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Towards Pay Transparency: The Impacts of the EU Pay Transparency Directive on Organisational Dynamics

Interview study on the impact of pay transparency

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Abstract

Pay transparency has become a key topic of discussion in the media and in the workplace, with the EU Pay Transparency Directive coming into force in summer 2026. However, there is a lot of uncertainty surrounding the directive, as talking about pay is still seen as taboo and pay policies are not very transparent in organisations. This uncertainty is reflected both in the way organisations prepare for the directive's entry into force and in the way employees react to it. The purpose of this study is to deepen understanding of the consequences of increased pay transparency in organisations in an environment of uncertainty. The research focuses on how the increase in pay transparency affects organisational dynamics, focusing on employee behaviour and internal dynamics of the team.

The research method used was a qualitative interview study, in which four employees and four supervisors (N= 8) were interviewed about their views and experiences of pay transparency and the EU Pay Transparency Directive. The data was collected through thematic interviews in March and April 2024 and then transcribed. The findings were analysed using a data-driven content analysis and mirrored to the theoretical framework of the study.

The interviews revealed that the increase in pay transparency evokes a wide range of emotions and reactions in employees, the most common being interest, uncertainty, envy and a sense of entitlement. In general, increased transparency was seen as a positive thing that in the long term could increase trust and fairness in the workplace. However, it was considered to bring about disagreements and conflicts within teams, as well as dismissals within the organization. Age, personality, gender and nationality are factors that are likely to influence reactions and attitudes to pay transparency. It was also found that there is still limited knowledge of the pay transparency directive, which can lead to misunderstandings, suspicions and mistrust at both organizational and team level.

This study aims to complement the existing literature by exploring how pay transparency affects relationships within the organization, satisfaction with the organizational environment and individual behaviour. In addition, the research provides a foundation for future studies, opening up possibilities for new questions and research strategies.

Keywords pay transparency, EU pay transparency directive, uncertainty management theory, employee behaviour, organizational dynamics

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Tiivistelmä

Palkka-avoimuus on noussut keskeiseksi keskusteluaiheeksi niin mediassa kuin työpaikoilla, kun EU:n palkka-avoimuus direktiivi astuu voimaan kesällä 2026. Direktiiviin liittyy kuitenkin paljon epävarmuutta, sillä palkoista puhuminen mielletään yhä tabuksi eikä palkkapolitiikka ole organisaatioissa kovin avointa. Tämä epävarmuus heijastuu sekä organisaatioiden valmistautumiseen direktiivin voimaantuloon että työntekijöiden reaktioihin. Tämän tutkimuksen tarkoituksena on syventää ymmärrystä palkka-avoimuuden kasvun seurauksista organisaatioissa epävarmuuden ympäristössä. Tutkimuksessa keskitytään siihen, miten palkka-avoimuuden lisääntyminen vaikuttaa organisaatiodynamiikkoihin keskittyen työntekijöiden käyttäytymiseen ja tiimien sisäiseen dynamiikkaan.

Tutkimusmenetelmänä käytettiin laadullista haastattelututkimusta, jossa haastateltiin neljää työntekijää ja neljää esimiestä (N= 8) heidän näkemyksistään ja kokemuksistaan palkka-avoimuudesta sekä EU:n palkka-avoimuusdirektiivistä. Aineisto kerättiin teemahaastatteluin maalis- ja huhtikuussa 2024, minkä jälkeen se litteroitiin. Saadut havainnot analysoitiin aineistolähtöisen sisällönanalyysin avulla ja peilattiin tutkimuksen teoreettiseen viitekehykseen.

Haastatteluissa nousi esille, että palkka-avoimuuden lisääntyminen herättää työntekijöissä monenlaisia tunteita ja reaktioita, joista yleisimpiä olivat kiinnostus, epävarmuus, kateus ja oikeudenmukaisuuden tunne. Yleisesti ottaen lisääntyvä avoimuus nähtiin positiivisena asiana, joka pitkällä aikavälillä voisi lisätä luottamusta ja oikeudenmukaisuutta työpaikalla. Sen kuitenkin nähtiin tuovan erimielisyyksiä ja konflikteja tiimeissä sekä irtisanoutumisia organisaatiossa. Palkka-avoimuuden tuomiin reaktioihin ja asenteisiin vaikuttanee muun muassa ikä, persoonallisuus, sukupuoli ja kansallisuus. Lisäksi havaittiin, että palkka-avoimuus direktiivin tuntemus oli vielä rajallista, mikä voi johtaa väärinkäsityksiin, epäluuloihin ja epäluottamukseen niin organisaatiotasolla kuin tiimitasolla.

Tämä tutkimus pyrkii täydentämään nykyistä kirjallisuutta selvittämällä, miten palkka-avoimuus vaikuttaa organisaatioiden sisäisiin suhteisiin, tyytyväisyyteen organisaatioympäristössä ja yksilöiden käyttäytymiseen. Lisäksi tutkimus luo pohjan jatkotutkimuksille, avaten mahdollisuuksia uusille kysymyksille ja tutkimusstrategioille.

Avainsanat palkka-avoimuus, EU:n palkka-avoimuus direktiivi, epävarmuuden hallinnan teoria, työntekijöiden käyttäytyminen, organisaatiodynamiikka

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1 Introduction

1.1 Background

"*You may know about your colleague's sex life, your friend's drinking problem, or what your neighbor really thinks of her mother-in-law. But you probably don't know what they take home in each paycheck*."

- Margaret Littman, Working Woman, 2001.

Talking about pay has long been a sensitive issue in the labour market, which is often circumvented by employees and employers. Many employees have felt that discussing pay is a private matter that should not be brought up in public (Cullen & Perez-Truglia, 2023) while employers have kept such information a closely guarded trade secret for fear of competitive disadvantage or internal discontent (Caulfield, 2021). Employers' concerns also include protecting employees' privacy (Bierman & Gely, 2004), avoiding workplace conflicts (Colella et al., 2007; Smit & Montag-Smit, 2019), maintaining the integrity of perceptions of pay equality, especially where pay gaps are significant (Card et al., 2012), and avoiding legal action or negative perceptions that may arise from the disclosure of pay practices that are perceived as unfair (Leventhal et al., 1972). This taboo may have led to situations where the pay gap has not been openly explored and unfair pay practices have continued to be hidden.

These gaps in information have led to a situation where there is a broad lack of pay transparency, which can have a major impact on the labour market. This can, for example, exacerbate discrimination in the workplace by hiding the pay gap and give employers a bargaining advantage when employees are not informed of their market value, which can put downward pressure on salaries and slow down the achievement of fair pay (Perez-Truglia, 2023).

However, in today's working life, this attitude is increasingly challenged because candidates are increasingly calling for more transparency in pay practices. This change has triggered a debate on the importance of pay equality and its impact on work communities. It seems that a cultural shift is taking place as younger generations enter the workforce (Rosenfeld, 2020) where online pay tools transform pay transparency into what younger generations are simply expecting from their employers (Marasi & Bennett, 2016). As a consequence, organizations find themselves at a turning point where they need to find a balance between established norms and the changing expectations of a younger workforce. This shift is indicative of a wider change in the way workplaces operate, which could lead to more equal and inclusive work environments.

In May 2023, the examination of pay transparency became even more topical as the European Union adopted a directive (2023/970)[1], which obliges Member States to improve pay transparency. Pay Transparency Directive applies to all member states and will be implemented in 2026 at the latest. This directive is designed to bring more transparency and fairness to pay practices and close the pay gap between women and men across the EU. This will affect job applicants, employees, and employers. All employers will have to provide job applicants with information on the basic salary or salary gaps for open positions without the applicant needing to request it. Employees have the right to request information on the average salaries of colleagues in the same or equivalent positions. Similarly, employers must be informed of the criteria for salary and regularly report to national authorities on the pay gap between their organizations and eliminate unjustified differences. Thus, Finnish companies are also on the threshold of the future, with the introduction of the EU's pay-performance directive looming two years away.

[1] See Directive (EU) 2023/970

1.2 Research objective and research problem

The purpose of this thesis is to examine the effects of increasing pay transparency and how it influences the behaviour of employees, shapes the interactions within teams, and alters the overall social and performance dynamics within organizations. I am interested in exploring whether the increase in pay transparency resulting from the directive leads to positive or negative outcomes and whether the directive leads to uniform changes across various teams and departments or if experiences and impacts vary within the organization. Additionally, I aim to investigate the personal perspectives of employees on these changes, delving into how they perceive and react to the new transparency measures. Expanding understanding in these areas is crucial, as companies need to adapt to a changing legislative landscape that could significantly impact the work environment. By examining these under-explored effects of pay transparency, this thesis aims to provide new insights and enhance the academic dialogue on the broader implications of pay transparency on organizational dynamics. To achieve the objectives of this thesis, the following questions will be addressed:

How will increased pay transparency under the EU Transparency Directive 2026 affect organizational dynamics in a context of uncertainty?

a. What are the possible changes in employees' behaviour when faced with increasing pay transparency?
b. How can increased pay transparency affect the internal dynamics of teams?

This thesis is located within the broader academic debate on pay equality and fairness at work. The effects of pay transparency have been studied in the context of laboratory conditions (Bamberger & Belogolovsky, 2017) and under field conditions, both in individual countries (e.g., Stofberg et al., 2022) and in comparisons between countries (Ceballos et al., 2022). Studies have found that pay transparency can have many positive effects, such

as narrowing pay gaps, increasing motivation and performance, and improving employee engagement (e.g., Trotter et al., 2017). Conversely, they also warn of potential drawbacks, such as increased conflict and lower employee morale (e.g., Bamberger & Belogolovsky, 2017). Moreover, individuals' reactions to pay transparency vary, and this variation can be significant across cultures and organizations (e.g., Colella et al., 2007; Scott et al., 2020). Some studies have also examined the impact of pay transparency laws. Most studies have focused on the impact of pay equity laws in narrowing the gender pay gap (e.g. Baker et al., 2019) and few studies have looked the wider effectss and outcomes of these laws (Bennedsen et al., 2023).

While the effects of pay transparency have been investigated, employees' own experiences and views on the topic have been neglected. Previous studies have focused mainly on the direct economic and equality effects of pay transparency, such as its contribution to pay gaps and gender equality in the workplace (e.g., Baker et al., 2019). However, there is a significant gap in the literature on deeper organizational dynamics, and on how increased pay transparency affects employee and team behaviour and satisfaction in organizational settings and how employees react to varying pay transparency practices. There are a few global studies (e.g., Smit and Montag-Smit, 2019) of pay transparency preferences that have adopted an employee-centred approach, and even then, the views of employees have been assessed by means of a quantitative approach, except for two qualitative research in a South African context (Stofberg et al., 2022) and in a Czech Republic context (Kral & Kubisova, 2021). A quantitative perspective may ignore deeper understandings of employees' subjective experiences. Qualitative research helps to better identify and understand the unique perspectives and reactions to pay equality of different groups of employees. In-depth interviews can bring out the voice of employees and give space to their stories and experiences that quantitative research may overlook. This in turn allows for a more holistic picture of how pay equality affects employees' daily lives and well-being at work.

In addition, there is also a lack of evidence from previous studies on the advantages of increasing pay transparency by legislative channels, despite the strong increase in the uptake of pay transparency legislation (Baker et al., 2019). This research gap complicates our understanding of how effective legislative measures are in promoting pay transparency and influencing people's behaviour when the increase in pay transparency is not purely voluntary. Without the perspective of employees and legislators, there is not enough information on pay transparency and its impact on organizations. This thesis aims to fill this research gap and highlight employees' experiences and perceptions of pay transparency.

This study is important because it has never been studied in the context of Finland. The topic is relevant both academically and in practice. The academic level, this study complements the existing research field on pay transparency, especially in the context of Finnish organizations. It will provide new insights into the introduction of the directive and its impact, thus extending the existing knowledge base on pay transparency. On a practical level, this research will be useful for Finnish organizations preparing to implement the Pay transparency Directive. It provides valuable information on how the directive can be used and what the potential pitfalls might be. The results of the study will help companies to anticipate and avoid potential stumbling blocks, allowing them to respond more effectively and rapidly to the requirements of the directive.

1.3 Limitations

The dynamic nature of the directive means that its effects can evolve over time, and this study only provides a snapshot of its impact at a given point in time. Interviewees' opinions and attitudes towards pay transparency and the changes brought about by the directive may change over time as they learn more and as the implementation of the directive approaches. Therefore, if the study were conducted, for example a year from now, interviewees' responses might have changed.

Also, the study only focuses on one specific organization and organizational sector, so the results may not be directly extrapolatable to other sectors. Nevertheless, the results provide an overview of what could happen in Finnish private sector companies in terms of employee behaviour and group dynamics when the directive increases pay transparency.

While I tried to capture different perspectives and experiences by interviewing a wide range of participants, it is possible that some perspectives were not fully captured as the interviews were voluntary. As a result, the views of those who are reluctant to engage in such interviews may have been excluded.

It should also be noted that the interviews were conducted in Finnish, but the results and analysis were later translated into English. The translation process may result in nuances and subtle meanings being lost or changed, which may affect the accuracy and richness of the interpretation of the data.

1.4 Structure of the study

This thesis consists of seven separate chapters. In chapter 2 and 3, I will formulate the theoretical framework of the study through a literature review. Drawing on previous literature, I examine the meaning and implications of voluntary and statutory pay transparency. I have divided the literature review into two main parts. In the first main part, I discuss the definitions and theoretical perspectives of pay transparency in the academic literature, the results of previous studies on the consequences of pay transparency, and the concept of uncertainty as an important factor in the implementation of the directive. In the second chapter, I will take a closer look at the current Finnish legislation, present the EU Pay Transparency Directive, and assess how the legislation will change because of the directive.

Once the framework has been established, I will move on in chapter 4 to present the research methods, justifications, and ethical considerations. After the methods, in chapter

5, I move on to review the results of the thematic interviews and in chapter 6, I review and discuss the main findings of the study in relation to the more relevant literature. Finally, in Chapter 7, I discuss the conclusions and suggestions for further research.

2 Pay transparency and uncertainty

2.1 Pay transparency

Pay transparency is a pay communication practice which, at its ultimate level, an organization shares all its pay information with employees and third parties, either upon request or regularly without being asked, and employees have the right to discuss their pay with others or third parties (Marasi & Bennett, 2016). Pay transparency can either take place voluntarily on the initiative of organizations or compulsorily because of legislation. Voluntary transparency means that organizations themselves choose to promote transparency in pay practices, for example as part of developing a corporate culture or improving employee satisfaction (see e.g., Valkama, 2021b; Salonen, 2020). In turn, compulsory legislative transparency means that legislation requires organizations to report pay data or to audit gender pay gaps, for example to ensure fair pay practices and promote equality in the labour market (OECD, 2021).

Pay transparency refers to the open communication of pay information between different actors (Brown et al., 2022). According to Arnold and colleagues (2018) pay transparency refers to how openly an organization publishes its pay information and processes and gives employees the opportunity to have pay-related discussions with each other. Pay transparency is often considered the opposite of pay secrecy, which leads to a gap in information and creates uncertainty among employees (Colella et al., 2007). Pay transparency is defined as how well employees know the pay of other employees, based on the employer's pay policy and practices (Trotter et al., 2017).

According to Trotter and colleagues (2017), pay transparency can be presented as a continuum, ranging from complete pay secrecy, where employees have no knowledge of their salaries, to complete pay transparency, where individual employees' salaries are made public. According to Hou and Patterson (2022) pay transparency varies widely: some organizations do not share salary information at all, others are completely transparent,

while some fall between these extremes, providing information on job pay scales or role-specific pay distribution. In turn, Anderson (2017) classifies pay transparency into three levels of transparency: full transparency, partial transparency, and no salary transparency. In fully transparent companies, employees know each other's salaries, and some of them publish salaries openly to the public. Partial transparency means that employees know the grades of their positions, but not what their colleagues earn. In companies where pay transparency is lacking, there is an active effort to keep employees' pay secret. Pay transparency can take many forms, such as horizontal, vertical and cross-firm pay transparency. Horizontal transparency means that an organization publishes information on salaries paid to employees at the same level, vertical transparency reveals the pay gap between different positions and cross-firm transparency reveals pay gap between different employers (Cullen, 2023).

A key element of pay transparency is *pay communication*, which covers an organization's practices on how, when and what pay information, such as grades, salary increases, salary averages, individual salary levels and/or the overall salary structure, is provided to employees and external parties (Marasi & Bennett, 2016; Arnold et al., 2018). Moisio and colleagues (2012) define pay communication as the way the organization communicates pay-related issues to employees and how different sources of pay information are used within the organization. Fulmer and Arnold (2020) identify four critical decisions in formulating an organization's pay communication strategy. The first decision involves determining what pay information, if any, is shared for example individual pay numbers or pay ranges. The second decision concerns how transparently do the organization communicate why pay is determined the way it is. The remaining two decision are related to how information is spread. The third decision concerns how employees communicate with each other about pay and the extent to which they are prevented from doing so. The fourth decision involves how the organization plans to disseminate rewards information through different communication forms and channels.

