

The issue of inequality and transparency of pay from the perspective of employees

The study was prepared as part of the ASO project "Position of Employees on the Czech Labour Market and Measures to Support Collective Bargaining" (contribution to activities under Section 320a (a) of the Labour Code). a) Act No. 262/2006 Coll., the Labour Code, as amended, to support social dialogue)

Submitter	Association of Independent Trade Unions (within the framework of tasks under Section 320a of the Labour Code, 2025)
Processor	TREXIMA spol. s r.o.: Mgr. Marcel Navrátil Mgr. Kristýna Mikulcová Ing. Lucie Janošová
Date	June 2025

Content

1. Introduction	5
2. Summary of main findings	7
3. Overview of terms.....	12
4. Equal and transparent pay legislation	15
4.1. International framework.....	15
4.1.2. Regulation at European Union level.....	17
4.2. National legal framework and relevant policies.....	21
4.3. Enforceability of equal pay.....	26
4.4. EU recommendations and court rulings on equal pay	28
5. Gender pay gap in the Czech Republic and the EU	34
5.1. Differences in GPG values across the European Union	34
5.2. Gender pay gap for part-time and full-time jobs.....	38
5.3. Gender pay gap by age	38
5.4. Sectoral gender pay gap	39
5.5. The gender pay gap in the private and public spheres.....	42
5.6. Possible causes of gender pay inequality and budgetary implications	43
6. Pay transparency	49
6.1 Benefits of transparent remuneration.....	50
6.2. Risks and unintended consequences of pay transparency	51
6.3. Employees' and employers' perceptions of pay transparency	55
6.4. Gaps in understanding the concept of pay transparency	61
7. Foreign examples of elimination of unequal pay	64
7.1. Great Britain	64
7.2. Canada	66
8. Attitudes and activities of trade unions in the area of equal pay	72
8.1. Promoting equal pay through collective bargaining	72
8.2. Legal support and advocacy.....	76

8.3. Education and awareness	77
8.4. Monitoring attitudes towards pay transparency measures	79
8.5. Pay equality and transparency as an opportunity for trade unions	84
References.....	87
List of tables.....	94
Annex I: Overview of good practice examples of trade unions abroad.....	95

1. Introduction

The issue of pay inequality and transparency is one of the key topics of the current labour market. From the perspective of employees, fair and transparent remuneration is **an essential element of the work environment** that affects their motivation, satisfaction and overall productivity. Pay inequalities can lead to a sense of injustice and demotivation, while a lack of transparency can contribute to mistrust between employees and employers.

The study "The Issue of Pay Inequality and Transparency from the Perspective of Employees" describes selected sub-topics in the field of pay equality and transparency. Its aim is to raise awareness among employees, trade unions and others interested in this area.

The key chapters of the study include **an overview of the legal regulation** of equal and transparent pay in the international context, at the level of the European Union and at the level of the Czech Republic, supplemented by relevant EU and Czech strategies, a description of the issue of enforceability of equal pay in the Czech Republic, EU recommendations for the Czech Republic and examples of case law in the field of equal pay (Chapter 4).

The fifth chapter of the study presents **data on the values of the gender pay gap** (GPG) as a key parameter of pay inequalities. The values of GPG in the Czech Republic and EU countries are described according to various points of view, which put the situation in the Czech Republic into the European context. The chapter also includes a description of the causes of unequal pay for women and men, including the impact on public budgets.

The sixth chapter of the study is devoted to the topic of pay transparency.

The benefits **of transparent remuneration, as well as its risks and unintended**

consequences, **are described**. The study shows how the topic of transparency is perceived by employers and employees (including different categories of employees) and how they differ in this perception.

The seventh part of the study describes selected **illustrative examples of** practices in the United Kingdom and Canada, i.e. in countries that have already introduced legislation to increase pay transparency.

Chapter 8 (Attitudes and Activities of Trade Unions in the Area of Equal Pay) gives **examples of specific activities of trade unions** abroad at various levels of activity, which can serve as inspiration for implementation in the Czech Republic.

Dozens of other **foreign examples** of trade union activities in the field of equal and transparent pay are described in Annex I: Overview of examples of good practice of trade unions abroad.

2. Summary of main findings

It is clear that the Czech Republic has a large internal debt in the area of equal and transparent pay. This topic is already resonating strongly in the labour market. In the foreseeable future, it will become even more important in connection with the imminent **implementation of the European Directive** on Pay Transparency into national legislation.

Although the principles of equality have been built into Czech law for a long time, gender inequality **and significantly higher discrimination on the basis of sex still persist in our society** than in other EU countries. This resulted, among other things, from the findings and subsequent recommendations of the Council of Europe towards the Czech Republic or from the report of the Czech Public Defender of Rights.

The Czech Republic has therefore made a **commitment to reduce gender inequalities** in the area of, among other things, the low participation of women with young children in the labour market and the high gender pay gap (GPG). The Czech Republic will still have to make a lot of efforts to reduce the gender pay gap. In the Czech Republic, the gender pay gap reached 18% in 2023, making it the **third worst in the European Union**. The GPG in the Czech Republic was thus 6 percentage points higher than the average for the entire European Union¹. A domestic specificity is the very **long period of loss from the labour market in connection with motherhood** and childcare, which is still provided mainly by women. Czech women in the 35-44 age category are "rewarded" for this by a significant increase in

¹ EUROSTAT. Gender pay gap in unadjusted form. Online. 2025. Available from: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en. [cit. 2025-04-04].

the pay gap compared to men to 21%, which is the highest GPG in Europe² together with Hungary. Czech parents with small children **want to work**. If parents of children under 4 years of age (usually women) were fully involved in work to the extent they prefer (i.e. an average of 17 hours a week), Czech public budget revenues would increase by **CZK 10 billion per year**³, according to available estimates.

The topic of pay transparency is becoming increasingly important, especially in connection with the imminent incorporation of the European Union directive on transparent remuneration into national legislation. In this context, it is necessary to appropriately communicate not only **the benefits** of pay transparency (such as reducing inequality, increasing employee motivation and performance, increasing the sense of fairness and other potential positive impacts), but also minimizing possible **risks** and preventing unintended **consequences** Pay transparency, such as negatively affecting performance, increasing dissatisfaction or the occurrence of conflicts. This may be due, for example, to the fact that many employees tend to rate their work performance compared to other employees often better than it actually does. Such workers may then have trouble reconciling their perception of fair remuneration with their perception of their own performance.

Surveys show that **a large proportion of Czech employers** do not pay attention to the issue of transparency. Depending on the survey methodology used, this proportion ranges from half to two-thirds of the companies that have not yet been

² EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Gender_pay_gap_much_lower_for_young_employees [cit. 2025-04-07].

³ MUMDOO. Report 2024. 2024. Online. Available from: <https://www.mumdoo.cz/report-flexibilni-prace> [cit. 2025-05-21].

involved. It also shows that employees and employers often perceive pay transparency in different ways. For example, employees are significantly more likely than employers to consider pay transparency to be **a meaningful tool**. Women and younger generations of employees place more emphasis on this topic than men or older generations. The results of the surveys support the general thesis that pay transparency helps employers **retain employees**. Employees who claim in questionnaires that they are paid fairly are significantly more engaged and loyal to their employer than those who do not have a sense of fair remuneration. When respondents felt they were being paid fairly, they were twice as likely as others to say that they understood how their employer determined their pay and that their supervisor provided them with information about their salary range. It turns out that when it comes to **employee engagement and retention**, pay transparency is quite important.

When examining employee views on pay transparency, great attention should be paid to carefully explaining the concept and principles of pay transparency. People often imagine something different under this term **than** it really means. They can then come to incorrect conclusions and decisions, which can lead to misunderstandings and communication problems. For example, over 60% of workers in the U.S. learn their wage range (or what they believe their wage range is) from job postings⁴. However, the data provided in job vacancies are often irrelevant for the remuneration of the current employee.

When implementing legislation on transparent pay, it will be necessary to pay close attention to the development of detailed and understandable methodologies and exemplary examples to ensure **a flawless and capacity-saving process of reporting** on the gender pay gap. The example of the United Kingdom described in the study

⁴ MERCER. Pay transparency: The key to employee retention. Online. 2024. Available from: <https://www.imercer.com/articleinsights/pay-transparency-and-employee-retention> [cit. 2025-04-22].

shows that it is within the power of the state to develop such procedures and provide them to employers and trade unions.

Trade unions **can play an important role in the area of equality or transparency of pay**. Such trade union activities include, for example, the promotion of equal pay through collective bargaining, legal support and advocacy, education and awareness, as well as monitoring and evaluation.

The available data show that the pay gap in enterprises bound **by collective agreements** tends to be smaller than in enterprises without collective agreements. According to EPSU (European Federation of Public Service Unions), it is crucial for trade unions to first push through collective bargaining measures such as gender pay reporting, pay surveys and equal pay audits.

With their help, it is possible **to draw attention to the problem of equal pay for work of equal value**. They are a necessary starting point for the development of further strategies, such as negotiating additional wage increases for low-paid workers in predominantly female professions and/or flat wage increases, introducing gender-neutral job classification systems or promoting gender-neutral job evaluation systems. Trade unions also provide **legal support and advocacy activities** to promote the interests of employees, for example in enforcing the new Pay Transparency Directive in its entirety, as proposed and approved. Trade unions can also conduct various investigations of their own, collect data on the sub-topics of pay equality and transparency, and actively participate in third-party surveys. Trade union education and awareness-raising activities in this area can take the form of , for example, awareness-raising campaigns such as Equal Pay Day, which aim to inform and draw attention to the issue of fair pay, the provision of training, the creation of thematic handbooks and toolkits for trade union representatives, or the production of thematic studies. Specific **foreign examples of** the above-

mentioned activities and outputs of trade unions are described in detail in the study and its annex.

3. Overview of terms

In order to better understand the content of the study, a **glossary of basic terms** is provided below, based on the terminology **of the Ministry of Labour and Social Affairs'** handbook 'Equal earnings for equal work: how to do it from an employer's perspective'⁵ and the EU Directive of 10 May 2023 on strengthening the application of the principle of equal pay for equal work or work of equal value through pay transparency and enforcement mechanisms (hereinafter "**EU Pay Transparency Directive**").⁶

Equal treatment

Equal treatment is a key principle of the labour market at the level of the Czech Republic and the European Union. The employer is obliged to ensure equal treatment of all its employees, including remuneration for work, provision of other monetary benefits and payment of monetary value. The issue of equal treatment therefore also includes the topic of equal pay.

Same work

The Labour Code stipulates that the same work is assessed according to complexity, responsibility and strenuousness, as well as according to working conditions and when comparable work performance and comparable work results are achieved.

Work of equal value

Work of equal value reflects a situation where employees perform different work, but their comparison shows that it is work of the same or comparable complexity, responsibility and strenuousness, which is performed under the same or comparable working conditions, with the

⁵ OBROVSKÁ, Lucie; TOMŠEJ, Jakub and HODICKÁ, Kateřina. Equal earnings for the same work – How to do it from the employer's point of view. Online. Ministry of Labour and Social Affairs, 2022. ISBN ISBN 978-80-7421-256-7. Available from: https://rovnaodmena.cz/wp-content/uploads/2022/05/2_Za-stejnou-praci-stejny-vydelek_zamestnavatel_168x240_nahled-dvojstrany.pdf. [cit. 2025-04-04].

⁶ EUR-LEX. Directive (EU) 2023/970 of the European Parliament and of the Council (Pay Transparency Directive). Online. 2023. Available from: <https://eur-lex.europa.eu/legal-content/cs/ALL/?uri=CELEX:32023L0970>. [cit. 2025-04-04].

same or comparable work performance and work results. Work of equal value has the same legal consequences as if it were the same work.

Discrimination

Direct discrimination is an act in which one person is treated less favourably than another is, has been or would be treated in a comparable situation, on the grounds of race, ethnic origin, nationality, sex, sexual orientation, age, disability, religion, belief or belief. An omission in the above respects is also direct discrimination.

Indirect discrimination is considered to be an act or omission where, on the basis of an apparently neutral criterion or practice, a person or group of persons is disadvantaged on the basis of one of the discriminatory grounds. It does not constitute indirect discrimination if the practice is objectively justified by a legitimate aim and the means to achieve that aim are appropriate and necessary. An example of this would be favouring employees who work full-time, as this may discriminate against women employees, who often work part-time.

Wages and salary

Wages are provided to an employee for work performed in an employment relationship, it is paid by an employer in the so-called private sector in the pay period (usually monthly) retrospectively. The employer is limited in the assessment of wages by the amount of the minimum wage, the guaranteed wage and the principles set out in the Labour Code, in particular by the obligation to remunerate equal work and work of equal value.

A salary is provided to an employee for work performed in an employment relationship with an employer in the so-called public sphere (state, municipality, region, state fund, contributory organization). Employers remunerating salaries are listed in Section 109 para. 3 of the Labour Code.

Compared to wages, the content, amount and purpose of individual salary components are determined by law.

Remuneration (remuneration)

The employee is entitled to a wage, salary or remuneration under the agreement for the work performed

. For the purposes of this study, the terms "remuneration" or "remuneration" are used for all these forms (also with regard to the unification of terminology with EU Directive 2023/970 on pay transparency).

Gender pay gap

The difference in the average pay levels of women and men working for a given employer, expressed as a percentage of the average gender pay gap (GPG).

Transparency of pre-employment pay

According to EU Directive 2023/970 on pay transparency, job seekers will have the right to be informed about the initial remuneration level for a given position or its range based on objective, neutral criteria, or about the relevant provisions of the collective agreement that the employer applies in relation to the position. This information is provided in such a way as to ensure informed and transparent negotiations on remuneration, for example in a published vacancy notice, before a job interview or otherwise.

Transparency of remuneration setting and remuneration procedure policies

EU Directive 2023/970 on pay transparency stipulates that employers will be required to ensure that employees have easy access to the criteria used to determine workers' remuneration, pay levels and compensation progression. Those criteria must be objective and neutral.

4. Equal and transparent pay legislation

Pay transparency and fairness are essential prerequisites for decent working conditions and a strong position for employees in the labour market. Not only the gender pay gap, but also other forms of inequalities – between jobs, regions, age groups, types of employment or contracts – can lead to inequities and undermine trust

in employers. At the same time, without sufficient transparency, such inequalities cannot be effectively identified and addressed.

This chapter presents the legal framework of equal and transparent pay in the Czech Republic, including the obligations arising from EU law and international conventions, and highlights the tools available to employees to enforce their rights.

4.1. International framework

The issue of equal pay is enshrined in a number of international legal documents, which together form the basis for the implementation of this principle at the national level. Ensuring fair pay regardless of gender is one of the fundamental pillars of equality in employment relations and has a direct impact on the economic independence of individuals in society. At present, the international legal instruments described below form the basis of the relevant framework.

4.1.1. International legal documents

The Universal Declaration of Human Rights, as the fundamental document of international human rights law, establishes the general principle of equality;

the International Covenant on Economic, Social and Cultural Rights

and the related general recommendations of the UN Committee on Economic, Social and Cultural Rights;

the UN Convention on the Elimination of All Forms of Discrimination against Women, the General Recommendations of the UN Committee on the Elimination of Discrimination against Women and the Final Recommendations of the UN Committee on the Elimination of Discrimination against Women addressed to the Czech Republic;

International Labour Organization Convention No. 100 concerning Equal Pay for Men and Women Working Men for Work of Equal Value of 29 June 1951, ratified by Czechoslovakia

on 10 December 1957. The provisions of Article 2 para. Article 1(1) of the Convention provides: *'Each Member State which has ratified this Convention undertakes to promote and, where compatible with the methods used to determine wages, to ensure the application of the principle of equal pay to male and female workers for work of equal value in all sectors.'* Furthermore, Article 3 para. 3 of the Convention states *"Remuneration of workers which corresponds to differences in the work performed determined on the basis of an objective evaluation of work shall not be considered contrary to the principle of equal pay for male and female workers for work of equal value."*

International Labour Organization Convention No. 111 on Discrimination (Employment and Occupation)

of 25 June 1958, ratified by Czechoslovakia on 3 June 1964. It introduces an obligation for each contracting state to actively develop a national policy aimed at eliminating discrimination in working life. States are obliged to adapt the legal framework and practice of employers in order to prevent both direct and indirect discrimination in recruitment, remuneration, promotion, dismissal, etc.

Convention for the Protection of Human Rights and Fundamental Freedoms (the so-called European Convention on Human Rights) of 4 November 1950, the Czech Republic became a contracting party as a successor state on 18 March 1992. It prohibits discrimination in the exercise of the rights and freedoms guaranteed by the Convention. It does not establish an independent right to equal treatment, but accompanies other substantive rights (the so-called

'ancillary prohibition of discrimination'). Nevertheless, it has become the basis for many judgments of the European Court of Human Rights concerning equality between men and women, including cases in the area of employment, access to pensions or social benefits.

The European Social Charter, as amended by the Additional Protocol of 1988, adopted on 3 May 1996 and ratified by the Czech Republic on 1 July 2000. Article 4(3) of the European Social Charter (revised) states: "*The Contracting Parties undertake to recognise the right of male and female workers*

to equal pay for work of equal value." Article 1(c) The Additional Protocol

of 1988 states: "*Everyone has the right to equal treatment in matters of employment and occupation without discrimination on grounds of sex.*" It is one of the most important European documents

in the field of social and economic rights. The above-mentioned provisions are the basis for assessing the compliance of Member States' practices with the principle of equal pay and access to employment. The European Committee of Social Rights monitors whether the Czech Republic complies with these commitments – for example, in 2020 it stated that the Czech Republic does not sufficiently ensure equal pay for women and men.

4.1.2. Regulation at European Union level

The European Union places gender equality at the level of a fundamental value that permeates the entire legal and political system of the Union. The right to equal treatment and equal pay for work of equal value is enshrined in the founding treaties of the EU, in the Charter of Fundamental Rights of the European Union and further developed through secondary law and strategy documents. These standards not only oblige Member States to ensure equality in the labour market, but also impose specific obligations on them in the areas of transparency, prevention of discrimination and institutional supervision.

Primary EU law

The principles of equality and non-discrimination are explicitly enshrined in the fundamental Treaties of the European Union and form the legal framework on which secondary law and other EU policies are based.

- **Treaty on European Union (TEU):** Article 2 states that equality between women and men is one of the fundamental values on which the Union is founded.
- **Treaty on the Functioning of the European Union (TFEU):** Article 8 requires the EU to aim to eliminate inequalities and promote equality between women and men in all its activities;

Article 19 provides a legal basis for the adoption of legislative measures to combat discrimination on grounds of sex; Article 157 enshrines the principle of equal pay for male and female workers for equal work or work of equal value and obliges Member States to respect it.

- **Charter of Fundamental Rights of the European Union:** Article 21 prohibits discrimination of any kind, including on grounds of sex; Article 23 explicitly guarantees equality between women and men in all areas, including employment, work and pay.

EU secondary law

On the basis of the above-mentioned provisions of primary law, the European Union has adopted a number of secondary legislation that specifies the Member States' obligations in the area of equal pay:

- **Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006** on ⁷
the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast). This Directive merged the

⁷ EUR-LEX. Directive 2006/54/EC of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. Online. 2006. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32006L0054> [cit. 2025-05-25].

existing directives

on equality between women and men in the field of employment, i.e. Directive 75/117/EEC on equal pay, Directive 86/378/EEC (as amended by Directive 96/97/EC) on equal treatment in occupational social security schemes, Directive 76/207/EEC (as amended by Directive 2002/73/EC) on equal treatment for men and women and Directive 97/80/EC (as amended by Directive 98/52/EC) on the burden of proof in cases of discrimination based on sex, and took into account the case law of the Court of Justice of the European Union.

