



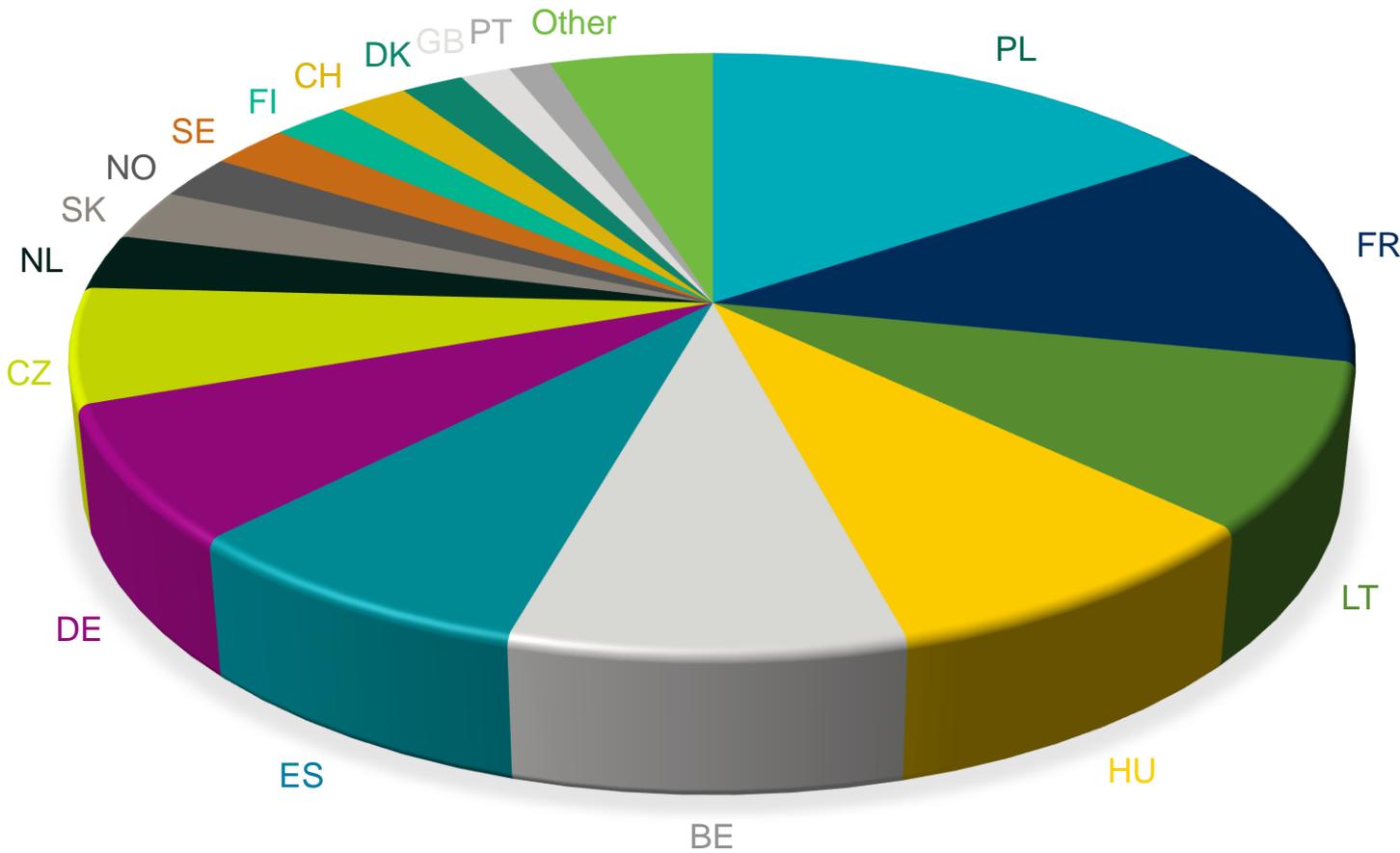
TRANSPARENCY SURVEY

EMEA RESULTS 2024

24 SEPTEMBER



COUNTRIES COVERED BY THE SURVEY



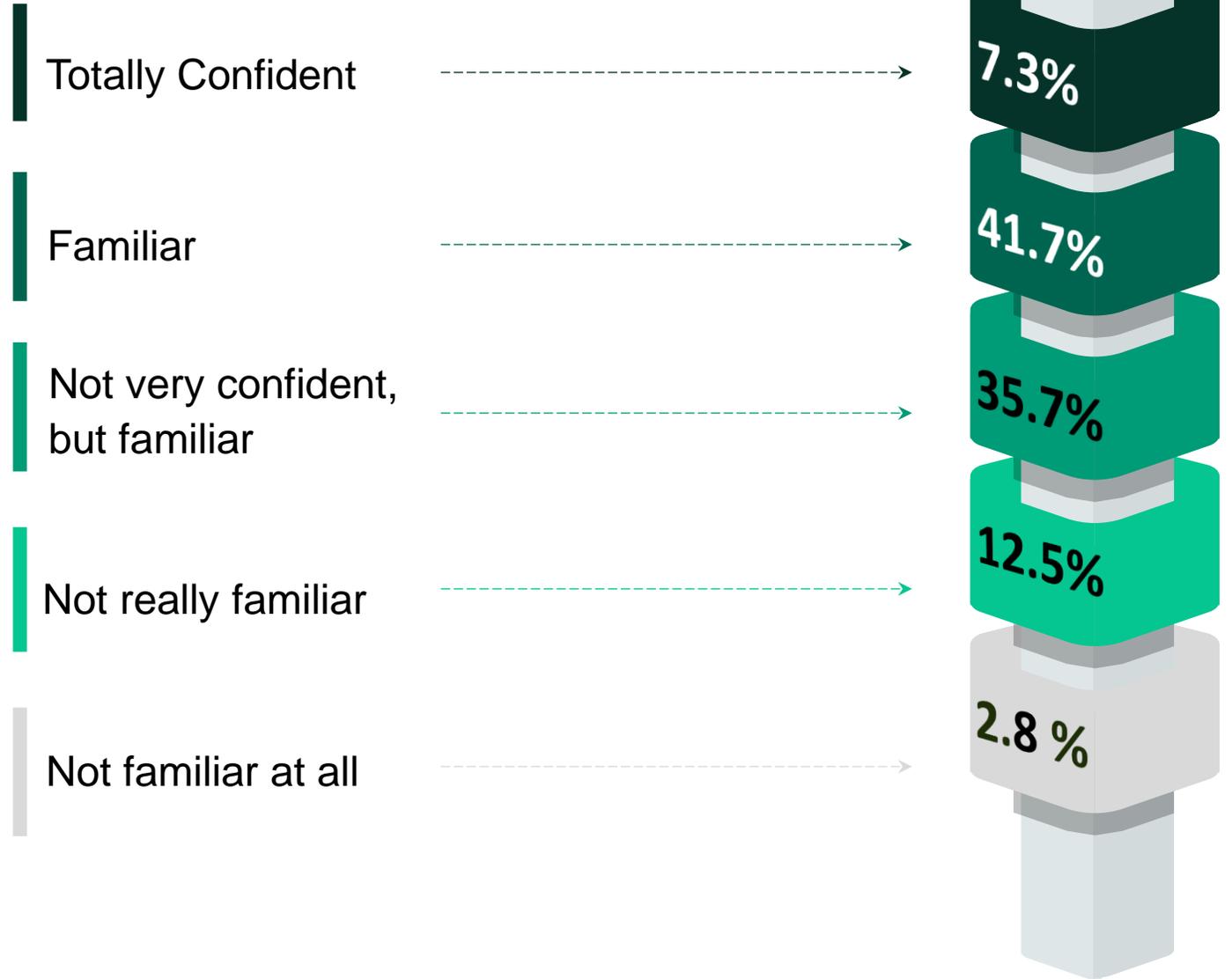
EXECUTIVE SUMMARY

- ✓ **85%** of the companies are aware of the EU Pay Transparency Directive, while only **10%** feel prepared
- ✓ Nearly **72%** believe the Directive will have implications for their organization
- ✓ **More than half** of the respondents believe that organizational transformation will be required for sustaining an equal pay culture in the long-term
- ✓ **Less than a half** of the respondents are clear about which factors can be considered gender-neutral to explain pay gaps
- ✓ **More than half** of the respondents consider establishing equal pay arrangements beyond the EU zone and across the entire organization
- ✓ Nearly **30%** of the companies plan to implement full transparency of salary bands and grades
- ✓ **87%** of the respondents see **market driven pay** as key for pay equity

