



Industrial relations and social dialogue

**The practical implementation of the  
work of equal value principle:  
Case studies of companies, collective  
agreements, tools and methodologies**

[Equal value, equal pay: Concepts, mechanisms and implementation towards  
gender pay equity](#)

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## Contents

<b>Introduction.....</b>	<b>1</b>
<b>Tools and methods.....</b>	<b>3</b>
Cyprus: Job evaluation tool for the hotel industry .....	3
Sweden: BAS - Position and Job Evaluation System .....	13
Sweden: BESTA-vägen - a public sector tool .....	18
Global: Mercer's approach to pay equity .....	28
<b>Collective agreements .....</b>	<b>36</b>
Belgium: Care sector.....	36
Belgium: Food industry.....	46
France: Metallurgy industry .....	51
Germany: Chemical industry .....	66
Portugal: Footwear, components, bags and gloves industry .....	74
Spain: Footwear industry.....	85
<b>Company cases.....</b>	<b>99</b>
Czechia: Phillip Morris ČR .....	99
Denmark: Refyne .....	105
Lithuania: Swedbank .....	118
<b>Other cases: Support, controls and certifications.....</b>	<b>128</b>
Hungary: Non-governmental efforts to prepare for gender pay transparency requirements.....	128
Poland: EQUAL-SALARY Foundation .....	134
Slovakia: Labour inspectorates' checks on equal pay.....	138
<b>Conclusion .....</b>	<b>143</b>
<b>References .....</b>	<b>144</b>
<b>Annex .....</b>	<b>153</b>
A1: Work of equal value: National definitions .....	153
A2: Case studies outreach efforts, outcomes and challenges .....	160
A3: Processes to implement work of equal value: Case comparison .....	162
A4: Interview guidelines and template.....	172

# Introduction

This working paper presents the 16 detailed case studies informing Eurofound's report titled "*Equal value, equal pay: Concepts, mechanisms and implementation towards gender pay equity*" (Eurofound, 2025). It serves as a companion document, providing comprehensive documentation of the research that underpins the report's findings and conclusions.

These case studies examine how the principle of equal pay for work of equal value is implemented in practice across different contexts, and they are organized into four thematic categories:

1. **Tools and methods** (3 cases): Cyprus (hotel industry job evaluation tool), Sweden (BAS Position and Job Evaluation System and BESTA-vägen public sector tool), Global (Mercer's approach to pay equity)
2. **Collective agreements** (6 cases): Belgium (care and food sectors), France (metallurgy industry), Germany (chemical industry), Portugal (footwear, components, bags and gloves industry), Spain (footwear industry)
3. **Company cases** (3 cases): Czechia (Philip Morris ČR), Denmark (Refyne), Lithuania (Swedbank)
4. **Other cases:** support, controls and certifications (4 cases): Hungary (non-governmental efforts), Poland (EQUAL-SALARY Foundation), Slovakia (labour inspectorates' checks)

The working paper also includes four important annexes that provide additional analytical and methodological documentation referenced throughout the main report:

- **Annex 1: Work of equal value: National definitions**  
Presents a comprehensive overview of how "work of equal value" is defined across EU Member States and Norway, based on national legislation, case law, and other sources. The annex identifies specific criteria used to establish work of equal value in different national contexts.
- **Annex 2: Case studies outreach efforts, outcomes and challenges**  
Documents the methodological process behind the case study selection and data collection, including the number of potential interviewees approached, successful interviews conducted, declinations received, and non-responses encountered. This transparency regarding the research process helps readers understand the scope and limitations of the evidence and the practical challenges encountered.
- **Annex 3: Processes to implement work of equal value: Case comparison**  
Provides a systematic comparative analysis of how gender-neutral principles and safeguards were integrated across all case studies. Using a structured, color-coded assessment framework, this annex enables readers to quickly identify which gender neutrality elements were present, partially present, or absent in each case, highlighting areas where practices could be strengthened.
- **Annex 4: Interview guidelines and template**  
Documents the standardized interview protocol and data collection template provided to all NEC correspondents. This allows readers to understand exactly what information was sought from interviewees.

Following this introduction, the case studies are presented following the four thematic sections described above, with each case study following a consistent structure that covers background, implementation processes, outcomes, challenges, and lessons learned. The working paper concludes with the complete reference list and the four annexes.

The case study approach was designed by Eurofound, including the selection of cases from a long list of proposals and the development of interview guidelines and templates. The national cases contained in this working paper were implemented – mainly based on individual and group interviews and authored by the Network of Eurofound Correspondents (NEC) as listed in the authorship section of the front cover. The case studies reflect the situation as documented during the research period in 2024, and readers should be aware that practices and frameworks may have evolved since data collection was completed.

## Tools and methods

### Cyprus: Job evaluation tool for the hotel industry

#### Background info on the case

The 'Job Evaluation tool free from gender bias' has been implemented within the framework of the EU PROGRESS programme titled "Bridging the Gender Pay Gap, Transnational Cooperation: Cyprus, Greece, Portugal", between the years 2014 – 2016. The aim of the project was to contribute towards the elimination of the gender pay gap in the participant countries by implementing innovative activities and methods. One of these methods implemented under the programme was the Job Evaluation Tool, which was originally developed and implemented by a Portuguese tripartite partnership between 2005 and 2008 entitled "Revaluing Work to Promote Equality" funded by the EU EQUAL programme.

The research team of the project, a group of four researchers with backgrounds in the disciplines of sociology, gender studies, politics and industrial relations, collaborated with the Portuguese gender experts who initially set the Job Evaluation Tool for the exploitation of the resulting knowledge and to gain the necessary expertise and implement the method in Cyprus. They attended a specialised 3-day training programme in Lisbon, which was designed and delivered by the Portuguese group of experts, covering all theoretical (i.e. the value of work free from gender bias), methodological (i.e., the construction of the evaluation questionnaires, the valuing system and the scoring of results) and practical aspects of the implementation of the evaluation method. The involvement of the Portuguese gender experts was critical for the achievement of the objectives of the activity and its complete and successful implementation in the Cypriot context. They also provided a package of training materials to the research team and supported them during the implementation process of the activity as well. The research team, after studying the method thoroughly and after a long period of discussions, exchanges and consultations, adjusted the tool and developed its own evaluation method to meet the local and sectoral particularities and tested it on a pilot basis among two pairs of professions in the hotel industry with a representative sample of employees. The hotel industry was chosen because the initial version of the tool was constructed and implemented in a related sector in Portugal, the restaurant and beverage sector, and we thought, during the writing phase of the proposal, that it would have been easier to transfer it in the hotel industry than in any other sector. Additionally, other activities of the project were related to the hotel industry. The research team carried out a research study, with the participation of 45 hotels across the country and 403 hotel employees, on the factors affecting the gender pay gap. The evaluation tool was applied in 25 medium size and large hotels in the districts of Nicosia, Limassol, Paphos and Famagusta.

A competent advisory committee had been set to support the research team in carrying out the activity. The Committee was composed of local stakeholders including two representatives from the trade unions active in the hotel industry, two representatives from the local hotel associations, two human resource managers from local hotels and two gender experts representing two local women's organisations.

## **How the work of equal value principle was implemented in practice**

The 'Job Evaluation Tool' is a method for the revaluation of work that aims to compare jobs within an organisation or within a sector by considering the importance and complexity of jobs and purpose to identify the relative position of one job in relation to another. The process of the method provides the scrutiny of all the demands of the jobs under evaluation by using common and precise criteria; it breaks down jobs into factors such as: (1) Skills, (2) Responsibilities, (3) Effort and (4) Working Conditions. These main factors are further deconstructed into sub-factors, aiming to generate detailed accounts of each job under evaluation. The Tool is meant to compare predominantly male with predominantly female occupations and work of equal value with work of unequal value. It puts emphasis on the content of work rather than the skills of job holders and provides visibility to skills that are usually overlooked.

The Tool was set up initially by a Portuguese group of experts and applied in the restaurant and beverage sector in four counties of Portugal comparing eight predominantly male and female occupations. The Cypriot group of experts then adjusted the tool and developed their own evaluation method corresponding to the particularities of a related sector in Cyprus, the Hotel Industry. The gender expert group in Cyprus instead of building a job evaluation method from scratch made use of the accumulated knowledge gained by the Portuguese team and implemented a similar process within the limits of the budget of the project and time constraints. In this way, we were able to work faster in comparison to the Portuguese process, which lasted for three years, contributing at the same time to the principle of transferability of knowledge and experiences across the EU.

### **Selection of professions for the evaluation**

The selection of the professions in hotels for evaluation and comparison was a demanding and challenging process, and set upon the following steps:

- examination of the available statistical data in the hotel industry,
- consultation with trade unions,
- review of the sectoral agreements,
- examination of all possible options of the occupations in the hotels that are predominantly male and female, where we considered their work of equal value but were paid unequally,
- examination of the pay ranks and scales of all hotel professions.

We ended up with the assumption/hypothesis that two pairs of occupations worth the effort to be compared and examined. The first pair of occupations that has been selected for evaluation was Headwaiter B, a male predominantly occupation, and Housekeeper B, a female predominantly occupation. We assumed that these two occupations were of equal value, but the sectoral collective agreements place them unequally in the pay rank. The decision was primarily taken based on the job descriptions that the members of the advisory committee provided during the consultation processes. More specifically, Headwaiter B was found in the 10th pay rank of the collective agreements, with a gross monthly salary at €1,013.63 for current employees (for new entrants was €935.87) plus 9 points<sup>1</sup>. Housekeeper B, on the other hand, was at the 5th pay rank, with a gross salary of €786.69 for current employees (for new entrants it was €727.71) plus 6 points.

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<sup>1</sup> The salary of hotel employees in Cyprus then was a combination of the gross salary and the 10% that hotel charged for service. Each employee had the right of service payment and the amount of it was defined by the

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process

The second selected pair of occupations was Room-maid, a female predominantly occupation, and Storekeeper B, a male predominantly occupation. Room-maid was ranked at the 3rd pay rank of the collective agreement with the gross monthly salary at €720.38 for current employees (for new entrants it was €666.91) plus 5 points. Storekeeper B was found at the 4th pay rank, with a gross monthly salary of €742.38 for current employees (for new entrants, it was €688.72) plus 4 points.

### **Personal interviews with workers**

The working team conducted personal interviews with the two pairs of workers to pilot the evaluation questionnaire. In numbers, a total of eighty (80) hotel employees participated in this pilot study, forty-three (43) were women (53.8%), and thirty-seven (37) were men (46.2%). For the first pair, storekeeper and room-maid, the number of participants was equal, twenty from each profession or 25% of the total for both. For the second pair of occupations, housekeepers were represented with 21 employees (26.3% of all participants) and Headwaiters with 19 employees (23.8% of all participants). In terms of gender, all storekeepers were men, all room-maids and housekeepers were women and seventeen (17) of the headwaiters/headwaitresses were men and two (2) were women. Additionally, 80% of the sample had a permanent employment contract, 13.8% had a fixed-term contract and 6.2% were seasonal workers.

The questionnaire was structured based on four core evaluation factors. We asked the participants during the interviews to respond directly. For every sub-factor, we designed a close-ended question. The questionnaire did not include open questions at all.

### **Weighting of the sub-factors**

The classification was performed in advance, before conducting the interviews. The members of the advisory committee provided their support for defining the weight for each sub-factor of the core evaluation factors during the process of constructing the evaluation questionnaire. Skills, Responsibility, Working Conditions and Effort, which have different evaluation weights based on their respective relative importance and are assigned a numerical value. The final score of this numerical value that arrives from the implementation of the study determines whether the occupations under evaluation are of equal value or not. More particularly, the first part of the questionnaire dealt with the factor “Skills”; it was composed of thirteen (13) questions or sub-factors summing up 325 points of the total 1000 evaluation points. For each sub-factor, the evaluating committee assigned points in accordance with their estimated importance, ranging from fifteen (15) to thirty-five (35) points. The second of the four factors under scrutiny was “Responsibility”, and it was composed of eight (8) questions or sub-factors. It has been allocated 275 out of the 1.000 points or 27.5% of the overall percentage. The third part of the questionnaire examines the factor of “Effort” and its pertinent sub-factors. The total points that have been allocated to this factor is 125 out of the 1000 total points. The factor of “Effort” is consistent by seven (7) sub-factors. The last part of the questionnaire focused on the factor “Working Conditions”. Nine (9) sub-factors have been examined, aggregating 275 out of the 1000 points. We followed the weights that the Portuguese team assigned for the four core evaluation factors. The weighting for the sub-factors was performed by the research team in consultation with the members of the

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ranking of each working position agreed upon in the collective agreements. This was called the point system. The sum of this 10 percent was calculated at the end of each month and was divided by the total number of points of all employees. Since 2021 the point system has been repealed and an average of the annual amount of the point system for each rank integrated to the gross salary.



advisory committee. The members of the advisory committee were actively involved in the process. we actually relied on their experiences with the hotel professions and their inputs during consultations. The committee was made up of trade unionists active in the hotel industry, human resource managers from local hotels and representatives of local women's organisations. Even that it was the research team that decided on the distribution of points. (i.e. the weighting) for each subfactor, the job descriptions and analysis of each profession provided by the Committee determined our final decisions. It was a long and difficult process for all, and several disagreements and disputes occurred among the team before reaching consensus and decisions.

### **Role of the advisory committee**

The role of the members of the advisory committee and the expectations has been set and agreed after they were thoroughly briefed by the research team on all aspects of the activity. Within a frame of an open consultation and decision-making process then, the advisory committee provided valuable support to the working team during the whole process of the implementation of the activity by providing feedback to the produced materials, consultation to critical decisions and guidance on the implementation process. The established relationships and the professional links of the members of the Committee with the hotels facilitated the access of the researchers to the hotel units and the research sample for the delivery of the fieldwork. The role of trade unions and particularly the role of the district trade unionists, who were commissioned by their organisations to support the research team, was key to the successful outcome of the fieldwork. The advisory committee and working team held in total three consultations in person during major milestones in the implementation process but frequent exchanges through email and telephone conversations as well.

## **Main results of the implementation of work of equal value**

### **Results of the piloted job evaluation for four occupations**

Table 1 below summarises the results of all factors that make up the four occupations studied. The results for each of the four factors and their associated sub-factors are provided at the tables after the last part of the questionnaire. From the final scoring of the first pair of occupations, as it is illustrated at the table, we observe that the occupation of storekeeper B scores 73.99 points higher than the occupation of room-maid. The occupation of storekeeper B aggregates 508.9 points and that of room-maid 434.91 points. It seems that the determining factor that shapes the final results for this pair of occupations is "Responsibility". Despite the two occupations scoring higher points at two factors each, the huge gap of points at the factor "Responsibility", that is 90.5 points, rocketed the overall scoring for the occupation of storekeeper B.

The total scoring of the second pair of occupations, in addition, shows that the occupation of headwaiter/ress B aggregates 708.75 points and the occupation of housekeeper B aggregates 632.76 points. The gap of points between the two is defined at 75.99 points. It is obvious that the occupation of headwaiter/ress B scored higher overall at all four factors that we have examined. In contrast to the first pair of occupations, the factor "Responsibility" makes not much of a difference between the two occupations, as they scored almost the same evaluation points. The factor that seems to differentiate the two occupations, however, is "Working Conditions" with a 32 point-gap followed by the factor "Effort" with 23.5 point gap.

Table 1: Aggregate scoring

	STOREKEEPER	ROOM-MAID	HOUSEKEEPER	HEADWAITER/RESS
<b>SKILLS</b>	177,99	169,5	270,25	<b>285,5</b>
<b>RESPONSIBILITIES</b>	169,66	79,16	188,76	<b>194</b>
<b>EFFORT</b>	83,5	88	75,5	<b>99</b>
<b>WORKING CONDITIONS</b>	77,75	98,25	98,25	<b>130,25</b>
<b>TOTAL</b>	<b>508,9</b>	<b>434,91</b>	<b>632,76</b>	<b>708,75</b>

### Placement of the jobs in the grid

Table 2 below illustrates the placing of the four occupations to the evaluating grid. The table illustrates the point intervals that have been agreed by the committee and their respective classes of placement. The placement of the scoring of each occupation in the grid is considered as the last stage in the process and determines the equivalence of jobs in terms of value. The occupations that fall into the same class of the grid are considered as jobs of equal value.

The transportation of the final, cumulative scoring of all factors for each occupation into the grid clearly demonstrates that two pairs of occupations are not of equal value. For the first pair of occupations, Storekeeper B and Room-maid, the hypothesis that the working team and the committee of the tool has initially defined for testing is not verified. The hypothesis was that the two occupations are of equal value and that they should be remunerated equally. The findings of this study show that the two occupations are not only of unequal value, but the occupation of storekeeper B scores two classes higher than the occupation of room-maid. Based on that, storekeepers B shall not receive either equal or less remuneration than that of room-maids but higher.

We also set a second same hypothesis, for the second pair of occupations, Housekeeper B and Headwaiter/ress B, which is *'the two occupations are of equal value and shall be paid equally'*. The hypothesis in this case is not verified as well, though the justification is quite different from the first case above. The first case had surprising results of what we have estimated and hypothesized initially. For this case, however, the results entail no surprising characteristics even that our hypothesis is not verified; the results are more linear and rank the two occupations unequally in the evaluating grid. The overall scoring of the two occupations marks a gap of 75.99 points for the occupation of headwaiter/ress B over the occupation of housekeeper B. Particularly, the total score of the occupation of headwaiter/ress B (708.75 points) is ranked two classes above the occupation of housekeeper B (632.76 points). Based on this, we may conclude that the two occupations are not of equal value and the current difference in their remuneration is justified.

Table 2: The Grid

Classes	Points	Headwaiter/ress	Housekeeper	Storekeeper	Room-maid
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A	720-749				
B	690-719	<b>708.75</b>			
C	660-689				
D	630-659		<b>632.76</b>		
E	600-629				
F	570-599				
G	540-569				
H	510-539				
J	480-509			<b>508.9</b>	
I	450-479				
K	420-449				<b>434.91</b>

### Follow-up

The development and implementation of the evaluation tool was on a pilot basis and as such there were no commitments for follow up actions by any actor involved in the process. Despite that we recognised the need to perform the evaluation comparison for all predominate male and predominate female occupations in the hotel industry, such a task requires the necessary resources but most importantly the trust in the process and the consensus and commitment of all stakeholders in the sector – trade unions, employers’ associations and the hotels that are members of the associations – to apply the evaluation results and perform the necessary adjustments in the collective agreement to ensure pay equity.

## Main conclusions regarding the practical implementation

The implementation of the job evaluation tool free from gender bias was certainly a rewarding experience for the gender experts in Cyprus, though the implementation was not a smooth, linear process. On the contrary, the working team and the members of the advisory committee had many disagreements, and they were very concerned that several tasks and decisions had to be taken during the implementation process.

### Point allocation and weighting require thorough scrutiny and a common understanding

One of the issues that dominated the discussions among the group was the weighting and the allocation of points to the four factors – Skills, Responsibilities, Effort and Working Conditions – which compose the evaluation questionnaire and consequently determine the evaluation results. Even though the decisions on the weighting of the factors have been a product of consensus among the members of the group, the issue of the validity of the weighting has been raised over and over for discussion by some members at different stages of the implementation. Inexperience, misinterpretation of the weighting, biases and the relation of the factors and the weighting are among the reasons that might constitute the issue as controversial. I have personally carried out two extra exercises with alternative weighting to check how differently the evaluation results might occur. At the first scenario, I re-allocated, for the sake of the exercise, the weighting between the factors with the greatest gap of points to a more balanced sharing. In the second scenario, I re-allocated equally the points to all sub-factors that comprise the four factors. Even though the overall scoring of the two pairs of occupations under study has been changed in both scenarios, the final placement of the jobs in the evaluating grid did not validate our first hypotheses. In both scenarios, the two pairs of occupations proved to be of unequal value.

By undertaking these two exercises, we did not want to question the weighting but to emphasise that the processes of weighting require a thoughtful, in-depth reflection for future users of the evaluation tool. The weighting process as a tool should leave no doubts; it should be a clear and defined upon consensus and accepted process eventually leading to more accurate, trustful and fair comparison results of jobs of equal or unequal value. In doing so, it is also important to additionally examine the validity of the weighting because the evaluation results impact the final scoring of the jobs under evaluation. We recommend that the whole process should be enhanced with additional tools that leave no doubts about the validity of weighting. Additionally, when applying the processes evaluators shall study thoroughly the meaning and the interpretation of the weighting and the importance that weighting implies for the final scoring to avoid the doubts and complexities that may arise in the process.

### **Selection of core-and subfactors**

A second issue of controversy raised by some recipients of the results when we publicly presented the tool and the findings of the evaluation was about the validity of the four factors – Skills, Responsibility, Effort and Working Conditions – as criteria appropriate for evaluating jobs. As a response, we stated very clearly that the four factors are internationally accepted criteria, which are found in the Code of Practice of the European Commission on the Implementation of Equal Pay for Work of Equal Value (1996) and are promoted by the International Labour Office (ILO). It is true that the definition of the sub-factors of each main factor requires a particular consideration and careful thought but the questioning of the validity of the major factors is arbitrary.

Table 3: Skills

A/A SUB-FACTORS	POINTS	STOREKEEPER		ROOM-MAID		HOUSEKEEPER		HEADWAITER/RESS	
		LEVEL	SCORE	LEVEL	SCORE	LEVEL	SCORE	LEVEL	SCORE
1 EDUCATIONAL BACKGROUND	35	3	26,25	2	17,5	4	35	3	26,25
2 VOCATIONAL TRAINING	15	1	1,5	1	1,5	2	13,5	2	13,5
3 DURATION OF WORK	20	4	20	4	20	4	20	4	20
4 DUTIES IN RELATION TO H&S	25	3	15	2	10	2	10	4	20
5 USE OF INFORMATION TECHNOLOGIES	25	3	25	1	2,5	2	13,75	2	13,75
6 REQUIREMENTS IN RELATION TO H&S	30	3	22,5	3	22,5	4	30	4	30
7 FOREIGN LANGUAGES	30	2	12	2	12	2	12	3	21
8 MANAGEMENT OF CONFLICT	30	1	3	1	3	3	21	4	30
9 NO OF INTERLOCUTORS COMMUNICATE	20	3	12	2	8	4	20	3	16
10 MANUAL DEXTERITY	20	1	2	3	20	3	20	3	20
11 PHYSICAL AGILITY	25	2	16,66	3	25	3	25	3	25
12 ABILITY TO WORK FAST	25	1	8,33	3	25	3	25	3	25
13 CREATIVITY	25	2	13,75	1	2,5	3	25	3	25
TOTAL POINTS	325		177,99		169,5		270,25		285,5

The assignment of levels and scores is more than a technical task but reflects the inputs of all stakeholders involved in the process, their knowledge about the jobs under evaluation and how these jobs contribute to the sector, the challenges etc.

The process, technically, goes as follows:

1. definition of the order of importance of the factors and the allocation of points to each. (see in each table at top the points for each factor and %s i.e. skills (325 -32.5%)
2. allocation of points to sub-factors
3. allocation of points to levels for each sub-factor using arithmetic progression
4. synthesis of results of the weighting process at the weighting grid.

Table 4: Responsibilities

RESPONSIBILITIES (275 – 27,5%)		POINTS	STOREKEEPER		ROOM-MAID		HOUSEKEEPER		HEADWAITER/RESS	
A/A	SUB-FACTORS		LEVEL	SCORE	LEVEL	SCORE	LEVEL	SCORE	LEVEL	SCORE
1	RESPONSIBILITY FOR H&S FOR OTHERS	40	2	26,66	2	26,66	3	40	3	40
2	RESPONSIBILITY FOR SUPERVISING OTHERS	40	1	4	1	4	2	16	2	16
3	COLLABORATION WITH OTHER EMPLOYEES	30	3	30	1	10	3	30	3	30
4	PREPARATION OF WORK AND OTHERS	30	1	10	1	10	3	30	3	30
5	CHECKING OF MAINTENANCE FOR EQUIPMENT AND PRODUCTS	35	4	35	2	14	3	24,5	4	35
6	ORGANISATION OF TASKS AND OTHERS	30	2	15	1	7,5	2	15	2	15
7	HANDLE OF DOCUMENTS AND MONEY	35	2	14	1	3,5	2	14	3	24,5
8	PURCHASING AND MANAGING STOCK	35	5	35	1	3,5	3	19,26	1	3,5
TOTAL POINTS		275		169,66		79,16		188,76		194

Table 5: Effort

	<b>EFFORT (125 – 12,5%)</b>		<b>STOREKEEPER</b>		<b>ROOM-MAID</b>		<b>HOUSEKEEPER</b>		<b>HEADWAITER/RESS</b>	
<b>A/A</b>	<b>SUB-FACTORS</b>	<b>POINTS</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>
1	HOURS OF STANDING OR SITTING	20	3	12	5	20	4	16	5	20
2	REPETITIVE MOVEMENTS	20	2	6,5	4	15,5	2	6,5	3	11
3	MOST USUAL BODY POSTURE	20	2	10	4	20	3	15	3	15
4	LIFTING AND CARRYING WEIGHTS	20	4	16	4	16	2	8	5	20
5	PAYING ATTENTION TO SEVERAL THINGS	15	2	15	1	7,5	2	15	2	15
6	UNEXPECTED SITUATIONS	15	3	9	1	3	3	9	4	12
7	WORK LIABLE TO INTERRUPTIONS	15	4	15	2	6	2	6	2	6
	<b>TOTAL POINTS</b>	<b>125</b>		<b>83,5</b>		<b>88</b>		<b>75,5</b>		<b>99</b>

Table 6: Working conditions

	<b>WORKING CONDITIONS (275 – 27,5%)</b>		<b>STOREKEEPER</b>		<b>ROOM-MAID</b>		<b>HOUSEKEEPER</b>		<b>HEADWAITER/RESS</b>	
<b>A/A</b>	<b>SUB-FACTORS</b>	<b>POINTS</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>	<b>LEVEL</b>	<b>SCORE</b>
1	NOISE FROM MACHINERY OR PEOPLE	30	1	3	1	3	1	3	1	3
2	NATURAL OR ARTIFICIAL LIGHTING	25	1	6,25	1	6,25	1	6,25	1	6,25
3	THERMAL CONDITIONS	25	2	10	2	10	2	10	3	20
4	CONTACT WITH STEAM, GASES OR TOXIC PRODUCTS	35	1	3,5	1	3,5	1	3,5	1	3,5
5	WORKING WEEKENDS	30	2	16,5	3	30	3	30	3	30
6	WORKING SPLIT HOURS	30	1	10	1	10	1	10	2	20
7	WORKING BETWEEN 12:00 - 7:00 AM	35	1	3,5	1	3,5	1	3,5	1	3,5
8	PACE OF WORK	30	3	18	3	18	3	18	5	30
9	RISKS OF ACCIDENTS OR ILLNESSES	35	1	7	2	14	2	14	2	14
	<b>TOTAL POINTS</b>	<b>275</b>		<b>77,75</b>		<b>98,25</b>		<b>98,25</b>		<b>130,25</b>

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process

## Sweden: BAS - Position and Job Evaluation System

### Background info on the case

To ensure gender-neutral pay structures, The Discrimination Act 2008 [Diskrimineringslag]:567 chapter 3 section 8-10 states that all employers must carry out a pay audit every year. The aim is to ensure that pay in the workplace is equal. In the pay audit, an employer must assess whether pay differences between women and men who perform the same or equivalent work are related to gender. To make this assessment, they must carry out both a survey and an analysis. Thus, job classification criteria must by law be gender-neutral and based on the Discrimination Act 2008:567 [Diskrimineringslag], chapter 3 section 10: knowledge and skills, degree of responsibility, effort and working conditions. The Discrimination Act requires analysis of both **equal work** and **work of equal value**, i.e. both an analysis of wage differences between employees of different genders that perform equal work, as well as between groups of employees performing male-dominated vis-a-vis female-dominated tasks.

The *Befattnings- och arbetsvärderingssystem* or short BAS system is a work evaluation system used to value most of the jobs that exist in both the private and public sector. It was developed by a small Swedish analyst company in the 1980s and BAS was later bought by the company Aon Hewitt AB, which is now Aon AB. The development of the system was designed in co-operation with the manufacturing industry, where representatives from the industry were consulted on what factors to include in the labour valuing system. As the tool was developed over three decades ago, and due to the nature of how BAS was formed, it is difficult rendering the design phase and specify what actors were involved. BAS was developed to produce a tool to get more control over the wage structure through having a system to base wage setting on, according to interviewees. It was not until a later stage it was linked to analysing wage differences and pay audition in accordance with the Discrimination Act, which came into practice 1 January 2009.

The BAS system evaluates the requirements of different jobs that can be derived from the business results to be achieved and should not favour or disfavour any type of work. BAS provides a ranking of the difficulty and importance of jobs, as a basis for internal comparisons and to analyse how the organisation lives up to its pay policy. Thus, the system has developed several factors to be used in carrying out a pay audit. The factors partially overlap with the Discrimination Act (chapter 3 section 10) in Sweden, as the legislation mentions that the work evaluation should consider criteria such as knowledge, skills, responsibility, effort and working conditions. BAS fulfils the formal requirements to be used for pay audits and in developing equality plans.

The BAS system is based on four factors, relating to the criteria mentioned in the legislation. Three of the factors are divided into sub-factors. Each factor and sub-factor have its own importance and scoring scale. The factors and sub-factors that BAS sets out from in their grading system are presented below:

1. **Knowledge**
  - 1.1 Education
  - 1.2 Experience
  - 1.3 Contacts and cooperations (the nature and frequency of the contacts and co-operation and their importance to the company). This sub-factor values the contact and co-operation requirements of the job. The evaluation takes into account the nature and frequency of



contacts and co-operation and their importance for the enterprise. At higher scores, empathic abilities are included as well. According to the system description: "Empathic ability means being able to professionally empathise with and understand the reactions and/or needs of individuals or groups in a given situation."

2. **Problem solving**
3. **Responsibility**
  - 3.1 Freedom of action/authorisation
  - 3.2 Scope
  - 3.3 Influence
  - 3.4 Staff responsibilities
4. **Working conditions**
  - 4.1 Physical environment
  - 4.2 Physical effort
  - 4.3 Carefulness/attention
  - 4.4 Tightness
5. Psychological strain

According to Aon System description of BAS (undated), each factor and sub-factor starts with a general description and they are divided into grades with associated definitions. When evaluating a job, the grade for each factor and sub-factor is chosen that best corresponds to the demands that the job in question requires of the individual. The scores for each factor and sub-factor are added together to give the position.

## How the work of equal value principle was implemented in practice

BAS as a system, as well as the employers using this tool for salary mappings, adheres to the principles and definitions in Chapter 3 Section 10 of the Discrimination Act 2008:567: ***"A job is considered equal to another job if, on an overall assessment of the requirements and nature of the work, it can be deemed to be equal in value to the other job. The assessment of the requirements of the work should take into account criteria such as knowledge and skills, responsibility and effort. In assessing the nature of the work, working conditions in particular should be accounted for"***.

There are two uses for BAS. One is valuing a new role or position within an organisation; one is using BAS for the general salary mapping employers carry out once a year.

When implementing the BAS system within an organisation, there are steps taken at the initial phase, regardless of whether the purpose of BAS is for mapping or valuing a new role or position. First, a co-operation agreement is signed between the owner/consultants of the BAS system (i.e. Aon) and the customer that implements the BAS system. Then a short training session is held by BAS experts with the organisation's managers. The implementation of BAS then proceeds by making an inventory of positions, where positions are either divided into more specified roles or merged into bigger groups. When the inventory is done, the responsible manager is interviewed by the BAS experts, to identify the purpose of the position and what it will contribute to in detail. According to interviewees, the workers are not involved at this stage as the scoring is based solely on the position's requirements rather than the personal skills. After the interview, a mapping takes place based on BAS factors and scoring system, and the job position is given a BAS score. There are 50-

point intervals, and the positions that end up in the same interval are valued equally, regardless of what type of task an employee performs or where in the organisation an employee works. This makes it possible to compare across job descriptions that are very different but deemed of equal value. Finally, there is a calibration, often together with the CEO and HR manager, to see how the roles relate to each other within the company. This is to ensure that scorings are fit and adjusted, that no position has been downplayed or overvalued, and to include the perspectives of someone who has good knowledge of the operations. Thus, the representatives from the customer side, such as the CEO or HR manager, assure the quality of the results. If they choose to agree that the scorings seem reasonable in relation to one another, the BAS system is implemented.

After these initial steps are taken together with BAS consultants, the BAS system is then carried out most often by the HR department within an organisation. Below is an example of how the BAS system is used within a public organisation.

#### **Using BAS for valuing a specific role/position:**

The organisation has a group of HR consultants who work towards different in-house administrations. When a new position is introduced, the role is evaluated directly. The valuation is done by a HR consultant together with the head of the department for the position in question. It starts with a meeting between HR and the head of the department, where BAS is used as a guideline, to look at the advert for the position, the minimum requirements, the complexity, problem-solving skills, and the various factors in BAS. This leads to a grade, which indicates the value of the position, and is used for salary mapping. Then the valuation is sent for authorisation to a BAS authorisation group within the organisation, a group of HR personnel who are trained in the BAS system and who go through the evaluation. If there are any questions, the group has a dialogue with the HR consultant to clear up any potential questions. When the authorisation group has approved it, the valuation of the position is approved and thus part of the mapping structure.

#### **Using BAS for salary mapping:**

In the salary mapping, which takes place annually and is more focused on gender and equal work, union representatives and politicians are also involved in the process. These actors are involved as the interventions implemented based on the pay audits are funded by the region's public administration, as this case investigates a public organisation.

The BAS team in this public organisation give recommendations on how to distribute the public funds for mapping and to follow-up on work for equal value. This includes a dialogue between the BAS team, the union representatives and the region's head of departments, which leads to a set of recommendations.

The substrate of BAS and interviewees emphasise that BAS should be viewed solely as a tool and cannot determine policy and criteria for equal pay. BAS is used to determine which roles should be at the same level. Besides this, one interviewee highlight that it is the labour market that mainly determines salaries. To exemplify, the market may determine salaries outside of the valuation system in roles that are more difficult to recruit, which may drive up wages.

One interviewee expressed why it is so important with regular mappings of occupational groups and positions: "It's important to review the BAS grading with some regularity, because things happen over time. A job position does not equal the same work today as it did ten years ago, so BAS also

includes that you regularly look at major occupational groups and make sure that they are at the right grading level”.

In terms of gender neutrality, the BAS system as a whole is set out to fulfil the legislation of detecting, addressing and prevent unfair pay differences between women and men. Within the BAS system, neither the BAS system description (Aon, undated) or the interviewees mention gender neutral application of the tool specifically.

## Main results of the implementation of work of equal value

BAS can help to point out unjust wage gaps between groups or individual positions that are ranked in the same span, but the employer is the owner of the issue and is thus responsible for seeing to adjusting the unfair differences. An employer must address unfair pay differences within three years, according to the Discrimination Act (chapter 3 section 13). If the pay difference is affecting individuals rather than groups, it is usually dealt with within one year. If there are large groups that differ, it can take several years to address the problem.

The interviewees claim that in recent years, a region in Sweden has succeeded in raising the salary of some female-dominated occupational groups that have lower salaries than male-dominated groups despite being valued in the same grading span within BAS. Assistant nurses, for example, has been a target group for interventions that was initiated based on the BAS salary mapping. In a region that is given as an example, assistant nurses are now in a stronger position than male-dominated professions, such as park workers, in relation to their pay. Librarians are another example of a successful intervention, who are now salary wise compared to equivalent male groups. These unjustified pay differences between working groups were identified by using the BAS system for the yearly pay audit within the region’s workforce.

Organisations and administrative regions may also compare pay audits with other companies or neighbouring geographical areas. The focus of interventions based on BAS mappings is usually on occupational groups with more than 20 employees, which are monitored in the pay audits. According to interviewees, a downside of the BAS pay audit is that not all positions are always evaluated, but in many cases, it is only the bigger occupational groups that are included in the pay audit.

Some of the sub-factors within BAS, such as physically heavy work and psychological strain, are at risk of being gender coded, but the interviewees do not think it should affect how positions are evaluated within the system. To ensure that factors and sub-factors, which are used as mechanisms in BAS to value a position, it is highlighted in the educational courses of BAS to practically implement the system. To exemplify, the factor of physical exertion can involve both nurses and electricians. The different subfactors are also valued equally, such as psychological strain and physical work, and the final point of all the factors is what determines the valuation.

During the educational programmes, examples are used to clarify that factors such as physical exertion do not have to be gender coded. It's about thinking beyond the individual, including gender. As one interviewee expressed it: “It's a method of valuation that is about disconnecting the individual. Don't value the individual and think about what the job description looks like: what are the actual requirements for this position?”.

Although BAS functions as a work evaluation system, in order to identify occupational groups and positions that are within the same value group but are subjected to unfair pay differences, it does

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not address gender imbalance outside of the evaluation system. BAS does not control wage setting but is limited to solely being a tool to value positions or conducting pay audits.

## Main conclusions regarding the practical implementation

Interviewees summarise that the main learning point from using a system like BAS is the importance of everyone within an organisation being involved and understanding the methodology.

Understanding why and how the system is used is important to ensure that BAS is anchored in the organisation, both on the employer and employee side. The employer should be transparent with the system and its purpose. The purpose is not to evaluate any individual qualities, but BAS focus is on the official description of a position and the requirements for it.

The interviewees pointed out that social skills and such elements are not included in the system of valuation. They argue that this is a quality of an individual and should therefore not be included in the BAS scale. Although in some roles, such as those in service jobs, personality traits are important. This must then be included in the requirements to make clear what is expected, which can be used to identify certain social skills. The sub-factor “Contacts and cooperations” allows for a limited inclusion of the ability to navigate in collaboration and communication skills. Besides, interviewees argue that BAS is fine-grained, which makes it easy to access tasks and qualities in other ways.

Interviewees mentioned that some BAS users are now, to a greater extent, introducing interventions aiming at occupational groups where male-dominated ones are worse off compared to female-dominated equivalents. The BAS system is most often used to highlight female-dominated tasks or groups that are at an unjustifiable lower level. But BAS as a system enables identification of male groups or individuals who are found to be unreasonably at a lower value level, and according to interviewees, those cases have also led to interventions.

A challenge that was brought up by interviewees was the difficulty of working with the BAS within an organisation when it is implemented separately in different administrations, which may lead to a difference in how positions are valued between the departments. Common values within one organisation or employer would be more favourable. However, a role can look very different depending on where in the organisation the work is carried out. Downsizing the number of different roles and not having specialised positions makes it easier to have larger groups in the BAS labour value system. A learning experience from the interviewees is that fewer and larger groups facilitate the evaluation.

BAS is a grading system, but interviewees mention that it is not always objective judgements within a valuation. Individuals might value based on different preferences, give different scores, ranges and degrees. Some factors are easier to value, such as education level, while other factors are more difficult, such as the level of impact of the role.

Individuals that carry out the valuation, for example a manager, might struggle to distinguish between the person and the actual occupational position. Interviewees have seen a tendency to rank positions higher than they are, since an employer might see all the qualities of the employee rather than just looking at the minimum requirements of the role and the formal tasks. That is why there is a BAS authorisation group within some organisations, and why guiding texts are included in the BAS system which must be used in the valuation.

The interviewees were clear that BAS is a tool for valuing positions. BAS does not control salary developments. BAS is used to collect salary data and provide tools for valuing a position that is

introduced but does not control wage setting. BAS is solely a tool to comply with the Swedish legislation of work of equal value and equal work.

Gender neutrality within the BAS work valuation system has received limited attention to date - a pattern observed across similar work valuation tools developed during periods when gender neutrality was not a prominent, or explicit, design requirement. While BAS is primarily utilized as a tool to identify unfair pay, the structure and implementation of the system itself has not extensively and explicitly incorporated gender-neutral principles.

## Sweden: BESTA-vägen - a public sector tool

### Background info on the case

BESTA-vägen (Best way) is a methodological support tool for analysis of pay differences between men and women in government agencies. BESTA-vägen is a shared social partner initiative and was developed in 2011 by the Swedish Agency for Government Employers (*Arbetsgivarverket*), affiliates of the Public Employees' Negotiation Council (OFR/S,P,O<sup>2</sup>), the Swedish Confederation of Professional Associations - state employed academics section (Saco-S) and the Union for Service and Communication Employees Seko to support local parties in their statutory local pay audits through the cooperation body Social Partner's Council. The method involves a systematic step-by-step analysis carried out by local partners with the purpose of discovering pay disparities between men and women in work that is deemed of equal value, as well as discovering structures that could lead to such pay disparities.

The background of BESTA-vägen lies in a compromise between central level social partners. In 2006, the government of Sweden decided the pay audits should be done once every three years, rather than every year. The legal requirement for pay audits has in 2017 swung back and must be done annually. The OFR/S,P,O bargained for an annual pay audit for the central government sector, but the employer's side was not accepting. Instead, the central level social partners could agree that wage-setting should be objective and decided to develop a methodology for their members to use, resulting in BESTA-vägen. The hope was that the quality of the pay audits would increase through central social partner support to the social partners on local level.

Social partners were aware that on local level, the quality of the pay audits varied a lot between organisations, and that some organisations did not conduct such audits annually even when it was statutory. It is time intensive to do a qualitative pay audit, and many organisations resorted to external consultants which proved costly. There was a hope that a method support tool would encourage organisations to do the work themselves.

Essentially BESTA-vägen is a tool to make it easier for organisations to adhere to the principles set out in the Discrimination Act 2008:567 and in the collective bargaining agreements for the governmental sector (RALS/RALS-T) and thus provide a high-quality analysis of work of equal value. The collective agreement for central government employees RALS/RALS-T state in clauses 5-6 that:

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<sup>2</sup> The Public Employees' Negotiation Council (OFR) is divided into seven union areas. The state area has nine unions that represent state officials, the police and military officers, giving the initials S, P, O.

- *Wage formation and wage setting shall contribute to the achievement of the objectives of the operations and to the efficient and rational conduct of the operations.*
- *An employee's wage shall be determined on objective grounds, such as responsibility, the difficulty of the work tasks and other requirements associated with the work tasks, as well as the employee's skill and performance in relation to the objectives of the operation.*
- *When applying the wage principles, the local parties must pay particular attention to their joint responsibility to ensure that no inappropriate wage setting occurs in any respect, including in the light of the prohibitions against wage discrimination that apply by law.*

As per the Discrimination Act 2008:567 [Diskrimineringslag], employers have a statutory requirement to annually analyse pay disparities between men and women. The Discrimination Act requires analysis of both **equal work** and **work of equal value**, i.e. both an analysis of pay differences between employees of different genders that perform equal work, as well as between groups of employees performing male-dominated vis-a-vis female-dominated tasks. The Act also requires that policies and practices of wage setting are formulated and implemented in a gender-neutral manner.

BESTA-vägen adheres to the principles in Chapter 3 Section 10 of the Discrimination Act 2008:567: *“Work is to be regarded as of equal value to other work if it can be deemed so based on an overall assessment of the requirements and nature of the work. The assessment of the requirements of the work is to take into account criteria such as knowledge and skills, responsibility and effort. In assessing the nature of the work, particular account is to be taken of working conditions.”*

BESTA-vägen is rooted in the statistical categorisation system BESTA, which is mandatory at central government employers. BESTA stands for *Befattningsgruppering för Statistik* (Occupation Grouping for Statistics) and is grouping method developed by the social partners Swedish Agency for Government Employers [Arbetsgivarverket], OFR/S,P,O, Saco and Seko. BESTA job grouping is based on de facto tasks performed in the job, disregarding skills, experience, education, formal qualifications etc. (Karolinska institutet, 2024). The job code in the BESTA-categorisation system is based on three factors: field of work, difficulty of work, and whether the position is managerial or not. Job categories are then ranked based on difficulty, level of responsibility, and complexity. BESTA is used purely for statistical purposes, not (for example) as a basis for salary negotiations.

The social partners decided to use the statistical classification BESTA, which is mandatory for the government sector employers, as a starting point for such an analysis.

In the design phase, the social partners had a lot of contact with the Equality Ombudsman [Diskrimineringsombudsmannen] to ensure the quality of the tool. The Equality Ombudsman did not want to put their seal on any tool developed as it is not part of their assignment, but they did offer a support. Interviewees cannot recall any de facto changes made based on the Equality Ombudsman's feedback, but the initial analysis of BESTA-classification not being sufficient for an analysis of equal work or work of equal value got confirmed.

As the trade union representative involved in the design phase expressed it: *“We wanted to make sure that what we were developing was compliant with the law. We wanted to be sure that if we recommend the local-level social partners to use this support, at least the support would not have any built-in biases as pitfalls. Then one can always use a system incorrectly and thus it will not fulfil (its' function). But we wanted to be sure that the method as such was up to scratch.”*

The tool is administered by the bipartite Social Partners' Council [Partsrådet] and is, contrary to the statistical classification BESTA, voluntary to use. The employers' organisation Swedish Agency for Government Employers have approximately 250 employers as members, adding up to 290,000 employees. There is however no structural follow-up how many of these employers utilise BESTA-vägen.