It enshrines, inter alia, the principle of equal treatment in and access to employment, equal pay for equal work or work of equal value, rules on the reversal of the burden of proof

and the role of national equality bodies. The Directive therefore forms the basic framework of EU anti-discrimination law in the field of employment, but its application has long been problematic – mainly due to the lack of transparency and the difficulty of enforcing equal pay.

- **Commission Recommendation 2014/124/EU of 7 March 2014⁸ on strengthening the principle of equal pay between men and women through transparency.** It calls on Member States to increase employee awareness and ensure the accessibility of data on pay structures.
- **Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019⁹ on work-life balance for parents and carers.** It aims to improve work-care balance

⁸ EUR-LEX. Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency. Online. 2014. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32014H0124&from=CS> [cit. 2025-05-25].

⁹ EUR-LEX. Directive (EU) 2019/1158 of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. Online. 2019. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32019L1158> [cit. 2025-05-25].

opportunities and thus indirect factors contributing to the gender pay gap. It has already been transposed into the Czech legal system.

- **Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023¹⁰**

on strengthening the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms. This directive represents a fundamental step in the area of equal pay enforcement. In particular, it introduces (I) an obligation for employers to inform about the level of pay or its range already at the recruitment stage, (II) the right of workers to access information on pay criteria and pay levels by gender, (III) the obligation to report the pay gap on a regular basis from June 2027 for employers with more than 250 employees (annually), from June 2030 for employers with 150 to 249 employees (every three years), and from June 2031 for employers with between 100 and 149 employees (every three years), (IV) collective pay assessment mechanisms in case of finding a gap in average pay above 5%, unless justified by objective factors, (V) an obligation for Member States to put in place effective sanctions and remedial measures in the event of breaches of the obligations under the Directive. The directive entered into force in June 2023 and member states, including the Czech Republic, have an obligation to transpose it into national law by June 2026.

- **Directive (EU) 2024/1500 of the European Parliament and of the Council of 14 May 2024¹¹** *on standards for equality bodies in the field of equal treatment of women and men and equal opportunities in employment and occupation*

¹⁰ EUR-LEX. Directive (EU) 2023/970 of the European Parliament and of the Council (Pay Transparency Directive). Online. 2023. Available from: <https://eur-lex.europa.eu/legal-content/cs/ALL/?uri=CELEX:32023L0970>. [cit. 2025-04-04].

¹¹ EUR-LEX. Standards for equality bodies in the area of equal treatment and equal opportunities. Online. 2024. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=LEGISSUM:4773290> [cit. 2025-05-25].

It sets minimum standards for the independence, competences, accessibility and sufficient resources of national equality bodies. The aim is to strengthen their effectiveness in protecting rights, including in the area of equal pay. The Czech Republic will be obliged to ensure that the functioning of the Ombudsman complies with these requirements. Member States must transpose this Directive by 5 June 2026.

4.2. National legal framework and relevant policies

The prohibition of discrimination on the basis of sex in the Czech Republic is enshrined at the constitutional level, specifically in **Articles 1 and 3 (1) of the Charter of Fundamental Rights and Freedoms** (Constitutional Act No. 2/1993 Coll.).

The prohibition of discrimination is elaborated in more detail:

- **Act No. 198/2009 Coll., on Equal Treatment and Legal Means of Protection against Discrimination** (Anti-Discrimination Act), as amended, which generally prohibits discrimination on the grounds of sex and regulates legal means of protection, including the rules of proof and claims of victims of discrimination;
- **Act No. 262/2006 Coll., the Labour Code**, which addresses the issue of equal treatment comprehensively. In particular, Section 16 (Prohibition of Discrimination and Equal Treatment), according to which the employer is obliged to ensure equal treatment of all employees at all stages of employment, including working conditions, remuneration and professional development, and Section 110 (Equal pay for equal work or work of equal value), which stipulates that all employees are entitled to equal work or work of equal value with the employer, the same wage, salary or remuneration from the agreement. The same work is defined in the law as work of equal or comparable complexity, responsibility and strenuousness, performed under

the same or comparable conditions, comparable performance and similar results.

- **Section 133a of Act No. 99/1963 Coll., the Code of Civil Procedure**, lays down rules for the reversal of the burden of proof in cases of alleged discrimination. If an employee alleges facts that may be discriminated against, the burden of proof lies with the employer, who must prove that there has been no unequal treatment.

These provisions form the backbone of the national system of protection against discrimination in the area of remuneration and at the same time fulfil the international and European obligations of the Czech Republic.

In practice, however, the effectiveness and enforceability of these rules are influenced by the degree of transparency of wage systems, the clarity of legislation and the availability of legal protection, which is subsequently reflected in the case law of Czech courts.

4.2.1. Related EU and Czech Republic strategic documents

EU strategic documents

Pay equality is also part of the EU's strategic frameworks:

- **The Gender Equality Strategy 2020-2025** (COM/2020/152 final) defines key objectives and actions to close the gender gap in the EU.¹²
- **The follow-up Gender Equality Strategy 2025-2030** emphasizes the implementation of Directive (EU) 2023/970 and support for Member States in establishing national equality enforcement mechanisms.

¹² EUR-LEX. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A Union of Equality: Gender Equality Strategy 2020-2025. Online. 2025. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52020DC0152&from=CS> [cit. 2025-05-25].

- **The EU Council conclusions on gender equality** provide policy recommendations to Member States in the areas of employment, decision-making, care and education.

Strategic and other documents at the national level

Within the Czech Republic, the topic of equal pay is incorporated in the following documents:

- **Gender Equality Strategy 2021-2030**

On 8 March 2021, Government Resolution No. 269 approved **the Gender Equality Strategy for 2021-2030**.¹³ The document responds to international and European comparisons, which point out that the Czech Republic is one of the below-average countries in the EU in terms of the level of gender equality. Although gender equality is one of the basic values of the Czech Republic, a number of inequalities between men and women persist in Czech society.

The main problems include inequalities in the labour market (including the high difference in average income between women and men), economic inequalities, very low representation of women in decision-making positions, horizontal and vertical segregation by gender, or stereotypical division of roles in household and family care.

The topic of equal pay is addressed in the Gender Equality Strategy in the chapter Work and Care, especially within the framework of strategic objective No. 3 – Reducing the gender pay gap. This strategic objective also resulted in the obligation to adopt an Action Plan for Equal Pay for Women and Men, which was subsequently implemented.

- **Gender Equal Pay Action Plan 2023-2026**¹⁴

The Gender Equal Pay Action Plan 2023-2026, approved by the Government of the Czech Republic in December 2022, follows the European Commission's recommendation from 2014 and responds to Directive (EU) 2023/970

¹³ OFFICE OF THE GOVERNMENT OF THE CZECH REPUBLIC. Gender Equality Strategy 2021-2030. Online. 2021. Available from: https://vlada.gov.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf [cit. 2025-05-25].

¹⁴ MINISTRY OF LABOUR OF THE CZECH REPUBLIC. Gender Equal Pay Action Plan 2023-2026, Online. 2023. Available from: https://www.mpsv.cz/cms/documents/df9274b1-a9bb-968d-6d00-5417c3a839df/Akcni-plan_2023-2026.pdf [cit. 2025-05-25].

on pay transparency. Its aim is to strengthen the enforceability of the principle of equal pay for equal work or work of equal value through specific measures such as increasing the transparency of pay systems, strengthening inspections and methodologies for controlling equal pay, promoting equality in public administration, improving the collection and analysis of data by gender, education on pay equality, measures to promote work-life balance.

In May 2025, the implementation of the plan to date is being evaluated and the final phase of the implementation of the Pay Transparency Directive, which is due to be completed by June 2026, is being prepared.

- **Strategic Framework of the Czech Republic 2030¹⁵**

The Czech Republic 2030 Strategic Framework shows that gender inequalities persist in society in the Czech Republic and significantly higher discrimination on the basis of sex than in other EU countries.

In paragraph 133, the Czech Republic commits to reduce gender inequalities manifested in various areas of social life, especially in the area of low participation of women with young children in the labour market and high differences in gender pay and pension gaps.

The state also focuses on the low representation of women in politics and decision-making positions and the high degree of vertical and horizontal gender segregation of the labour market. Emphasis is also placed on combating violence against women and direct discrimination on the basis of sex, taking into account the negative role of gender stereotypes that support the preservation and replication of gender inequalities.

- **Family Policy Concept and Family Policy Strategy¹⁶**

¹⁵ CZECH REPUBLIC 2030. Strategic Framework Czech Republic 2030. Online. 2024. Available from: <https://www.cr2030.cz/udrzitelny-rozvoj-v-ceske-republice/strategicky-ramec-ceska-republika-2030> [cit. 2025-05-25].

¹⁶ MINISTRY OF LABOUR OF THE CZECH REPUBLIC. Family Policy Strategy 2024-2030. Online. 2023. Available from: <https://www.mpsv.cz/nova-strategie-rodinne-politiky-se-zameruje-na-potreby-rodin-v-jednotlivych-zivotnich-fazich-a-specifickych-situacich> [cit. 2025-05-25].

The Family Policy Concept was prepared by the Ministry of Labour and Social Affairs of the Czech Republic and approved by the Government in 2017. It defines the objectives of family policy and identifies the reduction of the gender pay gap as one of the needs of the family. The Concept shows that the causes of unequal pay and their share in the resulting wage or salary gap need to be analysed in more detail.

Following this Concept, the Family Policy Strategy was adopted in 2023, which contains a number of measures with the potential to affect the position of women and men in the labour market and in personal life and to contribute to reducing the gender pay gap.

- **Government Policy Statement¹⁷**

The government's policy statement adopted in 2022 contributes to improving the position of carers

in society and, by extension, to reducing the pay gap, especially in the following areas:

- Promoting more flexible working hours for parents and expanding opportunities for reconciling family and professional life;
- Support of public administration in offering work-care balance for its employees;
- The use of tax instruments and the simplification of the social benefits system, the aim of which is to ensure that the work and costs associated with raising children and caring for loved ones do not mean a drop in the standard of living;

As part of the implementation of this Policy Statement, some new legislation and measures have been adopted

¹⁷ GOVERNMENT OF THE CZECH REPUBLIC. Government Policy Statement (March 2023 version). Online. 2023. Available from: <https://www.vlada.cz/assets/media-centrum/dulezite-dokumenty/programove-prohlaseni-vlady-CR.pdf> [cit. 2025-05-25].

that aim to meet the above-mentioned objectives and to strengthen pay transparency

.

4.3. Enforceability of equal pay

As the above overview shows, the Czech Republic has a robust legal framework for ensuring equal pay for women and men, which is continuously adapted to new requirements arising from EU law. The challenge remains to effectively implement these standards in practice and to achieve true pay equality.

Despite the extensive legal framework, the principle of equal pay remains difficult to enforce in both the European Union and the Czech Republic, as can be seen from the documents described below.

The European Commission's 2013 report on the application of Directive 2006/54/EC states that serious limits remain in the effective application of this right. One of the main obstacles is the lack of transparency of payroll systems, which makes it difficult to detect discriminatory practices. Another obstacle is the unclear definition of the term "work of equal value" and the absence of comparable criteria for job evaluation, which complicates both the prevention and proof of discrimination.

The European Commission's Recommendation of 7 March 2014 (2014/124/EU) notes that victims of discrimination face difficulties in obtaining information on their colleagues' wages and are often unaware that their rights are being violated. However, under the conditions of non-transparent remuneration systems and the unavailability of information, such a procedure is very challenging.

The Public Defender of Rights' research from 2020 pointed out shortcomings in the practice of Czech courts, analysing their decisions in discrimination cases between 2015 and 2019. The research found that although lawsuits most often concern discrimination on the grounds of age and gender, courts rarely award adequate compensation. The inconsistent application of

Section 133a of the Code of Civil Procedure, which regulates the burden of proof in discrimination disputes, and the limited understanding of indirect discrimination were also criticized.

The Ombudsman's monitoring report for 2023 described, among other things, specific cases of unequal pay:

- In the field of education, it was stated that formally equal rules for the remuneration of education staff are in practice disrupted by the way in which non-entitlement components of salary are distributed, which leads to inequalities without sufficient justification.
- In health care, significant differences in remuneration between specialties have been found, which cannot be explained by objective factors. The Defender drew attention to the risk of indirect discrimination against women, who are more often employed in some poorly paid fields.
- The report also pointed out that injured persons have difficult access to effective legal protection in practice, mainly due to the complexity of the evidentiary situation, lack of information and concerns about negative impacts in the work collective.

The Ombudsman also found that increased attention should be paid to combined forms of discrimination, where discrimination on grounds of sex is multiplied or overlapped with other discriminatory grounds (e.g. age, disability, ethnic origin), which may lead to an even wider pay gap for specific groups.

The European Commission's 2020 evaluation report on Directive 2006/54/EC is in line with the conclusions of the Czech Ombudsman. This report identified a number of systemic obstacles: inconsistent definitions of work of equal value, different lengths of limitation periods, symbolic sanctions, high procedural costs, low level of legal awareness among employees and weak position of national equality bodies.

Directive (EU) 2023/970 on pay transparency, **which increases employers' information obligations** and facilitates access to evidence in cases of breaches of the principle of equal pay, is expected to bring about a fundamental shift in the area of enforcement.

The implementation of the Pay Transparency Directive is a crucial step towards strengthening the tools for enforcing the principle of equal pay, but a comprehensive approach is needed to achieve true equality, including:

- Breaking down gender stereotypes in education and the labour market
- Reducing horizontal and vertical labour market segregation
- Promoting an equal distribution of care between men and women
- Effective use of work-life balance tools
- Systematic application of the principles of pay transparency
- Strengthening control mechanisms in the area of equal pay by the State Labour Inspection Office
- Ensuring that employees are better informed about their equal pay rights
- Reducing the administrative burden for victims of discrimination when claiming their rights.

4.4. EU recommendations and court rulings on equal pay

This subchapter describes the recommendations of the Council of Europe for the Czech Republic in the area of equal pay, determined on the basis of identified deficiencies. Examples of judgments of courts deciding legal disputes in the Czech Republic and Great Britain are also given, which demonstrate the breadth of the issue of equal pay.

4.4.1. Recommendation of the Council of Europe on equal pay measures in the Czech Republic

On 5 December 2019, the European Committee of Social Rights adopted a decision¹⁸ in Collective complaint No 128/2016 lodged against the Czech Republic by University Women of Europe. The Committee found that the Czech Republic had breached several provisions of the European Social Charter and the 1988 Additional Protocol in connection with the lack of equality of women and men in the area of pay and representation in management positions.

Detected violations:

- Insufficient pay transparency was ensured and conditions were not created for effective job comparisons, which hindered the application of the principle of equal pay for work of equal value.
- The Czech Republic has not demonstrated measurable progress in promoting equal opportunities for women and men, especially in the area of equal pay.
- There has been insufficient provision for equal representation of women in the decision-making bodies of private companies, especially publicly listed companies.

The Council of Europe, taking into account the statement of the Government of the Czech Republic, recommended the following measures:

- Ensure that employees have access to information about the salaries of colleagues in court proceedings, while respecting the rules of personal data protection and trade secrets.

¹⁸ HUDOC. Decision on the merits: University Women of Europe (UWE) v. Czech Republic, Complaint No. 128/2016. Online. 2019. Available from: [https://hudoc.esc.coe.int/eng#{%22sort%22:\[%22escpublicationdate%20descending%22\],%22escdcidentifier%22:\[%22cc-128-2016-dmerits-en%22\]}](https://hudoc.esc.coe.int/eng#{%22sort%22:[%22escpublicationdate%20descending%22],%22escdcidentifier%22:[%22cc-128-2016-dmerits-en%22]} [cit. 2025-05-25].) [cit. 2025-05-25].

- Expand the possibilities of comparing wages in the private sector, not just within one company.
- Review and strengthen existing measures aimed at reducing the gender pay gap , and take further measures leading to measurable progress within a reasonable timeframe.
- Promote gender balance in the management of the largest publicly traded companies.

4.4.2. Case law of the Czech courts

From the point of view of wage discrimination, the decision of the Constitutional Court from August 2021, when the court rejected a constitutional complaint of the Czech Post in the case of unequal pay in Prague and the regions, is significant. This is an illustrative example of the issue of discrimination of employees on the basis of the place of work. This case may strongly affect the wage policy not only of the Czech Post, but also of many other employers.

Based on the **judgment of the Supreme Court** (file no. 21 Cdo 3955/2018) of 20 July 2020, the Czech Post was to pay its employee from the Olomouc Region the difference in wages, as it paid him CZK 3,500 less than employees with the same job title in Prague.

In its constitutional complaint, the Czech Post pointed to the fact that the cost of living in the regions differs

, which it said is reflected in the amount of wages. A similar opinion was also sent to the Constitutional Court by the Chamber of Commerce, according to which disregard for regional differences in the cost of labour interferes with the principles of the market economy.

However, the Constitutional Court, in accordance with the decision of the Supreme Court, in its resolution of 31 August 2021

(file no.ÚS 2820/20) stated that the legal regulation of "equal pay" for "equal work" clearly sets

out an exhaustive list of criteria according to which it is assessed whether the same work is involved, and these criteria do not include the socio-economic level of the region. This decision is relevant

for the purposes of assessing and determining the comparator in cases of pay discrimination.

Since 2021, several other important cases related to equal pay have been added to the case law, which have further specified the application of legal provisions in practice, in particular with regard

to transparency and proof of pay discrimination.

A similar course has taken place in a legal dispute between a driver from Pardubice and his employer (Czech Post s.p.). The gross monthly salary of the Czech Post drivers from Pardubice was set at about two thousand crowns lower than that of their colleagues working as drivers in Prague, even though their job description was the same. The employer justified the differences in wages by a higher workload in the capital, a higher number of loading and unloading, denser traffic in Prague and more complex logistics.

It is clear from the decision of the competent District Court for Prague 1 that the place of work performance itself cannot be a legitimate reason for a different salary, unless it is proven that the work is actually more demanding. The court therefore concluded that Czech Post should have applied a uniform approach to all employees in the same position and at the appropriate tariff scale, regardless of the location of their workplace. The court's verdict thus set a strong precedent for other employees of the Czech Post and for employees of other organizations in a similar situation.¹⁹

Work of equal value – the case of Tesco Stores (UK)

In 2018, 6,000 British employees sued Tesco Stores. According to the plaintiff, the reason was the lower level of remuneration of workers in Tesco Stores stores compared to the level of

¹⁹ AKHSP. Different wages according to location? The court says a clear no! Online. 2025. Available from: Different wages by location? The court says a clear NO! | HSP & Partners Law Firm [cit. 2025-04-10].

remuneration of workers in the Tesco Stores distribution network, even though according to the lawsuit it was supposed to be equivalent work.