KORN FERRY RESULTS



1. HOW FAMILIAR ARE YOU WITH THE REQUIREMENTS OF THE EU PAY TRANSPARENCY DIRECTIVE?



43.3% Plan to have a common transparency approach, but policy is modified for certain locations as needed

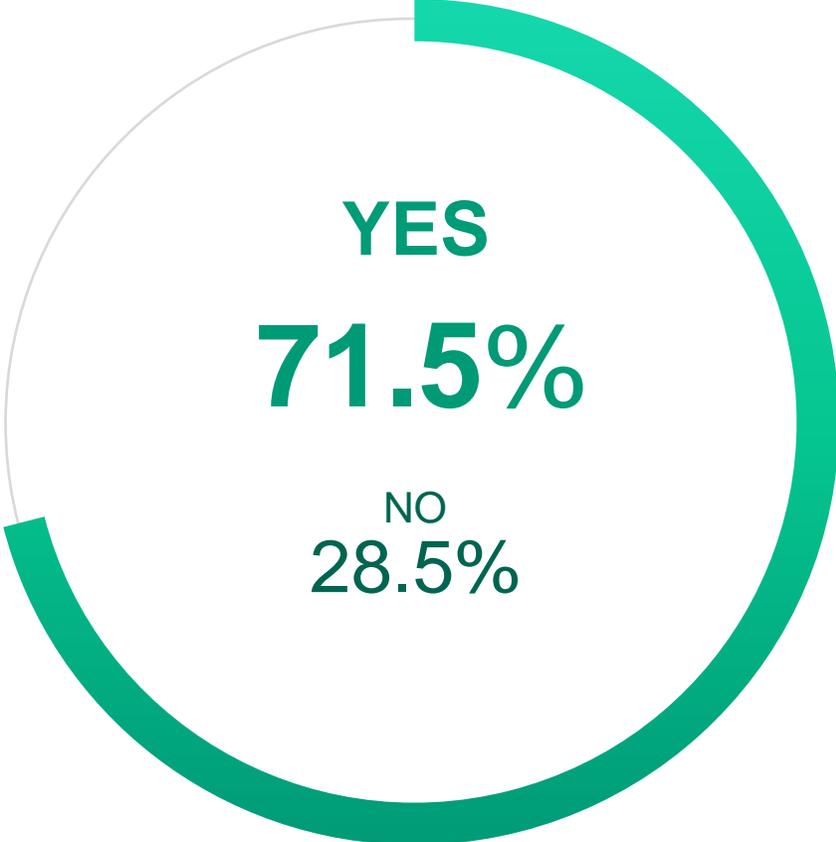
25% Plan to have a consistent approach across the company

17.7% Plan following the regulation on a local level without a global transparency policy

14% Not applicable (we are in a single country or not present in EU)

