



An Assessment of Logib-D

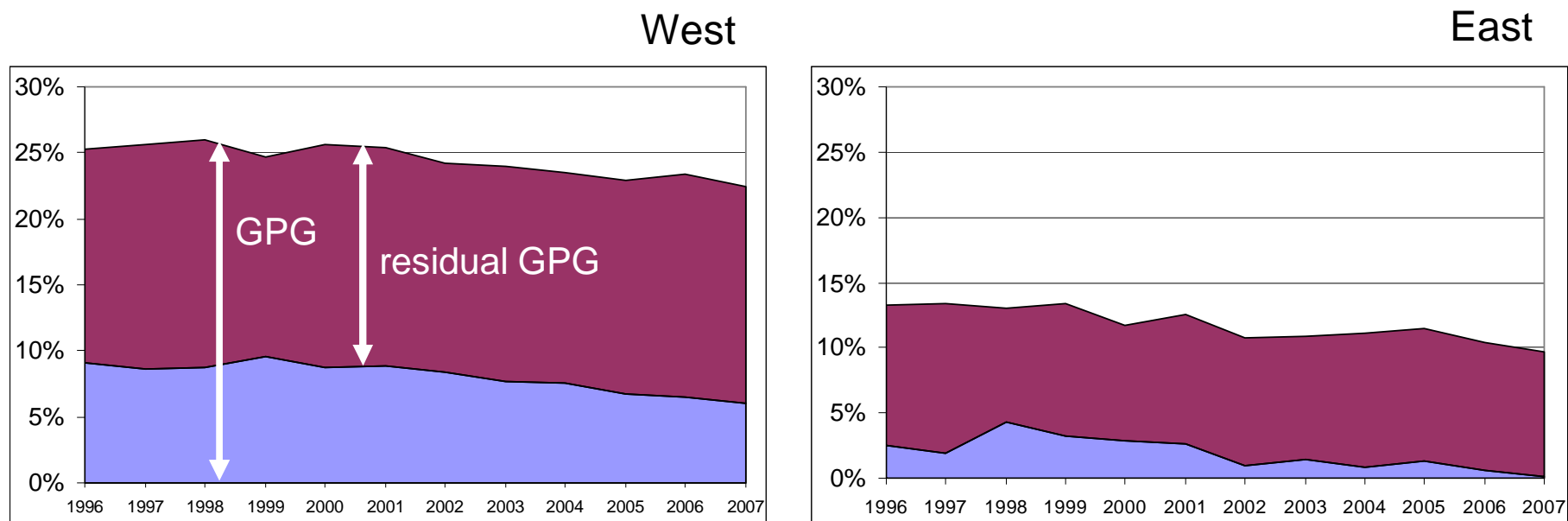
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Facts