Based on previous literature, Marasi and Bennett (2016) have created a figure that encapsulates the essence of pay communication. According to the figure, pay communication practices are divided into two aspects: restrictions set by the organization and restrictions set by the employees themselves. The combined effect of these factors forms a typology of pay communication (refer to figure 1).

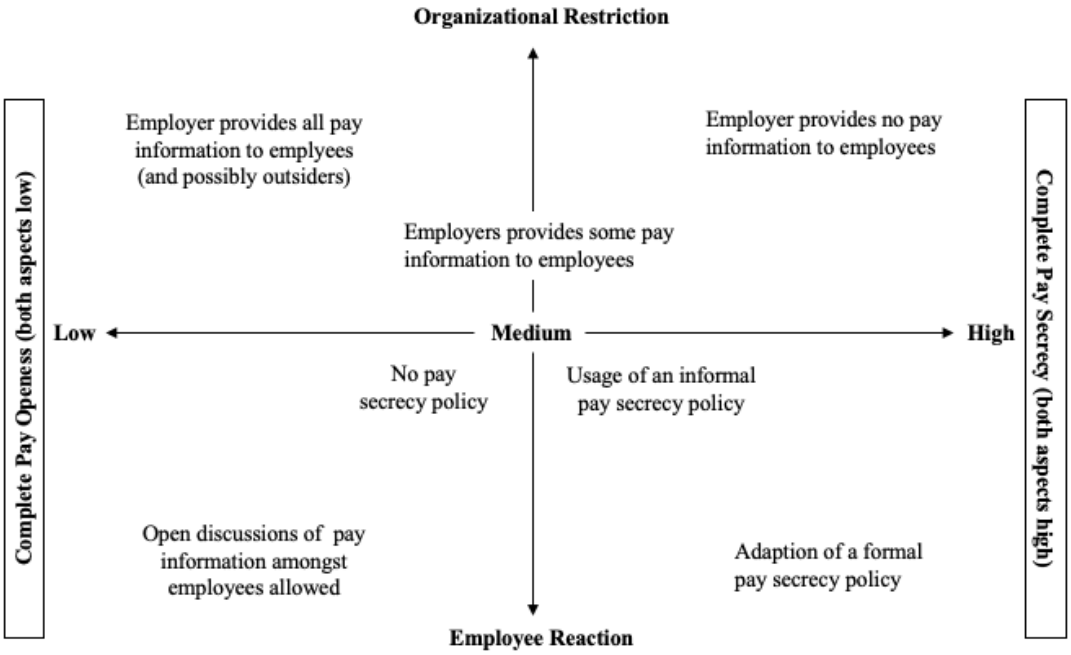

Figure 1. Typology for pay communication (see Marasi & Bennett, 2016, p. 52)

According to Trotter and colleagues (2017), pay secrecy contributes to pay discrimination, so pay transparency plays an essential role in closing and narrowing the gender pay gap. They define the *gender pay gap* 'as the difference between male and female earnings, with female earnings expressed as a percentage of male earnings' (p. 529). The gender pay gap describes the percentage difference between the average gross annual earnings of women and men (Acheson & Collins, 2021).

Trotter and colleagues (2017) classify discrimination as a key cause of the gender pay gap into two types: direct and indirect. Direct discrimination refers to discrimination based on gender-related attributes, while indirect discrimination refers to factors that influence individuals' career and lifestyle choices (European commission, 2019). Some studies have highlighted that hidden gender gap, the unexplained pay inequality can be related to direct discrimination (e.g., Koskinen, 2022), others argue it does not significantly contribute to the pay gap (Acheson & Collins, 2021). Gender pay gaps are also reflected in horizontal segregation (gender concentration in certain sectors or jobs) and vertical segregation (unequal representation across the labour hierarchy), with women often in low-paid sectors and under-represented in managerial positions (OECD, 2022; 2023a; 2023b).

2.2 Effects of voluntary pay transparency

The realm of pay transparency has been extensively explored in various studies, each revealing diverse insights into its impact on salaries, employee satisfaction, and labour market dynamics. Researchers have found different facets of how open pay policies affect both individual and organizational performance. It can play a key role in narrowing the gender pay gap, boosting trust in management, reducing turnover, improving an organization's image as an employer, while improving employee engagement and productivity. (Trotter et al., 2017) Research has shown that pay transparency has both instrumental and psychological effects (Bamberger & Belogolovsky, 2017). This means that personal feelings and attitudes can play an important role from both an individual and team perspective (Smit & Montag-Smit, 2019).

Several studies look at the positive effects of pay transparency. Pay transparency can have several benefits, such as reducing inequality, increasing a sense of fairness in the organization, improving motivation and performance, and improving labour market efficiency (Stofberg et al., 2022). Proponents of pay transparency believe that it can increase

employee motivation by clarifying the link between pay and performance (Colella et al., 2007). Supporting this notion, Cullen and Perez-Truglia (2022) showed that pay transparency has a motivational effect. Their study found that employees who were informed about the salaries of managers only a few promotion levels away worked longer and achieved higher sales results. Pay transparency also has positive effects on employees' perceptions of trust and fairness (Colella et al., 2007).

In one of the few qualitative studies on pay transparency, Stofberg and colleagues (2022) found a weak negative association between pay transparency and job turnover intention. Also, Scheller and Harrison (2018) found that pay transparency improves pay satisfaction and effective commitment. Alterman and colleagues (2021) found that in the case of fair distribution, pay transparency can strengthen trust in the organization and further reduce the risk of dismissal. Research also suggests that a move to pay transparency does not necessarily guarantee perceived pay equality and may even undermine work attitudes, such as job satisfaction (Schnaufer et al., 2022).

Pay transparency and communication significantly influence employees' perceptions of pay fairness and satisfaction, though the impact varies according to different studies. Day (2011) highlights the positive link between effective pay communication and pay satisfaction in her study. She points out that when employees perceive pay communication as adequate and fair, it not only improves their satisfaction with their pay but also increases their perception of organizational fairness. This suggests that open pay communication can promote a sense of fairness and equality in an organization. Also, Scott and colleagues (2020) point out that transparency on pay communication leads to employees perceiving pay as fairer and more satisfying, which in turn reduces the likelihood of turnover. In turn, Belogolovsky and Bamberger (2014) show that pay transparency is positively related to both job performance and employee retention.

While pay transparency is often defended, there is a considerable amount of research that warns of its potential drawbacks. The risks of pay transparency include reduced employee morale, dissatisfaction, increased conflict, pay compression and reduced employee

privacy (Stofberg, et al., 2022). For example, Bamberger and Belogolovsky (2017) highlight the "dark side" of pay transparency. They notice that pay transparency can lead to feelings of jealousy towards colleagues and reduce the willingness to volunteer to help higher-paid colleagues. When employees become aware of the pay gap, workplace conflicts, jealousy and negative feelings can also increase (e.g., Bamberger & Belogolovsky, 2017; Colella et al., 2007). In addition, Trotter and colleagues (2017) claim that pay transparency can affect employee motivation and morale. They argue that dissatisfaction can eventually lead to dismissals. Similarly, Cable and Birkinshaw (2017) warn of other potential harms. They argue that while transparency can offer some benefits, it can also lead to a decrease in creativity and accountability in the workplace. In addition to these concerns, Böheim and Gust (2022) and Cullen and Pakzad-Hurson (2019) have proposed that pay transparency can reduce pay increases and even lower overall pay levels. On the other hand, studies also show that pay transparency can have a negative impact on employees. If employees do not know their colleagues' salaries, they may overestimate them, which can lead to dissatisfaction and increased turnover (Risher, 2014). Research has also shown that employees in non-transparent organizations did not expect positive effects on relationships. Employees in these organizations feared increased competition, reduced cooperation, vicious jealousy and even bullying (Kral & Kubisova, 2021).

Social comparison is a common phenomenon among employees in organizations where pay is unclear (Kral & Kubisova, 2021). Policies known as "horizontal" pay transparency, which disclose the differences in pay among colleagues, have been shown to affect employees' behaviour and satisfaction, as well as their pay. Breza and colleagues (2018) found that information about their peers' salaries can evoke negative emotions in employees, reduce job satisfaction and decrease job productivity. Also, Card and colleagues (2012) and Cullen and Perez-Truglia (2022) came to the same conclusion in their study. They found that employees who learn that they earn less than their colleagues for similar jobs are significantly more inclined to look for a new job and feel less motivated. However, an interesting phenomenon was found when looking at employees' reactions to learning about their boss's salary: a higher-than-expected salary motivates employees.

According to the study, this motivation is largely due to employees' career aspirations, especially when they learn that the jobs they perceive are associated with higher salaries. Dube and colleagues (2019) found that employees are more likely to quit if their pay is lower than the average pay of their peers.

There are many studies that have investigated whether pay transparency affects the gender pay gap. Research shows that pay secrecy is one of the factors that enable pay inequality (e.g., Dubuzinkis, 2010). Several recent studies suggest that increasing transparency in pay can narrow the gender pay gap (e.g., Baker et al., 2019; Bennedsen et al., 2022; Duchini et al., 2020), but it may reduce pay levels (Cullen & Pakzad-Hurson, 2019). Effect is mainly due to stagnant pay increases for men rather than higher salaries for women (Bennedsen et al., 2023). Bennedsen and colleagues (2022) suggest that regulating pay transparency can be an effective way to narrow the gender pay gap, by influencing the bias against women in the workforce. Also, Ceballos and colleagues (2022) found that pay transparency reduces the gender pay gap, but only if it is properly implemented. The narrowing of the pay gap is mainly due to women negotiating higher salaries. Also, Frimmel and colleagues (2023) showed in their study that external pay transparency legislation can improve women's salaries and reduce pay gaps, especially in situations where women face distorted perceptions of their opportunities in the labour market or experience pressure to make decisions. Their research shows that pay transparency laws, which oblige companies to disclose basic pay information in job advertisements, can raise earnings for people who are less likely to be aware of pay practices and reduce pay inequalities. There are also studies that have found no effect between pay transparency and narrowing the gender pay gap. For example, Gulyas and colleagues (2023) found that pay transparency had no effect on narrowing the gender pay gap.

The important point to note is that while the benefits and risks can have a significant impact at an organizational level, the reactions of individual employees can vary considerably. For example, a study by Scott and colleagues (2020) on pay expectations showed that employees' reactions differ by nationality, age, and current salary level. In turn, Smit

and Montag-Smit (2019) found that employees have varying preferences for pay transparency, and these preferences can significantly affect their work attitudes. For many employees, pay confidentiality is an important personal value, and older employees believe that pay information is personal information that should be kept confidential (Kral & Kubisova, 2021). This should also consider the fact that pay transparency is perceived differently in different countries. A study by Scott and colleagues (2020) on the complexity of pay communication in different national contexts found significant differences in how pay transparency and pay communication are perceived and valued in different countries. These differences are influenced by employment laws, pay policies and cultural norms. Especially multinational companies need to recognize that there are important differences between countries that can affect how employees in these countries respond, when considering pay communication and pay transparency strategies and policies.

The interest in understanding the consequences of restrictions on pay communication has been reflected in the unilateral efforts of many companies to make pay more transparent (Bamberger, 2023). Examples include software companies Sysart in Finland and Buffer in the UK, which have voluntarily adopted innovative approaches to pay disclosure.

Few years ago, it was discovered by Sysart's management that some employees were dissatisfied with their salaries. Others were negotiating a better salary for the same work and the work community felt that the pay formation was not fair. (Valkama, 2021b) Therefore, Sysart chose the path of transparency by publishing employee salaries publicly to the entire work community and ensuring that every employee is aware of how much they earn in different positions and what the salary is based on. This initiative, driven by the desire for fair pay, has been well received and has increased the number of job applications and the satisfaction of employees and owners with fair pay. (Salonen, 2020) The pay criteria will change, and they are negotiated with employees at regular intervals (Valkama, 2021b). Sysart's commitment to transparency also extends to its website, where it openly presents its pay model, which has attracted a lot of attention and more than 10,000 visits to the site in just two weeks since the reform (Salonen, 2020). While

salary transparency may scare some job applicants, it ultimately benefits both parties by ensuring that compensation expectations are aligned, thus saving time for both the applicant and the employer when salary expectations do not match (Valkama, 2021b).

Meanwhile, Buffer, a UK-based software company, has adopted a similar approach, but has extended its transparency to reporting individual salaries online to include not only salaries but also the client pricing model, income, capital allowances and even retreat and benefit expenses. The reason for disclosing salaries was that "*transparency breeds trust, and trust is the basis of good teamwork*". (Rebel playbook, n.d.) However, the gender pay gap did not decrease after transparency. Following Buffer's announcement of salary transparency in January 2013, the number of job applications increased significantly, doubling the number of applications from the previous month. Buffer's policy to eliminate salary negotiation and bonus schemes reinforces Buffer's commitment to open and fair pay practices. (Stuber, 2020)

2.3 The impacts of legislative pay transparency

In recent years, several countries have introduced pay transparency laws to tackle pay transparency and gender pay gap. Legislative pay transparency has typically been driven by a desire to narrow the gender pay gap. As a result, many research findings focus on this issue. The structure and impact of these laws have varied, and significant differences have been observed between countries (e.g., Bennedsen et al., 2023; Böheim & Gust, 2022). Many policies specifically address the gender pay gap, while others focus more broadly on preventing pay discrimination (Cullen, 2023). This emphasis is reflected in most of the research on pay transparency laws, which mainly analyses their impact on narrowing the gender pay gap (e.g., Baker et al., 2019; Duchini et al., 2020). Apart from these studies, there are only a few other studies that look at the wider effects and outcomes of these laws (Bennedsen et al., 2023).

Policy reforms related to pay transparency have significantly narrowed the gender pay gap in many countries (see e.g., Baker et al., 2019; Bennedsen et al., 2022; Duchini et al., 2020). Baker and colleagues (2019) studied the impact of public sector pay disclosure laws on salaries in Canada and found that these laws narrowed the gender pay gap by 1.2-2 percentage points. This was mainly the result of slower salary growth for men rather than higher salaries for women. Complementing this, Gomez and Wald (2010) examined Ontario's Public Sector Pay Disclosure Act's effects in universities, finding that university presidents' salaries increased relative to the average salary in the public sector. In turn, Duchini and colleagues (2020) found that the UK's pay transparency law improved average salaries for women by 5 percent and reduced real salaries for men by 2 percent, leading to a narrowing of the gender pay gap.

Meanwhile, Bennedsen and colleagues (2022) examine the impact of 2006 legislation on Danish companies' gender pay gap. The results showed that the gender pay gap narrowed significantly in treated firms, with an average reduction of 1.9 percentage points compared to control firms. The reduction in the gender pay gap was more pronounced at the bottom and middle parts of the pay distribution. While the regulation narrowed the gender pay gap, it also had an unintended effect on the average salary of employees and reduced productivity in companies. The decline in productivity is in line with the fact that employees find they earn less than their peers (Cullen, 2023). In these countries, laws requiring companies to report pay by gender, have helped to narrow the pay gap. All these countries also had penalties for failure to report gender-related pay, suggesting that enforcement needs to be strict. Otherwise, employers still run the risk of favouring price discrimination against women. (Ceballos et al., 2022)

On the other hand, pay transparency laws do not directly guarantee that the gender pay gap will be reduced. For example, studies on the Austrian Pay Equity Act have not found evidence of a reduction in the gender pay gap (Böheim & Gust, 2022; Gulyas et al., 2023). The Austrian Gender Equality Act and the Federal Gender Equality Act adopted in 2011 aimed to promote pay transparency and reduce the gender pay gap. However, studies by

Böheim and Gust (2022) and Gulyas and colleagues (2023) show that these laws had no significant impact on pay or gender pay gaps. The laws had little impact on employment growth or employee turnover, and the effects were statistically insignificant. Even in larger firms, the share of female employees fell, indicating that pay transparency laws do not always work as expected. Gulyas and colleagues (2023) focused on smaller firms but found that policies had no significant effect on male and female salaries, resulting in unchanged gender pay gaps. In contrast, Frimmel and colleagues (2023) found that the overall reform led to a slight narrowing of the gender pay gap, with women's earnings in particular increasing significantly at the lower end of the pay scale. Men's earnings remained largely unchanged. They also found that the law improved the efficiency of job search, with vacancies being filled slightly more quickly after the law came into force, although the accuracy of estimates varied. One reason why the Austrian laws did not reduce the gender pay gap as intended may be that in Austria pay reports are only shared within the firm, unlike in countries such as the UK and Canada, where pay data are publicly published online (Böheim & Gust, 2022).

