



2025 European Employer Survey Report

NOVEMBER 2025

Littler[®]

Executive Summary

With critical regulatory deadlines looming in Europe and U.S. policy shifts sowing widespread confusion, European employers are in something of a holding pattern when it comes to managing key workplace issues—from artificial intelligence (AI) usage and inclusion, equity and diversity (IE&D) programmes to pay transparency and in-office work policies.

That’s the topline takeaway from Littler’s 2025 European Employer Survey Report, which draws on responses from more than 400 in-house lawyers, human resources (HR) professionals and business executives, 64% of whom hold C-suite or leadership positions. Respondents are based across Europe and represent a range of company sizes and industries.

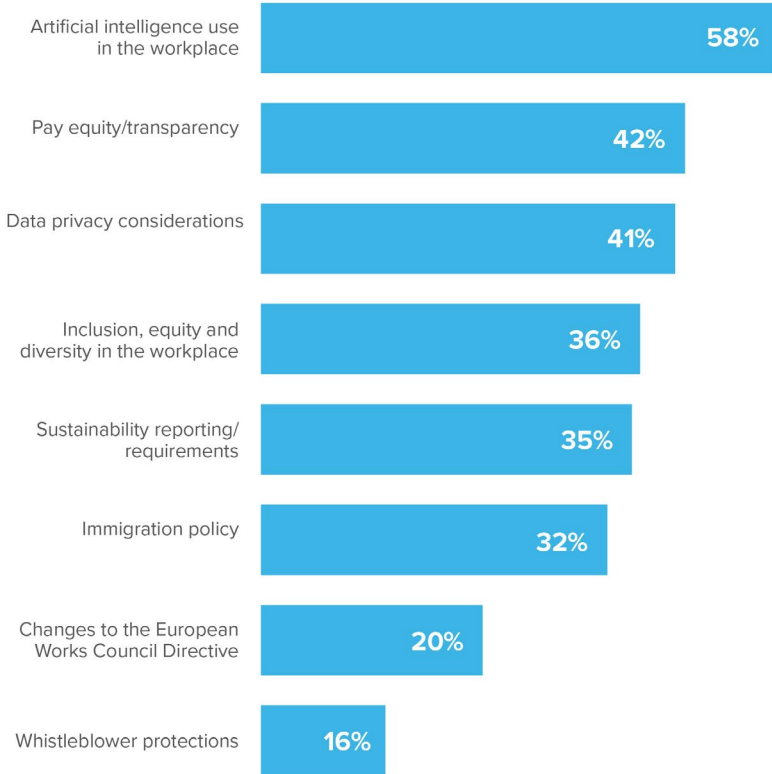
Taken together, the results provide an in-depth look at how business leaders are navigating ongoing regulatory and workforce management challenges, as well as the steps they can take to prepare for the transformative changes ahead.

REGULATORY UNCERTAINTY PERSISTS AS COMPLIANCE DEADLINES LOOM

2026 is shaping up to be a watershed year for European regulations impacting the workplace. The provisions of the European Union (EU) AI Act relating to most uses of AI in employment processes go into effect in August 2026, while the EU’s Pay Transparency Directive (PTD) has a local implementation deadline in June 2026. Given those milestones, it follows that AI use in the workplace (58%) and pay equity/transparency (42%) are the top two areas where respondents expect regulatory changes to impact their organisations’ workforce management in the next 12 months.

But are employers ready to meet the moment? Our survey suggests more work may need to be done. For instance, just 18% of respondents say they are very prepared to comply with the EU AI Act, while 20% indicate they are not at all prepared—the latter matching the proportion who said the same in 2024. Employers also showed little movement when it comes to preparing for the PTD: less than a quarter (24%) say they are very prepared to comply with the law.

In which of the following areas do you expect regulatory changes in Europe and/or abroad to impact on your organisation with regard to workplace/workforce management over the next 12 months? (Select all that apply)



To be fair, slow progress on the part of national governments, which share regulatory responsibilities for these laws, could be hampering employers' ability to prepare. Only eight of the 27 EU countries had [announced](#) their AI regulators as of August 2025. Similarly, many jurisdictions have issued little-to-no draft PTD guidance and at least one country, the Netherlands, has [delayed](#) implementation. Still, our survey shows that the majority of organisations have yet to take some core steps to prepare for compliance with either law, from conducting audits of pay practices and AI use cases to assigning task forces dedicated to these issues.

U.S. POLICY DEVELOPMENTS IMPACT VAST MAJORITY OF EUROPEAN EMPLOYERS

Across the pond, the Trump administration has initiated sweeping policy changes in areas like immigration and IE&D. European employers are not immune to the effects: Of the approximately two-thirds of respondents that have U.S. operations and/or a U.S.-focused workforce strategy, a striking 75% say they have taken at least one step to update that strategy as a result of these policy developments—including cancelling or reducing business travel to the country (25%) and reducing U.S. operations (25%). The impacts also extend beyond the United States. Roughly a third of all respondents selected immigration (32%) and IE&D (36%) when asked which regulatory changes, whether in Europe and/or abroad, they most expect to impact the workforce in the year to come—and those figures rise to 53% and 46%, respectively, for respondents based in the U.K.

On the IE&D front, more than two-thirds (69%) of those with existing policies say they are considering new or expanded rollbacks of these programmes as a result of heightened scrutiny from the Trump administration. Meanwhile, 79% of those with U.S. operations are facing challenges in managing the divergent approaches to IE&D in the U.S. and Europe.

After all, practices that may be [deemed](#) “illegal DEI” in the U.S. may be in conflict with certain European jurisdictions' workplace requirements that *promote* such practices—not to mention EU-wide laws like the Leadership Positions Directive and the PTD, which create explicit IE&D-related obligations on employers. This complex patchwork could have important consequences. As one commentator [told](#) *The Wall Street Journal* earlier this year: “European companies choosing to pause or roll back DEI initiatives could face significant regulatory risk and reputational backlash in Europe.”