The applicant argued that the work in the shops and the work of male employees employed in the distribution centres of its network is equivalent and that they have the right to compare their work with that of those employees, even if that work is carried out in different establishments,

on the basis of Article 157 of the Treaty on the Functioning of the European Union (TFEU). In accordance with that article, their working conditions and those of those employees are attributable to a 'single source', namely Tesco Stores. The employer argued that Article 157 TFEU does not have direct effect in the context of proposals based on work of equal value, with the result that the applicants in the main proceedings cannot rely on that provision before the referring court. In addition, it disputes that it can be classified as a 'single source'. The competent United Kingdom court held that, in the context of United Kingdom judicial practice, there was uncertainty as to the direct effect of that article, which was linked, in particular, to the distinction drawn by the Court between discrimination which could be determined solely by reference to the criteria of equal work and equal pay and discrimination which could be identified only by applying more detailed implementing provisions. Therefore, the referring court referred the matter to the Court of Justice of the EU, which ruled that Article 157 TFEU has direct effect in disputes between individuals in which failure to comply with the principle of equal pay for male and female workers for 'work of equal value' as set out in that article is pleaded.

The CJEU stated ²⁰that Article 157 TFEU clearly and precisely imposes an obligation to achieve a result and is 'mandatory' (i.e. there is no derogation) from it in respect of both 'equal work' and 'work of equal value'. According to the Court, it was settled case-law that Article 157 TFEU has direct effect in that it creates rights for individuals which the national courts are called upon

²⁰ COURT OF JUSTICE OF THE EU. The principle of equal pay for men and women for 'equal work' and for 'work of equal value', enshrined in EU law, can be applied directly in disputes between individuals. Online. 2021. Available from: <https://curia.europa.eu/jcms/upload/docs/application/pdf/2021-06/cp210095cs.pdf> [cit. 2025-04-07].

to protect, in particular in the case of forms of discrimination which arise directly from the provisions of legislation or collective labour agreements, and in cases where work is carried out in the same undertaking or service, whether public or private. The Court recalled that such forms of discrimination may be determined by reference to the criteria of equal work and equal pay set out in Article 119 of the EEC Treaty. It follows that the court having jurisdiction should be in a position to establish all the facts enabling it to assess whether a female worker is being paid less than a worker who performs the same work or work of equal value. It is therefore settled case-law that, contrary to what Tesco Stores claims, the direct effect of Article 157 TFEU is not limited to situations in which the different-sex workers being compared perform 'the same work', but also extends to situations of 'work of equal value'.

Next, the Court stated that, if the differences found in relation to the conditions of remuneration of workers performing the same work or work of equal value cannot be attributed to a single source,

then there is no body capable of restoring equal treatment. In that case, such a situation does not fall within the scope of Article 157 TFEU. However, if such remuneration conditions are attributable to a single source (in this case, the employer Tesco Stores), the work and remuneration of those employees may be compared, even if those employees work in different establishments. That provision may therefore be relied on before the national courts in a dispute based on work of equal value performed by employees of different sexes who have the same employer and in different establishments of that employer, provided that that employer is the only source.²¹

²¹ COURT OF JUSTICE OF THE EU. The principle of equal pay for men and women for 'equal work' and for 'work of equal value', enshrined in EU law, can be applied directly in disputes between individuals. Online. 2021. Available from: <https://curia.europa.eu/jcms/upload/docs/application/pdf/2021-06/cp210095cs.pdf> [cit. 2025-04-07].

5. Gender pay gap in the Czech Republic and the EU

This chapter presents data on the gender pay gap (GPG) as a key parameter of pay inequality. The values of GPG in the Czech Republic and EU countries are described according to various points of view, which put the situation in the Czech Republic into the European context. The chapter also includes a description of the causes of unequal pay for women and men, including the impact on public budgets.

5.1. Differences in GPG values across the European Union

Differences in the pay of men and women can be traced at the level of the European Union and the Czech Republic.

At the European Union level, the unadjusted gender pay gap (the difference between the average gross hourly earnings of men and women as % of men's gross earnings) reached 12% in 2023.²²

In the Czech Republic, the gender pay gap (GPG) reached 18% in 2023, making it the third worst in the European Union.

The GPG for the Czech Republic was thus 6 percentage points higher than the average for the entire European Union. Only Latvia (19%) and Austria (18.3%) reported a larger gender pay gap to the detriment of women in the European Union

. The gender pay gap is very similar to that in the Czech Republic in Germany, which was 17.6%

²² EUROSTAT. Gender pay gap in unadjusted form. Online. 2025. Available from: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en. [cit. 2025-04-04].

in 2023. Of the Czech Republic's neighbours, Slovakia (15.7%) and especially Poland with less than 8% achieve a significantly lower GPG value.

On the other hand, the lowest values of the gender pay gap in 2023 were achieved by Romania (less than 4%), followed by Italy (over 2%) and Belgium (0.7%). Luxembourg is the only EU country to report higher pay levels for women compared to men in 2023 (-0.9%).

A detailed overview of the gender pay gap across EU countries in 2023 is available in the table below.

Table 1: Unadjusted gender pay gap (EU, 2023)

EU country	Gender pay gap (unadjusted, %)
Latvia	19,0
Austria	18,3
Czech Republic	18,0
Hungary	17,8
Germany	17,6
Estonia	16,9
Finland	16,8
Slovakia	15,7
Denmark	14,0
Greece	13,6
Bulgaria	13,5
Netherlands	12,5
France	12,2
Cyprus	12,2
EU	12,0
Lithuania	11,5
Sweden	11,2
Spain	9,2
Ireland	8,6
Portugal	8,6
Poland	7,8
Croatia	7,4
Slovenia	5,4
Malta	5,1
Romania	3,8
Italy	2,2
Belgium	0,7
Luxembourg	-0,9

Source: Eurostat (dataset *sdg_05_20*)

Despite fluctuations in individual years, the gender pay gap in the Czech Republic tends to decrease slightly. While the gender pay gap in the Czech Republic was 22.6% in 2011, in 2023 it was already at 18%, i.e. 4.6 percentage points lower. However, this does not mean that the Czech Republic is at least catching up with the GPG average for the entire European

Union, because within the EU, the gender pay gap has been narrowing at almost the same rate.

The EU GPG average

was slightly above 16% in 2011 and had fallen to 12% by 2023, i.e. 4.2 pps lower.²³

Table 2: Unadjusted gender pay gap (%), development in the Czech Republic and the EU, 2011–2023

Year	Czech Republic	European Union (EU27 average)
2023	18,0	12,0
2022	18,4	12,2
2021	15,4	12,3
2020	16,7	12,7
2019	19,3	13,7
2018	20,1	14,4
2017	21,1	14,6
2016	21,5	15,1
2015	22,5	15,5
2014	22,5	15,7
2013	22,3	16,0
2012	22,5	16,4
2011	22,6	16,2

Source: Eurostat (dataset sdg_05_20)

²³ EUROSTAT. Gender pay gap in unadjusted form. Online. 2025. Available from: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en. [cit. 2025-04-04].

5.2. Gender pay gap for part-time and full-time jobs

Across the EU, it is also possible to compare the values of the gender pay gap in terms of the size of the workload (full-time or part-time). However, information at this level of detail is not available for all EU countries, including the Czech Republic. In 2023

, the gender pay gap for part-time workers ranged from -6.0% in Bulgaria to 27.3% in Slovenia. The negative gender pay gap means that women's gross hourly earnings are higher than men's on average. This is often caused by selection bias. This is particularly the case when the employment rate of women is lower than that of men, where women in the labour market may have relatively higher levels of skills and education than men, which implies higher levels of pay. For full-time workers, the pay gap also varied considerably across EU countries, ranging from -8.1% in Belgium to 20.7% in Latvia.²⁴

5.3. Gender pay gap by age

The gender pay gap is generally much lower for new entrants to the labour market and tends to widen with age. However, these differences between age groups may vary across EU countries (however, data at this level of detail are not available for all European Union countries).

The gender pay gap can increase with age due to career breaks that women may experience during their working lives. This is also evident in the figures for the Czech Republic in the table below. In the under-25 age category, the unadjusted gender pay gap is slightly above 8%, but subsequently rises to 13% in the 25-34 age cohort

. GPG in the Czech Republic reaches the highest values of around 21% in the middle age

²⁴ EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Gender_pay_gap_much_lower_for_young_employees [cit. 2025-04-07].

categories of 35-44 years and 45-54 years. In the 55-64-year-old group, GPG again drops to 13%.

Table 3: Unadjusted gender pay gap by age (%), EU, 2023

EU country	Under 25 years	25-34	35-44	45-54	55-64	65+
Belgium	-8,3	-5,0	-0,1	1,2	8,0	:
Bulgaria	6,9	16,8	21,0	14,3	2,9	-8,7
Czech Republic	8,2	13,0	21,1	20,9	13,0	8,3
Denmark	5,7	11,1	14,2	17,0	16,9	10,6
Germany	1,7	8,4	16,4	22,8	26,3	9,2
Greece	-4,4	6,1	12,5	15,9	19,2	25,1
Ireland	1,0	4,9	8,5	11,1	13,2	9,1
Spain	0,4	2,9	8,7	10,8	12,6	33,3
France	-7,2	5,7	11,9	14,4	21,4	17,3
Croatia	3,9	6,4	9,4	11,3	5,8	6,4
Italy	8,3	2,7	4,4	4,5	3,3	7,7
Cyprus	4,4	8,9	6,3	14,3	25,7	29,7
Latvia	9,9	14,7	18,5	14,5	11,5	9,0
Lithuania	13,9	9,8	10,9	9,9	5,3	4,3
Hungary	7,1	15,0	22,1	20,1	14,5	13,2
Malta	-2,0	-4,3	6,6	12,5	16,0	8,6
Netherlands	2,1	1,7	7,4	16,6	19,2	14,3
Poland	6,1	8,8	13,2	9,9	-5,7	4,7
Portugal	8,2	8,3	11,1	12,2	4,5	6,0
Romania	2,7	2,5	6,4	0,3	-3,6	-19,6
Slovenia	6,6	7,6	8,5	7,3	4,0	8,7
Slovakia	7,7	11,9	19,3	17,7	12,4	17,6
Finland	-0,5	9,6	14,9	19,1	18,7	20,3
Sweden	5,4	7,0	11,7	15,3	14,2	8,6

Source: Eurostat (dataset *earn_gr_gpgr2ag*)

5.4. Sectoral gender pay gap

An interesting view of the issue of the gender pay gap is offered by the division into individual sectors of the economy, although as in the previous case, information

at this level of detail is not available for all countries of the European Union. In the EU countries where data are available, with the exception of Spain, the gender pay gap in financial and insurance activities (NACE section K) is higher than in the business sector as a whole (NACE sections "B" to "N"). In 2023, the gender pay gap in banking and insurance activities ranged from 14% in Belgium to 36.4% in the Czech Republic.

Within the business sector as a whole, the lowest gender pay gap was recorded in Malta (4.9%) and the highest in Cyprus (22.4%).

In the Czech Republic, the unadjusted gender pay gap in the business economy reached 12.1% in 2023, which almost exactly corresponds to the total value of GPG in the Czech Republic.

Within the compared categories of economic activity according to NACE (see the table below), the lowest gender pay gap was recorded in the sector "Water supply; activities related to waste and remediation", where GPG reached 2.2%. However, for context, it should also be added that in the twelve EU countries for which relevant data are available, women were paid better than men in this sector. The other two sectors in which GPG was less than 10% in the Czech Republic in 2023 were construction with 8.5% and real estate activities (8.3%). On the other hand, the gender pay gap was the largest in the financial and insurance sectors (36.4%), even compared to other EU countries.²⁵

²⁵ EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Highest_gender_pay_gap_in_financial_and_insurance_activities [cit. 2025-04-07].

Table 4: Unadjusted gender pay gap by economic activity (%), EU, 2023

EU country	B-N	C	D	E	F	J	Towards	L	M
Belgium	6,7	0,9	16,6	-3,2	-6,8	6,5	14,0	0,7	7,6
Bulgaria	16,1	22,7	0,3	13,1	-25,0	29,3	27,6	9,5	12,8
Czech Republic	12,1	22,9	20,0	2,2	8,5	28,7	36,4	8,3	21,2
Denmark	13,4	6,7	12,7	2,6	8,3	16,6	14,8	10,6	16,4
Germany	19,9	19,8	14,3	-0,6	10,8	21,0	26,1	8,4	26,3
Greece	15,5	17,8	13,0	-4,4	9,9	24,9	19,4	18,8	13,3
Estonia	17,0	23,9	6,8	8,8	10,6	24,9	27,6	18,4	23,5
Ireland	15,8	:	:	:	:	:	:	:	:
Spain	15,1	14,3	9,2	5,8	-12,3	10,2	14,1	6,5	17,1
France	12,2	11,2	-9,2	-8,3	-11,8	11,6	32,1	16,4	16,7
Croatia	11,4	15,0	-3,1	-1,5	-29,8	22,2	23,6	1,6	2,1
Italy	14,0	14,5	10,1	0,0	7,6	16,1	23,0	17,2	23,5
Cyprus	22,4	29,3	-2,1	-54,8	-4,7	28,7	25,9	6,4	25,9
Latvia	18,1	22,2	15,0	9,0	10,3	26,4	30,2	5,7	17,2
Lithuania	13,2	23,6	8,0	4,9	-2,7	25,8	31,8	10,5	14,1
Luxembourg	8,8	1,3	:	3,1	-14,0	14,7	19,5	11,9	19,3
Hungary	16,8	22,4	23,5	1,9	-4,0	30,2	34,7	8,8	21,6
Malta	4,9	14,5	:	:	-15,2	15,6	14,9	18,5	7,2
Netherlands	17,8	14,3	9,0	0,7	7,3	13,7	22,6	14,0	17,0
Austria	20,2	17,3	15,4	11,6	7,4	20,0	26,0	20,9	26,9
Poland	13,2	16,3	1,1	-3,8	-11,4	24,8	27,6	7,6	17,7
Portugal	13,8	21,0	2,8	-13,1	-11,1	17,2	21,5	16,0	16,2
Romania	9,2	22,6	-8,3	4,5	-14,5	16,7	18,2	12,4	-4,3
Slovenia	6,6	10,7	3,0	-12,4	-21,6	17,9	22,9	10,7	9,9
Slovakia	18,0	23,5	12,3	-5,5	3,3	26,4	29,6	12,7	15,0
Finland	16,3	9,0	9,8	-2,3	6,6	10,8	24,9	14,9	15,9
Sweden	7,7	2,1	3,7	-5,4	3,6	10,8	22,4	4,9	8,8

Source: Eurostat (dataset *earn_gr_gpgr2*)

Explanatory notes:

B-N = Business Economics; C = Manufacturing industry; D = Production and distribution of electricity, gas, heat and air conditioning; E = Water supply; waste and remediation activities;

F = Construction; J = Information and communication activities; K = Banking and Insurance; L = Real estate activities

; M = Professional, scientific and technical activities

5.5. The gender pay gap in the private and public spheres

In 2023, in all European Union countries for which data are available, with the exception of Hungary and Slovenia, a higher gender pay gap (in absolute terms) was recorded in the private sector than in the public sector. A probable reason for this is the fact that in most EU countries, remuneration in the public sector is determined by transparent wage scales, valid equally for men and women. The gender pay gap in the private sector ranged from 6% in Belgium to almost 22% in Cyprus, and in the public sector from -4% in Cyprus to less than 20% in Hungary.

The Czech Republic also shows a larger gender pay gap in the private sector than in the public sector. The GPG value for the private sector reached almost 20% in 2023, while it slightly exceeded 16% for the public sector. In both cases, however, these are some of the highest GPG values among the European Union countries with available data.²⁶

²⁶ EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Gender_pay_gap_higher_in_the_private_sector [cit. 2025-04-07].

Table 5: Unadjusted gender pay gap by type of economic control (%), EU, 2023

EU country	Public sector	Private sector
Belgium	-0,5	6,1
Bulgaria	7,4	15,6
Czech Republic	16,3	19,8
Denmark	10,8	13,2
Germany	11,9	19,5
Spain	7,0	14,1
Croatia	5,0	13,4
Italy	-0,2	16,7
Cyprus	-4,1	21,6
Latvia	13,8	16,9
Lithuania	9,2	12,5
Hungary	19,7	17,8
Netherlands	9,8	17,8
Poland	1,0	13,9
Portugal	6,0	17,7
Romania	2,9	9,1
Slovenia	11,8	7,4
Slovakia	13,1	17,9
Finland	16,2	17,2
Sweden	7,5	9,5

Source: Eurostat (dataset *earn_gr_gpgr2ct*)

5.6. Possible causes of gender pay inequality and budgetary implications

According to the Ministry of Labour and Social Affairs of the Czech Republic, the gender pay gap is an indicator that shows

the overall difference between women's and men's incomes, but does not take into account

criteria such as education, work experience or type of employment. The Ministry of Labour and Social Affairs project "Equal Pay" among the main causes of the gender pay gap includes²⁷:

- the predominance of women in sectors with lower pay levels
- Increased representation of women working part-time
- Career breaks due to maternity (childcare)
- Lower proportion of women in higher, higher-paid positions
- Low transparency of remuneration practices
- Discrimination.

According to the opinion of the European Parliament (EP), the gender pay gap is narrowing very slowly. Improvement has been very gradual, although the principle of equal pay for equal work was incorporated into the Treaty of Rome (the treaty establishing the European Economic Community) as early as 1957. However, according to the EP, some of the reasons for the gender pay gap are structural in nature and are linked to differences in employment, education levels and work experience. If these structural parameters are eliminated, we can talk about the so-called adjusted gender pay gap.²⁸

The European Parliament describes the following causes of the gender pay gap:

- *Part-time work.* On average, women spend more hours on unpaid work than men, typically dedicated to taking care of the household, caring for children or other family members. This leaves less time for paid work. On average, significantly more women than men work part-time in the EU and the Czech Republic. Taking into account both unpaid and paid work, women work more hours per week than men.
- *Participation in the labour market influenced by family responsibilities.* Women – mothers are significantly more likely to interrupt their careers than men – fathers to take care of

²⁷ EQUAL PAY. New data comparing the Gender Pay Gap indicator in the EU: How do individual countries compare? Online. 2025. Available from: <https://rovnadomena.cz/nova-data-srovnani-ukazatele-gender-pay-gap-v-eu-jak-si-stoji-jednotlive-staty/> [cit. 2025-04-07].

²⁸ EUROPEAN PARLIAMENT. Understanding the gender pay gap: definition and causes. Online. 2025. Available from: <https://www.europarl.europa.eu/topics/cs/article/20200109STO69925/pochopeni-rozdilu-v-odmenovani-zen-a-muzu-definice-a-priciny> [cit. 2025-04-10].

children. Thus, some of women's career decisions are due to caring and family responsibilities.

- *The predominance of women in lower-paid sectors.* Women predominate in sectors such as social work, care, health care or education, which are characterised by lower pay levels. According to the European Commission, almost a quarter of the total gender pay gap can be explained by the over-representation of women in these relatively low-paid sectors.²⁹
- *Fewer women in managerial positions.* Although women make up almost half of employees, they are significantly less likely than men to be in management positions. At the same time, a closer analysis of the gender pay gap in occupations at EU level shows that female managers are at the greatest disadvantage compared to their male colleagues: they earn 23% less than their male colleagues.³⁰

In the long term, the prevailing opinion was that the main cause of pay inequalities is the fact that women and men work in different jobs and workplaces, i.e. that men perform better-paid professions, in workplaces with higher average wages. However, the comparative study "*Within-job gender pay inequality in 15 countries*"³¹, analysing this issue in 15 countries, points out that this is only part of the scope of the problem.

"The other half of the problem is the difference in earnings between women and men who do the same work in the same workplace. Unequal pay for equal work between women and men

29 EUROPEAN COMMISSION. The gender pay gap situation in the EU. Online. 2022. Available from: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_cs [cit. 2025-04-07].