There is no federal law in the United States that requires pay transparency like EU Pay Transparency Directive. However, many states have very recently enacted or are in the process of enacting pay transparency laws (Ceballos et al., 2022). In an analysis of the progressive enactment of these laws in 13 US states designed to protect employees' rights to discuss their pay, Cullen and Pakzad-Hurson (2019) find that these measures have resulted in an average pay cut of about 2 percent. The authors interpret this unexpected result to mean that, because of increased transparency, employers may be reluctant to raise the pay of an individual employee because it could lead to costly pay negotiations with other employees. Beyond these laws, several states have gone even further that the EU pay transparency directive and made employees' salaries publicly available. For example, in New York state anyone can retrieve the salaries of every employee in the state, as well as their full names, employers and positions from a website called Open the Books (Perez-Truglia, 2023).

Colorado serves as a notable example among these states. It adopted in January 2021 Equal Pay for Equal Work Act[2], which requires equal pay for equal work, a ban on salary history, freedom to discuss salaries with others without fear of reprisals, transparency of the pay scale and accounting obligations. According to a study by Arnold and colleagues (2022), Colorado's pay transparency policy led to a significant increase in the disclosure of pay information in advertisements, which in turn increased advertised salaries but did not reduce the number of job vacancies. They found that reported salaries increased by an average of about 3.6 percent for companies that reported salaries both before and after the policy took effect. The number of pay reports reporting salaries also increased by 30 percentage points to 70 percent, but compliance is still far from 100 percent. According to them, the transparency effect is strongest for large firms, which were less likely to publish salaries at the start compared to small firms.

All in all, the introduction of pay transparency brings with it significant changes and uncertainties that will affect organizations, teams, and individual employees. The results show that pay transparency, whether voluntary or imposed by legislation, can have both negative and positive effects. In the next chapter, we will explore these changes and sources of uncertainty in more detail and analyse their short- and long-term effects on working life.

2.4 Concept of uncertainty

As the debate on pay transparency increases, the theoretical starting points become even more diversified, reflecting its complex nature. Previous empirical studies have examined this issue through different theoretical lenses. Most studies are based on equity theory (e.g., Bamberger, 2023; Day, 2011), but the authors have also framed their studies in terms of social comparison theory (e.g. Bamberger & Belogolovsky, 2017), theory of organizational transparency (e.g. Kral & Kubisova, 2021), the discourse of organizational

[2] See Equal Pay for Equal Work Act

justice (e.g. Stofberg et al., 2022), fairness heuristic theory (Hartmann & Slapnicar, 2012) and uncertainty management (e.g. Alterman et al., 2021; Bamberger, 2023).

I have elected uncertainty management theory as a theoretical framework because it is crucial to understanding the dynamics of implementing transparency in pay. There is much uncertainty surrounding the entry into force of the new EU pay transparency law, which will affect both employees and employers. Uncertainty management theory (UMT) provides a perspective on how people deal with uncertainty and how they try to manage it in different situations (Brashers, 2001). Understanding this theory is key to assessing the benefits and drawbacks of the new directive and its impact for example on organizational communication, culture, and employee relations.

Over the years, many definitions of the term *uncertainty* have been given (see Table 1). Although the definitions differ, they all share the common feature that uncertainty is related to a lack of knowledge or unknown. However, it has been studied and proven that uncertainty is not just a lack of information. Funtowicz and Ravetz (1990) describe uncertainty as imperfect information, which can take three types: imprecision, unreliability, and borderline ignorance. De Meyer and colleagues (2002) distinguished four different types of uncertainty, each requiring a different management approach. These types are variation, foreseen uncertainty, unforeseen uncertainty, and chaos. Implementing new law is a part of foreseen uncertainty. It is a significant event that can be identifiable and prepared for but cannot be sure will occur and may need risk management and contingency plans (De Meyer et al., 2002). However, given the multi-layered, interconnected, temporal and either emotional or cultural dimensions of uncertainty, it is important to recognize that the appropriateness and adequacy of response management can vary significantly across contexts and circumstances (Babrow et al., 2000).

Table 1. Definitions of uncertainty

AUTHOR	DEFINITION OF UNCERTAINTY
Milliken, 1987	An individual's perceived failure to predict something accurately
Funtowicz and Ravetz, 1990	Situation where information is insufficient. Three forms: inexactness, unreliability, and border with ignorance
Holton, 2004	Events for which reliable information is not available and the probability of occurrence cannot be estimated
Carbonara and Caiazza, 2010	A situation in which decision-makers have limited information that prevents them from accurately predicting the results of future events
Sniazhko, 2019	Lack of information about the future potential of the event

Although the change from the directive is known, its consequences may not be clear, and awareness of its potential impact may vary at different levels of the organization, creating uncertainty. Uncertainty is a common feature of organizational change and transitions and has been consistently recognized in several academic works (see e.g., Bordia et al., 2004). This uncertainty is generally related to the objective, process and outcomes of the change and its impact on prospects, culture, and organizational structure. (Buono & Bowditch, 1993). Understanding uncertainty and managing uncertainty becomes particularly important in these transitions' moments which also includes the implementation of the EU pay transparency law. Understanding the nature of uncertainty requires recognition of the inherent role of uncertainty in knowledge, the varying responses of individuals to uncertainty, and the different methods for identifying and quantifying uncertainty. The motivation to reduce uncertainty leads firms to adopt certain behaviours, while the ability to cope with uncertainty allows them to adapt strategies to meet the specific challenges they face (Sniazhko, 2019). This dual approach highlights the complexity of dealing with uncertainty and emphasizes the need to adopt flexible, knowledge-based strategies to

manage the dynamic challenges posed by organizational change and external environments.

Several theories have been developed to define uncertainty, identify its effects, and devise strategies to manage it. The most common ones are Uncertainty Reduction Theory (URT) by Berger and Calabrese (1975), Anxiety-Uncertainty Management (AUM) by Gudykunst (1993) and Uncertainty Management Theory (UMT) by Brashers (2001) (Camara & Brown-Givens, 2012). I chose UMT because it provides a perspective on how people react to and manage uncertainty in ways that can contribute to the well-being and success of both the organization and its employees. UMT argues that managing uncertainty is not always about reducing uncertainty, but sometimes about maintaining or increasing it, depending on the situation (Brashers, 2001). This approach is particularly useful for understanding how people react and adapt to uncertain situations. UMT considers the subjective nature of uncertainty and how people assess and cope with uncertainty in a context-dependent way (Brashers, 2001). In uncertainty management theory, the concept of justice is extended beyond social uncertainties to include other common sources of uncertainty (Lind & van den Bos, 2002). When examining issues such as pay transparency or the impact of new laws on an organization, it is important to understand how both employees and management face and manage the uncertainty associated with these changes.

Because I want to study the effects of implementation on employees, I chose Lind and van den Bos (2002) theory of uncertainty management, which they describe as a new "uncertainty management theory" of organizational justice that looks at the social-psychological dynamics of justice assessment. This differs from Brashers (2001) uncertainty management theory in that it focuses specifically on how employees' perceptions of organizational justice are shaped by uncertainty in the work environment. This theoretical framework proposes that people use perceptions of fairness to deal with uncertainty in their social lives and that, in the face of uncertainty, people need more fair treatment. The theory suggests that organizational justice is particularly important in times of turbulence.

According to Lind and van den Bos (2002) in organizational settings, fair transactions tend to lead to different positive outcomes, such as greater commitment to organizations and institutions, greater likelihood of preventing and resolving conflicts, better job performance and higher job satisfaction. In turn, people who feel unfair are more likely to leave their jobs, reduce their willingness to cooperate, show lower morale and greater work stress, act against the organization and even engage in anti-social behaviour.

Management of uncertainty considering the EU Pay Transparency Directive involves a multi-faceted approach, addressing individual, team, and organizational needs. By acknowledging and addressing concerns at each level, organizations can facilitate a smoother transition to the new pay transparency requirements. Therefore, I will now look at the management of uncertainty at these three different levels.

2.4.1 Uncertainty in organizations

At the organizational level, UMT is a strategic process that serves as a strategic framework for navigating complex and unpredictable situations in the business environment. Organizational policies and cultures are very important in managing uncertainty (Brashers, 2001). Effective leadership is key to steering organizations through uncertain times and providing clarity and stability. Leadership that fosters a climate of trust and openness to change encourages employees to drive behaviour (Islam et. al., 2020).

In addition, communication is an essential element in the successful management of uncertainty in organizations. It facilitates how individuals navigate uncertain times and negotiate their identity in their professional environment (Babrow & Matthias, 2015). Open and effective communication allows management to address concerns and uncertainties directly and cultivate the climate of trust and openness necessary to effectively navigate change. Yue and colleagues (2019) argue that transformational leadership and open communication result in employees feeling more trust in the organization and its leaders, making them more receptive to change.

The results show that organizations that adopt an attitude that embraces uncertainty are significantly more successful in f improving job satisfaction, fostering deeper employee engagement and reducing cynical behaviour compared to organizations that tend to avoid or suppress uncertainty (Williams & Clampitt, 2003). Such an environment not only fosters a more engaged and satisfied workforce, but also promotes a culture of flexibility and adaptability in the face of change.

According to Lind and van den Bos (2002) UMT, during organizational change, managing uncertainty becomes a critical management responsibility. Leaders play a key role in reducing the ambiguity and confusion often associated with change and ensuring that the process is perceived as fair and equitable by all members of the organization. Zhu and colleagues (2023) highlight the importance of authentic leadership as a predictor of employee resistant to change and explore how the role of uncertainty avoidance can mitigate the effect of authentic leadership on employee resistance to change. As promoters of fairness (Kiersch & Byrne, 2015), authentic leaders can help reduce the uncertainty experienced by employees. This increases employees' experience of fairness. Also, authentic leadership can provide meaningful information that allows employees to evaluate options more effectively and thus mitigate perceived uncertainty (Zhu et al., 2023). They argue that reducing or eliminating employee uncertainty in change situations is not effective without genuine leadership. In this case, employees may resort to defence mechanisms to reduce the perceived uncertainty and maintain their level of adaptation.

2.4.2 Uncertainty in teams

Leadership research generally assumes that supervisors mitigate the uncertainty of their subordinates by providing guidance and support. Many leadership studies implicitly assume that leaders reduce their subordinates' insecurity by providing guidance and support. This can be seen, for example, in the work of transformational leaders (Yue et al., 2019) who give their teams a clear sense of purpose by presenting and implementing a vision of the desired future of the organization.

The concept of fairness, as highlighted by Lind and van den Bos (2002), is central to effective uncertainty management. It involves transparent communication strategies, equitable decision-making processes, and the fair treatment of employees. This fairness not only helps in reducing the inherent stress and anxiety associated with organizational change but also fosters a sense of trust and security among employees. Leaders who emphasize fairness in their approach to managing uncertainty can significantly enhance employee commitment, morale, and overall organizational resilience.

Uncertainty management theory (UMT) suggests that employees tend to reduce their sense of uncertainty and assess the trustworthiness of their supervisors by using information about how fair they perceive their employer and/or supervisor to be (e.g. Van den Bos et al., 1998).This theory highlights the crucial role of perceptions of fairness in managing uncertainty in an organizational context and emphasizes how trust and fairness are an integral part of managing and mitigating uncertainty in the workplace.

Studies indicate that organizational fairness with which supervisors treat their subordinates, leads to different positive outcomes in the workplace, including enhanced job satisfaction, increased trust in their organization, reduced instances of misconduct, and a greater endorsement of procedural fairness among employees (Wolfe & Nix, 2017). This highlights the importance of fostering an environment where fairness and equality are a priority, as this contributes significantly to the overall well-being of employees and the success of the organization.

Moreover, previous studies have shown that perceived uncertainty can reduce the tendency of employees to cooperate (Lind and van den Bos, 2002), reflecting oppositional behaviour and attitudes resulting from feelings of uncertainty. Thus, organizational justice not only influences individual outcomes but also significantly affects teamwork and collaboration. Fair treatment sends a signal to employees that they are respected members of the organization, that their relationship with the organization is strong and that they can put their personal interests before the welfare of the group (Wolfe & Nix, 2017). This collaborative spirit is crucial to the success of team-based projects and initiatives, underlining the importance of organizational fairness in creating an environment conducive to effective teamwork.

Studies have highlighted the key role of middle management in dealing with the uncertainties of organizational change, and their crucial involvement in helping employees through the transition. Herzig and Jimmieson (2006) identified several key factors that act as either catalysts or barriers to managing uncertainty, including the structure of change, clear communication with top management, management support, dealing with role conflicts and supporting peer interaction. Also, studies by Wai-Kwong and colleagues (2001) and Huy (2002) have shown that middle managers significantly increase organizational performance through strategic involvement and addressing the emotional needs of their teams during periods of change. Middle managers are therefore not only agents of change, but key change agents who play a key role in supporting their teams through transitions and contribute to the overall adaptability and resilience of the organization.

2.4.3 Individual uncertainty

Uncertainty management theory (Lind & van den Bos, 2002) provides a broad social psychological framework to explain how and when individuals react to legal uncertainty. Research on managing personal uncertainty shows that fair treatment helps individuals to manage their insecurity and cope with worries and stress (Lind & van den Bos, 2022). When employees feel insecure, it affects their work attitudes and behaviour (Lind & van den Bos, 2002). Proudfoot and Lind (2015) note that sensitivity to fairness increases with the level of uncertainty, indicating a direct correlation between uncertainty levels and fairness sensitivity. This illuminates the innate human need for justice in times of uncertainty. Experiencing uncertainty is an unpleasant and stressful condition that causes cognitive load (Turner & West, 2010) and makes it difficult to adapt to future changes, making individuals more inclined to resist change.

When employees have little information about the distribution of pay in their organization, it is often challenging for them to assess the fairness of their own pay (Brown et al., 2023). According to Uncertainty Management Theory (UMT), uncertainty about justice causes aversion, and individuals experiencing uncertainty seek to acquire information to reduce this uncertainty. When employees learn about pay differentials, their perception of the fairness or reasonableness of pay can be undermined, especially if they notice a significant pay gap between average employees and senior management (Card et al., 2012). This information can undermine employees' sense of fairness and equality in pay and challenge organizational cohesion and satisfaction.

Lind and Van den Bos (2002) emphasize the crucial role of fairness in managing organizational behaviour and stress that pro-organizational attitudes and behaviour are maintained in environments perceived as fair, as this reduces fears of exclusion or exploitation, especially in uncertain situations. They argue that in situations where uncertainty is combined with unfair treatment, individuals are more likely to adopt self-preservative or competitive actions to take control of their destiny and to abandon pro-organizational attitudes in favour of self-interest. This reaction is reinforced by a perception of unfairness, which

drives individuals to actions that may harm the organization as much as protect themselves. A lack of trust in management leads to a temptation for employees to seek the salaries of others because it creates a suspicion of distributive injustice (Kral & Kubisova, 2021). This social comparison often creates jealousy, gossip, or coalitions between employees in the workplace.

A person's reaction to uncertainty is associated with individual evaluations and emotional reactions (Brashers, 2001), and the evaluation of uncertainty varies from situation to situation or from person to person (Sorrentino & Roney, 2000). Change brings with it a lot of uncertainty, and employees who naturally avoid uncertainty are looking for ways to reduce it. One such defence mechanism is resistance to change. According to Lind and van den Bos (2002), people who experience high levels of insecurity value justice particularly highly and react strongly to unfair signals. In these situations, they emphasize the fairness of their environment to manage and reduce uncertainty more than people for whom uncertainty avoidance is less important (Lind & van den Bos, 2002).

2.5 Summary of the theoretical framework

The theoretical framework of the study is built around the EU Pay Transparency Directive, which will enter into force in 2026. This directive will have a major impact on organizational dynamics, on pay transparency, gender pay gaps and pay communication. It aims to increase transparency in pay practices, reduce pay differentials and promote fairness among employees. The theoretical framework of this study is presented in the following figure (see figure 2), and legislation is discussed in more detail in the next section.