PUSH FOR IN-OFFICE WORK PICKS UP

European employers continue to struggle with bringing employees back to the office, as they strive to balance their desire for more in-person work with the talent recruitment and retention benefits of remote options.

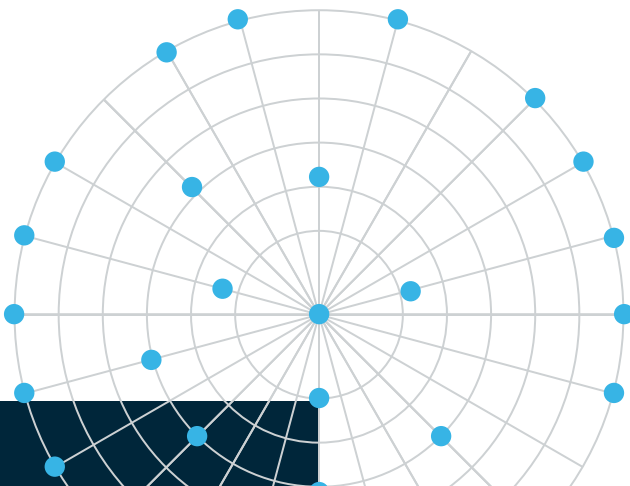
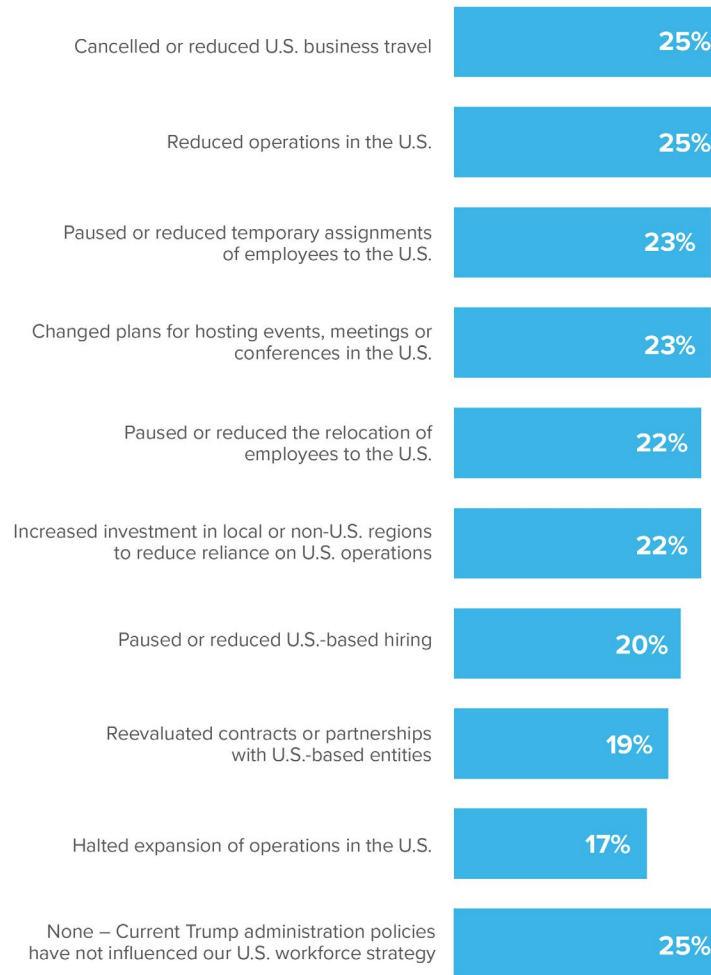
The push to get workers back to the office is on, though, according to our data. A clear majority of respondents (63%) whose organisations have positions that can be performed remotely say they have increased or are planning to increase the number of in-person workdays. Roughly a quarter of respondents have increased (11%) required in-person workdays to five days a week or are planning/considering doing so (15%). Yet even as employers push to bring employees back to the office, 73% agree that remote or hybrid work schedules are important for attracting the right talent.

The report that follows delves into these and other hot-button issues facing European employers, while also spotlighting important differences among respondents from various countries and company sizes. Refer to [page 16](#) for details on the survey methodology and a breakdown of respondent demographics.

U.S. POLICY IMPACTS

Which of the following steps, if any, has your organisation taken to update your workforce-related strategies in the U.S. as a result of policy developments under the current Trump administration? (Select all that apply)

This chart reflects responses from employers with U.S. operations and/or a U.S.-focused workforce strategy.



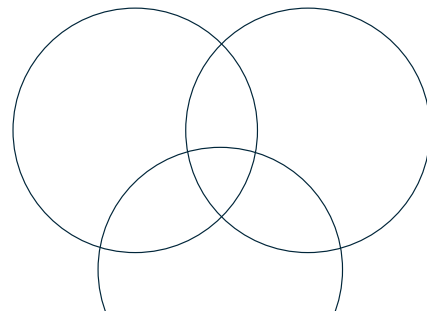
Restrictive U.S. immigration measures—including travel bans, enhanced vetting of visa applications and spikes in U.S. border agent activity—are impacting European employers with a U.S. footprint. Case in point: 75% of these respondents have taken at least one step to update their U.S. workforce strategies as a result of current Trump administration policies.

Roughly a quarter of respondents selected a range of actions, including cancelling or reducing U.S. business travel, reducing operations in the U.S., pausing or reducing temporary assignments of employees to the U.S., and revising plans for hosting events in the U.S.

Still others have increased investment in non-U.S. regions to reduce reliance on U.S. operations (22%), paused or reduced U.S.-based hiring (20%), or reevaluated contracts or partnerships with U.S.-based entities (19%).