30 EUROPEAN COMMISSION. The gender pay gap situation in the EU. Online. 2022. Available from: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_cs [cit. 2025-04-07].

31 PENNER, A.M., PETERSEN, T., HERMANSEN, A.S. et al. Within-job gender pay inequality in 15 countries. *Nat Hum Behav* 7, 184–189. Online. 2023. Available from: <https://www.nature.com/articles/s41562-022-01470-z> [cit. 2025-04-07].

*is still a very important cause of the gender pay gap, and this applies to all countries monitored."*³²

Alena Křížková, Institute of Sociology, Academy of Sciences of the Czech Republic

The findings of the study, in which the Institute of Sociology of the Czech Academy of Sciences participated, show that the average difference in annual earnings of women and men aged 30-55 working in the same position in the Czech Republic is 12%. This is about twice the difference than, for example, in France (6%), Denmark or Sweden (both 7%). The figures for the Czech Republic are comparable to the USA (13%)

and significantly more favourable than in Japan, where the gender pay gap for women and men working in the same position reached 23%, according to the study's findings.

According to the authors of the above-mentioned study, unequal pay for women and men in the Czech Republic is mainly related to:

- motherhood, or caring for small children, where the related career break in the Czech Republic is often significantly longer than in other countries
- unavailability of childcare facilities
- insufficient support for sharing parental care between partners
- gender stereotypes associated with motherhood, including the precarisation of mothers after returning to the labour market from parental leave.

These connections are indirectly pointed to by age-focused analyses for estimating gender pay inequalities throughout a lifetime (professional) career. This also applies to the aforementioned study "*Within-Job Gender Pay Inequality in 15 Countries*", which was specifically focused on the 30-55 age group. This allowed the authors to simulate the effect of parenthood on the gender

32 INSTITUTE OF SOCIOLOGY OF THE CZECH ACADEMY OF SCIENCES. Gender pay inequalities for equal work: a comparative study in 15 countries looks for causes and solutions. Online. 2022. Available from: <https://www.soc.cas.cz/cz/aktuality/tiskove-zpravy/aktualita-nerovnosti-mezi-muzi-zenami-v-odmenovani-za-stejnou-praci-srovnacni-studie-v-15-zemich> [cit. 2025-04-07].

pay gap. In seeking solutions to gender pay inequalities, the study recommends focusing on equity:

- Remuneration for equal work
- Recruitment
- Promotions at work
- in other processes of placing women and men in various positions in the labour market.

Lower pay levels for women compared to men mean that, on average, women have less money to save and invest. As a result, women are at greater risk of poverty and social exclusion as they age. For example, in the Czech Republic, women have long received old-age pensions 20 to 23% lower than men.³³ The difference has decreased significantly in 2023 thanks to a modification of the approach to the indexation of old-age pensions and, in particular, the introduction of the so-called "educational" allowance (an amount increasing the old-age pension for the child/children raised). In December 2023, men received an average old-age pension of CZK 21,610, while the average pension for women was CZK 2,515 lower.³⁴

As mentioned above, unequal pay for women and men in the Czech Republic is related, among other things, to a longer career break caused by motherhood, or care for small children, provided in the vast majority of cases by women. A long-term stay outside the labour market and limited opportunities to participate (at least partially) in this period has negative consequences for public budgets. A 2024 Mumdoos survey of nearly 10,417 parents caring for children under 4 years of age found that only 7% of them do not wish to work. The remaining 93% want to work in the labour market, but only 52% of this group actually work. Based on the survey data, the IDEA Institute (CERGE-EI) has carried out a simulation of the impact on public budget revenues if parents of children under 4 years of age (usually women) are involved in work to the extent they prefer. The income under consideration is additionally collected income taxes

³³ ČTK. ČSSZ: The difference in the amount of pensions between men and women has decreased from 20 to 13% since last year. Online. 2023. Available from: <https://www.ceskenoviny.cz/zpravy/2403124> [cit. 2025-04-07].

³⁴ CZECH STATISTICAL OFFICE. Social security for women and men. Online. 2024. Available from: <https://csu.gov.cz/socialni-zabezpeceni-zen-a-muzu?pocet=10&start=0&skupiny=30&razeni=-datumVydani> [cit. 2025-04-07].

and social security and health insurance contributions. The findings of the survey show that on average, women with children under 4 years of age would like to work 17 hours a week. A subgroup of women who were not working at the time of the survey would like to work 12 hours a week on average. According to IDEA simulations , the transition to a situation where mothers of children under 4 years of age work in the preferred range would bring more than CZK 10 billion a year to public budgets in total.³⁵

³⁵ MUMDOO. Report 2024. 2024. Online. Available from: <https://www.mumdoo.cz/report-flexibilni-prace> [cit. 2025-05-21].

6. Pay transparency

Laws to support transparent remuneration are not applied in 15 countries around the world.

Still, the impact of pay transparency is far greater than this figure might suggest. For example, there is no federal law on pay transparency in the US, yet as of 2018, 10 US states (e.g. Colorado, California, New York, Nevada and others) have introduced their own regulations

.³⁶ As Mercer pointed out, many global organizations with employees in multiple states can implement their transparency policies in states where it is not yet enacted.³⁷

The topic of transparent remuneration will become significantly more important in the Czech Republic in the coming years

, especially in connection with the incorporation of the European Union Directive on transparent remuneration into national legislation.

Pay transparency refers to a communication policy in the area of remuneration, where the employer (whether voluntarily or on the basis of existing legislation) provides employees with information regarding remuneration. This information can be of various natures:

- on the remuneration process (transparency of the process)
- on actual remuneration levels or ranges (transparency of results)
- an open policy for employees to freely share information about their remuneration (transparency of communication).³⁸

Gradually, more and more organizations are adopting pay transparency policies and practices.

Pay transparency is seen as a means to retain employees, reduce the gender pay gap, and foster an engaged, positive and trust-building work environment. Wage or salary transparency can

³⁶ MARFICE, Ch. Pay transparency laws: A state-by-state guide. Online. 2024. Available from: <https://www.rippling.com/blog/pay-transparency-laws-state-by-state-guide> [cit. 2025-04-10].

³⁷ MERCER. Pay transparency: The key to employee retention. 2024. Online. Available from: <https://www.imercer.com/articleinsights/pay-transparency-and-employee-retention> [cit. 2025-04-23].

³⁸ ARNOLD, A., FULMER, I. S., SENDER, A., ALLEN, D. G. Compensation and pay transparency practices in Switzerland: Survey report 2018. 2018. Online. Available from: https://www.researchgate.net/publication/322600300_Compensation_and_pay_transparency_practices_in_Switzerland_Survey_report_2018 [cit. 2025-04-22].

help achieve these goals. Pay transparency can be helpful for HR professionals in educating current employees how a given job salary range relates to their own remuneration and to a broader salary range. However, it should be borne in mind that the introduction of these principles also has its risks and may lead to originally unintended consequences.

6.1 Benefits of transparent remuneration

Potential benefits of pay transparency include:

- *Reducing inequality:* the contribution of transparent remuneration to the implementation of the principle of equality is considered to be its key benefit. Transparent pay systems allow employees to track, identify and address pay gaps. They can discourage employers from discriminatory or unjustified decisions on remuneration.
- *Increase motivation and performance:* Pay transparency can increase employee motivation by strengthening the link between pay and performance and showing employees the potential reward if their work leads to a promotion. With pay transparency, employees can have a stronger sense of being treated fairly by the organization, reduce reward dissatisfaction, and increase motivation to perform.
- *A sense of fairness:* Pay transparency is also related to perceptions of organizational fairness. Clear and transparent communication of the employer about payroll practices increases the perception of fairness in the organization by employees. In addition, confidence in making fair remuneration decisions has a positive effect on remuneration satisfaction. A stronger perception of organizational equity is associated with higher employee engagement and a sense of trust.
- *A more efficient labour market:* from an economic point of view, one of the benefits of pay transparency is increasing the efficiency of the labour market. Employers can hire new employees more efficiently (increasing the efficiency of the recruitment process) because they are able to eliminate salary negotiations. From the workers' perspective,

reducing the asymmetry of pay information increases labour market mobility as employees seek to optimise the remuneration they receive for their specific skills.³⁹

6.2. Risks and unintended consequences of pay transparency

The typically mentioned risks of introducing pay transparency include the following:

- *Employee morale, dissatisfaction and conflict:* The risk of pay transparency for employers is that once pay inequalities have been identified, employees may be less motivated, less willing to put in the effort and performance, and less satisfied with their wages/salaries. The number of workplace conflicts, expressions of envy, anger and the like may also increase. According to some authors⁴⁰, one of the drawbacks of pay transparency is that sharing information can backfire on employees and cause them to perceive the relationship between employer and employee as more transactional. This can further erode trust and motivation. Decreased employee morale and an increase in workplace conflicts can have an impact on productivity and costs in terms of managing time spent solving problems or advocating for employer procedures.
- *Performance:* according to some authors, pay transparency can negatively affect performance if it is difficult for employees to realistically evaluate their own performance. For example, a survey conducted by T. Zenger (2016) showed that 30% of employees believe that their work performance ranks among the top 5% of workers in the organization. The more efficient half of employees included 99% of those involved in the survey. When confronted with compensation information, such employees may

³⁹ STOFBERG, R., MABASO, C. M., BUSSIN, M. H. R. Employee responses to pay transparency. SA Journal of Industrial Psychology. 2022. Online. Available from: https://www.researchgate.net/publication/360814541_Employee_responses_to_pay_transparency [cit. 2025-04-22].

⁴⁰ BIRKINSHAW, J., CABLE, D. The dark side of transparency. McKinsey Quarterly, 2017(1), 1–6 Online. Available from: <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-dark-side-of-transparency> [cit. 2025-04-25].

struggle to reconcile their perception of fair pay with their own perception of performance.⁴¹

- *Employee privacy*: Another risk of pay transparency is that sharing information about remuneration can erode employee trust. Employees may feel that the organization is no longer protecting their privacy and is not treating their personal data with care. In this context, ethics experts emphasize that organizations have a duty to respect the privacy of employees and to handle information about them in a sensitive manner.
- *Disadvantage over competitors*: employers may lose some of their competitive advantage by disclosing pay information if they consider their remuneration strategies to be a distinguishing element of their competitiveness. It could also lead to greater mobility of the organization's workforce, as they would be aware of more lucrative opportunities elsewhere.⁴²

As regards the unexpected effects of the introduction of pay transparency, according to the study

*"Pay Transparency as a Moving Target"*⁴³, three forms can be defined in which they may manifest themselves:

- Reward compression
- negotiation of individualized remuneration
- Higher willingness of superiors to meet individual requirements

Reward Compression

Although pay transparency is usually introduced by a company-wide decision, the responsibility for justifying such differences in pay usually lies with the direct superiors of dissatisfied employees. It is the managers who communicate with employees

⁴¹ ZENGER, T. The case against pay transparency. Harvard Business Review Digital Articles. 2016. Online. Available from: <https://hbr.org/2016/09/the-case-against-pay-transparency> [cit. 2025-04-25].

⁴² STOFBERG, R., MABASO, C. M., BUSSIN, M. H. R. Employee responses to pay transparency. SA Journal of Industrial Psychology. 2022. Online. Available from: https://www.researchgate.net/publication/360814541_Employee_responses_to_pay_transparency [cit. 2025-04-25].

⁴³ LAM, L., CHENG, B.H., BAMBERGER, P., WONG, M. Pay Transparency as a Moving Target: A Multistep Model of Pay Compression, I-Deals, and Collectivist Shared Values. Academy of Management Journal, r. 66, No. 2. Online. 2023. Available from: <https://journals.aom.org/doi/10.5465/amj.2020.1831> [cit. 2025-04-22].

on a daily basis, deal with workers' requests for wage increases and generally bear the consequences of the introduction of a pay transparency policy, even though they often do not even have the opportunity to influence the employer's approach in this area.

In such a situation, the employees' direct supervisors take a self-protective approach. It is time-consuming

and mentally demanding for them to deal with employee complaints and their requests for wage increases. They prefer to approach the mutual convergence of performance-based incentives. This "compression" also entails

a reduction in the dispersion of pay, which is the cause of employees' concerns and complaints about pay inequality

. This approach can ultimately lead to an overall reduction in remuneration in the organization.

For example, when the state of California in the US made compensation for California city management more transparent in 2010, average bonuses fell by about 7% in 2012.

The decline occurred mainly at the level of senior employees, which indicates compensation compression.⁴⁴

Negotiation of individualized remuneration

Pay transparency encourages employees to negotiate individual remuneration.

The authors of the study, "*Pay Transparency as a Moving Target*," found that employees respond to the compensation compression caused by transparency by looking for alternative ways to get the reward they think they deserve. A reduction in the scope of bonuses means that the probability of receiving these bonuses in the form of a higher salary decreases. Therefore, employees are more likely to try to get other, less visible forms of rewards from their superiors. A survey of employers conducted as part of the study showed that after the introduction of the principle of pay transparency, employees were more likely to seek an individual agreement, such as additional training for career development or supplementary health benefits, collectively referred to as an "idiosyncratic agreement" ("*i-deal*"). Because they are individual, unique,

44 MAS, A. Does Transparency Lead to Pay Compression? The University of Chicago Press Journals. 125, No. 2. Online. Available from: <https://www.journals.uchicago.edu/doi/epdf/10.1086/693137> [cit. 2025-04-22].

and negotiated individually with superiors, idiosyncratic contracts are a viable way to compensate for perceived inequality with non-monetary means.⁴⁵

Higher willingness of supervisors to meet individual requirements

The study not only showed that the reduction in pay caused by transparency was likely to lead to employee requests for idiosyncratic agreements. It also showed that superiors were also more likely to accept such requests. By approving these requests, they succeed in:

- maintain or further increase team performance
- Reduce the risk of losing key talent due to remuneration dissatisfaction
- ensure that (despite pay transparency) this form of agreed remuneration remains out of focus.

The motivation of direct superiors is relatively straightforward. They are responsible for managing teams of workers, which includes motivating them and supporting their performance and satisfaction.

Using the example of the unforeseen consequences of introducing a pay transparency policy described above, the authors show that it can be a "moving target", where there is a shift of remuneration systems from what is visible (wage or salary) to what is unobservable (idiosyncratic agreements). This shift towards individually differentiated pay in the form of less visible benefits is particularly worrying when it comes at the expense of equal pay for women and men.

The research also pointed out the different impacts of corporate culture on pay transparency. It turns out that employers with a stronger collectivist work culture (employees prefer working together more than working alone) are more likely to monitor their co-workers intensively to make sure that more emphasis is really placed on the team than on the individual. In these firms,

⁴⁵ LAM, L., CHENG, B.H., BAMBERGER, P., WONG, M. Research: The Unintended Consequences of Pay Transparency. HBR. Online. 2022. Available from: <https://hbr.org/2022/08/research-the-unintended-consequences-of-pay-transparency> [cit. 2025-04-22].

wage/salary compression due to pay transparency is more likely to trigger employee requests for an "i-deal" and subsequent approval of these idiosyncratic agreements by the supervisor.

6.3. Employees' and employers' perceptions of pay transparency

Czech employers still have relatively large reserves in their systemic approach to monitoring gender pay equality.

A 2023 survey by HR Monitor (TREXIMA, spol. s r.o.) among less than three hundred employers showed that almost half of the companies deal with the issue of equal pay only marginally or not at all. Only 14% of employers surveyed have previously undergone an equal pay audit. At the same time, more than half of the respondents (53% of companies) declared that they do not plan such activity in the next year.⁴⁶

The results of an EY and Hays survey of 348 companies in the autumn of 2024 showed that two-thirds of employers in the Czech Republic do not monitor the gender pay gap. In the same survey, 95% of businesses said they had no problem with wage inequalities or saw no need to measure them. At the same time, 69% of the companies participating in the survey said that the gender pay gap in their organization is less than 5%.

The EY and Hays survey also included interviews with employees (480 respondents), which showed significantly higher dissatisfaction of women with their salary levels than male respondents. 11% of women and only 6% of men were very dissatisfied with their basic salary. 42% of the men surveyed were rather satisfied with their wages, but only 31% of women.⁴⁷

The EY and Hays survey also pointed out other differences in the perception of pay transparency by employers and employees. More than two-thirds of companies do not perceive any

⁴⁶ TREXIMA. More than half of employers do not plan to audit equal pay, although the directive has already been adopted. 2023. Online. Available from: <https://www.trexima.cz/vice-nez-polovina-zamestnavatelu-neplanuje-audit-rovneho-odmenovani-smernice-je-pritom-jiz-prijata/> [cit. 2025-04-23].

⁴⁷ EY. Employers do not see a problem in gender pay inequality, but employees do. 2025. Online. Available from: https://www.ey.com/cs_cz/newsroom/2025/03/zamestnavatele-nevidi-problem-v-nerovnosti-odmenovani-muzu-a-zen-zamestnanci-ano [cit. 2025-04-22].

advantages in the publication of remuneration. On the other hand, more than half (52%) of workers said that greater pay transparency makes sense. Companies see the risk of higher pressure on wage increases as the main obstacle to the introduction of this instrument. He also sees a potential reduction in competitiveness in the labour market as a problem. On the other hand, companies also admit some advantages, such as easier recruitment of new employees and better meeting of workers' expectations.

The results of Mercer's "*Inside Employees' Minds*"⁴⁸ survey support the general thesis that pay transparency helps employers retain employees. More than 4500 American workers participated in the 2023 survey. Employees who declare in the survey that they are paid fairly are 85% more engaged and 62% more loyal than those who do not have a sense of fair remuneration. When respondents felt they were being paid fairly, they were twice as likely to say that they understood how their employer determined their pay and that their supervisor provided them with information about their salary range. It turns out that when it comes to employee engagement and retention, pay transparency is quite important.

A survey conducted by Business.com on a sample of 1,000 full-time employees in private sector organizations came to similar conclusions.⁴⁹ The degree of openness of companies to remuneration publicity varies in a wide spectrum. The authors of the survey defined three basic levels of transparency. The least transparent are those companies that apply formal rules that prevent them from publishing employees' wages, even by the employees themselves (mandatory secrecy). This level of transparency can be identified in 6% of the companies where survey respondents work. The next level is the informal secrecy work environment, where employees are discouraged from sharing information about their remuneration with each other (16% of organizations where the interviewed employees work). Furthermore, there are

⁴⁸ MERCER. Pay transparency: The key to employee retention. Online. 2024. Available from: <https://www.imercer.com/articleinsights/pay-transparency-and-employee-retention> [cit. 2025-04-22].

⁴⁹ BROOKS, Ch. 37% of Employees Work for Companies With Pay Transparency. How Does This Practice Impact Worker Retention and Equity? 2024. Online. Available from: <https://www.business.com/articles/pay-transparency/> [cit. 2025-04-22].

companies on the market to varying degrees applying a pay transparency policy, either on the basis of legal requirements or voluntarily. This applies to 37% of employer respondents. Of these, 24% offer full internal transparency and allow employees to find out the salary range for all positions

in the company. The remaining 13% of employers went even further. They fully disclose their salary data, which means that it can be viewed and disseminated by job seekers, competitors, and anyone else.

Box 1:

Buffer as an example of a fully transparent employer

The American software company Buffer has been publishing data on its employees' wages since 2013. On the company's annual salary data page, data on each employee's remuneration is published, including his first name, location of work, department of the enterprise (team) and function (job position) as a reference point.