2. DO YOU PLAN TO REPORT CENTRALLY AT EU LEVEL OR TO LEAVE IT AT LOCAL LEVEL (BUT WITH STRONG GUIDANCE FROM EU HQ)?

3. WILL THE EU PAY
TRANSPARENCY
DIRECTIVE HAVE
IMPLICATIONS FOR
YOUR ORGANIZATION?



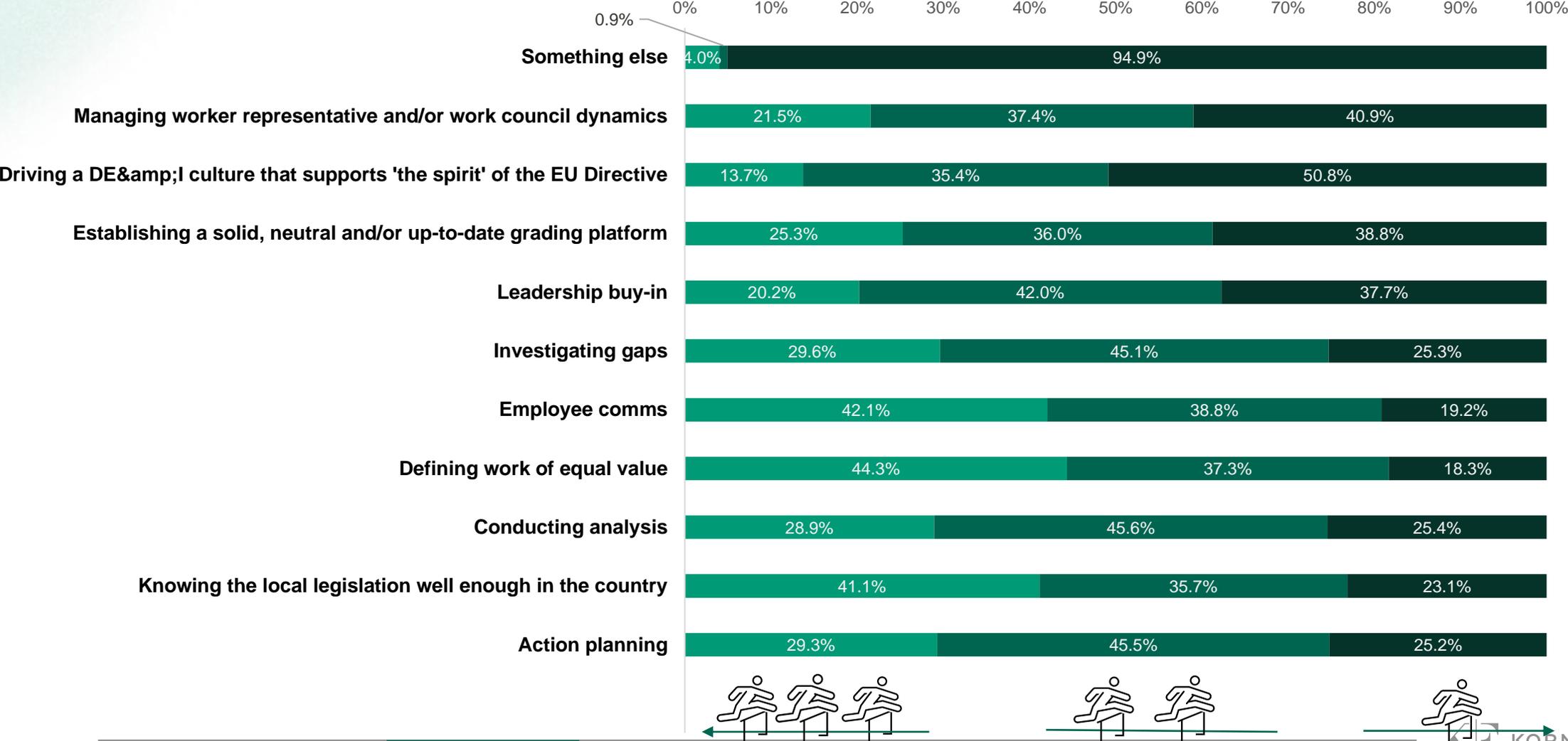
4. WHAT ARE THE MAJOR BARRIERS TO ACHIEVING PAY TRANSPARENCY?

- ❑ **GDPR Compliance:** GDPR's strict data protection requirements are a major barrier to transparency.
- ❑ **Resistance to Change:** There is significant resistance to change among employees and management, influenced by cultural factors and the existing culture of secrecy.
- ❑ **Employee reactions:** Fear of negative reactions from employees due to existing pay inequalities and the potential impact on morale and retention.
- ❑ **Data Quality and Tools:** Issues with data quality, the precision of evaluation tools, and the need for reliable market data.
- ❑ **Local Legislation:** ensuring compliance to the local legislation that is still unknown (being formalized)
- ❑ **Communication and Change Management:** the need for effective communication, ensuring stakeholders (social partners, managers, HR, and employees) are aware of the rights and requirements, prepared to deal with Pay Equity topics
- ❑ **Cost:** Potential increase in personnel costs to address inequities

