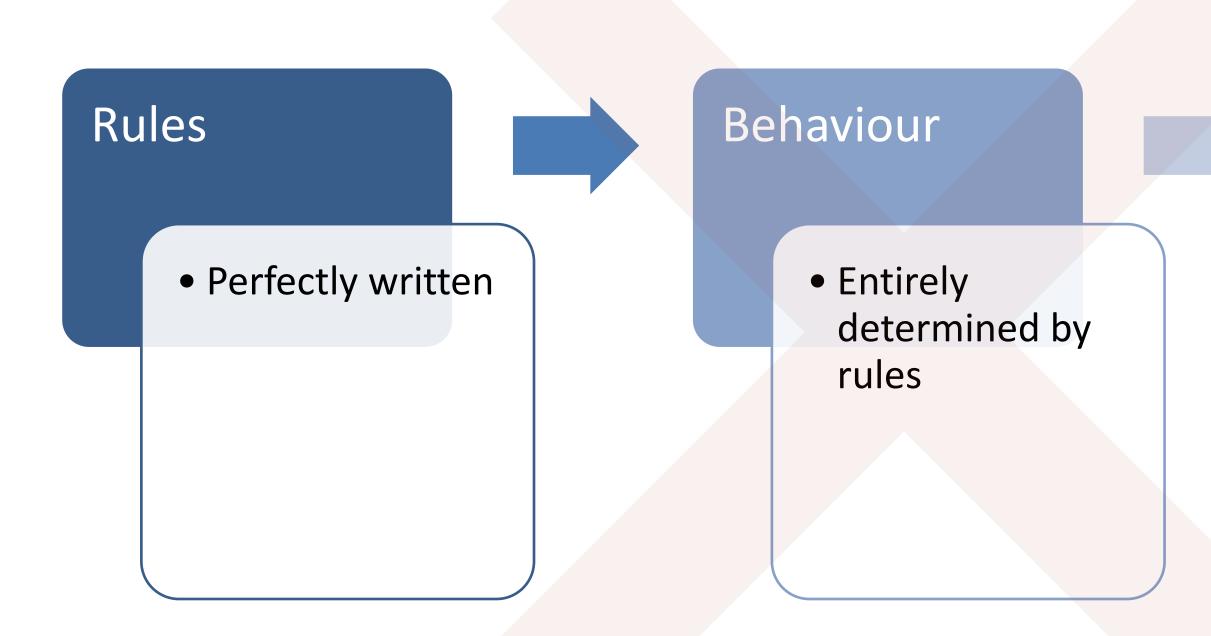
FOSTERING PAY TRANSPARENCY COMPLIANCE

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A simplistic view of rules to results is misleading



Results

• Fully achieved by compliance

A more realist view to pay transparency compliance

Pay transparency laws* may be mandatory, voluntary or not in place depending on the country

This means some employers may have limited incentives to adopt, promote and comply with transparency laws

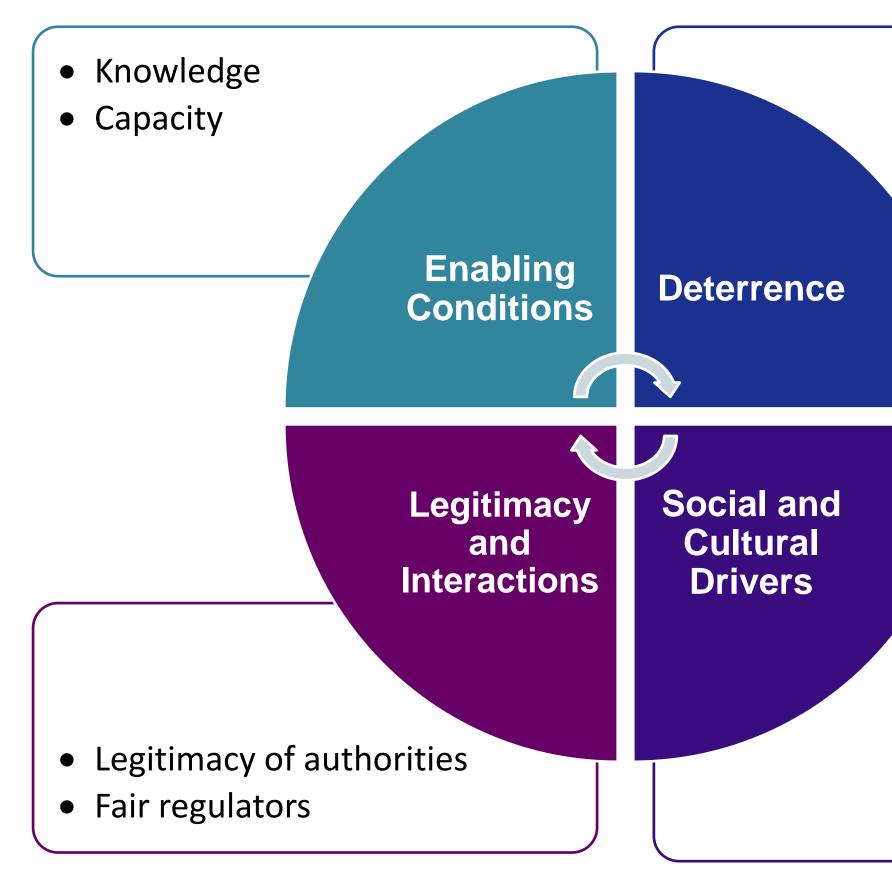
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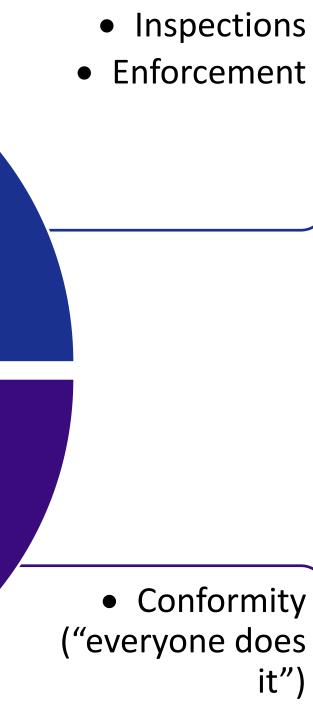
*Pay transparency laws are regulations that require employers to disclose information about employee compensation, either to the employees themselves or to the public