For those interested in information, there is a brief table with a basic overview, as well as detailed tables with additional information, such as what benchmarks are used for each employee or how their salary increases when changing grades/levels as a result of promotion.⁵⁰

If such an obligation is not stipulated by law, not all employers openly publish the salaries of their employees. Setting up a fair compensation system is a costly process that requires regular comparisons with the market, job evaluations (creating a job hierarchy with appropriate pay ranges), and compensation audits to ensure that all employees are compensated fairly.

⁵⁰ BUFFER. Banner salaries. Online. 2025. Available from: <https://buffer.com/salaries> [cit. 2025-04-22].

Transparency can also encourage class actions, where employees can challenge their employer in court for past decisions leading to unequal pay. In addition, companies may perceive it as a risk that competitors will know the level of remuneration of their experts.

According to Business.com findings, corporate payroll secrecy policies very often miss the mark. A total of 62% of survey participants who work in non-transparent companies declared that they had shared their salary data with their co-workers, found out data on the salaries of others, or both. These findings can have different impacts on employees. Some workers were indifferent to this data and declared that everyone earns according to what they deserve. Their relationships with their colleagues did not change even after they were able to compare their earnings with those of other employees of the company. On the other hand, other workers may be strongly affected by their findings. According to the authors, feelings of injustice and frustration are a natural side effect of finding the pay gap, especially when comparing wages to similar roles, length of experience or perceived level of benefit. Feeling unappreciated can have a significant impact on employee morale and job satisfaction.

There are other ways people access compensation data in their organization. Some workers use data as a catalyst for their professional growth and try to figure out what they need to do to increase their income. They analyse their contribution and value to employers, start looking for clear criteria for performance and remuneration and follow them more.⁵¹

According to Business.com, a corporate policy of transparent remuneration is more important for younger generations of employees and for women. Roughly two-thirds of Gen Z (18-27 year olds) and millennial (28-41 year olds) employees declared that they prefer to work for an employer that publishes compensation data. On the other hand, the generation born in the first twenty post-war years (bounded by the year of birth 1964) said the same in only 36% of cases. Employees from Generation X (born between 1965 and 1980) prefer such an employer by 47%. Of men, 52% prefer to work for a company with a transparent remuneration policy, but in the case of women, the share increases to 64%. Given that these groups of workers are most likely

⁵¹ BROOKS, Ch. 37% of Employees Work for Companies With Pay Transparency. How Does This Practice Impact Worker Retention and Equity? 2024. Online. Available from: <https://www.business.com/articles/pay-transparency/> [cit. 2025-04-22].

to be negatively affected by the pay gap, their greater interest in policies promoting equal pay is entirely rational.

Other responses from respondents to this survey also showed:

- 70% of respondents believe that pay transparency policies can reduce pay gaps between men and women (14% believe otherwise)
- A total of 58% of respondents would prefer to work for an employer with a transparent wage policy (19% of respondents expressed the opposite opinion)
- According to 58% of survey participants, companies without a transparent remuneration policy are likely to try to hide unfair remuneration methods (21% say the opposite)
- More than half of respondents (54%) believe that the obligation to publish information on remuneration should be stipulated by law (a quarter of respondents are of the opposite opinion)
- A total of 27% of survey participants believed that finding out the amount of remuneration of their co-workers would negatively affect their work motivation and job satisfaction (51% of respondents do not think so)
- According to 24% of respondents, the public availability of information on remuneration could affect their will to leave their employer (49% of respondents are of the opposite opinion).

When evaluating the impact of wage disclosure on work morale and job satisfaction, the employees surveyed were divided into two large groups. While less than half said this information did not affect their motivation or job satisfaction, another 43% disagreed that it would make them more competitive with their co-workers. However, for some groups of employees, overall pay transparency has the disadvantage that it reduces the bargaining power of individuals. If companies commit to achieving wage balance, this can lead to across-the-board wage reductions. In other words, when one employee tries to negotiate a higher salary for himself, his employer is likely to reject him in order to avoid an increase in pay for similar employees.

From the employers' point of view, there are undoubtedly interesting findings on the impact of corporate pay transparency policy on employee retention. In this respect, the findings of the survey are Business.com quite clear: only 8% of employees are considering leaving a company that applies full internal transparency of the salary range for all positions in the organization. On the other hand, a fifth (or even a quarter) of its employees plan to leave a company with a policy of formal or informal wage secrecy. At the same time, employers with full internal transparency boast exceptional job satisfaction among their employees: 71% of workers feel satisfied compared to 25% of employees working for employers with informal secrecy.⁵²

The survey also Business.com examined different potential strategies for employees if they come across job offers for similar positions that offer higher remuneration than their current one. The largest group of employees would consider leaving the organization if a better-paid opportunity presented itself, but they differ in their rationale for doing so. Some workers would see their current uncompetitive salary as a betrayal by their current employers, prompting them to look for positions that offer better pay. Others would choose to apply for an advertised position, seeing it as a means of financial and professional advancement. Another group of respondents would use the advertised position as a reference point for negotiating a higher salary with their current employer, especially if they were sure that they are valuable to the employer in their current position. For the smallest group of respondents, the prospect of a higher salary from another employer would not play a role. These are employees who are completely satisfied in their current job position.⁵³

⁵² BROOKS, Ch. 37% of Employees Work for Companies With Pay Transparency. How Does This Practice Impact Worker Retention and Equity? 2024. Online. Available from: <https://www.business.com/articles/pay-transparency/> [cit. 2025-04-22].

⁵³ BROOKS, Ch. 37% of Employees Work for Companies With Pay Transparency. How Does This Practice Impact Worker Retention and Equity? 2024. Online. Available from: <https://www.business.com/articles/pay-transparency/> [cit. 2025-04-22].

6.4. Gaps in understanding the concept of pay transparency

The results of some studies aimed at examining employees' views on pay transparency indicate that increased attention should be paid to carefully explaining the concept and principles of pay transparency. If people think of this term as something other than what it really means, they may come to incorrect conclusions and decisions, which can lead to misunderstandings and problems in communication.

For example, the "*Inside Employees' Minds*" survey pointed to a specific discrepancy, indicating a low awareness of employees about what pay transparency actually means. One of the significant results of this study was that 68% of employees say they know their salary range. The problem with this figure is that only 25% of US employers say they disclose the salary range – a big discrepancy. The survey showed that 61% of employees learn their salary range (or what they believe their salary range is) from job offers. However, the data provided in job vacancies are often irrelevant for the remuneration of the current employee. This shows that a large proportion of employees rely on irrelevant information to determine whether they are being paid fairly.⁵⁴

An effective way to identify any misunderstanding of the concept of pay transparency is to use qualitative research methods that provide more detailed and richer descriptions of how workers perceive pay transparency, and provide more nuance than can be obtained using quantitative methods.

A qualitative survey among employees of different companies, conducted by R. Stofberg et al. (2021)⁵⁵ using the method of individual interviews, came to the following findings:

⁵⁴ MERCER. Pay transparency: The key to employee retention. Online. 2024. Available from: <https://www.imercer.com/articleinsights/pay-transparency-and-employee-retention> [cit. 2025-04-22].

⁵⁵ STOFBERG, R., MABASO, C. M., BUSSIN, M. H. R. Employee responses to pay transparency. *SA Journal of Industrial Psychology*. 2022. Online. Available from: https://www.researchgate.net/publication/360814541_Employee_responses_to_pay_transparency [cit. 2025-04-25].

- Participants have very different understandings of pay transparency. On the one hand, there is a complete misunderstanding of this concept ("pay transparency means that I receive a regular paycheck"). In addition, a sophisticated understanding of the term also appeared, which corresponds to the definition of the term under investigation. This finding shows that employees do not have a unified understanding of what pay transparency means.
- Employees often relate the topic of pay transparency to their salary, benefits and salary increases and do not perceive them as an organizational policy in the area of wages.

For example, they consider the fact that the employer gives them a printed salary sheet or that they learn about the benefits provided by the potential employer during the selection process to be pay transparency. If they are satisfied with the availability of information about their salary and benefits, they are usually satisfied with the transparency of remuneration, because that is how they understand it.

- Most of the employees surveyed did not expect anything more or anything different from their employers in this area. As a rule, they considered their employer's rules to be standard, despite the fact that they worked for employers with varying degrees of pay transparency.
- If employees do not expect a more open remuneration policy, this may be partly due to the fact that some participants (especially younger employees) have low awareness of the concept of pay transparency and probably do not even know that a more open approach to remuneration is possible at all.
- While survey participants did not expect a more open approach, they expressed dissatisfaction with the way compensation is being communicated, especially wage increases, and had a strong feeling that there was room for improvement in this area.
- The respondents' answers to the interview about pay inequality could be divided into two basic areas in terms of content: concerns about pay inequality and reactions

to different or unequal pay. Concerns about pay inequality have largely focused on perceptions or examples of pay inequality in participants' organizations.

- Despite the often strong opinions on pay inequality, the opinion has repeatedly been expressed that pay differentiation (different pay for the same work) can be acceptable if valid reasons are given for it.
- During the interview about pay inequality, participants did not explicitly mention pay transparency as a tool to address this inequality. They may not have been aware of this possibility, but their low expectations of pay transparency by employers may have contributed to it.
- The interview revealed two benefits of transparent remuneration that have not yet been described in the professional literature. First, pay transparency created a sense of greater representation (expressed as a "voice" in the organization and a sense of some control over the situation) and value in respondents. Secondly, that transparency is inherently good and does not have to be tied to more tangible results.⁵⁶

⁵⁶ STOFBERG, R., MABASO, C. M., BUSSIN, M. H. R. Employee responses to pay transparency. *SA Journal of Industrial Psychology*. 2022. Online. Available from: https://www.researchgate.net/publication/360814541_Employee_responses_to_pay_transparency [cit. 2025-04-25].

7. Foreign examples of elimination of unequal pay

This chapter describes selected illustrative examples of practices in countries that have already introduced legislation to increase pay transparency. In the UK, there has been an obligation to report on pay broken down into women and men since 2017. In Canada, similar regulations have existed at the federal level since 2021, however, in provinces such as Ontario, the history of employer reporting on employee pay dates back to 1988.

7.1. Great Britain

Since 2017, *under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017*,⁵⁷ any employer in the UK who employs 250 or more employees on a given date must submit a gender pay gap report.⁵⁸

Workers counted in this way include:

- persons who have an employment contract with their employer, including where they work part-time, share a job or are on holiday.
- some self-employed persons if they have to do the work themselves;
This means that they may not subcontract any part of the work or employ their own employees to do it.
- Shareholders who receive wages or members of limited liability companies that the organization considers employees for payroll purposes.

For the purposes of the report, the total number of employees includes people, not the size of the workload. This means that one part-time worker is counted as 1 person, not as 0.5 workers.

⁵⁷ NATIONAL ARCHIVES. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Online. 2017. Available from: <https://www.legislation.gov.uk/ukdsi/2017/9780111152010> [cit. 2025-04-11].

⁵⁸ GOV.UK. Gender pay gap reporting: guidance for Employers - overview. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/overview> [cit. 2025-04-11].

Similarly, if two people share one job, they are counted as two people and the number of jobs they share (i.e. one) is not calculated.

Agency workers are not counted. They are included in their report on GPG by the agency that is their employer.

Employees on leave (medical, maternity, parental leave) can only be included in the GPG calculation if they receive full wage/salary. If they receive a reduced wage/salary in connection with their leave, they are only included in the number of employees, not in the GPG calculation.

If an organization is part of a group of enterprises and this group as a whole employs at least 250 employees according to the above rules, the GPG report is submitted for each separate legal entity of the group. In addition to these separate reports, the group may report and publish (I) aggregated data for the entire group, (II) other data in the description supplementing the published reports. Larger employers are advised to break down the calculations further, which can be useful, for example, if the organization operates in different sectors of the economy or if jobs, bonuses and bonuses are not easily comparable.

The British government offices provide employers with clearly prepared instructions on how to proceed in the preparation of the underlying data⁵⁹ and in the calculation of men's and women's pay⁶⁰ for the purposes of the GPG report. The report includes 6 sets of calculations:

- the percentage of men and women in each quartile with hourly wages.
- Mean (average) gender pay gap for hourly wages
- Median gender pay gap in hourly wages
- Percentage of men and women receiving bonus wages
- Mean (average) gender pay gap for bonus wages

⁵⁹ GOV.UK. Gender pay gap reporting: guidance for Employers – preparing your data. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/preparing-your-data> [cit. 2025-04-11].

⁶⁰ GOV.UK. Gender pay gap reporting: guidance for Employers – making your calculations. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/making-your-calculations> [cit. 2025-04-11].

- Median gender pay gap for bonus wages

The processed GPG data is transmitted by the employer via an interface established for these purposes.⁶¹ In addition, organizations must publish information on the pay of men and women on their website, or on the intranet or website of the parent company if the organization does not operate its own website. The employer must inform its employees where they can find the relevant information. The information must be available online for at least three years.

In addition, depending on the type of organization, you may need to submit:

- Written declaration of the veracity of the submitted data (not needed for public sector organizations
)
- Accompanying communication (in which the employer explains why GPG is present and what measures he has taken to analyse and resolve the situation)
- an action plan to eliminate GPG (employers can voluntarily publish their action plan on their website).⁶²

On the "*Gender pay gap service*" website,⁶³ data on the pay of men and women are publicly available. It is possible to search for data for economic sectors as well as for specific companies. The application also allows you to compare the values of individual companies with each other.

7.2. Canada

In Canada, there is a federal law to address the gender pay gap (Pay Equity Act, S.C. 2018, c. 27), since 2021.⁶⁴ The purpose of the law is to ensure, through specific steps and tools, that women

⁶¹ GOV.UK. Gender pay gap reporting: guidance for Employers – Report your gender pay gap data. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/report-your-gender-pay-gap-data> [cit. 2025-04-11].

⁶² GOV.UK. Gender pay gap reporting: guidance for Employers - overview. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/overview> [cit. 2025-04-11].

⁶³ GOV.UK. Gender pay gap service. Online. 2025. Available from: <https://gender-pay-gap.service.gov.uk/> [cit. 2025-04-11].

⁶⁴ GOVERNMENT OF CANADA. Justice Law Website. Pay Equity Act. Online. 2018. Available from: <https://laws-lois.justice.gc.ca/eng/acts/p-4.2/page-1.html> [cit. 2025-04-11].

and men working in the public sector and with federally regulated private employers receive equal pay for work of equal value. The law applies to employers with 10 or more employees.

However, at the provincial level, this area has been addressed for a long time, mainly because the gender pay gap is largely the responsibility of regional governments. For example, in the province of Ontario, the Equal Pay Act has been in force since 1988.⁶⁵

The system is set up to address inequalities preventively rather than subsequently (i.e. retrospectively). Among other things, this means that the responsibility for reducing pay inequality shifts

from employees (where it is up to them to fight for this right) to the province or state, and to the employer. That is, actors who have more capacity, possibilities and power to solve the problem. In addition to the principle of equal pay for equal work, more attention is now paid to the principle of equal pay for work of equal value.

Main Features of Equal Pay Regulations in Canada:

- The law applies to all employers of a certain size and in certain types of sectors. The law is gradually being amended to apply to organizations with fewer and fewer employees.
- By law, employers carry out statistical analyses of remuneration in the company within a set deadline.
- The legislation determines the parameters of the methodology that employers will use to achieve the specified results in the process of reducing GPG in the company/organization.
- Employee representatives must also be involved in the process of reducing GPG in a given company or organization, for example in the form of the establishment of an Equal Pay Committee.

Practice in Ontario has shown that legislation that facilitates and encourages collective bargaining has a positive role to play in promoting pay equality. The unions are continuously

⁶⁵ ONTARIO. E-laws. Equal Pay Act. R.S.O. 1990, No. P.7. Online. 2025. Available from: <https://www.ontario.ca/laws/statute/90p07> [cit. 2025-04-11].

involved in negotiations on equal pay. Ontario law prohibits employers or bargaining *agents* from accepting pay practices that, if adopted, would result in a violation of the equal pay requirement.⁶⁶

Equal pay plan

A key measure to reduce GPG for employers is the so-called "equal pay plan". The starting point for the implementation of the plans is a gender-neutral evaluation of occupations, based on criteria such as skills, effort, responsibility and working conditions. During the implementation of the plan, defined procedures are applied to reveal inequalities in pay between occupations usually performed by men and occupations in which women predominate. This process must first take place within a period of 3 to 5 years and is then repeated regularly once a year. The plan also includes

a description of how the organisation intends to achieve pay equalisation, including a timeframe for remedying if wage analysis finds pay inequalities in women (groups of occupations predominantly performed by women). The aim of the plan is to achieve and maintain equality in pay for men and women in employers.

Companies with up to 50 employees under the Federal Equal Pay Act are not required to create an equal pay plan (in Ontario, this applies to organizations with up to 10 employees). However, they are obliged to identify discriminatory pay gaps and correct them. This exemption is made to accommodate the more limited resources of small firms.

Institutional support

A network of supporting institutions is available within the federation and individual provinces of Canada.

⁶⁶ MAŘÍKOVÁ, H. Good Practice of Equal Pay – Canada. ISBN 978-80-7421-263-5. MPSV, Prague. Online. 2022. Available from: https://rovnaodmena.cz/wp-content/uploads/2023/08/dobra_praxe_kanada_publikace.pdf [cit. 2025-04-11].

This includes the Equal Pay Commission, which is composed of the Equal Pay Office and the Equal Pay Hearing Tribunal. The network also includes Commissioners for Equal Pay.

The purpose of these institutions is to:

- To promote the functioning of the Equal Pay Act
- provide information to the public, employers and employees
- to support and assist employers, trade unions and employees in implementing and fulfilling the equal pay plan according to the law
- Audit employers in the area of equal pay
- provide mediation of disputes in the field
- Enforce remedies, including fines for non-compliance with the relevant law.⁶⁷

Equal Pay Committee

Employers with more than 100 employees or trade union employees are required by law to establish Pay Equity Committees. The law defines requirements for the number of committee members representing employees and employers, representation of women in the committee, etc. Trade unions should appoint their representatives to the Equal Pay Committee. Non-unionized employees elect their representatives to the committee by secret ballot.

By law, the employer provides the committee members with the necessary training to create and implement an equal pay plan. The training should focus on the development of the technical skills of the committee members and on the ability to identify and eliminate discrimination. The employer provides information and promotes training so that the management and all employees understand the equal pay process and the equal pay plan. Time spent working in the Equal Pay Committee as well as on activities necessary to achieve equal pay is considered working time. If the employer

⁶⁷ MAŘÍKOVÁ, H. Good Practice of Equal Pay – Canada. ISBN 978-80-7421-263-5. MPSV, Prague. Online. 2022. Available from: https://rovnaodmena.cz/wp-content/uploads/2023/08/dobra_praxe_kanada_publikace.pdf [cit. 2025-04-11].

and employee representatives involved in the committee disagree on the development and implementation of an equal pay plan, they refer the dispute to the Canadian Pay Equity Commission to help the parties resolve the dispute. If this fails, the Commission will decide. Employees can appeal the committee's decision to the Equal Pay Commission of Canada if they believe that any part of the process is directed against them.