5. HOW PREPARED ARE YOU FOR THE EU PAY TRANSPARENCY DIRECTIVE?



6. WHAT DO YOU SEE AS THE GREATEST CHALLENGE IMPLEMENTING THE REQUIREMENTS OF THE EU PAY TRANSPARENCY DIRECTIVE?



total respondents answered = 678

Greatest challenge

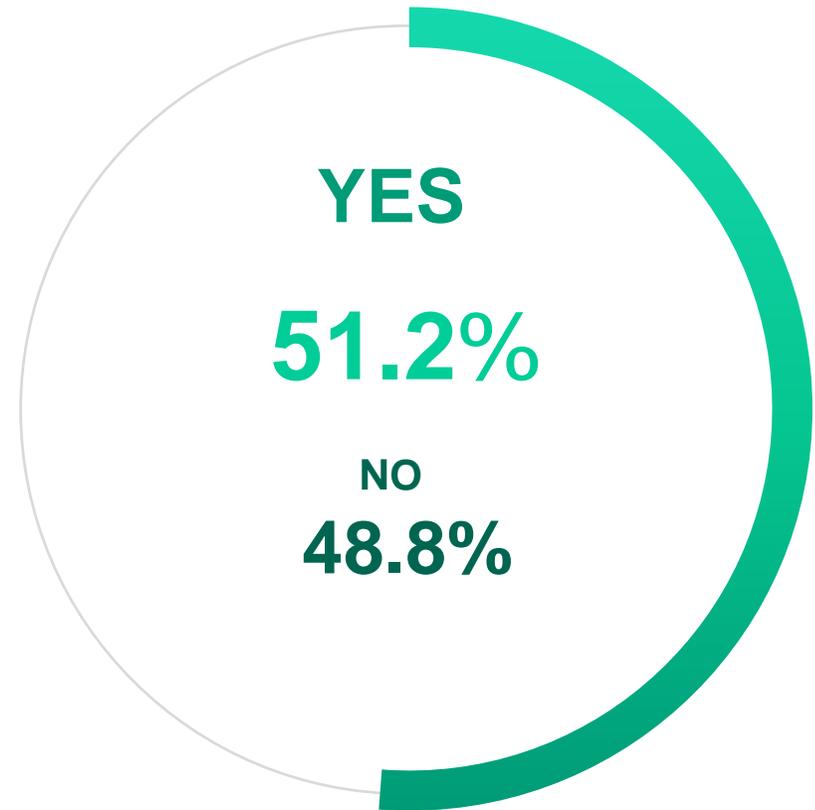
Mid challenge

Lowest challenge **MORE THAN**

7. WHAT ARE THE GREATEST CHALLENGES IMPLEMENTING THE REQUIREMENTS OF THE EU PAY TRANSPARENCY DIRECTIVE?

- **Defining work of equal value**
- **Employee communications**
- **Mastering the local legislation**
- **Investigating gaps**
- **Action planning**
- **Conducting analysis**

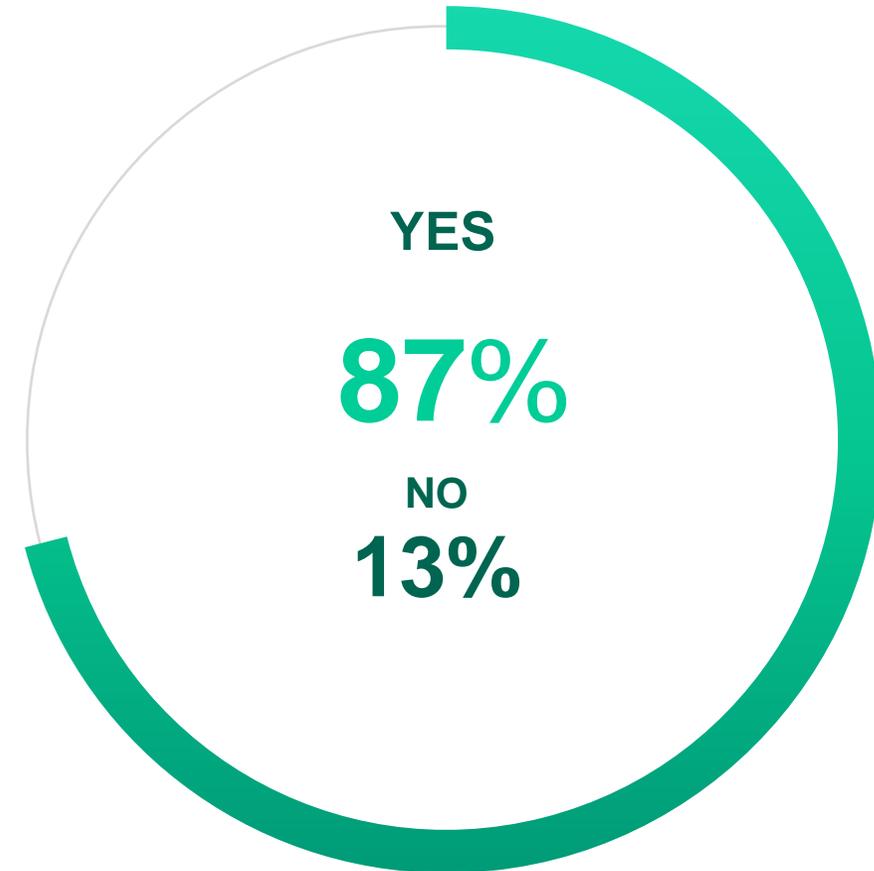
8. DO YOU ALREADY
HAVE EQUAL PAY
REGULATIONS?