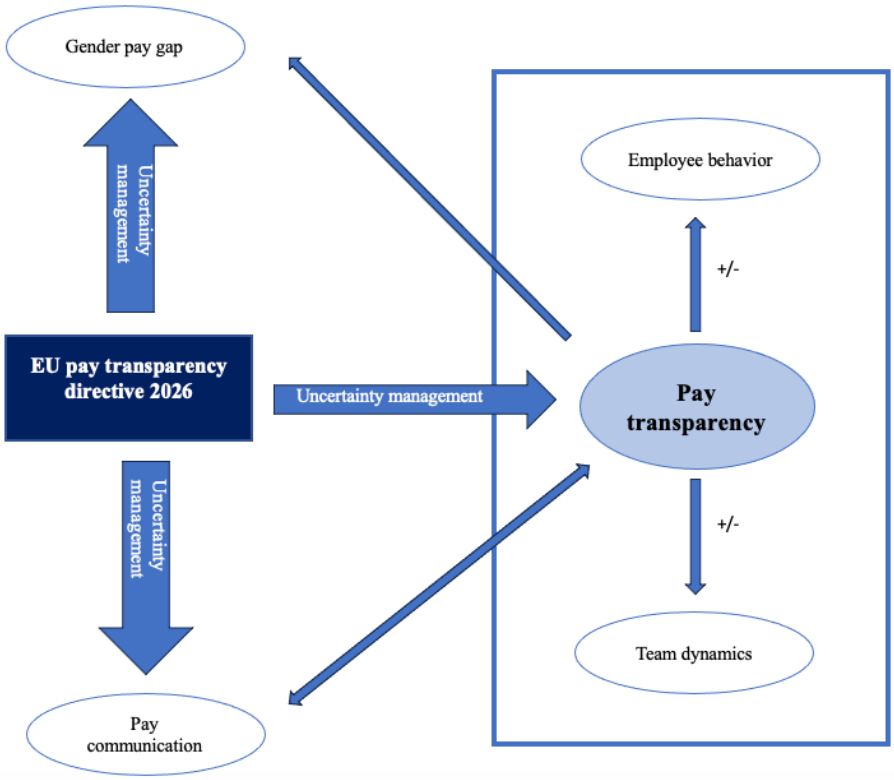

Figure 2. Theoretical framework

In the context of these changes, uncertainty management is emerging as a key factor influencing the outcomes of pay transparency initiatives. There is uncertainty around the directive, as others' salaries are unknown, and rumours circulate. As the directive will not be introduced for another two years, it is not yet possible to know for sure what will happen. Based on existing literature, it is possible to speculate about what might happen, but there is no certainty.

The findings from the existing literature provide insights into the nuanced effects of both voluntary and statutory pay transparency. Some studies highlight positive effects such as motivation, fairness, and satisfaction, while others warn of possible negative consequences such as reduced trust, increased conflict, and jealousy. Most studies have concluded that pay transparency has a direct impact on the gender pay gap by enabling open

discussion and awareness of pay levels in an organization. In addition, the existing literature emphasizes that pay transparency and pay communication interact more open pay communication promotes transparency of pay practices and thus strengthens pay transparency in the organization.

Theoretical frameworks on pay transparency emphasize its multifaceted impact on employee behaviour and team dynamics, which I will explore in this thesis. By examining the interplay between increasing pay transparency and related gender equality, communication practices and uncertainty management, I aim to provide a comprehensive understanding and useful insights for organizations navigating the evolving landscape of pay transparency regulations in Finland.

3 Pay transparency legislation in Finland and EU Pay Transparency Directive

3.1 Pay transparency and legislation in Finland

Prior to the introduction of the forthcoming EU directive, Finland had already been considering a ground-breaking proposal on equal pay. Prime Minister Sanna Marin's government program aimed to eliminate unjustified pay inequalities and pay discrimination by increasing pay transparency through legislation. Promoting equal pay was already included in the government program, but the working group that had prepared the issue broke up in August 2022 due to opposition from the Confederation of Finnish Industries, among others[3]. The employer would have had to inform employees annually of the pay system in force and its application, and an employee suspected of pay discrimination would have been entitled to obtain salary information from the employer about another person. This proposal would therefore have gone further than the directive, as it would have been possible to find out not just the salary range but even the salary of an individual person if discrimination was suspected. The trade unions are in favour of the proposal, but the Confederation of Finnish Industries believed that the bill would have increased information rights too much for employees[4]. It can be seen from the defeated proposal that there are already differences of opinion between Finnish unions on the issue of pay transparency, which may also arise in the implementation of the directive.

Since 2006, Finland has actively participated in the Equal Pay Program, a government initiative to promote equal pay systems and raise awareness of equal pay (Ministry of Social Affairs and Health, 2020). The programme's measures will also help reconcile work and family life and challenge the traditional gender divide in the workplace. Since the launch of the equal pay program, the pay gap between women and men has narrowed by 0.3 percentage points per year. The trend is downwards but could be faster. In Finland,

[3] See STM079:00/2020
[4] See statement VN/11746/2020

the gender pay gap is 16 percent, compared with an EU average of 13 percent. (Ministry of Social Affairs and Health, 2020)

The Finnish Constitution[5] already prohibits discrimination based on gender and stipulates that gender equality must be promoted in working life. Also, the law on equality between women and men (8.8.1986/609) already contains similar obligations for companies with 30 or more employees than the new pay transparency directive. The purpose of the act is to prevent discrimination on grounds of sex and to promote gender equality. Employers have a duty to promote equal pay and ensure that women and men have equal opportunities for career advancement. The law also requires employers to draw up an equality plan setting out measures to achieve equality in pay and other terms and conditions of employment.[6] Thus, the law also promotes pay transparency in a certain way. However, pay transparency and gender equality is largely voluntary because, unlike the directive, reports do not have to be sent to anyone. In Finland's public sector, individual employee salary details are public information, as mandated by the Nimikirjalaki (Act No. 1010/1989).[7] In the public sector, pay data for individual employees are public. According to section 7 of the Nimikirjalaki information on the part of the salary, the salary corresponding to the grade or classification, or any other possible part of the salary and the total amount of the salary determined for a civil servant, official or employee based on personal performance or otherwise on an individual basis is public. In Finland, the salaries of private sector employees are in principle never public information.

In Finland, companies with more than 30 employees are already obliged by the equality act to carry out pay surveys as part of a gender equality plan (Sandt, 2023). Constitution of Finland (731/1999)[8] and Equality Act (609/1986)[9] provides for a mandatory pay review every two years, requiring organizations to investigate and correct any unjustified

[5] See 11.6.1999/731 Article 6
[6] See 8.8.1986/609 Articles 6 & 6a
[7] See 24.11.1989/1010
[8] see 11.6.1999/731
[9] see 8.8.1986/609

pay gaps between men and women. Employers are obliged to provide detailed information on the gender pay distribution in different jobs, the gender job classification of employees, the pay for these jobs and the pay gap. If no acceptable justification for the pay gap can be found, employers must take corrective action. The Ombudsman monitors these procedures and ensures that the guidelines laid down are respected. However, Gender equality plans are not consistently submitted to government authorities. According to Sandt (2023) the vast majority (70 per cent) of organizations draw up an equality plan but only half (53 percent) carry out an equal pay audit. She states that the equal pay audit is carried out by 86 percent of public sector employers and only 50 percent of private employers.

However, the open communication of pay data required by the EU directive is new for many Finnish private sector organizations. Only five percent of job advertisements on the Duunitori job search service published the basic salary of the job vacancy at the time directive was passed (Pikkuaho, 2023). Surveys reveal diverse attitudes towards pay transparency in Finland: a 2020 labour market survey by TEK indicates that only a third of employees are pleased with the level of pay transparency at their workplaces, while 39 percent express dissatisfaction (Rönnqvist, 2021). According to the YLE survey, 43 percent of Finns want salaries to be transparent and known to everyone, while 39 percent are against it (Valkama, 2021a). The survey also shows that women (47 percent) are more in favour of pay transparency than men (38 percent) and earnings had an impact on how positively pay transparency was perceived. The group least in support of pay transparency was the group earning the most (over 60 000 €/year). Both studies give similar findings. In its Labour market survey, TEK also examined how often employees discuss salaries with each other or with their supervisors. The results are that 62 percent of employees never discuss their pay with their colleagues, and only 1 percent do so frequently, and a quarter never discuss their salary with their supervisor (Rönnqvist, 2021). This data highlights the nuanced perspectives on pay transparency across different demographics and income levels in Finland.

In the context of Finland's unique approach to pay transparency, public tax information is an easily accessible resource that allows anyone to access income information by visiting the Tax Administration or calling the service number (Verohallinto, n.d.). Tax information is thus public, but it is not as easy to find as for example in the United States (Perez-Truglia, 2023). In addition, the Finnish Tax Administration sends all public information on individuals with taxable incomes above 100,000€ to the country's media every November (Verohallinto, n.d.). Tax records include the amounts of earned income and capital income and taxes in total are released. Although there is still little public debate on salaries in Finland, public tax data means that salaries are already quite public in Finland. However, public data do not necessarily give a direct indication of a person's salary, as a person may have income from several different sources.

Important changes to current practices will be introduced by the new EU Pay Transparency Directive. The directive will give job applicants and employees greater rights to access pay information, which will improve their ability to assess employers' pay practices. In concrete terms, this will be reflected in the requirement for employers to disclose salary information in job advertisements or at first interviews. Employees are also given more rights to ask questions about their own salary, their salary structure and to compare their own salary with the average salary of other people doing the same job. This will allow for better comparison and transparency in pay practices. In addition, employers will be obliged to report on their pay by gender and to report on the pay of employees in the same job. If the gender pay gap exceeds 5 percent and there are no acceptable explanations, the matter will require further investigation. Although the reporting obligation already exists in Finland, the EU directive will significantly tighten and extend its requirements. The directive will therefore contribute to fairness and transparency of pay practices in the labour market.[10]

[10] Directive (EU) 2023/970 (summary)

3.2 EU Pay Transparency Directive

Article 11 of the Directive (EU) 2023/970[11] highlights that the 2020 review of directive 2006/54/EC[12] finds that the principles of equal pay are undermined by unclear pay systems, undefined 'equal pay' and barriers for victims of discrimination. Employees do not have enough information about the pay levels for comparable work, which makes it difficult to successfully establish equal pay claims. As a result, on 10 May 2023, the European Parliament and the Council adopted a new directive (EU) 2023/970, which reinforces the application of the principle of equal pay for women and men. The directive increases transparency of pay and enhances enforcement mechanisms to ensure same pay for equal work or work of equal value. This new directive on pay transparency therefore aims to increase pay transparency and reduce the gender pay gap by setting minimum standards to support the principle of equal pay and prohibit gender pay discrimination. It also promotes more effective use of pay transparency. This means that Member States can implement more ambitious legislation on pay transparency. However, the minimum requirement is in line with the articles of the directive. By June 2026, all 27 European Union (EU) Member States must bring their national legislation into line with the EU Pay Transparency Directive. This directive applies to all employers with more than 100 employees, in both the private and public sectors. The directive applies to all employees who are employed or have a contract of employment, including part-time, fixed-term, managerial and temporary employees.[13]

For job applicants, this means that they have the right to be informed of their starting salary or salary range before the interview, based on gender-neutral and objective criteria. In practice, this means that the starting salary or salary range is given in the job advertisement or personally to the applicant before the first interview. The salary information

[11] See Directive (EU) 2023/970
[12] See Directive 2006/54/EC
[13] See Directive (EU) 2023/970

must be given to the applicant without a specific request. Another change for job applicants is that the employer will not be allowed to ask about the salary of the job applicant's previous job.[14]

The Directive guarantees employees the right to be informed about their own pay and the average pay level in the workplace, broken down by gender, for employees in the same or similar jobs. According to article 4 of the directive, equal pay criteria should not be based directly or indirectly on the sex of the employee. Instead, an account must be taken of qualifications, level of responsibility, working conditions, workload and other relevant factors relating to the work in question. The article also stressed that relevant soft skills should not be undervalued. Soft skills are often associated more with women employees and women leaders (Hong, 2016), so this paragraph also aims to improve the pay gap between women and men. Also under the directive, pay secrecy cannot be imposed on employees by contractual terms. Employees are therefore free to disclose their own pay to implement the principle of equal pay. The main difference between the directive and the current situation is that job applicants will have greater access to information on pay and will therefore be able to assess the employer's remuneration.[15]

For employers, this will mean that they are obliged to provide their employees with easily accessible criteria for determining their pay, pay levels and pay progression. As a result, employers must establish pay structures that ensure that the same or equivalent work is paid for the same pay. Employers must define work of equal value and figure out how to put job requirements assessment into practice. Employers should also be aware that salary information and job titles must be gender neutral. If this is not already the case, they should be changed. The biggest change for employers will be mandatory reporting. Employers will be obliged to report to the relevant national authority on the gender pay gap in their organization. In the past, the responsibility for proving pay discrimination has been on employees, but the new directive shifts this responsibility to the employer. In

[14] Directive (EU) 2023/970 (summary)
[15] Directive (EU) 2023/970 (summary)

future, the employer will therefore have to prove that it has not breached EU pay transparency rules. In addition, the burden of proof in pay discrimination cases will shift from the employee to the employer. The employer must prove that it has not breached EU rules on equal pay and pay equality.[16]

Employers are required to provide a comprehensive analysis that includes several key metrics. This analysis looks at the gender pay gap, as well as differences related to variables such as bonuses and fringe benefits. It also requires reporting on the median gender pay gap, defined as "*the difference between the median pay level of female and median pay level of male workers of an employer expressed as a percentage of the median pay level of male workers*"[17] and the proportion of women and men who receive supplementary or variable components. Employers are also required to report the distribution of female and male employees across quartile pay bands which categorize employees into four equal groups based on pay levels from the bottom to the top. Finally, the report should show the gender pay gap between different groups of employees, broken down by both basic pay and supplementary and variable pay, to provide a comprehensive picture of the pay gap in the organization.[18]

Companies with more than 250 employees must report annually starting from June 7, 2027, and smaller organizations must submit a similar report every three years. Employers with 150-249 employees must also provide their first report by June 7, 2027, and employers with 100 to 149 employees must report starting from June 7, 2031. Organizations with fewer than 100 employees are not obliged to report but can do so on a voluntary basis. However, Member States may decide to oblige these employers to report on pay transparency. Employers have the option to either post the mandated information on their websites or otherwise make it accessible to the public. Additionally, they must provide this information to the relevant monitoring authority in the Member State to ensure that it can be used to compare different employers, sectors, and regions within the country.

[16] Directive (EU) 2023/970 (summary)
[17] Directive (EU) 2023/970 article 3
[18] See Directive (EU) 2023/970 article 9

Member States' supervisory authorities must make public the data for the last four years. Although employers are not obliged to publish detailed information on the gender pay gap, they are required to share this specific information with their employees and their representatives. Employers must also provide this detailed information, together with the accompanying data for the previous four years, to both the labour inspectorate and the equality body of the Member State on request. Under the new regulations, if the report reveals a pay gap of more than 5 percent that cannot be explained on gender-neutral and objective grounds, and if this gap is not closed within six months, the employer will be fined and must compensate the employee for loss of earnings.[19]

In addition, a joint salary survey is required if all the following conditions are met. Firstly, the pay report must show that there is a difference of at least 5 percent between the average pay of women and men in a particular group of employees. In this context, a "group of employees" means a group of employees who do the same or similar work and who are classified on a fair and gender-neutral basis, possibly in consultation with workers' representatives in accordance with national laws or practices.[20] Secondly, if the employer cannot explain the pay gap on objective and gender-neutral terms, and thirdly, if the employer does not correct the unexplained pay gap within six months of submitting the report, a joint pay review must be carried out. This approach aims to ensure fair pay practices for all categories of employees and to enforce accountability and the correction of unjustified pay gaps.[21]

[19] See Directive (EU) 2023/970 article 9, 10 & 23
[20] See Directive (EU) 2023/970 article 3
[21] See Directive (EU) 2023/970 article 10

4 Methodology and data

In this section, I describe the research design of the study (see figure 3). First, the research methodological choices of the study are presented and justified based on theory. This is then followed by a description of how the data was collected and how the interviews were conducted. Finally, I will describe how the data were analysed and examine the reliability of the study.

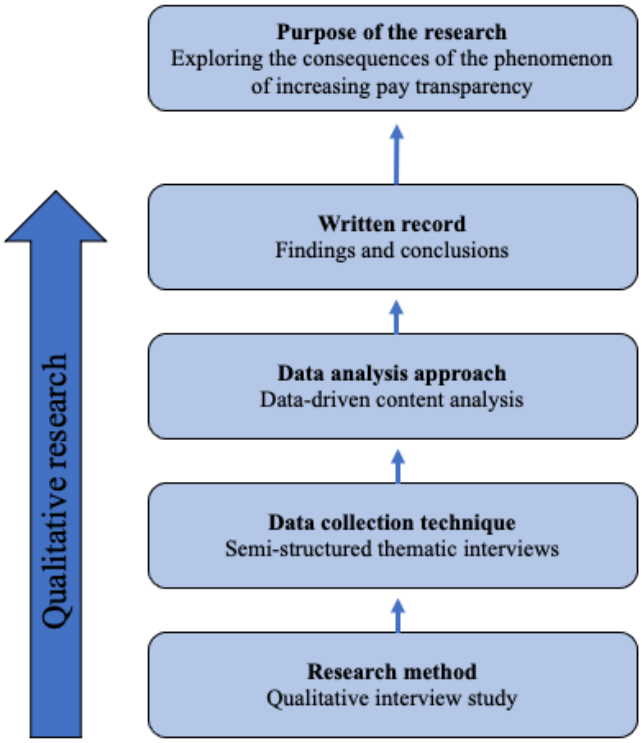

Figure 3. Research design (inspired by Myers, 2009, p. 26 & Svärd, 2023, p. 37)

The study uses a qualitative approach. The method used is qualitative interview research, in which the data is collected through semi-structured thematic interviews. The material obtained from the interviews will be analysed using a data-driven content analysis. Based

on this analysis, a written report will be prepared presenting the findings and conclusions of the study. The main objective of the study is to identify the consequences of increasing pay transparency.

