



WITA GPG project (With innovative tools against gender pay gap)



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GPG clauses in collective agreements, including summaries of the discussions in the trade unions

Report

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Summary of the discussions in trade unions

Social partners' further sensibilisation, creation of usable tools and measures to identify, monitor and fight GPG, promotion of training and creation of training materials at company level is a must to reach results in decreasing GPG.

During the preparatory phase several good practices from EU countries and clauses from collective agreements were collected. Following the discussions with employees' and employers' representatives in three countries – Hungary, Spain and the Netherlands – the clauses presented hereafter could be identified with the largest potential for wider use, taking into account that countries have their own labour laws regulating the working and employment conditions under which such clauses have to be implemented.

Some lessons were learned during the discussions that were part of the program, which are also presented in the following pages, as they overall seem most important in reducing the GPG.

The need to and difficulties in identifying GPG at the workplace

One of the most difficult things is how to assess and recognize GPG at the shop floor. The majority of trade unionists, participants of the seminars, were well aware of GPG at macro level, some even heard about GPG-characteristics at the sectoral level, but there was a lack of knowledge about GPG at his/her own company. Some even held the opinion – and not only employers - that there is no GPG at his/her workplace at all (see seminar in Doorn). GPG may be a problem at the national level or in some sectors, but it is not their problem. Furthermore, we could hardly find a man and a woman doing the same job under the same conditions and background, which would have allowed us to compare their pay.

The discussions showed an almost general ignorance when it comes to the precise meaning of the notion "work of equal value", as well as the importance of looking beyond the need of "equal pay for equal work" to "equal pay for work of equal value". The next important step is how to define and compare these types of "work of equal value". It appears that job classification is not easy and takes the input of professionals. Very often Gender Pay Gaps are (still) rooted in classification and job evaluation systems, and not necessarily the result of bad intentions (see HR participant's opinion in the Hungarian seminar).

The lack of wage transparency at the workplace level, the reigning practice of confidentiality, stands in the way of knowing the wage of colleagues which is needed to do any comparison at all.

These problems are general, as they were encountered in all countries and in every environment where the WITA-GPG seminars took place. The importance of clauses in collective agreements on



wage transparency and on applying proper and fair methods of job classification and evaluation proved to be a priority!

Yet, we did find some good practices, like a clause on wage monitoring with the explicit aim to discover gender pay gaps, to be carried out at regular intervals (annually, biannually, etc. depending on the negotiators' agreement).

A related demand is that such regular GPG monitoring must be carried out jointly by the trade union and HR management and professionals. The company must guarantee time and training for trade union representatives to be able to take part in this regular monitoring process. The employer must review the system of wage categories and job descriptions which it applies to trace and eliminate the discriminating aspects.

These aims and practices are strongly supported by the European Commission. During all events in all countries we pointed out the existence and the need to implement Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency. According to this crucial recommendation – which tackles one of the most important aspects in fighting GPG - EU countries have to stimulate social partners to take steps towards a transparent composition and structure of wages. These measures must include at least one of the following measures with respect to the right of employees to be informed: regular reporting on pay (in a company with a staff up to 50 persons); pay audit (with a staff between 50 and 250 persons); reporting on the proportion of women and man in each category of employee or position; analysis of the job evaluation; the classification system used; detailed information on pay and pay differentials on grounds of gender and/or use collective bargaining to reduce GPG (include in the collective agreement the issue of equal pay and pay audits at the appropriate level of collective bargaining). These audits should be made available to workers' representatives and social partners on request.

Parental leave as working time

It became obvious that there is a must that

- during parental leave the working mother shares in all pay rises and promotions on the job
- during parental leave the working mother profits from increments in (non- monetary) emoluments
- the leave period is counted as work for the calculation of yearly bonuses
- the leave period is counted as work for promotion to the next level or job category
- the leave period counts as work for the calculation of employment years in the company

In several countries the law stipulates that parental leave should be considered not as a hiatus in the employment relation, but as continuity, including all rights and obligations. The social partners taking part in collective bargaining should be well aware of the possibilities given by their national labour law and regulations.