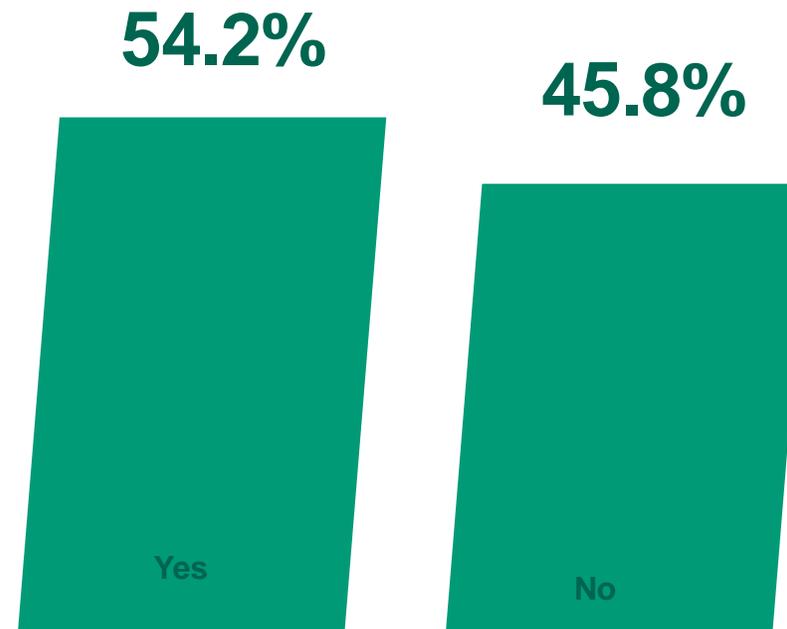
9. ARE YOU SEEKING TO ESTABLISH EQUITABLE PAY ARRANGEMENTS ACROSS THE ENTIRE ORGANISATION I.E. IN NON-EU COUNTRIES ALSO?