4.1 Research approach

This research was carried out qualitatively by collecting data through interviews. Qualitative research aims, for example, to describe phenomena or events, to deepen the understanding of a particular activity or to provide a theoretically based interpretation of the phenomenon under study (Tuomi & Sarajärvi, 2018). Qualitative research enables an in-depth understanding of people's feelings, experiences, and thoughts, and seeks to understand personal experiences and emotions, which may be very different from one person to another (Eriksson & Kovalainen, 2008). As I aim to understand personal experiences and feelings, I think that the conversational interview is the most suitable for this purpose, as it is possible to find different perspectives on the topic, depending on the interviewee. Qualitative research favours methods that allow the perspectives and voices of the subjects to be heard and in addition, the purpose of qualitative research is not to generalize the results broadly, but to deepen understanding of the chosen research topic in a precise and comprehensive way (Tuomi & Sarajärvi 2018). Thus, the qualitative research supports the aim of this thesis to understand, explain and describe the experiences, perceptions, and feelings of personnel in the target organization about pay transparency and its increase due to the EU directive.

Often, studies on pay transparency have been quantitative, focusing on numerical data and statistical analysis (e.g., Perez-Truglia, 2020). Such an approach can provide an overview of the phenomenon, but it does not always reveal the deeper causes or meanings behind the phenomenon. To respond to the research questions and gain a deeper understanding of the impacts and experiences of pay transparency, I will conduct a qualitative study. Qualitative research will allow me to gather more detailed and nuanced data, which

will help me understand the complexity of the phenomenon and its impact at the level of individuals and organizations.

4.2 Data collection

I have chosen a semi-structured interview, i.e., a thematic interview, as the data collection method because it allows for a more focused and in-depth exploration of the topic and allows the thoughts and experiences of the research subjects to emerge (Eriksson & Kovalainen, 2008), which helps to better understand how increased pay transparency can affect employees' behaviour and relationships. It allows me to explore my research topic in a multifaceted way while listening to the interviewees' own voices and experiences. This approach supports my research objectives in collecting reliable and multidimensional data. Thematic interviews differ from structured interviews in that they do not have a strict question order or format. Instead, the emphasis is on addressing predefined themes, allowing interviewees to express their experiences and ideas more freely. This allows the interviewees' own thoughts and opinions to emerge more clearly, making the data more representative of the interviewees themselves. It also offers flexibility in conducting the survey, as the interviews can be tailored to the needs of the respondents (Eriksson & Kovalainen, 2008). This allows the interviewer to bring up things that I might not have thought of myself. Although the study is a qualitative interview study, it has some features of a case study, as I am examining one specific target organization.

I constructed an interview guide based on the research questions. I created my own interview outlines for both supervisors and employees. This decision was based on the possibility that the roles and perspectives of the two groups on pay transparency and the impact of the directive might be different. The interview framework for supervisors was more focused on team management and practices, while the interview framework for employees was designed to put more emphasis on their experiences and views on their daily work and the impact of the pay transparency directive on their employment relationship. The

interviews proceeded mainly according to the interview outline: I asked questions from the interview outline and, if necessary, I asked additional questions about interesting issues that arose or asked for clarifications of the interviewee's answers. At the end of several interviews, we discussed the topic informally with the interviewee. A summary of the interview guides and questions can be found in Appendix A.

The interviewees in the study are all employees and supervisors of a Finnish accounting firm, working at the company's head office in the Helsinki metropolitan area. All employees and supervisors of the company were informed of this thesis by email, and the interviewees volunteered. The invitation described the research topic and methodology. It explained that the research was voluntary and invited interested interviewees to contact the researcher. The invitation stated that the identity of the interviewees would remain anonymous, that the data collected would be treated confidentially, and that the data would be destroyed at the end of the research process and not used for any other purpose. Once the interviewees had volunteered, they were sent an interview form to which they gave their consent by e-mail.

Altogether, 4 supervisors and 4 employees were interviewed (see table 2) during spring 2024. Supervisors and employees are the target group of my research, as they play a key role in addressing pay transparency and are directly involved in its implementation and impact in organizations. They were also chosen because their perceived uncertainty about the increase in pay transparency is a key focus of the research, as it can have a significant impact on internal organizational dynamics and practices. One interview was conducted in March and seven interviews were conducted in April. The interview group consisted of one man and seven women. Age was asked in the interview, but as the interviews progressed it became clear that it was not relevant to the study. To protect the anonymity of the interviewees, no names are used, and each interviewee is given a code. The participants in the supervisor group were given an E code and the employees a T code.

In determining the number of participants for this study, I aimed to achieve a diverse, thorough, and representative sample, while considering practical constraints and available

resources. Although there is no exact recipe for the ideal sample size for a qualitative research, in this case the aim is to gain a comprehensive understanding of the phenomenon being studied. Given the advice of experienced researchers such as Eskola (2007) that 6-8 interviewees are an appropriate number for a thesis study, I considered this range to be appropriate given the scope of my study. However, after reflecting on the adequacy of the sample size, I wondered whether the number of interviewees should be further expanded. Qualitative research does not focus on large sample sizes, but rather on the depth and richness of the analysis (Eskola & Suoranta, 1998), I therefore decided to select 8 interviewees, expecting that this number would provide enough material, if the interviews were sufficiently detailed and focused on the themes relevant to the research.

The concept of saturation, widely discussed in the methodological literature, refers to the point at which new information no longer provides additional insight (Eskola & Suoranta, 2014). In this study, I observed signs of saturation towards the end of the interviews, when responses began to be repeated in the answers from the earlier discussions. However, given the broad and personal nature of the topic, it is conceivable that additional perspectives could have emerged with a larger sample size. The structured format of the thematic interviews ensured that the discussions focused on the relevant issues, and I considered that the data obtained was sufficient for the purposes of the study.

I estimated that the interviews would take about 45 minutes before I started interviewing. Thus, 60 minutes was allocated for all interviews, as I believed this was enough time to go through the interviews. The interviews of supervisors lasted approximately 45 minutes and the interviews of employees lasted approximately 30 minutes. I decided to conduct the interviews remotely for the flexibility of interviews. The target organization does a lot of remote working, so remote interviews were a natural choice. The interviews were conducted via Microsoft Teams, as the interviewees were familiar with the meetings of this programme. Interview questions were not provided in advance. The interviews were conducted in Finnish to make it easier for the interviewees to answer the questions.

Table 2. Interview data

	INTERVIEWEES			INTERVIEWS		
ALIAS	**INTER-VIEWEE GROUP**	**LENGHT OF EMPLOY-MENT**	**GENDER**	**DATE**	**PLACE**	**DURA-TION**
E1	Supervisor	> 8 years	Women	28.3.2024	Teams	45 mins
E2	Supervisor	4-8 years	Women	10.4.2024	Teams	44 mins
E3	Supervisor	< 4 years	Men	12.4.2024	Teams	39 mins
E4	Supervisor	> 8 years	Women	23.4.2024	Teams	50 mins
T1	Employee	< 4 years	Women	3.4.2024	Teams	40 mins
T2	Employee	4-8 years	Women	5.4.2024	Teams	25 mins
T3	Employee	4-8 years	Women	8.4.2024	Teams	24 mins
T4	Employee	< 4 years	Women	8.4.2024	Teams	39 mins

Interviews were recorded in Microsoft Teams and as backup on a phone voice recorder. This double recording method ensured that the interviews were recorded successfully and if for some reason the audio recording had failed, the audio recording would have been available. All recordings went smoothly and there was no need for a backup plan. Before each interview, I made sure that the interviewee agreed to the recording, and no one objected.

All eight interviews were transcribed by computer. I used Microsoft Teams audio recordings as a basis, which I edited, corrected errors and pseudonymized the interviewees' data. The transcription was done word for word but excluding tags such as the names of different people and the name of the company, filler words and repetitions, and others that have no bearing on this study. Thus, I deleted the opening and closing statements, as well as the individual "yes" statements etc. of the interviewer and interviewee that were not relevant to the study. I also pruned repetitions to make the text clearer and easier to read. As this was a content-driven thematic interview, linguistic details were not relevant to the analysis. However, accurate transcription was important to preserve the content of the interviews as closely as possible. The final total number of pages of transcripts was 91.

4.3 Data Analysis

The analysis of the data I generated was based on a content analysis, because it allowed me to systematically break down the findings I found in the data. Content analysis is a basic method of qualitative research which aims to provide a concise and generalized description of the phenomenon under study (Tuomi & Sarajärvi, 2018). The purpose of content analysis is to systematically illustrate the meaning of the data (Schreier, 2012). Content analysis can be divided into three main types: theory-based, theory-driven, and data-driven. In data-driven content analysis, the data guides the analysis, in theory-based analysis, the theory guides the analysis from the start, and in theory-driven content analysis, the analysis is guided alternately by theory and data (Tuomi & Sarajärvi, 2018).

I have chosen to use data-driven content analysis because it allows for an in-depth examination of the data and to bring out the meanings in it without preconceived assumptions, leading to more authentic and insightful results. However, it should be considered that I had written a literature review before the analysis and formed a framework for the thematic interviews, so I had some prejudices about the topic. However, I tried to put these aside and just look at the interview material as such.

In data-driven content analysis, concepts are combined to answer a research question. Data-driven content analysis can be divided into three stages: data reduction, clustering, and abstraction, i.e., the creation of theoretical concepts. In data reduction or condensation, irrelevant information for the study is eliminated from the data, meaning the data is condensed or broken down into parts. This can be done by searching the open data for expressions that describe the research task/research questions and listing them underneath a different concept without losing anything from the data. During the reduction phase, it is important to note that several reduced expressions can be found in a single statement. (Tuomi & Sarajärvi, 2018)

Clustering is the process of carefully going through the original expressions coded in the data and looking for concepts in the data that describe similarities and/or differences. Concepts describing the same phenomenon are grouped and combined into categories, from which subcategories are formed. These subcategories are named by the concepts that describe their content. The classification continues by combining subcategories into upper categories and further upper categories into main categories, which are named according to the phenomenon emerging from the data. Finally, a unifying category is formed which is linked to the research task. (Tuomi & Sarajärvi, 2018)

Abstraction can be described as a process in which the researcher creates a descriptive representation of the research subject using the concepts he or she has formed. It involves extracting information relevant to the study and using this selected information to create theoretical concepts. The theory and conclusions are constantly being compared with the original data during the development of the new theory. The abstraction process continues by combining classifications as long as the content of the data allows. (Tuomi & Sarajärvi, 2018)

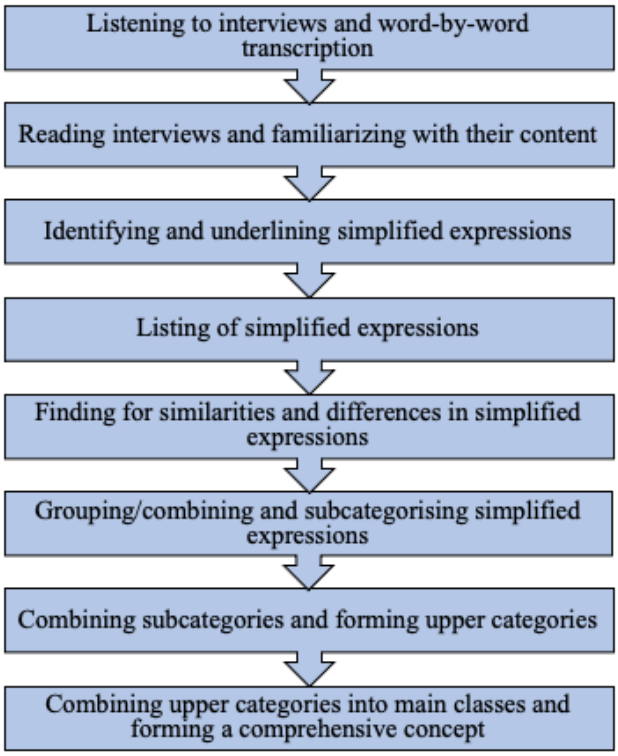

Figure 4. The process of data-driven content analysis (see Tuomi & Sarajärvi, 2018, chapter 4.4.3)

In the analysis phase of the study, the process of data-driven content analysis described by Tuomi and Sarajärvi (2018, chapter 4.4.3) was followed (Figure 4). The analysis started already in the interview situations, when I made observations while listening to the interviewees, for example about the repetition of topics. After interviews I listened to and edited the texts created by Microsoft Teams. I then read through the transcriptions several times and familiarized myself with the content of the interviews. After the transcription, I went through all the material again. At this stage, I pruned the data I eliminated those parts of the data that were not relevant to the study, such as questions related to my thesis or my studies, introductory remarks, and the final conversation, which was not related to the study. I also eliminated repetition and edited the text to make it easier to read. Once the text was shorter, it was easier to go back to it for codes.

Once I had gone through the data, I started to form different codes from the data. I used ATLAS.ti, a program developed as a tool for analysing qualitative research data, to efficiently organize, code, and analyse the interview transcriptions. The coding was carried out in a data-driven manner, i.e., to explore themes and phenomena emerging from the data. Codes were generated from the data. From simplified expressions, I started looking for differences and similarities and formed groups of them, which I combined into subcategories. I further combined these subcategories to create upper categories. Eventually I organized these upper categories under three main themes, which were central to the research questions: current pay practices, employee's behaviour, and the internal dynamics of teams.

4.4 Ethical consideration

Consideration of ethical issues related to the research process is important at all stages of the research process. Since qualitative research is strongly linked to the researcher and the choices, he/she makes, and the researcher cannot completely exclude his or her own experiences and views, the whole research process must be carefully evaluated (Eskola & Suoranta, 1998). The assessment of the trustworthiness of research is usually based on two concepts: validity and reliability (Eriksson & Kovalainen, 2008). However, the use of these concepts has been criticized in qualitative research because they are mostly developed to meet the needs of quantitative research (Tuomi & Sarajärvi, 2018). To address this problem, Lincoln and Guba (1985) proposed a parallel concept of "trustworthiness", which includes four aspects: credibility, transferability, dependability and confirmability, for use in evaluating qualitative research.

Dependability involves the obligation to provide readers with information that shows that the research process has been systematic, traceable, and well documented (Eriksson & Kovalainen, 2008). This means that clear information must be provided to readers about how the research data were collected, analysed, and reported, so that the basic principles

and conclusions of the research can be reviewed and evaluated. I have tried to achieve this by describing as precisely as possible how data collection and analysis was carried out, including the methods I used. I have also documented the research process step by step so that readers can understand and assess the reliability and transparency of the research.

Transferability implies a link and similarity with previous scientific studies which is not a matter of replication, but of whether some similarity can be observed in other research contexts (Eriksson & Kovalainen, 2008). This means that it is important to assess how the results compare and correlate with previous studies and their findings. In this study, I have sought to explore how the findings can relate to previous studies and to what extent they can provide useful information for other research designs.

When assessing the credibility of a study, important considerations include whether the data are sufficient to support the conclusions drawn, whether the researcher's interpretations match the views of the interviewees and whether other researchers could come to similar conclusions based on the data (Eriksson & Kovalainen, 2008). To ensure this, I have made sure that the data is sufficient to support the conclusions reached and have gone through the interview material carefully, ensuring that my interpretations and conclusions accurately reflect the experiences and opinions of the participants. To allow other researchers to draw similar conclusions from data, I have ensured that the results of the study are consistent and supported by sufficient evidence.

Confirmability means that findings and interpretations are integrated into the data in a way that is clearly understandable to others (Eriksson & Kovalainen, 2008). I have sought to do this by thoroughly documenting the analysis process, creating a clear and detailed review of the findings, and using concrete examples from the data to support my interpretations and conclusions.

5 Findings

In the following chapter, I will discuss the main findings that emerged from the data. First, the current pay practices of the organization are examined, which form the basis for understanding the impact that increased transparency in pay can have. This is followed by a description of how individual behaviour may change because of the directive. Finally, the impact of increased pay transparency on team dynamics and interactions are examined.

5.1 Current pay practices

Before addressing the primary research questions, it is important to look at the current pay practices of the organization. Understanding these current practices provides a basis for analysing how increased pay transparency may affect organizational dynamics, employee behaviour and team interactions. By looking at the current situation of pay practices, we can better assess the changes and challenges that employees, supervisors and teams may face, and get an idea of the expected benefits and harms associated with this important policy change.

5.1.1 Talking about pay in the organization

Discussing pay in the workplace is a complex and multi-level interaction process that involves different levels of interaction, each with its own dynamics and implications. Interviews revealed that there are differences between individuals, with some discussing more openly, more often and with more people than others. They are influenced by many factors, such as organizational culture, social relationships, and individual attitudes.