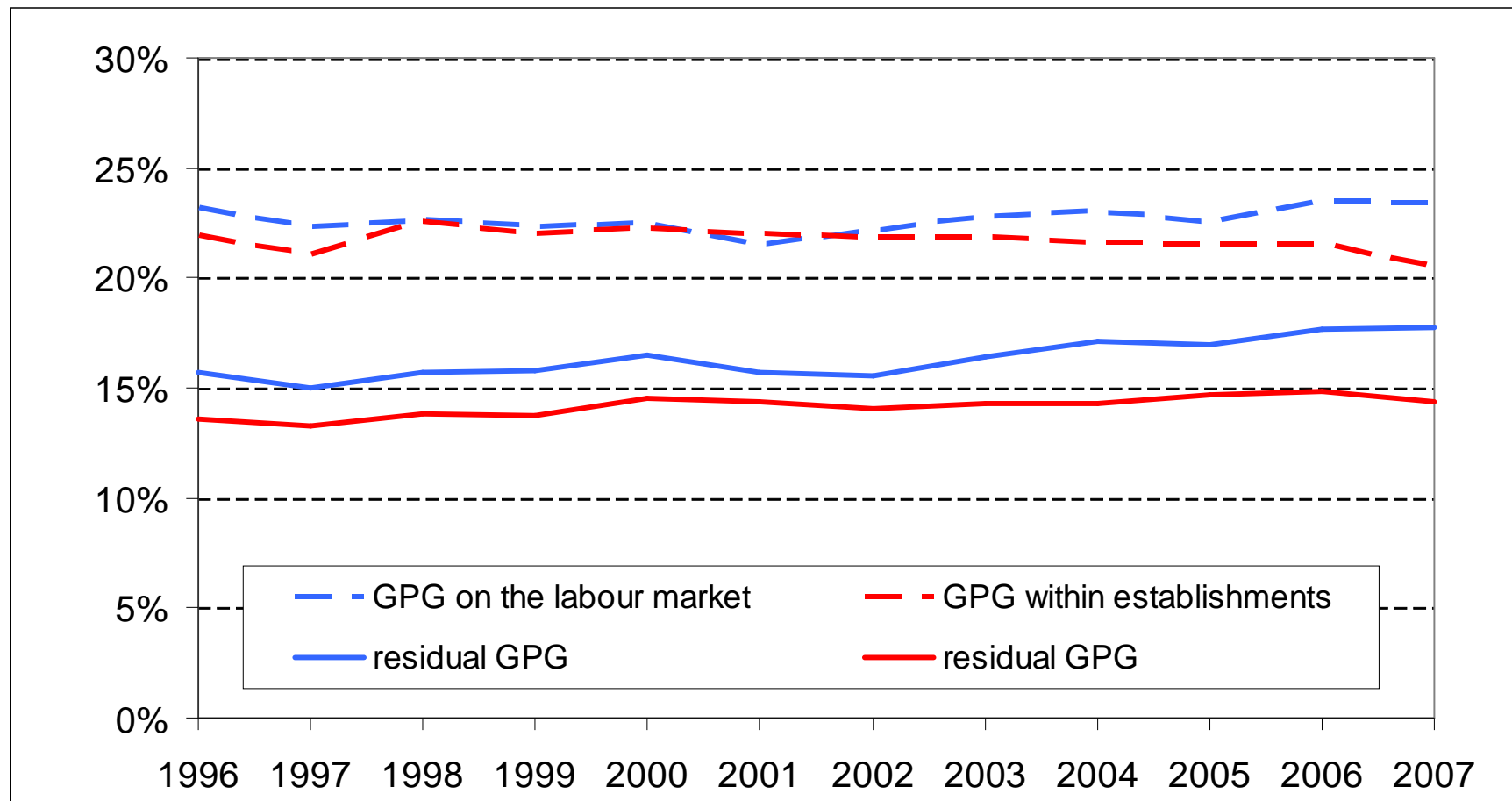
- The overall gender pay gap (GPG) in Germany is 23%.
- This number hides two important issues.

1) The differences between East and West:





2) The variation across firms:





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- The first module of Logib-D is based on an economic definition of wage equality.
 - The **basic measure** controls for different human capital endowments (education, work experience, firm tenure).
 - The **extended measure** controls also for the skill requirements of the job and job position.