Legislative support for pay transparency

The first legislative norm in Canada aimed at increasing pay transparency is the Pay Transparency Act, which was adopted by the province of Ontario in 2018. Its key elements include:

- *Notification of the amount of wages/salaries in the job advertisement:* job advertisements must contain a tariff rate or a tariff range for wages/salaries.
- *It is forbidden to find out the amount of remuneration of previous employers* from job applicants.
- *Prohibition of penalizing employees interested in earnings information:* Employers may not discipline employees requesting information about earnings in their organization or company, nor may they be intimidated, dismissed, or otherwise penalized.
- *Complaints for violation of law:* if an employer violates any of the previous provisions, both job applicants and current employees can file a complaint with the Ontario Labor Relations Council.
- *Employer provision of information on earnings inequalities:* Employers with 100 or more employees monitor and publish data on earnings inequalities based on gender or other characteristics. Employers publish data on earnings at their own workplaces and report them to the relevant institution (the Ministry of Labour). The Ministry of Labor publishes employers' reports on transparency in earnings online.
- *Structure of the transparency reports:* the report provides basic information about the employer, the composition of the workforce in the organisation and the gender gap in employee earnings; it may also include other required information.

- *Competence of inspectors:* the law defines the powers and duties of inspectors supervising compliance, e.g. by conducting compliance audits.
- *Supporting employers and their responsibilities:* Under the so-called Employment Equality Legislative Programme, employers are provided with advice and guidance to assist them in completing their annual Employment Equality Reports. In addition, however, they are also obliged to record new wage or salary data and to include aggregated information on remuneration in their annual reports on employment equality in the following year.⁶⁸

⁶⁸ MAŘÍKOVÁ, H. Good Practice of Equal Pay – Canada. ISBN 978-80-7421-263-5. MPSV, Prague. Online. 2022. Available from: https://rovnaodmena.cz/wp-content/uploads/2023/08/dobra_praxe_kanada_publikace.pdf [cit. 2025-04-11].

8. Attitudes and activities of trade unions in the area of equal pay

Pay equality and transparency are key aspects of a fair working environment. Trade unions play an important role in this area, as their activities contribute to the promotion of these principles. Trade union activities in this area may include, for example, the promotion of equal pay through **collective bargaining, legal support and advocacy, education and awareness-raising**, as well as **monitoring and evaluation**.

This chapter describes examples of specific activities and outputs of trade unions abroad at various levels of activity, which can serve as inspiration for implementation in the Czech Republic.

8.1. Promoting equal pay through collective bargaining

Collective bargaining can ideally result in collective agreements with specific provisions on equal pay for work of equal value. The importance of a robust regulatory framework that addresses pay inequalities through collective bargaining is to create an environment that stimulates equality awareness within social dialogue. The collective bargaining regulatory framework ensures that employers take pay equality (or gender equality) seriously.

As Rubery (2014) states, *"if trade unions are present or companies have structured employee representation or are bound by collective agreements, the pay gap tends to be smaller than without these measures."*⁶⁹

⁶⁹ RUBERY, J., GRIMSHAW, D. The 40-year pursuit of equal pay: a case of constantly moving goalposts. 2014. Cambridge Journal of Economics, 39(2), 319-343.

For example, in 2022, the earnings ratio between female and union workers in the US was 89.6%, compared to 82.0% among women and men not covered by union agreements. Women covered by a union agreement earn an average of \$203 more per week than women who are not unionized, almost 22% more. The benefits of unionized employees are not just about remuneration. A survey by the Institute for Women's Policy Research (IWPR) showed that the same effect can be observed in the case of benefits provided by employers (e.g. pension savings or health insurance).⁷⁰

According to EPSU (European Federation of Public Service Unions), it is crucial for trade unions to first push through collective bargaining measures such as gender pay reporting, pay surveys and equal pay audits.⁷¹ With their help, it is possible to draw attention to the problem of equal pay for work of equal value. They are a necessary starting point for the development of further strategies.

A survey by ETUC (European Trade Union Confederation) showed that the follow-up strategies of trade unions in this area through collective bargaining are thematized as follows:

- Negotiations on additional wage increases for low-paid workers in predominantly female professions and/or flat wage increases
- Introduction of gender-neutral job classification systems
- promoting gender-neutral systems of job evaluation⁷²

⁷⁰ INSTITUTE FOR WOMEN'S POLICY RESEARCH. The Facts Are Clear: Unions Help Women Close the Pay Gap. 2023. Online. Available from: <https://iwpr.org/the-facts-are-clear-unions-help-women-close-the-pay-gap/> [cit. 2025-05-16].

⁷¹ EPSU. Pay Transparency and the Role of Gender Neutral Job Evaluation and Job Classification. 2021. Online. Available from: <https://www.epsu.org/article/pay-transparency-and-role-gender-neutral-job-evaluation-and-job-classification-public> [cit. 2025-05-16].

⁷² ETUC. New frontiers for collective bargaining. Building capacities to bargain in changing workplaces. ISBN:978-2-931229-00-2. 222. Online. Available from: https://www.etuc.org/sites/default/files/page/file/2022-12/New%20frontiers%20for%20collecting%20bargaining_report_Equal%20Pay_web.pdf [cit. 2025-05-16].

Negotiations on additional wage increases for low-paid workers in predominantly female professions and/or flat wage increases

Trade unions have focused on negotiating wage increases specifically for low-paid workers, for example, in Germany, Denmark and France. Since 2015, ETUC has been supporting its members in negotiating wage increases in the "5 Cs" sectors (*cleaning, catering, cashiering, caring and clerical work*)

in order to overcome occupational segregation, in particular to negotiate larger wage increases for lower-paid workers in female-dominated sectors".

Box 2:

Contributions to equality in the Nordic countries

In the Nordic countries (Denmark, Finland, Sweden), "equality budgets" have also been negotiated

to finance "equality contributions" that are distributed to women on top of the general wage increase (e.g. Denmark). The sectoral agreements in the 2012-2014 negotiations in Finland included a budget of 0.5% of total wage costs to reduce gender pay inequality. In Sweden, equality funds have also been negotiated since 2007, with the amount of the fund depending on the number of low-paid women in the sector.⁷³

Introduction of gender-neutral job classification systems

These systems build non-discriminatory systems of remuneration and grading in wage/salary groups so that different pay groups are treated equally and rationally. The aim of these systems is to introduce the concept of 'work of equal value', in particular by correcting the chronic undervaluation of tasks typically performed by women in existing job classifications.

⁷³ PILLINGER, J. Pay transparency and role of gender-neutral job evaluation and job classification in the public services. EPSU, ETUI. 2020. Online. Available from: https://www.epsu.org/sites/default/files/article/files/GP_Pay%20transparency%20and%20role%20of%20gender%20EPSU-ETUI%20report%20June%202021.pdf [cit. 2025-05-16].

Box 3:

Implementation of neutral job classification systems by trade unions

The Belgian confederations, together with the government, have developed gender-neutral criteria for job classification and guidelines on how to use these criteria when negotiating wage/salary scales. They included knowledge and qualifications, responsibility, type of tasks, and the nature of the work environment to determine what is meant by the same value.

In Spain, trade unions and employers' organisations have agreed on various tools to promote equal pay (wage recording tool and neutral job evaluation tool) in the framework of social dialogue. The Job Neutral Assessment Tool was adapted in April 2022 and focuses more consistently on the Equal Value Work dimension. It is a key tool for negotiation in gender equality planning committees and is expected to serve as a basis for collective bargaining in the setting of wage/salary scales.

The French trade unions CDT and CDTF have focused on equal pay for work of equal value by classifying female-dominated jobs with the aim of improving them. Their approach is based on the analysis of the definitions and evaluation of occupations used in occupational classifications.⁷⁴

Gender-neutral systems of work evaluation

Trade unions also promote gender-neutral systems of job evaluation, through the development and application of non-discriminatory work factors that aim to increase the value of work and pay for work performed predominantly by women.

74 ETUC. New frontiers for collective bargaining. Building capacities to bargain in changing workplaces. ISBN:978-2-931229-00-2. 222. Online. Available from: https://www.etuc.org/sites/default/files/page/file/2022-12/New%20frontiers%20for%20collecting%20bargaining_report_Equal%20Pay_web.pdf [cit. 2025-05-16].

Box 4:

Icelandic IEPS Standard

The Icelandic Equal Pay Standard (IEPS) is an example of the systematic integration of work evaluation as a tool for achieving equal pay for work of equal value in practice. It is considered one of the best examples from all over Europe. It is based on a certification system that verifies whether the equal pay system in a company or organization is fair and non-discriminatory. It includes both job evaluation and transparency of the performance reward system. It shifts the burden of proof to employers to ensure transparent systems for valuing different jobs. According to the Icelandic trade union confederation ASI, the measures introduced under IEPS (including the legal obligation to introduce gender-neutral job evaluation and reassess them if necessary) are essential to end the undervaluation of work that is predominantly performed by women.⁷⁵

8.2. Legal support and advocacy

Strategies for involving trade unions in litigation have proven to be very successful, for example, in the United Kingdom.⁷⁶ Elsewhere in Europe, trade unions are more likely to engage in collective bargaining, labour dispute resolution or advocacy for employees' interests. Trade unions are often discouraged from going to the courts by factors such as the high financial and emotional costs for plaintiffs and their trade union representatives, the risk of fragmentation of the movement associated with the exercise of individual rights, the necessary dependence on lawyers, and the feeling that the law provides only limited (individual) remedies.

⁷⁵ ETUC. New frontiers for collective bargaining. Building capacities to bargain in changing workplaces. ISBN:978-2-931229-00-2. 222. Online. Available from: https://www.etuc.org/sites/default/files/page/file/2022-12/New%20frontiers%20for%20collecting%20bargaining_report_Equal%20Pay_web.pdf [cit. 2025-05-16].

⁷⁶ GUILLAUME, C. Organizing Women: A Study of Gender Equality Policies in French and British Trade Unions. 2021. Bristol University Press. ISBN 978-1529213690.

Box 5:

Advocacy of pay transparency at European level

In March 2025, the European trade union confederation ETUC objected to Business Europe's lobbying aimed at limiting the effectiveness of the European directive on pay transparency. Business Europe is trying to get rid of the obligation for companies with 100 to 250 employees to report on the pay gap for their employees. According to an analysis by ETUC, companies in this category employ 10.4 million women, while in companies with a pay transparency policy, GPG is 10-20% lower than in other companies. A more conservative estimate of introducing pay transparency, which would reduce the gender pay gap by 10% (putting it at the lower end of available estimates), would reduce the pay gap from €2.76 per hour to €2.49 per hour, i.e. from €4,640 per year to €4,176. In total, the cost of excluding these workers from pay transparency would be €4.8 billion. Reducing the GPG by 15% would reduce the gap to €3,944 per year (i.e. €700 per year per woman and €7.2 billion in total). The ETUC has therefore called on the European Commission to firmly stand up for the current wording of the Pay Transparency Directive and not to back down from it. Instead, the Commission must oversee the full implementation of the directive and announce concrete follow-up actions in its forthcoming Women's Rights Plan.⁷⁷

8.3. Education and awareness

Trade union activities in this area can take the form of, for example:

- awareness-raising campaigns such as Equal Pay Day, which aim to inform and draw attention to the issue of fair pay
- Provision of training

⁷⁷ ETUC. Blocking transparency would cost women €4.8 billion. 2025. Online. Available from: <https://www.etuc.org/en/pressrelease/blocking-transparency-would-cost-women-eu48-billion-0> [cit. 2025-05-16].

- Creation of thematic guides and toolkits for trade union representatives
- Production of thematic studies

These measures have a different scope depending on whether they are aimed at the international, national, sectoral or company level, but always aim to reduce the pay gap for comparable work, in particular the gender pay gap. The implementation of measures at different levels also requires trade unions to take internal action to promote gender equality within trade union structures and policies. Below are some examples of trade union activities in the area of equal/transparent pay.

Box 6:

Awareness campaign on unequal pay – Hungary

Women in trade unions in a number of countries, including Hungary, have created networks of allies from public and political life to raise awareness of the GPG. They often did so in a relatively resistant environment. The Hungarian campaign worked with the visual element of a forint coin, from which the part corresponding to the Hungarian GPG was cut out, and with the slogan "Let's say NO to different wages together!"

"It was the biggest success of my life, because every day someone asked me for a leaflet. This campaign was unique because there has never been anything like it in the history of trade unions. When the Women's Committee decided to go to the streets to demonstrate, everyone was afraid of it." (Representative of the Women's Committee of the Hungarian Trade Union Confederation).⁷⁸

Other trade unions focus on producing detailed handbooks on pay equality and transparency for trade union representatives in companies.

⁷⁸ EPSU. Closing the gender pay gap: a policy guide. 2020. Online. Available from: https://www.epsu.org/sites/default/files/article/files/Guide_GPG_EN_0.pdf [cit. 2025-05-20].

Box 7:

Trade Union Handbook - Ireland

The Irish Congress of Trade Unions (ICTU) has produced a handbook for trade unions on reducing the gender pay gap and integrating it into collective bargaining. The handbook was created in connection with the introduction of the *Gender Pay Gap Information Act*, which has been in force in Ireland since 2022. The handbook explains the relevant concepts and the wage reporting process, the role of trade unions in the reporting process and in integrating equal pay into collective bargaining.⁷⁹

8.4. Monitoring attitudes towards pay transparency measures

Another activity of trade unions in this area is their own surveys of attitudes and awareness of the issue of equal (transparent) pay among employees and trade union representatives, or participation

in similar surveys carried out by third parties, which usually aim to map and compare the opinions of employee and employer representatives.

For example, in 2021, the International Labour Organization (ILO) conducted a survey of representative employers' and employees' organisations on pay transparency legislation. The survey was conducted in countries that already had pay transparency legislation in place at the time (Australia, Canada, Austria). Belgium, Chile, Denmark, Finland, France, Germany and Iceland). The survey provided a deeper understanding of how pay transparency measures are implemented in practice and how the effectiveness of pay transparency legislation is perceived by employees and employers in terms of promoting fair pay. The survey was complemented by qualitative interviews

⁷⁹ ICTU. Gender Pay Gap Reporting. Guidance for unions on closing the gender pay gap and bringing the issue into collective bargaining. 2022. Online. Available from: <https://www.ictu.ie/sites/default/files/users/user319/7952%20ICTU%20Gender%20Pay%20Gap.pdf> [cit. 2025-05-20].

with employers' and workers' organisations in order to better understand qualitative nuances that normally cannot be deciphered on the basis of statistical data.⁸⁰

Effective pay transparency measures targeting GPGs

In the survey, respondents were asked to identify the pay transparency measures they consider most effective in addressing the gender pay gap.

The responses of employee representatives showed that 54% of them consider "specific policies aimed at addressing identified pay gaps" to be most effective. Staff members have thus emphasised the need for a comprehensive approach in which increasing transparency is only part of or supporting the broader policy response. Salary audits, pay transparency reports and workers' right to request information on remuneration ranged between 10 and 16 percent of employee respondents' responses in the surveys. The most common response in the 'Other' category for workers' representatives was to strengthen compliance (for example, in the form of sanctions against companies that do not address gender inequalities).

Employers agreed with employees that the most effective GPG-focused pay transparency tool is specific policies aimed at addressing identified pay gaps. In the "Other" category, however, rather than sanctions, companies recommended that governments implement policies to address the gender imbalance in the types of jobs performed mostly by women and mostly by men.

According to a representative of the British industry confederation CBI, corporate reporting on the gender pay gap does not make sense unless it is complemented by an action plan to reduce the pay gap, for which employers are responsible. In the experience of the CBI representative, British employers were dissatisfied with the burden of launching GPG reporting. Later, however, employers began to see the positive aspects of reporting, such as increasing job seekers' satisfaction with the recruitment process.

80 INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

According to the French Democratic Confederation of Trade Unions (CFTD), more needs to be done to address the gender pay gap. For example, according to the CFTD, French pay transparency regulations do not apply to employees of small businesses. It is also necessary to evaluate the effectiveness of the measures and assess their impact in order to find out what really works in practice. The effectiveness of pay transparency measures could be increased by introducing an obligation to include gender equality in collective bargaining. Practical tools for employers that would make it easier to compare jobs across different sectors would also help to straighten out the situation.⁸¹

Impacts of pay transparency legislation

Employee representatives from countries where pay transparency legislation was applied at the time of the survey (2021) differed in their answers to the question of whether this legislation had led to a change in companies' wage policies. Employee respondents from Germany, Norway, Sweden and Switzerland confirmed that the introduction of pay transparency regulations has led to real changes in companies. By contrast, trade unions from countries such as Belgium, Denmark, France, Italy and the United Kingdom said that companies had not changed their policies in response to pay transparency legislation. The perceived effect of pay transparency varies across countries and depends on their legal systems. More than two-thirds of employers surveyed in Canada said they were not aware of any pay transparency law, even though the survey was conducted at the same time that the Canadian law came into force.

The majority of employers surveyed had a neutral view of the impact of pay transparency legislation. Most of them chose the option of "neither agree

⁸¹ INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

nor disagree". This suggests that employers had difficulties in relating the changes made exclusively to a single change in legislation.⁸²

Consultation between employee and employer representatives

Respondents were asked to what extent employers consult employee representatives on wage policy or measures related to gender equality. Workers' representatives from almost all countries said that they were "often" or "occasionally" consulted by employers on issues related to gender equality.

Employers gave a similar answer. All employers' representatives interviewed stated that employee representatives were 'sometimes' or 'often' consulted on issues relating to wage policy or measures related to gender equality.

Challenges for the implementation of pay transparency legislation

According to employee representatives, the biggest obstacles to the successful implementation of pay transparency include "cultural norms and the company's mindset", as well as the "role of management" and the "lack of a level playing field". Employee representatives were least likely to mention "additional administrative costs" and "cumbersome procedures", which were the problems most often mentioned by employers. Employers' representatives also cited "concerns about the privacy of employees". The topic of "cultural norms and societal mindset" was one of the areas that companies do not consider to be problem areas.

A completely different perception of the challenges to the implementation of pay transparency legislation means that, in order to be successful, this legislation will have to take into account a wide range of issues that are equally relevant to the problems faced by employers and workers.

⁸² INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

According to a representative of the Norwegian Employers' Confederation, companies have difficulties with the implementation of the regulations on transparent pay, associated with the requirement to categorize job positions and compare them with each other. This is not always easy, as there may be different types of jobs and different levels of seniority within each category. In addition, in order to improve the quality of pay transparency reports, the deadline for their regular submission could be extended from one to two years.

Possible support measures

The social partners have also identified possible measures to support the implementation of the obligations under the pay transparency legislation. Almost half of the employee representatives consider "improving relations with employers' representatives" to be the best measures in this area. On the other hand, employers most often cited measures such as "tax benefits to offset relevant costs" and "better information from the relevant authorities". For example, a representative of the largest confederation of Portuguese employers, CIP, reported that 99% of businesses in Portugal are micro-enterprises that have low awareness of pay transparency rules and very often ask for help to comply with the regulations. Simplifying the process, clarifying the obligations under the law and launching an educational campaign among stakeholders on pay transparency measures would help to improve the situation.⁸³

Equal pay in collective agreements

The vast majority of employee representatives in the survey said that in their country, collective agreements at least "occasionally" contain passages on equal pay for women and men. However, more than half of the respondents from the ranks of employees in Belgium, Italy and Norway have never encountered this personally. By contrast, the majority of respondents from Sweden and Austria said that gender wage clauses are a common part of their collective agreements.

⁸³ INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

8.5. Pay equality and transparency as an opportunity for trade unions

Pay equity and transparency are key topics in the current debate on working conditions and equity in the workplace. These principles not only contribute to a fairer working environment, but also represent a significant opportunity for trade unions, which can play a vital role in promoting these values.