That employers have already made a range of operational changes in response to U.S. policy shifts in just the first eight months of the new administration is notable. More change may be afoot given that this question only measures actions that have *already been implemented*, rather than those that may be under consideration or in process.

The data is also consistent with other recent reports. European business travel to the U.S. has dropped dramatically compared to 2024, [according](#) to April bookings data from a London-based business travel platform. Additionally, an April [survey](#) from the Global Business Travel Association found that nearly 30% of global travel buyers expected a decline in business travel at their companies in 2025 due to American policy shifts.



“U.S. policies are creating significant hurdles for European employers with U.S. operations, many of whom must reassess not only employee travel plans but U.S.-based contracts, investments and growth opportunities. On a practical level, European workers traveling to the U.S. should take extra precautions, particularly when it comes to bringing electronic devices into the country.”

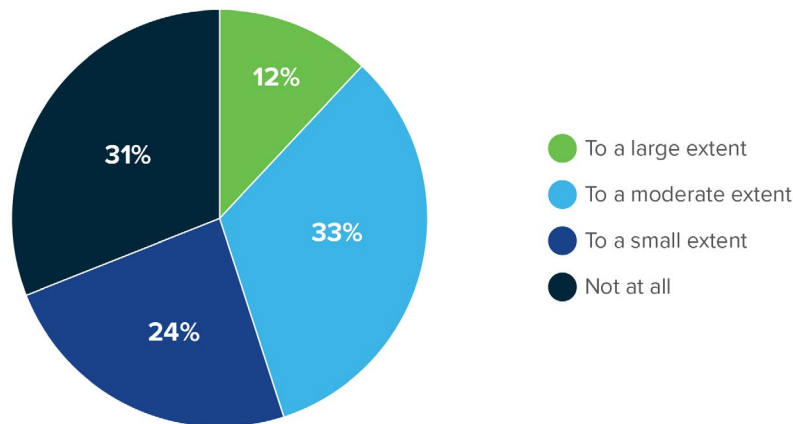
[Stephan C. Swinkels](#),
Littler Partner and Co-Lead of
the firm’s Global Practice



INCLUSION, EQUITY AND DIVERSITY (IE&D)

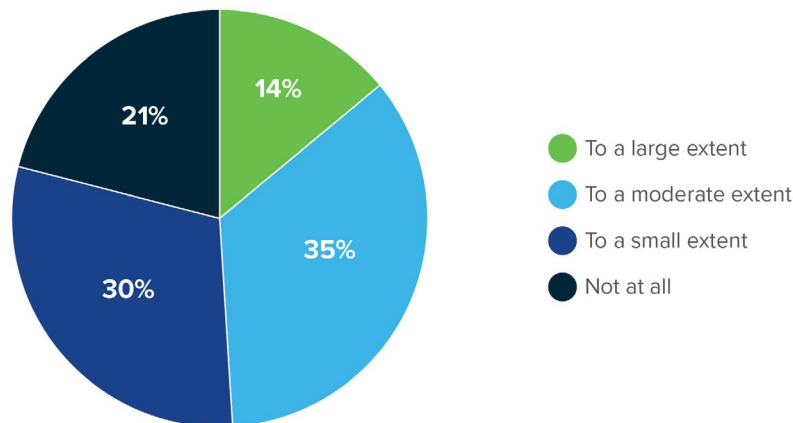
To what extent is your organisation considering new or further rollbacks of its IE&D programmes or policies as a result of U.S. policy developments and heightened scrutiny under the current Trump administration?

This question was not asked to those whose organisations never had an IE&D programme in place or who eliminated the programme prior to this year.



To what extent is your organisation facing challenges in managing the divergent approaches to IE&D in the U.S. (with scrutiny from the current Trump administration) and Europe (with expectations to drive forward such initiatives due to recent laws and regulations)?

This question was only asked to those whose organisations have operations in the U.S.



The swift and drastic change in U.S. IE&D policy is influencing European employers as well: 69% of respondents with IE&D programmes say they are considering new or further rollbacks of those initiatives as a result of heightened scrutiny under the current Trump administration. However, just 12% say they are considering rollbacks “to a large extent,” suggesting that U.S. policy shifts are prompting discussions and adjustments but that significant changes may not be widespread.

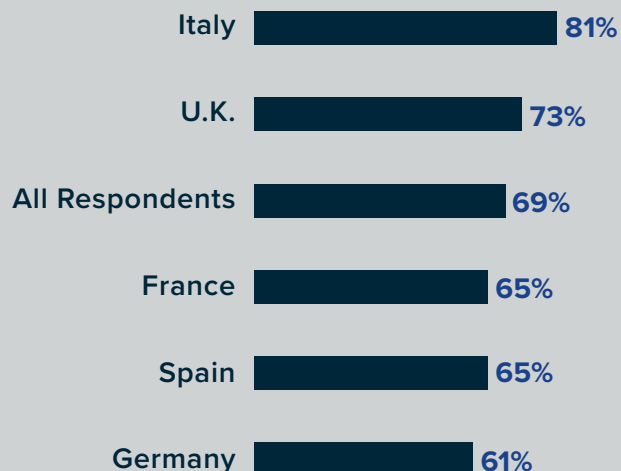
For instance, some European companies are replacing IE&D references on their U.S. websites with broader language about culture or inclusion, or removing terms like “race” and “LGBTQ+” from annual reports. Others are simply excluding the U.S. from formerly global IE&D commitments, [according to The Wall Street Journal](#). An analysis of country-specific data showed a fair amount of variation among Europe’s largest economies, reflecting the nuanced approaches that companies are taking based on local policies and cultural considerations.

