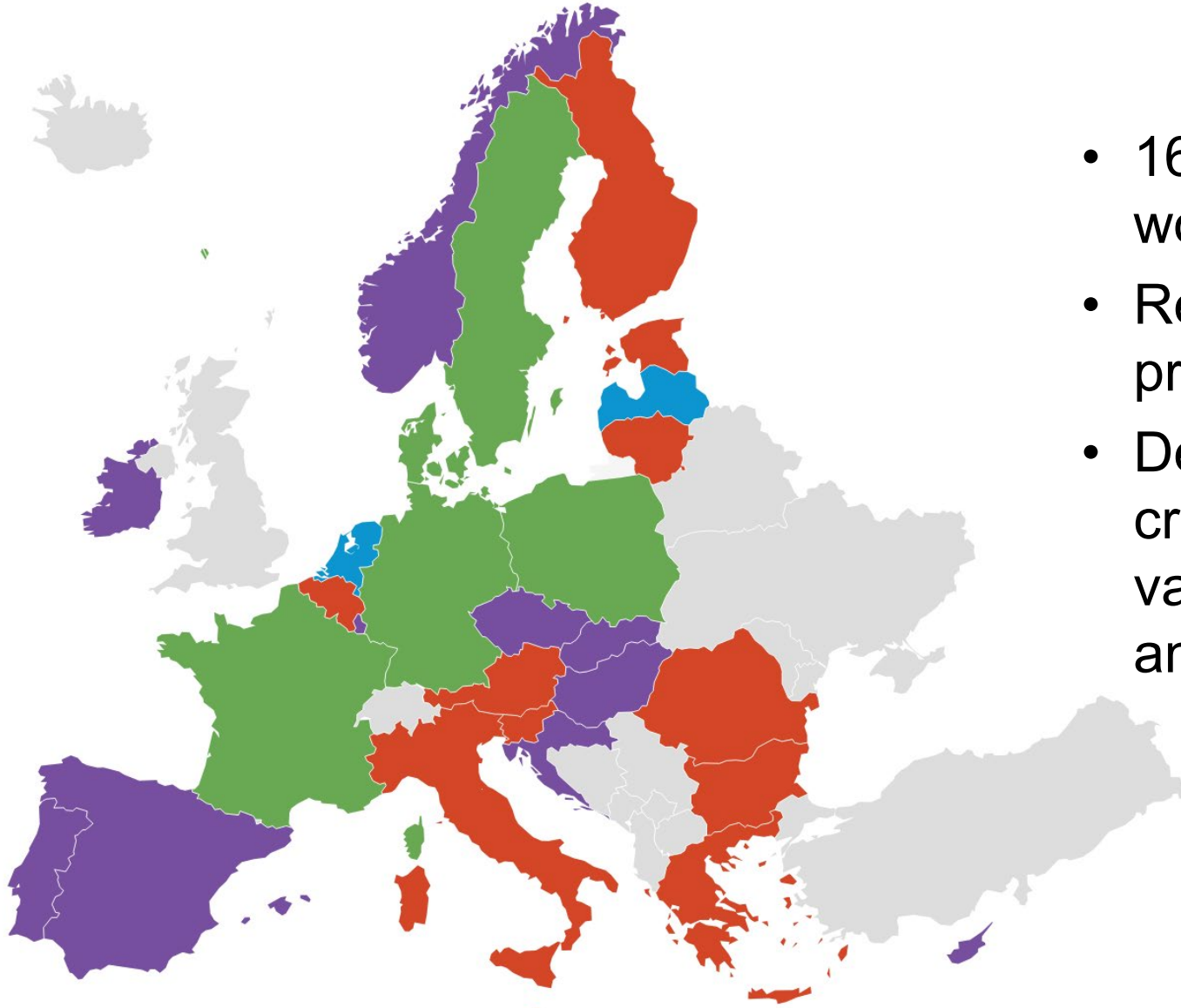
PAY DIFFERENTIALS

- ✓ Performance
- ✓ Competence
- ✓ Skills development
- ✓ Seniority

Recitals 17 and 35

Definitions of equal work and work of equal value

■ Both national and case law ■ No definition ■ Only case law ■ Only national law



- 16 MS have a definition of what work of equal value means
- Remaining 11 only state the principle (don't explain it)
- Definitions are always linked to criteria, based on which equal value is defined, both in national and case law