By focusing on these issues, trade unions can not only improve working conditions for their members, but also strengthen their own position and influence within the labour market. In this way, trade unions can gain the support of a wider range of employees and strengthen their position as labour rights advocates. They can also contribute to creating a fairer and more inclusive working environment, which can have a positive impact on society as a whole.

According to the International Labour Organization⁸⁴, trade unions can play an important role in designing, implementing and improving pay transparency measures. Through social dialogue mechanisms, including collective bargaining, key points for workers can be addressed, such as focusing on pay discrimination, supporting inclusive wage-setting processes and promoting specific pay transparency measures. Workers' organisations are well placed to integrate equal pay into the collective bargaining process, to participate with employers' representatives in the preparation of pay transparency reports or pay audits, and in particular to monitor the implementation of pay transparency measures. They are also the first point of contact for employees who are dealing with gender pay gap issues or who want to get more information about their employers' wage or salary settings. Overall, active social partnership is key to achieving the results intended by legislative commitments and, above all, to eliminating pay discrimination in the world of work.

⁸⁴ INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

When it comes to the role of trade unions specifically in closing the gender pay gap (GPG), J. Pillinger, author of the Pay Equity Toolkit, recommends focusing her attention on the following 5 areas in which trade unions can be active in reducing pay inequalities

:

- Raising awareness of the gender pay gap, the causes of the gender pay gap and why it is a key issue for trade unions.
- Addressing the structural causes of the gender pay gap (e.g. the burden of women's caring responsibilities and the critical issue of undervaluing women's work and skills).
- Increasing pay transparency. Trade unions cannot negotiate the gender pay gap if they do not have data. Trade unions must look for data on the gender pay gap and develop negotiation strategies based on it.
- Addressing the problem of low-paid workers in the informal economy by developing minimum wage strategies in relation to a living wage, both in legislation and in negotiation strategies with employers and public authorities. Trade unions can define informal workers' rights to social protection and recognition for the work they do.
- Finding tools and structures to integrate the gender pay gap into the mainstream of trade union negotiations. Instead of gender pay inequality being a secondary issue of gender equality, the issue of equal pay for women and men should become one of the key issues for trade unions in collective bargaining on wages or salaries.⁸⁵

In order to successfully implement pay transparency processes in organizations, it is necessary to focus

on the following areas that are relevant from the point of view of trade unions:

- A clear and objective definition of the link between performance and remuneration. An objective system for measuring performance and/or remuneration should be put in place. The combination of performance indicators that clearly link performance to reward

⁸⁵ INDUSTRYALL. Pay Equity Toolkit. 5 steps for trade unions to close the gender pay gap. 2023., Online. Available from: <https://www.industrialunion.org/5-steps-for-trade-unions-to-close-the-gender-pay-gap> [cit. 2025-05-20].

(such as goals and key results), along with continuous monitoring, allows employees to better understand how their work relates to specific outcomes. Such a system also solves the managerial problem of (often subjective) assessment of the performance of individual employees during the evaluation periods, which is especially important for jobs with performance that is difficult to quantify.

- Provision of training to facilitate communication regarding remuneration. One of the problems with implementing pay transparency is that managers do not understand the company's compensation policy in detail. Yet they are the ones employees turn to with their questions.

As a result, they often fail to adequately communicate the basic processes of the compensation system. Another problem is the lack of appropriate communication channels for employees to express their views and requirements regarding the transparency policy, and the lack of resources to enable them to understand the remuneration system at all.

Without proper leadership training and information resources for employees, a transparent compensation system will only lead to further confusion.⁸⁶

⁸⁶ LAM, L., CHENG, B.H., BAMBERGER, P., WONG, M. Research: The Unintended Consequences of Pay Transparency. HBR. Online. 2022. Available from: <https://hbr.org/2022/08/research-the-unintended-consequences-of-pay-transparency> [cit. 2025-04-22].

References

ARNOLD, A., FULMER, I. S., SENDER, A., ALLEN, D. G. Compensation and pay transparency practices in Switzerland: Survey report 2018. 2018. Online. Available from: https://www.researchgate.net/publication/322600300_Compensation_and_pay_transparency_practices_in_Switzerland_Survey_report_2018 [cit. 2025-04-22].

AKHSP. Different wages according to location? The court says a clear no! Online. 2025. Available from: Different wages by location? The court says a clear NO! | HSP & Partners Law Firm [cit. 2025-04-10].

BIRKINSHAW, J., CABLE, D. The dark side of transparency. McKinsey Quarterly, 2017(1), 1–6 Online. Available from: <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-dark-side-of-transparency> [cit. 2025-04-25].

BROOKS, Ch. 37% of Employees Work for Companies With Pay Transparency. How Does This Practice Impact Worker Retention and Equity? 2024. Online. Available from: <https://www.business.com/articles/pay-transparency/> [cit. 2025-04-22].

BUFFER. Banner salaries. Online. 2025. Available from: <https://buffer.com/salaries> [cit. 2025-04-22].

CZECH REPUBLIC 2030. Strategic Framework Czech Republic 2030. Online. 2024. Available from: <https://www.cr2030.cz/udrzitelny-rozvoj-v-ceske-republice/strategicky-ramec-ceska-republika-2030> [cit. 2025-05-25].

CZECH STATISTICAL OFFICE. Social security for women and men. Online. 2024. Available from: <https://csu.gov.cz/socialni-zabezpeceni-zen-a-muzu?pocet=10&start=0&skupiny=30&razeni=-datumVydani> [cit. 2025-04-07].

ČTK. ČSSZ: The difference in the amount of pensions between men and women has decreased from 20 to 13% since last year. Online. 2023. Available from: <https://www.ceskenoviny.cz/zpravy/2403124> [cit. 2025-04-07].

EPSU. Closing the gender pay gap: a policy guide. 2020. Online. Available from: https://www.epsu.org/sites/default/files/article/files/Guide_GPG_EN_0.pdf [cit. 2025-05-20].

EPSU. Pay Transparency and the Role of Gender Neutral Job Evaluation and Job Classification. 2021. Online. Available from: <https://www.epsu.org/article/pay-transparency-and-role-gender-neutral-job-evaluation-and-job-classification-public> [cit. 2025-05-16].

ETUC. Blocking transparency would cost women €4.8 billion. 2025. Online. Available from: <https://www.etuc.org/en/pressrelease/blocking-transparency-would-cost-women-eu48-billion-0> [cit. 2025-05-16].

ETUC. New frontiers for collective bargaining. Building capacities to bargain in changing workplaces. ISBN:978-2-931229-00-2. 222. Online. Available from: https://www.etuc.org/sites/default/files/page/file/2022-12/New%20frontiers%20for%20collecting%20bargaining_report_Equal%20Pay_web.pdf [cit. 2025-05-16].

EUR-LEX. Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency. Online. 2014. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32014H0124&from=CS> [cit. 2025-05-25].

EUR-LEX. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A Union of Equality: Gender Equality Strategy 2020-2025. Online. 2025. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:52020DC0152&from=CS> [cit. 2025-05-25].

EUR-LEX. Directive 2006/54/EC of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. Online. 2006. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32006L0054> [cit. 2025-05-25].

EUR-LEX. Directive (EU) 2019/1158 of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. Online. 2019. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=CELEX:32019L1158> [cit. 2025-05-25].

EUR-LEX. Directive (EU) 2023/970 of the European Parliament and of the Council (Pay Transparency Directive). Online. 2023. Available from: <https://eur-lex.europa.eu/legal-content/cs/ALL/?uri=CELEX:32023L0970>. [cit. 2025-04-04].

EUR-LEX. Standards for equality bodies in the area of equal treatment and equal opportunities. Online. 2024. Available from: <https://eur-lex.europa.eu/legal-content/CS/TXT/HTML/?uri=LEGISSUM:4773290> [cit. 2025-05-25].

EUROSTAT. Gender pay gap in unadjusted form. Online. 2025. Available from: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en. [cit. 2025-04-04].

EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Gender_pay_gap_much_lower_for_young_employees [cit. 2025-04-07].

EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Highest_gender_pay_gap_in_financial_and_insurance_activities [cit. 2025-04-07].

EUROSTAT. Gender pay gap statistics. Online. 2025. Available from: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics#Gender_pay_gap_higher_in_the_private_sector [cit. 2025-04-07].

EUROPEAN COMMISSION. The gender pay gap situation in the EU. Online. 2022. Available from: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_cs [cit. 2025-04-07].

EUROPEAN PARLIAMENT. Understanding the gender pay gap: definition and causes. Online. 2025. Available from: <https://www.europarl.europa.eu/topics/cs/article/20200109STO69925/pochopeni-rozdiluv-odmenovani-zen-a-muzu-definice-a-priciny> [cit. 2025-04-10].

EY. Employers do not see a problem in gender pay inequality, but employees do. 2025. Online. Available from: https://www.ey.com/cs_cz/newsroom/2025/03/zamestnavatele-nevidi-problem-v-nerovnosti-odmenovani-muzu-a-zen-zamestnanci-ano [cit. 2025-04-22].

GOVERNMENT OF CANADA. Justice Law Website. Pay Equity Act. Online. 2018. Available from: <https://laws-lois.justice.gc.ca/eng/acts/p-4.2/page-1.html> [cit. 2025-04-11].

GOV.UK. Gender pay gap reporting: guidance for Employers – making your calculations. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/making-your-calculations> [cit. 2025-04-11].

GOV.UK. Gender pay gap reporting: guidance for Employers - overview. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/overview> [cit. 2025-04-11].

GOV.UK. Gender pay gap reporting: guidance for Employers – preparing your data. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/preparing-your-data> [cit. 2025-04-11].

GOV.UK. Gender pay gap reporting: guidance for Employers – Report your gender pay gap data. Online. 2024. Available from: <https://www.gov.uk/government/publications/gender-pay-gap-reporting-guidance-for-employers/report-your-gender-pay-gap-data> [cit. 2025-04-11].

GOV.UK. Gender pay gap service. Online. 2025. Available from: <https://gender-pay-gap.service.gov.uk/> [cit. 2025-04-11].

GUILLAUME, C. Organizing Women: A Study of Gender Equality Policies in French and British Trade Unions. 2021. Bristol University Press. ISBN 978-1529213690.

HUDOC. Decision on the merits: University Women of Europe (UWE) v. Czech Republic, Complaint No. 128/2016. Online. 2019. Available from: [https://hudoc.esc.coe.int/eng#{%22sort%22:\[%22escpublicationdate%20descending%22\],%22escdcidentifier%22:\[%22cc-128-2016-dmerits-en%22\]}](https://hudoc.esc.coe.int/eng#{%22sort%22:[%22escpublicationdate%20descending%22],%22escdcidentifier%22:[%22cc-128-2016-dmerits-en%22]}) [cit. 2025-05-25].

ICTU. Gender Pay Gap Reporting. Guidance for unions on closing the gender pay gap and bringing the issue into collective bargaining. 2022. Online. Available from: <https://www.ictu.ie/sites/default/files/users/user319/7952%20ICTU%20Gender%20Pay%20Gap.pdf> [cit. 2025-05-20].

INDUSTRYALL. Pay Equity Toolkit. 5 steps for trade unions to close the gender pay gap. 2023., Online. Available from: <https://www.industrialunion.org/5-steps-for-trade-unions-to-close-the-gender-pay-gap> [cit. 2025-05-20].

INSTITUTE FOR WOMEN S POLICY RESEARCH. The Facts Are Clear: Unions Help Women Close the Pay Gap. 2023. Online. Available from: <https://iwpr.org/the-facts-are-clear-unions-help-women-close-the-pay-gap/> [cit. 2025-05-16].

LAM, L., CHENG, B.H., BAMBERGER, P., WONG, M. Pay Transparency as a Moving Target: A Multistep Model of Pay Compression, I-Deals, and Collectivist Shared Values. *Academy of Management Journal*, r. 66, No. 2. Online. 2023. Available from: <https://journals.aom.org/doi/10.5465/amj.2020.1831> [cit. 2025-04-22].

LAM, L., CHENG, B.H., BAMBERGER, P., WONG, M. Research: The Unintended Consequences of Pay Transparency. *HBR*. Online. 2022. Available from: <https://hbr.org/2022/08/research-the-unintended-consequences-of-pay-transparency> [cit. 2025-04-22].

MARFICE, Ch. Pay transparency laws: A state-by-state guide. Online. 2024. Available from: <https://www.rippling.com/blog/pay-transparency-laws-state-by-state-guide> [cit. 2025-04-10].

MAŘÍKOVÁ, H. Good Practice of Equal Pay – Canada. ISBN 978-80-7421-263-5. MPSV, Prague. Online. 2022. Available from: https://rovnaodmena.cz/wp-content/uploads/2023/08/dobra_praxe_kanada_publikace.pdf [cit. 2025-04-11].

MAS, A. Does Transparency Lead to Pay Compression? *The University of Chicago Press Journals*. 125, No. 2. Online. Available from: <https://www.journals.uchicago.edu/doi/epdf/10.1086/693137> [cit. 2025-04-22].

MERCER. Pay transparency: The key to employee retention. 2024. Online. Available from: <https://www.imercer.com/articleinsights/pay-transparency-and-employee-retention> [cit. 2025-04-23].

INTERNATIONAL LABOUR ORGANIZATION. Pay transparency legislation: Implications for employers' and workers' organizations. ISBN 978-92-2-036916-6. Online. 2022. Available from: <https://www.ilo.org/publications/pay-transparency-legislation-implications-employers-and-workers> [cit. 2025-04-15].

MINISTRY OF LABOUR OF THE CZECH REPUBLIC. Gender Equal Pay Action Plan 2023-2026, Online. 2023. Available from: https://www.mpsv.cz/cms/documents/df9274b1-a9bb-968d-6d00-5417c3a839df/Akcni-plan_2023-2026.pdf [cit. 2025-05-25].

MINISTRY OF LABOUR OF THE CZECH REPUBLIC. Family Policy Strategy 2024-2030. Online. 2023. Available from: <https://www.mpsv.cz/nova-strategie-rodinne-politiky-se-zameruje-na-potreby-rodin-v-jednotlivych-zivotnich-fazich-a-specifickych-situacich> [cit. 2025-05-25].

MUMDOO. Report 2024. 2024. Online. Available from: <https://www.mumdoo.cz/report-flexibilni-prace> [cit. 2025-05-21].

NATIONAL ARCHIVES. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Online. 2017. Available from: <https://www.legislation.gov.uk/ukdsi/2017/9780111152010> [cit. 2025-04-11].

OBROVSKÁ, Lucie; TOMŠEJ, Jakub and HODICKÁ, Kateřina. Equal earnings for the same work - How to do it from the employer's point of view. Online. Ministry of Labour and Social Affairs, 2022. ISBN ISBN 978-80-7421-256-7. Available from: https://rovnaodmena.cz/wp-content/uploads/2022/05/2_Za-stejnou-praci-stejny-vydelek_zamestnavael_168x240_nahled-dvojstrany.pdf. [cit. 2025-04-04].

ONTARIO. E-laws. Equal Pay Act. R.S.O. 1990, No. P.7. Online. 2025. Available from: <https://www.ontario.ca/laws/statute/90p07> [cit. 2025-04-11].

PENNER, A.M., PETERSEN, T., HERMANSEN, A.S. et al. Within-job gender pay inequality in 15 countries. *Nat Hum Behav* 7, 184–189. Online. 2023. Available from: <https://www.nature.com/articles/s41562-022-01470-z> [cit. 2025-04-07].

PILLINGER, J. Pay transparency and role of gender-neutral job evaluation and job classification in the public services. EPSU, ETUI. 2020. Online. Available from: https://www.epsu.org/sites/default/files/article/files/GP_Pay%20transparency%20and%20role%20of%20gender%20EPSU-ETUI%20report%20June%202021.pdf [cit. 2025-05-16].

EQUAL PAY. New data comparing the Gender Pay Gap indicator in the EU: How do individual countries compare? Online. 2025. Available from: <https://rovnaodmena.cz/nova-data-srovnani-ukazatele-gender-pay-gap-v-eu-jak-si-stoji-jednotlive-staty/> [cit. 2025-04-07].

RUBERY, J., GRIMSHAW, D. The 40-year pursuit of equal pay: a case of constantly moving goalposts. 2014. *Cambridge Journal of Economics*, 39(2), 319-343.

INSTITUTE OF SOCIOLOGY OF THE CZECH ACADEMY OF SCIENCES. Gender pay inequalities for equal work: a comparative study in 15 countries looks for causes and solutions. Online. 2022. Available from: <https://www.soc.cas.cz/cz/aktuality/tiskove-zpravy/aktualita-nerovnosti-mezi-muzi-zenami-v-odmenovani-za-stejnou-praci-srovnanci-studie-v-15-zemich> [cit. 2025-04-07].

COURT OF JUSTICE OF THE EU. The principle of equal pay for men and women for 'equal work' and for 'work of equal value', enshrined in EU law, can be applied directly in disputes between individuals. Online.

2021. Available from: <https://curia.europa.eu/jcms/upload/docs/application/pdf/2021-06/cp210095cs.pdf> [cit. 2025-04-07].

STOFBERG, R., MABASO, C. M., BUSSIN, M. H. R. Employee responses to pay transparency. SA Journal of Industrial Psychology. 2022. Online. Available from: https://www.researchgate.net/publication/360814541_Employee_responses_to_pay_transparency [cit. 2025-04-22].

TREXIMA. More than half of employers do not plan to audit equal pay, although the directive has already been adopted. 2023. Online. Available from: <https://www.trexima.cz/vice-nez-polovina-zamestnavatelu-neplanuje-audit-rovneho-odmenovani-smernice-je-pritom-jiz-prijata/> [cit. 2025-04-23].

OFFICE OF THE GOVERNMENT OF THE CZECH REPUBLIC. Gender Equality Strategy 2021-2030. Online. 2021. Available from: https://vlada.gov.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf [cit. 2025-05-25].

GOVERNMENT OF THE CZECH REPUBLIC. Government Policy Statement (March 2023 version). Online. 2023. Available from: <https://www.vlada.cz/assets/media-centrum/dulezite-dokumenty/programove-prohlaseni-vlady-CR.pdf> [cit. 2025-05-25].

ZENGER, T. The case against pay transparency. Harvard Business Review Digital Articles. 2016. Online. Available from: <https://hbr.org/2016/09/the-case-against-pay-transparency> [cit. 2025-04-25].

List of tables

Table 1: Unadjusted gender pay gap (EU, 2023)

Table 2: Unadjusted gender pay gap (%), development in the Czech Republic and the EU, 2011–
2023

Table 3: Unadjusted gender pay gap by age (%), EU, 2023

Table 4: Unadjusted gender pay gap by economic activity (%), EU, 2023

Table 5: Unadjusted gender pay gap by type of economic control (%), EU, 2023

Annex I: Overview of examples of good trade union practice abroad

Overview of examples of good practice of trade union activities at the national level in Europe in the field of equal pay.⁸⁷

Good practice 1

Country: Austria

Sector: Textile industry

Type of good practice: Collective agreement

Signatories: PRO-GE; PRO-GE trade union of the Association of Employers in the Textiles, Clothing, Leather and Footwear Industries. Subsector: Textiles

Date: April 2020

Key elements:

- National collective agreement for workers in the textile industry
- It aims to increase minimum wages in the industry, which predominantly employs women
- Employees are classified by the employer in consultation with the works council, placing each worker into one of six predefined job categories
- The classification process includes a summary of the tasks performed, the level of (vocational) education attained (where applicable) and the degree of autonomy and responsibility (is specified)
- Classification shall not result in different classification or remuneration for identical activities or activities of equal value within the meaning of the Equal Treatment Act, which are predominantly performed by men or women.

