



# Equality Pays Off Update

## THE NEW INITIATIVE

### Equality Pays Off

The future business success of European companies will be determined by their ability to manage skill shortage. This is where Equality Pays Off, an initiative by the Directorate-General for Justice, begins: it aims at supporting companies in tackling this labour market challenge by promoting equality between men and women and hereby reducing the gender pay gap. Through its unique approach Equality Pays Off assists companies in tapping the existing and future female talent pool in a better way.



Viviane Reding is the Vice-President of the European Commission and Commissioner for Justice, Fundamental Rights and Citizenship.

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## INTERVIEW WITH VIVIANE REDING

### “We need to make full use of all our human resources.”

*“Equality Pays Off” assists companies in implementing gender equality in their strategy. Why does Europe need such a project?*

**Vice-President Reding, the EU’s Justice Commissioner:** The rising number of qualified women in the labour market has largely contributed to economic growth in Europe over recent years. However, women still earn less than men on average across the entire economy (16.4% in 2010). The gender pay gap reflects wider inequalities that women face in the labour market. The “Equality Pays Off” project will help companies to make better use of our pool of well-educated and highly-skilled women, especially at a time when human capital is a key factor to our competitiveness.

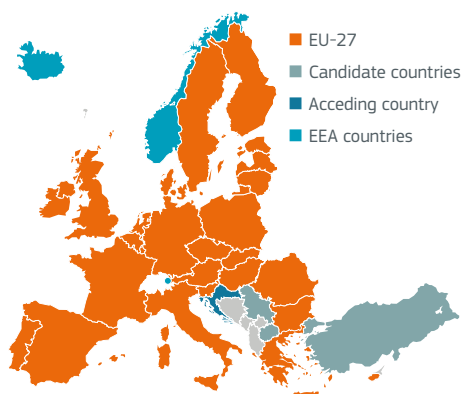
*Which reasons need to be tackled with priority to address the gender pay gap successfully?*

**Vice-President Reding, the EU’s Justice Commissioner:** There are indeed multiple factors behind the gender pay gap: concentration of women in lower paid and lower valued sectors; greater difficulties for women to develop their careers which results in a lower presence of women in managerial

positions (the so-called “glass ceiling”); unequal share of family and domestic responsibilities between women and men; lack of wage transparency within companies or the use of job classification systems leading to the undervaluation of women’s skills and work. Tackling the gender pay gap therefore needs a multifaceted approach to address all these causes and requires joint efforts from everyone with a stake in improving equality (companies, national authorities, social partners...).

*In which way does more equality between women and men contribute to economic growth in the European Union?*

**Vice-President Reding, the EU’s Justice Commissioner:** Gender equality is both a fundamental right and a condition for economic growth. The under-use of skilled women is a lost resource for companies and therefore for the economy at large. A salary which does not properly reflect their skills and experience discourages women from entering or staying in the labour market. In economically difficult times, we need to make full use of all our human resources. Longer term demographic trends in Europe make this an imperative.



In total, 34 countries are targeted by the initiative “Equality Pays Off”

Throughout 2013, the programme will target 34 countries and 40,000 large<sup>1</sup> businesses across Europe with a focus on business leaders and key decision makers. Networking and the exchange of know-how will play a prominent role during workshops in all participating countries and during a conference in Brussels.

Interested? Participate and discover more at: [www.ec.europa.eu/justice/equality-pays-off](http://www.ec.europa.eu/justice/equality-pays-off) (Preliminary content)

<sup>1</sup> EU-Definition large enterprises – 250 or more employees



GOOD REASONS

How to boost the female talent pool?

Integrating the concept of equality in the company's DNA is crucial to sustainable achievement. From management to HR – everyone has to work hand in hand.

1. CORPORATE STRATEGY:

To make complete use of the benefits of equality between women and men, companies need to fully establish the concept of equality as part of their corporate strategy.

2. MANAGEMENT:

To successfully implement change regarding equality, managers need to be sensitive to the issue and act as a role model as well as a multiplier within the company and beyond.

3. BUSINESS UNITS AND HR:

They are crucial for the successful implementation of equality into daily work practice. They must address six fields of action.

Raise awareness:

To amplify their talent pool, companies need to intrigue and motivate graduates to choose a field of education and specialisation which is traditionally untypical for their gender.

Attract top talent:

To attract top talent, companies need to encourage talent to work in gender untypical sectors and tap the dormant work force by mobilising women to start working.

Strengthen the work-life balance:

To attract and retain top talent and hence reduce staff turnover, companies need to ensure a good work-life-balance.

Promote career advancement of women:

To promote the most qualified female employees, companies need to establish a culture and promotion process that equally honours male and female talent.

Evaluate the remuneration system:

To attract and retain top talent, companies need to create a competitive remuneration system.

Communicate activities:

To maximise the positive impact of their efforts companies need to communicate all of their gender equality activities internally and externally.

4. WORK ORGANISATION:

Retaining a highly qualified workforce requires a work organisation that allows for a sustainable reconciliation of professional and private life.

5. MONITORING:

Gender equality objectives need to be taken seriously. Thus, corporate activities on gender equality need to be monitored just like financial objectives.

Why boost the female talent pool?

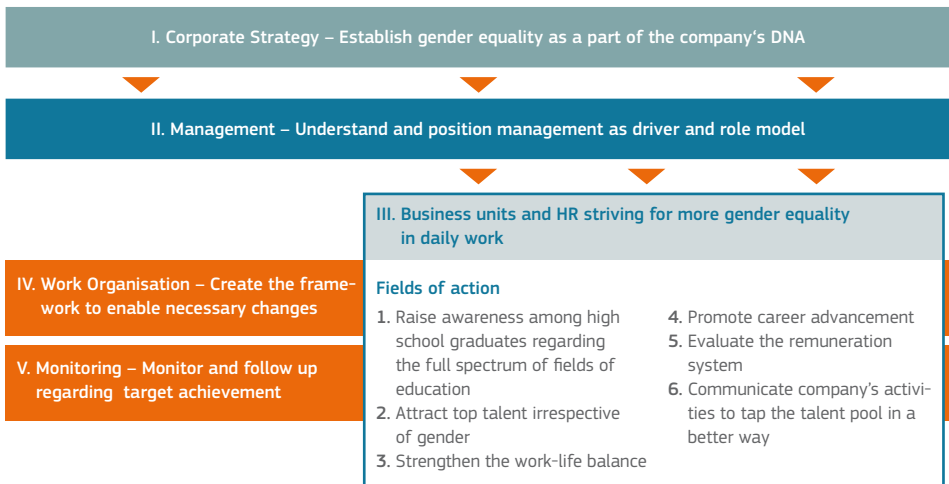
While the number of potential employees in Europe decreases due to demographic change, the demand for skilled workers increases due to a shift in the European economy towards even more complex technologies and service oriented industries. Thus, companies will face a severe skill shortage. To better tap the female talent pool is a promising solution since women's skills have been underutilised so far:

- Only 59% of women participate in the labour market versus 70% of men.2
- But 32% of women work part-time as opposed to 8% of men.3
- Only 14% of board seats in Europe's largest companies are filled by women.4
- On average, women earn 16% less than men.5

Equality Pays Off assists companies to fully utilise these female talents.

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Contact
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The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.



2 Eurostat 2011; Age Group 15–64
3 Eurostat 2011; Age Group 15–64
4 European Commission, database on women and men in decision-making, 01/2012
5 Eurostat 2010; Age Group 15–64