Individual attitudes to pay discussions vary greatly from one employee/supervisor to another. The interviews showed that some people do not feel the need to discuss their own salary in depth, while others are more active and discuss their salary more often than others. This shows that employees'/supervisors' own experiences and preferences have a significant impact on how openly and actively they participate in pay discussions.

All interviewees have discussed their salary with their supervisor at least at some point. This shows that the supervisor-employee relationship is a key forum for discussing pay in the organization. In the organization salary is often discussed when there have been general or company-wide pay rises or in their performance reviews. The interviews highlight that within the organization, organizations have some sort of process or time when salaries are reviewed and discussed, but beyond that, salaries are not really discussed. There are clear expectations in organizational culture about when and in what context salaries can be discussed. There is little informal discussion about salaries in the organization.

The interviews highlighted the active role of supervisors in talking about pay. Normally supervisors raise pay-related issues with their subordinates, but occasionally it is also raised by employees. Supervisors usually raise the issue of pay when they think the employee deserves a better salary, or after a period of training or probation, for example. According to interviewees, employees raise the issue of a pay rise with their supervisor because they feel it would not be discussed otherwise, and it is the only way to get a pay rise. Supervisors discuss their subordinates' salaries with their own supervisors or with the regional manager. There seems to be a top-down hierarchical structure in the organization, with pay discussions progressively moving upwards.

There is variation within individuals as to whether pay is discussed with colleagues. Most do not discuss salaries directly with colleagues, but a few mentioned talking to their closest colleagues or with team members. This underlines the sensitivity of salaries and the need for privacy in the workplace. Talking about pay with close colleagues also highlights the fact that the level of trust has a significant impact on who is willing to share their

salary information. Talking about pay with colleagues is an informal situation and may even be discussed more during free time than during working hours. One interviewee also mentioned that she talks about her salary to her friend who does not work in the same company. These show that pay discussions are not limited to the workplace but can also take place outside the workplace.

> *"Well, with the closest team members. - Yes, informal, and maybe even in our free time, this happens more." (T2)*

> *"For example, it hasn't really come up in conversation with peers or other team leaders like that." (E3)*

There is a lot of remote work done in the organization, which can contribute to discussing pay with colleagues and dynamics of discussions. Naturally, discussions about salaries do not come up in Teams meetings in the same way as they do in face-to-face interactions, as the interviews showed. This can create inequalities between different individuals.

> *"Of course, this is influenced by the fact that when working remotely, during Teams meetings with colleagues, it's not the first thing that comes up—like asking 'how much do you earn?'" (T4)*

5.1.2 Pay transparency in the organization

It is important to be aware of the organization's current policy on pay transparency, as this will influence the behaviour of employees and supervisors and the functioning of teams as transparency increases. The interviews revealed that the organization's current pay system is closed in many aspects. Firstly, most interviewees have no idea how much their colleagues earn. Although salaries are discussed with teammates, few people know the exact salaries. The interviews showed that pay discussions can provide rough salary ranges, but only the few who discuss and compare salaries with their best work colleague know the exact salary of the other. Supervisors are also of the opinion that employees do not know each other's salaries.

” I have a feeling that they (pay practices) are pretty closed. I don't know how much, for example, people on our team know each other's salaries.” (E3)

Secondly, the interviews showed that employees in the organization are not sufficiently informed about how salaries are determined and that clear criteria are not openly communicated to employees. They do not have a clear framework for how their salaries are formed which can undermine their sense of fairness in a negative way. Also interviews with supervisors revealed that the criteria for determining pay are not widely communicated to employees beyond what is mentioned at the interview stage. The interviews showed that most employees think that salaries are contractual and that everyone gets a negotiated salary when they come to work. They also believe that employees can raise their pay by talking, not necessarily based on their skills alone.

“Well, there is very little information about how it is determined. In my opinion, it is really closed that there are no clear criteria. Or that they are not openly communicated, the methods they use. There is talk of the fact that, for example, if you complete the PHT it has an impact on the salary. But the fact is that what it means in euros or what is, for example, the euro distribution of a certain professional title, so there is in my opinion no such as transparency in it.” (T4)

Closed pay practices and employees’ belief that they have only a small impact over their pay have already led to negative experiences and thoughts. It is believed that it is difficult for employees to negotiate a better salary for themselves later if they were not able to negotiate a suitable salary at the beginning of the employment relationship. This leads to a situation where the only way to get a pay rise is to resign and then return to the organization. This can increase turnovers and costs for the employer.

“My experience here is that there is no increase, but then if you lift the switch and come back you can renegotiate again.” (T2)

5.1.3 Pay structure and equality in teams

Pay structure and gender distribution of teams can have a significant impact on the dynamics and atmosphere of an organization as well as on how employees perceive the impact of the EU directive. According to the interviews, the sector of accounting and the organization is very female dominated. Some teams are all female, and some teams have one or two men. Therefore, there is not much gender distribution in the organization, which is one of the main issues of the directive. Although men are in the minority, the interviews indicate that they are no better paid than women. This homogeneity can create the illusion that equality has been achieved, as clear gender differences may not be visible and gender issues may not be adequately addressed because problems are not seen superficially.

> *"We don't really have this male-female aspect. I mean, we have a minority of men and I know that men don't have any better salaries than women." (E1)*

Supervisors have the power to influence their subordinates' salaries in certain situations which can either promote equality or exacerbate the pay gap between and within teams. This in turn can create dissatisfaction and mistrust in the workplace or, at the other extreme, trust and appreciation. In recent years, the organization has distributed a company-specific tranche in addition to the index increases, which supervisors have been able to allocate to employees. For example, supervisors have been able to allocate these tranches if they have determined that an employee deserves a pay rise based on performance, or if there has been a need to close pay gaps within a team. Interviews mentioned that when a supervisor sees a person developing and gaining experience, he/she can either raise the employee to a higher CBA grade or give competency-based raises.

In turn, employees had different views on whether they can affect pay or ask for and receive pay rises. Some employees believe that it is possible to ask a supervisor for a pay rise without a significant barrier. Others feel that raising the issue of a pay rise with a supervisor is difficult and that it makes no difference if it is raised. This shows that there

is both satisfaction and dissatisfaction on the part of employees with the way the pay discussions are conducted. This reflects that there are differences in management practices and in the implementation of pay policy within the organization. There seems to be a contradiction in the thoughts of employees and supervisors.

> *"So perhaps I now feel that you are able to ask. It's a different matter whether you get a pay rise or not. But yes, at least in our team, the supervisor takes charge when someone asks." (T1)*

> *"Well, of course, I have discussed my own situation with my supervisor, but it doesn't lead anywhere." (T3)*

Also, the perception of equal pay varied within the organization between supervisors and employees. Largely, supervisors considered their own team's salaries to be equal, in proportion to their level of competence. However, the interviews revealed that they are not aware of the salaries of other teams, which limits their ability to compare them at a wider organizational level. The interviews showed that not every supervisor thought that salaries were fully equal within the team. There are partly for a reason and by skill, but there are also differences that cannot necessarily be explained by differences in skill levels. Also, interviews with employees revealed that they think that not everyone is treated equally in the organization or not all employees are on the same line. This suggests that while some teams may perceive salaries and pay scales as fair, there are still problems on a wider scale. This shows that there are different perceptions of equal pay in different teams, with some differences between employees and supervisors which, in the worst case, can lead to dissatisfaction and mistrust if employees feel they are being treated unfairly.

> *" In my team, people know, or if they were to know each other's exact salaries, they would say it's quite fair because they are based on their skills, and I have openly discussed their skills with them." (E1)*

"Even though supervisors always say that you are all on the same line or on the same level, I don't think so. Or like, I've exchanged this information with a few others and they're not quite at the same level." (T2)

5.2 Employees' behaviour

This section seeks to answer the following sub-question: *What are the possible changes in employee behaviour when faced with increasing pay transparency?* In other words, I am trying to find answers to how employees' behaviour changes with increased pay transparency, or if it changes at all, what kind of reactions this might lead to and what factors influence these behaviours. Based on the results of the interviews, I have divided the responses into the following thematic areas, which serve as subheadings for this chapter: reactions, feelings and attitudes, demographic and personality factors and knowledge and understanding.

5.2.1 Diverse reactions, emotions, and attitudes to pay transparency

Increasing pay transparency can have a variety of effects on employees and opinions on transparency vary. The interviews showed that increasing pay transparency provokes a wide range of reactions and emotions among employees. The effects of transparency can range from interest and curiosity to concern and uncertainty. The interviews also revealed that employees have different attitudes towards increased pay transparency.

The interviews revealed divergent attitudes towards pay transparency: some were strongly in favour; others were neutral, and others saw little relevance. Most interviewees considered the increase in pay transparency to be important and positive and saw it as a welcome reform. Supervisors also believed that employees would welcome the directive as it could improve their pay. The reason people support the directive is that they believe that salaries should be discussed openly. It is seen as promoting equality, transparency and fairness in pay and reducing inequalities and ambiguities in pay levels. There is

dissatisfaction with current practices where employees are expected to inform their employer themselves of their salary expectations. Some interviewees believed that the directive would not affect them personally and did not care whether it came into force or not. However, a few saw the directive in a negative light, as they did not want others to know their salaries.

In particular, the interviews highlighted jealousy towards the salaries of others. Several interviews pointed out that increased pay transparency can cause jealousy among employees. The interviews revealed that envy is particularly prevalent when people find out that they are earning less than someone else. When employees perceive a pay gap between themselves and their colleagues, they may feel that their input is less valued, which can undermine motivation and commitment to the organizations. This envy is believed to increase with increasing pay transparency. The interviews showed that some do not want others to know their own salary because it can lead to jealousy. Employees with specific skills or who work significantly more hours may feel that revealing their salary without context can lead to misunderstandings and increased jealousy.

Although the interviewees believe that jealousy can arise because there are people in the organization who are interested in other people's salaries, none of the interviewees themselves admitted to being interested in other people's salaries. Instead, many of them stressed that they were not interested in other people's salaries. This perspective raises an interesting contradiction: although employees themselves do not feel the need to compare salaries, they believe that transparency could still create negative emotions and tensions in the workplace. This belief is not necessarily based on concrete evidence, but rather on assumptions and personal preconceptions. It can create a basis for suspicion and tension, even if there is no actual comparison.

> *"I'm really not that interested in other peoples' earnings – If there are people who are that type, then envy might arise." (T1)*

The experience of injustice also emerged from the interviews. Employees may experience negative effects even if their salaries increase because of the directive. They may feel that they have been treated unfairly because they have previously received lower pay. This may raise questions about why there has been a pay gap and why different pay levels have not been considered in the past. They may feel mistreated, which can lead to negative feelings about pay equality. Employees may feel disappointed and frustrated if their previously lower pay is not clearly justified and if their contribution and skills are not sufficiently recognized. In addition, employees who feel they have been underpaid in the past may experience uncertainty about the impact of transparency from their perspective.

> *"–even if their pay rises, they feel they have been mistreated." (E3)*

However, the interviews showed that salary is not the most important factor affecting job satisfaction among employees. As long as the salary is commensurate with the demands of the job and the employee's contribution, it is not in itself a factor that could cause dissatisfaction. Rather, salary is just one of many criteria that influence job satisfaction. Employees value a fair and competitive salary, but for many, other factors such as the working atmosphere are more important for job satisfaction. This suggests that while pay equality and fair pay are important, they alone are not sufficient to ensure employee satisfaction.

> *"For me personally, dissatisfaction with my salary hasn't really been such a prominent issue. It's not something I think about very often or that significantly affects my job satisfaction." (T4)*

On the other hand, interviewees stressed that they expect the introduction of the directive to give them information on how their salaries compare with those of their colleagues and how pay levels are determined within the organization. This suggests that they do have an interest and curiosity about the salaries of others even if they do not admit it directly. However, this is more pronounced when it comes to their own salary. They may be publicly indifferent to the salaries of others, but they still have a need to understand their own

position in relation to others. This may stem from a desire to ensure that their pay is fair and competitive and comparable to similar positions among other colleagues.

In relation to this, negotiating power was discussed in many interviews. They felt that it was acceptable for someone to earn more because of a particular skill, for example, but that a pay gap based on negotiating skills was perceived as unfair. On the other hand, in one case, the interviewee did not feel unfair when hearing about a colleague's higher salary, but it led to the idea of a lack of own negotiating skills. This divergent reaction reveals important individual differences in how pay equality is perceived. It suggests that pay transparency may not always lead to jealousy or resentment but can also encourage employees to engage in self-evaluation and professional development. The interviews also highlighted the fact that pay transparency helps employees to justify pay increases. It is easier for supervisors to justify why they are entitled to a pay rise when they are told average salaries. If the employee knew the salary range, it would be easier for him/her to ask for it himself/herself.

> *"Then it's easier to start talking about it (pay) if your salary and this average salary don't match." (T3)*

Based on the interviews, many employees and supervisors' express uncertainty about how pay transparency will affect their working environment and personal lives. It is important to consider that often employees may react to changes only when they have a concrete impact on their daily lives. Some interviewees were not able to anticipate the changes brought about by the directive and that the changes will only be visible when they happen in practice. This means that some may not react to the implementation of the directive if they do not feel it will affect their working situation, while others may currently feel fear or uncertainty about things that may not come to pass because of the directive. In addition, the directive may lead to tensions and fears that cannot be anticipated before the changes come into force.

"Until it becomes concrete and if it starts to show up in their own lives and if it doesn't show up in any way in their own lives, they may not even notice that this kind of change is coming or has come when it has come." (E1)

5.2.2 Demographic and personality factors

Pay transparency and the directive elicit different reactions and have different effects on different demographic and personal factors. The interviews highlighted age and personality factors as having a significant impact on employees' experiences and perceptions of pay and pay transparency.

As noted in the previous chapter, employees have different attitudes towards the directive and pay transparency. This is influenced by personality. The interviews suggest that reactions can vary widely and that the effects of openness can vary between individuals. Some may experience it positively, while others may react negatively. For some, pay transparency can bring positive feelings and confidence, while for others may find it intrusive and uncomfortable. For some, increased transparency may be a neutral issue on which they have no opinion, while for others it increases their interest in knowing the salaries of others. Interviews show that personality plays an important role also in how willing people are to discuss salaries and how they react to others' salaries. Since pay is perceived as a personal matter, making pay more open depends on the personality of the person, some are comfortable with it, and some are not. This diversity of reactions underlines the uncertainty about the impact of pay transparency. Promoting pay transparency therefore requires a sensitive and balanced approach that considers different personality types and their needs. Organizations should therefore be prepared to support their employees during this change and create an environment where transparency is perceived as positive and safe.

"There can be very different reactions: some people may find it even distressing, or they want to know everything about it right away, maybe there will be some of those, wondering whether everyone's salary details will now be made publicly available somewhere. Others will likely react

more calmly, thinking, "Okay, we are getting this information, let's see how it goes," and understanding the situation. – there may be very different reactions to it." (E2)

Interviews revealed that younger generations are believed to value openness and honesty in pay matters. They do not want secrecy about salaries but emphasize transparency and openness. This attitude can foster trust and respect between employees and the organization. Increasing pay transparency could therefore bring the organization prestige in the eyes of younger generations. This was also slightly reflected in the interviewees' responses. Younger interviewees were a bit more positive about pay transparency. However, this also varies according to personality, so no straightforward conclusions can be drawn. Another point that emerged from the interviews was that younger employees may be more open about their opinions and dissatisfaction than the older generation, who may not be used to the same openness. This cultural difference can increase tensions, especially in pay discussions.

On the other hand, although younger generations seem to be more open to pay discussions, the interviews raised the perspective that the Finnish mentality may still need time before open pay discussions become the norm. This suggests that cultural factors can slow down change. A cultural aspect, such as the general climate of jealousy in Finland, came up in the interviews. This culture of jealousy can be strongly reflected in workplace dynamics, posing challenges for the promotion of pay transparency. While pay transparency can in theory promote equality and fairness, its practical application may face cultural and social barriers, such as a climate of jealousy and mistrust. As the interviews showed, it takes time and a change in attitudes to embed openness in organizations.

"Somehow, I wonder about this Finnish mentality – maybe there's still half a generation to go before – it has the right kind of impact in the organization." (E4)

In addition to personality, age and nationality, the effects of gender also effect on. However, this aspect only came up in one interview, which is probably related to the fact that

the organization is so female-dominated that gender differences are not strongly represented. The interviewee stressed that women's salaries should rise with the new directive. She does not necessarily believe that this will happen in her organization, as she believes that women and men are already paid equally, but that women's salaries should rise globally. This directive was seen as a way of promoting fair pay and reducing the economic injustices that women have historically faced. She also mentioned that women can feel jealous and suspicious of each other, especially when the pay gap comes up. This phenomenon reflects the wider cultural and social context in which gendered expectations and roles can influence how women relate to each other in competitive workplace situations.