[Divergent regulatory approaches](#)—scrutiny from the Trump administration in the U.S. and laws/regulations driving IE&D initiatives forward in Europe—are creating significant hurdles for European employers with U.S. operations. Of this group, 79% say they are facing at least some level of challenge associated with this divergence.

The hurdles are understandable. For example, while certain employers in the EU will be required to meet targets to hire women into director positions or adjust their selection processes, if such a practice were implemented in the U.S., it may be deemed “illegal DEI” by the Equal Employment Opportunity Commission or other government agencies and courts.

As a result, some organisations have begun to separate U.S. operations from any global IE&D programme that goes beyond local requirements—a particular challenge considering that an increasing number of U.S. states and cities have their own regulations. Other companies are implementing IE&D policies based strictly and solely on compliance with local law, which leads to a much more fractured IE&D programme.

Employers who are considering IE&D rollbacks at least to some extent



“Straddling the gap between U.S. and European IE&D policies makes a global approach almost impossible for today’s multinational employers. To chart a strategic path forward, employers must consider their current and planned IE&D practices in light of the new political environment and upcoming legal requirements.”

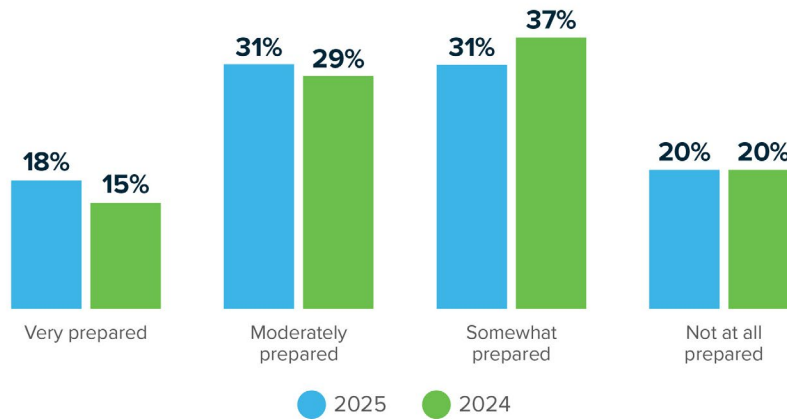
[Raoul Parekh](#),
Littler Partner, U.K.

[Natasha Adom](#),
Littler Partner and Head of Client Training, U.K.



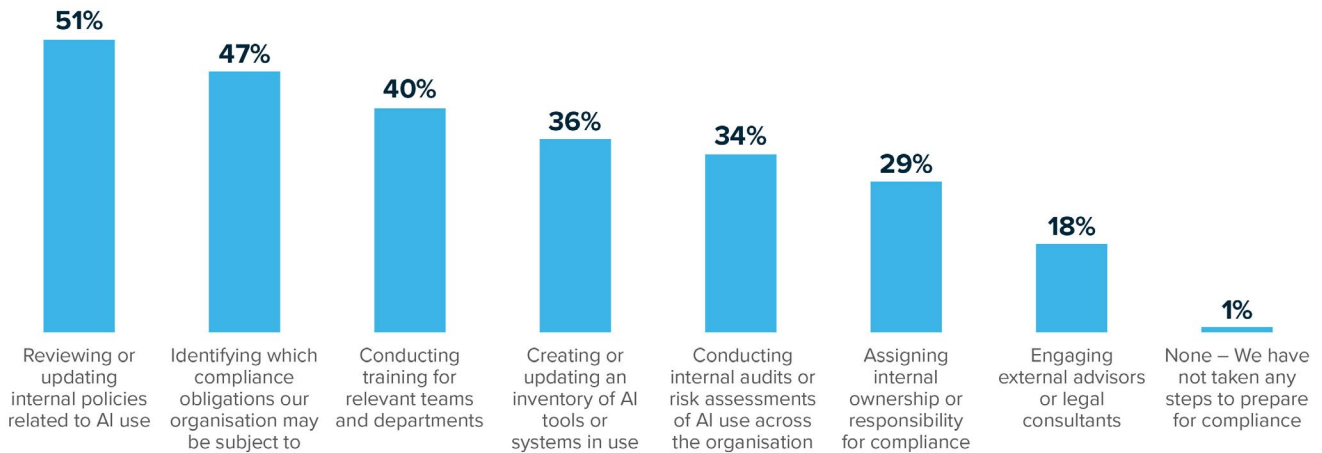
AI COMPLIANCE AND WORKFORCE IMPLICATIONS

To what extent is your organisation prepared to comply with the EU Artificial Intelligence Act, which regulates AI and places responsibilities on providers of AI (i.e., those that develop AI), as well as deployers (i.e., those who use AI systems, which include employers)?

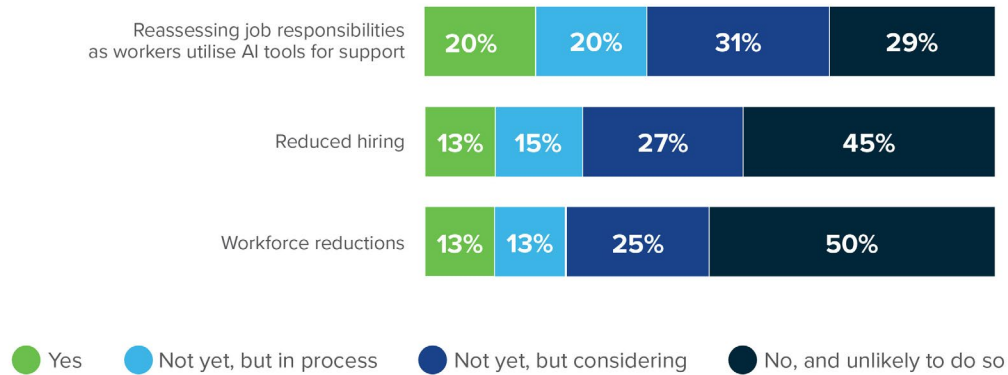


Which of the following steps has your organisation taken to prepare for compliance with the EU AI Act? (Select all that apply)

This question was asked to those who indicated being at least “somewhat prepared” to comply with the EU AI Act.