Criteria to define equal work and work of equal value

Class of criteria	Criteria listed (other than the class itself)
Skills and qualifications	Education level; Professional qualifications; Diplomas/titles; Practical knowledge; Skills (including social, organisational and managerial, but also care and attention); Abilities; Competencies; Dexterity; Meticulousness; Attention to detail; Conflict resolution capacity; Care and attention skills
Responsibility	Degree of responsibility; Areas of responsibility; Economic responsibility; Responsibility for people's well-being; Organisational responsibilities
Working conditions	Physical environment; Arduousness and difficulty; Forced postures; Repetitive movements; Isolation; Complexity; Type of work; Job functions; Tasks assigned; Variety of professional duties; Autonomy
Effort	Physical effort/strain; Mental effort/strain; Intellectual qualifications; Sensory strain
Performance and results	Work performance; Quality of work; Quantity of work
Experience	Professional experience; Seniority; Length of service
Market factors	Labour market conditions

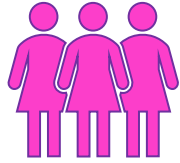
In **orange** criteria included in the Directive

- ✓ Directive covers the **most frequent** groups of criteria
- ✓ MS approach varies greatly:
 - High level of detail (ES, FR, CZ)
 - More general, leaving to case by case (LV, IE)
 - Different approach // maturity of reflections ?

Pointers for reflection:

- ✓ Context matters – labour market conditions (HU, SE)
- ✓ Seniority considerations – must translate to quality of service and not automatically valuable after a certain point
- ✓ Work value must be holistic: physical AND mental effort, recognise “invisible” demands...
→ key for gender-neutral criteria

Examples of professions that are comparatively valued differently but should not



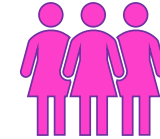
Female-Dominated Jobs	Male-Dominated Jobs	Source
Wardens in accommodation for the elderly	Security guards	ILO Guidelines
School meal supervisors	Park supervisors	ILO Guidelines
Caterers and cleaners	Gardeners and drivers	ILO Guidelines
Social and community service workers	State and local government employees	ILO Guidelines
Social affairs managers	Engineers	ILO Guidelines
Speech therapists	Pharmacists	ILO Guidelines
Librarians	Refuse collectors	ILO Guidelines
Flight attendants	Pilots and mechanics	ILO Guidelines
Account clerks	Letter carriers, mail handlers and sorters	ILO Guidelines
Midwife	Hospital technician	SE – court case
Hotel housekeeping	Hotel bar and kitchen staff	ES – court case
Mushroom packer	Packers loading trucks	FR – court case
Resources, Legal and Office Department Manager	Finance and Commercial Affairs Department Manager	FR – court case
Maintenance cleaning	Special cleaning	AT – legal opinion
Home-care workers	Caretakers	SE – pay audits

Gender neutrality in language and descriptors

- ✓ **Active** vs. **Passive** language:
Men's work tends to be described in more active terms
 - ✓ **Active terms**: Implement, Decide, Organise, Lead, Responsible for, Edit
 - ✓ **Passive terms**: Assist with, Recommend, Co-ordinate, Facilitate, Contribute to, Proofread
- ✓ **Technical Language**: There's a tendency to describe men's work in **more 'technical'** terms than women's work
- ✓ **Job Titles**: Titles can suggest status and influence evaluation



Male Job Title	Female Job Title
Salesman	Shop Assistant
Assistant Manager	Manager's Assistant
Technician	Operator
Information Manager	Librarian
Office Manager	Typing Supervisor
Tailor	Seamstress
Flight Attendant	Stewardess
Personal Assistant	Secretary
Administrator	Secretary
Chef	Cook
Janitor	Cleaner
Receptionist	Front desk manager
Lunch lady	Cafeteria worker
School nurse	School healthcare coordinator



Source: Based on ILO (Oelz et al., 2013), with elaboration from Eurofound

Gender neutrality in criteria, factors and weights

Gender neutrality in job evaluation is at risk when:

- ✓ Contain many characteristics of 'male' jobs (e.g., physical strength) but few of 'female' jobs (e.g., visual attention)
- ✓ Double-count certain characteristics (e.g., 'strength' duplicating 'sustained physical effort')
- ✓ Over-emphasize conditions traditionally associated with male jobs (e.g., physical environment, hazards)
- ✓ Do not consider conditions associated with female jobs:
 - ✓ **Knowledge and skills:** Emergency procedures for care, computer and database skills, cultural knowledge, manual dexterity, cross-cultural interaction management, writing and editing for others, complaint handling, records management, medication dispensing, task prioritisation, non-verbal communication, crisis counselling, complex hand-eye coordination
 - ✓ **Responsibility:** Organisational representation, staff supervision, consequence management, financial handling, training, cleaning and organisation, equipment damage prevention, schedule coordination, product quality, records management
 - ✓ **Working conditions:** Restricted movement/awkward positions, exposure to corrosive substances, working in noisy environments, disease exposure, dealing with death
 - ✓ **Effort:** Prolonged concentration, frequent bending/lifting, regular light lifting, managing difficult situations, providing emotional support, dealing with upset or hostile people, stress from handling sensitive complaints

Mapping the implementation of the “equal pay for equal value”

Guidelines and checklists

Comprehensive roadmaps for organisations, ensuring application of the principle of equal pay for work of equal value in context (not in isolation).

Job evaluation and pay structures

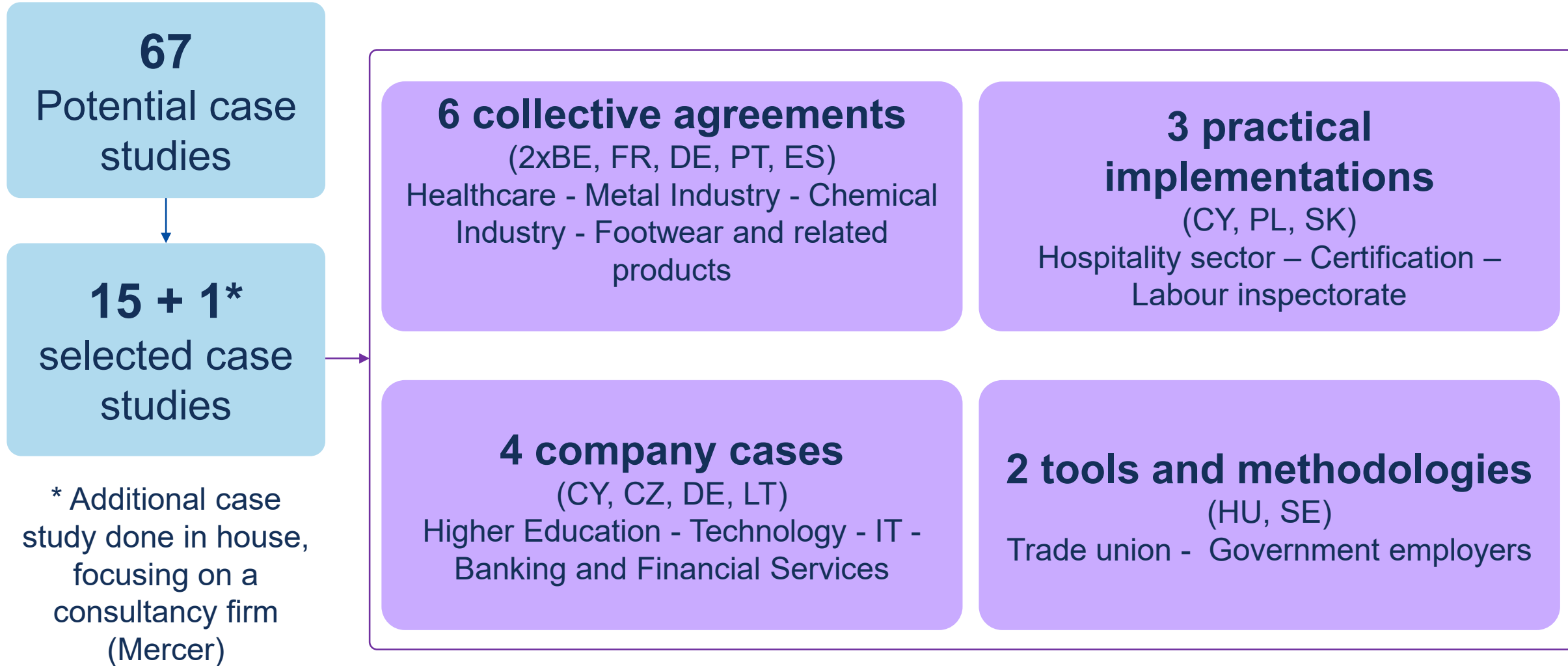
Job evaluation is determining the relative importance of various jobs within an organisation to establish a fair and equitable pay structure. It involves assessing jobs based on pre-determined criteria.