## How the work of equal value principle was implemented in practice

For defining work of equal value, BESTA-vägen uses the definition set out in the Discrimination Act 2008:567, where work of equal value is described in Chapter 3 Section 10 as follows:

*“Work is to be regarded as of equal value to other work if it can be deemed so based on an overall assessment of the requirements and nature of the work. The assessment of the requirements of the work is to take into account criteria such as knowledge and skills, responsibility and effort. In assessing the nature of the work, particular account is to be taken of working conditions.”.*

The social partners have not themselves developed another definition. The social partners interviewed are also unaware that such work to further define work of equal value would have taken place in the organisations themselves, neither was this the case in either of the organisations covered by the interviews. However, going through the steps set out in the BESTA-vägen process requires an evaluation of value different tasks bring to the operation of organisation, as will be described below. It is also worth noting that as the BESTA-vägen process build on the statistical classification of BESTA, it does consider factors beyond the legal requirement set in the Discrimination Act: namely complexity and independence of work.

The **preparatory phase** preceding the analysis phase is to grant good conditions for the analysis itself and also to ensure that principles and conditions that lay the basis for pay formation are gender neutral.

While the annual analysis to unveil pay disparities is statutory, the **actors involved** are to be decided locally in the organisation. The Discrimination Act does however state that employers are to cooperate with union representatives in pay transparency measures to remove arbitrary pay disparities between men and women. In this context, union representatives are to represent all employees, not only their own members.

Normally the actors include the management of the government body, managers that oversee wage setting, the HR department. There were however significant differences between organisations based on the two organisation-level interviews conducted.

In one organisation, the working group conducting the pay audits was described by the interviewee as *“ambitious”* in that it is large in composition with members representing both HR, unions, and heads of all departments, even dean/prefect. The downside of a large working group is that it becomes somewhat clunky, for instance in finding shared meeting times. Heads of department and deans/prefects can however disseminate information from the pay audits to the organisation and respective departments and in turn influence managers that are responsible for wage setting.

The other organisation in the case study (not fully adhering to the principles of BESTA-vägen) had one person responsible for conducting the pay audits, which were then discussed with the unions. At the time of the interview, however, the union representatives had changed and the new ones were

more engaged in pay audits and were to take a more active role in the next one, conducted during spring 2025.

Central level social partners that developed BESTA-vägen recommend that the **work processes agreed are documented in a guideline** in order to offer continuity of the pay transparency procedures from year to year. The guideline should set out the routines and procedures, have a concrete timeline, work division between actors, clarify the mandate of actors as well as clarify through which channels the results are reported and what kind of measures are to be taken based on the results. In one of the case organisations, this is primarily done adjacent to the pay audit of the preceding year. In practice HR has a lot of power in forming the procedures as they are the organiser. Currently, working group meetings are held every two or every three weeks during the pay audit process, but technically HR could change the frequency of such. Similarly, the composition of the working group is much up to HR. There is a statutory requirement to involve the union representatives, but there is no requirement on how to do so.

Adhering to BESTA-vägen requires an **analysis of policy documents** for wage-setting, an analysis of organisational priorities and wage setting criteria as well as an analysis of employees' wages in equal work and work of equal value. The aim is both to identify potential structural factors that may result in baseless pay disparities, as well as to identify de facto baseless pay disparities in the organisation.

BESTA-vägen requires an inventory of all strategies and policy documents that affect wage setting in the organisation. Such policies and strategies are based on the central government employers' evaluation of skills needs and operational priorities. The working group is to discuss whether the strategic positions have an impact on wage formation and whether they support wage setting on objective grounds based on organisational needs and priorities. An example of something that could be discovered in the analysis are unclear grounds for bonuses and wage benefits.

The analysis of de facto wages in the organisation consists of **analysing both equal work and work of equal value**. The BESTA-vägen process utilises the existing BESTA-classifications described above but does not follow them dogmatically. As stated in the guiding documents for local level social partners to conduct the BESTA-vägen process: BESTA-classification applies relatively well to determining equal work, but determining work of equal value requires a more applied analysis.

Analysing **equal work** consists of discovering arbitrary pay differences between men and women in work categorisations consisting of the same tasks. The analysis of equal work is to determine whether pay differences are directly or indirectly related to gender. The focus is on individual level and the analysis consists of the following steps:

1. Grouping into equal jobs in accordance with BESTA-classification (where tasks are the same or almost the same).
2. Identify groups with both women and men
3. Produce and analyse pay statistics for these groups. Comparative analysis is conducted between individuals (for example, identifying salaries that stick out as particularly high or particularly low) and also between subcategories of employees to identify systematic pay disparities.
4. Examine and analyse the causes of pay disparities. Reasonable causes between individuals are for example differences in work performance, educational background, and skills. If pay



disparities cannot be explained by any reasonable causes, they are arbitrary and may be due to gender. All disparities should be reported for further measures to be taken.

Conversely, analysing **work of equal value** aims to determine whether there is wage undervaluation of work that is either female or male dominated. Analysing work of equal value means comparing female dominated jobs (jobs where at least 60% of employees are female) with jobs that are not female dominated.

Work of equal value thus compares job descriptions that are different from each other when it comes to tasks but are considered of equal value in terms of their nature and how demanding they are. Factors to examine as per the Discrimination Act are level of responsibility, working conditions, required effort, and required knowledge and skills.

The analysis is carried out in the following order:

A. **Group and rank all jobs according to the BESTA statistical categorisation system**, which offers an initial ranking based on responsibility (managerial/non-managerial), complexity, and difficulty of work tasks. This BESTA statistical categorisation sets work tasks on different levels, but further analysis is required for them to be deemed of equal value.

B. In addition to the BESTA categorisation and ranking, each workplace defines its own criteria for assessment depending on what is most important and generates value for the workplace of the criteria set out in the Discrimination Act. Based on this assessment, a rating and ranking scale is set.

**The three factors of knowledge/skills, responsibility, and exertion/working conditions are weighted** so that the sum between the factors is 1 (for example skills=0,6, responsibility=0,3, effort =0,1). The assessment is essentially a valuation of how important each factor is for successful day to day operation of the workplace. When asked, the informants found the criteria to be gender neutral. The impression of NEC is that the potential for gender bias in evaluating what is important for an organisation had not been considered.

Knowledge/skills can be, for example, formal education, specialised training, experience, problem solving, or social skills. Responsibility may involve, for example, responsibility for staff, operations, finances, equipment, or health and safety of people. Strain/working conditions may refer to both physical and mental strain, such as stress.

The trade union interviewee felt that often it is quite straightforward to do the weighting. For example, at universities knowledge is the core operation and thus it is easy to weigh it higher.

*“For example, a university and college. It's obvious that knowledge is valued highly. It's their core business to produce knowledge, both teaching and research. While there are perhaps other activities where, as I said, it's less valued as compared to stress. The prison service, for example. There, the weighting is different, but we find it difficult to see that it would be affected by gender bias. When you're going to take a job in the prison service, a master's degree in political science is perhaps not the most important thing”.*

The weighting is followed by assigning a multiplier for each factor (knowledge/skills, responsibility, exertion) for each job from low demands (1) to very high demands (4) in each particular job (as determined by BESTA-grouping). This is to allow comparisons between jobs within the statistical BESTA-levels.

The importance of this step was described by one of the interviewees:

*“If we only had this weighting and nothing else, then all jobs at one grouping level would be considered of equal value. And they are not. For example, there is more responsibility for a professor than for a researcher. Both the professor and the researcher can be at level six in BESTA statistics... so to get a difference in the demands on the work of those at the same level, we must have this scale linked to whether there are high demands or low demands to allow for an internal comparison of the jobs that are at the same level in BESTA.”*

C. Give scores to all work within each BESTA-grouping level. The weighing multiplied by the multiplier gives a score that allows comparison between different types of work.

D. Rank all jobs on the basis of the score. Jobs with the same valuation number are to be considered work of equal value. Essentially, the jobs within the same BESTA-categorisation level that get the same score based on weighting and multiplier, should be considered of equal value and thus undergo the analysis in the next steps. If a job has received an abnormally high score within its original level, an evaluation should also be made of this work category in relation to the BESTA-level above. The guidelines developed by central-level social partners recommend that if the organisation decides to use a more detailed rating scheme, a span of scores should be used for determining work of equal value (i.e. not only comparing those with exactly the same rating).

E. Based on the ranking, identify if there are pay differences between job groups that need further investigation. Salaries of female dominated jobs are to be compared both with jobs with an equal score as well as jobs with a lower score. Since the salaries are indicated in averages, it is important to control for outliers within groups. For example, there may be employees that have only just started in the job and thus have a lower salary due to limited experience. This is especially true if the groups contain very few employees.

F. The BESTA-vägen method support proposes investigating the reasons for the pay differences through the lenses of workplace wage policy documents, assessment criteria for the individual salaries, operational priorities, and the labour market situation. All arbitrary differences that fall under the Discrimination Act are to be documented for further measures to be taken. Results that can improve wage setting in the organisation should also be documented. Documentation is a statutory requirement and is to include analysis results, planned adjustments in salaries, cost and schedule of planned measures as well as an evaluation of the measures from the year before.

The salaries analysed in these steps are, at least in the case organisation following BESTA-vägen more closely, monthly salaries including fixed bonuses, such as seniority bonuses. Thus, truly variable bonuses are not factored in these steps, including working time related allowances. However, in analysing the pay guidelines of the organisation as part of the initial steps of the BESTA-vägen process, such bonuses and allowances are scrutinised to ensure the premise of receiving such is gender neutral.

As the BESTA-statistical code used for statistics purposes is only formed for employment contract exceeding three months, persons on employment contracts shorter than three months are not included in the BESTA-vägen audit. Persons who receive a stipend rather than a monthly salary are also excluded.

## Main results of the implementation of work of equal value

It is important to note that even if two types of work are deemed of equal value, it does not necessarily mean that they are expected to have equal pay – only that the pay difference cannot be

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process

baseless, i.e. there must be an objective reason behind it. Interviewee representing the employer's organisation describes that market conditions and labour shortages are one such objective reason:

*"Then there is the fact that the Swedish labour market as a whole is quite gender-divided. There are very clearly male-dominated areas and clearly female-dominated areas. The government sector is fairly evenly distributed overall, with roughly the same number of women as men working in the government sector. Then, of course, we have different parts of government activities that are also male-dominated and female-dominated.... In recent years there have been investments in areas that are traditionally male dominated, where there is a labour shortage. Above all, the police and the Defense forces. These are groups that continue to be male-dominated, and if there is a greater focus on higher salary increases in these areas, it will have an effect on salary differences. That doesn't mean that a police officer who is a man and a police officer who is a woman and has an equivalent job have different salaries, it's just a statistical effect of higher salary increases in groups that are still male-dominated."*

It is worth noting that the most obvious female dominated sectors suffering from labour shortages, such as care work, is not represented by this employers' organisation.

Statistically, pay disparity between men and women has reduced by 6.4 percentage points between 2005 and 2021. The reduction has been most significant in relatively high-income jobs. Yet, on average women earn 90.1% of men's salary in Sweden in 2022 (Medlingsinstitutet, 2023). Based on annual reviews on pay discrepancies, the unexplained pay gap between men and women in the central government sector is 1%, which is comparatively low.

Any arbitrary pay differences discovered could be reported to the Equality ombudsman [Diskrimineringsombudsmannen]. This is tricky when considering work of equal value as we encounter structural problems rather than discrimination of an individual. Thus, it is easy to refer to, for instance, market explanations. An example the union representative raised was that of the IT boom which drove up the salaries in the male-dominated IT sector. While the labour demand has stabilised from the initial boom, salaries are still fixed on a high level.

An interviewee with responsibility for the BESTA classification stated that some female-dominated groups had been chosen as focus groups to follow their salary development as a result of the pay audits of work of equal value. For example, university professors in humanities – a female-dominated group – were deemed of equal value with male dominated groups, yet their salaries lagged behind. Through pressure from both unions and management, there were upward revisions for this group.

Another example raised was that sign language interpreters (a female-dominated group) was ranked higher in the BESTA-vägen analysis than a work categorisation on the same BESTA-level that comprised IT-related work, which was male-dominated. The working group conducted an analysis of why this is the case and concluded that market demand had created the pay disparity. The employees in IT in fact had salaries lower than their reference group on the Swedish labour market, whereas the interpreters had salaries that matched their reference group. Thus, the organisation can meet its' need for interpreters at a lower market price than the IT-employees would accept.

Both interviewees have, however, noted that the measures taken does not necessarily mean that the salaries for the whole group necessarily needs to increase, but that it may be an indicator of wage setting managers being restrictive in allowing pay differences between employees. One of the

interviewees noted that some managers are scared to reward some employees higher salaries based on performance, and that he had, based on pay audits, discussed this with the wage setting managers of such departments.

Recruitment is a situation that one interviewee describes as of central importance to realising gender neutral pay, as the starting salary is set in this situation. Thus, recruitment is where a lot of preventative work can take place. Disseminating information from pay audits to those responsible for recruitment and the wage setting of new recruits is thus important in ensuring equal pay.

## Main conclusions regarding the practical implementation

The method requires a lot of internal effort from the organisation itself. As a representative of central-level employer's organisation puts it:

*It's always important to remember that this is not just pure maths, it's always about assessment. It's something that you have to have a dialogue about, like how should we weigh different factors? What weighs most heavily in this particular context, in our business, this type of work? So, it's something that we emphasise very much that this is an analysis, it's an assessment, it's not something that you just put into a machine and a pay audit comes out, but it's important to carry out this analysis work.*

This being the case, an obstacle not necessarily associated with the method itself but for the popularity of the method is **time and resources**. Both union and employer organisation representatives state that in many organisations, annual statutory pay audits are conducted by external consultants and serve primarily as a box ticking exercise for the organisation to show that they have met the minimum requirements set in the Discrimination Act. Even in organisations that utilise BESTA-vägen, the trade union representative states that it is not uncommon that time constraints have a negative effect on the process. Organisations may have the resources to look at the individual-level analysis when determining equal work, but as work of equal value is a more challenging analysis, the process stalls before it is concluded.

All five interviewees underlined the importance of BESTA- statistical classifications to have been well thought through for the BESTA-vägen method to work, as these act as a premise for ranking and further comparison. There is also an issue of group size. The more strategic level informants stated that there is a risk that the process of determining work of equal value results in discussing wage setting of individuals. This was noticeable in one of the HR interviews conducted for this case study, as the informant states that some groups in the BESTA-classification system are so small, that they personally know each individual in it, as well as their work performance. Adhering to the BESTA-vägen method, there is no issue with *explaining* pay differences between groups deemed of equal value, as long as it does not interfere with the process of determining work of equal value. In small groups and workplaces, where HR representatives know the employees on a very detailed and personal level, the performance (or likeability) of the individual may affect how HR views and thus evaluates the whole BESTA-group.

Too large groups may also cause problems. For the HR interviewee the BESTA system causes problems as most of the workforce in the interviewee's organisation are categorised in the same BESTA-code as administrators, while the tasks they do may vary vastly. This is something that the organisation is planning to revise for the next pay audit:

*“We have already looked at the administrators and we cannot have the same BESTA code for all the administrators because they work in such incredibly different ways that some of them are more junior case workers and some of them are really old-timey, like, assistants.”*

As such, the interviewees in strategic roles (now or formerly) **considered the process of BESTA-vägen and the criteria in it to be gender neutral**. The process has also been approved by the Equality Ombudsman when consulted in the design. Although the Equality Ombudsman did not want to put a formal stamp on a tool that is not developed by themselves, one of the informants stated that the Equality Ombudsman found that an organisation following BESTA-vägen properly would pass an audit.

The individual, performance-based salary practice in Sweden does somewhat limit discussions on work of equal value especially in situations where group sizes are small, as discussions may start revolving around individual-level performance.

A point of contention when developing BESTA-vägen was about bringing the demands of the Discrimination Act to the BESTA statistical classification to create BESTA-vägen. For example, level of difficulty and complexity, which were already addressed by the BESTA-statistical classification, are not the same thing as knowledge and skills, which the Discrimination Act requires to consider in determining work of equal value. Translating these to knowledge and skills was a significant discussion point among central level social partners. Further, it was not easy to determine knowledge in the way of formal qualifications from skills required to conduct a task.

The BESTA-vägen method now brings this assessment to local level social partners. While determining the importance of knowledge or the requirements for such was not deemed particularly difficult, exertion and work environment have been more so. A stone of contention between unions and HR had been whether for example monotony of certain tasks should be considered a cause for higher points regarding exertion, or rather something neutral. In the organisation in question, exertion was regardless weighed relatively low in the weighing stage. The interviewee did thus not consider that such differences in viewpoints had an impact on the job evaluation in the grand scheme of things, i.e. in determining work of equal value.

The trade union interviewee also states that even when two BESTA-categorisations have the same score, sometimes the employer and the unions do not see eye-to-eye whether two job groups that got a very similar overall score at the result of the process should be deemed of equal value or not in the qualitative analysis stage. An analysis of work of equal value also leaves **more room for opinion in interpretation** than analysing equal work.

An interviewee with responsibility for the BESTA work classification describes the resolve of such situations as follows: *Sometimes someone might feel a little overrun and so on, but we are still ten people or so who do this work. The dictatorship of the majority applies.*” In the interviewees’ organisation, the working group is rather large and also includes persons in more “neutral” roles, such as heads of department rather than only HR and unions.

The fact that the **tool has been developed collectively by social partners is a significant strength**, as this gives BESTA-vägen legitimacy on local level. The tool and process itself no longer needs to be debated on the local level between the employer and unions. Also on local level, establishing a shared objective of eradicating arbitrary pay differences in the organisation is essential for successful work with pay audits and determining work of equal value.

A recurring topic brought up by interviewees was the **need for good technical tools** to pair with the pay audits and the analysis of work of equal value. At the initiation of BESTA-vägen there was a pay audit tool called *Löneanalys* (wage analysis) offered by Swedish Agency for Government Employers (*Arbetsgivarverket*). It was not designed for the purpose of determining work of equal value and was thus not very well suited for it. The new tool *Analyskraft* had some technical updates compared to its predecessor, which the unions lobbied Swedish Agency for Government Employers for. The new tool allows for a grouping of men and women which is an important support for the BESTA-vägen process.

The wage analysis tool *Analyskraft* is developed by the Swedish Agency for Government Employers and is accessible to their members. In the interviews with operative level informants, it became evident that this tool was also considered to not be fit for purpose. Similar sentiment is voiced in the BESTA-vägen user survey the Swedish Agency for Government Employers conducted with their members.

A reflection from the author of this case study is that based on effort in contacting potential informants and even conducting interviews, knowledge dissemination from central-level partners to member organisations could be improved. **There appears to be confusion around what BESTA-vägen is and how it differs from the BESTA-statistical classification**, and even how it differs from the analytical tool of *Analyskraft*. Similar reflections were done by the employer organisation representatives related to the user survey they conducted, where respondents did not seem to be able to differentiate these systems/tools.

This can be related to the union representatives' reflection on keeping momentum and ensuring the method is alive and up to speed years after it being developed. It appears, however, that recent efforts on central level to lift BESTA-vägen back into the spotlight may be bearing some fruit, as at least two organisations the author has been in touch with are about to implement the tool in a more meticulous manner.

## Global: Mercer's approach to pay equity

### Background info on the case

Mercer is an international human resources consulting company that provides health and benefits, retirement programme and human capital services and products to its clients. Founded in 1945 in Canada, it has a presence in over 130 countries and has over 20,000 employees. Mercer has been advising companies on preparations for the EU Pay Transparency Directive, which will be implemented in 2026, as part of its service portfolio and supporting organisations with pay equity for over 30 years. Mercer had accumulated expertise on pay transparency across various national and international contexts even before the Directive's inception. This positions them uniquely to understand the challenges and opportunities associated with implementing pay transparency in corporate environments. Mercer has identified three key components in the business case for pay transparency: legal compliance (as pay transparency becomes a legal requirement in an increasing number of countries, now under the aegis of the EU Directive), employee experience (fostering a culture of transparency to promote improved workforce outcomes), and pay equity (which, when coupled with robust analytics, supports fairer pay and career outcomes). Mercer has also identified some key barriers to pay transparency for companies: lack or poor design of salary structures and pay scales, opacity culture to avoid suspicions of inequalities, and concerns around management's lack of training to communicate pay information effectively. In this light, they propose to their clients a mapping of their journey to pay transparency, offering different consulting options depending on the needs of the client organisation. The first step in their approach is to gather and understand the company data, build a pay equity strategy, and then act on underlying pay equity issues. In their corporate documentation, Mercer defines "pay equity" as fair compensation for similar work and conditions, a concept that could be assimilated to "equal pay" (for the same work or work of equal value). The three steps of their approach are founded around this concept. These steps are in preparation for pay transparency, as they argue that before disclosing pay practices, companies need to understand their data and find out what they do not know. They mention techniques such as regression-based pay equity analysis, which is detailed further online<sup>3</sup>.

Mercer works with a number of technology partners to embed pay equity processes and support compliance reporting. Mercer also offers the "Universal Fair Pay Check", a certification supported by their partners Fair Pay Innovation Lab.

A notable client example is Chiesi Farmaceutici, a multinational pharmaceutical company headquartered in Italy, with approximately 5,000 employees worldwide. Chiesi has engaged Mercer as its preferred HR consulting partner to support its diversity, equity, and inclusion (DEI) strategy, including the implementation of pay equity analyses, job architecture refinement, and preparation for external certification. Chiesi's ambition is to achieve a zero unexplained gender pay gap globally and to ensure balanced gender representation in leadership roles by 2030. Mercer's involvement

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<sup>3</sup> <https://www.mercer.com/insights/talent-and-transformation/diversity-equity-and-inclusion/pay-equity-eu/>

has included the application of its methodologies to support Chiesi's pay equity journeys, as well as broader DEI objectives and certification which is described on their external website<sup>4</sup>.

## How the work of equal value principle was implemented in practice

Mercer operationalises the EU Pay Transparency Directive's requirement for equal pay for "equal work or work of equal value" through an analytical framework. The Directive defines work of equal value according to set criteria.

IPE aligns with the requirements of the EU Pay Transparency Directive, specifically Article 4(3). Mercer's approach addresses this definition through three interconnected methodological pillars:

### International Position Evaluation (IPE) System

Mercer employs its proprietary International Position Evaluation methodology, a points-factor system designed to evaluate positions rather than individuals. The IPE framework assesses roles based on five core factors:

1. Impact and contribution to organisational objectives: As explained during the interview with Mercer representatives, this factor assesses the impact or responsibility the job might have and its contribution within that level of impact. It can differentiate between a *"very strategic job that has a very profound contribution to the success of the organisation"* and a *"very operational job that also has a very profound contribution to the operational area in which it sits"*. Even with the same level of contribution, their levels can be very different.
2. Communication requirements and complexity: Still according to Mercer representatives, this factor looks at the *"frame of communication"* and *"how the job is expected to communicate at the most difficult level of communication"*. Examples of complex communication include *"negotiating"* or *"influencing"*. It also considers *"with whom is the job communicating"* (external or internal to the organisation) and the nature of the discussion, such as a *"give or take discussion"* or a *"win-lose or win-win discussion"*. From a directive perspective, communication is considered a skill while the complexity captures the effort and working environment for the role.
3. Innovation and problem-solving demands: Again, as explained orally, this factor evaluates the *"innovation and complexity of that innovation required by the job"*. It can be *"very much non-hierarchical"*; for instance, a scientist might be *"very, very innovative in a specific discipline"* while their manager *"may not need to be as innovative"*. Innovation is providing more input to capture skills requirement for the directive as well as role responsibilities.
4. Knowledge requirements and team management responsibilities: It covers the *"experience and education levels"* required for the job, highlighting that this is not only stemming from formal education but also from other sources. Again, this factors further captures the skill and working environment aspects of a role.
5. Effort and Environment: During the interview process, Mercer representatives explained that the risk factor within their International Position Evaluation system considers the *"level of physical and / or sensory effort causing fatigue or strain or danger to the jobholder"*. This

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<sup>4</sup> <https://www.chiesi.com/en/chiesi-investment-women-fair-pay-certification/>



comprehensive approach ensures that both physical and psychological demands of roles are appropriately evaluated and weighted within the overall job assessment framework and consider both the effort and working environment

This methodology incorporates organisational context, including company size (revenue and employee numbers) and position within the economic value chain, particularly for senior roles where these factors significantly influence compensation levels.

### **The Mercer Job Library (MJL)**

The Mercer Job Library is a collection of standardised job profiles covering various industries, families, sub-families, and organisational career streams and levels. According to Mercer, this collection of benchmark positions forms the basis of their global compensation methodology, offering organisations a framework for job evaluation and market comparison. Mercer states that the library's benchmark positions are maintained and regularly updated to reflect current market conditions and changing role requirements. The company positions this updating process as necessary to provide job definitions that correspond with contemporary workplace practices and evolving responsibilities.

The job library is designed for global use, intended to support organisations in different countries and regions through consistent job definitions and evaluation criteria. This international approach allows multinational companies to apply uniform standards across their operations for talent management and compensation benchmarking purposes. The library functions as part of Mercer's compensation survey process. When organisations participate in these surveys, they use the IPE library to select benchmark positions that align with their internal roles. This approach is intended to make the compensation data collected comparable across different organisations and geographic markets.

According to Mercer, HR professionals use the library for job matching by comparing internal role specifications against the standardised benchmark positions. The company suggests this process is intended to support market pricing and maintain consistency in job evaluations across organisations. The matching process is presented as a method to reduce subjective bias in compensation decisions.

The library offers customisation options alongside its standardised position frameworks. Organisations can modify position evaluations to reflect the specific characteristics of their own roles. This approach allows companies to use standardised benchmarks whilst adapting them to their particular operational requirements.

### **Gender Neutrality Assurance**

According to Mercer, their methodology is specifically designed to achieve gender neutrality by focusing exclusively on job requirements rather than incumbent characteristics. The company maintains that evaluations are conducted based on job descriptions, reporting relationships, and organisational structure, without considering current role holders. Mercer explicitly states they are "*not evaluating the people sitting in the job*" but rather the "*job itself*", including its duties and accountability. This is to remove bias related to an individual's gender or other demographic makeup. They avoid speaking to jobholders directly about their evaluation to prevent individual bias from influencing the process.

Mercer maintains a "*very, very substantial job library*" with pre-existing "*reference evaluations*" (see above description of the library). These evaluations are created by "*examining the content of the*

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*job*" without considering the dominant gender in that job, serving as a neutral starting point for client evaluations.

The "*Effort dimension*" in IPE explicitly "*considers the mental elements*" alongside physical demands. This is a direct attempt to counter potential undervaluation of roles with high emotional or psychological demands, which might be more common in female-dominated professions.

Mercer asserts that to reinforce neutrality, they provide comprehensive training programmes for client teams utilising the methodology, with reference evaluations regularly updated and validated.

### **Pay Equity Analysis Framework**

Following job evaluation, Mercer conducts statistical pay equity analyses employing regression-based models. These analyses control for legitimate pay determinants, including job level, tenure, experience, and performance ratings, to distinguish between "*explained*" and "*unexplained*" pay differentials.

The methodology focuses remediation efforts on the "*unexplained*" gap—disparities not justified by objective, gender-neutral factors—in direct alignment with the Directive's compliance requirements.

During the interview, the alternative wording used for "explained" and "unexplained" gender pay gap was "*identifiable and non-identifiable gap*", which was the choice of words by some Mercer clients as well. From an EU Pay Transparency Perspective, Mercer is also supporting clients to calculate and prepare with dry-run compliance reporting, looking at raw pay gaps, equal pay or category of worker gaps and adjusted pay gaps.

### **Stage 1: Foundation – Job Architecture and Pay Transparency Readiness Assessment**

The process commences with a comprehensive review and refinement of the client's existing job architecture. This involves mapping all organisational roles to a coherent grading structure and job family framework utilising Mercer's IPE methodology.

Where job descriptions prove inadequate or unclear, Mercer collaborates with human resources professionals and line managers to clarify and document roles systematically, drawing upon their extensive job library when necessary. For many clients, this work was essential given inconsistencies in job descriptions and misaligned job codes following periods of rapid organisational growth.

During this initial step, Mercer also utilizes its [Pay Transparency Readiness Assessment Checklist](#) which is an online questionnaire that assesses readiness across 5 pillars Job Architecture, Pay Policies, Benefits and Data, Pay Equity and Change and Communication. For the EU there is a deep dive assessment of readiness for the directive's minimum standards as well as a comparison to broader market practice.

### **Stage 2: Data Collection and Validation**

Individual-level data collection encompasses job classifications, grades, tenure, experience, performance ratings, and comprehensive compensation elements, including base pay, bonuses, benefits, and allowances. Data validation represents a critical process component, with systematic verification of completeness, consistency, and accuracy.

Mercer's approach recognises that underlying data quality for job architecture and pay ranges constitutes one of the most significant implementation challenges, requiring substantial resource allocation to ensure analytical integrity.

When it comes to the directive, Mercer supports clients to ensure that the definition of pay and data analysed includes not only salary, but also complementary or variable components of the pay including any benefits in addition to the ordinary basic or minimum wage or salary, which the worker receives directly or indirectly, whether in cash or in kind. By

- Understanding what pension and benefits are provided within each legal entity (build an inventory)
- Developing valuation protocols to determine approach and ensure consistency in reporting across markets
- Assessing the value of benefits offered by individual to understand gaps and issues
- Developing robust processes and ongoing data management to support reporting
- Consider communication strategy for Pay Transparency requirements from a Total rewards perspective

### **Stage 3: Pay Equity Analysis**

Statistical analysis is performed utilising regression models to determine the extent to which compensation differences can be attributed to objective factors. The analysis is segmented by legal entity, job family, or other relevant groupings.

Mercer uses partner and internal technologies to support clients with this analysis looking at category of worker gap and risk areas. Mercer also is advising companies on how to use this data for the Employee Right to Information.

### **Stage 4: Remediation and Action Planning**

Where unexplained pay gaps are identified—particularly those exceeding 5%—Mercer supports clients in developing comprehensive remediation strategies. These may encompass immediate pay adjustments, policy modifications, or targeted interventions addressing systemic issues.

Mercer additionally assists clients in preparing for joint pay assessments with worker representatives where legally required, ensuring compliance with co-determination requirements in various jurisdictions.

### **Stage 5: Communication and Change Management**

Recognising that sustainable implementation extends beyond technical compliance, Mercer provides comprehensive support for internal and external communication strategies. This includes manager and human resources training programmes, employee briefings, and assistance with external certification processes such as the Universal Fair Pay Check.

The process is designed as an ongoing commitment rather than a discrete project, with regular reviews and updates to ensure sustainability and prevent what Mercer terms the "pay gap yo-yo effect."

From the client-side stakeholder, normally the following actors are engaged:

- **Executive Leadership:** The Diversity and Inclusion teams, representative of senior executive engagement across Mercer's client base, provide strategic oversight and ensure implementation alignment with broader organisational objectives. This committee's mission involves embedding inclusion principles within the company's operational DNA.

- **Specialised Teams:** Gender Equality Teams focus specifically on pay gap analysis and remediation activities, working closely with Mercer's consultants to implement technical solutions.
- **Human Resources Leadership and Line Managers:** HR professionals and line managers provide data inputs, participate actively in job evaluation processes, and implement recommended changes. Their role proves critical as they increasingly bear responsibility for making and communicating pay decisions transparently following training programmes delivered by Mercer.
- **Employee Representative Bodies:** provide feedback and support engagement initiatives. Works Councils and employee representatives participate in joint pay assessments and communication processes.

On Mercer's side, the professional groups involved are:

- **Pay Equity and Pay Transparency Consultants:** Senior consultants, including Global Pay Equity Solutions Managers and regional and Country Pay Equity Leaders, lead job evaluation processes, conduct data analyses, and develop remediation plans. These professionals bring extensive rewards experience and expertise in data analytics, statistical testing, and benchmarking methodologies.
- **Data Analysts and Technical Specialists:** Specialist analysts conduct statistical modelling and validation, ensuring regression analyses avoid collinearity issues whilst focusing on significant pay drivers. Benefits technical experts are also brought in to advise companies on the inclusion of benefits in the definition of pay.
- **Change Management and Communications Specialists:** Specialists develop and deliver training programmes, communication materials, and cultural change support. Their involvement recognises that successful implementation requires comprehensive stakeholder engagement beyond technical compliance.

## Main results of the implementation of work of equal value

Mercer's implementation of the work of equal value principle consistently reveals several critical systemic issues across client organisations.

According to the consulting firm, through regression-based pay equity analyses, a substantial portion of unadjusted gender pay gaps can be attributed to objective, gender-neutral factors such as job level, tenure, and experience; a residual "unexplained" gap frequently remains. In recent analysis of Mercer client data, 2025 Mercer Pay Gap statistics reflect that companies working with Mercer have pay gaps slightly better than the 12,7% European Union Average. In fact, the raw or unadjusted pay gap for Mercer European clients sits at 8,5% and the adjusted pay gap sits at 2,9% after accounting for position class, job family, tenure and working experience.

A fundamental challenge consistently identified across Mercer's client base is the absence of robust, refined, or properly maintained job architecture within organisations. This deficiency significantly impedes the ability to conduct accurate "like with like" job comparisons or determine appropriate job levels objectively. The manifestation of this gap includes:

- Poorly constructed job descriptions lacking clarity and consistency

- Incorrect mapping of employees to job codes, creating analytical noise
- Absence of standardised grading structures across organisational units
- Inconsistent application of job evaluation criteria

Despite methodologies specifically designed to achieve gender neutrality, human bias continues to influence job evaluation processes. This bias manifests particularly in:

- Negotiation dynamics for pay increases and bonuses, where historical patterns demonstrate greater success rates for male employees
- Subjective elements within performance evaluation systems
- Unconscious bias in role assignment and progression decisions
- Differential treatment in compensation discussions and career development opportunities

The implementation process frequently uncovers disparities extending beyond base salary to encompass bonuses, allowances, and benefits structures. Issues identified include:

- Policies surrounding car allowances and benefit eligibility
- Treatment of employees during maternity/paternity leave periods regarding pay increase cycles
- Inconsistent application of incentive plan eligibility criteria
- Differential access to professional development and advancement opportunities

Measures to address the identified issues can be several, according to Mercer. Organisations have undertaken extensive reviews and enhancements of their job architecture frameworks, ensuring all roles are clearly defined, evaluated using Mercer's gender-neutral IPE methodology, and mapped to transparent grading structures. This process involves:

- Definition of job families, sub-families, career streams, and organisational levels
- Implementation of standardised job evaluation approaches across all business units
- Development of consistent job description templates and evaluation criteria
- Establishment of clear progression pathways within defined career frameworks

Furthermore, organisations have undertaken comprehensive policy updates to ensure all compensation elements—including bonuses, benefits, and allowances—are incorporated within pay equity analyses and awarded equitably. Specific reforms include:

- Revision of maternity/paternity leave policies to prevent exclusion from pay increases
- Standardisation of incentive plan eligibility criteria
- Implementation of transparent promotion and progression frameworks
- Integration of pay equity considerations into all compensation decision-making processes

## Main conclusions regarding the practical implementation

The most significant conclusion from Mercer's implementation experience is that technical methodologies, whilst essential, cannot overcome fundamental organisational deficiencies. The consistent identification of job architecture and data quality issues as primary obstacles reveals that organisations must invest substantially in foundational infrastructure before attempting pay equity initiatives. This conclusion challenges the common assumption that pay equity is primarily a

statistical exercise, instead demonstrating it requires comprehensive organisational capability development.

Additionally, pay equity implementation demands strategic-level organisational commitment rather than operational project management. Organisations that treat pay equity as a discrete compliance exercise consistently struggle with sustainability, whilst those embracing it as a fundamental business practice demonstrate superior long-term outcomes. This distinction proves critical for implementation success. Mercer's experience indicates that organisations underestimating the communication and cultural change elements consistently fail to achieve sustainable pay equity outcomes, regardless of technical methodological sophistication.

The observation that regulatory compliance requirements facilitate initial organisational buy-in leads to the conclusion that external legal frameworks prove essential for overcoming organisational inertia regarding pay equity initiatives. However, this conclusion carries the corollary that compliance-driven approaches require deliberate transformation into value-driven practices to achieve sustainability.

As a global consulting firm, Mercer's business model necessitates the development of methodologies that are transferable across diverse client contexts and jurisdictions. This commercial imperative has led to the creation of standardised frameworks, such as the International Position Evaluation system, that according to Mercer demonstrate universal applicability whilst accommodating substantial local adaptation requirements. Mercer's cross-jurisdictional implementation experience validates this strategic approach, confirming that consulting firms must develop scalable fundamental methodologies whilst maintaining the flexibility to address culturally and legally sensitive implementation variations across different markets and regulatory environments.

# Collective agreements

## Belgium: Care sector

### Background info on the case

The collective agreement (CA) applies to joint committee JC330 (care sector). In total this amounts to approximately 274,000 employees and 9,700 employers, making it a significant sector in terms of size. In addition, it is quite unique from a social dialogue perspective. Contrary to other sectors, the government is involved in the social dialogue process as well, as it is an employer and the main funders within the sector. This introduces other dynamics compared to joint committees that are purely private sector, as a lot of policy (including wages and classifications) ultimately depends on the annual budget that is made available by the government. In terms of employment, based on data by Steunpunt Werk (2020), approximately 19% of employees in the sector are male, compared to 81% female the sector is therefore quite female dominated in terms of employment. In terms of gender pay gap, the Central Economic Council (2024) has calculated this at 2.9% for the broader sector of healthcare and social services (the most detailed level we were able to find), this is a decrease of 1.2 percentage points compared to 2020.

In addition to the sector being hybrid in terms of private-public funding it is also complex in other ways. For example, the fact that there are several joint subcommittees (some of them with regional divisions) makes the social dialogue process more decentralised and involves more partners. Moreover, the composition of the sector has shifted throughout the years in the way it is structured and organised. According to the expert we interviewed, it made it harder for the process of updating the function classifications within the sector and especially much longer (see below).

The signatory parties of the agreement/classification include all members of the Joint Committee, namely, the trade unions:

- ACV-Puls
- Bond van Bedienden, Technici en Kaderleden (BBTK-SETCa)
- Algemene Centrale der Liberale Vakbonden (ACLVB-CGSLB)
- Centrale nationale des employés (ACV-CSC CNE)

and the following employers' organisations:

- Belgische Vereniging der Ziekenhuizen
- Unie van Dentaaltechnische Bedrijven
- SOM De Federatie van Sociale Ondernemingen
- Fédération des Associations Sociales et de Santé
- Federatie van Rust- en Verzorgingsoorden van België
- Confédération des Centres de Coordination de Soins et Services à Domicile
- i-mens Plus
- Federatie van Wit-Gele Kruisverenigingen van Vlaanderen
- Santhea
- Unessa
- Gezondheidsinstellingen Brussel Bruxelles Institutions de Santé
- Zorgnet-Icuro

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## How the work of equal value principle was implemented in practice

### General (federal level)

The Gender Pay Gap Act of 2012 provides the main guidelines for securing equal compensation for women and men (Vandekerckhove and Knipprath, 2016). It includes the obligation to screen sectoral job classifications on gender neutrality.

The first screening of job classifications in terms of gender neutrality date back to 2014. As the process of establishing gender equality in sectors was already initiated long before the Gender Pay Gap Act, starting in the 1970s, and repeated in a number of interprofessional (national) agreements in the early 2000s, recent sectoral job classifications were for the most part gender neutral, whereas more older job classifications needed a revision and resubmission by 2017 (FOD WASO, 2016). By December 2019, six joint (sub)committees were still on the “name and shame” list published by the Federal Public Service Employment, Work and Social Dialogue, including JC330. The name and shame lists the JC’s that have an outdated function classification and therefore still use outdated job titles and descriptions that imply gender. However, by September 2021, JC330 was removed from the list as the job classification was updated and adjusted to be gender neutral.

The Federal Public Service Employment, Work and Social Dialogue offers three instruments to setup and screen function classifications, each available in Dutch and in French:

1. Analytical method to check the gender neutrality of sectoral job classifications: this is the checklist with 12 questions used for the sectoral screening in 2014.
2. Checklist gender neutrality: this is an earlier, more extensive checklist for general application in companies and sectors. It is also available in English.
3. Guidelines for the equality of women and men in job classifications: this is a manual for developing a new gender-neutral job classification. There is also a brochure with a broader discussion on the topic.

Each of the unions also offers guidelines for the development of (gender-neutral) job classifications. The brochure of the ABVV-FGBT aims to closing the gender pay gap more broadly and also discusses the analytical report, whereas the extensive brochure of the ACLVB-CGLSB and the shorter publicly available guidelines of ACV-CSC focus more specifically on job classification methods, highlighting gender neutrality. Employers’ federations also support their members in designing job classifications in sectors and companies, and sector-specific instructions are provided jointly by the social partners: e.g. joint committee 306 for insurances.

### Sectoral level (JC330)

The classification is signed and formalised on the sectoral level as is done for all sectoral CA’s. The renewal of function classifications and accompanying wages is not done on a fixed time schedule and performed when the time for an update is deemed fit according to the social partners within the sector. This can also be stimulated by new legislation from the national level, such as the Gender Pay Gap Act of 2012 or the competent Federal Services (FOD WASO).

Broadly speaking, the process of updating function classifications and sectoral established wages consists of two phases. First the technical process, which is neutral and analytical in nature (it consists of an inventory of functions as well as attributing points to them. In some sectors (like

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JC330), wage information is provided as well in this phase. This part is performed by experts of the social partners as well as external service providers (so called ‘system holders’).

Pay grades are gender neutral since the system to come to pay grades from job descriptions is purely “soulless and factual” as one interviewee put it.

In JC330 this technical process involved an extensive inventory of all functions in the sector and classifying them according to different points. With more points being attributed when a function is more complex, involves more responsibility, communication efforts and/or leadership skills. The process is described below: (At the end of the paragraph, I have added a deep dive example of job descriptions and the pay scales. Remark that we cannot provide the calculation done by the system holder, nor how points were attached to different job characteristics. This information is intellectual property of the system holder, and we cannot receive this information.)

### **Phase 1: Inventory**

First, an inventory is drawn up of all the roles that need to be described. To compile this inventory, institutions are requested to gather information about their internal roles (job titles, content, number of FTEs, and involved individuals). This information enables the comparison of roles with similar content and distinguishes between sectoral roles (performed by a significant number of employees across different institutions) and unique roles. Based on this information, a list (inventory) is drafted of the roles to be studied. This list should allow sufficient nuance between various roles and strive for maximum recognition by role holders.

### **Phase 2: Description**

In the second phase, the inventoried roles are described. Based on field research with role holders, a job description is created by the system holder (IFIC) consisting of tasks and criteria. These descriptions serve as sectoral reference descriptions, meaning they represent the broad common ground of the collected field information. Exceptional or highly specific tasks mentioned during the interviews are therefore not included.

### **Phase 3: Weighting**

The weighting of a role assigns a relative value to each role. This is done based on six predetermined criteria (described below), with each criterion assigned a weighting score (value). The sum of these values determines the total score for the role. The weighting result determines the position of the role relative to other weighted roles.

#### **Box: Criteria used for job evaluation in the Belgian care sector agreement**

The six criteria were established by the social partners. They are similar to those used in other analytical job classification systems (in other sectors) but also account for and value specific sectoral characteristics. These include, for example, the empathy required for certain roles, non-hierarchical leadership (notably in the delegation of tasks by nurses to care workers), and the fact that employees may encounter illness, suffering, or death as part of their duties.

#### **Knowledge and Skills**

Assesses the knowledge and skills required for standard role performance, regardless of acquisition (education, training, experience). Legal training requirements are noted where applicable. Induction time—time needed to perform the role independently within the organisation—is also considered.

#### **Leadership**

Distinguishes between hierarchical and non-hierarchical leadership. Hierarchical leadership involves formal responsibility for managing teams, including task allocation, supervision, training, and

evaluation. Non-hierarchical leadership entails task delegation or project management without formal subordination, common in healthcare roles such as nurses delegating tasks to caregivers.

**Communication**

Evaluates communication requirements, including understanding, conveying, or synthesising information. Also considers empathy and the ability to support others, particularly relevant in care roles.

**Problem-Solving**

Assesses the complexity and diversity of problems handled, along with the tools, methods, or resources required to resolve them.

**Responsibility**

Defines responsibility by decision-making autonomy and the potential material or immaterial impact of decisions. Evaluates the level of supervision and control involved.

**Environmental Factors**

Examines material, physical, or psychological conditions inherent to the role, such as noise, physical strain, or stress from contact with illness or aggression.

In addition to the six main categories, the social partners defined two additional categories that apply but are less impactful in terms of value.

Irregular Working Hours: Timing of work (e.g., nights or weekends) is excluded from evaluations but compensated through additional pay in private healthcare.

Language Skills: Language requirements tied to the role or regional context may be recognised through bonuses.

**Phase 4: Classification System**

Based on the value assigned to the roles, a classification model is established. The values are listed, and the category boundaries (score ranges) are defined, taking into account mathematical parameters and natural breaks between roles. The classification model forms the foundation of the salary model.

**Phase 5: Salary Model and Implementation Procedures**

Once the role classification is complete, social partners conventionally determine the applicable new salary model and implementation procedures. The salary model sets the new pay scales and their implementation conditions (e.g., phasing, transitional measures). The procedures define in a precise and detailed manner the practical aspects of using the classification in the field, from the preparatory phase to the appeals and maintenance phase, via local, regional, or national consultations (depending on the sectors) and communication with the employee.