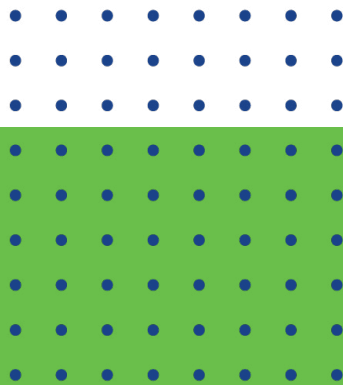
Has your organisation taken any of the following actions as a result of the actual, or anticipated, increased use of AI in the workplace?



When provisions of the [EU AI Act](#) go into effect [over the next year](#), employers deploying AI technology will face a slew of compliance obligations for “high-risk” systems—from ensuring AI is being used in accordance with its instructions to assigning human oversight and more.

International organisations, even if they are not based in the EU, may be subject to these requirements, and penalties for non-compliance can amount to EUR 35 million (USD 40 million) or 7% of the company’s global annual turnover in the previous financial year (whichever is higher). Uncertainty abounds, however, namely because the vast majority of EU countries have yet to assign AI-specific regulators under the Act’s multi-stakeholder governance framework.

Given this state-of-play, it’s potentially worrisome—and somewhat understandable—that only 18% of survey respondents say their organisations are very prepared to comply with the Act. Large companies are slightly more prepared (28% say their organisations are very prepared), but overall preparedness levels remain relatively flat from our 2024 survey.

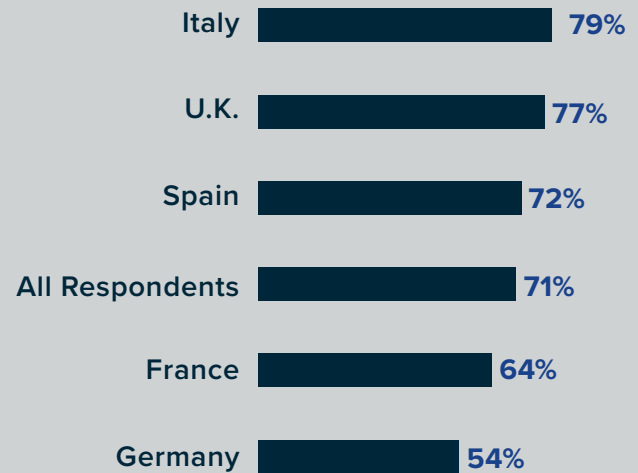


More concerning, perhaps, is that of the 80% who say they are at least somewhat prepared for the Act, the majority have yet to implement foundational compliance steps. For example, only 40% of this group are conducting training, with fewer still doing internal audits or risk assessments of AI use across the organisation (34%) or assigning internal ownership or responsibility for compliance (29%). About half have reviewed or updated AI use policies (51%) and identified compliance obligations (47%).

Finally, this year's survey asked respondents about talent-related actions as a result of AI use. Four in 10 employers have reassessed job responsibilities in light of AI implementation or are in the process of doing so; more than a quarter say the same about reduced hiring (28%) and workforce reductions (26%).

That only 29% of respondents say their organisations are not reassessing job responsibilities due to AI shows the scale at which the technology is transforming the workforce, even as it has yet to spur workforce reductions to the same degree.

Employers who have reassessed job responsibilities due to AI or are in the process of/considering doing so



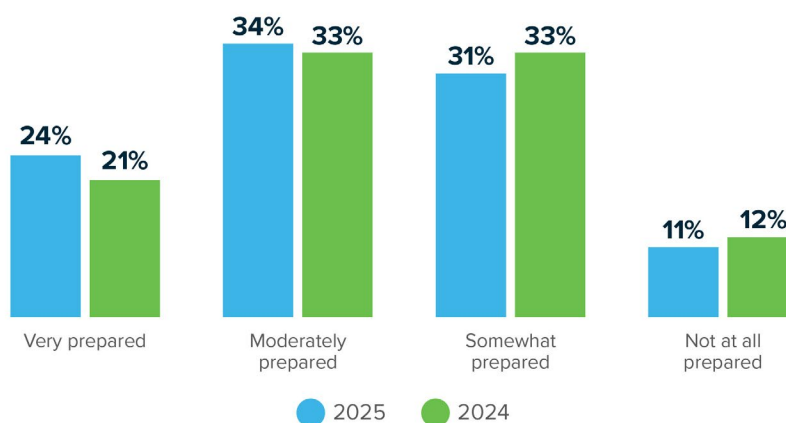
“Our survey suggests that there is currently a lack of preparedness for the EU AI Act, which is a concern given the scale of the law’s compliance obligations and the significant penalties for non-compliance. It’s more critical than ever that businesses identify their obligations, audit their current exposure, conduct training and assign a cross-functional task force to oversee these efforts.”

[Deborah Margolis](#),
Littler Senior Counsel, U.K.