Pay structures outline the ordering of pay rates for jobs or groups of jobs within an organisation.

Analytical methods and tools

Systematic approaches, often operationalised in software solutions, that support job evaluation, job classification and the creating of pay scales.

Case studies on the implementation of work of equal value principles





Key Actors

- ✓ **Trade unions and employer organisations** (Central advocates in collective bargaining)
- ✓ **Government bodies and equality institutions** (Provide guidance, oversight and enforcement)
- ✓ **Companies and internal actors** (CEOs, HR departments and middle management implementing initiatives)
- ✓ **Consulting firms** (Offer specialised knowledge in data analytics and benchmarking)

Most effective approach is **multi-actor**
(focus box on the importance of involving employees)



Main Drivers

- ✓ **Legal compliance** (EU directives and national legislation)
- ✓ **Social partners influence** (Addressing outdated job classifications and structural inequities)
- ✓ **Business benefits** (Competitive advantage, talent attraction/retention, enhanced productivity and reputation)
- ✓ **Corporate social responsibility** (Recognition that pay equity aligns with broader ethical values)



Timing Patterns

- ✓ **Introduction timing** (Driven by legislative deadlines, collective agreement cycles, or proactive organisational decisions)
- ✓ **Maintenance schedules** (Range from regular cycles to more frequent monitoring)
- ✓ **Strategic approach** (Balancing compliance requirements with organisational readiness and capacity)

Challenges in implementation of the principle of equal pay

Cultural and Organisational Barriers

- ✓ Cultural resistance in traditional and hierarchical workplaces
- ✓ Employee reactions to pay transparency
- ✓ Entrenched gender biases leading to involuntary discrimination
- ✓ Government decisions without involving social partners undermining job evaluation frameworks
- ✓ Budget constraints for implementing adjustments after evaluations + setting up
- ✓ Viewing pay equity as a one-time project rather than a continuous effort

Technical Implementation Challenges

- ✓ Ensuring accurate job architecture across the organisation
- ✓ Including and quantifying intangible qualities (social skills, ambition, impact)
- ✓ Balancing objective factors with subjective elements in evaluation
- ✓ Difficulty distinguishing between the person and the occupational position
- ✓ Translating abstract concepts into measurable factors
- ✓ Updating job descriptions to reflect actual roles versus documented responsibilities
- ✓ Developing fair remuneration frameworks that balance multiple factors
- ✓ Inconsistent application of evaluation tools across departments



Lessons learnt and policy pointers

Lessons learnt from the implementation of principle of equal value

- ✓ **Mindset** shift and **long-term vision** are essential to leverage the benefits of PT and application of equal value principle
- ✓ **Leadership involvement**, **communication**, and **training** are key
- ✓ **Internal monitoring** and **reporting** of programmes is essential, with regular reports distributed to management teams to allow for early intervention if a gap emerges. HR departments should track indices and pay gap indicators regularly, not only when required by legislation
- ✓ **Social partners** should play a role in facilitating the implementation of legislation into company practices by offering hands-on practical advice and advocating in transparency issues or gender-related wage complaints
- ✓ **Multi-actor approach** is essential to ensure meaningful implementation

Points for reflection – Findings

- Need for (more) **official evaluations** of PTI to establish their **effectiveness and impact** on social norm shifts – beyond academia
- PTIs can work if they are **properly designed** and tailored to the context. But not all PTIs work (yet). Direct (on the GPG) and indirect (on other outcomes) effects of PTI need to be considered.
- The EU directive combines the best practice approaches from Member States, potentially adding improved aspects to all national laws on PTI
- Beyond company-level transparency: The **role of collective wage bargaining as backbone of wage setting** and gender-neutral scales across companies
- Shift focus from only "equal work" to also "**equal value**" (avoid the presumption of gender neutrality – not a clear concept, even for those closer to the topic)
- Pay transparency as an **organisational tool for competitiveness, especially through evaluation of equal work**
- **Gender neutrality** is highly **misunderstood** and requires extensive guidance
- Develop and disseminate comprehensive guidelines, toolkits, and methodologies for implementing effective PTIs and implementation of the concept of equal value, making these resources available to all stakeholders



Any questions?