This entire procedure allows functions across the sector to be categorised in a neutral way. All trade unions, employer organisations and system holders we contacted were adamant that the system is “soulless and factual” as one interviewee put it. You could make the case that physical demands have a higher impact on the job value than more “female” job aspects, but looking at, for example, the jobs in JC 330 - Flanders - Hotel, Logistics and Technical, it does not seem that more “male” jobs are ranked higher. For example, 2071 Hairdresser, 2073 Tailor and 2273 Gardener all have the same payscale ([scale 6](#)). In JC330 this point attributing system was developed externally by a system holder, which are private companies that develop and provide these services to sectoral social

partners. Exceptionally, in case of JC330 the decision was made to instead buy this classification system from the system holder and continue to operate it through a bipartite non-profit organisation called IFIC (ENG: Institute for Functionclassification). In other sectors this service is generally hired and remains the property of the external service provider. A few sectors are exceptions to this system and perform the entire technical process without an external service provider (for example, the metal sector).

For JC330, the update of the classifications was mainly initiated because the classification needed an update. It was deemed to longer properly match new and changing functions within the sector. The entire update process was initiated in 2002 but took until around 2020 to complete. As a lot of work was involved in the technical classification process that preceded the negotiations and signing of the CA. The joint committee changed in composition within this period, whereby new parts of the care sector were added to the sector over time, adding to the complexity of the process. Additionally, a lot of changes were made over time with regards to the actions that for example nursing staff are allowed to do (and the competences required to do so). This all affected the technical process and led it to take several years.

In terms of gender neutrality, documentation, tools and support is provided by both the Institute for the Equality of Women and Men as well as the competent federal services (FOD WASO) on how to form gender neutral function classifications. They have been doing so since 2001 through the EVA project (ENG: analytical EVALuation). This information is/was used by the function classification experts in the sector to properly include gender neutrality within the reworking of the function classifications and the wage setting that accompanies it. In the IFIC manual, it is mentioned specifically that the recommendations of the Institute for Gender Equality were taken into account for the development of the analytical sectoral job classification (IFIC, 2021). Additionally, a checklist is available that is used to check gender neutral formulations and procedures (FOD WASO, n.d.).

When this entire technical phase is completed, negotiations by social partners commence, who have to negotiate and agree to the wages that apply to the different function classifications. Once again, uniquely for the JC330 is the aspect of public funding that has to be considered when negotiating and finalising these changes to classifications and wages. If there is insufficient budget (as is the case for some functions now), changes cannot yet be implemented.

As an illustration of the forementioned process, Table 1 shows all families of functions within healthcare institutes under the Flemish government which [reside under JC 330](#). All these categories use the IFIC system for wages. After the sixth state reform, several sectors were transferred from federal to Flemish/French-speaking competence, mental health centres (Flanders: CGG, Centrum voor Geestelijke Gezondheidszorg, Wallonia: SSM, Services de Santé Mentale) being one of them. Their job descriptions thus differ. We chose to show an example here from the Flemish institutes under JC 330.

Table 7: Families of functions under JC 330 and the Flemish Government

Nursing - care	Medical - technical & pharmacy	Paramedical	Psycho - social	Hotel, logistics & engineering	Administration

Psycho-social houses all functions within psycho-social services. Table 8 shows all functions and their pay scales in the [family psycho-social jobs](#). There are no functions within this family of pay scale 20-18, nor are there any in pay scale 12-3. From this table, we know that 5022 - Service manager spiritual counselling, 5023 - Service manager social service and 5070 - Clinical psychologist have a comparable 'value'. The difficulty of these jobs is comparable, as well as the responsibilities. However, we cannot gather why the social partners and the system holder have attributed these functions the same pay scale. We also do not know which of these jobs was ranked highest and is thus most difficult, nor can we know the individual scores. We only know that these jobs have been assigned a higher value than the jobs in pay scale 15, but lower than those in 17. The second column in the table shows their base pay without any experience.

Table 8: Functions in the psycho-social family and their base pay

Pay scale	Base pay (0 years of experience, gross monthly wage)	Function
20	5321.14	
19	4915.05	
18	4508.97	
17	4102.88	5020 - Service manager clinical psychological service
16	3794.81	5022 - Service manager spiritual counselling
		5023 - Service manager social service
		5070 - Clinical psychologist
15	3479.74	5030 - Deputy social service manager
		5072 - Spiritual counsellor
		5078 - Patient rights mediator
		5081 - Health promoter district health centre
14	3248.69	5071 - Psychological assistant
		5073 - Social service assistant
		5074 - Clerk social service - rehabilitation
		5075 - Clerk social service - district health centre
		5076 - Social services officer in a psychiatric unit/centre
		5077 - Social services officer in residential care for the elderly
		5079 - Intercultural mediator
		5080 - Dismissal manager

<b>13</b>	3003.64	5082 - Volunteer manager
<b>12</b>	2905.63	
<b>11</b>	2779.6	
<b>10</b>	2674.58	
<b>9</b>	2590.55	
<b>8</b>	2520.55	
<b>7</b>	2464.53	
<b>6</b>	2415.52	
<b>5</b>	2379.86	
<b>4</b>	2367.17	
<b>3</b>	3003.64	

Lastly, the job description is the document which the system holder uses to scale a job and which is used when hiring a new person. As these job descriptions are three pages, we have uploaded both the job description of 5023 - Service manager social service and 5070 - Clinical psychologist in English as an example. Both these jobs are valued the same and receive pay scale 16. One could argue that clinical psychologist is a female dominated job. 2220 - Technical service manager falls under the family of Hotel, logistics & engineering – housing different support functions, mostly for hospitals – is arguably a more male dominated job which has the same pay scale, 16. This job description has also been uploaded.

## Main results of the implementation of work of equal value

The authors of this case study believe that the fact that the questions for the case study and interviewees implied that the process is one that is specifically aimed and catered at resolving gender inequalities, while for this study this is not the case. They discussed this with the different interviewees and the reason these functions and their descriptions were updated was not the fact that they were not gender neutral. They were updated because they were outdated and no longer reflect reality (job content or functions changing over time). Gender neutrality is one aspect of this entire process, but it is not central to this entire procedure. But, given the way the technical phase of the update is organised (based on the points system discussed above) it is objective in nature and therefore gender neutral.

The IFIC classification system has been using the work of equal value principle since before the Pay Transparency Directive. Hence, the sectoral social partners did not start a process of reviewing job descriptions and associated pay scales because of the Directive. Within JC 330, the most recent larger exercise of updating the job descriptions (due to changing jobs) and pay scales started 20 years ago but took so long due to funding issues from the financing governments. The yearly review of job classifications in JC 330 is more an updating to new job realities than it is an exercise in applying the directive. This also explains why we had some difficulties replying to these questions and why our answers do not focus solely on gender pay gaps.

The main gap that can be identified is the fact that the process of updating and negotiating both the functions and their accompanying wages is long and complex. This causes the issue that functions become outdated and no longer reflect reality. Especially in JC330, where this process has taken a significant amount of time, while the professions within the sector have undergone significant changes in job content over time.

In terms of follow-up, after agreement is reached by the social partners, the signed collective agreements are transferred to the relevant governmental services for validation (as is obligatory for all sectoral agreements). They in turn can formulate comments on these, but it is not obligatory for the sectoral social partners to address these comments and they do not change the content of the agreement. This means that in practice many of these comments are only addressed in the subsequent agreement that follows (which may be only in several years or decades). Experts within the governmental services that we have talked to consider this a design error in the process.

Regarding pay equity, the gap between collectively agreed pay and effective pay is very small in Belgium. Even more so in sectors where the collectively agreed pay schemes are extensive, based on analytical function classifications and particularly in non-competitive sectors (like JC330). This could explain why additional enforcement measures and follow-up are not worked out. However, the Gender Pay Gap Act applies. Meaning that every two years pay inequalities within companies have to be addressed.

## **Main conclusions regarding the practical implementation**

The way the process is developed limits the possibilities of contention. First and foremost, the entire function classification phase is mostly separate from the negotiation phase and done in an analytical way. Even though experts from the social partners are also involved in this first phase, they consider their role to be neutral and focus themselves on the analytical classification of functions and calculating wages that should be coupled with the weight of these functions. This calculation of wages is done on the basis of function content, which once again makes it more neutral in nature. Interviewees stressed this as well as the analytical nature of this entire first technical phase. Whereby the second phase is considered to be the one where views from trade unions and employers can come into play and negotiations can take place (in practice they seem to stick quite closely to the wages that are established within this technical phase).

Additionally, the nature of the organisation that is doing the preparatory work limits the potential to trigger any contention amongst social partners. Concretely, within JC330 the entire process is performed by IFIC, which is a bipartite organisation, funded by both employers' organisations and unions and containing delegates of both in the board of directors. The fact that it is inherently composed in this way, also removes potential arguments that the technical phase would be biased towards one of the social partners.

Budgetary constraints have led to some changes and updates in function classifications (and their wages) not being implemented. This is due to the fact that there is no actual 'market' within the sector as is the case in other private sector but funding is largely dependent on public funding. If there is insufficient budget, these changes in classifications and wages cannot be implemented (even though the process of updating them was completed). As part of the 2020 social agreement, the government set aside a budget to finance the 100% implementation of the IFIC wage model. The social agreement also provided for the setting up of a tripartite working group to monitor

developments in the IFIC model. This working group stopped meeting in 2022 and met on a 'restricted' basis in 2024 to discuss the transition of care assistants to 12 and related funding (with the 4 ministers concerned).

It can happen that, following a review, a function's category is modified. If it is a higher category, this requires an additional budget (as the budget is still calculated following the 2020 social agreement). This has been the case in JC330, with certain functions not yet receiving the new pay scales but instead their old pay scale and a percentage of the difference between their old and new pay scale. As more budget becomes available over time, more and more jobs get their new pay scales. With the sixth reform of the state and regionalisation, each government decides for itself: the (previous) Walloon government decided to free up a budget to fund nursing assistants at a scale of 11.25 (following the review, the nursing assistant function was moved from category 11 to 12). This is not the case with the other governments, which means that care assistants who come under the Brussels, Flemish and federal governments are still paid at category 11 (although the aim of IFIC was to harmonise the scales).

Another obstacle is the so-called "primacy of politics" (Dutch: *primaat van de politiek*), meaning that the government often takes decisions themselves because they do not want to wait on civil society (including the social partners). Minister Frank Vandenbroucke (current Federal Minister of Health) introduced a reform of the nursing profession without involving the social partners and without anticipating the impact of this reform on the IFIC model. The social partners are currently considering how to implement this reform on the IFIC classification (the reform cannot be transposed as such). There is a risk that the result arrived at by the social partners will generate discontent in the field.

As is often the case, transferability is relatively difficult as the entire process is strongly based on the Belgian context and structure of collective bargaining, with a quasi-100% coverage rate of collective agreements, every company being associated to a joint committee and social partners that have a high degree of autonomy and are strongly intertwined with labour market and wage policy. Despite JC330 having some governmental involvement, the process is still in the hands of the (sectoral level) social partners to establish these classifications and attribute sectoral wages to them. Companies and employees are also required to follow and respect the outcome of this process, meaning that the social partners also have to be considered representative enough by their base to do so. In turn, social partners should also trust and collaborate to the extent that allows for a joint decision on aspects like the system holder or other system to perform the technical phase of the process. All of these conditions create a specific context but are required to make such a system work.

When transferring the system to other countries, one should keep in mind both the good and less good points:

Table 9: Deliberations regarding transferability to other countries

Good	Bad
<ul style="list-style-type: none"> <li>• Modernisation and harmonisation of classification of jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Certain trade groups are strongly represented and are able to influence discussions between the social partners (with an effect on the model)</li> </ul>

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<ul style="list-style-type: none"> <li>• Partially avoids competition and abuses in a context of shortage between companies/health institutes</li> <li>• Job description work centralised within IFIC, even though descriptions may be detailed in the field</li> <li>• Possibility of having hybrid functions, which allows flexibility</li> <li>• Equal treatment between workers and between different sectors</li> <li>• This is an evolving model. Jobs can be updated if job content changes, if the legal framework is modified, if there are inconsistencies, if representativeness evolves, etc. New functions can also be created and obsolete functions deleted.</li> <li>• Correct salary tension between the different functions &amp; maximum diagonal tension of 400%.</li> <li>• Higher starting salaries</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• The model does not - at this stage - take into account the context of the labour market: professions in short supply (e.g. nursing) &amp; competition with the commercial sector in particular (IT, accountancy, etc).</li> <li>• It does not take account qualifications, as it operates according to the logic of 'equal pay for equal work'. In the field, nurses who have followed and obtained a specialisation find themselves in category 14 and category 15. This generates a lot of frustration among workers.</li> <li>• One size fit all: there is no possibility of rewarding employees for a very well executed project or exceptional work under the IFIC system.</li> <li>• Slow to adapt to changes in the field</li> </ul>
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## Belgium: Food industry

### Background info on the case

The collective agreement (CA) applies to JC118, which covers all blue-collar workers in the Food Industry, in total this amounts to approximately 64,000 employees and 3,700 employers. The sector is purely based in the private sector and social dialogue bipartite in nature. The sector is diverse and involves 34 different subsectors (according to the different types of food and drinks they produce). One of the subsectors was listed by the competent federal services as having an outdated function classification in terms of gender neutrality. This is not uncommon within Belgium, with some function descriptions, primarily of niche functions in the smallest sectors being several decades old. Based on data from Steunpunt Werk (2020) approximately 1/3 of the workforce in this sector is female and 2/3 male. The most detailed data on gender pay gap that is available is based on calculations by the Central Business Council which states (2024) that the gender wage gap (with correction for working time) is at 6.4% here, which is a decrease in gap since 2020. The signatory parties of the agreement/classification includes all members of the JC, namely the following unions:

- Algemene Centrale der Liberale Vakbonden van België (ACLVB-CGSLB)
- ACV-Voeding & Diensten
- ABVV-FGTB Horval

### And the following employers organisations

- Federatie van de Belgische Voedingsbedrijven (FEVIA)
- Belgische Confederatie van de Broodbakkerij-Banketbakkerij-Chocoladebewerking-Ijsbereiding/ Confédération Belge de la Boulangerie-Pâtisserie-Chocolaterie-Glacierie

The classification is signed and formalised on the sectoral level as is the case for all sectoral collective agreements. The renewal is not on a fixed time schedule and done when the time for an update is deemed fit according to the social partners within the sector. For the blue-collar workers in food, joint committee (JC) 118 is the main body that is involved and responsible for the organisation of this process. It is within the JC that the social partners discuss the need for an updated or new function classification procedure, for which parts of the sector, etc. For the classification procedure, a specific technical working group is created that includes the social partners from the JC as well as the system holder (Optimor) that carries out the function classification procedure. In addition, an overarching working group is also created to discuss aspects that go beyond the mere technical aspects and involves more negotiations between the social partners. The latter ultimately have to agree with and approve of the decisions of the technical working group.

## How the work of equal value principle was implemented in practice

### General (federal level)

The Gender Pay Gap Act of 2012 provides the main guidelines for securing equal compensation for women and men (Vandekerckhove and Knipprath, 2016). It includes the obligation to screen sectoral job classifications on gender neutrality.

The first screening of job classifications dates back to 2014. As the process of establishing gender equality in sectors was already initiated long before the Gender Pay Gap Act, starting in the 1970s, and repeated in a number of interprofessional (national) agreements in the early 2000s, recent sectoral job classifications were for the most part gender neutral, whereas older job classifications

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needed a revision and resubmission by 2017 (FOD WASO, 2016). By December 2019, six joint (sub)committees were still on the “name and shame” list published by the Federal Public Service Employment, Work and Social Dialogue, including JC118 that lists the JC’s that have an outdated function classification and therefore still use outdated job titles and descriptions that imply gender. However, by September 2021, JC118 was removed from the list as the job classifications were updated and adjusted to be gender neutral.

The Federal Public Service Employment, Work and Social Dialogue offers three instruments to setup and screen function classifications, each available in Dutch and in French:

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Each of the unions also offers guidelines for the development of (gender-neutral) job classifications. The brochure of the ABVV-FGBT aims to closing the gender pay gap more broadly and discusses the analytical report, whereas the extensive brochure of the ACLVB-CGLSB and the shorter publicly available guidelines of ACV-CSC focus more specifically on job classification methods, highlighting gender neutrality. Employers’ federations also support their members in designing job classifications in sectors and companies, and sector-specific instructions are provided jointly by the social partners: e.g. joint committee 306 for insurances.

### **Sectoral level (JC118)**

The classification is signed and formalised at the sectoral level, as is the case for all sectoral collective agreements. The renewal of function classifications and accompanying wages is not done on a fixed schedule but occurs when an update is deemed necessary by the sector's social partners. In the case of JC118 the employers’ organisations were a bit more hesitant compared to for example JC330, as the update of the classification (and particularly the subsequent wage negotiations) often implies an average increase of wages. However, as some function classifications date back several decades and no longer reflect the current situation and function profiles in the sector, the social partners agreed to update all function classifications in the sector gradually over time (as the sector consists of 34 subsectors).

Broadly, the process of updating function classifications and sectoral wages involves two phases. First, a technical phase that is neutral and analytical (including an inventory of functions and point allocation). Experts from the social partners and external service providers (known as "system holders") conduct this phase. In JC118, the Orba system was used to establish the weight of function classifications within the sector. Unlike in JC330, where the system was purchased and fully managed by social partners, it was hired as a service from a system holder (Optimor). The classification procedure starts from four main characteristics to determine a function’s weight, which are further divided into 11 "focal points".

The different functions under evaluation are looked at from four categories that are in turn made up of several of these focal points. These four categories are the following:

**The expected contribution:** This broader category attributes points in the system based on the contribution the function in question attributes. These contributions are considered in a broad sense, namely its actual effects on the organisation, the relational influence the function has on others and their positional influence.

**Functional decisions:** Another aspect that is taken into account in this calculation is the decisions that the function has to and is allowed to make. Within this evaluation, the difficulty of these matters and decisions is taken into account.

**Competences required:** This broader category of competences also looks at competences in a broad sense. Whereby the knowledge a function is required is taken into account, the communicational requirements as well as the physical motor skills required to perform the function.

**Job-related burdens:** the fourth category that is included looks at possible burdens that the functions are confronted with. This category is divided into 4 different aspects, job intensity, postures and movement required, the working conditions (if any dangerous or unhealthy conditions apply to the function, this can also contribute in the point system). As well as personal risk, this also relates to possible dangers taken into account.

All these aspects are counted for each function, resulting in a total sum for the function. Which in turn can be taken into account into aspects like remuneration etc. Later steps of the procedure. As functions are divided into these different categories and contribute points for each of the categories, the system is, in essence, neutral and not biased towards gender. For example, physical strength, communication skills and knowledge are all taken into account separately from each other and counted as such. This means that while the process is not specifically aimed at resolving gender biases, given its analytical nature and the fact that it looks at the function, not the actual job, it is gender neutral.

The measurements of these different aspects for each function is done in several ways and includes field observations within companies to determine the weight, interviews with workers, and comparisons with reference profiles (for example if a very similar function is present within another sector, it can be used as a reference).

The Orba procedure study is monitored at the sectoral level by a joint steering committee and a joint technical working group (which consists of system holder Optimor and the sectoral social partners).

Once the updated function classifications were formulated and agreed upon within the working groups, they were/are transferred to the social partners to **attribute wage scales** to the different functions.

The validated job classification is always documented in a sectoral collective agreement. The change is mainly that there was an actual update (which in some subsectors was decades ago).

Below is a link to an example of such a collective agreement that lists the updated functions and categories. It is essentially a listing of which function is part of which function. The change is mainly that there was an actual update (which in some subsectors was decades ago).

This agreement also includes the wage scales negotiated by the social partners. The sectoral agreement further outlines the classification procedure that must be followed by companies within the scope of the sectoral agreement. These agreements list the different functions as well as the categories they are part of, these include a short description and also discuss very broadly the skills

required and content of the function. These categories are in turn coupled with the different wage scales.

## **Main results of the implementation of work of equal value**

As part of the general follow-up process, once approved by the social partners, the signed agreements are submitted to the relevant government services for validation (FOD WASO). This is generally required for all sectoral agreements. FOD WASO in turn provides feedback on what can be improved or needs attention. However, the sectoral social partners are not obligated to address these comments. Consequently, many comments are only incorporated into the subsequent CA. Which can be years or even decades later. Government experts from the FOD WASO we consulted find it a flaw in the system to not make these remarks binding.

From the perspective of intersectoral wage equality, the analytical/technical phase that is used to calculate the 'score' for each function is a good practice. As it is essentially neutral and objective. This would mean that if it was the sole basis for establishing wages in each sector, it would create a very high degree of equality over sectors (a function in sector A should in theory receive an identical score to an identical function in sector B). However, the results and scores for the analytical phase are subject to negotiations among social partners to establish accompanying wages and benefits. This negotiation phase depends on a lot of other contextual factors like the strength of the social partners, profitability of the sector, historical context, etc. Through this second phase non-objective factors are introduced that lead to a function in sector A being remunerated differently to an identical function in sector B. This means that within sectors the wage inequalities are relatively small (as they are both calculated neutrally and are affected by the same contextual factors). But over sectors more inequalities are introduced. While the interviewees admitted that in the past there have been job descriptions which were blatantly sexist, this has not been the case for several years. None of the interviewees could find any recent examples of changed job classifications because of problems with gender neutrality. There do exist some job classifications which use male terms (e.g., cooperating foreman), but these designations do not warrant a review of certain job classifications by themselves. Male designations are implied to cover both men and women.

Within JC 118, the belt workers used to be mostly women. This category of workers also is the least well paid, as the least amount of qualifications are needed. Nowadays, the group of belt workers is much more mixed, and they are still the least well paid due to the inherent job characteristics. This illustrates the problem with the gender pay gap in Belgium: a man and woman who work in the same job will always receive the same pay if they fall under a job classification scheme. Differences in pay come about because men often go higher in the enterprise hierarchy.

## **Main conclusions regarding the practical implementation**

Both the trade unions and the employers see value in having a centralised classification system for the whole sector which functions as a baseline for all the companies. Because the world of work is ever changing, they are committed to review at least one subsector within this JC per year.

The process of function classification minimises the potential for disputes between social partners. The function classification phase is largely distinct from the negotiation phase and is conducted analytically. Although experts from social partners are involved in the process (via for example the steering or technical committees), this part of the process is mainly technical and neutral in nature.

Because it is done by an external expert (someone from the system holder, Optimor in this case) using a scientific method, discussions in this stage are minimised.

The second phase, where trade union and employer perspectives may come into play, is typically when negotiations occur. This phase involves more discussions and possibility of dispute between the social partners. One of the stones of contention which most often arises is on the topic of polyvalence: when does an employee deserve a pay bonus for being able to perform multiple jobs? If someone performs a different role for two hours a day, does that warrant extra pay? The unions believe that polyvalence should be valued and more quickly, but the employers do not always agree. At what point does the level of polyvalence justify a salary adjustment?

Transferability of the system is difficult, given its foundation in Belgium's specific collective bargaining framework. In Belgium, nearly all companies fall under collective agreements, aligned with joint committees and guided by highly autonomous social partners deeply integrated into labour market and wage policies. Sectoral social partners maintain control over function classification and wage-setting processes. Compliance to the resulting sectoral CAs by both companies and employees is mandatory. This concrete framework is necessary to ensure successful outcomes and to designate entities responsible for technical implementation.

This does not take away the fact that the interviewees were convinced this is a very good system for the sector. It is flexible enough for large companies to have their own classification (provided it is approved by the union delegation), while still providing a framework for all companies. In the food sector, where many SMEs are active, such a framework is particularly important as SMEs do not have the capacity to come up with their own classification. For the workers, it is important that every contract must include a job description and through the use of standardised job descriptions this ensures transparency and comparability.

The transferability of this system thus depends on both the obligation of following CAs and the agreement on a system of function classification. Both the employers and trade unions in this sector agree on the merit of the system by Optimor, hence why discussions on the system itself are omitted.

## France: Metallurgy industry

### Background info on the case

#### Motivation

The French metallurgy industry, once shaped by agreements rooted in the 1950s, is now facing rapid changes due to forces such as globalisation, digitalisation, and the growing demand for sustainable practices (Liaisons sociales, 2022). These changes have altered work structures and worker expectations, highlighting the need for a new sectoral collective agreement. Today, the industry confronts several key challenges related to skills, competitiveness, and its appeal to workers. These 78 agreements, consisting of territorial, sectoral, and national agreements, often overlapped. As one of our interviewees pointed out, the sheer volume of these agreements, often referred to as a "magma of texts," created confusion and disagreements, negatively impacting the sector's attractiveness and competitiveness. In certain instances, distinct collective bargaining agreements were in effect for employees within the same organisation, particularly between those in managerial and non-managerial roles (Interview 1, 2024). Companies adopted complementary classification systems, such as the Hay or Mercer methods, which created further complications for employees and human resource managers. Many of these agreements were outdated, dating back to the 1970s, and ill-equipped to address contemporary challenges.

According to the FO Metal Union, successive French governments also encouraged reform. Since 2000, changes to the 35-hour workweek raised concerns within the employer organisation UIMM regarding job classifications (Interview 3, 2024). In response, on 29 January, the UIMM committed to establishing a new agreement. However, it was not until 2013 that the review of existing agreements began.

In 2016, the social partners collectively signed an agreement outlining the methodology to be used for reforming classifications. At the same time, the French government aimed to simplify France's collective bargaining system by reducing the number of branches (Liaisons sociales, 2021). The aim to reduce the number of professional national branches from 700 to 100-200, was a secondary motivation for reform. While reforms played a role in pushing for the consolidation, the industry, led by unions took proactive steps to implement changes ahead of the government's targets. As one interviewee described it, "for the metallurgy sector, we decided to take action ourselves, reducing the 78 agreements to one" (Interview 1).

#### Case description

The new collective agreement was signed on 7 February 2022 (Liaisons sociales, 2022; Liaisons sociales, 2024). It covers 1.6 million employees across 42,000 companies. It was signed by the Union of Metallurgy Industries and Trades (UIMM), representing employers, and three trade unions: FGMM-CFDT, FO Metal, and CFE-CGC Métallurgie (Liaisons sociales, 2022). Since local territories were not initially involved in the initial negotiations, they were given until June 2022 to review the agreement. Subsequently, five amendments were introduced, the final being adopted in June 2024. The Court of Cassation validated the new agreement and its amendments, bringing an official end to previous agreements as of 1 January 2024 (CNN, 2024). The agreement preserves several autonomous collective bargaining agreements addressing issues influenced by political, economic, or social changes. This agreement aimed to streamline processes, reduce confusion, and foster greater legal certainty while enhancing the industry's competitiveness.

Negotiations for this agreement began in 2016 when the UIMM and all relevant trade unions (FO Metal, FGM-CGT, FGMM-CFDT, CFTC Métallurgie, CFE-CGC Métallurgie) initiated discussions about establishing a national collective agreement (Liaisons sociales, 2022). Certain trade unions, such as the FGMM-CFDT, had already worked on and studied potential reforms for job classification before (Interview 1, 2024). In fact, in 2013, the UIMM opened negotiations with trade unions to establish an agenda and outline the areas for change in the metallurgy sector's collective agreement negotiations. Both the FGMM-CFDT and the UIMM placed particular emphasis on classification changes (Interview 2, 2024). The FGMM-CFDT had even designed an alternative classification system, which was quite similar, according to one of their leaders, to the scheme adopted in the current collective agreement.

Although the new agreement was generally well-received, implementing it posed significant challenges (Liaisons sociales, 2022). While the agreement officially came into effect on 1 January 2024, social protection measures were introduced one year earlier (Liaisons sociales, 2022). Companies, local authorities, and workers used the phased deployment to prepare for the changes. However, several challenges emerged during this process, which will be examined later in this study.

### **The role of gender**

Despite efforts to standardise pay, gender inequalities persist in the metallurgy sector. One interviewee noted that the gender pay gap between men's and women's wages remains steady at 3-4%. This figure often falls within the margin of error in statistical analysis. Compared to the national average of 14.9%, the gap in metallurgy is small (CFE-CGC, n.d.). However, it still poses a challenge for the sector in fully applying the principle of equal pay for equal work (Interview 1, 2024). The industry's feminisation level remains low, with women representing only 23% of the workforce. A union leader observed that this percentage has barely changed over the past four years, indicating slow progress (Interview 2, 2024). Greater gender equality would boost the sector's competitiveness. Despite this, the new agreement did not prioritise the principle of equal pay for work of equal value. Matters related to gender equality are addressed in the renewed agreement signed on 24 April 2024, which focuses on professional equality and eliminating pay disparities between men and women in the metallurgy branch. The agreement states: "This principle of equal treatment for men and women is reflected in the French Labour Code in the form of a general principle prohibiting discrimination on the grounds of gender, family situation or pregnancy. [...] In addition, there are specific provisions on professional equality which advocate equal pay for equal work or work of equal value". However, there were discussions about improving the classification system to ensure that roles predominantly occupied by women would be appropriately classified, reflecting the increased feminisation of certain jobs (Interview 2, 2024).

This study analyses how greater pay transparency through job classifications can support the principle of equal pay for equal work. Indeed, gender-neutral job classification or evaluation systems can provide a means to assess work of equal value and help prevent indirect discrimination (Mignano, 2024). Identifying gender pay gaps becomes more challenging when systems are used to differentiate between jobs traditionally dominated by men or women, especially due to the complexities involved in determining the value of work and pay. These systems may obscure biases in valuing different skills and tasks, such as comparing heavy manual labour with manual dexterity tasks. However, when designed with a gender-neutral approach, using consistent criteria for both men and women, these systems can serve as effective management tools, ensuring that no discrimination occurs and are valued accordingly.

Job evaluation schemes can offer a more impartial way to assess women's work (Probert et al., 2002). The variables used to assess work, and their weight often reinforce existing gender biases. For instance, skills associated with service roles, common among women, are undervalued compared to technical skills. Although women now pursue education beyond high school at similar rates to men, the legacy of lower past participation still has an impact. Many grading systems favour managerial roles, awarding more points for leadership and human relations skills. Non-supervisory employees who also coordinate work often receive less recognition for similar abilities. These design flaws cumulatively result in women being ranked lower than men, reflecting outdated practices. Addressing the undervaluation of women's work is difficult because women are underrepresented in the bargaining structures where pay and job classifications are negotiated.

## **How the work of equal value principle was implemented in practice**

### **Actors involved**

All four representative trade unions and the employer organisation actively participated in both plenary and technical working groups for several years to negotiate the new classification system (Interview 2, 2024). Prior to the start of formal negotiations, the employer organisation hired external experts to consolidate existing collective agreements. Once the trade unions were prepared, negotiations commenced. Joint technical working groups were responsible for developing tools such as the training guide distributed to companies, as well as defining the criteria for the new job classification system. However, the FGM-CGT union, which held differing views on job classification, was occasionally less engaged. For example, the FGM-CGT did not participate in the creation of the joint certificate of competency, which tested workers' knowledge of the new classification framework.

During the negotiations, two major issues arose: job classification and social protection (Interviews 1 and 2, 2024). In both cases, the employer organisation hired one or two experts to assist in the negotiation process. These experts were chosen by all social partners and are well-known in the sector for their published work and neutral position between employer and trade organisations. Reforming the job classification system, which was prioritised, focused on the tasks performed rather than the individual competencies of workers. This phase of negotiations spanned 17 months. Joint technical groups met every two weeks, typically for a full day, over a period of two years to discuss classification and reach an agreement. As the legal expert of the UIMM noted, these groups were more about communication than formal negotiations. Comparatively, discussions on social protection took three years to conclude. While most unions reached a consensus, the FGM-CGT continued to oppose this approach, favouring a classification based on professional skills and individual assessment (Interview 2, 2024). The COVID-19 pandemic further delayed these talks, as the focus temporarily shifted to healthcare and economic competitiveness, complicating the negotiation process (Liaisons sociales, 2022).

The same organisations, often the same individuals, assisted in the implementation of the new classification system. The first interview was conducted with a senior executive from the CFE-CGC metallurgy federation, who has been involved in the negotiation and implementation of the new collective agreement since 2015. The second interview was with an executive from the FGMM-CGT, who participated in almost all the technical working groups related to the negotiations. The third interview involved three members of the employer organisation UIMM: a legal expert who was



present during the negotiations, an expert in coordination and classification, and an executive working on European affairs.

### Description

Job evaluations not only serve as tools for setting wages but also as guiding principles for justifying pay differences. The concept of "equal pay for equal work" emphasizes that compensation should reflect the nature of the job, rather than the individual characteristics of the person performing it (Figart, 2000).

To understand the new agreement, it is essential to have an overview of the sectors and country's history (Interview 3, 2024). As of 1945, job classification in France used the Parodi system, which described all existing jobs. This system created two main issues: it was gendered and did not account for new jobs. The Parodi system was repealed in 1950, when French law allowed branches of professional sectors to implement their own classification systems. This shift was based on the belief that employers should bear responsibility for job classification. Following this, the sectors agreed on 90 new collective agreements. However, many social partners did not anticipate these changes and continued to uphold the gendered system. It was not until the civil unrest of May 1968 that the Parodi system was officially abandoned, with the metallurgy sector being the first to implement changes. In 1975, for the first time, four criteria were established to objectively classify work. From then on, the classification system stopped being gendered and was maintained until the introduction of the new agreement. After the abolition of the Parodi system, its influence persisted temporarily. Some job titles, such as nurses, engineers, and technicians, were still gendered due to the high proportion of men or women in these roles. However, these titles were later corrected to ensure that all job titles were not gendered.

Although these earlier agreements were designed to evaluate work rather than workers, this approach faded over time in companies, human resources departments, and even trade unions. The new collective agreement, which covers both managerial and non-managerial positions, aims to restore this principle (Interviews 1 and 2). One interviewee called the job classification system the "backbone of any collective agreement," which is why its negotiation was prioritized and achieved first. Despite consensus on the transparency and fairness of the new system, the FGM-CGT trade union criticized the lack of weight given to diplomas and work experience in the classification scheme. This difference in agreement, regarding the principle of equal work for equal pay, could lead to further disagreements in the sector.

The new job classification system partly builds on the previous national agreement (Interview 2). Four of the six criteria: complexity, leadership, autonomy, and knowledge; were carried over from the 1975 agreement and reworked. As can be seen in Table I, two new criteria: contribution and communication; were added. A significant change in the new agreement is the revision of the knowledge criterion, which now accounts for knowledge acquired through both formal education and work experience. Several rounds of negotiations and expert consultation to come to an agreement on the number of criteria, their definitions, and applicability.

Table 10: The six criteria of the metallurgy sector's new collective agreement.

Complexity of the activity	Difficulty/technicity and diversity of the work, solutions to be implemented, problems to be dealt with
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	<i>Degree 10: conceptualises programs/projects aiming to anticipate the evolution of the work environment for the whole organisation.</i>
Knowledge	Knowledge and know-how required in the job, acquired through initial/continuing training or experience  <i>Degree 10: the work requires the creation of knowledge which it refers to.</i>
Autonomy	Latitude for action, organisation and decision-making in the context of the job; associated level of control  <i>Degree 10: the work requires the establishment of strategic guidelines and corresponding methods, validated by results.</i>
Contribution	Effect and influence of actions and decisions on activities, the organisation and its environment; nature and importance of the field of action and responsibility  <i>Degree 10: the work affects the long-term future of the organisation.</i>
Supervision/cooperation	Support/support, guidance/transmission, supervision, management/coordination, whether hierarchical, functional or project responsibility  <i>Degree 10: direction/coordination of the entire organisation.</i>
Communication	Nature and variety of exchanges and interlocutors; transmission, consultation, negotiation, representation  <i>Degree 10: the work requires attracting key stakeholders.</i>

Note: The table includes a description of the categories. Each of the ten degrees has their own description with an example of the degree 10 (the highest ranking).

In order to classify a job type, each job is graded according to six criteria, each of which is rated on a scale of ten degrees. Each degree is defined by an objective description to ensure a fair and consistent evaluation, which is applied uniformly across the sector. Examples of descriptions for the degree number ten can be found in Table 10. These descriptions for each degree were discussed and formulated in technical groups, sometimes requiring a full day of work for each. The expert distributed job descriptions that needed to be classified. Using the drafted job classification, members noted whether the job description was graded differently among participants, indicating the need for further clarification. According to UIMM, around nineteen versions of the reference framework have been developed. The expert's input was particularly valuable as they were able to explain potential risks and impacts and ensure timely and efficient negotiations.

For each job, a degree is assigned for each criterion, resulting in fifty-five different ratings, as shown in Table 11. These ratings then form job groups ranging from A1 to I18. For example, the position of a multi-energy repairman is classified as C6, receiving a total rating of 24. Specifically, the job is rated as follows: degree 5 for complexity, degree 4 for knowledge, degree 5 for autonomy, degree 3 for contribution, degree 3 for supervision, and degree 4 for communication (Guide pédagogique paritaire, 2022). The communication rating is set at degree 4 because the job requires interaction

with customers, which can vary depending on the context and equipment, as well as explanatory communication involving both technical and cost aspects (Référentiel paritaire d'analyse des emplois, 2021). Since communication in this role does not lead to partnerships, it does not qualify for degree 6. Similarly, a production operator will have the same job group but previously had a coefficient rating ranging from 115 to 305. To summarise briefly: six criteria are each ranked across ten levels, as outlined in [the reference agreement](#).

These criteria and their respective ratings were negotiated in joint working groups with an expert. This process resulted in 18 job classes and nine job groups, which are used to determine minimum wages as can be seen in Table 11.

When tested, representatives from both employer organisations and trade unions scored each job description, similarly, ensuring an objective classification method.

These coefficients guarantee a minimum annual salary as required by law (Interview 1, 2024). Before the new agreement, minimum salaries for non-managers varied widely, with a 20% gap between the highest- and lowest-paying local agreements, according to a CFE-CGC executive. The new agreement also establishes a continuous pay scale between managers and non-managers, ensuring that career progression remains closely linked to wage increases. Once implemented, this unified minimum wage scale will guide salaries, ensuring no employee is paid below the standard for a 35-hour workweek (UIMM, 2023). The minimum wages will be renegotiated annually, taking inflation into account. This transparent, shared system allows employees to track their career progress and guarantees pay transparency (Hadjjam, 2024). Additional factors, such as seniority bonuses, still apply for employees with three years or more of service, though these bonuses may vary according to local agreements.

Table 11: Classification system of the new collective agreement of the metallurgy sector in Article 62.1

Ratings	Job classes	Job groups
58 à 60	18	I
55 à 57	17	
52 à 54	16	H
49 à 51	15	
46 à 48	14	G
43 à 45	13	
40 à 42	12	F
37 à 39	11	
34 à 36	10	E
31 à 33	9	
28 à 30	8	D
25 à 27	7	

22 à 24	6	C
19 à 21	5	
16 à 18	4	B
13 à 15	3	
10 à 12	2	A
6 à 9	1	

Source: Légifrance, 2022.

The new system contrasts with the 1954 Parisian local collective agreement, which classified non-management employment into three categories: workers, administrative/technicians, and supervisors. Each category was divided into four or five levels, each with three ranges, and the minimum wage scales for each job type were negotiated annually by the organisations involved (Mandary, 2024). The Paris Agreement continues to maintain a unique provision for daytime allowances for alternating employees' meals (GIM, n.d.).

### Assessment and methods applied

The new national collective agreement aimed to "reform and return to the very essence of classification", as Interviewee one explains. The focus shifted from evaluating the individual employee to evaluating the job itself. Prior to the agreement, much of the sector's narrative revolved around employee rather than job classification, which influenced workers' self-perception. Many employees saw themselves as holding certain grades and titles rather than occupying specific roles within the company (Interview 1).

The system was developed through extensive negotiations, involving not only hours of discussions but also careful attention to semantics (Interview 1). A labour sociologist and classification consultant played a key role in drafting the criteria and their associated degrees. Several rounds of testing were conducted to ensure the objectivity of the rating process. Experts in classification provided both trade unions and employer organisations with the same job description, following the same guidelines, and asked them to rank it. The results were consistent across both groups. Similar tests were also carried out at the company level, with the support of social partners acting as experts. These tests further confirmed the reliability and fairness of the classification system.

Notably, however, the question of gender was absent from these discussions during the development of the classification system. The signatories of the agreement intended for job evaluations to be free from discrimination, ensuring that all jobs would be assessed equally, regardless of the nature of the work or the person performing it. As Participant 1 states, "I think that by their very nature, the definitions as they are, are relatively general so that they can be applied to any job." He further explains, "We didn't ask ourselves the question [about gendering jobs], and I don't think we ever thought about it. When you read it, I think it's history that will tell us whether we've succeeded or not." As the legal expert from the employer organisation UIMM explained, the issue of gender was not a topic of discussion during the negotiations (Interview 3, 2024). The representative further highlighted that both women and men were represented in the joint technical groups, which suggests that gender could have been raised as a concern if it had been

deemed important. However, it was emphasized that none of the 25 types of discrimination defined by French law can be applied to job classification.

According to the International Labour Organisation (ILO), gender-neutral classification methods should consist of four core factors: qualifications, effort, responsibility, and working conditions. These categories are usually broken down into 10 to 16 sub-factors. While the ILO's guidelines and the new collective agreement approach job evaluation from different angles, both can be integrated to create a more comprehensive system for assessing roles within an organisation. The new collective agreement emphasizes qualitative aspects such as complexity, knowledge, and autonomy, whereas the ILO's approach relies more on quantifiable metrics like qualifications, effort, and responsibility. The new classification scheme, however, unifies job evaluation across all roles using a 10-degree scale, which helps reduce ambiguity and ensures consistent application. Each degree appears to be equally applicable to both male- and female-dominated jobs. Yet, the ILO also recommends incorporating gender-neutral examples by referencing jobs typically held by women, something the French collective agreement does not do. The executive of the CFE-CGC explained in their interview that it was because they believed the criteria is applicable to everyone, independently of their gender. Although the agreement includes more factors than the ILO recommends, the sub-factors in the new system are clear and defined independently of job progression, offering a transparent framework for evaluating job roles across the sector.

## **Main results of the implementation of work of equal value**

### **Actors**

The implementation of the new collective agreement required a lot of information dissemination and training on key topics over more than two years (Liaisons sociales, 2024). As noted by the representative of the employer organisation UIMM, increasing transparency within the sector regarding job classification was a key strategy (Interview 3, 2024). This was done by UIMM local branches who were themselves trained by UIMM. They, in turn, helped companies by giving training and presentations, technical workshops, and creating communities where best practice cases and experiences could be shared. National actions were also put in place, such as the development of a joint site with trade unions, giving access to their members to a toolbox including information such as technical documents and videos. The pedagogical guide module was created prior to the signature of the agreement, as an effort to signal to company the need to act early on (Interview 1). A certificate of competency (CCPM) was also established and is accessible to everyone in the industry (Interview 2). This second module allowed both human resource managers and workers to be trained. It also gave workers a way to ensure their rights were respected. This approach had a dual effect. Employees can now request details about their job grading, ensuring significant transparency, and trained individuals can justify their reasoning. According to UIMM, this transparency and practice were widely implemented, sometimes even during collective meetings and discussions with all individuals classified in a particular job type.

In the CFE-CGC métallurgie, trade unionists and trade union members were trained by local unions across the country (Interview 1). The new systems require substantive communication and educative effort, which defines its success. Their organisation, alongside others, has indeed done the necessary work to support this transition. 4,500 trade unionists were trained through digital and in-person programs, at a substantial cost. 700 passed the CCPM certification. The federation CFTD also put in

place training courses for activists who supported employees while the job description became formalised and met the correct grading according to the agreement (Interview 2).

While most of the implementation support concluded in December 2023, it remained active throughout the first semester of 2024, and the stabilisation of the system will continue for several years.

### **A comparative approach**

#### *Scope and timeline*

Safran, Schneider Electric, STMicroelectronics, and Thales, four important global industry leaders, each took on their own approach to implementation. Each company tailored its implementation of the job classification system according to its organisational culture, workforce complexity, and relationship with social partners.

Safran and Schneider Electric both structured their plans with clear timelines, but their scope and implementation approach differ. Safran's agreement, signed in June 2022, aimed to fully implement the classification system by the end of 2023 (Liaisons sociales, 2022). This relatively short timeline, in collaboration with three major unions, highlights Safran's intention to align internal systems quickly and efficiently. Schneider Electric, on the other hand, opted for a more extended, comprehensive process. Their agreement, signed in April 2022, stretches implementation across all 27 group entities until the end of 2024, ensuring that each entity can adapt to the new classification system at its own pace (Liaisons sociales, 2022). STMicroelectronics adopted an ambitious approach with their "METAmorphose" agreement, signed in September 2022. Their focus is on creating coherence across the group, with a strong emphasis on job families and categories (88 in total) (Liaisons sociales, 2022). They are targeting pilot projects and using comprehensive job descriptions and ratings to ensure consistency across the organisation. This step-by-step method, combined with committees for job families and classification, shows their methodical and decentralised approach. Thales, which signed its agreement in 2023, took on a slightly different route, focusing heavily on collaboration with the unions. Their timeline seems more flexible but involves comprehensive social protection alignment and job classification implementation (Liaisons sociales, 2023). Thales also engaged working groups to manage and review individual cases and provide clear mechanisms for job attachment and communication with employees, thus fostering transparency and responsiveness.

#### *Method*

All companies used groups to put in place the classification. Safran assigned the responsibility of the implementation to a specialised "Copil" team, which ensured alignment across its entities through monthly meetings. The centralised leadership allowed Safran to maintain control over the pace and scope of implementation. Schneider Electric, by contrast, empowered technical groups to manage the process. Each group focused on a specific theme, such as classification, working time, or social protection, and they operated at different levels. STMicroelectronics adopted a governance structure involving a Work Committee, in charge of 88 job categories, and a Classification Committee, which ensured coherence in job mapping and classification. Thales' focus on professional family leaders and committees showcased a collaborative model, where managers from different levels and fields contribute to job classifications and individual case reviews.