Need to find mechanisms that encourage the application and compliance with pay transparency laws



Drivers of behaviour

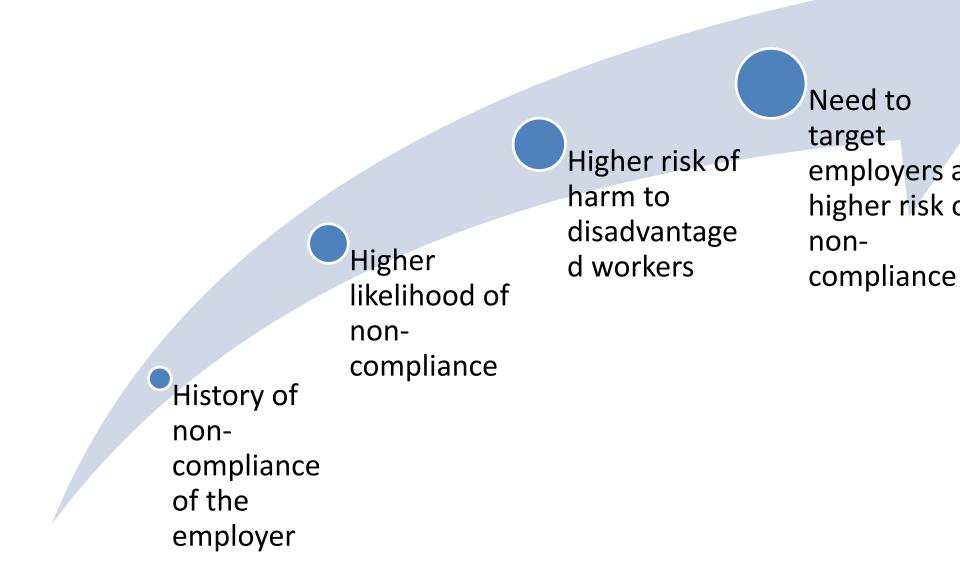




• Ethics ("this is the right thing to do")

Alternative forms to deterrence: risk-based enforcement

- It is more efficient to target employers with a history of non-compliance or those in industries with a history of large gender pay gaps
 - Each employer: level of risk assessed
 - History data: which employers have performed pay gap reporting to identify potential non-compliance



Need to employers at higher risk of



Risk-based sanctions

	Risk assessr
Deterrence Risk-based sanctions aim to deter non- compliance and illicit activities	Evaluating fac such as the na and severity of violation, the e history of n compliance potential harn
Proportionality The severity of sanctions should be proportionate to the	Flexibilit Sanctions ca adjusted as th
assessed risk	profile evol

sment

factors nature y of the entity's nonce, its rm, etc.

iity can be the risk olves Behaviour is complex and at most *partly* rational Rules and sanctions *cannot* be enough

Ethical behaviour within employers

Incentives and compliance promotion

Recognition and certification: Establish a recognition or certification program for employers that demonstrate a high level of compliance with transparency pay regulations

Public disclosure ranking: Create a public ranking system that highlights employers with exemplary transparency practices

Communication and educational campaigns: Launch public awareness campaigns to educate employers about the benefits of transparency and compliance

Ethical business regulation: strategies to promote compliance

Transparency	Make gender pay data transpar employees and the public
Education and Training	Offer training programs and wo and management about gende
Leadership Commitment	Ensure that senior leadership is equity
Employee Feedback	Create channels for employees concerns anonymously and end
Continuous Monitoring and Improvement	Regularly assess the effectivene adapt strategies as needed to a changes in regulations

arent and accessible to

orkshops to educate employees er pay requirements

is committed to gender pay

s to report pay disparities or acourage open communication

ness of compliance measures and address new challenges and



THANK YOU

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