> *"The problem is actually that one woman can be quite a wolf to another woman." (E1)*

5.2.3 Knowledge and understanding

Employees understanding and knowledge of pay transparency is an essential behavioural factor in organizations. The interviews show that most interviewees are not aware of the pay transparency directive and have not heard it discussed in their organization. This lack of knowledge can lead to misunderstandings and suspicions, which negatively affect job satisfaction and work climate. The interviews also revealed misconceptions about the directive. Some interviewees had misconceptions that individual salaries would be made public, or that the directive was just a rumour. These misconceptions can affect employees' attitudes and behaviour towards pay, highlighting the need for clear and timely information. These misunderstandings can create uncertainty about how the pay gap will be made public and how it will affect employees' reactions and attitudes.

It is important to correct these misconceptions, as they can have a major impact on employees' attitudes and behaviour towards pay. It is therefore vital that organizations communicate clearly and timely about changes aimed at increasing transparency in the salary

system and their purpose. Clear communication and open discussion can help reduce uncertainty and create a more trusting atmosphere in the organization. As revealed in the interviews, both employees and supervisors need clear communication on the issue and would like the organization to organise a briefing or information pack that clearly explains how and when the directive will affect their work.

In brief, there is a lack of knowledge of the directive on pay transparency, which can lead to misunderstandings and suspicions. Organizations should invest in clear communication and training on the directive and its implications to improve employees' understanding of the pay principles and the factors behind them. This could improve job satisfaction and reduce tensions in the workplace due to misunderstandings.

5.3 The internal dynamics of teams

In this chapter, I will try to find answers to the following sub-question: *How can increased pay transparency affect the internal dynamics of teams?* In other words, I'm looking at how the internal dynamics of teams and management work can change with increased transparency in pay. Increased transparency of pay in an organization can have a significant impact on the internal dynamics of teams in several ways. Based on the results of the interviews, I will divide the responses into the following sub-themes: conflict and tension, communication and transparency, managerial work and changing leadership. I analyse how these factors can affect team dynamics and how increased transparency in pay can change the way teams operate within workplaces.

5.3.1 Conflicts and tensions

The interviews revealed that most of the employees have not experienced any significant conflict or tension within their team. However, the cases and discussions that emerged suggest that pay equality and related issues can be a significant factor in workplace dynamics.

Two interesting examples emerged from the interviews of how salary disclosure and pay systems can cause tensions within a team. In the first case, tension arose within the team when one employee saw the salary of another team member and felt exploited because the other had a higher salary, even though his/her skills did not justify a higher salary. An attempt was made to remedy the situation by raising the salary of the employee who saw the other's salary to the other's level as it was not possible to lower the salary. Thus, there were two people in the group whose salaries were too high for their skills. This situation caused a lot of bad blood and work to calm the situation. Another practical example of tensions in a team is the reduction of assistance. One employee said that there were problems in the team supporting each other because of the bonus system. These examples highlight that while pay transparency can promote fairness and openness, it can also lead to tensions and conflict if pay differentials are perceived as unfair or if systems such as bonus schemes are perceived as unfair.

Although most interviewees did not experience concrete tensions, they raised hypothetical points about the possible tensions of pay transparency. Talking about pay is always such a hot topic, that it can cause conflicts at the beginning, when it is perhaps not used to talking about it so openly (T4). The interviews revealed that clearly visible pay gaps can or are likely to cause friction within teams. If employees notice large differences between each other's salaries, it can cause conflicts and discontent within the team.

> *"If it becomes too clear that some people are getting significantly more, it can, and likely will, cause some friction." (T2)*

These conflicts and their intensity vary depending on the scale of the pay gap in the organization. If an organization has a clear and transparent pay policy that justifies and documents pay differentials on objective grounds, this can reduce mistrust and disaffection. If person A earns more than person B, but this is justified, for example, by different responsibilities, experience, or achievements, this may be more acceptable to employees. On the other hand, if salaries are negotiable and flexible without clear criteria, this can lead to disagreements and tensions. Employees feel that there is not enough transparency or fairness behind pay differentials, which can undermine team spirit and trust in the organization. The interviews also showed that clearly visible pay differences can or do cause friction within the team. If employees notice large differences between each other's salaries, this can cause jealousy and discontent within the team. One interviewee commented that there should be no resentment towards teammates because of the pay gap. If there is a pay gap, it is not the fault of teammates.

> *"Well, it probably depends on what kind of pay structure there is in the company, if there is a certain kind of policy and if it is communicated openly -- I think that it will go smoother than -- if there is negotiated salaries -- it can lead to some kind of discord." (T4)*

The interviews also revealed that increasing transparency in pay can lead to redundancies in the team. If employees find that they are at the bottom of the pay scale and do not feel that they are paid enough, they may go elsewhere to earn more. Employees may rise on the barricades if they feel they are earning too little. Such a situation can undermine the working atmosphere and lead to a lack of trust between employer and employees, which in turn can increase the number of redundancies.

> *"Then it can happen that people actually leave, if they feel that I do not get enough money, because I am now in the bottom end of the group." (T1)*

Although several interviews raised the possible negative consequences of increased pay transparency, such as team resignations and increased dissatisfaction, some believed that

the directive would not have any major consequences. There was a sense of optimism in that it was thought that no problems could arise between employees. This could be based on a strong organizational culture or trust.

5.3.2 Communication and transparency

A strong theme that emerged from the interviews was the belief that the directive will increase the debate on salaries. Dialogue between employees and supervisors is expected to increase, as is discussion between employees. This is expected to take place both online and in the office. This development is seen as a significant change in organizational culture, where talking about pay has traditionally been a taboo or at least a sensitive subject. Increased and more open pay discussions can fundamentally change the dynamics between employees and supervisors. When pay is no longer such a private or secret issue, it becomes a subject of open dialogue. This can increase trust and a sense of fairness, but also dissatisfaction and tension.

When considering team dynamics, it is important to consider the diversity of teams in terms of communication and interaction. Interviews revealed that some teams are very talkative and have strong opinions, while other teams only discuss mandatory issues. The current dynamics of the team need to be considered when implementing the directive. More talkative teams, where members are used to expressing their views and sharing their ideas openly, may find it easier to macerate salary discussions. Teams that discuss only mandatory issues and where communication is limited and structured may face greater challenges in adopting pay discussions.

> *"And what's funny to notice sometimes, here in the office or, well, of course, in Teams meetings, some (teams) are very dynamic and discuss in Teams, but others just go with an agenda. Then in the office, you can also notice sometimes that one group doesn't really talk much, maybe about the weather, while others bring up completely different topics, like presidential elections and strikes. So, one group dismisses it like, well, there's*

a strike going on here and so on. Some are quite enthusiastic about discussing the topic with strong opinions." (E2)

The dynamics of teams are also influenced by other factors, such as the age structure of the team. Age structure is believed to have a significant impact on team atmosphere and interaction, as there are differences between generations. Younger teams may have different perspectives and ways of discussing than older and more experienced teams. As I noted earlier, younger generations value openness and honesty in pay communication. In addition, younger teams, used to digital communications and the openness of social media, may have a different approach to salary discussions than more experienced teams used to a more traditional and hierarchical way of communication. The fact that the team has employees of different ages may also affect team dynamics. Taking generational differences into account can also help avoid potential conflicts and tensions within teams.

"It depends quite a lot on what kind of age range there is in the team. If it's a young team, it will be different compared to when it's like, when there's like more experienced people, and then, maybe then the conversation or the dynamics in that team might not be so similar as if, let's say, if it's like a coder group where everyone is in their thirties, it will be different." (E4)

The supervisor has a big influence on how the directive is implemented. After the directive, pay is likely to be discussed more openly, which can bring conflict into the team. This is where the way the supervisor raises the issues and how they are handled within the team is important. The way in which issues and pay are discussed after the directive will affect the team dynamics. If there is an open and honest discussion within the team, it can even increase trust and openness within the team.

Transparency and openness in pay has many positive effects on the internal dynamics of teams. It increases transparency, promotes fairness, and equalises salaries. The main idea that emerged from the interviews was that the directive will make pay comparisons clearer and more transparent. Employees will be able to find out more easily what other team members or colleagues in similar positions are earning. This will enable them to find out

what level they are at and to compare their own salary level with the average salary. When employees start comparing salaries, they can see inequalities that they can start negotiating. In this way, equal pay for equal work is achieved, which promotes equality in the organization.

> *"Then everyone can think about their own tasks and the level they believe they are at, as well as the difficulty of their work, to compare their salary to the average salary and see if it is reasonable." (T3)*

However, pay transparency is a double-edged sword, as pay transparency can also create tensions and mistrust if employees perceive pay differentials as unfair or unjustified. The publication of pay statistics can lead to doubts and speculation about whether they are doing the same amount of work or whether they are as qualified as their colleagues.

> *"It can go either way, the one that clarifies or the one that creates more tensions." (E4)*

5.3.3 Managerial work and changing leadership

The changes brought by the directive in the management context are manifold and give rise to both positive and negative feelings. Also, some supervisors feel that the directive has no impact on their work. Supervisors may experience uncertainty about how their management practices and role will change as pay information becomes more open among their subordinates. Supervisors may face new challenges, such as dealing with personal problems of their subordinates, as revealed in the interviews, which can increase stress and discomfort in the work environment.

Firstly, the interviews revealed that pay issues are likely to raise questions from employees that are directed at the supervisor. Increased questions also mean that the supervisor must take more time to answer these questions and address any concerns. Dealing with employee questions requires not only time, but also the ability to communicate clearly and resolve any issues that arise. The job of a supervisor becomes more challenging as

employees are likely to start asking more questions about salaries and salary structures. The supervisor must be prepared to justify why a particular salary has been set for each employee. Employees may have different individual needs and expectations and explaining pay structures can require a sensitive approach and the ability to deal with complex situations. It was also revealed that as pay transparency increases, supervisors may face more discussions about their subordinates' money worries and personal problems. This can lead to increased anxiety among supervisors, which in turn can reduce job satisfaction because such information increases discomfort and stress.

> *"They bring their own personal problems sometimes, such as issues related to financial sufficiency and such, so those can be a bit distressing at times, as I might not want to know about those." (E2)*

Secondly, implementing pay rises can become more challenging for supervisors. If an individual employee requests a certain amount of pay increase, the situation arises where the supervisor must decide whether a similar increase should be granted to other employees. This dilemma can lead to a pay gap and perceived inequality in the workplace, requiring supervisors to strike a delicate balance between fairness and the needs of employee. Decisions on pay rises are not only based on the calculation of numbers, but also require strategic thinking, where the supervisor must consider the dynamics of the team and the expectations of the employees. On the other hand, the clear definitions of pay resulting from the directive will make the processing of pay claims smoother and reduce uncertainty. The directive is perceived as a tool or aid that allows the supervisor to discuss and set salaries. The interviews also revealed that recruitment is also easier from a supervisor's point of view when pay expectations and pay for a job description meet already during the recruitment process.

> *"One could imagine that it will then be much more challenging (pay rise). If it is just one person, then it is difficult to determine whether it should then give it to everyone and so on. Asking for a pay rise will then perhaps also be challenging in its own way. Or it is not asking, but the implementation." (E3)*

Thirdly, the responsibility and role of supervisors in ensuring transparency and fairness in pay matters is enhanced. It will become increasingly important for supervisors to ensure that pay policies are applied transparently and fairly in the teams they lead. The directive requires supervisors to be able to justify and explain to their employees the reasons and decisions on pay in a transparent way. However, the interviews revealed that some employees think that even if the directive allows employees to ask more openly about pay, the supervisor may still repeat the same answers, such as that everyone is at the same level. Given the important role of supervisors in ensuring fairness in a team, it was raised in the interviews that therefore supervisors should not befriend their subordinates, because friendships can create pressure to give a better salary to a friend, which is not fair to other employees. This can create an unfair atmosphere in the team, where some employees are favoured for no justifiable reason.

> *"Your perception of what constitutes fair pay becomes blurred if the supervisor and the employee are friends." (E1)*

When considering the changing role of the supervisor, it is important to consider how these new tasks and challenges affect their well-being. As their workload increases, they may need additional resources or support to enable them to carry out their tasks effectively without becoming overburdened. If the supervisor feels insecure or stressed, this will also have a negative impact on the team and its dynamics.

6 Discussion

The interviews revealed that employees and supervisors have high expectations of the impact of the directive on the pay system. They expect the directive to bring a fairer and more transparent pay system, which will increase satisfaction and commitment. Colella and colleagues (2007) also found that greater transparency in pay improves employees' perceptions of trust and fairness. It is expected that pay transparency will promote internal team dynamics by increasing transparency, fairness and pay equality, as well as increasing the discussion on pay.

It is generally believed that open and honest discussion within a team can increase trust and transparency within the team and improve employees' perception of fairness. The role of the supervisor is therefore key in creating a culture of open discussion. The way in which issues and salaries are discussed after a directive is issued has an impact on team dynamics. This has also been shown by Day (2011) in her study. She points out that when employees perceive pay communication as adequate and fair, it not only improves their satisfaction with their pay but also increases their perception of fairness of the organization. Open communication increases employees' trust in an organization and its leaders in times of uncertainty, which in turn makes them more open to change (Yue et al., 2019). On the other hand, according to a study by Schnaufer et al (2022), a move to pay transparency does not automatically translate into perceived pay equality and can potentially undermine job satisfaction and other work attitudes.

However, transparency can create tensions and mistrust if pay differentials are perceived as unfair. Interviews showed that pay transparency can create conflict, especially if the pay gap is perceived as unfair. It is believed that pay transparency can cause friction, reduced cooperation, disagreements, and dissatisfaction within teams. These issues have also been identified in the literature. When uncertainty is combined with unfair treatment, individuals are more likely to adopt self-preservation mechanisms or competitive approaches to control their own situation. Moreover, they may then abandon their pro-

organizational attitudes and focus more on their own self-interest (Lind & Van den Bos, 2002). Bamberger and Belogolovsky (2017) found in their study that pay transparency reduces the willingness to volunteer to help better-paid colleagues. They also found that workplace conflict, jealousy and negative emotional reactions may become more common when employees become aware of pay differences. This can also be an indicator of resistance and attitudes resulting from perceived insecurity. As noted in previous literature, employees may resort to defence mechanisms to maintain their level of adaptation and reduce their sense of insecurity (Zhu et al., 2023). Therefore, it is important that supervisors and the organization should be prepared to support their employees in this change and create an atmosphere where openness is perceived as positive and safe. Managers who emphasise fairness when dealing with uncertainty can significantly improve employee engagement, morale, and overall organizational resilience (Lind & Van be Bos, 2002). Fair treatment shows employees that they are respected members of the community and that they can put the interests of the group ahead of their own (Wolfe et al., 2017).

Information from the interviews suggests that increasing transparency in pay can provoke different reactions and feelings in employees. The interviews highlighted negative emotions such as jealousy and envy. This contrasts somewhat with the fact that most interviewees reported that the directive was a positive reform. Interviewees felt that jealousy is particularly strong when employees learn that they earn less than their colleagues. Jealousy was believed to increase with the promotion of equal pay. Previous literature has also found the same. Among others, Bamberger and Belogolovsky (2017) and Colella and colleagues (2007) found in their study that transparency in pay can lead to feelings of jealousy towards colleagues. Employees may also feel that they have been treated unfairly when pay levels and potential pay gaps are revealed. Card and colleagues (2012) also found that when employees become aware of pay disparities, their perceptions of the fairness or reasonableness of pay may be undermined, particularly when they perceive significant pay gaps between the average employee and senior managers. This is also supported by UMT, as Lind and Van den Bos (2002) argue that unfair treatment in uncertain situations leads to self-preserving or competitive behaviour. This undermines pro-

organizational attitudes and behaviour. The interviews found that transparency in pay also increases the risk of dismissal if employees find out they are earning less than their colleagues. This was also found by Cullen and Perez-Truglia (2022). Employees who find out that they earn less than their colleagues in similar jobs are significantly more likely to look for a new job and feel less motivated. On the other hand, the literature also shows that pay transparency reduces the risk of dismissal. Stofberg and colleagues (2022) observed a weak negative relationship between pay transparency and job turnover. Also, Alterman and colleagues (2021) found that pay transparency reduces the risk of dismissal.

The interviews revealed not only jealousy and envy, but also curiosity. Although interviewees believed that jealousy could arise within an organization when some employees took an interest in the salaries of others, no one directly admitted to taking an interest in the salaries of others. On the other hand, they stressed that they were looking forward to the introduction of the directive to learn how their salaries compare with those of their colleagues and how salary levels are determined in the organization. This shows that they are curious about the salaries of others, even if they do not openly admit it. They may appear publicly indifferent to the salaries of others, but they still have a need to understand their own position in relation to others. Kral and Kubisova (2021) also found that social comparison is common among employees in non-transparent organizations, which manifests itself in constant observation of others' workplace behaviour and interpersonal relationships. Although this did not come up very strongly in the interviews, there are indications of it. Also, according to UMT, uncertainty about justice generates aversion, and individuals who experience uncertainty actively seek information to alleviate this feeling (Lind & Van den Bos, 2002). This theory sheds light on why employees are looking forward to the introduction of a pay transparency directive: to reduce uncertainty and ensure equal pay in the organisation. Employees' curiosity about the pay of others and their desire to compare their own pay with that of their colleagues stems from the need to clarify their feelings of uncertainty and to ensure their own position in a fair pay system.