#### *Social dialogue*

All four companies highlight the importance of social partner involvement, but the depth and nature of this collaboration vary. Safran established a joint collective bargaining committee, which meets quarterly to evaluate the implementation. This setup allows unions to play a direct role in overseeing the process. Safran also provided financial support for union member training so trade unions could contribute. Schneider Electric ensured union involvement at various levels by integrating representatives into technical groups. They provided syndicate members privileges, such as paid time for meetings and travel, as well as funding for training. STMicroelectronics took a slightly different approach, involving unions in the Commission following the agreement which reviews the classification mapping. Their involvement seemed more targeted towards ensuring consistency and fairness in the classification process rather than having full control over implementation decisions. Thales also involved syndicates, particularly through job committees that review and amend classifications, offering resources for union training.

### *Communication*

A key difference between these four companies lies in how they manage communication with employees regarding the classification changes. Safran developed a dedicated communication plan, including training sessions for HR personnel and managers, as well as regular updates on the project through an intranet. Similarly, STMicroelectronics takes an innovative approach, with e-learning platforms and regular meetings, where HR representatives could explain the new classifications to employees. Schneider Electric focused less on employee communication directly, instead emphasising the role of technical groups and union representatives to relay information to employees through syndicate channels. Thales adopted a multi-channel communication approach, using HR meetings, internal messaging, and e-TV. Managers received training on classification principles, further supporting the engagement of all employees in the process.

The ability of companies to implement job evaluations varied significantly based on their size (Liaisons sociales, 2024). Larger companies found it easier to negotiate methodology agreements and create dedicated committees or personnel to ensure effective implementation. In contrast, smaller enterprises relied heavily on support from UIMM, for work descriptions and classifications that necessitated assistance. However, other factors were crucial in the implementation.

### *Outcomes*

To classify jobs accurately, companies were required to engage their HR and management teams in a comprehensive analysis of existing employment definitions. This necessitated a thoughtful reflection process by HR personnel to facilitate individual work and career management (Interview 1 and 2, 2024). Despite months of preparation, many companies struggled with the introduction of new job descriptions, often remaining opaque about their application or drafting descriptions unilaterally. This approach risked harmful effects, social dialogue deficits, and misunderstandings (Liaisons sociales, 2024). According to the president of CFE-CGC, 30 to 40% of companies did not apply the new convention correctly, especially the new classification system. Although UIMM's general delegate criticized these statistics as unreliable, they still reflect the processes undertaken by these enterprises.

The communication and educational efforts of the employer organisation UIMM and trade unions led to two general responses. Some companies established a collaborative approach with trade unions to develop new strategies for career management and transparency within the new

paradigm. Others, adopted a more passive approach, driven by convenience, misunderstanding, or lack of time to engage with the necessary changes.

The causes of this complicated implementation are multifaceted. According to UIMM representatives, no clear typology or specific characteristics of companies have been identified as determining factors for success in implementing the agreement. The difficulties encountered were primarily attributed to a lack of resources or differing and competing priorities. However, the implementation expert noted that around 98 percent of the implementation has been successful. Although companies were given two years to implement the new collective agreement, many delayed action until the last semester before the January 2024 deadline (Interview 1) or even three months prior (Interview 2). Some companies, on the other hand, began working on classification before the new collective agreement was officially signed by all social partners. Many HR functions remained unaware of the extent of the transformation required by the new classification system, suggesting a gap between the agreement's ambitions and realities. HR departments may have lacked adequate resources to manage the transition effectively, indicating that such initiatives should be treated as major industrial projects. Companies that adopted a structured project approach fared better than those that did not. Companies underestimating the work required often resulted in the lack of social dialogue and poor systems, creating resentment among workers. The CFE-CGC Métallurgie executive noted that a clear example of this was that managerial staff often are classified into the first two classification levels, despite there being eight managerial levels. Certain companies even requested extensions for the implementation deadline, which was ultimately denied. This reflects broader issues of compliance and the challenges faced by HR departments in adapting to new regulations.

Companies also resisted the new system, viewing it as overly technical or burdensome. While one interviewee emphasised resistance as a significant issue, the other noted clear efforts to avoid engaging with the agreement. Some companies, like Safran, hesitated to undertake the detailed work necessary for accurate job classifications, opting instead for static, generic classifications. As one participant explained, some companies merely replicated their existing hierarchy within the new classification system, granting higher levels to management positions, which contradicts the spirit of the new collective agreement. As the CFE-CGC Métallurgie executive stated: "We thought that in a team, an employee could very well have a job with a higher classification than that of their boss.". Some companies even began creating generic jobs instead of accurately defining roles, distorting salary transparency (Interview 2). Classification system must often be reviewed, biennially, which discourages companies from investing time and resources in reforms.

Several cases also arose where companies continued misuses as they did in the previous system, assigning classifications to individuals rather than to the jobs themselves (Interview 2). For instance, in previous agreements, an employee in the same role could have a coefficient ranging from 115 to 305, creating significant disparities. Although the new system aimed to standardize job classifications, many workers felt "downgraded," leading to frustration. This disconnect stemmed from focusing on the job itself rather than the individual, causing concerns for both companies and employees.

These implementation challenges are crucial as they create pay transparency concerns and issues regarding real work (Interview 2). Employees classified under the same job title often faced varying salaries based on their individual roles and career paths, complicating efforts to ensure pay equity.



For example, employees within the same classification (such as level E10) included diverse roles (printer service technicians, foremen, methods technicians) making it challenging to ensure equitable salary structures. This was difficult for some workers to accept, as they were attached to their previous classification. Senior employees, often in managerial positions, were not reclassified when taking on less senior roles, leading to discrepancies in salary. For instance, a senior employee with extensive experience might still hold a title that does not reflect their previous seniority, complicating discussions about pay equality. The agreement aims to create a system where salaries are justified based on the position, rather than the individual, based on a rational evaluation system assessing individuals based on their skills, experience, and competencies. Although they share the same job classification, their salaries can vary greatly depending on their individual roles and career paths, making it difficult to ensure salary transparency. It also remains important to ensure employees are connected to their career progress. Identifying discrepancies within the same job classification presents challenges, especially for nuanced roles like quality technicians. While employees with the same job description should ideally have the same classification and salary, it remains unclear whether companies will adhere to this standard. However, as a UIMM representative explained, career progression could also become easier due to the greater transparency provided by the new classification system. In fact, a few companies have even posted all their job descriptions on their websites, along with their corresponding grades, to ensure greater transparency. This allows for increased job mobility, as workers can better understand the skills and aspects they need to develop to transition to different roles.

Regarding gender pay gaps, calculating average salaries for men and women within the same classification may be feasible, but explaining disparities will require an understanding of the differences in roles under the same classification (Interview 2). For instance, if 500 employees share the same classification, various job types within that group could contribute to salary differences. These lessons are crucial and will influence the implementation of the European directive regarding the principle of equal pay for equal work. The directive's implementation will challenge HR departments to reassess their practices, requiring them to provide rationales for individual salary decisions, especially when differences are observed among employees in similar roles. However, many companies may not adapt quickly enough, and immediate changes from the directive may not be evident until 2026-2027.

Lastly, according to French law dating back to 1950, collective agreements cannot modify the legal agreement between an employee and their employer (Interview 3, 2024). This provision was designed to ensure that all workers needed to agree to the collective agreement before its signature. As a result, the new collective agreement should not have influenced any worker's contract. However, due to poor company practices, the creation of new intermediary positions and upward adjustments to wages were made to mitigate some of the impacts of the classification system.

#### *Follow-up Actions and Monitoring*

Overall, workers generally supported the new agreement, motivated by the inefficacy of the previous system (Interview 1, 2024). However, while many individuals benefited by achieving managerial roles or increases in their minimum wages, a significant portion remained dissatisfied. The executive from CFE-CGC Métallurgie estimated that about 40% of cases fell into this category, based on interviews with activists primarily from large and medium-sized enterprises. Unions were

compelled to intervene in several cases, even threatening legal action, with at least two companies resolving disputes prior to court proceedings (Interview 2). Additionally, some employees dissatisfied with their classifications are currently contemplating legal recourse through labour courts (*Conseil des Prud'hommes*). The lack of robust monitoring or enforcement has allowed these companies to bypass the full implementation of job classifications, leaving room for salary discrepancies that the new system was designed to eliminate (Interview 2). Yet, it is possible the agreement helps as workers could formally request justifications for their job descriptions via email could promote pay transparency and support legal actions if needed.

However, monitoring the implementation of the classification system itself presents significant challenges. “I don't know whether women have benefited from the new classification or not. I don't know. I don't know. There was no desire to go in the opposite direction, I can assure you of that,” said a representative from CFE-CGC Métallurgie (Interview 1). There are no current statistics on the impact of job classifications on gender equality. The new agreement does include provisions for an agency tasked with studying its implementation. Additionally, one biennial study conducted by APEC on pay gaps monitors gender equality progress (Liaisons Sociales, 2024). Trade unions have made efforts to track its application but lack comprehensive insight into all companies (Interview 1). As suggested in the interviews, studies could be conducted to assess whether the distribution of men and women across job classifications reflects the overall percentage of women in the sector (23%) within each of the 18 classification levels, particularly at higher tiers (I17, I18). While analysing individual job classifications at the industry level may prove difficult due to the sheer number of positions, examining classifications within individual companies could reveal biases if roles predominantly held by women are classified at lower levels than those predominantly occupied by men.

A follow-up study was conducted at the end of the summer of 2024 to assess the impact of the new agreement. The study was able to track several points of contention. Negotiations for deployment agreements will continue into 2024 and 2025. In fact, several companies have even established oversight committees to monitor the implementation and progress of the agreement.

### **Other gender equality initiatives**

In Article 7 of the new collective agreement, all signatories are reminded of the importance of gender equality and are encouraged to put in place measures in the sector. Gender was therefore a factor of consideration in the new agreement in several changes such as classification, but no further details about its inclusion are provided. The agreement does however acknowledge and recognize the inequalities among workers based on gender differences. The only other reference to gender in the text is in article 113. It states gender cannot be used as a criterion of employment, transfer, or training for a night worker. This is a transposition of previous agreement(s). They also reinforced the social protection of future mothers for non-managers, who had been less protected than managers previously. In the sector, attempts to increase the proportion of women in the sector is present. Employer organisations have attempted to make metallurgy work more attractive, with little success. Participant one believes it is more of a cultural issue than a lack of willingness or inability from the industry.

In addition to the new collective agreement, a separate agreement on equal work was signed on 24 April 2024, by the employer organisation and three unions (CFE-CGC, CFTD, and FO). This agreement, passed a decade after its predecessor, aims to close wage and career progression gaps while

promoting the feminisation of the sector. This initiative aligns with recent national legislation, such as the Rixain law, and seeks to enhance the sector's appeal to women through various communication and awareness campaigns. One notable campaign, titled "Avec l'industrie, on a un avenir à fabriquer," will for instance be conducted at the inter-industrial level, with support from Opco 2i (in charge of financing and designing trainings for the sector), to improve the perception of industrial careers. The agreement also proposes increased funding for professional contracts specifically for women in these roles. Employers are encouraged to establish mechanisms to address gender discrimination and are urged to conduct training sessions and awareness campaigns for HR personnel and management to foster a more inclusive work environment. Furthermore, employers are required to provide transparent information to the social and economic committee regarding gender equality metrics, particularly focusing on salary disparities and career progression based on age, qualifications, and seniority. Finally, the agreement emphasizes support for parents by creating a workplace environment that accommodates parental responsibilities. Companies are recommended to engage in discussions with employees prior to parental leave and to offer opportunities for skills refreshment upon their return.

## **Main conclusions regarding the practical implementation**

### **Obstacles**

The negotiation process for the new agreement was notably well-organized but lengthy and challenging, taking several years from 2015 to 2022, after hundreds of hours of discussions. As one participant remarked, "Every year we told ourselves that we were going to finish next year. Every year, when we got to November, we told ourselves that we were in trouble" (CGC) (Interview 1). The process was significantly by the COVID-19 pandemic, which halted negotiations.

While the negotiation itself was successful, the implementation of the classification system encountered obstacles. Participant One expressed regret that the classification was not executed in the spirit of the agreement or according to the methodological guidelines provided, despite the trade unions' best efforts. The UIMM also played a crucial role in synthesising various agreements, significantly easing the negotiation process by involving external experts. This required a strong foundation of trust in the organisation, which, if absent, could have extended and put at risk the negotiation.

Job reclassification based on qualifications or seniority, proved to be delicate topics within the branch. Disparities in classification occasionally created emotional tensions, which required solutions like job re-evaluations or the creation of intermediate roles. According to the employer organisation representatives, a small majority of the sector disagrees in principle with the classification method.

### **Points of contention**

Despite the general progress, there were points of contention between different stakeholders. Participant One suggested that the uncertainty regarding the implementation of the agreement post-signature may have contributed to hesitance from companies. Conversely, participant two believed that once the agreement was signed in February 2022, implementation was assured.

A persistent issue is the recognition of "real work," which is crucial for maintaining competitiveness in the sector. Participant Two emphasized the need for clearer prior discussions about what constitutes "real work" and stressed the importance of transparent communication among trade unions, employer organisations, and companies.

As the representatives of the UIMM explained, company abuses have occurred and will continue to occur, despite the branch's best efforts. Certain enterprises continue to support internal practices such as the "degree policy," which classifies individuals based on their personal diplomas rather than their jobs. This violates the principle of classifying jobs instead of individuals. However, these practices occur at the company level, not within the branch. Indeed, according to French law, the classification is the employer's responsibility. While a judge can settle disputes, the ultimate responsibility lies solely with the employer.

### **Lessons**

In hindsight, both participants acknowledged that while it is early to assess what could have been done differently, clearer communication regarding mutual goals and expectations could have alleviated some challenges. A shared understanding among all parties would enhance alignment on job classifications and facilitate better outcomes.

Participants emphasized patience and commitment as key lessons learned from their experiences. They advised future negotiators to remain steadfast in their beliefs and to communicate expectations clearly. The training guide, introduced in this agreement, was highlighted as a significant tool to help companies understand the new system, even if some cases of misuse persist.

Regarding transferability, while the lessons learned in the metallurgy sector could be applicable to other sectors, variations in job structures across industries might limit direct implementation. Sectors with similar job structures, such as the jewellery industry, could benefit from a unified approach to classification discussions. The existence of similar pay transparency laws, such as salary disclosure requirements, could facilitate change by generating media attention and public pressure, potentially leading to more effective outcomes, even if anonymised (Baker et al., 2023).

As of now, the implementation status of the classification system is still evolving, with some companies continuing to navigate the process. Participants emphasised the need for ongoing adjustments and monitoring to ensure that the classification system aligns with the intended goals of fairness and transparency. Future actions will likely involve further training, clearer guidelines, and continuous engagement to strengthen the system and address any remaining issues.

Lastly, it is important to note that the Parodi system still has impacts on the sector and the country (Interview 3, 2024). Distinctions between managerial and non-managerial roles inherited from older systems, as well as gendered agreements on supplementary pensions and national interprofessional agreements, continue to persist, creating additional complexities. Additionally, the ability and training of trade unions and adherents of the employer organisation were crucial in facilitating an easier transition and ensuring both parties were competent on the topic.

Lastly, the UIMM believes that communication between social partners was instrumental and worked perfectly. However, it was noted that this process required time and expenses, which could be more challenging for smaller branches. Nevertheless, the UIMM emphasized that it remains possible and this methodology is transferable.

## Germany: Chemical industry

### Background info on the case

The chemical industry is the sixth-largest employer in Germany (VCI, 2024a). Employment has been increasing since 2010. According to the VCI (2024b), nearly 415,000 employees worked in the industry in 2010. This number has risen to nearly 480,000 employees in 2023 (VCI, 2024b). The German Federation of Chemical Employers' Associations (BAVC) reported that according to its 2023 salary statistics, the effective monthly salary in companies bound by its collective agreement was €4,975 (collectively agreed salary plus collectively agreed bonuses). Annual collectively agreed one-off payments totalled €5,840 and individually agreed annual one-off payments (i.e. not stipulated by the collective agreement) amounted to a further €3,502.

The BAVC reports that nearly 34% of employees in the industry were female in 2021 (BAVC, undated a). Many of the chemistry-related professions belong to the STEM occupations (STEM = Science, Technology, Engineering, and Mathematics), in which women are typically underrepresented. An analysis of chemical-related professions shows that in 2020, only 0.8% of supervisory specialists in mechatronics and automation technology and 1.6% of building electricians were female (KOFA, 2021). Professions with many women aboard were pharmaceutical technical assistants (71.6%), biological technical laboratory specialists (75.6%). Similarly, a high share of women was found in secretarial or administrative occupations (80.6%) (KOFA, 2021). Please note that the researchers only considered jobs liable to social security contributions to provide these shares (KOFA, 2021).

Companies and employees are organised by long-established social partners. Employees are organised by the Industrial Union Mining, Chemistry and Energy (IGBCE). IGBCE was founded in 1997 with the merger of the formerly independent unions IG Mining and Energy (IG BE), IG Chemistry-Paper-Ceramics (IG CPK) and the Leather Union (GL). On 31 December 2023, the IGBCE had 572,537 members, of whom 443,988 were male, 128,486 female, and 63 identified as diverse. Union members work in about 4,000 companies in 8 sectors and 23 subsectors (DGB, 2024; IGBCE, 2019). The IGBCE is organised in eight regional districts and 42 local districts for direct member support.

The German Federation of Chemical Employers' Associations (BAVC) organises chemical, pharmaceutical employers as well as companies from the rubber and plastics processing industry (BAVC, undated c). The BAVC consists of 10 regional member associations that affiliate around 1,700 companies from the sector. Around 80% of BAVC members are small- or medium-sized companies (BAVC, undated a). According to the BAVC, 585,000 employees work for their member companies.

In 2021, the three highest-revenue German chemical companies were BASF, Bayer, and Fresenius (VCI, 2024a). All three companies are global players employing over 111,000 (BASF), nearly 100,000 (Bayer), and over 316,000 people (Fresenius) in 2021. The industry directly contributes around 2% (€60 billion) to Germany's value creation. Every euro of direct value creation generates another €0.80 (total of €48 billion in 2020) in added value through the chemical companies' demand for materials and services in other sectors, as well as through their employees' spending and consumption (VCI, 2024a).

When it comes to collective bargaining negotiations, IGBCE and BAVC have concluded different agreements regulating a broad range of matters. Working hours, longer hours, extra payments for shift work or holidays are laid down in so-called frameworks agreements (*Manteltarifverträge*) for western and eastern Germany. Wages are determined in two ways: Firstly, wage grids and job

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process

descriptions are laid down in the federal wage collective agreement (*Bundesentgelttarifvertrag*, BETV) and the collective wage agreement for the chemical industry in eastern Germany (ETV). The BETV is valid for the members of the IGBCE and BAVC in western Germany (States of Baden-Württemberg, Bavaria, Bremen, Hamburg, Hesse, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Schleswig-Holstein, and Berlin (West)). The ETV is valid in eastern German states (i.e. Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt and Thuringia as well as Berlin (East)).

Secondly, the wage levels are determined by regional pay agreements. Collective bargaining rounds in the chemical industry differ from other sectors: Whilst union and employer representatives meet at the regional level to discuss their demands during the first bargaining round, wage rises are negotiated by IGBCE and BAVC in nationwide collective bargaining. The latest wage agreement was concluded in June 2024 with a running time of 20 month. Amongst other things, the latest agreement includes a nationwide wage rise of 6.85% (coming into effect in two steps).

For this case study, we will focus on wage grid and job descriptions as laid down in the BETV which is valid for the companies and workers in the German chemical industry. In Germany, all employers must respect, among other things, the General Equal Treatment Act (AGG). The AGG regulates the prohibition of unequal treatment based on gender, sexual orientation, race, religion, age or disability in the workplace. The labour law part of the law implements the European directives 2000/43/EC (anti-racism directive), 2000/78/EC (general equal treatment directive) and 2006/54/EC (gender equality). AGG Section 2 paragraph (1) 2. stipulates that discrimination is inadmissible in relation to “employment conditions and working conditions, including pay and reasons for dismissal, in particular in contracts between individuals, collective bargaining agreements and measures to implement and terminate an employment relationship, as well as for promotion” (BMJ, 2022). Not only direct, but also indirect discrimination is prohibited. The AGG “requires the collective bargaining parties to review all classification criteria, the assessment of basic wages, all performance-related and other allowances, and all other remuneration components to ensure that they do not, in practice, have a detrimental effect on one of the groups named in Section 1 of the AGG” (Kocher, 2015, p. 10) which include gender.

According to calculations based on data from the Structure of Earnings Survey (SES), the unadjusted gender pay gap in the chemical industry was 13% in 2022 and 4% when comparing full-time employees only (Pfahl et al., 2023). Reasons for the different wage development of the sexes are related to many factors, such as occupational choices and career preferences as well as persistent gender roles in family care work. Latter aspect is highlighted by an analysis focussing on the profession “chemical laboratory technician” (Herrberg and Lübker, 2023). Herrberg and Lübker (2023) found that the gender pay gap is 4% at career entry and then permanently increases to 6% after 5 years, 9% after 10 years, 12% after 20 years, and 14% at the end of the professional career. Reasons for this widening pay gap are, according to the authors, women’s part-time work after the birth of their first child, longer parental leave periods (impacting earnings and career perspectives) and, as a result, a lower proportion of women taking on higher job positions (Herrberg and Lübker, 2023).

In the chemical industry, social partners have long been committed to promoting equal opportunities for women. As the operational situation in companies was too varied to implement a standardized collective bargaining agreement, IGBCE and BAVC have adopted many social partner

agreements that serve as a framework for their companies. Social partner agreements date back as far as 1989 when the “Joint Position Paper: Promotion of Women” promoted a shift towards a different understanding of gender roles. The first social partner agreement was followed by eight more social partner agreements on family-friendly personnel policies and equal opportunities (BAVC, 2024). Measures detailed in these agreements, for example, relate to shared parental leave or assistance with childcare and part-time work (BAVC, 1999). A social partner agreement from 2016 further improves the compatibility of work with family responsibilities, for example with a view to being able to taking on care responsibilities and continue working, developing new company concepts for location- and time-flexible working, as well as introducing greater autonomy in working hours. There is a recognised need for innovative career concepts for women in leadership and management positions, and the social partners are committed to increasing the proportion of women in leadership roles, viewing part-time models for executives as an opportunity. Additionally, they aim to inspire young women to pursue STEM subjects, create personalised personnel development concepts for women, and establish gender-neutral job profiles and objective selection criteria (IGBCE, 2016).

According to the IGBCE, when the BETV was set up in 1987, anti-discrimination law was not yet a driving factor in the world at that time. The main motivation of the social partners to set up the BETV was the desire for standardisation. The positive effects on gender equality in the sense of “equal pay for equal work and work of equal value” was more of a welcomed additional positive effect than the motivating factor behind the reform (as reported by the IGBCE). At that time, there were eight different collective bargaining areas in the old Federal Republic (before Germany’s reunification), each with its own collective agreements regulating pay separately for blue- and white-collar workers. There was also a desire to conduct a more centralised federal collective bargaining rather than regional collective bargaining in each of the individual collective bargaining regions. At the time, it was evident for the collective bargaining parties that the boundary between blue-collar and white-collar workers was dissolving. The IGBCE representative stated that “it could be said that the only distinction was whether you were a member of one health insurance scheme or another.” In summary, the motivation for the reform was to eliminate differences and create a consistent pay system that would apply nationwide for blue- and white-collar workers.

## **How the work of equal value principle was implemented in practice**

For the IGBCE, work of equal value means that people receive equal pay for jobs that have the same requirements (mainly the duration of the required vocational training) and involve the same level of responsibility. The BAVC similarly clarifies that the BETV’s classification system is purely activity based. In this way, equal pay for all genders is guaranteed. In the BETV system the pay level is mainly dependent on the training requirement. If a company hires a gardener with a three-year vocational training requirement and a building cleaner with a three-year vocational training requirement, they will be paid the same. If they are both hired as unskilled workers, they will also be paid the same. Only if the gardener is hired on the basis of his/her occupational training and the cleaner is not (or vice versa), there would be a pay gap.

The IGBCE explained that their collective agreements are generally formulated in a gender-neutral way. Remuneration is based on the type of job and the requirements needed for it. However, the goal of “gender equality” is not explicitly written into the collective agreement. The social partners’ approach is to create an objective and gender-neutral regulation. As a rule, formulations are chosen

that address the issue of gender equality without explicitly naming it. Collective agreements have different systems for categorising individual activities. In the chemical industry, there is a 'summary assessment'. The basic question for this assessment is: What basic qualification do you need for a specific job and what additional competences are required?

The BETV, concluded by the IGBCE and the BAVC in 1987 and last amended in 2024, forms the basis and methodology for determining wages in the chemical industry in Germany. It is applied in conjunction with the applicable district wage agreements, which set out the specific pay scales for each of the regional collective bargaining districts. The BETV encompasses the description of 13 pay groups (E1 to E 13). The methodology for a classification into a pay group works as follows:

The first criterion is what occupational training is required and what training period. The BETV starts at E1 with unskilled tasks that can be carried out immediately by anyone after a short briefing. Then, in E2 or E3, there is a further grading according to training periods of up to 13 weeks or work experience of 6 to 12 months. To better explain this, a good example is group E4: It states that employees perform activities for which two years of completed vocational training are required. If you are evaluating a job and want to determine whether it belongs in E4, then you place the relevant 2-year vocational training content next to the range of requirements for the job and can tick off if it matches the relevant requirements for the job. If this matches, then this is an activity that belongs in E4. There are different activities in the various specialisations, but the basic question remains: Do you need a completed two-year vocational training programme? If so, this is a common basic group.

For pay group E5, employees must perform activities that require knowledge and skills beyond the requirements of group E4 and are usually carried out according to general instructions. As this is a so-called advanced group, a two-year vocational training is not enough to complete the job activities. In addition, employees still need, for example, knowledge of special process techniques that were not taught in vocational training or have a higher level of responsibility, so they are not continuously instructed. This structure of basic group and advanced group then runs through the entire collective agreement from pay group E4 upwards

The next basic group - pay group E6 - comprises three years of completed vocational training. This is followed by E7 and E8, again as advanced groups, which require staggered additional knowledge. E7 comprises extended knowledge, E8 is a scheduled specialisation in the company and E9 is a function-related additional training or further training. At this level, you are already in the area of a specialist or technician. This continues up to below a master's degree or below a traditional university degree, because the classification system ends with a bachelor's degree or university of applied sciences plus additional qualifications with additional responsibility.

The BETV gives indicative examples for each pay group across all different types of activities including explicitly both blue-collar and white-collar workers. For example, for pay group E2 the indicative examples are given as follows: "Work of an equivalent nature, particularly in production, laboratory, technology, storage, handing out material, shipping, administration or in commercial operations", as well as "transport work, including with industrial trucks". The emphasis of the "equivalent nature" of work in different areas such as production or transport (often dominated by male workers), on the one hand, and administration or commercial activities (areas with the larger share of female workers), on the other, show how the principle of "equal pay for equal work or work of equal value" is applied. Another example from a higher wage group is E10: The indicative



examples given to showcase which tasks can fall under E10 include typically male worker dominated areas (“tasks in large warehouses or shipping companies”, “designing and calculating individual machine and equipment parts”) as well as areas with a larger share of female workers (“assistance and secretarial work that is essentially characterized by the use of two foreign languages”, “commercial processing that is essentially characterized by the use of two foreign languages”).

The IGBCE points out that analysing for gender equality issues demands taking into account different constellations. For example, you can look at the chemical industry as a block, but you can also analyse it in individual segments. There are constellations in the chemical industry in which women receive higher pay than male employees. However, this is due to the fact that they work in different segments: Shift work is dominated by men, while the commercial sector is female-dominated. In the commercial sector, pay grades E7 to E9 can be found, while shift workers tend to be paid E6 and E7. Managers in the commercial sector are again predominantly male. Depending on how you focus, you get very different results in terms of gender equality.

However, as the IGBCE also explained, for the individual classification of an employee into a pay group for a specific position in a company, the works council plays a role due to its statutory co-determination right in classification (as in provided for by the Works Constitution Act). In larger companies where there is a more structured work on gender equality issues, there are often sub-committees in the works councils which address the issue of equal pay.

For the employees’ side, the IGBCE's Collective Bargaining Law and Organisation department also offers support and advice in the event of a conflict. It often happens that classification issues end up in the department, but there are hardly any cases concerning gender neutrality. When a position is categorised, the department does not need to know what kind of person is placed in the pay group at question. Attention is paid to what the requirements are and then it is determined which pay group this corresponds to. The person must then be classified accordingly.

Similarly, the BAVC and its regional members offer support and advice for their member companies, be it regards labour law issues, the application of collective agreements or other issues. The regional employer organisations of the chemical industry also support member companies in cases of conflict.

As the IGBCE representative explained, many people were involved in the negotiations of the BETV in 1987. There is no mirror-image structure on the employer and employee side. On the employee side, there is only the IGBCE. There are state districts and regional subdivisions, but legally they all belong to the same organisation. On the employers’ side, there is the BAVC which has regional employers' associations as members, which in turn have the individual companies as members. And on the employers' side, this means that there can be a spectrum of divergent regional interests. At some points, there have been strong insistent forces to maintain existing regional regulations as far as possible. This is why, after a long period of preparation, the BETV was not agreed as a negotiated collective agreement, but as the result of arbitration to achieve a binding result.

It is no longer possible to reconstruct who was involved as an external consultant in 1987. However, it can be assumed that the procedure at that time was no different from the processes today, in which trade unions and employers rely on their own expertise. The parties do not just sit down at the negotiating table to discuss ‘money’. Instead, possible outcomes, legal and other issues are already discussed and debated in working groups.

Today there is a quota system in the IGBCE, according to which at least 30% of the seats in the collective bargaining committee should be occupied by women. In addition, the IGBCE statutes stipulate that special consideration must be given to different groups when forming bargaining committees. For example, the women's department and the youth department always have a seat in collective bargaining committees, and soon the KAAT network (a department that looks after the interests of short-term commercial employees, academics, and employees not covered by collective agreements) will also have a place. This ensures that different points of view are brought into the discussions and decision-making process. The specialist departments are also brought on board for special issues. For example, when pension schemes are being negotiated, the social policy department is involved. As a rule, expertise is brought in from within the organisation's own subdivisions and not from outside.

On the employer side, the ten regional chemical employer organisations are represented in the general assembly of BAVC (*Mitgliederversammlung*) (BAVC, undated b). General assembly representatives meet once a year to, for example, approve the BAVC's budget and if necessary pass resolutions regarding the organisation's statute. All other matters are dealt with by the so-called Members' Council (*Mitgliederrat*) (BAVC, undated b). Amongst other things, the Members' Council elects the BAVC's chairperson, its deputy as well as other members of the board (all being representatives of member companies). Daily business is dealt with by the BAVC's management and its office. On the BAVC side, the collective bargaining commission (Tarifkommission) is responsible for all collective bargaining decisions. For federal level negotiations, the BAVC's bargaining commission is made up of representatives from chemical member companies as well as representatives from BAVC and their member organisations (VBU, 2023).

## **Main results of the implementation of work of equal value**

According to the IGBCE, the system works generally well regarding gender equality issues and equal treatment. However, the IGBCE representative added, although the gender pay gap in the chemical industry is smaller than elsewhere, it is still there. Therefore, the question would remain how this comes about when the classification criteria are objectively gender neutral. To explain this, other factors come into play. For example, in the collective agreement there are not only pay groups but also pay levels according to the level of employees' experience on the job. In group E5, you stay in the same job and receive a pay increase after three and six years as you gain more experience during this time and the activities performed gain in value. In the upper pay groups from E6 (i.e. minimum of 3 years of vocational training) there is an entry level into which you are initially grouped, then another 3 levels after two, four and six years. The original reasoning for this is that an additional level of efficiency is achieved by doing the job for longer. This means that it is of higher quality and therefore more valuable, which is why the pay is higher. The problem then regularly arises that when a couple has a child, it is most often the woman who takes all (or a large part of the) parental leave. Full time parental leave is not counted as a year of work within the meaning of the collective agreement because no professional experience is gained during the period of parental leave (as the BAVC explained in more detail). As the IGBCE stated, a woman who follows the traditional role model then actually has disadvantages in the pay system: Full time parental leave postpones the entrance into the higher pay level for a year. If a woman takes full-time parental leave twice, she is two years behind her colleagues.

According to the IGBCE, another issue is the collectively agreed annual benefit. According to the collective agreement, to receive the yearly extra payment it is required that an employee has actually performed work in the current year. The employee receives the extra payment on a pro rata basis depending on how many months he or she has actually worked in the respective year. So if predominantly women go on parental leave, predominantly women also miss the entitlement to a collectively agreed annual benefit. The BAVC added that the purpose of the benefit is to provide compensation for work performed as well as an incentive to continue the employment relationship. According to the IGBCE, this also contributes to the gender pay gap. However, the union points out that the problem can also be regarded from another perspective: There are employees (men or women) who have not taken parental leave and who actually performed the work and gained professional experience. In both cases, it would be a question of perspective: Is this gender discrimination because it is predominantly women who take parental leave, or is it a neutral regulation in which work performance is measured in a gender-neutral manner and in which gender discrimination would disappear if both sexes took parental leave in equal proportions? According to the IGBCE, an equal distribution of parental leave between the sexes is desirable. The main factor would be the social traditional patterns which shape male and female roles and behaviour. According to the union, the question is whether to overcome gender disparities the collective agreement should be adapted with exceptional rules (which might cause new problems) or whether an attempt could be made to change the underlying social patterns. In this regard, IGBCE and BAVC have concluded a number of social partner agreements, for example the 2016 agreement “Working and living in balance” (see above) with which social partners endeavour to open up traditional role models and support new role models in favour of gender equality. In the agreement, the social partners proclaim that they “support the company parties in implementing a diversity-oriented personnel policy with advice, practical guides, checklists and practical examples and organize the exchange of experiences”. (BAVC and IGBCE, 2016).

## **Main conclusions regarding the practical implementation**

According to the social partners, the jointly developed pay system in the BETV works well and gender disparities are not a major issue. Nevertheless, when there are revisions, the parties take equal pay and gender equality into account. This is also assured by the fact that in the meantime gender equality and women's representation in the responsible committees and bodies is ensured via statutes and quotas on the IGBCE side. From the perspective of the IGBCE and the different sectors in which the union represents the workers, the chemical industry is the model sector and other sectors are following suit. For example, a nationwide collective agreement was concluded in the paper industry last year with the BETV as a blueprint in the background. Also, when a company collective agreement is negotiated in a company in the chemical industry the system of the BETV is usually in the background.

The IGBCE reports that there are other equality issues in collective agreements which partly touch also on gender issues. There have been cases before the Federal Labour Court and the European Court of Justice on the topics of reduced working hours in old age and overtime bonuses. The framework collective agreement (*Manteltarifvertrag*) in the chemical industry stipulates that after the age of 57, the collectively agreed weekly working hours are reduced from 37.5 to 35 hours. If you previously only worked 36 hours, the working hours are reduced by one hour, and if you worked 34 hours, they are not reduced at all. Employees reducing their working time according to this rule,

received full wage compensation. The original idea was that older employees over 57 could no longer be expected to work longer hours. According to the IGBCE, the ECJ has decided differently: Part-time employees are also entitled to a proportional reduction in working hours as they get older, which lead to a change in the general collective agreement.

The IGBCE further reports that a similar issue exists with overtime bonuses if the regular weekly working hours of 37.5 hours are exceeded. Current court decisions indicate that part-time employees can also receive overtime bonuses if they work longer than the contractual time - for example 37.5 hours instead of the contractually agreed 32.5 hours. However, people who work full-time would now complain why they do not receive equal pay for working in the same job with the same hours. This also affects gender equality because - depending on the industry - it is usually mostly women who work part-time.

Finally, according to the IGBCE representative, equal pay for equivalent activities across different sectors is a goal that is unlikely to be achieved on a larger scale. The reason for this is that there are objectively equivalent jobs in different sectors covered by the IGBCE, but it would be the economic situations of the sectors which would largely determine the possible wage levels. This means that a commercial employee in the chemical industry is paid more than her colleague in the shoe industry and less than a commercial employee in the pharmaceutical industry (all sectors covered by IGBCE collective bargaining). This is why equal pay can only ever be achieved within one industry.

## Portugal: Footwear, components, bags and gloves industry

### Background info on the case

The Footwear sector collective labour agreement (*Contrato Coletivo de Trabalho*, CCT) covered 1,638 companies and 35,054 employees, of which 21,761 women and 13,293 men (Vidal, 2012b). This data refers to in 2009, the last year for which information was available when the study under analysis was conducted by FESETE - Federation of Textile, Wool, Clothing, Footwear and Leather Workers' Unions of Portugal (*Federação dos Sindicatos dos Trabalhadores Têxteis, Lanifícios, Vestuário, Calçado e Peles de Portugal*).

Following the application of a methodology for assessing the value of work without gender bias, with the participation of the sector trade union federation and employer association, the Footwear, components, bags and gloves sector collective labour agreement published in 2017 enshrines a restructuring of the pay scale that guarantees the same basic pay for all professional categories of 3rd, 2nd and 1st grade production, eliminating the professional and pay discrimination against women in the sector ([Contrato coletivo 2017](#), CCT 2017). According to the results of the study, we are dealing with female-dominated professional categories that are among the seven professional categories with the highest scores (and therefore should be valued higher) and which occupy levels VII and VIII of the pay scale respectively, below the male-dominated categories that obtained lower scores but are positioned at higher pay levels, level V and level VI. That is the reason why FESETE claims that there was discrimination. Some additional numbers are included below.

The collective agreement (CCT) was signed between APICCAPS - Portuguese Association of Footwear, Components, Leather Goods and Related Products Manufacturers (*Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos*) and FESETE.

The Footwear sector collective labour agreement was globally renewed in 2022 ([Contrato coletivo 2022](#), CCT 2022). FESETE realised from their work in the companies and with the workers that the sector, like others which used to be male-dominated, had become female-dominated over the years. They also realised that the hierarchical categories at the top of the scale (better paid) were mostly filled by men and that the categories at the bottom of the scale were mostly filled by women (lower paid). “Although we had this view that we might be dealing with situations of pay discrimination between men and women, we lacked an empirical analysis to help us back up their assertion.”

FESETE and APICCAPS, in the context of sectoral collective bargaining, sought to mitigate the situations of pay discrimination identified. The Commission for Equality in Labour and Employment (*Comissão para a Igualdade no Trabalho e no Emprego*, CITE) was also involved in the process as an external tripartite body that monitors legislation and regulations promoting equality in the workplace.

### How the work of equal value principle was implemented in practice

The definition of work of equal value was understood by FESETE and APICCAPS as “work which, although different in content, has the same value and should therefore be paid the same”.

This process was discussed, since 2005-2006, within the framework of sectoral collective bargaining, as a project to be undertaken between the two social partners. In due course, FESETE applied to the Technical Assistance Operational Programme - European Social Fund (QREN) to carry out the study and “invited APICCAPS, which promptly accepted the invitation, to join the partnership”. They also

decided to involve CITE, as an organisation with specific competences in the matter. The study was developed in the period 2010-2012.

On a more practical level, it is worth noting that through trade union contacts, the project team was able to make contact with companies and workers in the Footwear sector *“who were always open to receiving us”. “No resistance or concern was felt throughout the process, from the theoretical conception to the application of the data collection instruments or during the production of the conclusions.”*

From the outset, the aim was to evaluate the jobs in the footwear sector to ascertain and correct, through collective bargaining, possible injustices and discrimination in pay scales, by analysing the functional content of the professional categories and assessing their value to establish a comparison of the positioning of the professional categories on the pay scale.

Specific objectives were also defined:

1. Deepen knowledge of the functional content of professional categories by analysing the qualifications, responsibilities, efforts and working conditions associated with them.
2. Evaluate the impact on the functional content of professional categories of the introduction of new technologies in the production process, organisational changes and changes in competition patterns and new market demands.
3. Using the point method, construct job evaluation indicators that make it possible to compare the positioning of the different professional categories on the pay scale.
4. To ascertain possible pay discrepancies between professional categories and, if detected, to make the case to the social partners for the need to update the pay scales present in the current CCT in order to reinforce the objective of equality.
5. Evaluate possible pay discrepancies between male-dominated and female-dominated professional categories.
6. Develop an instrument that allows the social partners to negotiate and adopt a fairer and more equitable pay scale, reducing the existing disparity between men and women in pay for equal work or work of equal value.
7. Valuing the social representation of the occupations.
8. Contributing to greater objectivity in human resources management and work organisation processes, insofar as it makes it possible to gain a more in-depth understanding of each job and the skills required to perform it. *“In this way, companies will now have a wealth of systematised information that will enable them to respond objectively and transparently to the different needs of the human resources management process (recruitment and selection, performance evaluation, identification of vocational training needs) and reorganisation of work in terms of safety, hygiene and health at work.”*

The International Labour Organisation's methodology for job evaluation without gender bias (Chicha, 2008) was used; this was previously adapted to the Portuguese case and implemented in the Restaurants and Beverage sector (CGTP-IN, 2008). That methodology is concerned to develop a neutral job evaluation tool which, regardless of whether it was filled out by men or women, allowed the functional content of the work carried out by a worker to be evaluated regardless of their sex. The application of this methodology allows for “a diagnosis of the situation, leading to a conclusion about whether or not a pay gap exists between jobs of equal value. (...) The goal of a job evaluation method is to assess, based on common criteria, the characteristics of the jobs within an enterprise in

order to establish their relative value. In terms of pay equity, more specifically, such a method makes it possible to ensure that female-dominated jobs and male-dominated jobs of equal value are subject to the same pay". (Chicha, 2008)

The scores defined for each of the points under evaluation were set taking into account the criteria defined by the methodology so that there would be no temptation to try to value qualifications more closely linked to the work done by women or men.

The data collection instrument was therefore designed to analyse the characteristics of the work carried out in four factors: qualifications, responsibility, effort and working conditions.

The work carried out was structured according to the following sequence of procedures:

A. Selection of the jobs to be compared

A.1 Identification of the professional categories to be compared

A.2 Characterisation of the professional categories: average monthly pay and determination of gender predominance

B. Construction of the job evaluation method

B.1 Conducting exploratory interviews

B.2 Defining the sample

B.3 Selection of factors and sub-factors (and definition of the respective number of levels)

B.4 Constructing the survey

C. Drawing up and validating the weighting grid for the factors and sub-factors: assigning points to jobs

D. Data collection: application of the survey

E. Analysing the data and determining the value of the professional categories: calculating the total points for each job; establishing point intervals - categories with a number of points in the same point interval have equal value and should be paid the same.

More details on how the process was set up:

The CCT for the footwear sector had 39 professional categories registered for the production area only, involving 26,743 employees, i.e. 76.3% of all employees covered by the CCT. "Given the time available to carry out the work, it was impossible to assess all 39 professional categories." It was therefore decided to assess the professional categories that covered more than 1% of all employees in the production area.

Nineteen professional categories were selected, including 25,328 employees, representing 72.3% of all the employees covered by the footwear collective labour agreement and 94.7% of the workers in the production area. These professional categories were included in different levels in the pay scale, from level III to level IX. Nine out of these 19 categories were female-dominated; one category was gender neutral - Assistant Assembly Operator 3<sup>rd</sup>; and the remainder were male-dominated.

In the preparation stage, a review was carried out of the functional content of each of the professional categories included in the CCT; and, based on the definition of the tasks included in the CCT, union leaders and employers were consulted to find out what competences, operations, equipment were used and under what conditions the activity of each of the professional categories

was carried out. Each indicator that resulted from this work was categorised into one of the factors being assessed and detailed in sub-factors that were incorporated into the data collection instrument. The tables below (collated from Vidal, 2012b, our translation) illustrate how the methodology was applied in practice.