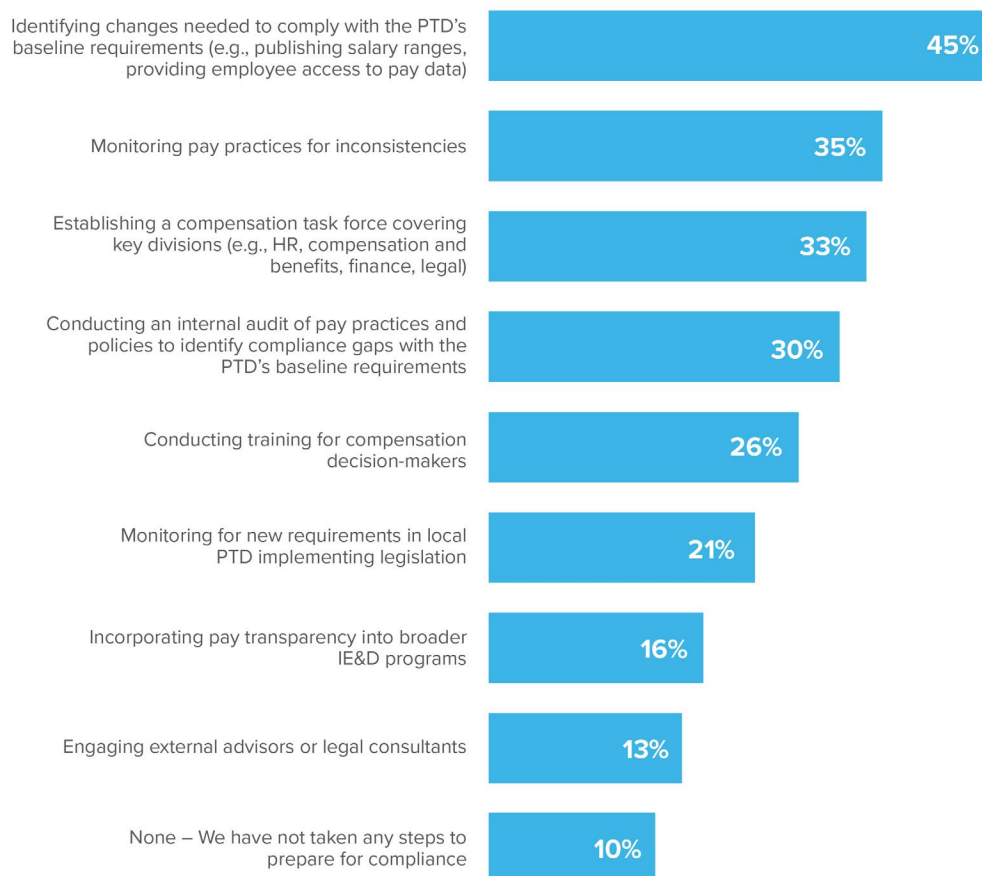
EU PAY TRANSPARENCY DIRECTIVE

To what extent is your organisation prepared to comply with the EU Pay Transparency Directive, which includes requirements to disclose salary ranges and report on any gender pay gap differentials?



Which of the following steps has your organisation taken to prepare for compliance with the EU Pay Transparency Directive (PTD)? (Select all that apply)

This question was asked to those who indicated being at least “somewhat prepared” to comply with the EU PTD.



As with EU AI Act compliance, organisations have made limited progress in preparing for the [EU Pay Transparency Directive](#). Our 2025 survey found that just 24% of employers say they are very prepared for compliance, compared with 21% in 2024. Large employers ranked slightly better on this front (28% are very prepared), as did U.K. respondents (27%)—the latter likely due to the fact that the U.K. [already](#) has gender pay gap reporting obligations in place for certain employers.

These findings could be cause for concern. After all, in 2026, employers with EU operations will be obligated to:

- Provide applicants with the pay or pay range for a role.
- Provide workers with salary information, broken down by sex, for categories of workers performing the same work as them or work of equal value to theirs.
- Disclose the criteria used for setting salaries, bonuses and career advancement.
- Conduct non-discriminatory recruitment processes.

Furthermore, when annual pay gap reporting starts for larger employers in 2027, it will draw on data from the previous calendar year—meaning that organisations with 150 or more workers and unresolved pay gaps in 2026 will have those gaps publicised in their first mandatory report.

As for the steps those who feel at least somewhat prepared to comply with the PTD have taken, none were selected by more than half. The top answer choices included identifying necessary changes to comply with the PTD (45%) and monitoring pay practices for inconsistencies (35%). Only about a third of respondents have taken fairly rudimentary actions like establishing a compensation task force (33%) and conducting an audit of pay practices and policies (30%). Ten percent have done nothing to prepare at all.

The lack of draft legislation or guidance from many jurisdictions could partially explain the lack of preparation. Member states must implement the PTD's provisions into their national laws by next June, yet many jurisdictions have issued little-to-no draft PTD guidance—with at least one country, the Netherlands, already [delaying](#) implementation. Still, there are numerous steps employers can take today, regardless of national directives, to prepare for compliance.

Littler's EU Pay Transparency Tracker outlines the current state of the law in various EU countries and reflects changes as countries meet the Directive's new obligations. To receive this tracker, please [click here](#).

“With new obligations on the horizon in 2026 and 2027, now is the time for employers to take some fundamental steps in preparing for the PTD. That includes conducting an audit of current pay practices, stress testing your job architecture to understand to what extent it is based on gender neutral criteria, and determining how you will categorise which workers are doing work of equal value.”