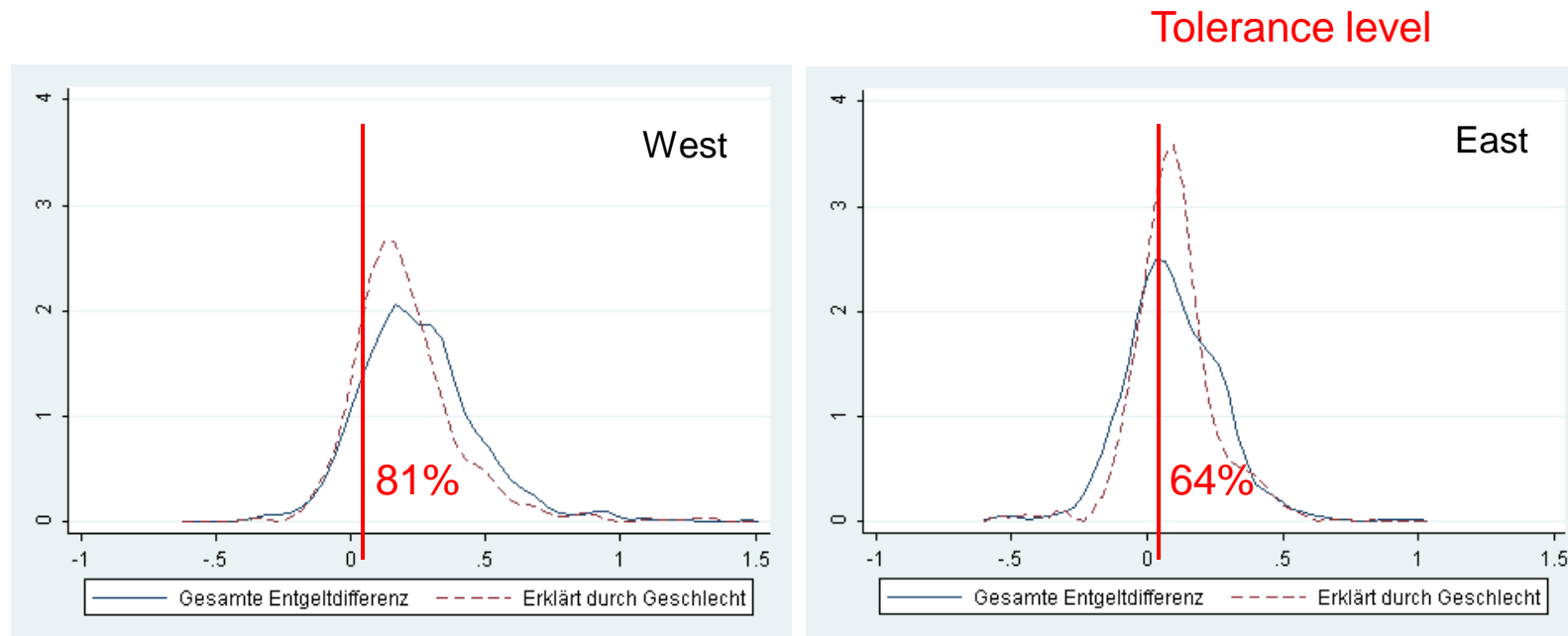
⇒ **residual GPG**

- The second module comprises a confidential consulting on the establishment's remuneration system.

Logib-D applied



... to a representative sample of German establishments:



Source: Beblo/Ohlert/Wolf, based on LIAB 2007

Who is well off – at first glance?



Establishments...

- with more employees
- innovating
- newly founded (after 1990)
- with fewer female employees
- bound to collective bargaining agreements
- more engaged in employee training
- in the health industry
- other service industries (than credit, insurance, retail, gastronomy)

... have GPGs below 5%.

(while paying men possibly less than women)

Who needs further regard?



Establishments ...

- with fewer employees (E)
- with more female and part-time employees (W)
- less often covered by collective bargaining agreements (E+W)
- in manufacturing, credit and insurance industries (E+W)
- with higher average pay levels (E+W)

... have pay gaps above the threshold.

Strengths and weaknesses



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- 👍 Logib-D produces an income report “at the press of a button”.
 - 👍 It is an effective means to enhance transparency and create awareness about wage inequality within establishments.
 - 👍 Intuitive illustration of relative impacts of explanatory factors.
 - 👍 Given the establishments’ reported lack of personnel data, Logib-D might serve as a push factor for modernising personnel controlling.
 - 👍 It can be used by social partners to simulate the effects of changes in the pay system.
 - 👍 The subsequent remuneration consulting helps firms in developing individual measures to reduce wage inequality.
 - 👍 The “Logib-D tested” label might improve an establishment’s image.

Strengths and weaknesses



- 👉 However, recruitment of participating firms is a problem. As well is:
- 👉 the selectivity of voluntary participation,
- 👉 the non-regulated access to generated management reports (e.g. by employees and works councils),
- 👉 the difficulty/fear of concluding on wage discrimination,
- 👉 the “black box” consultings.



- How can participation be expanded?
- Establishments claim problems of data availability. Is this credible?
- Two levels of enforceability
 - (1) use of Logib-D calculator, management report
 - ⇒ should be compulsory
 - (2) consulting and consequences drawn from management report
 - ⇒ could be optional
- Systematic analysis of the consulting processes needed, e.g. to conclude on the selectivity and typology of the voluntary participants.
- Too date, Logib-D consultancy is a one-shot game. To reduce pay inequality effectively, we need long-term monitoring.