Table 12: Grid of factors, sub-factors and number of levels (B3, in the sequence of procedures above)

Factors	Sub-factors	Number of levels
Qualifications	Educational qualifications	5
	Professional experience and/or training in the job	4
	Information and communication technologies	3
	Communication	4
	Teamwork	2
	Manual skills	4
	Body agility	3
	Speed of execution	3
	Work content	4
	Problem solving	3
	Adapting to change	3
Responsibility	Safety of other people	5
	Equipment maintenance	4
	Quality check	3
	Supervision	3
	Documents	3
	Consequences of errors	4
Effort	Body positions	5
	Repetitive movements	5
	Lifting and carrying weights	5
	Postures	4
	Work rhythms	5
	Motor coordination	2
	Visual effort	3
	Attention	4
Working conditions – occupational hazards	Noise	4
	Lighting	4
	Thermal environment	4



	Vibrations	4
	Vapours, gases, fibres, dust and/or toxic products	4
	Exposure to occupational hazards	4

Table 13: Weighting grid for the factors and sub-factors (C, in the sequence of procedures above)

Factors	Sub-factors	Points
Qualifications	Educational qualifications	30
	Professional experience and/or training in the job	36
	Information and communication technologies	25
	Communication	28
	Teamwork	20
	Manual skills	34
	Body agility	23
	Speed of execution	29
	Work content	30
	Problem solving	28
	Adapting to change	27
	<b>Total</b>	310
Responsibility	Safety of other people	45
	Equipment maintenance	40
	Quality check	40
	Supervision	35
	Documents	35
	Consequences of errors	55
	<b>Total</b>	250
Effort	Body positions	30
	Repetitive movements	35
	Lifting and carrying weights	30
	Postures	30
	Work rhythms	30
	Motor coordination	35
	Visual effort	30
	Attention	30

	<b>Total</b>	250
Working conditions – occupational hazards	Noise	28
	Lighting	28
	Thermal environment	28
	Vibrations	28
	Vapours, gases, fibres, dust and/or toxic products	28
	Exposure to occupational hazards	50
	<b>Total</b>	190

Table 14: Determining the value of the professional categories – calculating the total points for each job ( $E_j$  in the sequence of procedures above)

Categories	Factors				Total
	Qualifications	Responsibility	Effort	Working conditions	
Modeller 1st	214,20	151,64	115,86	43,30	525,00
Finishing Operator 1st	171,73	81,94	175,07	82,90	511,64
Finishing Operator 2nd	215,15	116,85	146,14	113,90	592,04
Finishing Operator 3rd	179,66	51,25	147,37	127,10	505,38
Auxiliary Assembly Operator 1st	185,72	101,05	196,50	118,83	602,11
Auxiliary Assembly Operator 2nd	157,52	57,68	178,75	113,40	507,35
Auxiliary Assembly Operator 3rd	191,92	52,75	173,44	81,00	499,11
Cutting Operator 1st	238,10	126,75	179,46	56,41	600,73
Cutting Operator 2nd	222,64	113,04	143,00	99,92	578,60
Cutting Operator 3rd	151,12	77,60	150,75	119,64	499,11
Component Machine Operator 1st	198,88	79,75	115,50	105,34	499,47
Component Machine Operator 2nd	160,64	65,00	175,60	135,50	536,74
Assembly Operator 1st	200,58	107,41	172,25	84,77	565,01
Assembly Operator 2nd	227,44	97,12	191,39	137,40	653,35
Assembly Operator 3rd	184,62	88,56	160,63	100,98	534,78
Sewing Operator 1st	219,73	108,28	154,19	93,60	575,80
Sewing Operator 2nd	212,28	97,30	167,50	112,30	589,38
Sewing Operator 3rd	190,43	88,63	148,15	102,84	530,05
Component Preparator 2nd	177,66	120,13	184,50	65,88	548,17

Table 15: Determining the value of the grouped professional categories – establishing point intervals (E, in the sequence of procedures above)

Categories	Point intervals			
	Group 1 654-614	Group 2 613-573	Group 3 572-532	Group 4 531-491
<b>Modeller</b>				<b>525,00</b>
Modeller 1st				525,00
<b>Finishing Operator</b>				<b>528.29</b>
Finishing Operator 1st				511,64
Finishing Operator 2nd		592,04		
Finishing Operator 3rd				505,38
<b>Auxiliary Assembly Operator</b>			<b>555.61</b>	
Auxiliary Assembly Operator 1st		602,11		
Auxiliary Assembly Operator 2nd				507,35
Auxiliary Assembly Operator 3rd				499,11
<b>Cutting Operator</b>		<b>578.66</b>		
Cutting Operator 1st		600,73		
Cutting Operator 2nd		578,60		
Cutting Operator 3 <sup>rd</sup>				499,11
<b>Component Machine Operator</b>				<b>523.76</b>
Component Machine Operator 1st				499,47
Component Machine Operator 2 <sup>nd</sup>			536,74	
<b>Assembly Operator</b>		<b>602.06</b>		
Assembly Operator 1st			565,01	
Assembly Operator 2nd	653,35			
Assembly Operator 3 <sup>rd</sup>				534,78
<b>Sewing Operator</b>		<b>581.94</b>		
Sewing Operator 1st		575,80		
Sewing Operator 2nd		589,38		
Sewing Operator 3rd				530,05
<b>Component Preparator</b>			<b>548,17</b>	
Component Preparator 2nd			548,17	

According to the participants in the group interview, “the exploratory interviews have allowed to give great security to the work”. Furthermore, “the rules and procedures suggested by the methodology are very clear and rigorous in order to avoid situations of gender bias throughout the job evaluation process”. There was also “a concern to design all the work and data collection instruments adopting inclusive and non-discriminatory language”.

As mentioned above, “one of the main aims of this work was to assess whether the female-dominated categories at the bottom of the pay scale were being valued correctly or whether this distribution on the pay scale still reflected past pay scales in which women were clearly discriminated against and where there was even a separate pay scale for the tasks performed by women in the footwear sector”.

Therefore, the focus was on assessing which professional categories were male-dominated and female-dominated and, based on this record, in the case of male-dominated categories the questionnaire was applied to male workers and in the case of female-dominated categories it was applied to female workers.

The work was followed up by CITE, the organisation with specific powers in this area, which supported the technical team.

Given the number of categories selected for evaluation, and for the sample to be representative of the sector, the sample consisted of 129 workers from the districts with the greatest weight in employment at national level (Aveiro, Braga and Porto, which represent 94.3% of the total number of employees in the footwear sector).

In terms of proportional and gender-balanced representation, the technical team was mostly made up of women; in the case of FESETE, the team was coordinated by a man; and in the case of APICCAPS, the person responsible for coordinating the study, which was also the person responsible for sectoral collective bargaining, was a woman.

FESETE took care of the bibliographical collection and theoretical construction, but during this process they also listened to trade union leaders, workers and business owners in the Footwear sector so that they could understand the functional content and break down each of the professional categories to be assessed, as well as the companies’ expectations and needs with regard to workers’ skills.

The team members attended a training session given by CITE on gender equality in the labour market. The ILO methodology for job evaluation free from gender bias was also covered by this training. On the other hand, the study developed by CGTP-IN in the Restaurants and Beverages sector (CGTP-IN, 2008) gave further support to the technical team.

In the data collection phase, contacts were made with workers through the network of trade unionists in the Footwear sector and with companies to allow the technical team to enter their premises and apply the data collection instruments (survey). It was not easy for the technical team to carry out all the questionnaires in the time available (given the implementation timetable of the funded project). This was a face-to-face questionnaire by interview, in most cases applied outside of working hours.

Finally, the conclusions were drawn up by the team that conducted the study (made up of members of FESETE and APICCAPS). These conclusions were then sent to CITE for validation.

“The conclusions of the empirical work analysing the functional content of professional categories and pay showed that the hierarchical distribution of categories was clearly discriminating against female-dominated categories, demonstrating that these categories should be positioned at a higher level of the pay scale.”

## **Main results of the implementation of work of equal value**

The initial analysis of the statistical data on employment and pay in the Footwear sector made available by the Ministry of Labour (GEP/MSSS – currently GEP/MTSSS, based on *Quadros de Pessoal*) showed that, in 2009, the basic pay (*remuneração média mensal base*) was €510.06 for women and €642.45 for men; and the total pay (*remuneração média mensal ganho*) was €568.43 for women and €728.76 for men. Furthermore, this initial analysis revealed that the female-dominated categories were concentrated in the pay levels VII, VIII and IX, to which corresponded lower salaries in the sector pay scale. Among the 19 categories selected for study, all seven that occupy the higher levels in the pay scale were male-dominated. (Vidal, 2012b)

Since the information on the characteristics of the workers was all collected on the basis of the data gathered from the *Quadros de Pessoal* provided by the companies and processed by the GEP/MSSS, and these data did not include information either on workers with very short contract durations or on piecemeal or flat-rate workers, those groups of workers were not specifically considered for evaluation.

An analysis of the wages of the professional categories selected for evaluation, taking into account the gender dimension, exposed that there was a situation of pay inequality between men and women in the same professional category, in 2012. Therefore, as the participants in the group interview stressed, “the issue was not just one of devaluing jobs simply because they are mostly performed by women, as it could be seen that men were better paid than women when performing the same jobs. This finding was valid for the Footwear Industry average as well as for the majority of the 19 categories studied, revealing the persistence of stereotypes and prejudices in companies' pay practices with a clear devaluation of women's work.”

The clearest cases of pay discrimination of women were found in the categories of Assembly Assistant Operator 1<sup>st</sup>, Finishing Operator 2<sup>nd</sup>, Sewing Operator 2<sup>nd</sup> and Sewing Operator 1<sup>st</sup>. These are female-dominated professional categories that are in the group of seven professional categories with the highest scores (and which should therefore be more valued) and which occupy levels VII and VIII of the pay scale respectively, below the male-dominated categories that obtained lower scores but are positioned at higher pay levels, level V and level VI. The study also identified pay discrimination in male-dominated categories, such as or Assembly Operator 2<sup>nd</sup>. It was concluded that there is a devaluation of the Assembly Operator 2<sup>nd</sup> professional category, since this category obtained the best score of the categories analysed, but when they evaluated its position on the pay scale it is placed at level VI and with a basic wage below other categories, which are also predominantly male and which obtained a lower score in this evaluation.

The gender differences in pay for the professional categories mentioned above are included in the following table (collated from Vidal, 2012b, our translation):

Table 16: Gender differences in pay for professional categories

Professional categories	Men's average basic monthly pay	Women's average basic monthly pay
Assembly Assistant Operator 1 <sup>st</sup>	€522.21	€490.14
Finishing Operator 2 <sup>nd</sup>	€473.98	€456.51
Sewing Operator 2 <sup>nd</sup>	€472.42	€457.42
Sewing Operator 1 <sup>st</sup>	€491.03	€480.74
Assembly Operator 2 <sup>nd</sup>	€519.43	€509.10

As identified during the group interview, “after a period, between 2012 and 2014, when collective bargaining was blocked [in Portugal], FESETE sought, through informal dialogue with the technical team and management of APICCAPS, to address the situations of gender pay discrimination that resulted from the application of the CCT and the urgent need to change the professional frameworks and wages of female-dominated production occupations”. In May 2016, FESETE and APICCAPS discussed a proposal to restructure the professional categories and pay scales in the production area. “In informal dialogue with APICCAPS, the latter pointed out that eliminating discrimination would absorb a significant part of the pay bill available for annual negotiation, and FESETE expressed its willingness for sectoral collective bargaining to channel the increases in the pay bill available during negotiation towards restoring equality at work.”

“After three formal annual negotiations, 2015-2017, FESETE and APICCAPS managed to progressively eliminate the professional and pay discrimination that resulted from previous collective bargaining practices that did not respect the principle of equal pay for work of equal value, through sectoral collective bargaining.”

As pointed out above, the Footwear, components, bags and gloves sector collective labour agreement published in 2017 enshrined a restructuring of the pay scale that guarantees the same basic pay for all professional categories of 3rd, 2nd and 1st grade production, eliminating the professional and pay discrimination against women in the sector (CCT 2017). This CCT was subject to a global renewal in 2022 (CCT 2022).

As a result, “women workers in the Footwear sector had level rises in the pay scale and wage increases above the CCT average”: the 2017 collective agreement provided for an average 3.45% increase in the pay bill for the sector, but this was not distributed equally - in fact, the female-dominated categories had an average increase of 5.3%.

According to the participants in the group interview, “there was no resistance on the part of the employers to applying the new pay scale”. APICCAPS also sensitised companies in this regard. “This was a goal we achieved.”

In the view of FESETE, “it would now be important to make an evaluation on whether the problem has been eliminated or whether remnants of professional and pay discrimination against women remain”.

It is worth mentioning that FESETE had promoted other studies on job evaluation and pay in collective agreements in the Textile (Lemos, 2011) and the Woollen (Vidal, 2012a) sectors, in

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process

partnership with the respective employers' associations. These studies applied, in each of these sectors, the ILO methodology for assessing the value of work without gender bias identified above.

More recently, since 2020, FESETE developed a similar study in the Clothing and Leather industries, also in partnership with the sector employer association (FESETE, 2022).

## **Main conclusions regarding the practical implementation**

At the outset of the process, “a first resistance to be overcome was the recognition that there was professional and pay discrimination against women in the footwear sector collective agreement, even within the FESETE Board” (at the time composed mostly by men). These doubts on the presence of discrimination were also expressed by APICCAPS. Finally, an agreement was achieved on the need to develop a study to assess if there was discrimination, or not.

A key point in the process identified by the participants in the group interview was the fact that they managed “to involve the social partners, trade unions and employers' organisations in the partnership”, and that they had “the support of CITE throughout the implementation of the project”.

When the study started, “there was consensus from the beginning on the definitions and methods to be used”, and both FESETE and APICCAPS were “committed to the process”. The government in office also valued the work that was developed.

“The whole process went smoothly, not least because FESETE had already had a similar experience in the Textile sector” (Lemos, 2011).

The development of this study contributed to strengthening FESETE's activity in the field of combating gender discrimination, through collective bargaining. The dissemination of the results also enhanced awareness among trade union leaders, employers and workers on inequalities between women and men.

More specifically, “the study had a clearly positive effect, as it allowed to identify situations of discrimination in the pay scale for the Footwear sector and to promote professional categories, almost all female-dominated, according to their real value”.

Some situations of professional and pay discrimination have thus been corrected in the Footwear sector, but, according to the participants in the group interview, “there are still unresolved situations” that FESETE hopes will be corrected in future negotiations; this would mean notably to go beyond the basic pay (*remuneração base*) and to address the gender pay gap in total pay (*remuneração ganho*), in particular in the higher levels of the pay scale.

The methodology adopted is “very clear about the process preparation, application and evaluation”. The only factor the participants pointed out is that caution should be taken when selecting the professional categories to be evaluated. It is advisable, in their view, “to evaluate and compare professional categories that are part of the same production area”. According to FESETE's additional explanation, provided in written: “The aim of this study was to assess the categories in the production area of companies in the Footwear sector. The questionnaire focussed on the skills used to carry out these workers' tasks, the responsibilities to which they are subject, the efforts they make and the exposure to occupational risks to which they are subject. The skills that have to be evoked by a worker in the administrative area are different from those of a worker in the production area, in one case these skills most likely come from academic level learning while in the other case they come from learning in the workplace, and here a big question arises from the outset, how to

differentiate academic level learning from learning in the workplace. In terms of exposure to stress and occupational risks, there is a great divergence in the situations to which the two groups are exposed: in one case they normally work in an office at a desk, in the other they work in a warehouse at a table that is not always suited to the worker. Developing a tool that can be transversal to the different areas of a company and that assesses without bias all the situations that are inherent to the worker and the environment that surrounds the worker and the conditions that affect the performance of their work would be extremely valuable and could easily be transposed to other sectors of activity without difficulty, but it was not possible to develop it within the scope of this project.”

They also reckon that, anyhow, “the methodology is transferable to any other sector of activity, as long as the characteristics of the sector and the professional categories to be evaluated are respected”.

However, neither at national nor even European level is FESETE aware of other organisations carrying out similar studies. Except for the Norwegian trade unions, which were their partners in the project on the Clothing sector (FESETE, 2022), funded by the EEA Grants; these had made a similar study some years ago.

## **Spain: Footwear industry**

### **Background info on the case**

The National Sectoral Collective Agreement for the Footwear Industry was signed on 24 January 2023. It entered into force retroactively from 1 January 2022 and will remain valid until 31 December 2025 with automatic annual extensions unless terminated. The trade unions involved in signing the agreement were the national-level Industry Federation of Workers' Commissions (CCOO-Industria) and the Federation of Industry, Construction, and Agriculture of the General Union of Workers (UGT-FICA). On the employers' side, the Spanish Association of Footwear Component Businesses (AEC) and the Federation of Spanish Footwear Industries (FICE) were signatories. The agreement covers 100% of workers in the sector, regardless of company size, ranging from firms with a single employee to those with more than 250 employees.

The agreement was reached after several months of negotiations, which included calls for strikes and multiple demonstrations across Spain, particularly centred on demands for wage increases.

The 2023 Collective Agreement introduced a novel provision, Article 72, which focuses on equitable treatment and eliminating pay discrimination. This new article incorporates the concept of wage transparency and establishes mechanisms to ensure it, including salary records, pay audits, and a system for evaluating jobs to determine professional classification. These measures mirror those outlined in Royal Decree 902/2020 for equal pay between men and women, which aims to ensure gender pay equity.

According to the union representative interviewed and the representative of the employer's organisation, who were directly involved in the negotiation, the inclusion of this provision into the sectoral collective agreement is a response only to the legal requirements concerning the development and implementation of equality plans, as outlined in Organic Law 3/2007 for the effective equality of women and men, Royal Decree-Law 6/2019 on urgent measures to ensure equal

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treatment and opportunities between women and men in employment and occupation, Royal Decree 901/2020 regulating Equality Plans and their registration and Royal Decree 902/2020 on equal pay between women and men. In addition to compliance with national legislation, the agreement aimed to align with the recommendations and regulations of the European Commission.

The previous collective agreement (2019-2021) did contain an article related to the requirement for Equality Plans, but it did not explicitly address the principle of pay transparency or relevant control mechanisms.

The national sectoral collective agreement establishes minimum wage conditions. However, specific terms are negotiated at the company level between employers and employees.

## **How the work of equal value principle was implemented in practice**

The National Sectoral Collective Agreement for the Footwear Industry (2023) incorporates the principles, tools, and definitions regarding "work of equal value" established in current regulations on Equality Plans and other applicable legislation, such as Organic Law 3/2007, Royal Legislative Decree 2/2015, Royal Decree-Law 6/2019, Royal Decree 901/2020, and Royal Decree 902/2020.

In this context, according to Article 4 of Royal Decree 902/2020 and Article 28.1 of the Workers' Statute, the definition of "work of equal value" states that:

"A job will be considered of equal value to another when the nature of the tasks or duties effectively assigned, the educational, professional, or training conditions required for its performance, the factors strictly related to its execution, and the working conditions under which such activities are carried out are equivalent."

The evaluation must consider aspects such as difficulty, skill, responsibility, and abilities, always based on the criteria of appropriateness, thoroughness, and objectivity. This ensures that all relevant factors are assessed without bias or gender stereotypes, thus guaranteeing fair and equitable remuneration.

Regarding the inclusion of the principle of pay transparency for work of equal value (Article 72 of the 2023 National Sectoral Collective Agreement for the Footwear Industry), this replicates the current legal framework for the implementation of Equality Plans, as set out in Royal Decree 901/2020 on equality plans and Royal Decree 902/2020 on pay equality.

**Equality Plans** require information on gender-disaggregated pay, job roles, and the distribution of men and women in these roles. Consequently, the inclusion of this principle in the collective agreement negotiations was relatively straightforward, as the requirements of the Equality Plans had already mandated it. There were no disagreements between the social partners involved (trade unions and employer organisations), as it was understood that compliance with legal requirements was essential.

According to current regulations, the primary responsibility for implementing the principle of pay transparency lies with companies through Equality Plans and control instruments. The control instruments for pay transparency are pay records, pay audits, and the job evaluation system for professional classification. These instruments were established in Royal Decree 902/2020 on pay equality (Chapter III).

The characteristics of each control instrument are summarised below, based on current regulations and user manuals.

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**Pay records** are mandatory for all companies and must be maintained for a calendar year. They contain information on the average and median values of salaries, salary supplements, and non-salary payments, broken down by gender and professional categories or positions of equal value across the entire workforce. If the average or median total remuneration for employees of one gender exceeds that of the other by 25% or more, the employer is required to justify in the register that this difference is due to factors unrelated to the gender of employees. This information must be accessible to employees through their legal representatives (Articles 5 and 6 of Royal Decree 902/2020). Although the legislation does not mandate the use of a specific pay record template, in 2021, the Ministry of Labour and Social Economy, in collaboration with the Institute of Women under the Ministry of Equality, developed the Remuneration Register Tool. This tool is an Excel file model with macro programming, is available for companies to use, and includes a user guide.

The **Remuneration Registration Tool** includes effective and comparable (adjusted) remuneration data to offer a thorough insight into wage distribution within companies broken down by gender. Effective remuneration refers to the amounts employees have effectively received during the reference period, accounting for all contractual situations such as changes in job role, working hours, or contract type and disaggregated by gender, professional categories, and other applicable classification systems. These figures represent real working conditions without any adjustments. For example, if an employee earns €2,000 per month on a part-time contract at 80% of full-time, the effective amount is €2,000. On the other hand, comparable remuneration is adjusted to standardised factors such as working hours or employment duration to make salaries comparable. For instance, the €2,000 part-time salary would be normalised by multiplying it by 1.25 to reflect what the full-time equivalent salary would be, resulting in a comparable remuneration of €2,500. . This adjustment allows for a more accurate comparison of employees who do not share the same working conditions over time. The record also includes the mean and median of salaries, salary supplements, and non-salary compensations segmented by professional categories, levels, or job positions (The Remuneration Registration Tool User Guide, 2021).

The development of Equality Plans within companies requires conducting **pay audits** to ensure that the company's remuneration system complies with the principle of equal pay between men and women. The pay audit is conducted by the negotiating committee responsible for the Equality Plan, which must include representatives from both the company and employees. This committee should maintain a balanced gender composition and possess relevant training and/or experience in gender equality. Additionally, the negotiating committee may seek specialised external support and advice on workplace gender equality (Technical Guide for the Implementation of Gender-Sensitive Remuneration Audits, 2022).

**The pay audit** requires two elements: a detailed diagnosis of the company's pay situation and the creation of an action plan to address any pay disparities, as set out in Royal Decree 902/2020 and Article 72 of the Footwear Sector Collective Agreement 2023.

The diagnosis must assess various job roles within the company, both in terms of pay and promotion systems, in accordance with Article 4 of Royal Decree 902/2020 (above quoted). This analysis should include a description of the tasks and functions associated with each job, be appropriate to the sector and type of work organisation and consider additional factors that may contribute to pay disparities. It is important to note that this diagnosis differs from the previous diagnosis for the development of the equality plan; however, it must be supported by its results.

The action plan resulting from a pay audit must outline the established objectives, actions to be undertaken, a timeline for implementation, and the individuals responsible for monitoring its progress.

Although the regulations do not specify a particular procedure for evaluating job positions as required by the diagnostic process, they stipulate that any system used must comply with the criteria outlined in Article 4 of Royal Decree 902/2020. However, there is the Job Evaluation Tool, developed by the Ministry of Labour and Social Economy and the Institute for Women, under the Ministry of Equality, in collaboration with the most representative business organisations (CEOE, CEPYME) and trade unions (CCOO, UGT).

**The Job Evaluation Tool** (SVPT, Sistema de Valoración de Puestos de Trabajo) consists of an Excel file with macro programming and includes a user guide. The tool (SVPT) aims to assess positions within an organisation, eliminating gender bias and ensuring pay equity.

A summary of the Job Evaluation Tool procedure, as outlined in the 2022 User Guide, is presented below:

The evaluation process is built upon the categories of evaluation factors, including factors and sub-factors, levels, the weighting of these factors, and the final job scores. These categories, in line with Article 28.1 of the Workers' Statute and Article 4.2 of Royal Decree 902/2020, include the nature of the functions performed (the core content of the employment relationship), educational requirements (formal qualifications relevant to the role), professional and training conditions (including experience and non-formal training), and working conditions and other performance-related factors.

The factors and sub-factors of evaluation break down these categories as follows:

**A. Nature of functions or tasks:** This includes factors such as versatility, physical and mental effort, emotional demands, responsibility (both organisational and functional), and autonomy.

For example, versatility assesses the ability to alternate between varied tasks, while mental effort measures the duration and frequency of mentally demanding tasks.

**B. Educational requirements:** This assesses the minimum level of formal education required for a role.

**C. Professional and training conditions:** This includes knowledge, skills, and experience required for the role, as well as social skills and aptitudes.

**D. Working conditions and performance-related factors:** This includes physical and psychosocial risks, as well as organisational conditions that impact work-life balance, such as work schedules and travel.

Each factor and sub-factor (except "other") are rated using a predetermined scale, which measures the intensity with which these factors apply to each role. This scale ranges from "level zero" (indicating the factor is irrelevant to the role) to higher levels reflecting greater complexity or demand. For instance, physical effort may be rated from level 1 (low) to level 5 (high), depending on the frequency and intensity of physical tasks.

The levels for each factor and subfactor are established in the job evaluation guide, for example for the emotional effort subfactor there are 3 levels of intensity (weak, moderate, strong) and 3 levels of

frequency (from time to time, normally, always or almost always). Additionally, the guide includes cautionary texts with slight advice so that the evaluation takes into account gender biases. For example: *“Remember that professions with a high presence of women, such as social worker, social educator or customer service manager, have implicit emotional tensions. Contact with disadvantaged and particularly vulnerable groups (abuse, poverty, illness...), or negotiating with the public, can lead to disrespectful or aggressive situations, resulting in greater anxiety and tension.”* (Job Evaluation Tool User Guide, 2022, page 12)

The tool assigns automatic weighting to each factor and sub-factor, based on 100 points, ensuring balance between minimum and maximum levels. (See

Table 17: Weighting of factors for more details). Once the roles are evaluated by selecting levels for each factor, the tool calculates a total score and groups roles of equal value according to current labour regulations.

The results of the pay audit (diagnosis and action plan) are used to develop Equality Plans. In practice, however, these documents are rarely included in the Equality Plan itself, with the details of the analysis being generated and retained internally by each company. Typically, the publicly available Equality Plan only includes the actions to be taken as a result of the diagnosis and pay audit.

## Main results of the implementation of work of equal value

While social partners view the principle of pay equity as well-established in the sector, and no complaints regarding pay inequalities have been reported at the level of the joint committee of the collective agreement, it is acknowledged that, in practice, pay transparency remains a relatively new and complex issue. Sector-level social partner representatives are considered to have limited direct understanding and knowledge of this matter.

Transparency and objectivity are fundamental in job assessments, and regular audits to identify and address any pay inequalities within organisational structures. **However, information on the implementation of pay registries and pay audits within companies in the sector is not publicly available, as these documents remain private.**

Despite legislative efforts and the provisions of collective agreements, the gender pay gap persists as a significant challenge. Many companies lack full transparency regarding salary scales and the criteria used to determine pay. This opacity complicates employees' ability to understand pay disparities and hinders the detection and correction of discriminatory practices.

While equal treatment is a stated goal, the absence of robust monitoring and control mechanisms often results in incomplete implementation of equality measures. Furthermore, the lack of regular salary audits impedes the identification of potential pay disparities.

As previously mentioned, the implementation of the "work of equal value" principle is carried out through company Equality Plans. Since it was not possible to directly contact any company in the sector, an analysis of the Equality Plans of the companies Antonio Morón Blas S.L. and PIKOKAIZEN is presented below to identify the main measures related to pay transparency and job classification included by these companies. These companies were already identified as the most relevant in the sector in the national representativeness study. Equality Plans are available in the [Register and deposit of collective agreements, collective labour agreements, and Equality Plans](#).

**Antonio Morón Blas S.L.** is one of the most prominent companies in the footwear manufacturing sector in terms of both turnover and workforce, with approximately 72 employees. In 2021, it ranked second in sales within the sector. Additionally, its Equality Plan is the most detailed among those analysed, providing extensive information.

The company's Equality Plan covers the period from 2022 to 2026 and was developed by the Negotiating Committee, which comprises equal representation from both employees and company representatives. At the time, the committee members had no prior training or experience in workplace equality. However, they were supported by an external consultancy specialising in this area. It is also mentioned that during the negotiation of the plan, the company did not consult the joint committee of the collective agreement, and any disputes were resolved through dialogue and consensus, although the specific nature of the disputes was not detailed.

The Equality Plan includes both the Diagnostic Report (prepared prior to the Plan) and the Pay Audit Report. However, certain details within these sections have been omitted, preventing the identification of specific examples. Key measures related to pay transparency are found in the sections addressing recruitment, remuneration, promotion, and job classification.

### ***Diagnostic Report Conclusions***

The Diagnostic Report notes that the company uses a tool or procedure to conduct the diagnosis for the Equality Plan, the specific tool mentioned is the SVPT. Surveys were conducted among all employees, workers' representatives, and management through questionnaires with the assistance of an external consulting firm.

### ***Workforce and Job Classification***

The diagnostic conclusions reveal a predominantly male workforce, with women representing only 17%. The higher male presence is particularly evident in manufacturing roles, while the gender imbalance is less pronounced in administrative positions. The high share of male workers is attributed to prevailing societal norms. The company has implemented the Equality Plan to address this imbalance. The data further reveals that gender disparities become more pronounced with increases in age, position, educational attainment, and level of responsibility. Furthermore, a higher proportion of women are found in temporary and part-time employment arrangements.

The report further states that the company's professional classification is based on the sector's collective agreement, and there is no clear definition of the various job roles within the company. Job profiles are based on role requirements, necessary training, and responsibilities. In addition, the document reports that there is no indication of gender stereotypes or sexist assumptions in job descriptions and no evidence of overqualification for either gender in professional classifications.

When the diagnosis was made, the organisation lacked a comprehensive database that separated information by gender, employment contract, job role, or professional group.

### ***Promotion***

The diagnostic states that the collective agreement outlines promotion criteria, including changes in professional groups or responsibilities. Promotion decisions consider seniority, training, and suitability for new roles and final decisions are made by department heads, HR, and management. The company does not have career development plans or professional pathways, and there is no current method for assessing promoted personnel. Vacancies are offered internally, before they are opened to external candidates. The organisation lacks specific initiatives to encourage female

representation in leadership positions. While both genders occupy mid-level managerial roles (22% women and 78% men), the highest-ranking positions are exclusively held by males. The document indicates that the underrepresentation of women in management stems from the overall gender disparity in the workforce, rather than particular obstacles hindering women's career progression. Nevertheless, certain positions necessitate full-time commitment, which may impact women's prospects for advancement.

The report indicated that the company does not have a hierarchical structure with multiple levels (tall structure) or many employees at each level (wide structure). Consequently, promotion opportunities have been limited and have not occurred in recent years. Nevertheless, the company plans to introduce measures to ensure that future promotions are free of gender bias.

### *Remuneration*

The main gender gap identified in the Equality plan is related to remuneration in two occupational groups with a gender composition of 50% men and 50% women. The report highlights a gender gap of 62% pay difference. The difference was between purchasing managers and sales managers; however, the difference is due to commissions received in the sales section that are not attributable to gender. Other differences between men and women were found, largely due to men having more seniority, which entitles them to higher pay for seniority-related benefits. It is also noted that the starting salary for new hires is determined by the collective agreement's pay tables as well as pay increases. The diagnosis concludes that there is no significant gender pay gap when comparing similar roles, and that the main disparities are related to seniority bonuses and job conditions, where men tend to earn more. Unfortunately, the company's report does not include any further details on this. However, it may be related to the fact that manufacturing jobs are predominantly made up of men and these positions have wage supplements for risks. However, pay equity is observed across various professional categories, from lower-to higher-level roles.

### **Pay Audit Report**

The company's Equality Plan includes a pay audit report. This audit assessed the company's pay structure based on data from the pay register and job evaluation system to determine jobs of equal value. The audit utilised the Gender-Sensitive Job Evaluation System and included qualitative analysis, which was incorporated into the diagnostic conclusions regarding pay and promotion. These documents are not publicly available. However, the plan includes an action plan to address pay inequalities, with specific objectives, actions, timelines, and responsibilities for implementation and monitoring.

Summary of the objectives and measures from the Pay Audit:

1. Support for Shared Responsibilities: Complementary pay measures will be introduced, such as salary advances for employees in cases of force majeure, with priority given to victims of gender-based violence. This will be implemented by company management by 7 March 2022.
2. Pay Transparency and Objectivity:
  - A clear and objective pay policy will be implemented to ensure a transparent and discrimination-free salary system by 31 December 2023.
  - Criteria for salary increases will be clearly defined, and the company's pay structure will be outlined, detailing all included concepts and eligibility criteria, with deadlines of 31 December 2022 and 1 January 2023, respectively.

3. Pay Equity: Continuous monitoring of the gender pay gap will be conducted, identifying its causes and using the professional classification system as a reference. This measure will be in place throughout the duration of the plan, with a deadline of 31 December 2022.

4. Awareness of the Gender Pay Gap: A campaign to raise awareness of the gender pay gap will be launched, featuring materials such as videos and posters. The campaign will conclude by 31 July 2022.

**The II Equality Plan of PIKOKAIZEN**, covering the period from 2023 to 2027, was also analysed. PIKOKAIZEN employs 211 workers, 55% of whom are women. The senior management comprises a single male individual, whilst 78% of the middle management roles are occupied by men (despite this group having only nine employees in total). The majority of female staff are found in other positions within the organisation. As mandated by regulations, the Equality Plan was developed through discussions with a negotiating committee, which had an equal number of representatives from both the company and its employees. Unlike Antonio Morón Blas S.L., the plan specifies that the members of the negotiating committee have training and/or experience in gender equality in the workplace. Furthermore, the company received external consultancy support. It is also noted that any disputes arising in the agreement were resolved without involving the joint sectoral committee of the national collective agreement.

The areas negotiated, and for which measures will be adopted, include selection and recruitment processes, job classification, training, the responsible exercise of work-life balance rights, and remuneration.

The PIKOKAIZEN Equality Plan does not include the Diagnostic Report or the Pay Audit Report, although it states that these were prepared in 2022 and that the plan's actions are based on their findings. The plan includes the following actions:

*Selection and Recruitment:* A selection criterion prioritising the underrepresented gender will be implemented to achieve a balanced representation at different levels of the company. This ensures that the final shortlists of candidates will include a higher proportion of people from the underrepresented gender.

*Training:* Various training actions will be implemented. These include training area managers on gender equality in selection processes to ensure interviews and evaluations align with equality principles. A campaign will also be launched to raise awareness among all employees about the importance of adhering to the company's equality policy and preventing gender discrimination. Additionally, employees will be informed about the protocol for preventing sexual and gender-based harassment, and gender parity will be promoted in cross-cutting training, ensuring women receive opportunities to develop into higher-level positions.

*Job Classification:* Job descriptions will be updated annually to remove any sexist language and to reflect any changes in job requirements. The job evaluation system will also be reviewed to ensure adherence to the principle of equality in professional classification.

*Work-Life Balance:* Talks will be organised on the importance of work-life balance and shared family responsibilities, alongside surveys to assess employees' needs regarding work-life balance measures such as teleworking and flexible hours. These actions aim to improve the balance between work and family life and promote an equitable distribution of family responsibilities.

*Remuneration:* Objective indicators will be established for salary supplements, including variable components related to work quality and quantity. This measure aims to ensure pay equality, not only for identical jobs but also for jobs of equal value, by ensuring that remuneration criteria are clear and neutral.

Additionally, **the Equality Plan of the company Manufacturas Newman, SLU** has been reviewed. However, the published document only includes the agreement minutes concerning the approval of the company's pay register and salary audit. The minutes state that the company is in the process of registering and filing the Equality Plan, as it was still in the process of finalising the Pay Register and Salary Audit. It is also noted that the company entrusted the Salary Audit to an external firm and the equality officer. No further information is provided in the minutes.

The analysis of **the Equality Plan of the Pikolinos Intercontinental S.A.** Company is not included, given that the company's activity is the trade and export of footwear and leather and travel goods, and therefore is not covered by the National Sectoral Collective Agreement for the Footwear Industry.

From the analysed Equality Plans, it can be concluded that the companies are in the early stages of applying the "work of equal value" principle. Both companies acknowledge the need to implement changes in their pay policies, as well as in their recruitment, promotion, and job classification systems, to avoid gender imbalances.

These issues were previously addressed with EF before the case study was submitted. We were only able to secure a single interview with a union representative involved in sectoral collective agreement negotiations. Despite numerous attempts, including a recent effort last week, we have not received the questionnaire from the employers' representative who agreed to participate in writing only.

Nevertheless, these interviews are not expected to provide information about pay transparency implementation, as this is primarily handled at the company level through Equality plans. Indeed, the pay transparency provision in the sector-level agreement merely replicates the legislation. Moreover, sector-level representatives lack insight into how job evaluations or pay audits are being implemented within companies. This includes also the professional classification system set in the sectoral agreement, which was established in 2002 and has remained unchanged since. That is why the case study broadened the list of potential interviewees to include company representatives and other union officials involved in Equality plan negotiations. As an alternative, given the lack of response from these people, we have supplied detailed information on job-evaluation tools designed by social partners and the Ministry of employment and related measures in Equality Plans of relevant companies within the sector. These plans do not disclose information on the methodologies used to implement the principle of equal pay for work of equal value, but only the measures adopted as a result of the assessment of the situation.

## **Main conclusions regarding the practical implementation**

The practical implementation of the principle of pay transparency is closely tied to companies' Equality Plans. However, the regulations and tools for generating these plans are relatively new. Additionally, interviews highlighted the difficulty of monitoring the application of pay transparency in small companies not required to have Equality Plans (those with fewer than 50 employees) or in companies without union representation.



The sectoral collective agreement is perceived as a framework for reinforcing compliance with national legislation. However, the practical application of pay equity principles is largely the responsibility of individual companies. Consequently, the effectiveness of implementing these principles is contingent on prevailing legislative requirements and the internal policies of each organisation.

This reliance on company-level implementation leads to significant variability in how pay equity is addressed across the sector. It also complicates the identification of concrete examples of job evaluation practices. At the collective agreement level, only severe cases—such as formal complaints or issues escalated beyond a company's internal remit—tend to be documented.

Nonetheless, the Joint Committee responsible for the collective agreement has not reported any specific cases or concerns related to pay equity or wage discrimination within the sector.

The study identified technical guides and tools for conducting pay registers, job evaluations, and pay audits at the company level<sup>5</sup>. These documents, published by the Ministry of Labour and the main national social partners, provide a comprehensive overview of the methodologies that can be employed in Equality Plans for companies in the footwear sector. Additionally, the employers' representative mentioned these tools (pay registers, job evaluations, and pay audits) and their criteria as the main methods for eliminating potential gender discrimination. However, these resources are also relatively recent.

The Equality Plans analysed required external consultancy for their development, which could pose a limitation for companies with fewer financial resources.

The importance of the trade union providing continuous training and support to company delegates in implementing Equality Plans and salary transparency within companies is emphasized. Regular meetings are also crucial to assess progress and address specific issues, with particular attention given to the proper classification of workers into their corresponding categories. Although no significant discrimination issues have been reported, the union closely monitors the situation and is prepared to intervene through the Joint Committee if necessary.

Currently, the trade union has requested that job descriptions in the collective agreement be updated to reflect the actual roles within companies, given technological changes and the multi-skilling required. It is worth noting that the current professional classification system was established in the 2002 National Sectoral Collective Agreement<sup>6</sup>. However, this is a more sensitive issue for employer organisations because specialised roles with higher qualifications and responsibilities often require salary revisions.

According to the employer representative, several advances, challenges, and lessons learned can be highlighted in the practical implementation of the principle of pay equity.

Among the advances, the clarity of pay policies has improved significantly. In many companies within the footwear sector, pay scales and working conditions have become more accessible to employees. Additionally, regular pay audits are increasingly recognised as a crucial tool for identifying unjustified pay gaps and implementing corrective measures. Many companies have found that conducting these

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<sup>5</sup> These guides and tools, along with additional resources, are available at [www.igualdadnlaempresa.es](http://www.igualdadnlaempresa.es)

<sup>6</sup> ANNEX III.1. National Sectoral Collective Agreement of Footwear Industry 2002.

audits not only ensures compliance with the national sectoral collective agreement but also helps prevent wage discrimination. The use of objective criteria, such as point-based systems for job evaluations, has facilitated the fair and transparent allocation of salaries. Flexible working policies, which support work-life balance, have been effective in addressing indirect discrimination, particularly regarding maternity or caregiving responsibilities. Companies that adopt such practices report enhanced gender equality in opportunities. A clear commitment from senior management remains one of the most decisive factors in advancing pay equity, as companies that successfully implement changes often benefit from strong leadership that sets an example and establishes tangible goals.

Among the challenges, cultural resistance to sharing salary information, particularly in traditional and hierarchically structured workplaces, remains a significant barrier to achieving full transparency. Historical inequalities, such as the gender pay gap, persist despite legislative and contractual efforts to address them, often proving difficult to eliminate quickly. Employers face challenges in adjusting salaries to rectify these disparities without creating economic strain or internal discord. Furthermore, many organisations lack a systematic or consistent approach to job evaluations, leading to arbitrary or misaligned pay decisions. Without adequate training to evaluate roles based on equal value or to apply pay scales correctly, disparities may continue unaddressed.

Among the lessons learned, companies that have made significant progress in achieving pay equity have implemented clear and transparent salary policies. These include developing equality plans, establishing remuneration evaluation committees, and ensuring transparency in the criteria for salaries and promotions. Training and awareness programs on gender equality and non-discrimination have proven essential. Companies introducing such initiatives for both managers and employees have observed meaningful cultural changes that promote fair treatment. Topics such as unconscious bias and objective job evaluations have shown particular impact. Revising job classification criteria to eliminate biases that undervalue roles predominantly occupied by women or historically marginalised groups have been especially effective.

Table 17: Weighting of factors

CATEGORY	WEIGHT (%)	GROUP	WEIGHT WITHIN CATEGORY (%)	FACTOR	WEIGHT WITHIN GROUP (%)	SUB-FACTOR	WEIGHT WITHIN FACTOR (%)
A) NATURE OF FUNCTIONS OR TASKS	40	POLIVALENCE	30	<b>A.1) POLYVALENCE OR BROAD DEFINITION OF OBLIGATIONS</b>			
				TOTAL	100		
		EFFORTS	24	<b>A.2) PHYSICAL EFFORT</b>	30	A.2.1) Continuous standing and forced postures	20
						A.2.2) Repetitive movements	20
						A.2.3) Visual effort	20
						A.2.4) Hearing effort	20
						A.2.5) Other types of physical exertion	20
						TOTAL	100
				<b>A.3) MENTAL EFFORT</b>	35		
				<b>A.4) EMOTIONAL EFFORT</b>	35		
				TOTAL A2+A3+A4	100		
A) NATURE OF FUNCTIONS OR TASKS	40	RESPONSIBILITY AND AUTONOMY	41	<b>A.5) RESPONSIBILITY FOR ORGANISATION, COORDINATION AND SUPERVISION</b>	30	A.5.1) Organisational and coordinating responsibility	50
						A.5.2) Supervisory responsibility for results and quality	50
						TOTAL	100
				<b>A.6) FUNCTIONAL RESPONSIBILITIES</b>	35	A.6.1) Responsibility for people's well-being.	40
						A.6.2) Financial liability	25
						A.6.3) Responsibility for confidential information	35
						TOTAL	100
				<b>A.7) AUTONOMY</b>	35		100
				TOTAL A5+A6+A7	100		
		OTHER	5	<b>A.8) OTHER</b>			
		TOTAL A	100				

The practical implementation of the work of equal value principle: Case studies.

CATEGORY	WEIGHT (%)	GROUP	WEIGHT WITHIN CATEGORY (%)	FACTOR	WEIGHT WITHIN GROUP (%)	SUB-FACTOR	WEIGHT WITHIN FACTOR (%)
B) EDUCATIONAL CONDITIONS	20	FORMAL EDUCATION	100	<b>B.1) FORMAL EDUCATION</b>			100
		TOTAL B	100			TOTAL	100
C) PROFESSIONAL AND TRAINING CONDITIONS	25	KNOWLEDGE AND UNDERSTANDING	45	<b>C.1) KNOWLEDGE AND UNDERSTANDING</b>	100	C.1.1) Procedures, materials, equipment and machines	15
						C.1.2) Digital competences	15
						C.1.3) Diversity management	10
						C.1.4) Knowledge or proficiency in a foreign language	17,5
						C.1.5) Non-formal training	17,5
						C.1.6) Experience	10
						C.1.7) Updating knowledge	15
				TOTAL C1	100	TOTAL	100
C) PROFESSIONAL AND TRAINING CONDITIONS	25	SOCIAL SKILLS AND ABILITIES	50	<b>C.2) SKILLS</b>	50	C.2.1) Dexterity	25
						C.2.2) Thoroughness	25
						C.2.3) Sensory skills	25
						C.2.4) Ability to come up with ideas and solutions	25
						TOTAL	100
				<b>C.3) SOCIAL SKILLS</b>	50	C.3.1) Communication skills	35
						C.3.2) Emotional capacity	30
						C.3.3) Conflict resolution skills	35
						TOTAL	100
				TOTAL C2+C3	100		
		OTHER	5	<b>C.4) OTHER</b>			
		TOTAL C	100				

**Disclaimer:** This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.

The practical implementation of the work of equal value principle: Case studies.

CATEGORY	WEIGHT (%)	GROUP	WEIGHT WITHIN CATEGORY (%)	FACTOR	WEIGHT WITHIN GROUP (%)	SUB-FACTOR	WEIGHT WITHIN FACTOR (%)	
D) WORKING CONDITIONS AND STRICTLY PERFORMANCE-RELATED FACTORS	15	ENVIRONMENT	60	D.1) ENVIRONMENT		D.1.1) Physical conditions	50	
						D.1.2) Psychosocial conditions	50	
							TOTAL	100
		ORGANISATIONAL CONDITIONS	35	D.2) ORGANISATIONAL CONDITIONS		D.2.1) Timetables, breaks and holidays	50	
						D.2.2) Journeys and travel	50	
							TOTAL	100
		OTHER	5	D.3) OTHER				
		TOTAL D	100					
TOTAL A+B+C+D	100							

Source: Job Evaluation Tool User Guide, 2022

## Company cases

### Czechia: Phillip Morris ČR

#### Background info on the case

Philip Morris ČR a.s. is an affiliate of Philip Morris International Inc. (PMI). It spearheads the transformation of the nicotine industry by providing adult smokers who would otherwise continue to smoke or use nicotine with innovative smoke-free alternatives that reduce or have the potential to reduce risk compared to smoking tobacco. Philip Morris ČR a.s. is listed on the Prague Stock Exchange (*Burza cenných papírů Praha*) and holds a 99% interest in Philip Morris Slovakia s.r.o., registered in the Slovak Republic. Philip Morris ČR a.s. runs the production plant in Kutná Hora, which has a tradition of more than two hundred years of tobacco processing. Today, the plant is one of the most modern and efficient operations, which is as environmentally friendly as possible.