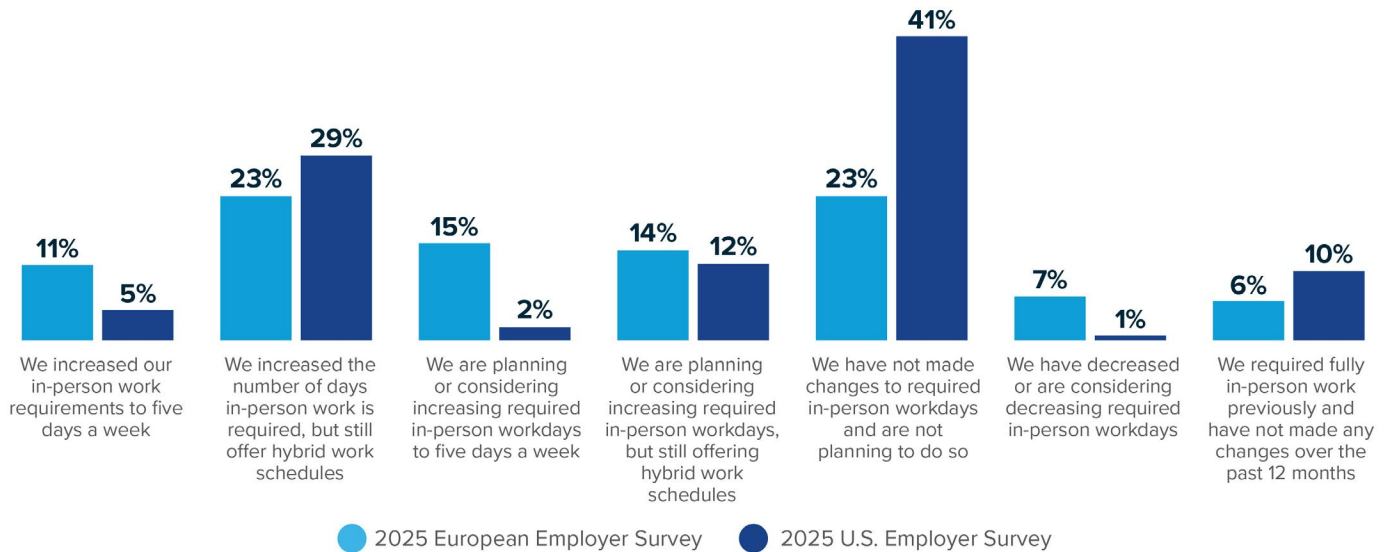
[Nicola James](#),
Littler Partner, U.K.



RETURN-TO-OFFICE POLICIES

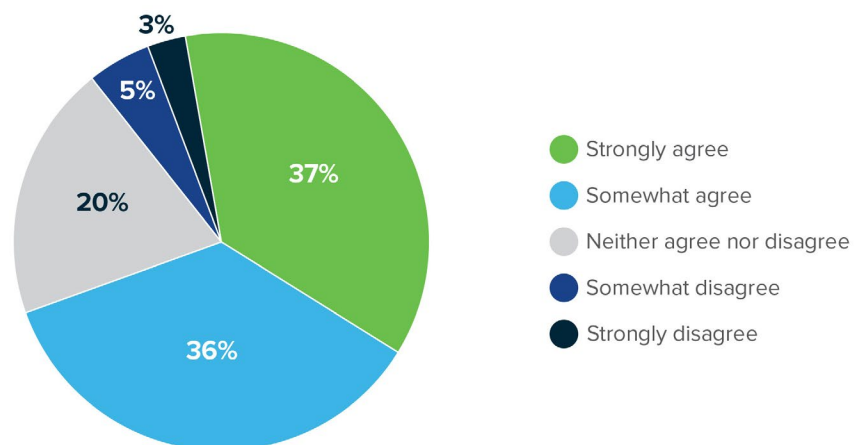
Which of the following best describes any changes your organisation has made over the past 12 months to the number of days that employees are required to work in-person at a fixed worksite or office?

Respondents answered this question only with regard to positions that can be performed remotely. This question was not asked to those who do not have positions where employees can work remotely or those who allow employees to work exclusively remotely.



Please indicate your level of agreement with the following statement: Offering remote or hybrid work schedules is important for attracting the right talent to our organisation.

This question was not asked to those who do not have positions where employees can work remotely.

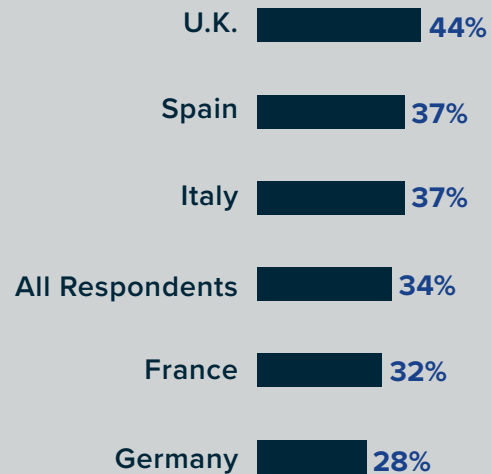


European employers are pushing for more in-person work, even as the majority recognise the recruitment benefits of a hybrid or remote working environment.

That may explain why among the 63% of organisations that have increased or are planning to increase the number of in-person workdays, most (37%) are doing so while still offering hybrid work schedules. Among organisations with positions that can be performed remotely, 26% have increased required in-person workdays to five days a week or are planning/considering doing so (in addition to the 6% that were already requiring fully in-person work).

U.K. respondents in this group say they have increased in-person work at higher rates, whereas fewer German employers have done so. In some European countries, the return-to-office push may be slowed by the need for extensive consultation with workforces over potential changes, as discussed in a recent [Bloomberg article](#).

Employers that have already increased in-person work requirements, either to five days a week or within a hybrid schedule



Amid this push to bring employees back to the office, 73% of respondents agree that offering remote or hybrid work is important for attracting the right talent; that figure rises to 88% for U.K.-based respondents. Respondents from large companies are also more likely to strongly agree on the talent benefits of hybrid work (47%, versus 37% overall).

Overall, European employers appear to be making more of a push for in-person work than their U.S. counterparts surveyed in our [2025 U.S. Employer Survey Report](#). A significantly lower share of American employers, for instance, have increased—or are planning/considering increasing—in-person work to five days a week (7% of U.S. employers, vs. 26% of European employers), and 41% have not made any changes at all (compared with 23% of European employers).