Good practice 2

Country: Austria

⁸⁷ ETUC. New frontiers for collective bargaining. Building capacities to bargain in changing workplaces. ISBN:978-2-931229-00-2. 222. Online. Available from: https://www.etuc.org/sites/default/files/page/file/2022-12/New%20frontiers%20for%20collecting%20bargaining_report_Equal%20Pay_web.pdf [cit. 2025-05-16].

Sector: Textile industry/laundries (industrial laundries)

Type of good practice: Collective agreement

Signatories: PRO-GE

Date: 01/07/2022 (duration: 12 months)

Key elements:

- Increase in collectively agreed minimum wages by 5.4% The new minimum wage is thus €1,607.30
- 5.1% increase in current wages
- 5.4% increase in apprentices' fees
- 4.75% increase in allowances and bonuses
- December 24 as a paid holiday.

Good practice 3

Country: Belgium

Sector: Cross-sectoral

Type of good practice: Awareness-raising

Signatories: ABVV-FGTB

Date: since 2005

Key elements:

- Belgium's oldest Equal Pay Day awareness-raising campaign, held on 25 March (since 2005)
- Various brochures and tools have been developed over the years as part of this campaign. Examples include an online awareness test to determine whether an activity aimed at equal pay is needed in a sector or at a specific employer, or an online calculator for identifying GPG.

Good practice 4

Country: Belgium

Sector: Cross-sectoral

Type of good practice: Tool

Signatories: ACV-CSC

Date: 2019

Key elements:

- A work tool for gender equality in the workplace and within trade unions, including aspects of equal pay
- The tool is structured along 5 areas of activity. Each action point is accompanied by a list of questions and guidelines designed to help workers and trade unions address problems.

Good practice 5

Country: Belgium

Sector: Cross-sectoral

Type of good practice: Lobbying

Signatories: ACV-CSC + ABVV-FGTB

Date: 2021

Key elements:

- Intervention at the Senate Equal Opportunities Advisory Committee on 4 January 2021
- The intervention addressed the causes and measures related to the gender pay gap.

Good practice 6

Country: Denmark

Sector: Industry, production

Type of good practice: Collective agreement

Signatories: Central Organisation of Industrial Employees in Denmark (CO-industri, trade union); Confederation of Danish Industry (employer)

Date: 1 June 2020

Key elements:

- It is the largest sectoral collective agreement in Denmark: the collective agreement for industrial employees from 2020 to 2023.
- The signatories established their own Equal Pay Council.
- The sectoral agreement contains a special protocol on equal pay and pay for work of equal value: 'Annex 27 Protocol on the implementation of the Consolidation Act on Equal Pay between Men and Women'.
- All employers are required to provide men and women with equal pay, including equal pay components and pay conditions, for equal work or work of equal value.
- Especially in cases where a system of professional qualifications is used to determine pay, the system must be based on the same criteria for male and female employees and must be designed to eliminate gender-based discrimination.

- The value of work is assessed based on a general evaluation of the relevant qualification requirements and other relevant factors.
- An employee whose pay is lower than that of others in violation of point 1 is entitled to the gap compensation.
- Employers with at least 35 employees must annually compile gender-disaggregated wage statistics for groups of at least 10 people of each gender, calculated using a six-digit DISCO code, for the purpose of consulting and informing employees about pay gaps between men and women within the company.
- The Council may impose a fine in the event of a breach of the rule regarding the preparation of gender-equal pay statistics or the equal pay report or in case of exceptional circumstances.

Good practice 7

Country: Denmark

Sector: Cross-sectoral & public services

Type of good practice: Funding campaign

Signatories: Forbundet af Offentligt Ansatte (FOA)

Date: 2018

Key elements:

- A special fund was established to address the gender pay gap to balance pay in female-dominated jobs.
- One of the strategies adopted by public service unions is to negotiate additional percentage or flat-rate pay increases for low-paid and female-dominated jobs and sectors.
- An attempt to address the link between work, undervaluation and gender pay inequality was introduced in 2018 by Danish public sector trade unions within the state sector and local government.
- It resulted into the allocation of 85 million Danish kroner (approx. €11.5 million) to implement pay increases in female-dominated jobs in the public sector.

Good practice 8

Country: Denmark

Sector: Cross-sectoral

Type of good practice: Lobbying

Signatories: 51 public service unions

Date: 2021-2022

Key elements:

- The collective agreement for the state sector and local government provided for a special-purpose fund for equal pay (the fund amounted to 56 million DKK / approx. €7.5 million in local government as of 1 April 2022).
- However, trade unions argue that this is still insufficient for solving the problem of undervaluation of work in female-dominated jobs and sectors.
- The Equal Pay Alliance, composed of 51 public service unions, called on the government to conduct tripartite negotiations.
- Pay transparency and the role of gender-neutral job evaluation and classification in public services are emphasized as key to eliminate GPG, including negotiating a much larger equal pay fund to improve pay in female-dominated sectors in the future.

Good practice 9

Country: France

Sector: Air transport

Type of good practice: Clause in a collective agreement

Signatories: CGT, CFE-CGC, CFDT, CGT-FO, UNSA (trade unions); SOCIETE AIR FRANCE (employer)

Date: 2014

Key elements:

- The clause in the 'Agreement on Professional Equality between Women and Men in the Air Transport Sector' states:
- In line with gender equality principles, companies must ensure fairness in access to employment, training, promotion, pay and working conditions, adhering to the provisions of the Labour Code. The principle of equal treatment of employees performing equal work or work of equal value must be ensured under the conditions set out in the Labour Code and this national collective agreement for air transport, without prejudice to future legislative or regulatory provisions. Trade unions and companies must strive to take the objective of professional equality between women and men into account during mandatory negotiations under Articles L 132-12 and L 132-27 of the Labour Code.'

Good practice 10

Country: France

Sector: Air transport

Type of good practice: Collective agreement

Signatories: CGT, CFE-CGC, CFDT, CGT-FO, UNSA (trade unions); SOCIETE AIR FRANCE (employer)

Date: 9 March 2018

Key elements:

- The 'Agreement on Professional Equality between Women and Men, 1 January 2018-31 March 2021' with Air France describes in detail the indicators for measuring inequalities and finding solutions.
- Article 3 concerns equal pay (3.3 is focused on monitoring comparable pay and 3.4 on methods for analysing and addressing any gender pay gaps).
- Any significant remaining gaps identified may be subject to corrective action, in line with agreed principles, with relevant employees being informed individually.
- The Monitoring Committee for this Agreement, to be established in the first half of the year, will be informed of all corrective actions taken.

Good practice 11

Country: France

Sector: Finance (La Caisse d'Epargne Côte d'Azur (La CECAZ)

Type of good practice: Collective agreement

Signatories: La SNE-CGC; la SNP- FO, le SU-UNSA (trade unions); la CECAZ (employer)

Date: July 2018

Key elements:

- Comparisons of pay gaps must be made between equivalent positions as defined by Article L3221-4 of the Labour Code, i.e. a comparable set of professional skills established by title, diploma or professional experience, competencies acquired through experience and responsibility.
- Pay level and job classification at the time of hiring is the same for men and women in equal reference jobs. Only the level of education attained, professional experience, and responsibilities already exercised may be taken into account to explain any gaps.
- Commitment to make an inventory of pay gaps —annually, taking into account the development of pay of men and women by positions, classification and length of experience, including experience in the position and academic qualifications, in accordance with the comparison provisions set out in Article L3221-4 of the Labour Code.
- Depending on the results, a specific budget for correcting the identified situation will be discussed annually with trade unions.
- Pay adjustment after returning from maternity leave or adoption.

Good practice 12

Country: France

Sector: Agriculture / poultry farms

Type of good practice: Collective agreement

Signatories: FGTA FO; FGA CFDTs (trade unions); FIA, CNADEV (employers).

Date: 27 June 2019

Key elements:

- The National Collective Agreement for the Poultry Industry introduces the 'Agreement of 27 June 2019 on Quality of Work Life and Professional Equality between Women and Men'.
- The Agreement establishes the following obligations:
 - to analyse actual wages by classification and gender, broken down by type of contract (if applicable) and by average hourly rate;
 - based on the 2018 analysis, to define and implement measures to eliminate the gender pay gap as part of company-level pay negotiations to achieve the goal of equal pay for men and women for equal work or work of equal value by 31 December 2020 at the latest;
 - for each professional category of the company, a diagnosis and analysis of the situation of women and men is carried out in the following areas:
 - recruitment, training, career development, qualifications, classification, working conditions, occupational safety and health, effective pay and work-life balance;
 - pay and career development gaps by age, qualifications and length of experience;
 - development of an appropriate level of promotion by profession, measures taken during the past year to ensure professional equality;
 - progress targets for the upcoming year and related indicators.

Good practice 13

Country: France

Sector: Social services

Type of good practice: Collective agreement

Signatories: CFDT; CGC; CFTC (trade unions), FO; L'UDES (employer)

Date: 27 November 2015

Key elements:

- The Collective Agreement of 27 November 2015 on Professional Equality between Women and Men in the Social and Solidarity Economy refers in Article 5.2 to 'Review of Classifications and Equal Pay'.

- It states that 'the evaluation criteria used to define different job positions must be analysed to identify and adjust those that may lead to gender discrimination and to ensure that the skills of all employees are taken into account'.
- It provides for the obligation to implement specific training on this area, with support from the Professional Equality Council, targeted at sectoral and enterprise-level negotiators. These negotiators will also be able to rely on a methodological guide prepared by a joint working group established under Article 19 of the French National Assembly of 19 June 2013.

Good practice 14

Country: Germany

Sector: Metalworking and electrical engineering

Type of good practice: Collective agreement

Signatories: IG Metall (trade union); Gesamtmetall (employer)

Date: 2003-2022

Key elements:

- In 2003, the IG Metall union and employers' associations (Gesamtmetall) created, within the framework of the *Entgelt-Rahmenabkommen* (ERA) initiative, a set of rules for the metalworking and electrical engineering industry that abolished the traditional distinction between blue-collar and white-collar workers and standardized their pay.
- ERA promotes transparency in pay structure and greater fairness. This is because pay is activity-based. All employees are assigned to a pay group according to the same rules. This means: equal pay for comparable work tasks in development, production and administration. Framework agreements describe job characteristics for each pay group and the criteria for the relevant classification.

Good practice 15

Country: Iceland

Sector: Trade

Type of good practice: Collective agreement

Signatories: VR/LÍV trade unions and the Icelandic Federation of Trade (FA)

Date: 1 April 2019

Key elements:

The 'Collective Agreement between VR/LÍV and the Icelandic Federation of Trade Unions (FA) valid from 1 April 2019 to 1 November 2022 / Protocol 2011 – Equal Rights Issues' includes the following:

- Equal opportunities for men and women in work, career growth and pay are of major concern for employees and companies.
- Thus, the parties will cooperate on the following issues during the term of the Agreement:
 - Finalizing the preparation of a standard on the application of equal opportunities for both genders in work and professional development. Working on the standards in cooperation with Standards Iceland (Staðlaráð Íslands) and the Ministry of Social Affairs. The goal is to publish the standard before the Agreement expires.
 - Working, together with Statistics Iceland, on a study of male and female pay formation based on the organization's database, with the aim to conduct one study during the term of the Agreement.
 - Preparing, during the term of the Agreement, promotional and educational materials for employees and companies on equal rights in the labour market.

Good practice 16

Country: Iceland

Type of good practice: Collective agreement

Signatories: VR/LÍV trade unions and the Icelandic Federation of Trade (FA)

Date: 1 April 2019 to 1 November 2022

Key elements:

Section 1.3. Wages

- c. In determining wages between employer and employee, wages must reflect the employee's work contribution, abilities, education and skills, as well as the nature of the work and responsibilities. When deciding on wages, the law on gender equality is taken into account.
- f. If it is considered that there is a significant discrepancy in the total amount of wages of groups of employees working in comparable companies under comparable conditions, both parties are entitled to refer the matter to the Wage Committee.
- h. Wages shall be determined in accordance with the objectives set out in equal pay laws.
- i. The parties agreed that in cases where the association sees grounds to initiate an equal pay investigation, a workplace investigation may be conducted with the participation of both associations prior to the actual negotiations.

Good practice 17

Country: Italy

Sector: Education, transport and more

Type of good practice: Awareness-raising

Signatories: UIL

Date: 2021

Key elements:

- Awareness-raising events within the European Equal Pay Day (10 October)
- UIL branches prepare specific infographics to raise awareness of equal pay in specific industries (e.g. UILtransporti for the transport sector).

Good practice 18

Country: Italy

Sector: Transport

Type of good practice: Agreement

Signatories: CGIL, CISL, UIL

Date: 2021

Key elements:

- The European Social Partner Agreement on Women in Rail was signed on 5 November 2021, after more than three years of negotiations.
- Italian trade unions participated through their affiliation with the EFTW and are now ready to monitor implementation of the Agreement.
- The Agreement includes a policy area referring to equal pay and gender pay gaps, stating that the right to equal pay for men and women for equal work or work of equal value must be applied.
- To this end, it sets the following obligations for companies: (1) to review their pay policy and include anti-discrimination and equality aspects in the assessment; (2) to assess and compare the value of work based on objective criteria such as education, training, skills, effort, responsibility, work performed and the nature of the tasks, in order to prevent or identify and address potential gender-based pay discrimination.

Good practice 19

Country: Italy

Sector: Cross-sectoral

Type of good practice: Awareness-raising

Signatories: NUMBER

Date: 2021

Key elements:

- CISL supported the ETUC's #EqualPayNeedsTradeUnions campaign in various ways, primarily by urging and lobbying the government to support the related European directive.
- Support for equal pay was carried out in various creative ways, such as organizing and publishing a flash mob.

Good practice 20

Country: Italy

Sector: Cross-sectoral

Type of good practice: Training

Signatories: CGIL

Date: 2021-2022

Key elements:

- CGIL organized gender bargaining training for delegates (both on-site and online), aiming to provide knowledge and skills to strengthen gender bargaining and prevent the conscious or unconscious introduction of elements that ultimately disadvantage female workers in terms of wages, job opportunities and career growth.
- The course is based on several modules that focus on:
 - identifying and challenging gender stereotypes
 - the pros and cons of the concepts of 'competence' and 'merit'
 - gender bargaining: analysis of examples and best practices
 - discrimination against female-dominated jobs: lack of social recognition and low economic value (e.g. the care sector).

Good practice 21

Country: Latvia

Sector: Cross-sectoral

Type of good practice: Trade union Committee of Active Women

Signatories: FTUCL (LBAS)

Date: since 2012

Key elements:

- The LBAS Committee on Gender Equality has been operating within the trade union since 2012 and has been consistently involved in awareness-raising activities in the area of gender equality and equal pay for women and men.
- It meets regularly, at least four times a year, and discusses urgent national and EU opinions and legislative proposals to support gender equality.
- It organizes study visits to various companies and institutions twice a year to meet with employers and trade union members in their workplaces and, among other things, gather information on equal opportunities for male and female employees. For example, to AS Dzintars, LU Botāniskais dārzs, LNOB and others.
- The Committee organized a seminar for trade union activists titled 'Gender Equality – Challenges and Gaps' (2017).

Good practice 22

Country: Latvia

Sector: Cross-sectoral

Type of good practice: Report

Signatories: FTUCL (LBAS)

Date: 2017

Key elements:

- All stakeholders were sent the 'Gender Equality Roadmap for Trade Unions' (2017), aimed at improving awareness and collective bargaining, with a special focus on gender equality.
- It includes important information on equal pay, gender pay gaps, work-life balance and how trade unions can promote equal pay through collective bargaining.

Good practice 23

Country: Poland

Sector: Public sector

Type of good practice: Collective agreement clause

Signatories: NSZZ Solidarność (trade unions), local employers and the city of Jaworzno

Date: 2020-2022

Key elements:

- This clause is included in the collective agreement of the pilot project titled 'Social Dialogue Systems for Decent Work in the Public Sector at Local Government Level'. The project is implemented by NSZZ Solidarność in cooperation with the Association of Polish Cities and Norwegian partners: the Norwegian Union of Municipal and General Employees (Fagforbundet) and the Norwegian Association of Local and Regional Authorities (KS).
- The clause states: 'The parties shall make every effort to ensure transparent pay principles, respecting the importance of the standard expressed in the Labour Code, which states that employees have the right to equal pay for equal work or work of equal value.'

Good practice 24

Country: Poland

Sector: Cross-sectoral

Type of good practice: Lobbying

Signatories: OPZZ

Date: 2021

Key elements:

- The trade union sent several letters to MEPs and Polish ministers asking them to support actions on equal pay.
- The lobbying action was part of a broader campaign that included several days of an information campaign or a speech before the Polish Parliament in June 2021.

Good practice 25

Country: Poland

Sector: Cross-sectoral

Type of good practice: Training

Signatories: OPZZ & NSZZ Solidarność

Date: 2020, 2021

Key elements:

- The trade unions prepared a series of workshops, seminars and other educational events on equal opportunities and equal pay (2020; 2021).
- Some were organized by women's committees within the trade unions.

Good practice 26

Country: Spain

Sector: Cross-sectoral

Type of good practice: Tool

Signatories: trade unions (UGT & CCOO), Spanish government, employers' organisations

Date: 2021, 2022

Key elements:

- As part of the social dialogue, the stakeholders agreed on various tools to promote equal pay: (1) a payroll tool; (2) a neutral job evaluation tool. As part of the social dialogue, the parties agreed on various tools to support equal pay: (1) a wage data collection tool; (2) a neutral job evaluation tool.
- A tool for recording and systematizing remuneration data in a company is used to identify inequalities in remuneration in an organization. The wage recording and data systematization tool helps identify pay inequalities within an organization. It is accompanied by additional documents: (1) a guide to using the tool; (2) an example file; (3) a FAQ document regarding pay and the tool.
- The Neutral Job Evaluation Tool was adopted in April 2022. It focuses more thoroughly on the dimension of work of equal value:
 - In companies that have equality plans, it is necessary to conduct a payroll audit. The process of job evaluation with regard to gender makes it possible to objectively assess job requirements based on the actual content of the work performed.
 - This tool is essential for equality plan negotiations and can serve as a basis for collective bargaining committees when setting wage grids.

- Trade unions have launched training on the tool for all those involved in negotiations, aiming to encourage its use and support progress in improving job evaluations, ultimately helping to eliminate pay gaps.

Good practice 27

Country: Spain

Sector: Examples of various sectors

Type of good practice: Clauses of collective agreements

Signatories: CCOO, UGT

Date: 2018, 2021

Key elements:

- 'In the same job or in a job assigned equal value, any direct or indirect gender-based discrimination in all pay components and conditions shall be eliminated' (Article 80.5 of the national and sectoral collective agreement for canned vegetables).
- 'To effectively contribute to the implementation and development of the principle of non-discrimination and equal working conditions in jobs of equal value, positive measures must be developed, especially in the areas of recruitment, wages, training [...]' (Article 18 of the national sectoral collective agreement for the chemical industry). Article 115 concerns job evaluation and pay and states that the classification of occupational groups included in the collective agreement was developed with a view to 'proper implementation of the principle of equal pay for work of equal value.'