In the Czech Republic and Slovakia, PMI employs more than 1,100 employees, who make a significant contribution to the company's development and transformation. For this reason, we continuously strive to further improve our inclusive and high-standard work environment.

PM ČR has a trade union, ZO NOS PPP Philip Morris ČR a.s., and a collective agreement concluded in mid-2023 for three years covering all employees in the company. Philip Morris Slovakia s.r.o. has a Works Council, but no trade union, so there is no collective agreement.

The employees of the Czech branch of PMI are among the most satisfied within the global concern. PMI conducts an employee survey several times a year, in which the satisfaction, well-being and engagement of employees, their view on remuneration, opportunities for career growth and development, satisfaction with their supervisor, with communication in the company, identification with its goals, etc. are determined. In Philip Morris ČR a.s., around 90% of employees participate in the survey. In 2022, 75% of them indicated they would recommend the company as an employer. At the same time, the average in the entire PMI was 56% of employees who would recommend the company. The proportion of employees who left the company voluntarily in 2022 was 4.3% in Philip Morris ČR a.s. and 3.6% in Philip Morris Slovakia, which is less than the average value of 4.6% in the entire PMI.

The HR manager declares that equal remuneration is the absolute basis and a natural part of their company-wide strategy of supporting an inclusive environment in which everyone has equal chances. The introduction of equal pay principles is in line with PMI's company-wide culture, based on diversity, non-discrimination and equality of working conditions, i.e. it is an initiative "*from above*". PMI's sustainability strategy contains a number of sub-strategic objectives, and the promotion of an inclusive workplace, equity and equality are among them. Access to lifelong learning for all employees, an emphasis on balanced gender and local representation within management and equal remuneration for men and women contribute to these goals. Individual branches and subsidiaries take over the strategic goals and principles formulated at the central level and adapt them to the local context.

*"But at the same time, we have in our local strategy that this is, let's say, something that differentiates us from the competition, that this is something in which we are actually a bit of a pioneer within the Czech Republic or Slovakia, so we actually have it as a kind of a key focus for us in*

*our local efforts. Plus, of course, the fact that the issue of support or parenting in general in countries such as the Czech Republic and Slovakia naturally comes into play there, because they do something with the remuneration there"* (HR interviewee)

PMI is included in the prestigious list of the Bloomberg Gender Equality Index (GEI), which, among other things, indicates that the company fights against the pay gap between men and women (Bloomberg, 2023). Top Employer and EQUAL-SALARY (EQUAL-SALARY, undated) certifications are ongoing within the entire PMI concern and Philip Morris ČR a.s. also participates in both certifications as a part of the concern.

The certification is awarded by the independent Swiss EQUAL-SALARY Foundation in cooperation with the University of Geneva and PricewaterhouseCoopers (PwC). Regarding the reasons for contacting the EQUAL-SALARY Foundation, the director of human resources of the PM ČR states that in the field of remuneration it is difficult to prove that the company rewards its employees fairly, which is one of the principles on which the company is based. Therefore, they decided to use an independent and objective assessment to verify to what extent the company really fulfils this principle. In addition, the certification increases company's attractiveness for (potential) employees.

Philip Morris Czech was one of the first Czech companies to receive the EQUAL-SALARY certification. The certification confirms an equal approach in the remuneration of men and women **in the same job positions**. In 2022, an on-site audit took place in both branches, Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o., which was a part of the PMI global recertification process. The recertification takes place every three years, a period during which it is necessary to submit a monitoring report to the auditor. The report describes the company's progress, strategies and solutions if "minor nonconformity" salary discrepancies are encountered during the regular audit.

In addition, in 2022, Philip Morris ČR a.s. received the TOP Responsible Large Company award, awarded by Business for Society, for non-financial reporting. Last but not least, the Philip Morris ČR a.s. has been a signatory of the Diversity Charter since 2019, which is a platform within which participating companies work together to develop a tolerant, inclusive and non-discriminatory work environment (PM ČR and PM Slovakia, 2023).

## How the work of equal value principle was implemented in practice

Philip Morris uses the so-called Hay methodology to assign employees to job positions and to determine their remuneration. A system of 28 pay grades is used to assess the value of different types of work, within which positions with similar value are classified based on the PMI position evaluation methodology (PMI, 2023). Hay's job evaluation method measures jobs in a gender-neutral manner by assessing:

1. the knowledge and skills required to perform the job,
2. the difficulty of the job (given by the analytical abilities needed to solve the required tasks), and
3. the degree of responsibility for the job and its effects.

Physical effort, the level of attention and stress, and the work environment are then additional factors (Patel, 2020). Each position is classified to a salary grade. Salary structures are revised once a year according to labour market developments and other external criteria. When a new job position is set up, there is a standardized process for its classification.

*"When a new position is set up, the position is actually evaluated using that methodology, it is given a grade, thus according to the salary structure it has a range within which we can move, it has a comparative that can then be assigned to it..."*

*"I call it pricing those positions. This is actually a process in itself, which is objective already because it is not even done by a superior. The local HR person writes it down, but actually there is a completely different independent person in another team who has that objectivity, because s/he is independent and appropriately competent and who evaluates the position. There, gender neutrality is given automatically, because there we are not talking about any specific person at all. That's where the role as such – the job position is really priced, regardless of who will go to that job position." (HR interviewee)*

Possible penetration of gender-stereotypical thinking in the case of job pricing is prevented by the company's strategy, which requires that, if possible, all positions in the company are gender-balanced. The company not only openly communicates this strategy, but also purposefully requires and subsequently controls it, especially within the framework of talent management or at higher positions in the company.

The company applies a gender perspective to most of its processes. As an example, the HR manager indicates the evaluation of the impact of organisational changes according to gender.

*"For instance, within the commercial and business teams - it's over 400 employees - a curve will be made as to how performance was evaluated, and that curve will also be made in terms of gender. These are some key indicators that are presented every year also to the top management of the company, who somehow discuss them, if there is a problem somewhere, if it doesn't depart somewhere." (HR interviewee)*

If any divergencies would be found, then there would be an action plan agreed with follow-up to ensure the root cause and solution to it are found.

*"Because we can tell ourselves a hundred times that we will be a meritocracy and we will be balanced, but without constantly checking to see if the reality is like that, I don't think it's possible." (HR interviewee)*

PMI international has set a goal of increasing the proportion of women in top management positions to 35% by 2025. In 2022, this proportion was 30.5%. In the Philip Morris ČR a.s., the share of women in senior positions already reached 39.2% in 2022, which exceeded expectations, and it is planned to increase it to 40% by 2025 (Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o., 2023).

The EQUAL-SALARY Foundation has precisely defined audit procedures. The audit consists of several consecutive steps. The first step is for the Foundation to obtain anonymized data, which it evaluates statistically. It monitors the remuneration of men and women in the same job positions. The employer is required to explain the cases where the difference is greater than 5% (special cases). There is a clearly defined deadline for commenting and defending the difference.

Before each reaudit, the employer must prepare a so-called Management Review. The top management of the company present to the audit team the steps they take to achieve equal pay. How they explain or solve special cases or what the company's corporate metrics are, in terms of equal treatment and equal pay.



Qualitative techniques are also part of the audit, where the audit firm itself selects employees for interviews, or as participants in focus groups.

*"It's not that we choose them to talk to a specific person, but they select a list for us and say, for example, ten people from this list. Prepare five interviews with managers, two focus groups, where there will be women and men, according to a pre-selected list again." (HR interviewee)*

## **Main results of the implementation of work of equal value**

The key "special cases" identified in the EQUAL-SALARY audit process at Philip Morris do not relate to comparisons of specific job positions, but rather to situations related to the life cycle or career progression of employees. Before the relevant measures were taken, positions where women (exceptionally men) were returning from maternity or parental leave were particularly problematic. These special cases were generally found in sales representatives/deputies. The wage drop during parental leave is characteristic of Central and Eastern European countries, where women stay at home with their children for a relatively long period of time, usually three years.

In the career break during parental leave, which mainly affects women, the salary increase for women after returning from parental leave was adjusted manually as late as 2022 and the salary increase linked to performance in active employment could not be fully taken into account. Therefore, gender-based salary discrepancies were identified in the audit process. The Philip Morris ČR a.s. responded by increasing women's salaries in the first year based on their performance having in the year when they were still in the labour force and automating the increase in subsequent years according to the average. This made pay increases for employees returning to work after parental leave transparent and predictable.

*"We had to make that manual step there. When a woman was coming back, you don't actually say, you're coming back, you're going to your position, fine, you're coming back at the same pay. But we looked at how it shifted in that department and we kind of tweaked it. But actually, based on those audits, on those 'special cases' identified, we saw that it wasn't enough and so we ended up automating it." (HR interviewee)*

*"It's objective now. We've removed the subjective nature there...It used to increase based on some decision of a particular person, a particular manager, whereas now it's basically determined as a process, and this is something that we just sort of did locally in the Czech Republic." (HR interviewee)*

Other "special cases" concern staff who have taken up junior positions but whose career progression has not been as quick as expected. Their salary was only increased based on a regular salary increase, but not in the performance component.

Pay increases over a period for specific positions are also tracked as part of the audit. Problematic situations are then, for example, when increases are given in a short period of time or not at all. These situations must also be documented and explained and defended retrospectively.

Another example where the audit resulted in a specific recommendation for change was the issue of transparency of career progression criteria. The company therefore took relevant actions, specifically setting up days for a communication campaign to ensure that employees were aware of all the processes and guidelines regarding career progression. The employee satisfaction survey then focused on this issue with increased attention. The company had to demonstrate to the auditing subject that it had focused on the issue and that employees were already familiar with the issue.

Transparency in remuneration is ensured by internal company guidelines that address both basic and flexible remuneration. The collective agreement does not go into great detail on remuneration. The company's emphasis on equal remuneration as part of the corporate culture is evident in the communication of this topic externally, for example by the symbolic placement of the EQ certified logo on the pay slip.

Philip Morris ČR a.s. also provides its employees with a range of benefits that contribute to gender equality. Much attention is paid to parents on maternity or parental leave and their return to work. Measures for parents include:

- financial compensation of up to 100% of salary when taking state maternity leave (for 18 weeks)
- Parents who do not take state maternity or parental leave can take two months of fully paid leave (applies to both men and women, parents and step-parents)
- financial compensation for nursing a child up to three years of age is available on return to work
- one-off compensation to help finance nursery school or childcare for children up to one year of age on return to work

The company has clearly defined salary grades for each position. When advertising/recruiting for a vacancy, it does not yet indicate the salary range for better orientation of applicants. The HR manager (interviewee) commented that they do not recruit based on what the candidate asks for the job, but always offer a salary according to the tariff, even if they should give more than the candidate has rated herself/himself.

## **Main conclusions regarding the practical implementation**

The company is convinced that it can only benefit from gender diversity and equal pay. For the company, inclusion, diversity and equal treatment are the so-called business imperative, and compliance with these objectives is linked to these motives:

1. Striving to have the best employees to choose from the broadest "pool" of applicants.
2. Striving to have an employee composition that mirrors that of a diverse customer base.
3. Aiming to be ahead of legislative standards and resulting obligations (esp. European Directives). The company strives to be a leader in CSR matters.
4. Striving to change things for the better not only at the corporate level but also at the societal level.

The HR manager says that it is good not to rely only on the results of audits, but to approach innovation comprehensively and create a functional infrastructure within the company that will serve to communicate problems and proposals for their solution. As an example, she cites the functional work of employee groups or inspirational employee networking groups. These groups come up with small but important suggestions. At the same time, they are often the impetus for change. The groups then systematically complement company-wide employee satisfaction surveys.

Obstacles are mostly capacity-related, but rarely it is also necessary to enforce the philosophy of diversity and equality over individuals with different opinions. This is where precise evidence and data-based reasoning helps.

*"There's always someone, like, individual who's going to say a little bit of something, but like I say, when we have data available and go to that person, I just say, look, you're giving this type of a bonus here, so explain to me why we're only giving to two women and ten men, you can do that, but explain it to me ..."* (HR interviewee)

When it comes to identifying transferable elements of the strategy to other companies, the HR manager summarizes that the key is to give the topic importance and clearly communicate what the company's goal is and what it wants to achieve.

*"Giving it that importance...that's what it's all like based on, because sometimes it's not easy, sometimes it's not popular, sometimes it's just more complicated, but when it's done, actually everybody is happy with it...clearly a big company like us can do it more easily, but even a small company can decide to take some steps. Even a small firm can just decide not to close candidate search until they have a gender balanced pool of candidates. Even a small firm can choose to look at giving annual bonuses, how they split the percentage between men and women, anyone can just do that."*

## Denmark: Refyne

### Background info on the case

Refyne, established in the fall of 2020 is a company that specializes in providing tailored, data-driven strategies in areas such as SEO, Paid Search & Social, Tracking, Web Analytics, and Conversion Rate Optimization (NACE: 731110) (Proff, 2024). They are currently 21 employees, as per their website (Refyne, 2024). Refyne's goal is to be the most competent agency in the industry, prioritizing innovative solutions and delivering measurable business results for its client's over sheer size. The company serves both scale-ups and enterprises, positioning itself as a partner for businesses aiming to optimize their digital performance (LinkedIn, 2024). Refyne has since its establishment gained tremendous media coverage due to its way of working with wage transparency, which is very uncommon in Denmark. As of today, Refyne is not required to comply with any Danish laws on pay transparency measures, other than the general laws. They are also not subject to The Consolidation Act No. 156 of 22 February 2019 (The Equal Pay Act, Section 5a), which mandates that companies with 35 or more employees must conduct pay audits to ensure gender-neutral compensation. The company representative was aware of these exemptions, but he argued that, despite not being included in the upcoming requirements, it would be unwise not to adopt these practices, as he believes they are very beneficial

### Case description

This case study focuses on Refyne's practice of wage/pay transparency (In Danish: *Lønåbenhed*). ON its website, Refyne introduced an updated section dedicated to its wage transparency policy. Previously, their website explicitly referenced the European Commission's proposed Pay Transparency Directive; however, this is no longer the case. Additionally, Refyne had developed an online tool that allows visitors to estimate their potential salary at the company by inputting three key factors: position, work location, and years of experience. This tool is also no longer available (Refyne, 2024). These three key factors are also only a small portion of how Refyne calculate wages, their system will be elaborated further below. Despite these changes, Refyne continues to feature a section on their website that outlines their approach to wage transparency, which will be explored in greater detail below. In the interview the company representative mentioned that the reference to the European Commission's proposed Pay Transparency Directive is set to come back again in the future. The interviewee said the following when talking about the directive:

*It's unambitious not to follow it. The labour market would be in a much better place today if the directive was followed. The pay gap between men and women would be reduced. There are so many things that are evidence-based in the field, some more gender-specific things have also been researched and quantified. The agenda at Refyne is broader than gender equality, but it's still an important perspective. When there is evidence that pay transparency leads to a better workplace, it makes sense to use it.*

(Company representative, 2024)

### Motivation and purpose of activity

Based on a description on the website, the motivation for the open salary practice at Refyne is driven by a commitment to accountability and responsibility. Refyne believes that transparency and

integrity are core values that shape their company culture. By practising salary transparency, the company fosters trust among colleagues, allowing employees to focus on their own development while simultaneously setting an example for the entire industry (Refyne, 2024).

Refyne has also found over the years that salary transparency serves as an inspiration for other organisations seeking to move in a healthier direction. They take pride in their role as a model for fairness and transparency in the workplace. The company openly shares salary levels for all employees internally, categorized by position, to demonstrate their commitment to these values. Salary transparency at Refyne is a practice where salary levels and bonuses are openly shared within the company at the individual level. This practice aims to secure fair pay for all employees by making all salary information, including how it is determined, accessible to everyone in the organisation. By embracing this approach, Refyne ensures that pay disparities are addressed, and every employee is compensated fairly based on clear and transparent criteria (Refyne, 2024).

In an email prior to our interview, a representative from Refyne emphasized the importance of pay transparency as a tool to ensure equal pay for equal work, regardless of the employee's background. He noted that Refyne's commitment to transparency helps reduce dissatisfaction with salaries and fosters trust in the fairness of the compensation process.

The company representative highlighted that pay transparency also serves as a safeguard against unjust salary practices, particularly in situations such as urgent recruitment. In these cases, companies may offer higher pay to a new hire to quickly fill a vacancy, which can lead to disparities where loyal employees, who have been committed to the company, are left with lower salaries than new hires. This practice, according to the interviewee, is unsustainable, and transparency allows the entire organisation to hold leadership accountable if pay practices appear misaligned. Refyne actively informs all new employees about the pay transparency policy, ensuring that everyone is aware of this principle from the outset. Further the company representative stated in the interview:

*“The primary motivation is that all employees, regardless of their position in the hierarchy, should be paid fairly for what they do. Pay can only be fair if it's relative and you can compare it to others.”*

(Refyne company representative, 2024)

In an interview with alt.dk, the company representative emphasises the importance of addressing the gender pay gap. He notes that discussions around this issue are often oversimplified, with some attributing the gap to both explainable and unexplainable factors. Citing a 2020 report from VIVE, he highlights that while the overall gender pay disparity is around 13%, the "unexplained" portion accounts for a little over 2% (VIVE, 2020). VIVE is a leading, independent research institution in Denmark. It conducts applied research on various social issues, including health, welfare, labour markets, and education. VIVE's work informs public policy and aims to improve societal well-being through evidence-based insights. It is government-funded but operates independently to ensure objective analysis. He argues that many dismiss the issue because 2% seems minor, but he stresses that this unaccounted-for difference is significant when viewed across an entire society. For him, any inequality that cannot be explained is problematic. (Alt, 2023). The author of this case study believes that Refyne's case offers insights into the “work of equal value” issue by recognizing that same roles, with different outputs can still be of equal value when considering a broader set of factors beyond direct financial contributions. Refyne's approach emphasizes that factors like social contribution, ambition, and cultural fit—though harder to quantify—are integral to an employee's value. By incorporating these into their pay structure, Refyne aims to address the nuanced value of work that

isn't immediately reflected in traditional metrics. Their system also includes diverse senior staff in evaluations to minimize bias and ensures transparency, helping to prevent the gender disparities that can arise from less inclusive approaches. While not a complete solution, Refyne's model provides valuable steps toward recognizing and compensating for different kinds of work in a more equitable manner. This is further outlined in the section main results.

The interviewee further contends that one of the most effective ways to combat this issue is through concrete examples of why an employee deserves a higher salary. He believes that implementing a robust evaluation system can help employees make stronger cases for pay increases, thereby contributing to a fairer compensation structure across genders.

Furthermore, the interviewee discusses the motivation behind Refyne's commitment to pay transparency and the advantages it offers. He highlights that one of the primary benefits of their evaluation system is the sense of security it provides employees. The evaluation system will be elaborated further below. When individuals receive a salary, they are presented with clear, concrete reasons for why they are paid that amount, allowing them to feel confident that their compensation is fair. Employees can rest assured that no one at their level is being paid more without justification. The company representative also points to research showing that pay transparency can lead to improved performance, he did not specify who conducted the research. This insight surprised him when he first encountered it, but the reasoning became clear: transparency provides employees with a clear view of the expectations and benchmarks required to advance. For example, if a recent graduate sees that a colleague is earning a higher salary due to specific skills and consistent performance, it creates a clear roadmap for the graduate to follow to reach that level (Alt, 2024). When asked why more companies have not adopted an open salary system, The interviewee explains that it is often easier for a company like Refyne, which was founded with this practice in mind, than for an existing company to implement such a system. He acknowledges that some established companies may prefer closed salary systems due to certain managerial advantages. However, he also believes that pay transparency could lead to dissatisfaction in companies that have not maintained equitable pay structures. For instance, introducing wage transparency could reveal disparities in pay among employees performing similar roles, leading to confusion and frustration. The interviewee suggests that larger companies might need to develop a multi-year plan to successfully introduce pay transparency, ensuring that they address any inequalities before implementing the system (Alt, 2023).

### **Actors involved**

The actors involved are the Managing Partner on behalf of the company Refyne. Refyne is a relatively new and small company, without a dedicated HR or Employee Relations department. For inquiries about their pay transparency initiatives and HR related measures, the managing director is the point of contact, he stated. Judging from the information gathered in the interview and the details provided on their website from the desk research, it appears that employees are not represented beyond what is already outlined. There does not seem to be a dedicated employee representative or union in place, and the existing support seems to come from management.

Day-to-day, general management supports the managing director with pay transparency activities, as elaborated further below. However, this does not require significant daily resources, and the managing director serves as the primary public face of Refyne's transparency measures.

## **How the work of equal value principle was implemented in practice**

### **Definitions and methods applied**

Refynes wage transparency system is based upon objective criteria. In an email prior to the interview, the company representative emphasized that pay transparency at Refyne is closely linked to a well-structured approach to salary determination. Transparency alone holds little value without a fair and systematic methodology for establishing wages he mentions. At Refyne, the salary-setting process is built on four key tracks. Three of these are quantifiable: professional qualifications, the ability to engage with and contribution to the company's culture, and the capacity to advance the organisation's interests beyond one's core expertise. The fourth track, however, is more subjective and difficult to quantify. It involves evaluating an employee's energy, drive, and ambition within their team. To reduce bias in this area, Refyne has established a diverse panel that represents a handful of people from various parts of the organisation. This panel consists of the company's leadership team, along with team leaders and middle managers, ensuring a broad perspective in the evaluation process. By involving these key stakeholders, Refyne aims to create a balanced and fair system for assessing employee performance and salary reviews. This panel meets to discuss and share their observations, ensuring that salary decisions are not overly influenced by just a few individuals who may lack insight into all employees. The final salary is determined based on this comprehensive evaluation across the four tracks. The four tracks will be elaborate further below.

An Analytics consultant at Refyne states in the interview with alt.dk that one of the key advantages of this framework is the clarity it provides. Employees can see how their salary is determined and why others might be earning more. For instance, if a colleague in a different position is making a higher salary, employees can understand the reasons behind it through the established framework. This transparency reduces competition and eliminates the anxiety that often accompanies salary negotiations, as there are concrete criteria to guide the discussion.

Overall, it appears that Refyne's system not only fosters fairness but also encourages continuous development by creating clear pathways for advancement based on both professional achievements and personal contributions to the workplace.

### **How the process was set up**

The process was set up as the company was founded and has therefor always been a part of the DNA. Refyne was co-founded based on a principle of transparency. The co-founders all came from an industry where it became clear that a pronounced challenge in the industry is that salary is not talked about and is something that an employer does not wish you talk openly about. It became clear that there could be big gaps in people's salary without any good explanation for the gap. So, when Refyne was created it was very important to the founders that those gaps could not exist without a comprehensive framework to explain the gap.

### **Actors involved at different stages in details**

As Refyne started they had to invent a lot of things along the way as not many companies in Denmark, if any at the time, who worked with either pay transparency or a pay structure in general. Not many actors have been systematically and thoroughly involved in the development. When starting the company Refyne reached out to two companies, firstly the Danish consulting company Analyse & Tal. Analyse & Tal operates as an employee-owned cooperative with a legal structure of an F.M.B.A, which is an Association with Limited Liability (Danish Business Authority, 2024). Their governance includes a board with both external and internal members, but ultimate decision-making

rests with the employees. This setup aligns with their belief that the company exists for all employees. The board ensures that the organisation provides the best framework for collective leadership. Every permanent employee at Analyse & Tal becomes a co-owner and partner in the business. This democratic structure means that all employees receive equal pay and share equal influence and responsibility in shaping the company. The governance model follows the principle of "one employee, one vote," (Analyse & Tal, 2024). It was never in Refyne's interest to become a democratic organisation like Analyse & Tal, and they quickly learned that there was not too much to learn from them. Refyne briefly engaged with Buffer, an American company known for its radical approach to pay transparency. However, the interaction was short-lived, as Buffer chose not to pursue further collaboration. Despite this, Buffer served as a source of inspiration for Refyne, as the interviewee noted they were one of the few examples offering practical insights into pay transparency, largely due to their high level of public exposure online. Therefore, Refyne had to invent a lot of things on their own, and there were not many actors involved. The interviewee adds that while he reviewed literature, articles, and reports on the topic, no external consultants or similar experts were involved in the process.

## **Main results of the implementation of work of equal value**

### **Main gaps identified, main changes made to the systems/ follow up actions**

Originally, Refyne worked with pay transparency but knew that it holds very little value without a solid wage formation system to back it up. Their initial wage model was divided into three parts, emphasizing professional skills, cultural fit within the company, and social contribution at work. However, this model left out one crucial element: ambition and drive. Refyne realized that while professional and social qualities are important, personal ambition and the level of effort an individual brings to the workplace can significantly impact both personal development and the company's success. This led to a reconfiguration of their wage formation system. The new model was expanded into four parts, with 50% allocated to professional skills, 25% to social and cultural fit, and the remaining 25% focused on operational contributions—such as whether an employee not only excels as a specialist but also contributes to other business areas, like sales. Ambition and drive were then integrated as an essential, albeit more subjective, component. While ambition is harder to quantify, Refyne acknowledged that a highly driven individual could have an outsized impact on the company, even if they may not be the most technically skilled employee.

Thus, by including ambition as a key factor in determining wages, Refyne aimed to capture the more intangible aspects of employee value, aligning wage increases more closely with real contributions beyond mere professional competence. The interviewee further explains that while softer values like energy and drive cannot be quantified directly, they can be contextualized and compared.

To ensure fairness in assessing these qualities, Refyne has implemented a system where salary evaluations are conducted by a broad group of senior staff as mentioned above. This group calibration process helps minimize bias and ensures that assessments are as accurate and representative as possible. However, Refyne acknowledges that this is not a perfect system, and they continually strive to improve the fairness of wage assessments as the company grows. Salary assessments are conducted by the group of senior staff, and the process includes several important safeguards to ensure fairness. For new employees, there are often many unknowns regarding their salary expectations. To address this, Refyne's onboarding process includes hiring individuals at a salary level that they have at least earned previously, with the understanding that their salary will be



reviewed after three months. In cases where the initial salary was set too low, employees are compensated for the gap after this period.

This approach ensures that salary adjustments are made upward, as reducing an employee's salary later can be highly demotivating and detrimental to morale. In situations where an employee within the assessment group requires a salary adjustment, the group conducting the evaluation becomes narrower, with the individual being removed from the process to maintain objectivity.

At Refyne, all employees, including non-managerial roles like cleaning staff, are part of the salary assessment process. While roles like bellhops/student assistants may not engage in direct development conversations, they still have visibility into the salary framework and can see if others in similar roles are earning more. The company places a strong emphasis on transparency, even in areas where direct salary negotiations may not take place.

There have been discussions about how to handle situations where an employee no longer wants to participate in the open salary process after having initially bought into it. However, employees who are unwilling to commit to the principle of salary transparency are typically screened out during the interview process, making this issue relatively rare. No employee has yet opted out of the open salary process, so for now there is no actual procedure if it is to happen. Refyne continues to evolve its approach to ensure that transparency and fairness remain central to its wage system while balancing the expectations and engagement of its employees. The interviewee adds that there are people who choose Refyne because they have the open salary, they know that based on feedback. The reason he thinks it speaks to people is that people know that they have colleagues who earn more money than them without knowing exactly what the amount is. Openness gives you the opportunity to challenge, for example, very high salaries or similar.

### **Gender neutrality of pay scales**

In terms of ensuring that the pay scales are gender-neutral, Refyne has done several things, The interviewee says. Pay transparency has been a crucial starting point. In their experience, it's usually evident when someone is more skilled than others, but to minimize bias, they have "unfolded the palette" as broadly as possible. They acknowledged that it's uncommon for men to take on responsibilities that contribute to the well-being of the office, which women often do, so these contributions have been integrated into salary considerations.

When asked about potential bias favouring men in negotiating salary increases, the interviewee explained that their system prevents this by ensuring that the number of salary discussions an employee pursue won't influence outcomes, because salary is always tied up to their framework. Additionally, they hold annual reviews where pay is discussed, ensuring everyone is included. This will be elaborated further below.

Additionally, Refyne has worked to quantify salary in detail by creating a set of criteria with seven sub-criteria. These factors include not only professional contributions but also customer satisfaction and individual drive. By ensuring a thorough and structured evaluation system, they aim to minimize subjective biases during salary reviews. Each of the seven sub-levels corresponds to specific proficiency in each area of work. During the interview, the company representative was asked to elaborate on the criteria, sub-criteria, and their respective weights. However, specific details regarding these aspects were not provided. After the interview, further attempts were made to request additional clarification, but while the interviewee responded with a journalist example, no information on the weighting was provided. Additional outreach was made following feedback, but

no response was received. The interviewee did not name each of the seven sub-criteria used but provided an example instead. The journalist example is as follows:

*For example, if evaluating a group of journalists, one track could focus on "agenda-setting op-eds." The sub-levels would then range from basic to highly advanced, such as: "I know what an op-ed is, and I have successfully written one according to standard guidelines." To "I regularly write op-eds that often shape the editorial direction of the newspaper for the following days."*

(Company representative , 2024)

This structured system aims to get a more granular and fair assessment, with employees progressing through various levels of expertise, from beginner to agenda-setter. This detailed approach helps quantify employee value more accurately.

When asked how Refyne ensures that evaluations of softer values, such as energy and drive, avoid gender bias, the interviewee explained that there is no formal, structured countermeasure against gender bias in this area. However, he emphasised that it is just one component within a much broader evaluation. The panel itself includes women, and Refyne assesses the 'whole profile' of an employee. Drive, for instance, is not narrowly defined by what might stereotypically be considered a masculine form of energy—such as aggressively pushing things forward. In Refyne's evaluations, drive can manifest in many ways, such as an employee who excels at managing social dynamics in the office, performs their tasks with perfection, and remains available for additional work without seeking power, titles, or more money. These individuals may be easy to overlook because they don't seek attention, but due to the wealth of data points and personal observations compiled, they stand out clearly in the company's evaluations. The interviewee explained, *"These are the people who get things done and are ready for more. That too, is drive."*

This broader understanding of drive, encompassing qualities beyond stereotypical masculine traits, helps Refyne avoid gender bias in evaluating the softer, intangible values that contribute to employee assessments.

Furthermore, the interviewee mentions that historically, women at Refyne have received the largest pay raises, when coming to Refyne, which could either indicate an effort to close previous pay gaps or reflect a better alignment with the company's cultural values. Overall, they have strived to remove bias from the pay-setting process as much as possible. When asked how they define gender neutral pay scales, the company representative says that they define gender-neutral pay scales by ensuring that salaries are based on objective, quantifiable criteria that apply equally to all employees, regardless of gender. This includes evaluating professional skills, cultural fit, social contributions, and ambition without bias. Their system is designed to minimize subjective judgments, making it transparent and fair, and they have a process in place to regularly review and adjust salaries based on clearly defined performance metrics. He argues that this approach ensures that pay discrepancies are addressed proactively, and that gender does not play a role in salary determination

When asked about defining equal work and work of equal value the interviewee emphasizes that defining "equal work" and "work of equal value" can be complex, especially in roles that contribute differently but bring similar overall value to a company. The interviewee said the following:

*I have lots of roles that deliver something very different. Monetarily they bring in the same value, but it's due to different factors e.g. someone who does work that's worth 30,000 DKK billable and*

*someone else who does 70,000 DKK, but they still get paid the same because of the social qualities of the person with 70,000 DKK.*

(Company representative, 2024)

He says despite the monetary difference in their direct output, both may receive equal pay if the latter's social qualities and broader contributions are deemed equally valuable. This reflects the nuanced understanding that work's worth isn't solely determined by direct financial metrics. A key challenge in maintaining fairness is ensuring that the salary process remains dynamic rather than static. If salary reviews only occur annually, it becomes difficult to address discrepancies and adjust compensation fairly based on evolving contributions and market conditions. The interviewee suggests implementing a fluid salary process, potentially including multiple reviews throughout the year, to accommodate changes and recognize ongoing contributions. Moreover, some employees may not receive immediate pay increases but can benefit from regular reviews tied to specific criteria. These reviews provide transparency on how individuals can enhance their earning potential by aligning their performance with the established criteria. This approach helps clarify the value of different contributions and encourages employees to engage in activities that benefit the company. When asked about the resources it requires, the interviewee believes that their multiple reviews and salary system do not require any more resources than those used by other companies. Their framework today operates with precision down to 100 DKK (EUR 13.4), The interviewee adds that less might do in practice.

In industries like pharmaceuticals, where hyper-specialized roles are crucial but not always directly applicable in daily operations, it can be challenging to quantify and reward the value of such specialized skills. Balancing the intrinsic worth of having such expertise "just being there" against practical output remains a complex, but necessary, aspect of ensuring fair compensation.

#### **What other follow-up actions/measures were taken to ensure pay equity?**

To promote and maintain pay equity, several follow-up measures have been systematically integrated into the appraisal process. One notable initiative involves conducting interviews with employees who have not received a salary increase within a year. These interviews are designed to assess their development and provide guidance on areas for improvement. This approach acknowledges that proficiency in new areas may require time and encourages employees to pursue growth opportunities actively. Additionally, employees have the flexibility to request meetings with their managers at any time. This open access to dialogue helps address concerns related to salary transparency. If an employee notices that a colleague earns a higher salary, they can initiate a discussion to understand how they might achieve similar compensation levels. However, the process avoids detailed comparisons between employees to prevent unhealthy competition and maintain fairness. The salary dialogue is structured to address the potential bias where men may be more inclined to request salary reviews and negotiate for higher pay. The interviewee said the following, regarding their systematized process of discussing salary.

*The salary dialogue has nothing to do with salary per se. It's a way to counteract the fact that men are more likely to ask for interviews and demand more pay. It's quantified to such an extent that for men, this fact does not lead to a higher salary.*

(Company representative, 2024)

By quantifying the process, the system tries to ensure that such tendencies do not result in disproportionate salary increases for men. This method aims to counteract bias and provide equal opportunities for salary growth based on merit rather than negotiation skills alone. In practice, the approach has led to a notable trend where women often experience the most significant salary increases according to the interviewee.

This outcome reflects the system's focus on development and fairness rather than solely on traditional notions of value. By framing salary discussions around professional growth rather than direct comparisons, the company mitigates biases and promotes equitable compensation across all employees.

## **Main conclusions regarding the practical implementation**

### **Obstacles and what was easy to implement?**

The implementation of Refyne's pay transparency and wage formation system faced both challenges and relatively straightforward successes. One of the major obstacles was determining how pay transparency would work in practice. The complexity lay in figuring out how to price intangible qualities such as culture and social contribution, which are not easily quantifiable. Additionally, integrating ambition and drive into the wage model presented challenges. While professional skills and cultural fit could be assessed through more objective means, ambition is experiential and varies greatly from individual to individual.

Another hurdle was the initial employee reactions to pay transparency. Particularly in the early stages, when wage increases were openly shared, it created a competitive environment where employees often compared themselves to one another. This could lead to feelings of inadequacy or stress, particularly for newer employees or those who felt they were falling behind in terms of development and recognition. To mitigate this, Refyne adjusted its approach by no longer publicizing wage increases, instead focusing on individual development through regular salary reviews and personal conversations about career growth. Internally, the salaries are still public, and everyone can see everyone's salary, but the individual wage increase is not announced openly but can still be seen. Specific information on how the salary display system currently function was not provided.

On the other hand, the process of job evaluation and recalibration of salary for existing employees was easier to implement. Refyne already had a solid foundation with their transparent salary system, and they were able to build on this by refining their model. The inclusion of professional skills, cultural fit, and social contribution was relatively straightforward since these factors were already part of the company's core values. Adjusting the model to include ambition was challenging but ultimately feasible, as the company adapted to using senior employees to assess drive and ambition fairly across the organisation.

Onboarding new employees into the system also proved to be a smoother process than anticipated. While it initially required some additional resources—especially in educating new hires about the wage transparency policy and how their salary would be reviewed after a few months—this has now become a routine part of their onboarding. The flexibility of the system, which allows salary reviews to happen more than once a year, has also been a success, helping both employees and managers feel that compensation is more fluid and responsive to performance and development.

In summary, while the implementation of wage transparency and the four-part wage formation system was not without its difficulties—particularly in managing expectations and measuring

subjective factors—Refyne found that many of the obstacles could be addressed through thoughtful calibration, ongoing communication, and iterative refinement of the process. The interviewee argues that their salary system doesn't take more time than other companies, aside from possibly an extra half-hour during new employee onboarding, when explaining their system and company values.

### **Stones of contention between the actors**

During the development and implementation of Refyne's pay transparency and wage formation system, there were not many points of contention among the key actors. One of the main debates revolved around the inclusion of certain intangible qualities, such as cultural and social contributions, as factors in determining salary. While professional skills were universally accepted as a critical component, the weight given to softer elements like social engagement in the workplace was a divisive issue. Some stakeholders felt that these factors were more subjective and difficult to quantify, leading to disagreements on how much influence they should have on overall compensation. The argument for including these softer elements was not fully specified by the company representative beyond the initial rationale, but it appears that the focus was on creating a comprehensive framework that accounts for a wide range of factors contributing to an employee's value. While there doesn't seem to be an explicit gender-based consideration, the inclusion of elements like office well-being and social contributions could be seen as indirectly addressing gender equity, especially given that these types of responsibilities are often more associated with women in the workplace. However, the priority seems to have been ensuring that the system remains neutral and fair in its application to all employees, regardless of gender.

Another contentious issue was the inclusion of "drive" or ambition as part of the salary model. While ambition is an important factor in employee performance, it proved challenging to define and measure. Some stakeholders questioned whether it was fair to place such a significant emphasis on something so personal and variable. The debate centered around how to assess ambition without introducing bias or favoritism, as well as whether ambition could be evaluated consistently across different employees. Additionally, the founders of Refyne themselves were not entirely aligned on the transparency model at the outset. While no one was actively opposed, two of the four founders were indifferent to the idea, while the other two were strong proponents. This split in motivation led to discussions about the extent to which the system should be implemented and how radical the transparency should be. Ultimately, the decision to fully embrace salary transparency was made.

The question on how to handle employees who were uncomfortable with the transparent salary system also sparked debate. While Refyne screens employees during interviews to ensure they are on board with the principle of open pay, concerns were raised about what to do if someone later becomes dissatisfied with the system. While no concrete solution has been found for such scenarios, this remains a topic of ongoing discussion within the company.

Finally, scaling the system as Refyne grows was another point of contention. As the company expands, ensuring that the wage formation process remains fair and transparent across different departments and locations presents new challenges. There were concerns about how to maintain consistency and fairness, particularly when certain departments may have significantly higher salaries due to differences in productivity or demand. This issue, though not yet fully resolved, is seen as a future challenge that will require careful calibration as the company continues to grow.

In summary, the stones of contention at Refyne largely revolved around balancing objectivity and subjectivity in the wage formation process and the practical challenges of scaling the system while maintaining fairness and employee satisfaction.

### **What could be done/better differently in the future?**

Looking back, Refyne acknowledges several things they would approach differently in future implementations of their pay transparency model. Initially, they treated the model as something to be embraced not just in terms of salary but as an HR-tool. Early on, they made salary increases highly visible, which inadvertently led to employees comparing themselves to their peers. This created an environment where salary comparisons became a focus, leading to potential dissatisfaction. While salary transparency remains, Refyne has since stopped publicizing salary, in such a direct manner to reduce unnecessary comparisons. Another challenge identified was the stress this model can cause for new hires. For instance, two recent graduates without prior work experience may start at the same level, but one may rise faster than the other, creating a clear visual gap between their progress. This can be difficult to accept and might cause anxiety for those who feel they are falling behind. The model requires both employees and managers to navigate sensitive conversations around performance and value, recognizing that individuals contribute differently based on their unique circumstances. Managers must be prepared to help employees manage these emotions while encouraging them to develop a mature understanding of their role and value within the company.

While this realization—that not all employees are equal in their performance—can be difficult, The interviewee believes it also encourages employees to quickly form a realistic and mature relationship with their work function. This approach helps prevent wage injustice but does require a thoughtful balance to avoid employees feeling like the world is moving ahead of them.

### **Main learning points**

The key learning point Refyne emphasizes for other organisations considering pay transparency is the importance of a gradual, "soft launch" over a period of three to five years. This slow and steady implementation allows organisations to adapt to the changes and address potential challenges, such as dealing with overpaid middle managers, without the pressure of an immediate overhaul. Many initial concerns and "headaches" tied to pay transparency tend to fade over time as organisations gradually adapt, allowing for a smoother transition. Additionally, Refyne highlights that salary transparency can become a volatile issue if it isn't paired with a well-thought-out salary formation system. Merely opening salary information without addressing the structure behind it could lead to discontent. A phased approach offers time to refine salary formation processes, aligning them with both organisational needs and forthcoming EU directives on pay transparency.

One noteworthy observation that the company representative mentions is the positive effect of pay bands, as seen in the UK, which streamline salary structures with little administrative burden. Pay bands, also referred to as salary bands or pay ranges, are structured ranges that outline the minimum and maximum salary a company is willing to pay for each role at a specific level. They define pay ranges for various job roles, serving as a framework for fair compensation based on skills, experience, and qualifications. Jobs are categorized into levels or grades, ensuring internal equity by aligning similar pay for employees within the same grade. This system also allows for variations based on seniority and performance, accommodating salary growth as employees develop their skills or excel in their roles (Figures, 2024). This suggests that while the main challenge lies in

management, adopting pay bands could simplify the process of salary transparency and reduce friction during implementation. The interviewee did not name a source of the statement regarding the positive effect of UK pay bands.

In summary, Refyne's advice to other organisations is to adopt a phased, strategic approach to pay transparency, ensuring that salary formation is addressed early and providing time to manage potential issues with overpayment or managerial resistance. Further that the salary formation has a strong and concrete guideline, to ensure that the pay scales are gender-neutral.

### **Reflections on transferability.**

The interviewee believes that the wage transparency model used by Refyne has strong potential for transferability beyond the consultancy industry, particularly in knowledge-based sectors such as public organisations, architectural firms, and other industries where value is derived from expertise rather than manual labour. This model fits well with environments where the work is easily quantifiable and tied to individual performance or measurable contributions.

However, larger organisations, especially those with multiple offices or variations in productivity across locations, may face challenges in implementation. Differences in regional performance and roles, particularly in organisations with satellite functions, would make it harder to apply a uniform pay structure that is both fair and transparent. This is especially relevant in industries like manufacturing, where value creation may not be as directly linked to the individual's measurable output as it is in knowledge work.

One of the biggest hurdles isn't necessarily in the wage formation process itself, as upcoming EU directives are likely to standardize aspects of pay transparency. The more significant challenge lies in the mindset shift required for both employees and management. Managers might find the approach difficult to adopt, as it often results in higher salaries across the board, which could strain organisational budgets. Furthermore, it introduces complexities around salary progression—employees might question why they don't see immediate pay rises, and there is a potential for discomfort when pay discrepancies become transparent. The company representative said the following in the interview

*The biggest challenge is the mindset. As a manager, this can be a significant challenge, as it will also often be more expensive for managers because the approach often leads to higher salaries. It can also be a challenge when you suddenly go from 45,000-52,000 DKK a month: What about the long period before you get the pay rise?*

(Company representative , 2024)

Despite these challenges, salary transparency according to the interviewee offers substantial benefits. It provides a fairer, more structured method for salary discussions compared to the often subjective or arbitrary nature of traditional negotiations. From a managerial perspective, it requires commitment to a different way of thinking, but research suggests that it does not have a demotivating effect. Instead, employees may see the salary information as a guide for how to improve their own earnings. In summary, while the model is transferable, its success in broader contexts will depend largely on overcoming challenges related to mindset and organisational structure, particularly in industries that don't rely as heavily on individual knowledge work.

When asked why he believes that so few companies in Denmark have adopted an open salary system, he refers to a deep-rooted cultural belief that salary is a private matter. Many employees

perceive their salary as something unique and personal, which contributes to the reluctance to adopt transparent pay models. The interviewee believes that this mentality, however, often results in individuals being paid less than their actual value, as they remain unaware of what their peers earn and what their true market worth is. For managers, there are additional reasons for hesitancy. Some may resist salary transparency for selfish reasons, fearing that it could lead to higher labour costs. There is a misconception that pay transparency will inherently push salaries up across the board, although the core issue is not about increasing costs but about ensuring fairness, the interviewee states. In fact, a transparent system can reveal situations where individuals are being overpaid for their role, which could ultimately reduce expenses. While the reluctance to embrace full salary transparency is understandable, companies don't need to implement such radical models as Refyne's right away. A softer, more gradual approach could be more feasible, such as sharing average salary ranges within departments.

The interviewee believes that even the use of salary bands—where employees can see a range for their role and understand why they are at a specific point within that range—can introduce transparency without being overwhelming. The key is to find a balance that makes employees feel fairly compensated while still being able to explain the rationale behind salary differences. This approach offers a middle ground for companies looking to enhance fairness without fully adopting an open salary system from the start.



## Lithuania: Swedbank

### Background info on the case

Swedbank in Lithuania, as a joint stock company (daughter or subsidiary company), was registered at the end of 1993<sup>7</sup> and is now operating as Swedbank group Lithuania. Swedbank group Lithuania is engaged in business and other management consultancy activities, also provides a full range of financial services in the areas of loans, payments, savings, investments and insurance (Swedbank, 2024). Currently the Swedbank group in Lithuania employs 2,855 employees.