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Knowledge of legal regulations

In the local discussions of WITA-GPG one of the important lessons was that the trade union representatives taking part in the collective agreement are not aware even of existing rights included in the labour law and regulations, or their knowledge is not precise. WageIndicator can help to overcome this shortcoming as it features a section on labour law and regulations in different countries on its national websites, free to consult. (<http://www.wageindicator.org/main/labour-laws/labour-law-around-the-world>). Interested parties can learn the most actual information on relevant issues on those web pages. Up to date knowledge is important input.

There was no consensus among participants in the debates whether or not it is necessary to include (even if it means repeating) in the collective agreement rights provided by the law and legal regulations. In most countries the law allows to conclude collective agreements with better regulations, which are more favourable for employees than what the law stipulates. Some participants were of the opinion that only in this case it is justified to include the given topic in the collective agreement, it makes no sense to include a topic if it only repeats the prevailing law or regulation. Other participants were of opinion that the workers do not know the law and it is not bad to repeat their main rights in the collective agreement as well in a concise way.

Question of financial coverage to correct the GPG

The social partners (representatives of employees and employers) can agree - when trying to mend a gender pay gap – how the company would/could financially cover the (wage) correction. There are several options. When choosing an option it is important – also from the part of employees' representatives - to take into consideration the actual situation and profitability of the company. It is much easier to make the management accept a solution if the company is doing fine and its net profit is growing. But even a company in less favourable circumstances should be able to face and correct GPG. Some items would be relatively easy to implement, i.e. to include in the collective agreement, as they don't mean any extra cost for the employers. Here one might consider measures which promote gender equality and at the same time raise productivity and/or work intensity, leading to a net profit increase. Measures to decrease stress at workplace are a case in point.

A structural measure found is that a certain percentage (or a lump sum) of the total wage cost is allocated to diminish the pay inequality between men and women. A good practice found is that in case of regular (annual, biannual, etc.) pay increases, reducing the GPG are taken into consideration as a matter of principle, alongside other factors.

In yet another attempt the company may allocate individual increases to deliberately reduce unwarranted gender pay gaps and to promote equal pay for equal work and/or equal pay for work of equal value. Such pay increases are allocated at least yearly/two yearly/ X yearly (depending on the

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possibilities of the company and strength of the trade union negotiators), on the basis of comparing skill levels, individual professionalism, the position and responsibilities in the company, seniority, education and training, the job category, the working conditions, the difficulty and complexity of the work.

The clauses may also require a proactive attitude of the company, expressed in the creation of a separate budget to finance the decrease of GPG at the company from.

Full-time, part-time

Equal treatment of full-time and part-time workers appeared with different intensity in the debates, depending on the country. In the Netherlands, with many part-timers, this issue proved to have priority, whereas in Hungary not, as there are only few part-timers.

In countries where the percentage of part-timers is high and first of all among women, the equality of full-time and part-time workers must be guaranteed. We could find clauses requiring special monitoring for part-timers to ensure that they are treated equal to those in full-time employment.

Action plans – equality strategies

By including (some of) the varying elements mentioned above, action plans can be created for implementation by companies. This may even lead to the good practice of company strategies tackling the problem on a broad front: i.e. equal promotion, wage, working conditions, health and safety, parental or care giver's roles with specific regard to the interests of women, senior workers, workers with disabilities, lonely parents and parents with two or more children under 10 years of age.



Main lessons on the basis of the discussions

Lesson 1:

GPG varies from company to company. Therefore it is important to monitor GPG company by company.

Lesson 2:

Difficulties to identify GPG at company level. It is much easier to speak and deal on the national or sectoral level GPG than at the company level. The recognition and the identification of the problem at company level require not only transparency but also professionalism. In this HR can assist (see discussions in the seminars in Hungary). Wage transparency at the company level, proper job description, a classification and concrete job evaluation system need to be applied.