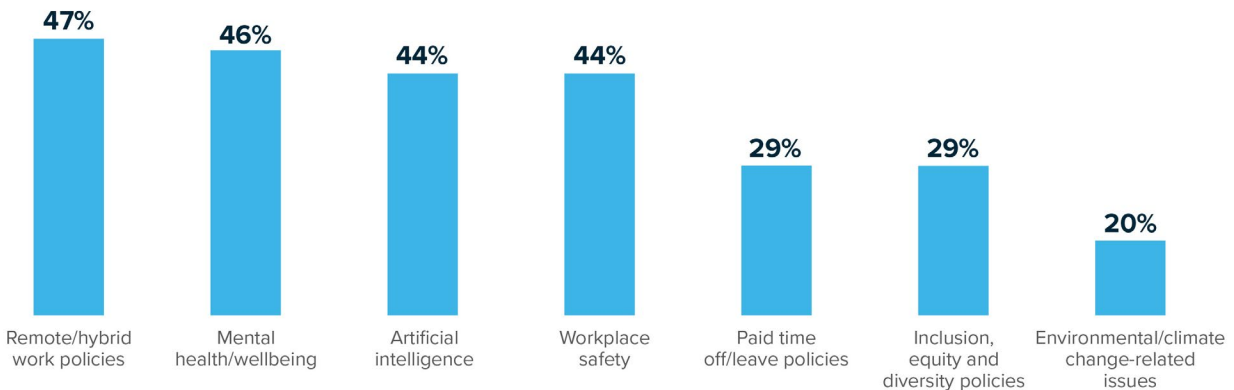
“For European employers looking to increase their in-office work requirements, there are a host of factors to consider to identify the optimal approach and develop policies based on their individual needs—including considering customer expectations, job duties, the impact of potential turnover, and available office space. It is also important for employers to clearly document guidelines, expectations and potential consequences for non-compliance.”

Dr. Alexander Bartz,
Littler Partner, Germany



EMPLOYEE UNIONS AND WORKS COUNCILS

Outside of compensation and benefits-related topics, which of the following issues have arisen over the past year in discussions with your trade union or works council (or in collective bargaining negotiations)? (Select all that apply)



Works councils and trade unions continue to influence workforce management in Europe. Outside of compensation and benefits, the top three issues respondents cite as arising in discussions or negotiations with such groups this past year are remote/hybrid work policies (47%), mental health/wellbeing (46%) and AI (44%). Interesting differences also emerged by country, with the U.K. highest for remote/hybrid work policies (61%) and IE&D policies (43%); Spain highest for mental health/wellbeing (60%); Germany highest for AI (52%); and Italy highest for workplace safety (69%).

Though this level of influence is not necessarily new, these topics will continue to command attention, particularly as the push for in-office work and AI implementation accelerate. On the latter front, discussions will likely involve issues ranging from potential job displacement and employee monitoring to the positive applications of AI tools and associated data privacy risks.

Meanwhile, the focus on mental health may relate to conversations about workplace safety (cited by 44% of respondents) if such conditions could lead to transgressive or even violent behavior.

A political [agreement](#) this year to reform the EU Directive on European Work Councils could bring additional changes. The agreement, which hasn't yet been formally approved, aims to make such councils easier to establish, fund and enforce—reforms that may reshape negotiations between employers and work councils on issues discussed throughout this report.

“There have been numerous works council disputes related to remote work policies, particularly in jurisdictions—like the Netherlands—where employees don't have a ‘right’ to work from home. Works councils are also increasingly engaging with management on AI, wanting to understand the impacts on company strategy, employee privacy and potential job displacement. Though these and other issues have been on the agenda for some time now, they show no signs of slowing down—and employers should take note.”

[Dennis Veldhuizen](#),
Littler Partner, Netherlands

[Dr. Oliver Grimm](#),
Littler Partner, Germany



Methodology and Demographic Profile of Respondents

In August and September 2025, 402 professionals from a variety of industries participated in Littler's 2025 European Employer Survey via an online survey tool.

Respondents included:

- Chief Human Resources Officer / Chief People Officer (19%)
- HR Professional (26%)
- Chief Legal Officer / General Counsel (9%)
- In-House Lawyer (10%)
- Other C-Suite / Managing Director Title (36%)

Respondents were based across Europe:

- Austria (2%)
- Belgium (4%)
- Denmark (2%)
- France (18%)
- Germany (10%)
- Ireland (1%)
- Italy (14%)
- The Netherlands (4%)
- Norway (3%)
- Portugal (3%)
- Spain (16%)
- Sweden (1%)
- Switzerland (1%)
- U.K. (21%)



Companies represented were of a variety of sizes:

- More than 10,000 employees (11%)
- 5,001 to 10,000 employees (9%)
- 1,001 to 5,000 employees (13%)
- 501 to 1,000 employees (20%)
- 101 to 500 employees (21%)
- 1 to 100 employees (26%)

Responses to some questions in the survey do not add up to 100% due to rounding, and some exceed 100% because respondents were invited to select more than one answer.

About Littler Europe

Littler is the largest global employment and labour law practice devoted exclusively to representing management.

We serve as a single point of contact for our clients' global labour and employment needs, helping multinational employers to move their employees across borders and comply with local employee relations laws, and assisting employers with such international issues as overseas privacy laws and applying company policies worldwide.

Our European legal services include offices in the region's most robust economies, housing local Littler attorneys who collaborate with our working partners in all European jurisdictions, as well as other regions of the world.



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Spain



France



Switzerland



Germany



The Netherlands



Ireland



United Kingdom



Italy

For more information, please [click here](#).

Disclaimer: The survey questions and their resulting findings cover issues that are governed by differing rules from European governments and certain actions may not be permissible depending on the country. The content does not convey or constitute legal advice, nor is it intended to be acted upon as such.