Swedbank in its head office in Sweden and three Baltic states, including Lithuania, where it also still operating, began to tackle their persistent gender pay gap in 2014. The target was set to achieve zero pay gap for all 16,000 employees by 2017 in Sweden and by 2018 for the Baltic countries and to maintain that figure (WEPS, 2020) also a new Swedbank's plan was approved.

The new Swedbank's plan was focused on:

- putting in place a job evaluation system
- more focus on diversity
- attention to gender balance in management positions.

A job evaluation system was and remained considered one of the prerequisites for eliminating the pay gap. This new plan became a fundamental part of Swedbank's culture and operations commitment and moved from simply being a legal requirement (WEPS, 2020).

A detailed definition of every job in the organisation was developed using the Hay Job Evaluation Method, which was used to map out roles and grade jobs. It was critical to understanding what makes roles comparable to others and how equal pay can be measured. Moreover, a special budget was reserved for closing historical pay gaps in the Baltic countries (WEPS, 2020, 3p.).

As it was stated in the interview:

*"In Swedbank we use the method developed by HayGroup which is called Job Grading. Job grading is the main job evaluation system used in Swedbank. It helps to measure and compare jobs and positions and connect them to the correct salary level"* (HR Payroll professional at Swedbank).

Swedbank was also eager to commit to the UN Women's Empowerment Principles (WEPS, 2020, 5-6p.) in May 2019, hoping to show solidarity by joining a global community of like-minded companies.

During the interview phase only the importance of the Hay Job Evaluation Method was discussed (no other related measures).

We did not manage to collect information during desk research or during the interview whether the initiative came from the unions. However, as it is stated in case study of Swedbank (WEPS, 2020, 3p.) initiative:

- a) "needs to be clear that the drive comes from and is the priority of the CEO",
- b) "the bank used the Swedish legal requirement as a starting point, but decided to take it even further",

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<sup>7</sup> [https://rekvizitai.vz.lt/imone/swedbank\\_bankas/juridinis-asmuo/](https://rekvizitai.vz.lt/imone/swedbank_bankas/juridinis-asmuo/)

- c) the new plan became a fundamental part of Swedbank's culture and operations commitment, in other words to say moved from simply being a legal requirement.

Therefore, in our understanding the gender pay gap's close monitoring system in Swedbank works with a strong support from CEOs. This support practically means dedication of human and financial resources (responsible employees are appointed on a permanent basis for close and constant pay monitoring, training of managers, dedicating budgets, if necessary, to eliminate gap if appeared, etc.) and goes far more than law requires.

On the other hand, Article 140 (5) of the Labour Code of the Republic of Lithuania<sup>8</sup> requires:

- remuneration system in the workplace to be determined where the average number of employees is twenty or more and also employer have an obligation to make this system known to all employees.
- the remuneration system must specify the categories of staff members according to job title and qualifications, the forms and amounts of remuneration (minimum and maximum) for each of these categories<...>.

To conclude, the practices of Swedbank group in Lithuania, also correspond to the requirements of the Lithuanian national legislator.

#### **Actors**

The following actors are involved: CEO's, HR department, managers.

#### **Definitions and methods applied**

The Hay Job Evaluation Method is being applied which provides guidance on how to systematically evaluate the content of each job, avoiding biased thoughts on unfair or irrelevant factors that should not affect salaries. Having been defined, each job was assigned a level that reflected how much responsibility came with it. The next step was to ensure that employees doing the same type of work were receiving the same salary. This job evaluation is now updated regularly. With the Hay method implementation Swedbank moved beyond looking just at job titles towards a more comprehensive exercise which captured each job's complexity and level of responsibility (WEPS, 2020, 2p.).

This is the Hay methodology, which Swedbank builds on and integrates into its processes and policies. In simple terms, the Hay methodology creates a job structure in the organisation by defining a job level and a job family for each function. Each job place /vacancy (*in Lithuanian – darbo vieta, funkcija*) also has a job description, which describes the job functions and responsibilities. During the process they guarantee gender neutrality evaluating in each job function, its content, competences of employee, responsibility level working in each position, etc.

The evaluation is done by a special person entitled and dedicated on a monthly basis to monitor, share and discuss the results with HR business partners who are part of the HR department, i.e. the employees of the Swedbank group. These HR business/personnel partners work very closely with the business, with managers, as stated below in this report.

To sum up, the HR department is responsible for equal pay. This department tracks indices, pay gap indicators and does so on a monthly basis.

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<sup>8</sup> Labour Code of the Republic of Lithuania No XII-2603 (14 09 2016)

When pay gaps are identified, work is carried out with managers and an action plan is put in place. Before a concrete plan can be drawn up, the manager needs to explain why there are differences in certain roles, and only then it is decided what to do next. Usually, these differences are addressed through a pay review. This means that Swedbank must resolve all differences and ensure that only those differences that are justified by objective reasons are possible. But even in case of objective reasons, like when they are related to the lack of qualifications, Swedbank encourages employees to participate in different programs to diminish those differences. And in the absence of objective justification for why one gender is paid more/less than the other, salary adjustments are made.

Regarding the question what gender neutral principles Swedbank follows, information regarding the UN Women's Empowerment Principles is included here. Besides the principals, criteria are followed. However, the authors of this case study do not have a more extensive list of criteria than provided here.

Moreover, every position is evaluated based on the methodology. After the evaluation is done, the final job grade is assigned to the role, for evaluation the company also use a 'four-eye' principle, to avoid any mistakes.

The Hay method is used to structure the workplaces in Swedbank and to establish the criteria and principles for assigning a particular workplace/vacancy to a particular level, a "family". The remuneration of an employee takes into account the function employee supposed /expected to perform in a certain workplace, the remuneration level in a market, employee's competences and individual performance:

*"<...> if both employees are in job X 12, they are both doing work of equal value. With the right job structure, we can measure whether there is a pay gap between men and women working in the same job".*

Swedbank Lithuania follows the UN Women's Empowerment Principles WEPS (2020, 6 p.):

- high-level corporate leadership for gender equality;
- treat all women and men fairly at work– respect and support human rights and non-discrimination;
- ensure the health, safety and well-being of all women and men workers;
- promote education, training and professional development for women;
- implement enterprise development, supply chain and marketing practices that empower women;
- promote equality through community initiatives and advocacy;
- measure and publicly report on progress to achieve gender equality.

In determining the level and family of a job place/vacancy, it is important to look at the content of the work, it's scope and the responsibilities. More information on specific criteria (number, names, concepts) was not provided by the interviewee. When asked about the criteria and the process in more detail, the interviewee reiterated that *"these are our internal methodologies, which we do not want to share publicly. Everything is structured, each position has its own remuneration framework. Salaries are set according to the salary scales of the position. In setting salaries, we use certain criteria that are defined in our internal documents, which are available to all Swedbank employees."*

*"<...> it is all about the job place /vacancy, it is not about a person, a candidate. The level of job place /vacancy is determined by the job functions and responsibilities, and then the employee is recruited to a specific defined function, to which the level and the family are already assigned. We do not have job functions, a job that does not have its own job title. Everything is structured, each position has its own remuneration framework. Salaries are set according to the salary scales of the job place/vacancy.*

During the interview, it was stated that *"these are objective reasons why there may be differences: education, competence, skills. But then again, we don't forget the employee and we put in place an action plan on how to improve their competence, how to improve their skills, how to bring them to the same level as their colleagues"*.

Examples of differences in competences were provided during the interview: two employees work in customer service, both call themselves consultants, but one of them had a personal desire to take an additional license related to the job function, and passed an exam for a higher qualification, and therefore, is capable to perform more complex tasks, to be able to perform a job function of slightly higher competence. While his/her colleague says that he/she does not have the desire to take the additional license in question. In most cases, there can be a pay gap between such workers. It is important that all employees are aware that it is desirable in the company employees gain this additional license.

#### **How the process was set up**

First of all, it was a priority of the CEO in Sweden since 2014. All managers are involved. More than a hundred of workshops have taken place with management teams since 2014 and they include practical exercises to help people gain insights about themselves and whether bias exists in their thought processes (WEPS, 2020, 3p.).

It should be noted that Swedbank group, Lithuania approved Gender equality and diversity policy and its implementation in 2015 (STRATA, 2022, 57-60p.)<sup>9</sup> (further - Policy).

The policy aims to achieve the following objectives:

1. Elimination of unjustified pay differences between staff in the same position,
2. Ensuring gender balance in management positions by involving more female managers,
3. Developing a gender-free approach to professions,
4. Supporting workers who combine work with childcare.

1. While eliminating of unjustified pay differences between staff in the same position the following steps have been taken (STRATA, 2022, 60p.):

- a) a detailed analysis of the whole organisation and identification of job places /vacancies where the gender pay gap was unjustified was carried out. The interviewee did not provide information about any document as a legal source, stating that those documents are an administrative part and other staff members are working with them: "this is the "administrative part", where I do not want to go into because I do not administer payroll".

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<sup>9</sup> STRATA (2022). Moterų ir vyrų darbo užmokesčio atotrūkį lemiančių veiksnių vertinimas ir priemonės jiems šalinti (Assessing the factors behind the gender pay gap and measures to address them). Government Strategic Analysis Centre. 57-60 p.

- b) We believe that the strategy chosen during the interview was to share a limited information that Swedbank wanted to provide, without answering questions related to "internal methodologies", as the interviewee stated: "we don't want to share these methodologies publicly". These are the general remuneration principles that Swedbank follows in setting remuneration, and the supporting documents, i.e. the administrative procedures, are documents for which I am not "responsible".
- c) a subsequent action plan with a specific budget to bridge these gaps prepared,
- d) established salary thresholds for job places /vacancies posts, which help to set fair remuneration for everyone, whether a newcomer with fewer skills, a competent and experienced member of staff, or an expert in his or her field with a particularly important skill set,
- e) the annual salary review includes staff on parental leave. This ensures that their salaries keep pace with those of their colleagues and does not create a gap. This is because childcare often means a career break, which creates a gap in competences, experience and pay that studies show persists throughout a career. This ensures that workers' salaries keep pace with those of their peers and does not create a gap. This measure has made a strong contribution to achieving pay equity and reducing the unjustified pay gap between people in the same job to less than 1%,
- f) the absence of a pay gap is included among the objectives to be achieved by managers at different levels,
- g) assessing the pay gap has become part of the daily work, for example, when recruiting new employees or reviewing salaries in Swedbank group, Lithuania, the change in the gap indicator is monitored monthly<sup>10</sup>, (LGKT, 2024).

Every position is evaluated based on the methodology. After the evaluation is done, a final job grade is assigned to the role, for evaluation we also use the four-eye principle, in order to avoid any mistakes<sup>11</sup>.

2. To ensure gender balance in leadership positions, the target was to have at least 40% women at all levels of management, with succession planning for existing managers involving both women and men in 2017.

Swedbank group Lithuania recognises that the greater the balance in management positions, the smaller the overall pay gap will be in the long run. Among all levels of management in 2021-2022, 56% were women and 44% men<sup>12</sup>. This is the approach used for the selection process, which requires at least one woman or at least one man to be among the applicants for a given position. Swedbank group, Lithuania also provides continuous education on gender equality to its employees, emphasising that change starts with changing attitudes. Particular attention is paid to training for all levels of management (STRATA, 2022, 59p.).

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<sup>10</sup> Interview with Swedbank representative.

<sup>11</sup> Written communication with an interviewee after the interview.

<sup>12</sup> More recent information is not available as the interview was focused on the Hay methodology.

3. To develop attitudes towards professions without gender stereotypes, Swedbank group Lithuania provides employees with advice on career prospects and education on attitudes towards "male" or "female" jobs.

At the same time, managers responsible for forming and selecting teams are trained; a network of diversity mentors has been formed to organise group educational sessions on diversity and equality. They discuss stereotypes related to gender, age or cultural differences and how not to fall into the trap of "trap thinking"; various initiatives to promote equal opportunities are organised (workshops for employees, managers, seminars, roundtable discussions) (LGKT, 2024).

4. Supporting workers who combine work with childcare, enabling workers with young children to return to work earlier and to work flexibly or from home when they return. After-school activity spaces for employees' children have been set up at the Bank's head office and in larger branches. Career counselling, psychological counselling, various training sessions and help to understand the changes are offered for those returning to work after parental leave. For employees on parental leave, it helps them to feel part of the team. They are sent newsletters, invited to trainings and events (STRATA, 2022).

2019 Equal Opportunities Ombudsman's Office awarded Swedbank with the highest rating in Lithuania in the field of equal opportunities - three Equal Opportunities Wings in 2019 (Swedbank, 2019)<sup>13</sup>.

#### **Actors involved at different stages in more details**

When asked whether the Work Council of Swedbank is involved in this process, the interviewee explained that the Council is involved in the process of reviewing pay scales and monitoring information on the gender pay gap, but it is not involved in the gender pay gap monitoring/control process. Thus, in our opinion, the Hay system in Lithuania, Swedbank, operates without the active involvement and participation of employee representatives.

An integrated effort across the company's core business processes, rather than a project implemented within one department is needed in reducing the gender pay gap. Senior leaders need to be fully engaged, they must also empower the team to design and run the plan and provide the resources to make it a reality. Therefore, a dedicated team must have overall responsibility for delivering a pay gap programme and the whole organisation should feel a sense of ownership (WEPS, 2020, 5p.).

As the experts on equal pay, the bank's HR team drives work to close the pay gap and works closely with managers to make sure that fair and equal pay practices are maintained. The Compensations and Benefits team also prepares training material and runs workshops, seminars and other events to ensure that HR staff can deal with any concerns (WEPS, 2020, 2p.). The other target group for learning is managers, who are trained on both equal pay and on broader topics of gender equality and diversity.

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<sup>13</sup> Swedbank (2019) „Swedbank“ gavo aukščiausią įvertinimą už darbų lygių galimybių srityje (Swedbank received the highest rating for its work on equal opportunities), Swedbank. Available at: <https://blog.swedbank.lt/verslas-visuomene-tvarumas-swedbank/swedbank-gavo-auksciausia-ivertinima-uz-darba-lygiu-galimybiu-srityje>

Education and training for HR professionals, who were leading the drive for equal pay, was crucial to the programme's success. This allowed them to effectively support managers and competently tackle questions on equal pay from staff (WEPS, 2020, 5p.).

HR supports managers in setting the salary of new recruits in a way that does not create a pay gap. And as a final check, the bank promotes an open culture that encourages employees who feel they have been incorrectly evaluated by their manager to raise it and ask HR to intervene if necessary.

If gaps were found, immediate corrective measures were taken with the help of a special budget set aside for this purpose. Beyond 2017 a special budget is not needed, according to the interviewee (WEPS, 2020, 2p.).

## **Main results of the implementation of work of equal value**

Based on publicly available information on measures taken since 2014 the equal pay gap in Swedbank dropped from 1.7% to 0.003% in Sweden, and in total for all four countries it was approximately 0.4% in 2017 (WEPS, 2020). During the interview only the present situation in Swedbank in Lithuania was provided, not a more detailed historical perspective, as the person being interviewed works in a company for less than three years. Instead of providing information about the present gender pay gap, the interviewee stated that the tolerance limit for Swedbank in Lithuania is currently up to 1%.

Swedbank allows salary deviation when it is based on objective reasons, as *"it may not always be the case that the salary difference is zero. Sometimes it may be the case that differences may be due to objective reasons (different education, competences, experience, skills)"* (Interview with HR representative)

### **Main gaps identified, main changes made to the systems**

Main gender pay gap identified in the Baltics were found to occur when women take parental leave and miss out on annual salary increases. A regular analysis of salaries, involving those on parental leave, allowed Swedbank to control differentials that should not affect pay or benefits, making sure that discrimination cannot creep in (WEPS, 2020, 5p.; STRATA, 2022, 71p.). The main changes made are indicated in the answer to a question "How the process was set up".

### **What follow-up actions were taken to the pay system**

The HR department is responsible for equal pay. This department tracks indices, pay gap indicators and does so on a monthly basis. The tracking of the indices is the responsibility of an employee (our interviewee), who monitors the indices monthly and shares them with the HR department. These HR business/personnel partners work very closely with the business managers.

When pay gaps are identified, they work with the managers and an action plan is put in place. Before a concrete plan can be drawn up, it is necessary to have the manager's explanations as to why there is a pay gap in certain roles, before a decision on the next steps is taken. Usually, these differences are addressed through a pay review. This means that Swedbank must resolve all differences and ensure that only those that are justified by objective reasons are present. In the absence of an objective justification for paying one gender more/less than the other, pay adjustments are made.

### **What other follow-up actions/measures were taken to ensure pay equity?**

HR also works with managers throughout the annual salary review process, making sure that equal pay is considered at every step. It again provides a checkpoint, calculating the impact on equal pay if

salaries are raised as proposed by the managers. If the calculation reveals that a gap will be created, managers are asked to modify their salary review proposals (WEPS, 2020, 5p.).

During the interview it was stated that the Hay approach requires knowledge and continuous updating to keep it practical. Therefore, Swedbank organizes two types of training. One is for new managers. These are held every quarter, which means that all new managers joining the organisation are introduced to the area of remuneration. They are made aware of the remuneration policy, together with practical exercises and tasks (how to set and review the correct remuneration for employees). The HR person conducting such training provides guidance, comments on where pay is set correctly and why, and where it is set incorrectly and why.

The interviewee states that it is important for new managers to be educated and able to make the right decisions when setting pay for their employees.

All managers are given training before each annual reward review. However, this training does not include practical tasks or exercises, even though both new and experienced managers attend. This training answers questions that arise, discusses the challenges and situations that managers face, reminds them of the remuneration process, reminds them of the importance of equal pay, and also *"that during the annual pay review, managers should remember to take note of the gender pay gap and keep track of it"*.

It was emphasised during the interview that mistakes mostly occur among new managers, as they focus on one parameter, often failing to see the whole picture of the team, and when the overall context of the whole team is not appreciated, this leads to a pay gap between men and women.

*"The main mistake is that there is no rationale for the decisions, why for example in a salary review, Peter is given €300 and Mary €200. We then ask the managers why this decision [was made] and they explain that well, Peter has been working longer, but we say that Mary is performing above expectations this year and Peter is not performing up to expectations. Then managers realize that they have to look not only at seniority, gender, but also at the performance of the employee, the competence, there are a lot of components that the manager has to weigh up. So, we have a dialogue with them and if we ask the right questions, then we make them think that this really shouldn't be the case".* (Interview with HR professional).

## **Main conclusions regarding the practical implementation**

### **Obstacles and what was easy to implement?**

During the interview phase no bias, but "logic mistakes" were indicated during triaging of managers entering the company. However, some more information about obstacles were found in publicly available resources:

*"One of the obstacles were clearly the bias of managers who decide on wages and establishing performance goals to employees. One such topic is the way performance goals are set differently for women and men. A manager might, for example, set business-focused goals for a man and more value-based or teamwork-oriented goals for women. In this example, the manager may consider it unfair not to rank the man higher in his performance assessment, as he brought in a lot of business. The female employee, on the other hand, has met the goals set for her but has not brought in large business deals. The manager's bias then directly leads to a pay gap. Managers are encouraged to consider the specific needs and constraints of each employee. For example, are they consistently*



*rewarding the employee who is able to work long hours because s/he does not have caring responsibilities?" (WEPS, 2020, 3p.).*

The main challenges found in another source (WEPS, 2020, 5p.) are the following:

1. The largest challenge in the beginning was to make managers see the relevance and importance of equal pay. According to Mare Heinluht, Head of Gender Equality & Diversity, it needs to be clear that the drive comes from and is the priority of the CEO.
2. Closing the gender pay gap in four countries with different salary cultures was another challenge.
3. In the Baltic countries where larger and more widespread gender pay gaps were discovered, extra budget was needed initially.
4. When it comes to implementing the equal pay agenda at managerial level, biased thinking can be a real challenge. Deeply entrenched perceptions that discriminate against women can inform performance appraisals and a person's individual subjectivity can directly contribute to a gender pay gap. This is why Swedbank's training sessions have had a strong focus on unconscious bias.

#### **Stones of contention between the actors**

In an interview with Swedbank Lithuania, it was mentioned that *"when training new managers, there are some illogical allocations of remuneration to employees, but by asking questions and discussing, managers learn what logic to follow, for example, that not only do you need to look at seniority, but there are a lot of other parameters that need to be considered in determining remuneration. Seniority is one of the criteria laid down in the Hay methodology but is not the only one. The training helps new managers to enter and develop the right mindset so that by the time of the annual pay reviews they are ready to ensure that there is no gender pay gap"*.

#### **What could be done better/differently in future?**

No answer during the interview was provided what could be done better/differently in future.

#### **Main learning point they would give to others**

A successful equal pay programme (WEPS, 2020, 5p.):

1. needs to be visibly led by the most senior leaders,
2. requires a clear target and timeline to achieve it,
3. needs to have realistic benchmarks and midpoints on the way to reaching the goal.
4. needs specific resources to be set aside (both financial and dedicated for managers' training):
  - a. Initially, a special budget was set aside to close any historical pay gaps, particularly in the Baltics. Historical gaps were closed by 2017 and additional budget has not been required since. This was not needed beyond 2017 and now managers plan their annual salary budget to ensure that no pay gaps occur.
  - b. Both HR and senior leaders need expert training to become skilled advocates for equal pay. This enables them to demand the same from the managers reporting to them.
  - c. there also needs to be extensive training on bias, which has been the most important part of the training for managers at Swedbank.

5. close monitoring and reporting of the programme is essential. For Swedbank that meant producing reports on a regular basis and distributing to the management teams. This allows for early intervention if a gap starts to emerge.

During the interview it was stated that the HR department tracks indices, pay gap indicators and does so every month. This is the responsibility of an employee (our interviewee) in the HR department, who monitors the indicators on a monthly basis and shares them with the HR business/personal partners, who are part of the HR department – employees Swedbank in Lithuania.

When pay gaps are identified, work is carried out with managers and an action plan is put in place. Before a concrete plan can be drawn up, the manager needs to explain why there are differences in certain roles, and only then is it decided what to do next. Usually, these differences are addressed through a pay review. This means that Swedbank has to resolve all differences and ensure that only those that are justified by objective reasons are present. In the absence of objective justification for one gender being paid more/less than the other, pay adjustments are made.

### **Reflections on transferability**

No reflections on transferability were indicated during the interview. The interviewee stressed that large organisations certainly need structure, and the Hay methodology brings structure to the organisation: *„there is a job structure, job descriptions, a job map, and then it's a lot easier, it's much clearer, it's much easier to navigate, and then you can keep track of all kinds of parameters, and not only the gender pay gap, but also of the changes in the gender pay gap, of the averages, the average across the different dimensions, and in other words, "order emerges".*

*“Then you can get on with your work. Until that happens, there can be no question of there being no gender pay gap. Because, without a system, you cannot be sure whether you are comparing apples with apples, as we have said, about work of equal value. But when you have a structure and you know that employees belong to a certain function, you can compare them, you can track certain indicators that are relevant.*

It is emphasised that not all companies will be able to allocate additional funds to close the gender pay gap, but for Swedbank it was an option and a conscious decision. Prioritizing spending on closing the gap was a useful exercise in itself and demonstrated that the leadership team recognized and were serious about tackling the problem (WEPS, 2020, 3p.).

## Other cases: Support, controls and certifications

### Hungary: Non-governmental efforts to prepare for gender pay transparency requirements

#### Background info on the case

This case study presents two non-governmental organisations' efforts to provide guidance to companies soon to be subject to gender pay gap reporting and pay transparency regulations in a national environment where the government has not yet taken any steps towards implementation. It also presents insight from a company leader who has been pro-active for seven years to improve the gender balance at her tech firm, which sector is especially challenged in moving towards a gender-balanced workplace. Interviews with a trade union expert and a civil organisation expert show the results of the uphill struggle fought over the past few years to inform and educate business leaders on the importance of the subject, as preparation for compliance with the EU Directive. The company executive working hard to achieve those goals welcomes the non-governmental help, which fills a gap in the policy environment in Hungary.

The topics of pay transparency and the gender pay gap have appeared in public discourse in Hungary for several years, but awareness of the details of what is entailed as well as attitudes towards reducing the gap or introducing policy on the work of equal value principle are not yet common. Typically, the media, social players and to some extent, government actors deal with the topic around International Women's Day, March 8, when reports on the gender pay gap are published, but mainly with other countries in focus. The situation in Hungary is treated with some distance, as if the problem did not concern the country.

The publication of the EU Directive was not widely followed, and there is no official response to its requirements yet, although the Department of Labour Regulations – Section of Labour Law at the Ministry for the National Economy has been assigned to handle the tasks related to the implementation of the directive into national law. The department's officials said they are attending regular working group sessions in Brussels at the moment, which deal with the interpretation of the directive, and once a closing document is adopted there, the Hungarian team would start working on "further policy directions"<sup>14</sup>. On the back of the EU's Gender Equality Strategy 2020-2025 Hungarian companies applying for research and development grants or conducting such activities were obliged to publish their own Gender Equality Plans, which often contain basic gender balance information, for instance on job positions, so the concept of a pay gap is not completely unfamiliar.

Due to a lack of guidance from the government side, social partners and non-governmental organisations have been taking the lead on developing policy recommendations on the pay gap and transparency issue. While trade unions see the gender pay gap/transparency as closely related to wage fights in general, they are more concerned with how the gap would be calculated and whether the directive would push the government towards creating more equality in pay structures, perhaps

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<sup>14</sup> Email from a government representation working in the section of Labour Law at the Ministry for National Economy, 24 September 2024

not just in the gender aspect. An open letter<sup>15</sup> by Trade Union of Hungarian Civil Servants and Public Employees (MKKSZ) was written addressing the State Secretariat in charge of civil society and social relations at the Prime Minister's Office, asking, among three other subjects, that implementation of the pay gap directive be put on the agenda of an upcoming meeting of the forum of public-sector actors (KÉF). The government cancelled the KÉF meeting just a few hours before it was scheduled for on 25 October 2024, due to its disappointment that the trade union MKKSZ had called a press conference later in the day, saying this was a sign that the trade union "was not really interested in talking"<sup>16</sup>. Researchers have found that the biggest gender pay gap in Hungary is likely to be in the public sector, where pay grades are especially convoluted<sup>17</sup>.

## How the work of equal value principle was implemented in practice

'Equal pay for equal work' is the concept that companies are familiar with and some gender equality plans that have been drawn up in the past five years have dealt with the issue of equal pay for men and women, but no clear definition has been put forward publicly. Methodologies for assisting companies with facing the wage gap reporting requirement and new transparency rules have been developed by civil organisations and trade unions, filling the support gap in this area. The approaches of the two different types of non-governmental actors will be presented with the help of insights from the interviews in this report. Even larger companies are sometimes not strictly aware that such a principle has to be implemented or what this would involve. Three out of five large company representatives approached for an interview responded by saying that "*there is no discrimination at their company regarding pay; men and women are paid the same for the same job.*" It is an obstacle to even beginning to adopt a methodology or to train human resources personnel that companies feel the problem does not concern them.

When asked how Hungary's 15% overall gender pay gap has come about, a company representative said that either it is due to smaller companies' discriminatory practices or due to natural differences in working patterns between men and women and that the existence of some pay difference is natural<sup>18</sup>.

Elsewhere, like at our interviewee's tech firm, the HR leader has taken the initiative personally to keep the gender pay gap issue high on the agenda. This is often the case when, like here, the company has an international parent who gives guidance and elevates the importance of the topic for the Hungarian subsidiary.

Both experts interviewed talked about the general public being indifferent or even hostile to gender equality at work, supported by campaigns from top government sources which are at best unsympathetic to the goals of the equal value work drive. An example of this is a video message<sup>19</sup> widely distributed by the then minister for families, later President of Hungary, Katalin Novak, in 2020, in which she urges women to accept that they were "*born to take a larger burden and make*

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<sup>15</sup> <https://www.mkksz.org.hu/attachments/article/1247/K%C3%89F%20%C3%B6sszeh%C3%ADv%C3%A1sa.pdf>

<sup>16</sup> <https://www.szabadeuropa.hu/a/mkksz-a-sajtotajekoztato-meghivojara-sertodhetett-meg-a-kormany/33173079.html>

<sup>17</sup> [https://nepszava.hu/3222548\\_nemek-kozti-berkulonbseg-europai-unio-2026-magyarorszag](https://nepszava.hu/3222548_nemek-kozti-berkulonbseg-europai-unio-2026-magyarorszag)

<sup>18</sup> Email exchange with a candidate for interview who eventually declined.

<sup>19</sup> Novák, Katalin (2020) [Hogyan lehet sikeres egy nő?](#) [How can a woman be successful?] 14 Dec 2024.

*more sacrifices for family*” and that women should not compete with men for better jobs and better pay. The government has repeatedly responded to equal pay calls by stating that there is no pay discrimination in Hungary. At the same time there is an ongoing government aim of increasing the number of children born and reaffirming traditional family values for women (the strategy is somewhat incongruent with the parallel aim of finding an answer to an acute labour shortage). Interview partners point to the fact that the Directive and implementation of work of equal value principles come in this Hungarian context. Hungary also has very low scores in the EIGE gender equality index and has been the worst performer in the ‘power’ category, which corresponds with national surveys showing that the majority of Hungarians feel women with children should stay at home and that women leaders are inferior to men. The tech company leader interviewed also spoke about a hostile environment for women who want to build a career in Hungary. She said when designing her gender-balance policies in house, which include encouragement for women to apply for a leadership track or help for employees during and after a childcare break, it felt like “going against the tide”.

The concept of ‘work of equal value’ has been included in the Labour Code<sup>20</sup>, enacted in 2012, but the issue is widely regarded in the context of equal treatment and anti-discrimination measures, which is an obstacle to companies understanding that providing equal pay for work of equal value goes beyond merely avoiding discrimination in pay, as both non-governmental interview partners have confirmed. The Labour Code also forbids disclosure of “business secrets” that may be economically detrimental to the employer<sup>21</sup>, and while it is debated whether pay information can be subject to this prohibition, both non-governmental interview partners believe the passage has to be changed to conform to the Directive on pay transparency (Környei, 2017). The tech company leader also expressed concern about how the rules would fit into a competitive work environment. “The market governs this,” she said. Much of the pay gap, she added, comes from the fact that the market prices for work in some sectors are higher than in others. “Technical jobs will always be better paid than support,” she said. At her company, the share of women in the better-paid tech jobs is very low and it is at 16% overall in the company with 1,800 workers. This is something they want to improve, mainly by getting more women to move into leadership roles and not only in the support sectors.

## **Main results of the implementation of work of equal value**

In light of what has been discussed so far about the context and slow process towards implementation, it is more fitting to talk about the obstacles faced in the implementation of principles aimed at reducing gendered pay inequality. Theoretical and evidence-based studies have been published on the subject, which point to differences in career development for men and women (Ilyés and Lőrincz, 2022), the effects of the glass ceiling and larger wage gaps for the higher educated (Adamecz-Völgyi, 2018), the consequences of childbirth in female career paths and the resulting self-sorting into lower-paid jobs (Takács and Vincze, 2019), to name a few, as possible reasons for the pay gap. A summary of their learning points and practical guidance targeting company leaders in easy-to-understand language, however, is lacking. This gap is vowed to be filled by the NGO Amnesty International Hungary, where a policy paper targeting companies and another containing recommendations for decision-makers are forthcoming.

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<sup>20</sup> Act I/2012 on the Labour Code (2012. évi I. törvény a munka törvénykönyvéről), Section 12(1) and (3)

<sup>21</sup> Act I/2012 on the Labour Code (2012. évi I. törvény a munka törvénykönyvéről), Section 8 (1)

A gender expert at Amnesty International has been working towards helping companies move into the implementation phase for years. The expert leads the consultations and training at various levels of pay-gap awareness her organisation offers to companies that are expected to be subjected to the gender pay gap reporting requirement. Her experience is that companies are generally at a low level of awareness and only multinational companies are better prepared, as they receive instructions from the parent company. For this reason, she believes the directive should be put into a wider context of social/employee awareness, as otherwise she fears that the gender pay gap is “only about getting the right numbers into a report”. Additionally, “companies must be made invested in efforts towards gap reduction”, she said, citing the example of Austria, where it seems that companies have little interest or motivation to make real changes.

Obstacles to making changes are plenty, however, with most companies failing to understand that actual steps need to be taken to reduce the gap and these might include “taboo” topics. “There are two topics in Hungary that cause real tension if raised: unpaid domestic work and a women’s quota,” the interviewee said, shedding light on why she puts the emphasis on education on the topic. Hungarian company leaders overwhelmingly feel that a quota system would hurt the ideals of meritocracy, which is wrong in so many ways, the interviewee said. The services offered by Amnesty, ranging from an hour-long talk on gender issues to full research and analysis of the gender pay gap, urge companies to take a bottom-up approach and look at what their employees are reporting about their pay and workload situation. Such a screening may show how job sorting often hurts the gender balance in pay: that is, women get shortchanged in accessing higher-paying positions.

One member of Amnesty International’s One Step Forward Programme is Budapest Transport Company BKK. They have published a Gender Equality Plan online (BKK 2022). The Plan discusses pay equity among other non-discrimination and equal treatment pledges, in particular regarding “hiring, wages, income and fringe benefits, training and other incentives, relocation, termination and other job-related measures.” The document contains five pledges:

1. Equality during hiring and promotion (communication that avoids gender stereotypes both internally and externally, promoting women’s interest in technical jobs)
2. Work-life balance (alternative working time arrangements including home office, “mother’s shift”)
3. Gender balance in leadership – All jobs, including leadership positions are available to women and men with equal conditions.

Gender in the workforce of BKK	Employee	Leader	Total
Women	50.6%	38.0%	49.8%
Men	49.4%	62.0%	50.2%

4. Promoting action against gender-based violence and an inclusive workplace culture
5. Integration of gender dimensions in transport organisation

The tech company leader also related that when a gender pay gap was widely discussed among employees about two years ago, the issue raised fear among male employees about a women’s quota which would “give an advantage to women who were not qualified”. The HR leader said she had had bad experiences with positive discrimination in hiring in her previous job.

Job sorting is an important issue according to the trade union interview partner too. During her three-year nation-wide campaign on women's employability from 2015, she encountered many

different pay structures and occupational pay grade scales across various organisations. Although during her trainings and consultations she introduced company executives to the Hay Method of job evaluations, she said this is never strictly followed, and cited the example of the railway sector, where engine drivers are in such high esteem that they would always top the list – and the pay grade scale – as a result of company management adjusting the system to reflect company culture.

As positive examples of change, the trade union interviewee also mentioned that multinationals or large company groups were more likely to take a lead from the top. This, and the possibility of bad media coverage due to overtly unjust pay gap cases involving women at the company, gave the push to some corrections. She cited two examples where the entire pay structure was reviewed and blatant shortcomings were remedied.

Another area of confusion regarding the calculation of the pay gap at company level is how much of non-basic pay such as fringe benefits to include. The NGO employee interviewee said the Directive does not offer precise instruction in this regard. The trade union interviewee identified as one of the main challenges during her visits with HR executives that pay structures sometimes incorporate various fringe benefits such as pay elements for seniority whereas these should be clearly separated. One answer would be to centralise gender pay gap reporting, like some countries have done, and have the authorities prepare the calculations, but the NGO representative said this may lead to data gaps and the trade unionist also disliked the idea for lack of unity. At the same time unity in pay structures, at least at sectoral level, would be a much-desired prerequisite to clear gender pay gap reporting, the trade unionist said.

The company leader interviewee said they follow the lead of their international parent with a system based on the Hay Method, too. “It is a nuanced system of job classification that we would like to adopt soon,” she said. However, with regard to job classification, she again remarked that “it is very important that different job families are examined separately, as their market values are very different.”

Two events were held in November 2024 in Budapest where the gender pay gap was in focus. The first one was a roundtable hosted by the Hungarian-German Chamber of Commerce, where CEOs of multinational companies (a bank, an energy company and a telecom) talked about their experiences with the gender pay gap regulations in connection with the women on boards regulation, which was the main topic of that event. All three company leaders were confident about their positions in meeting the gender pay gap reporting requirements, while conceding that it was not known how the directive would be implemented in Hungary (the state secretary in charge of families was invited to the event, but she cancelled last minute). The other event was organised by Amnesty International, one of our interview partners, and was focused specifically on the transparency regulations. At the event, an information leaflet titled “Women at a Disadvantage on the Labour Market” was presented, with many suggestions on the pay gap (Amnesty International Hungary 2024). At this event, too, Tesco, was the company representative, as well as the head of a women leaders’ group, herself an entrepreneur. In the presentation at the event, the issue of job classifications was introduced briefly, mentioning that the Hungarian Labour Code as well as the Directive dealt with ways in which jobs can be classified to make wage comparisons at this level.

## Main conclusions regarding the practical implementation

The main obstacle to smooth implementation, as both interview partners from an NGO and trade union would agree, is **a lack of knowledge among key players**, including organisations that wish to offer support. Trade unions, for example, should have a role to play in facilitating the implementation of the Directive into company practices, by offering hands-on practical advice as well as by advocating for employees in transparency issues or gender-related wage complaints. The trade union representative also underscored the importance of word-of-mouth knowledge exchange in the field of human resources, and said it is likely that if guidance is lacking or information is conflicting, the responsible HR officers will simply “share what they know” which may lead to subjective interpretations. “The actors need to speak the same language,” she added.

A delay in government guidance and practical information such as a website or searchable database by which pay transparency is promoted poses the risk of companies adopting a wait-and-see attitude. However, as the union representative pointed out, if companies are to report in 2026, the data used for that report will be from 2025, so their pay structure should be in line with the reporting requirements already. The company leader interviewed also expressed concern about the delay in government guidance and legislation.

The main areas of labour policy affected by efforts of gendered wage gap reduction are those related to parenthood and childcare career breaks, as well as women in leadership. Regulation is lacking in both areas with work-life balance promotion currently remaining at a low level in Hungarian legislation and discussion about women quotas in leadership have yet to take a serious turn. Programmes targeting life situations which affect women’s employment, such as becoming parents, returning to the workforce after a childcare break and making conscious career development moves should also be put in place.



## Poland: EQUAL-SALARY Foundation

### Background info on the case

The EQUAL-SALARY Foundation, a non-profit organisation established in 2010 under Swiss law by social entrepreneur and equal pay advocate Véronique Goy Veenhuys, offers a certification process to verify companies' claims of providing equal pay. Veenhuys founded the certification concept in 2005, recognising the need to verify workplace pay equality independently. According to the Foundation's website, more than 80 firms have their certificates (equalsalary.org, n.a). The Foundation proposes three certifications corresponding to three degrees of granularity, examining equal pay and equal opportunities based on the following criteria: gender and ethnicity, ethnicity, and gender. As explained during the interview with one of the Foundation's representatives, the certification process ensures transparency by analysing multiple factors such as salary components, bonuses, allowances, and explanatory variables (for example, age, education, location) through a linear regression model. This method evaluates the adjusted pay gap, ensuring that any unexplained difference does not exceed 5%. The process involves data collection, salary analysis, and an onsite audit by expert partners (currently PwC auditors). Companies must comply with 16 requirements, including performance evaluation and recruitment practices, to achieve the certification, which is valid for three years. Regarding the scope of the certification process, as clarified by the Foundation's representative, companies usually reach out to them and define the scope of their certification, either at the national level or for specific legal entities. All employees with direct contact, including short-term or maternity leave, are included in the scope.

One notable Polish company that has obtained this certification is Żabka Polska, a convenience store chain founded in 1998. Żabka operates approximately 10,500 locations, by around 9,000 franchisees and serves over three million customers daily. Żabka representatives provided insights into their certification process. Regarding the actors involved in the process of certification and implementation of the equal pay policy, there are internal and external ones. Żabka mentioned that its management and the CEO were involved, as well as the HR department, which was responsible for analysing payroll data, preparing documentation and cooperating with external auditors. Żabka's employees participated in surveys and focus groups to assess perceptions of pay equality. Finally, independent auditors from the EQUAL-SALARY Foundation also reviewed Żabka's HR policies and salary data. The company highlighted that pursuing the certification was a natural extension of its organisational culture based on solid values. While the certification is not legally required, except in Switzerland, political developments like the European Pay Transparency Directive encourage companies to adopt such measures to build internal trust and ensure fairness in compensation practices, as the Foundation's representative noted.

The information presented in our study primarily comes from the interview with the EQUAL-SALARY Foundation and Żabka. Most publicly available information regarding the certification tends to have a more marketing-oriented tone rather than purely informative, which we believe is due to the nature of the certification. Companies often use the certification to showcase their commitment to equal pay, but the detailed, behind-the-scenes processes and challenges are not in publicly accessible materials.

## How the work of equal value principle was implemented in practice

The EQUAL-SALARY certification process is divided into two main phases: salary analysis (quantitative) and onsite audits (qualitative), carried out by audit partners, not the Foundation itself. During the certification process, four manuals are available to candidate organisations: one manual for general information, one for rules one for phase one, and one for phase two.<sup>22</sup>

### Salary analysis

This is the first phase of the process. External salary analysis experts assist companies in preparing the dataset and ensuring all pay elements are correctly accounted for. They also guide companies through back-and-forth questions during the data preparation but do not provide consulting services. Once the dataset is ready, the analysis identifies any unexplained salary gaps. The methodology employed is not fully equipped to address the "work of equal value" principle. The Foundation's primary focus is on identifying pay gaps through audits that determine whether men are remunerated with higher salaries than women for comparable roles. That was flagged by the authors of the study at the beginning of the process, that the principle of "work of equal value" is not explicitly analysed within the scope of their audits. Instead, the emphasis is on assessing pay differences based on observable factors such as job roles, qualifications, and experience, without delving deeply into whether different jobs that may have equal value in terms of skills, effort, and responsibilities are being paid equally.

### Data collection

Companies must provide a detailed dataset that includes all employees (whether on a fixed-term or permanent basis) who received a salary in the reference month, including those who joined or left. The database covers salary components like gross pay, bonuses, and allowances and include inactive employees on leave, those paid at varying frequencies (for example, weekly or hourly), top management, and board members with contracts. Additionally, companies choose key "exploratory variables" (for example, age, education, seniority) that affect pay determination. In cases of acquisitions, employees from acquired entities are grouped with existing staff if certification applies to the entire group. This data is used in a linear regression model to predict appropriate salaries for specific roles based on factors like education and experience. The goal is to ensure any unexplained pay gap stays below 5%, an internationally accepted standard. Once the data is uploaded to the Foundation's website, it is instantly anonymised and secured. variables like age and seniority could unintentionally reflect or even reinforce discrimination if not critically assessed. From what I understand, the regression analysis identifies relationships between variables (like age, seniority, and pay). In this study, it seems that how these variables are measured and justified is largely left to the company—such as Zabka—to decide. However, it's not clear if they reflect on whether these choices are free from bias or whether they adjust their policies to avoid reinforcing gender inequalities.

### Onsite Audit

After passing the salary analysis phase, companies move on to the second phase, the onsite audit. This phase involves auditors visiting the company and interviewing top management, line managers,

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<sup>22</sup> EQUAL-SALARY. *General information & Standard requirements*, 2\_ EQUAL-SALARY Rules, *Obligations and Procedures*, 3\_ EQUAL-SALARY Practical Guide - Salary Analyses, 4\_ EQUAL-SALARY Practical Guide - System audit.

and employees through focus groups. This allows auditors to assess the leadership's commitment to equal pay and the practical implementation of pay and opportunity policies. They also evaluate employee perceptions of fairness through focus groups and surveys. The absence of formal employee representation in the process is primarily a decision made by the Foundation to maintain objectivity and avoid potential biases. It is worth noting that employee representation, such as unions, is not as prevalent in Poland compared to some other European countries. This is especially true in private companies, where such structures are often underdeveloped.

In large companies, including ZABKA, formal employee representations may exist, but their presence is not guaranteed, particularly if the organisational culture or legal framework does not strongly support collective representation. Even where such representations do exist, their exclusion from the transparency process might be intentional to maintain the independence of the auditing process or due to a lack of established mechanisms for their involvement.

Regarding auditing practices, external audit companies are often engaged for assessments, but most firms in Poland do not have dedicated internal employees responsible for auditing pay transparency. The feedback and evaluation culture in Poland is relatively recent and has grown primarily as a result of EU funding.

### **Assessment Criteria**

The assessment focuses on three main areas: top management's commitment to equal pay, HR policies and processes related to equal opportunities, and employee feedback collected during focus groups. Based on these evaluations, a detailed report is created, which offers insights into the company's strengths and areas needing improvement.

If the company meets the requirements, it receives the **certification**, valid for three years. During this period, two smaller follow-up audits (in years two and three) are conducted to ensure continued compliance and check on improvements in any areas of concern identified during the initial audit.

The EQUAL-SALARY Foundation focuses on monitoring, advising, and evaluating pay equality within companies and organisations rather than offering ready-made solutions or methodologies. However, to be granted the certification, companies must already develop their tools and strategies to achieve gender equality in pay gender. Therefore, we asked Żabka about their methods for assessing work of equal value; they explained that each job position goes through a thorough evaluation process to understand how it contributes to business goals and the organisation.

Based on the answered questionnaire, we learnt that Żabka uses two primary methodologies for this evaluation. The first is the Korn Ferry (Hay) method, which provides a framework for objectively assessing job roles to determine their relative importance within the organisation. The second is the Mercer International Position Evaluation (IPE), a flexible point-based method that assesses jobs worldwide using five key criteria: impact, communication, innovation, knowledge, and risk.