As noted in previous literature, human reactions to uncertainty are based on personal judgements and emotional experiences (Brashers, 2001), and the way in which uncertainty is assessed varies depending on the situations and the individual (Sorrentino & Roney, 2000). The data also suggest that reactions to and opinions about pay transparency vary by personality, nationality, age, and gender. This poses challenges for organizations, because each employee reacts to transparency in his/her own way, and there is no single way to implement the directive. Personality influences people's willingness to talk about salaries and their attitudes towards increasing pay transparency. Some respond positively, others negatively. For some, pay transparency can bring positive feelings and confidence, while others may experience anxiety and envy. It was believed that younger generations value honesty and transparency in pay more than older generations and are more open about pay and their opinions. This was also noted by Kral and Kubisova (2021) in their study. They found that older generations regard pay secrecy as a personal value that must be kept secret. Due to the Finnish mentality, it was believed that it will be some time before open discussion becomes the norm. The Finnish culture of jealousy can be strongly reflected in the workplace dynamics, which poses challenges for promoting pay transparency. This has also been recognized in previous literature. Scott and colleagues' (2020) study on pay expectations found that employees' reactions varied by nationality, age and current pay level. In addition to these, interviews revealed that gender is also believed to play a role, as women may experience jealousy towards each other's overpayment. However, this has not been explored in the more recent literature.

Also, from the point of view of supervisors, the directive can have a significant impact on group dynamics. The directive affects the work of supervisors, and this impact extends to team dynamics. Interviews with supervisors revealed that pay increases can be more difficult to implement because they can lead to pay differentials. If an individual employee requests a pay rise of a certain amount, the supervisor must consider whether a similar increase should be granted to other employees. This can lead to pay inequalities and create a perceived inequality in the workplace. Böheim and Gust (2022) have also found that pay transparency can lead to a reduction in pay increases and even a decline in

overall salary levels. Furthermore, clear definitions of pay under the directive will facilitate the processing of pay claims and reduce uncertainty. The directive is seen as a tool to help supervisors discuss and determine pay. The interviews also showed that recruitment is made easier from the supervisor's point of view when pay expectations and job description match already at the recruitment stage. This facilitation of recruitment has also been noted in previous literature. Pay transparency is beneficial for both parties as it ensures that salary expectations are aligned. This saves time for both the applicant and the employer by avoiding situations where salary expectations do not match (Valkama, 2021b).

7 Conclusion

In this study I have explored how increasing pay transparency affects an organisation, particularly how it affects individuals and teams. The topic is important because of its contemporary relevance, as the forthcoming Pay Transparency Directive will affect many EU companies from the summer of 2026 onwards. The directive will have an impact on pay transparency, but how it will affect people is not yet known. There is uncertainty hovering over the directive, which will also partly affect organisational dynamics.

The purpose of this study has been to increase understanding of the consequences of increased pay transparency by answering the following research questions:

> How will increased pay transparency under the EU Transparency Directive 2026 affect organizational dynamics in a context of uncertainty?
>
> a. What are the possible changes in employees' behaviour when faced with increasing pay transparency?
> b. How can increased pay transparency affect the internal dynamics of teams?

In particular, the study aimed to find out the personal opinions and experiences of employees and supervisors on pay transparency and its impact in the workplace. The research questions were answered by interviewing four employees and four supervisors of an accounting firm about their views and opinions on pay transparency and the EU pay transparency directive, and by reflecting the observations from the data on the theoretical framework of the thesis. Employees and supervisors were interviewed because they have a key perspective on pay transparency and because they are directly involved in its implementation and consequences in organizations.

Next, I will review the main conclusions from findings of the study and summarise the results in relation to the previous literature. Finally, I outline suggestions for further research.

7.1 Main findings of the study

Regarding the current pay practices in the organization, it emerged that pay discussions are mainly between supervisors and employees. Although pay is also discussed with others, the sensitivity of the subject means that these discussions are conducted cautiously, and remote working makes it even more difficult by reducing spontaneous encounters. Pay discussions and structures were perceived as rather closed: employees do not know each other's salaries and pay criteria are not presented openly. The interviews also revealed that the organization is very female-dominated and that supervisors can influence employees' salaries. Perceptions of pay equality in the company varied among the interviewees. In general, supervisors believed that salaries were more equal than those of employees.

Increasing pay transparency evokes a wide range of emotions and reactions from employees, arising from uncertainty and related concerns, but also from expectations and hopes for fairer pay. More negative issues were raised than positive aspects, but the overall feeling of increased openness was positive. This may be because, although the introduction of the directive may initially cause challenges and negative feelings, it is expected to eventually increase trust, motivation, and fairness in the workplace. Thus, positive expectations of future improvements may outweigh the initial challenges and uncertainty. The most common of these are interest, uncertainty, jealousy, and a sense of injustice. Also, attitudes and opinions on increasing pay transparency vary widely. The results show that emotional factors are primarily driven by employees' values or personal characteristics. Age, personality factors, gender and nationality have a significant impact on perceptions of pay and pay transparency. For example, younger generations tend to be more open in these discussions than older generations, and the Finnish privacy mentality slows down transparency. Knowledge and understanding of the pay transparency directive is still limited which can lead to misunderstandings and suspicions. The impact of the directive will only be better understood once it is implemented.

Increasing pay transparency can lead to tensions within teams. Increasing pay transparency can also lead to tensions within teams. It is believed that increased transparency can cause friction between employees, conflict, resignations, and dissatisfaction. The intensity of these conflicts varies depending on the size of the pay gap in the organization. The directive will increase pay discussions and make them more transparent, thus promoting fairness and equality. The directive will change the work of supervisors, which will affect team dynamics. These changes include the increasing workload and challenges faced by supervisors as they are increasingly questioned by employees, the growing responsibility and role of supervisors in ensuring fair pay, and the difficulty of implementing pay increases.

7.2 Results in relation to previous literature

This study confirms these findings in the Finnish context, emphasising the multiple effects of pay transparency on team dynamics and employee behaviour. The features that emerged in the study are broadly consistent with previous literature (e.g., Bamberger & Belogolovsky, 2017; Kral & Kubisova, 2021; Trotter et al., 2017), stressing that while transparency can promote fairness, it can also lead to tension, conflict, and jealousy within organisations. The study differed from some international studies that emphasise the positive effects of pay transparency. For example, improvements in motivation and performance were not evident in the data (see e.g., Stofberg et al., 2022). The study also did not strongly highlight the impact of reducing the gender pay gap, although this has been a central theme in many previous studies (see e.g., Baker et al., 2019). This study offers new insights into the specific challenges faced by Finnish organisations as the EU Pay Transparency Directive comes into force. It highlights a Finnish cultural trait that emphasises privacy and jealousy. This may slow down the adoption of transparency practices, which has not been extensively addressed in previous literature. The study also deepens understanding of the effects of pay transparency on team dynamics and employee behaviour in contexts where transparency is not yet integrated into organisational culture.

The study supports the findings of Scott and colleagues (2020) that pay transparency affects employees differently, and that factors such as age, nationality and personality influence these reactions. The interviews showed that personality, age, and gender influence how people feel about pay transparency, and reactions can be positive or negative. This creates challenges for organizations, as individual reactions and attitudes are not uniform and there is no universal approach to implementing the directive. Personality influences how openness is perceived, generation influences how openness is valued and Finnishness is seen as a factor slowing down the implementation of the directive.

The study also supports the theory of Kral and Kubisova's (2021) theory that employees in non-transparent organizations are not expected to have positive consequences in terms of interpersonal relationships. The interviews revealed that the organization has a closed pay policy and employees felt that pay transparency had more negative than positive effects. Interviewees believed that pay transparency can cause friction, conflict, reduced cooperation, disagreements, and dissatisfaction within teams. Among others, this has also been shown by Bamberger and Belogolovsky (2017). Their study showed that pay transparency can reduce willingness to help colleagues and increase workplace conflict. In addition to the negative effects of team dynamics, negative emotions such as envy and jealousy and reactions also emerged in the interviews. Also, for example, Colella and colleagues (2007) found in their study that transparency in pay can lead to feelings of jealousy towards colleagues.

Previous studies have shown that pay transparency can improve employee satisfaction and retention (Trotter et al., 2017) and reduce the risk of dismissal (Stofberg et al., 2022). Although most of the consequences mentioned were negative, the interviewees were mostly positive about the Pay Transparency Directive. They felt that in the long term the directive could improve fairness and transparency in the organization, although its introduction may cause some initial tension and uncertainty. Interviewees appreciated the opportunity to have clearer information on pay levels and fairness, which could strengthen trust and motivation in the workplace. The interviews did not reveal a decrease in

employee turnover, but instead highlighted an increase in redundancies. However, this phenomenon has also been identified in previous research (see e.g., Cullen and Perez-Truglia, 2022). This has also been noted in uncertainty management theory, which suggests that when uncertainty is combined with unfair treatment, individuals are more likely to adopt self-preservation mechanisms or competitive approaches to control their situation (Lind & Van den Bos, 2002).

Kral and Kubisova (2021) found that social comparison is common among employees in non-transparent organizations, manifested in constant observation of others' workplace behaviour and interpersonal relationships: since employees have no control over the outcome (pay), they focus on controlling inputs (behaviour). The interviews also revealed that pay transparency leads to an increase in pay comparisons. Employees believe that others are interested in other people's salaries, but do not admit to being interested themselves. As Lind and Van den Bos (2002) have also pointed out, employees' interest in the salaries of others and their desire to compare their own salaries with those of their colleagues is due to the need to overcome a feeling of insecurity and to secure their own position in a fair pay system. Uncertainty is therefore a key factor in social comparison, as it has a significant impact on how employees navigate the ambiguities and potential inequities of the pay system.

7.3 Suggestions for further research

The study has identified several interesting areas for further research that could bring more depth and understanding to the impact of pay transparency in organizations. Firstly, as this study focused on a relatively large organization, it would be useful to carry out a similar study in small and medium-sized organizations. Such a comparison could reveal whether outcomes differ by organization size and how pay equality affects the dynamics and culture of different organizations. Secondly, the impact of pay transparency could be studied in multicultural working environments. The focus organization is not very

international, so this perspective could bring additional perspectives to the study. The research could focus on how cross-cultural differences affect the experience and acceptability of pay transparency and how it affects the dynamics between teams. Thirdly, research could examine in more detail how pay transparency affects different age groups and generations in the workplace. The study should target people of different ages to provide a comparative view of how different age groups perceive pay transparency. Understanding these differences could help develop more effective strategies to promote transparency.

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Appendices

Appendix A – Interview guides (in Finnish)

Työntekijä

Orientoivia ja taustottavia kysymyksiä

1. Sukupuoli & ikä
2. Kertoisitko aluksi työroolistasi ja kokemuksestasi yrityksessä
    - työvuodet
    - tiimin koko, tiimin sukupuolijakauma
3. Kuinka kauan olet ollut alalla ja mitä muutoksia olet nähnyt palkkauspolitiikassa?

Nykyiset palkkakäytännöt

4. Miten palkkakäytännöt toteutetaan organisaatiossa? Miten nykyinen käytäntö mielestäsi toimii?
5. Kenen kaikkien kanssa keskustelet palkoista organisaatiossa?
    - Lisäkysymykset: Miten? Milloin?
6. Minkälaisia jännitteitä olet palkkaukseen/palkkatasoihin liittyen tunnistanut omassa tiimissäsi? Miten olette näitä mahdollisia jännitteitä käsitelleet?
7. Miten 4. ja 5. kysymyksen vastaukset ovat vaikuttaneet käyttäytymiseesi ja työtyytyväisyyteesi (yksilö- ja tiimitaso)?

Epävarmuuden hallinnan teoria (uncertainty management theory)

8. Kuinka hyvin olet omasta mielestäsi perillä EU:n palkka-avoimuus direktiivistä ja sen tavoitteista?
9. Miten organisaatiossa on viestitty palkka-avoimuus direktiivistä ja sen tuomista muutoksista ja toimenpiteistä?
10. Millaisia vaikutuksia kuvittelet direktiivin käyttöönoton olevan?
    - tiimitaso & henkilökohtainen taso (lisäkysymys: organisaatio)
11. Mitä tuntemuksia palkka-avoimuuden lisääminen sinussa herättää? Miten uskot, että palkka-avoimuus vaikuttaa tiimisi toimintaan?
12. Miten luulet muiden organisaatiossa suhtautuvan/reagoivan palkkauksen lisääntyvään läpinäkyvyyteen? Miksi?

Direktiivin hyödyt ja haitat

13. Millaisia mahdollisia hyötyjä ja haittoja näet uuden palkka-avoimuus direktiivin tuovan tiimillesi?
14. Millaisia mahdollisia hyötyjä ja haittoja näet uuden palkka-avoimuus direktiivin tuovan sinulle?

    Lisäkysymys: haitat ja hyödyt organisaatiolle?

Tuki muutokseen:

15. Minkälaista viestintää ja tukea toivoisit organisaatiolta saavasi palkka-avoimuus direktiivin käyttöönotossa?

Lopetus

16. Haluaisitko vielä näin lopuksi lisätä jotain, mistä emme ole vielä keskustelleet?

Esihenkilö

Orientoivia ja taustottavia kysymyksiä

1. Sukupuoli & ikä
2. Kertoisitko aluksi työroolistasi ja kokemuksestasi yrityksessä
    - työvuodet ja esihenkilövuodet
    - tiimin koko, tiimin sukupuolijakauma
3. Kuinka kauan olet ollut alalla ja mitä muutoksia olet nähnyt palkkauspolitiikassa?

Nykyiset palkkakäytännöt

4. Miten palkkakäytännöt toteutetaan organisaatiossa? Kuinka paljon pystyt itse vaikuttamaan alaistesi palkkoihin? (Mitä mieltä on tästä?)
5. Kenen kaikkien kanssa keskustelet palkoista organisaatiossa?
    - Lisäkysymykset: Miten? milloin?
6. Minkälaisia jännitteitä olet palkkaukseen/palkkatasoihin liittyen tunnistanut omassa tiimissäsi? Miten olet näitä mahdollisia jännitteitä käsitellyt?
7. Miten 4. ja 5. kysymyksen vastaukset ovat vaikuttaneet käyttäytymiseesi ja työtyytyväisyyteesi (organisaatio-, yksilö- ja tiimitaso)?

Epävarmuuden hallinnan teoria (uncertainty management theory)

8. Kuinka hyvin olet omasta mielestäsi perillä EU:n palkka-avoimuus direktiivistä ja sen tavoitteista?
9. Miten organisaatiossa on viestitty palkka-avoimuus direktiivistä ja sen tuomista muutoksista ja toimenpiteistä?
10. Millaisia vaikutuksia kuvittelet direktiivin käyttöönoton olevan?
    - tiimitaso & henkilökohtainen taso
11. Miten uskot direktiivin muuttavan organisaation palkanmääritysprosesseja, ohjeistusta ja viestintää?
12. Mitä tuntemuksia palkka-avoimuus sinussa herättää (työntekijänä että esihenkilönä)? Miten uskot sen vaikuttavan omaan työhösi esihenkilönä?
    - Lisäkysymys: Miten pyrit tätä epävarmuutta hallitsemaan?
13. Miten luulet työntekijöiden suhtautuvan/reagoivan palkkauksen lisääntyvään läpinäkyvyyteen? Miksi?

Esihenkilö johtamiskäytänteet

14. Miten uskot palkka-avoimuus direktiivin muuttavan johtamistyötäsi ja tapaa, jolla palkoista tiimissä keskustellaan?

15. Minkälaista palkka-avoimuus direktiivin implementointiin liittyvää tukea toivoisit organisaatiolta saavasi?

Direktiivin hyödyt ja haitat

16. Millaisia mahdollisia hyötyjä ja haittoja näet uuden palkka-avoimuus direktiivin tuovan organisaatiolle?
17. Millaisia mahdollisia hyötyjä ja haittoja näet uuden palkka-avoimuus direktiivin tuovan tiimillesi?
18. Millaisia mahdollisia hyötyjä ja haittoja näet uuden palkka-avoimuus direktiivin tuovan sinulle?

Lisäkysymys: mitä on mieltä direktiivistä: neutraali, positiivinen, negatiivinen?

Lopetus

19. Haluaisitko vielä näin lopuksi lisätä jotain, mistä emme ole vielä keskustelleet?