Lesson 3:

There are countries still where it is highly needed to promote the implementation of European Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency. Implementation thus far is highly uneven. In the meeting in Spain we could see the government tool elaborated for self-assessment. Meanwhile in Hungary implementation of the Recommendation is not even on the agenda yet and the trade unionists were informed on the existence of this Recommendation only through the WITA-GPG seminars. We therefore diagnose that there are big differences in how seriously the issue is taken by social partners and governments.

Lesson 4:

Not every trade unionist taking part in collective negotiations knows the most recent, relevant labour regulations. They need an easily accessible and understandable tool to help them in this regard. Here the use of the WageIndicator legal section could be promoted.

Lesson 5:

Sensibilisation on the GPG issue must be put squarely on the agenda. It is not self-evident everywhere and in each circle that it is a problem - even amongst trade unionists (as evidenced by the Doorn-seminar).

Lesson 6:

Further training of trade unionists taking part in collective negotiations is indispensable to acquire in-depth knowledge on (HR) topics like job evaluation, job classification, etc. They have to be able to evaluate the existing systems in the company from the point of view of (gender) equality. They must be able to interpret pay audits, pay monitoring, wage reports, etc.

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Lesson 7:

The cooperation of HR and trade unionists is valuable and needed to promote the issue of reducing GPG. Frequently HR is sensitive because the majority of HR-professionals are women.

Lesson 8:

The inclusion of a female negotiator into the bargaining can promote the issue of gender equality (GPG) during the process and in the resulting collective agreement.

Lesson 9:

In the three countries involved in the project the level of tackling the problem is very different. For example in Spain the tool for auto-diagnostics of GPG at the company level has been already elaborated and other several good practices (for example the practices of Banco Sabadell or Mutualia), could be presented. It is advisable to translate and use (disseminate) these tools in the other countries too.

Lesson 10:

The gender based pay gap is not the only unjustified pay gap. There are several pay gaps which also must be tackled: i.e. the regional pay gap in the same country or the EU-level pay gaps as the wage harmonisation among EU countries does not seem to go forward (see reports on the Hungarian seminars). The further postponing of the issue of EU-level wage harmonisation will soon result in professional labour shortage in low pay level countries.

Lesson 11:

Full implementation of minimum wage systems means reducing the GPG amongst low paid (low educated) workers.





Best GPG clauses for collective agreements given the discussions

The person in the parental leave is entitled to pay progression implemented in the company during the time of the parental leave. (Austria)
The time in parental leave should be taken into consideration in case of classification in a wage group. (Austria)
The time in parental leave should be taken into consideration in case of service anniversary bonus payments. (Austria, trade, telecommunications, IT sector and the milk industry)
..... % of total wage costs should be allocated to diminish pay inequality between men and women. (Finland, sectoral agreement by the Union of <i>Church Professionals</i> within <i>Akava</i>)
To discover gender pay gap a) annual/biannual/....X annual analysis of pay (monitoring) is to be carried out; b) action plan has to be established for the implementation of corrective measures of wage differentials c) budget for equal pay has to be created. (France, FO)
Pursuing to reduce gender wage gap and promote the equal pay for equal work and/or equal pay for work of equal value, the company allocates individual increases. Pay increases are allocated at least yearly/two yearly/.....yearly in terms of testing the skill level, the individual professionalism, the position in employment, the seniority, the training, the job category, the working conditions, the difficulty and complexity of the work. (France, FO)
The equality of full-time and part-time workers must be guaranteed. Special monitoring must be applied for part-timers to ensure they are equal to those in full-time employment. (France, FO)
The regular GPG monitoring must be carried out jointly by the trade union and HR. The company must guarantee time and training for trade union representatives to be able to take part in the regular monitoring process. (France, FO)
The employer must review the system of wage categories and job description which is applied in the company to eliminate the discriminative elements. (Hungary, Railway Workers Equality Plan)
The employer – to reach gender equality – has to apply specific criteria in case of gender in minority in the company (positive discrimination) during the selection and hiring, continuous training and wage progress.



The company prepares a plan (strategy) of equality, tackling the equal promotion, wage, working conditions, health and safety, parental or care giver's role with specific view to the interests of women, senior workers, workers with disabilities, lonely parents and parents with two or more children under 10 years of age.