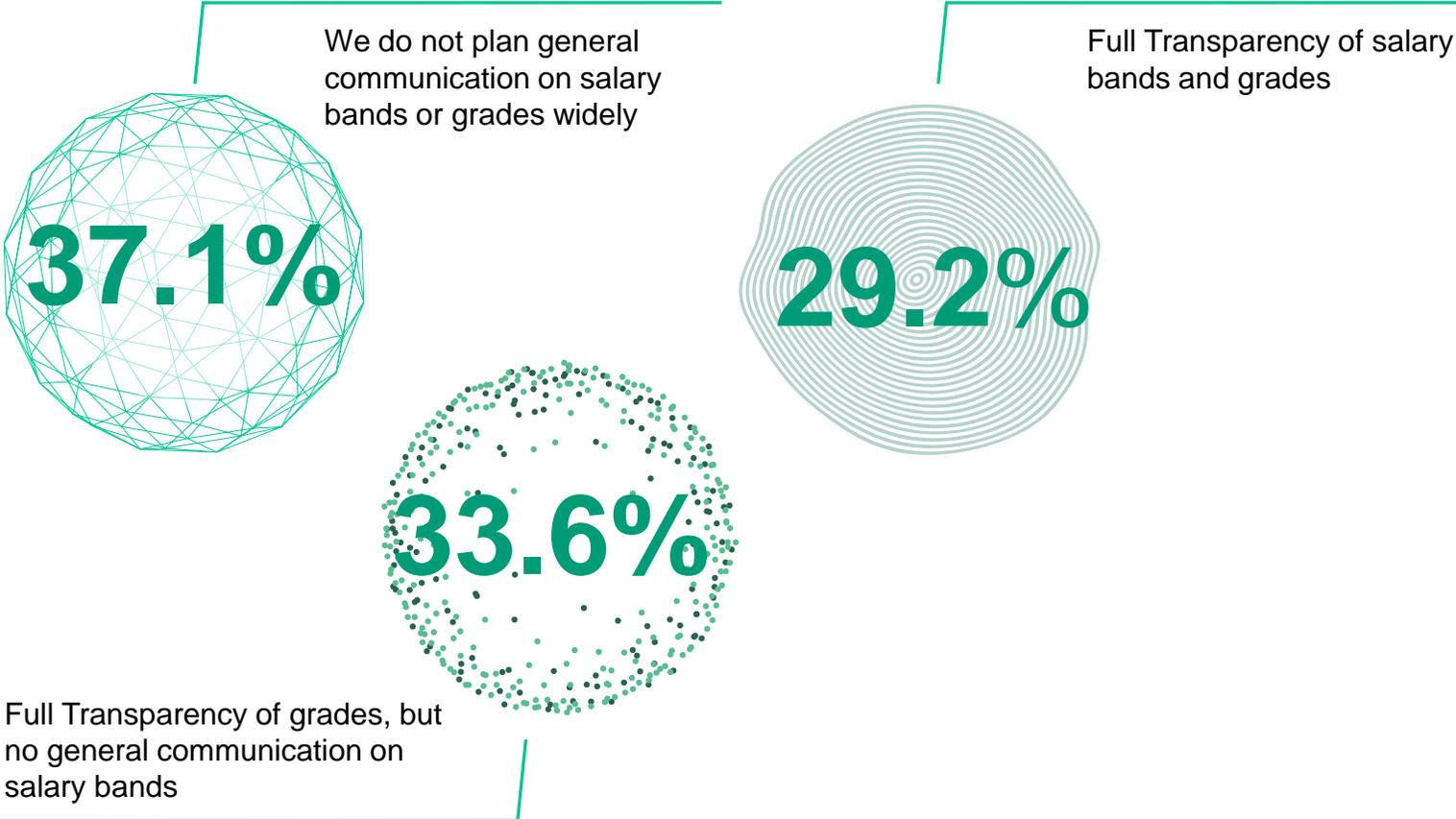
10. ARE YOU LOOKING
AT THE IMPACT OF
MARKET DRIVEN PAY
AS PART OF YOUR
PREPARATIONS?



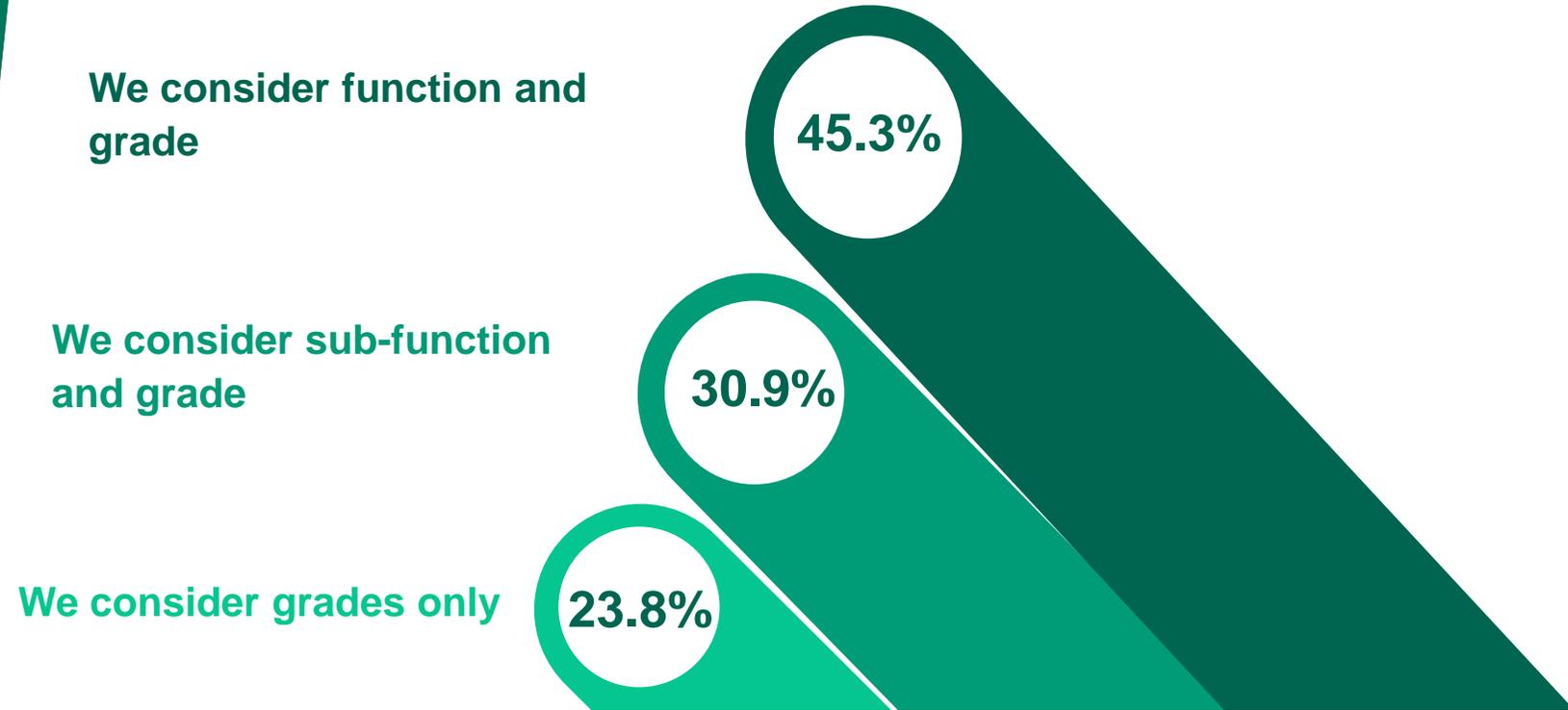
11. WILL ORGANISATIONAL TRANSFORMATION BE A KEY REQUIREMENT FOR SUSTAINING AN EQUAL PAY CULTURE IN THE LONG-TERM?



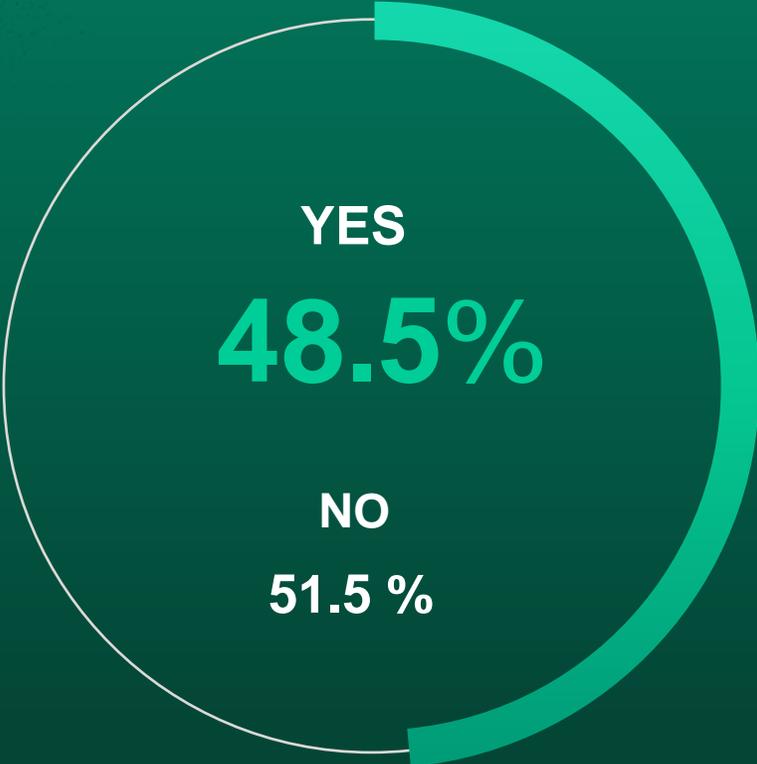
12. WHICH LEVEL OF INTERNAL COMMUNICATION DO YOU PLAN TO IMPLEMENT:



13. HOW DO YOU PLAN TO DEFINE JOBS OF EQUAL VALUE?



14. DO YOU HAVE A CLEAR VIEW WHICH FACTORS ARE CONSIDERED TO BE GENDER NEUTRAL TO EXPLAIN PAY GAPS?





THANK YOU

Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Business advisors.
Career makers.