The evaluation process looks at three groups of criteria:

1. The position impacts the company's results, including decision-making and responsibility levels.
2. The complexity of tasks and challenges involved in the role (for example, whether the solution to a problem is easily found or needs to be created).
3. The depth of knowledge, experience, and skills required to perform the tasks.

Based on this evaluation, they believed jobs are categorised into levels, with roles with similar decision-making, responsibility, and task complexity grouped.

## **Main results of the implementation of work of equal value**

One key gap identified during our interviews with the EQUAL-SALARY Foundation is that companies have the flexibility to define the scope of their certification process, which can limit its comprehensiveness. This issue is particularly evident in cases like Żabka, a convenience store chain operating across Poland. Based on our findings, Żabka's certification potentially does not extend to franchisee-operated stores, where pay inequality could be more prevalent. While we are still awaiting further clarification from Żabka regarding the scope, it is worth noting that all employees with direct contacts, including warehouse workers and those on maternity leave, were included in the process, which is a positive sign. Another identified gap is compatibility with legal requirements, which vary from one Member State to another. Therefore, the certification does not hold any legal or binding requirements.

Regarding salary gaps, the Foundation's representative highlighted that discrepancies in base salaries and performance-based bonuses often arise. Inconsistent evaluation processes and a lack of clear communication make it difficult for companies to implement effective equal pay policies.

The EQUAL-SALARY certification process includes an annual audit, with the leading audit in the first year and smaller audits in years two and three. These audits check the company's progress in addressing identified issues and provide a roadmap for further improvement. Like ISO processes, companies are recertified every three years, with follow-up to ensure ongoing compliance. Regarding the certification itself, regular audits, including annual checks conducted by researchers from the University of Geneva, help maintain its accuracy and relevance.

## **Main conclusions regarding the practical implementation**

EQUAL-SALARY Foundation explained that, in practice, companies often face challenges during the second phase of the EQUAL-SALARY certification process, emphasising the qualitative aspects of implementation. This phase ensures that gender equality policies and processes are effectively applied across all locations.

From Żabka's point of view, the certification process requires significant preparation, particularly in gathering the necessary data for audits. In Żabka's case, organising meetings with warehouse staff during the busy season posed a logistical challenge. On the other hand, Żabka highlighted several vital benefits: building trust through transparent communication and employee involvement, strengthening the company's organisational culture by fostering inclusivity and fairness, and improving business performance due to better talent management. Żabka mentioned that implementing gender equality and pay transparency policies has boosted employee morale and signalled to business partners and investors that the company values equality and non-discrimination. Their advice for other firms aiming for similar goals includes leadership involvement, transparent communication, training to prevent bias and discrimination, and regular audits of payroll data to identify and correct inequalities.

## Slovakia: Labour inspectorates' checks on equal pay

### Background info on the case

Labour inspectorates are state administrative bodies with a seat in every region in Slovakia. Labour inspectorates shall be managed by, and the activities of which shall be the responsibility of, the director of the labour Inspectorate. Labour inspection in Slovakia is governed by the National Labour Inspectorate with a seat in Košice. Labour inspectorates ensure the performance of labour inspections of employers and natural persons who are entrepreneurs and who are not employers. Labour inspections are carried out by inspectors, who identify themselves with a card. Inspectorates have regional jurisdiction within the scope of tasks established in § 7 of Act no. 125/2006 (Labour Inspection Act).

According to the Ministry of Labour, Social Affairs and Family of the Slovak Republic (undated), labour inspectorates supervise compliance with:

- labour-law regulations, for example, the Labour Code
- legal regulations governing civil servant relations
- regulations to ensure safety and health protection at work (OSH)
- regulations governing the prohibition of illegal work and illegal employment
- obligations arising from collective agreements and by complying with the employer's obligation to conclude an employment contract and pay contributions to supplementary pension savings for employees performing hazardous work

The following exhaustively defined workplaces are excluded from the general scope of labour inspection:

- Ministry of Interior of the Slovak Republic,
- the Corps of the Slovak Republic,
- Fire and Rescue Corps of the Slovak Republic,
- Ministry of Defense of the Slovak Republic,
- Slovak Armed Forces,
- Prison and Court Guard Service of the Slovak Republic,
- railway police,
- the Slovak Customs Administration (*Colná správa*),
- some protected workplaces (Ministry of Labour, Social Affairs and Family of the Slovak Republic (undated b)).

The commissioning body for the purpose of this case study was mainly the Labour Inspectorate Prešov, however, their cooperation was based on the decision of the National Labour Inspectorate that assigned them the task of answering interview questions. Answers were also reviewed by the National Labour Inspectorate. According to the Labour Inspectorate Prešov, the "basic professional information resulting from labour-law regulations" (answers) were provided in the framework of free counselling which they are authorized to provide in accordance with the provisions of § 2 par. 1 letter c) of the Act on Labour Inspection.

## How the work of equal value principle was implemented in practice

Work of equal value is defined by law and thus this definition is binding for labour inspectors. § 119a of the Slovak Labour Code stipulates that:

- (1) "Wage conditions must be agreed without any form of sex discrimination. The provision of the first sentence applies to all remuneration for work and benefits that are paid or will be paid in relation to employment according to the other provisions of this act or special regulations."
- (2) "Women and men have the right to equal wage for equal work and for work of equal value. Equal work or work of equal value is considered to be work of the same or comparable complexity, responsibility and urgency, which is carried out in the same or comparable working conditions and at producing the same or comparable capacity and results of work in employment relationship for the same employer."

According to the labour inspectorate, this means that **employees in the same positions** - performing the **same type of work** and with **the same job description** (*pracovná náplň*) - must be remunerated equally and the wage conditions must be agreed on the same regardless of the gender. However, this **only applies** if the employer does not use other objectively measurable criteria stipulated by an internal regulation and applicable to all employees regardless of gender when assessing the value of the work of employees.

The labour inspectorate states that they as inspectorates in general *"don't have the means to objectively assess the value of different work (i.e. two employees with agreed different types of work and job descriptions) in terms of its complexity, responsibility, and difficulty of the work performed"* meaning that *"Labour Inspectorates are unable to correctly assess and determine that two employees with agreed different types of work and job description perform work of the same or comparable complexity, responsibility and difficulty, and therefore are entitled to the same wage."* They added that the legislation does not offer any system (such as, for example, a point system) for evaluating work activities that would take various relevant indicators of work activities into account, on the basis of which it would be possible to objectively assess whether employees perform work of equal value or not.

- (3) "If the employer implements a system of job evaluation, the evaluation must be based on the same criteria for men and women without any sexual discrimination. In the evaluation of the work of women and men, employers may use other objectively measurable criteria in addition to those stated in Paragraph 2 if they can be implemented to all employees without regard to sex."

- (4) "Paragraphs 1 to 3 shall also apply to employees of the same sex if they carry out equal work or work of equal value (Labour Code, § 119a)."

As can be seen, the value of work is assessed mainly in the context of sex discrimination.

In general, labour inspections are based on the suggestion (*podnet*) of the employee or employee representatives who are employed by the employer, or on a notification (*oznámenie*) made by a former employee/third party, anonymous notification or notification of a public authority. Controlled entities can also be selected randomly by the labour inspectorates under some circumstances, in case their subject of activity aligns with the monitored area resulting from the plan of the main tasks of the labour inspection. Labour inspection aimed at compliance with the provisions of §119a of the Labour Code is a part of routine inspections. Since the labour inspectorates don't keep separate records of inspections conducted exclusively to comply with the

provisions of §119a of the Labour Code, the information on the number of inspections conducted in recent years is not available.

During a nationwide inspection focused on discrimination and gender equality in labour-law relations by the labour inspectorates in 2015, 157 violations of regulations were detected in 165 controlled entities. Of these violations, 39 concerned provisions governing the principles of equal treatment and equal pay. Violations concerned the obligation to agree on wage conditions without any discrimination, to provide employees with the same wage for the same work or for work of equal value, and a violation of the employer's obligation to inform employees of the provisions on the principle of equal treatment were detected most frequently. The inspection also showed the disparity in performed work: while women usually performed monotonous jobs demanding fine motor skills and concentration, or jobs requiring communication with clients and patience, men performed dynamic, highly technically demanding jobs or those that required physical strength more frequently. Regarding job positions that, "based on the abilities and characteristics of both sexes can be occupied by men and women," the wage offered often determined whether the position was occupied by women, who usually occupied positions with lower wages, or men, who occupied positions with higher wages more often (National Labour Inspectorate, undated a).

The National Labour Inspectorate has an obligation to inform about the situation regarding equal treatment of male and female employees, compliance with the principle of equality in remuneration, and, in general, gender equality and equal opportunities in employment relations for a given calendar year, that is based on the controlling activities carried out by labour inspectorates.

The information is based on the results of control activities carried out during the monitored period by the relevant labour inspectorates. The reported numbers of violations regarding § 119a of the Labour Code in the past five years are as follows (Informative report on discrimination and gender equality in labour-law relations for the years 2019 – 2023):

- 20 in 2023 (out of which 12 concerning paragraph 2)
- 23 in 2022 (out of which 11 concerning paragraph 2)
- 37 in 2021 (out of which 24 concerning paragraph 2)
- 28 in 2020 (out of which 13 concerning paragraph 2)
- 25 in 2019 (out of which 12 concerning paragraph 2)

The inspection of compliance with the provisions of § 119a of the Labour Code is based on the documents of comparable employees that are submitted by the employer for the purpose of the inspection. The key documents are employment contracts (including amendments) that regulate the agreed type of work and its brief characteristics; description of a job (*pracovná náplň*), and the employer's internal regulations governing the remuneration system, such as the wage directive (*mzdový poriadok*), company collective agreement, work schedule (*pracovný poriadok*). A labour inspector evaluates whether there has been a violation of the principle of equal pay by assessing these documents.

However, the labour inspector does not evaluate the value of the employee's work as part of the labour inspection. The inspector compares the work activities performed by comparable employees (assesses whether it is the same work or work of the same value, or not) mainly on the basis of labour-law documents and any internal (wage) regulations.

Employees performing seemingly the same work or work of equal value may be not remunerated equally if objective criteria are met and if these are stipulated in internal documents (regulations, collective agreement, etc.), such as education level, language skills, years of professional experience or even a different composition of work activities that the employer requires the employee to perform within the same type of work agreed in the employment contract (for example, performing training of new employees within the agreed type of work, using foreign language in communication with clients, etc.).

Noting a violation of § 119a of the Labour Code requires total conformity of the work activities performed by comparable employees in the same job position but only on condition that no internal regulation or company collective agreement has been issued by the employer as a factor that can determine that the difference in remuneration of two or more employees with the same job description (*pracovní náplň*), and seemingly the same value of work, will be evaluated as justified), which would allow a difference in remuneration through an optional or mandatory wage component, considering the relevant criteria.

If the work activities of the comparable employees do not differ significantly (the work activities are mostly identical in wording), and the employer has not issued an internal regulation that would regulate remuneration criteria (such as provision of remuneration as an optional/mandatory component of wages, for example, with regard to education, seniority level), the labour inspector notes a violation of the provisions of § 119a of the Labour Code.

This is followed by writing the violation in the report on the result of the labour inspection (*protokol o výsledku inspekce práce*), which the inspector is obliged to discuss with the employer. The labour inspector also orders the employer to eliminate the detected violation within the certain time limit, which is also a part of the protocol. At the same time, the inspector imposes the obligation to take measures to eliminate the violation to deliver a report in writing concerning the method of fulfilling the measures to the labour inspectorate. The labour inspectorate checks whether corrections have been made, since the employer also submits documents proving the adoption of measures and elimination of deficiencies to the supervisory authority.

## **Main results of the implementation of work of equal value**

It is clear that equal pay for work of equal value means ensuring that women and men working in the same or similar jobs receive the same pay, however, statements of the labour inspectorate suggest that it is not also understood that both women and men should get equal pay even if the work they do is different but have equal value. See an example explaining paragraph 2 § 119a of the Labour Code: "...this means that *employees in the same positions - performing the same type of work and with the same job description (pracovní náplň)* - must be remunerated equally and the wage conditions must be agreed on the same regardless of their gender. " Moreover, this only applies if the employer does not use other objectively measurable criteria stipulated by an internal regulation and applicable to all employees regardless of gender when assessing the value of the work of employees. The labour inspectorate also explicitly stated that "*a labour inspector does not evaluate the value of the employee's work as part of the labour inspection.*" The inspector compares the work activities performed - assesses whether it is the same work or work of the same value, or not - mainly on the base of labour-law documents and other internal (wage) regulations. Labour inspectorates do not assess adequacy of wage component called personal evaluation (*osobné ohodnotenie*) used in the public sector (it is a regular monthly addition to pay-scale salary), since



*"only the employer is entitled to assess the quality and adequacy of the work performed," which creates a space for inequality and lack of transparency. The labour inspectorate added that "The definition of not only equal work but also work of equal value is regulated by Section 119a, paragraph 2 of the Labour Code, which does not exclude the perception of this issue in such a way that employees (men and women) should be remunerated equally even if they perform different work (have completely different job description), that has the same value, therefore it is desirable that such a situation can be examined, it is also necessary to reflect it legislatively."*

Based on the above, it is not possible to say that labour inspectorates perceive the issue of equal remuneration for equal work of equal value only in the context of equal work (work with the same job description), however, there are currently no tools available to objectively assess the value of different types of work. Information obtained from the labour inspectorate also indicates a lack of tools contributing to an objective assessment of the value of work, such as point systems, that would be used in practice.

### **Main conclusions regarding the practical implementation**

The labour inspectorate was asked to provide an informal recommendation on the case: what do they consider effective in preventing pay inequality for employees performing work of equal value etc. However, the answer remained vague, stating that employers should follow the provisions of the Labour Code.

Concerning the pay scales, they stated that *"Given that the public service/civil service pay scales apply to all public sector employees, there is no reason to believe that they are not gender neutral."*

## Conclusion

This working paper has documented 16 case studies on the practical implementation of the equal pay for work of equal value principle across Europe. These cases, researched and written by the Network of Eurofound Correspondents and Eurofound, reveal both the potential and the challenges of translating this fundamental principle into operational reality. They demonstrate that while effective tools and approaches exist, their adoption remains uneven, and gender neutrality is not always systematically embedded in pay systems.

The entry into force of the Pay Transparency Directive represents a significant opportunity to accelerate progress to advance equal pay for work of equal value across Europe and this working paper, together with the main Eurofound report it supports, contributes to building the knowledge base needed for this advancement. By documenting both successes and challenges in rich detail, it offers practical insights that can inform and inspire future efforts to implement the principle of equal pay for work of equal value and achieve genuine pay equity.

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## Annex





### A1: Work of equal value: National definitions







Complementary to the information provided in Eurofound 2025, (section ‘National approaches to work of equal value’) Table 18 presents an overview of national definitions for "work of equal value" across EU Member States and Norway, prior to the coming into force of the Directive. For each country, the table indicates whether the definition stems from national legislation, case law, or both. Additionally, where applicable, text in green shows the specific criteria used to establish work of equal value. These include guidelines from gender equality institutes, collective agreements, and company reports on pay audits, to name the most common ones. Such sources often provide more specific criteria, typically based on practical examples or cases, or aim to provide a benchmark for stakeholders. The case law presented in this table reflects the authors' best knowledge at the time of writing and the Network of Eurofound Correspondents (NEC) in January 2024. It is important to note that other relevant cases may exist that are not included here due to limitations in research or the availability of information. New cases that could be pertinent to the subject matter may emerge after the publication.

Table 18 - Definitions of equal work and work of equal value – National Law, Case Law and criteria

Member State	Definition
<b>Austria</b> 	<ul style="list-style-type: none"> <li>No explicit definition in the Equal Treatment Act for the private sector.</li> <li>No case law definition available, but a case by case approach was put forward in a legal opinion for the Ombud for Equal Treatment (Gleichbehandlungsanwaltschaft) (Mayr, 2019): “the concept of equal or equivalent work is a qualitative one that relates exclusively to the type of work activity in question.”</li> </ul>
<b>Belgium</b> 	<ul style="list-style-type: none"> <li>No explicit definition in the Gender Pay Act (2022)</li> <li>No case law definitions are available, but an interesting case regarding the principle was brought forward at the labour court in Bruges. A manufacturing plant specialising in furniture categorised its manual labourers into four tiers. All women employed at the factory were placed in the third tier. This arrangement was challenged when one female employee initiated legal proceedings. She asserted that her responsibilities were identical to those of male workers in the top tier, who received higher compensation. After hearing testimony from several employees, the court ruled in favour of the plaintiff. It determined that the employer had indeed engaged in gender-based discrimination.</li> </ul>
<b>Bulgaria</b> 	<ul style="list-style-type: none"> <li>No explicit definition in the Protection for Discrimination Act (2005)</li> <li>No case law definitions, but a Decision of the Commission for Protection against Discrimination No 29/4. 07. 2006, confirmed by Decision No 10594/ 1. 11. 2007 of the Supreme Administrative Court (Devnya Cement case) is an interesting example of applying the principle. The Devnya Cement case, involved a female employee who experienced ongoing unequal pay compared to her male colleagues for work of equal value. Devnya Cement failed to justify a monthly pay difference of 45 BGN (about 23 EUR) between the female applicant and her male coworkers. As a result, the Commission ordered Devnya Cement to cease the practice of sex-based unequal treatment and to revise their Collective Agreement</li> </ul>

	to include guarantees of equal pay based on sex and other grounds, as mandated by the Anti-Discrimination Law.
<b>Croatia</b> 	<ul style="list-style-type: none"> <li>Revision of the Labour Act in 2022 to include the parameters for equal work and work of equal value. These have been split into two: Article 91(2) and Article 91(3), Labour Act). Two persons of a different gender perform equal work if they perform the same work in the same or similar conditions, or they could substitute one another at the workplace; the work which one of them performs is of a similar nature to that performed by another, and the differences between the work performed by them and the conditions under which it is performed have no significance in relation to the overall nature of the work, or they appear so rarely that they have no significance in relation to the overall nature of the work. Two persons of a different gender perform work of equal value if the work which one of them performs is of equal value to that performed by another, if one considers educational qualifications and nature of the work determined by <b>objective criteria, such as necessary knowledge, skills, responsibilities, degree of independence and the conditions under which the work is performed.</b></li> <li>No case law definitions.</li> </ul>
<b>Cyprus</b> 	<ul style="list-style-type: none"> <li>The precise definition of "work of equal value" is provided in Article 2 of Law 177(1)2002. It states that work of equal value refers to tasks performed by men and women that are either of a similar or substantially similar nature, or to which equal value is ascribed based on objective criteria as outlined in Article 18. Article 18 further elaborates on these criteria. It establishes the framework for comparing and evaluating work of equal value, providing guidance specifically for Labour Inspectors and the Research and Evaluation Committee. These criteria serve as the basis for determining whether different jobs can be considered equivalent in terms of their value to an organisation, regardless of the gender of the person performing the work. They are the <b>nature of duties, the level of responsibility, abilities and seniority, the job requirements relating to physical and intellectual abilities, the conditions under which the work takes place, and the extent to which any differences are minor and sporadic.</b></li> <li>No case law definitions.</li> </ul>
<b>Czech Republic</b> 	<ul style="list-style-type: none"> <li>Section 110 of the Labour Code (Act No 262/2006) states that the same work or work of equal value is taken to mean work of <b>the same or comparable complexity, responsibility, and strenuousness</b>, which is performed under the <b>same or comparable working conditions</b>, and which is of <b>equal or comparable work efficiency and produces equal or comparable work results</b>. Complexity, responsibility and strenuousness of work shall be evaluated regarding <b>education, practical knowledge and skills</b> required for the performance of such work and about the complexity of both the subject of work and working activity, <b>demands on organisational and managerial skills</b>, the <b>degree of liability for damage, health and safety</b>, and further about <b>physical, sensory and mental strain and negative effects of such work</b>. Working conditions are assessed according to the <b>difficulty of working regimes</b> resulting from working <b>time arrangements</b>, for example shifts, non-working days, night work or overtime, depending on the <b>harmfulness or difficulty due to other negative effects of the working environment</b> and the <b>risk of the working environment</b>. Work performance is assessed according to the <b>intensity and quality of the work performed, work abilities and work competence</b>, and work results are assessed according to <b>quantity and quality</b></li> <li>No case law definition.</li> </ul>
<b>Denmark</b>	<ul style="list-style-type: none"> <li>The Act on Equal Pay (Ligelønsloven), Consolidation Act No. 156 of 22 February 2019 has no parameters defining what 'equal value' constitutes. Section 1(3)</li> </ul>






	<p>specifies that the work's value must be evaluated through a comprehensive assessment of <b>pertinent qualifications</b> and <b>other relevant factors</b>. These other relevant factors are not listed in the Act on Equal pay but are determined through case law, and there is no consensus on the definition of value. Relevant factors are therefore determined through case law.</p> <ul style="list-style-type: none"> <li>• Judgment C-400/93133: the Court lists factors such as the <b>nature of the work</b>, the <b>training requirements</b>, and the <b>working conditions</b>.</li> <li>• HK Privat (union) vs. Novonesis (Danish Labour court case nr. 2022-829): In February 2024, the Danish Labour Court ruled on case nr. 2022-829, involving HK Privat and Novozymes A/S (now Novonesis). HK Privat, representing laboratory workers, claimed that lab technicians (85% female) performed work of equal value to technicians (85% male) despite a 12% wage gap. The court overruled HK Privat's claim, determining that the two groups were not in comparable work situations. Judges emphasised differences in <b>job content, education, and responsibilities</b>. They noted technicians' work was more <b>physically demanding and independent</b>, while lab technicians could consult chemists.</li> </ul>
<p><b>Estonia</b></p> 	<ul style="list-style-type: none"> <li>• No definition in national law</li> <li>• No case law definitions available</li> </ul>
<p><b>Finland</b></p> 	<ul style="list-style-type: none"> <li>• No definition in national law</li> <li>• No case law definitions available</li> </ul>
<p><b>France</b></p> 	<ul style="list-style-type: none"> <li>• Article L. 3221-4 of the Labour Code, states that work is considered to be of equal value when it requires employees to have a comparable set of <b>professional knowledge</b>, as evidenced by a title, diploma, or professional experience, along with <b>skills derived from acquired experience, responsibilities, and physical or mental workload</b>. This list is not exhaustive.</li> </ul> <p>In addition, equal pay must also be guaranteed between employees on permanent contracts and employees on fixed-term or temporary contracts, when they perform the same duties and have an equivalent qualification (LC, articles L.1242-15 and L.1251-18). The same applies between full-time employees and part-time employees with equal qualifications and seniority (LC, article L. 3123-5)</p> <ul style="list-style-type: none"> <li>• Two case law examples in the French jurisdiction illustrate the application of equal work value principles. In the Court of Cassation ruling of 12 February 1997 (No. 95-41694), the work of a female mushroom packer was deemed equal in value to that of male packers loading and unloading trucks despite the apparent differences in physical tasks. This decision emphasised that jobs with distinct responsibilities could be considered equivalent based on the <b>strenuous nature of the tasks</b> accomplished by both. Similarly, in a later case (Court of Cassation, 6 July 2010, No. 09-40.021), the court compared the roles of a female Human Resources, Legal and Office Department Manager with a male Finance and Commercial Affairs Department Manager based on several criteria. These included <b>hierarchical level, classification, and responsibilities between employees</b>. The court also considered the comparable importance of their <b>roles in the company's functioning</b>, the similar <b>capacities required</b> for their positions, and the equivalent level of <b>mental strain</b> involved. All individuals in the comparison were members of the management committee. Additionally, while not directly part of the "equal value" assessment, the court noted factors such as <b>seniority</b> and <b>education level</b>.</li> </ul>


<p><b>Germany</b></p> 	<ul style="list-style-type: none"> <li>• According to Section 4(2) of the Pay Transparency Act, female and male employees are performing work of equal value when, based on a set of criteria, they can be in a comparable situation. These criteria include the <b>nature of work</b>, the <b>training requirements</b>, and the <b>working conditions</b>. Only the requirements that are essential to the relevant activity are to be considered, independent of the employees performing the activity and their performance.</li> <li>• The Federal Labour Court, in its limited rulings on this topic, has focused on specific requirements for work performance, including necessary <b>previous knowledge, skills</b> and <b>abilities</b>, variety of <b>professional duties</b>, and <b>educational qualifications</b>. These principles are evidenced in several key judgments (Federal Labour Court, 26 January 2005, 4 AZR 171/03; 23 August 1995, 5 AZR 942/93; 10 December 1997, 4 AZR 264/96). The Court has also warned that applying <b>seniority</b>-based pay differentiation is challenging. Employees may question the appropriateness of using seniority as a criterion for pay, especially in cases where additional professional experience may not necessarily lead to improved work quality beyond a certain threshold. In such instances, if an employee raises serious doubts, the burden of proof shifts to the employer. The employer must then demonstrate that seniority correlates with professional experience and improved job performance.</li> </ul>
<p><b>Greece</b></p> 	<ul style="list-style-type: none"> <li>• No definition in national law</li> <li>• No case law definitions available</li> </ul>
<p><b>Hungary</b></p> 	<ul style="list-style-type: none"> <li>• According to the Labour Code of 2012, the definition of 'work of equal value' in the context of equal treatment is assessed based on various criteria: the <b>type of work carried out, its quality and quantity, the conditions under which it is performed, the professional training it necessitates, as well as the physical or mental effort involved, the experience and responsibilities it requires, and the prevailing conditions of the labour market</b>. The inclusion of 'labour market conditions' as a criterion was designed to allow national employers the flexibility to offer different salaries in various regions of the country. Act I of 2012 on the Labour Code (2012. évi I. törvény a munka örvénykönyvéről), 6 January 2012, Article 12(3)</li> <li>• No case law definitions available</li> </ul>
<p><b>Ireland</b></p> 	<ul style="list-style-type: none"> <li>• The Employment Equality Act 1998 provides a comprehensive framework for assessing work of equal value. Specifically, Section 7(1)(c) of the Act outlines four key parameters to consider when determining whether different work can be deemed of equal value. These criteria are: <b>skill, physical or mental requirements, responsibility and working conditions</b>.</li> <li>• No case law definitions available</li> </ul>
<p><b>Italy</b></p> 	<ul style="list-style-type: none"> <li>• No definition in national law</li> <li>• No case law definitions are available; however, a recent Court of Cassation ruling No. 4313/2024 has addressed an important issue in labour law, aligning itself with established European jurisprudence. The Court's decision focuses on the prohibition of discrimination between part-time and full-time workers in the context of seniority calculations for wage progression</li> </ul>
<p><b>Latvia</b></p> 	<ul style="list-style-type: none"> <li>• No definition in national law</li> <li>• No case law definitions are available for applying the principle of equal pay for work of equal value for men and women. However, a relevant case on the application of the principle of work of equal value was decided in June 2023. The Constitutional Court ruled that paying preschool teachers lower wages than those employed in primary and secondary education levels was</li> </ul>



	<p>unconstitutional. The court found that this violated the principle of equal pay for work of equal value. The decision established that the work of preschool teachers is of equal value to that of primary and secondary school teachers. The court carefully evaluated the <b>skills, personal investment, responsibility, and working conditions</b> of teachers at all levels and concluded that they perform work of equal value. The court also rejected budget stability as a justification for wage disparity.</p>
<p><b>Lithuania</b></p> <p>✗</p>	<ul style="list-style-type: none"> <li>According to Article 140, paragraph 5 of the Labour Code of the Republic of Lithuania (LC), equal work shall mean the performance of work activities which, according to objective criteria, are equal or similar to other work activities to the extent that both employees may be interchanged without significant costs for the employer. Equivalent work means that, according to objective criteria, it is not less skilled and less significant for the employer in achieving his operational objectives than any other comparable work. There is no definition of work of equal value.</li> </ul>
<p><b>Luxembourg</b></p> <p>✓</p>	<ul style="list-style-type: none"> <li>Article L. 225-3(1) of the Labour Code establishes the parameters for equal value of the work performed as follows: "are considered of equal value, works requiring from workers a comparable set of <b>professional knowledge, validated by a qualification, a diploma or professional practice skills derived from acquired experience, responsibilities and physical or mental strain</b>".</li> <li>No case law definitions are available.</li> </ul>
<p><b>Malta</b></p> <p>✗</p>	<ul style="list-style-type: none"> <li>Section 2 of the Employment and Industrial Relations Act (EIRA) provides a legal basis by defining a comparable full-time employee as a full-time employee 'in the same establishment who is engaged in the same or similar work or occupation, due regard being given to other considerations including seniority, qualification and skills. There is no further definition or elaboration related to work of equal value.</li> </ul>
<p><b>Netherlands</b></p> <p>✓</p>	<ul style="list-style-type: none"> <li>No definition in national law</li> <li>A significant case related to discrimination in work of equal value is Wehkamp B.V.. This case involved a female in-house lawyer filing a complaint against Wehkamp B.V. The court ruled that Wehkamp had discriminated against the plaintiff by paying her €1,000 less per month than a male colleague for work of equal value. In its decision, the court defined "equal work" as jobs requiring <b>similar skills, effort, responsibility, and working conditions</b>. "Work of equal value" was determined by the <b>comprehensive demands of the job</b>, regardless of differences in job titles (College voor de Rechten van de Mens, 2022).</li> </ul>
<p><b>Norway</b></p> <p>✓</p>	<ul style="list-style-type: none"> <li>The Equality and Anti-discrimination Act (GEADA, Section 34, third paragraph) establishes that the decision as to whether the work is of equal value is determined by means of an overall assessment in which emphasis is given to the <b>expertise</b> that is required to perform the work and other relevant factors, such as <b>effort, responsibility and working conditions</b>. The parties can, in principle, raise all aspects/parameters that they consider relevant.</li> <li>No case law definitions are available, but several cases pinpoint to the impossibility by employers to justify differences in salary other than gender (for example Case 2020/207, where a female prison doctor had earned less than her male colleagues for several years).</li> </ul>
<p><b>Poland</b></p> <p>✓</p>	<ul style="list-style-type: none"> <li>Article 183c(1) Labour Code clarifies what should be understood as 'work of equal value'. This kind of work requires comparable <b>professional qualifications</b> from employees, confirmed by documents, provided for in separate regulations,</li> </ul>



	<p>or by <b>practice and professional experience</b>, as well as comparable <b>responsibility and effort</b>.</p> <ul style="list-style-type: none"> <li>In a ruling of 11 October 2013 (III PK 28/13), the Supreme Court clarified that the <b>quantity and quality of work</b> performed constitute acceptable premises for wage differentiation. In the judgment of 7 February 2018 (II PK 22/17), the Supreme Court held that <b>length of service (seniority)</b> may constitute a justified reason for such differentiation when the employer does not provide a service allowance and when professional experience translates into the quality of the employee's length of service.</li> </ul>
<b>Portugal</b>  	<ul style="list-style-type: none"> <li>The legal definition of equal work establishes that there is equal work when the work is of a 'similar nature, quantity and quality' (Article 59(1)(a) of the Portuguese Constitution and Article 23(1)(c) of the Labour Code). The legal definition of work of equal value considers that the work is to be considered equivalent 'taking into consideration the <b>qualification or the experience of the worker, the level of responsibility involved, the physical and mental effort required and the working conditions in practice</b> (Article 23 No. 1(d) of the Labour Code).</li> <li>No case law definitions are available</li> </ul>
<b>Romania</b>  	<ul style="list-style-type: none"> <li>No definition in national law</li> <li>No case law definitions available</li> </ul>
<b>Slovakia</b>  	<ul style="list-style-type: none"> <li>Article 119a, Section 2 of the Labour Code, 'Equal work or work of equal value is work of the <b>same or comparable complexity, responsibility, and urgency</b>, which is carried out in the <b>same or comparable working conditions</b> and produces the <b>same or comparable capacity and results</b> of work in an employment relationship for the same employer.</li> <li>No case law definitions available</li> </ul>
<b>Slovenia</b>  	<ul style="list-style-type: none"> <li>No definition in national law</li> <li>No case law definitions available</li> </ul>
<b>Spain</b>  	<ul style="list-style-type: none"> <li>Article 28 of the Workers' Statute, modified in March 2019, introduced a definition of work of equal value: "A job will have equal value to another when the <b>nature of the functions or tasks</b> actually assigned, the <b>educational, professional, or training conditions required for its performance</b>, the <b>factors strictly related to its execution, and the working conditions</b> in which these activities are actually carried out are equivalent.". Royal Decree 902/2020 recalls this same article and clarifies each criterion. Furthermore, the royal decree includes additional criteria and explicitly states that the list is not exhaustive.: <b>arduousness and difficulty, forced postures, repetitive movements, dexterity, meticulousness, isolation, responsibility (both economic and related to people's well-being), versatility or broad definition of obligations, social skills, care and attention skills, conflict resolution capacity, or organisational capacity</b>. These factors are relevant to the extent that they meet the requirements of adequacy, completeness, and objectivity. Adequacy implies that the relevant factors in the evaluation should be those related to the activity and that effectively occur in it, including the necessary training. Completeness implies that, to determine if equal value exists, all conditions that distinguish the job position must be taken into account, without any being invisible or undervalued. Objectivity implies that there must be clear mechanisms that identify the factors</li> </ul>

	<p>that have been taken into account in setting a particular remuneration and that do not depend on social factors or assessments that reflect gender stereotypes.</p> <ul style="list-style-type: none"> <li>• The Supreme Court decision of May 14, 2014, case No. 2328/2013, confirmed that there was discriminatory treatment in bonus payments between different departments in a Canary Islands hotel. The court established that departments with a majority of male employees, such as bar and kitchen staff, received higher bonuses compared to departments staffed exclusively by women, such as housekeeping. This difference in bonus amounts occurred despite both groups being classified under Salary Level IV in the applicable Collective Agreement. The court found no objective or reasonable justification for this disparity.</li> </ul>
<p><b>Sweden</b></p> 	<ul style="list-style-type: none"> <li>• Chapter 3 Section 10 of Discrimination Act 2008:567 states that “The assessment of the requirements of the work should take into account criteria such as <b>knowledge and skills, responsibility and effort</b>. In assessing the nature of the work, particular account is to be taken of <b>working conditions</b>”</li> <li>• Örebro County case of Midwife and hospital technician (Labour Court Case 2001 No 3): the dispute related to the issue of whether the midwives (both women) had been subjected to unlawful wage discrimination, as the county council had paid a lower salary to them than to the male medical technician. The assessment of equal value was based on the criteria of knowledge, skills, responsibility and working conditions, and the court established that indeed midwives and hospital technicians were doing work of equal value, but differences in salaries were justified by <b>labour market conditions</b> (other job opportunities at significantly higher wages).</li> </ul>

## A2: Case studies outreach efforts, outcomes and challenges

The table provides a comprehensive summary of the number of interviewees approached, successful arrangements, declinations, non-responses, and the challenges encountered across case studies.

Table 19 - Case studies record of outreach efforts, outcomes and challenges

Country	Case Study	Total approached	Interviews	Declinations	Non-responses	Other outcomes*	Challenges encountered
Belgium	Care sector collective agreement Food sector collective agreement	16	5	0	5	6	<b>Access and contact issues</b> (Difficulty identifying appropriate contacts; Non-response to contact efforts) <b>Organisational barriers</b> (Intellectual property concerns; Limited disclosure of methodologies and reluctance to share internal pay evaluation processes)
Cyprus	UCLan (not included in report – case study not feasible)	1	0	1	0	0	<b>Access and contact issues</b> (Difficulty securing interviews)
Czechia	Philip Morris	3	1	1	0	1	<b>Scheduling issues</b> (Delays in setting up the interview) <b>Organisational barriers</b> (Internal approval delays)
Denmark	Refyne	1	1	0	0	0	No challenges encountered
France	Metallurgy industry collective agreement	5	5	0	0	0	<b>Scheduling issues</b> (Delays in getting interviews)
Germany	Chemical sector collective agreement	2	1	1	0	0	<b>Scheduling issues</b> (Availability within project timeframe)
Hungary	Non-governmental efforts to prepare for gender pay transparency requirements	7	3	1	3	0	<b>Organisational barriers</b> (Lack of interest in topic) <b>Scheduling issues</b> (Busy schedules of potential participants)
Lithuania	Swedbank	2	1	0	0	1	<b>Organisational barriers</b> (Turnover in responsible role leading to loss of organisational memory; Limited disclosure of methodologies and reluctance to share internal pay evaluation processes)

The practical implementation of the work of equal value principle: Case studies.

<b>Poland</b>	Equal salary foundation certification of Zabka Polska	4	3	0	1	0	<b>Organisational barriers</b> (Request of interview in written format)
<b>Portugal</b>	Footwear, components, bags and gloves sector collective agreement	3	3	0	0	0	<b>Scheduling issues</b> (Rescheduling due to extensive information requirements) <b>Organisational barriers</b> (Retrieving of organisational memory)
<b>Slovakia</b>	Labour inspectorate	9	2	1	4	2	<b>Access and contact issues</b> (Extended absence of relevant contacts) <b>Scheduling issues</b> (Numerous cancellations and rescheduling) <b>Organisational barriers</b> (Centralized control over participation and interview scheduling; Request of interview in written format)
<b>Spain</b>	Footwear industry collective agreement	12	1	4	6	1	<b>Access and contact issues</b> (Limited access to specific contacts, general contact details for trade unions)
<b>Sweden</b>	BESTA-vägen	29	7	9	8	5	<b>Access and contact issues</b> (Difficulty in identifying relevant contacts)
<b>Sweden</b>	BAS - Position and Job Evaluation System	5	2	0	3	0	No challenges reported

**\*Other outcomes:** This category includes contacts where engagement occurred but did not result in a standard interview arrangement. Examples include: participants who provided written responses instead of interviews; contacts who were transferred or referred to more appropriate colleagues; conditional agreements that could not be finalized within the project timeframe; provision of documents or references in lieu of interviews; and partial engagement where brief responses were obtained but deemed insufficient for a full interview.

### A3: Processes to implement work of equal value: Case comparison

#### Description of the system used for case comparison

Section **Error! Reference source not found.** and **Error! Reference source not found.** therein introduced a stylised approach, a simplified version of which is used here to provide a structured comparison of how gender-neutral principles were integrated within each case study. The same simplified approach identifies the standard gender neutrality safeguards that were applied. Both are essential to uphold the principle of equal pay for work of equal value. The results of this analysis were used to determine the overall assessment as presented in Eurofound (2025), table 10 p.40.**Error! Reference source not found..** Overall, this comparison provides a practical tool to gauge progress towards gender-neutral compensation and to identify areas requiring possibly further attention or reflection.

A three-tier, colour-coded system to flag whether and how various elements were implemented in each case:

- **Teal** signifies that the described approach contained all, or nearly all, the necessary elements.
- **Grey** is assigned where there is evidence that the respective elements were considered, but it was not possible to fully establish it. This indicates gaps in the available documentation or practice, including knowledge gaps of the interviewees that hinder a clear assessment.
- **Purple** denotes an absence of any indication that the necessary elements were included or considered, reflecting evidence of problematic practices or significant shortcomings.

Table 20, Table 21, Table 22 and Table 23 highlights five columns in light pink (Involve representatives of all levels and genders, and provide equality training; Identify the data needed and what jobs are female or male dominated, or gender balanced; Decide on criteria and subfactors, establishing scoring and weights, ensuring that these are objective, gender neutral and bias free; Revise job descriptions, ensuring that these are gender neutral; Identify, analyse and explain pay gaps for equal value jobs): these are part of the safeguards for gender neutrality, and will be discussed in the next section.

## Tools and methodologies

Table 20: Tools and methodologies to implement work of equal value: Comparative overview of process and safeguards for gender neutrality to implement work of equal value principles

	PLAN			DESIGN			IMPLEMENT JOB CLASSI- FICATION	ANALYSE, MONITOR and RECTIFY PAY GAPs	REPORT		OVERALL ASSESSMENT	
	Involve representatives of all levels and genders, and provide equality training	Develop a work plan and choose a systematic/objective method	Identify the data needed and what jobs are female or male dominated, or gender balanced	Decide on criteria and subfactors, establishing scoring and weights, ensuring that these are objective, gender neutral and bias free.	Collect the data necessary for pay equality analysis	Revise job descriptions, ensuring that these are gender neutral	Conduct the job evaluation and document processes	Identify, analyse and explain pay gaps for equal value jobs	Plan and implement adjustments	Produce comprehensive reports on methods, findings and actions undertaken.		Plan for continuous monitoring and reporting and continue the review over time.
Case study, country and overall assessment												
Hotel Sector Gender-Neutral Job Evaluation Pilot, Cyprus This pilot project was well-executed but never transitioned to full-scale implementation. No pay adjustments were required as no unjustified gaps were detected.	●	●	●	●	●	●	●	●	●	●	●	●
BAS Position and Job Evaluation System, Sweden The method and description of examples how it was applied tick all boxes. While BAS helps identify unequal pay, it does not interfere with wage setting itself. Rectifying pay gaps is subject to further negotiations.	●	●	●	●	●	●	●	●	●	●	●	●
BESTA-vägen, Sweden The method and description of examples how it was applied tick all boxes. While Besta- vägen helps identify unequal pay, it does not interfere with wage setting itself. Rectifying pay gaps is subject to further negotiations.	●	●	●	●	●	●	●	●	●	●	●	●
Mercer, Global Mercer has adapted their methodology to ensure compliance with regional and national legislative requirements. The method and	●	●	●	●	●	●	●	●	●	●	●	●

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## The practical implementation of the work of equal value principle: Case studies.

description of examples of how it was applied tick all boxes. The extent of application of Mercer's approach varies depending on client company commitment. Rectifying identified pay gaps remains subject to organisational decision-making and, where applicable, negotiations with social partners.												
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## Collective agreements

Table 21: Collective agreements: Comparative overview of process and safeguards for gender neutrality to implement work of equal value principles

	PLAN			DESIGN			IMPLEMENT JOB CLASSI- FICATION	ANALYSE, MONITOR and RECTIFY PAY GAPS		REPORT		OVERALL ASSESSMENT
	Involve representatives of all levels and genders, and provide equality training	Develop a work plan and choose a systematic/objective method	Identify the data needed and what jobs are female or male dominated, or gender balanced	Decide on criteria and subfactors, establishing scoring and weights, ensuring that these are objective, gender neutral and bias free	Collect the data necessary for pay equality analysis	Revise job descriptions, ensuring that these are gender neutral	Conduct the job evaluation and document processes	Identify, analyse and explain pay gaps for equal value jobs	Plan and implement adjustments	Produce comprehensive reports on methods, findings and actions undertaken.	Plan for continuous monitoring and reporting and continue the review over time.	
<b>Care Sector Collective Agreement, IFIC Method, Belgium</b> The method appears to tick all boxes. It could not be established if and how the results of the evaluation were documented, but continuous monitoring is required via the Gender Pay Gap Act and feedback from government shall be incorporated. Duration of the implementation from initiation to adjustment and including feedback is very long in this specific case. Rectifying pay gaps is subject to further negotiation.	●	●	●	●	●	●	●	●	●	●	●	●

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The practical implementation of the work of equal value principle: Case studies.

<b>Food Industry Collective Agreement, Orba Method, Belgium</b> The method appears to tick all boxes. It could not be established if there was a specific process for identifying gender-dominated jobs. Continuous monitoring required via the Gender Pay Gap Act and feedback from government shall be incorporated. Duration of the implementation from initiation to adjustment and including feedback is very long in this specific case. Rectifying pay gaps is subject to further negotiation.												
<b>Metallurgy industry, France</b> Objectivity was guaranteed, but gender neutrality was not the (core) focus, and it was not possible to establish based on the available information which, if any, safeguards were built in. It could not be established if there was a specific process for identifying gender-dominated jobs. Criteria were revised but mostly unchanged from their 1975 version. No information was available to assess how gender neutrality and free of bias was achieved. There was no analysis of the outcomes of the new classification through the lens of gender to ensure equal pay for work of equal value.												
<b>Chemical sector, Germany</b> The job classification was implemented in 1987 and continuously applied, gender neutrality was not the (core) focus. Due to the length of time that has passed since then it was not possible to establish reliably how gender safeguards featured at the time of designing the scheme, in particular if or to what extent gender training was provided. Criteria are mainly based on training requirements, knowledge and skills, and for higher pay groups on level of responsibility. It could not be established if there was a specific process for identifying gender-dominated jobs, and the study also found no evidence that pay reviews analysing gender pay gaps between male and female dominated jobs were carried out (upon introduction of the job classification and pay structure and over time), but the case study contains examples that demonstrate that male and female dominated groups are both found in the same pay categories and considered of equal value.												
<b>Footwear, components, bags and gloves sector, Portugal</b> Comprehensive approach, with all key elements in place. Rectifying pay gaps is subject to further negotiations. No information if and how the review will be continued over time, but it has been transferred to some other sectoral agreements by the union.												

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## The practical implementation of the work of equal value principle: Case studies.

### Footwear industry, Spain - Review of examples of company's equality reports.

While the sectoral collective agreement's job classification and pay structure itself has not been reviewed for work of equal value principles, companies are legally required to review pay structures and review male and female dominated jobs. The assessment here is based on publicly available Equality plans of selected companies in the sector which reveal only adopted measures rather than the methodologies used to assess equal value principles. The overview here is based on the assumption that the SVPT tool was applied. The reports suggest that the necessary data might not be available yet in companies and has not been integrated into the reports.




















## Company approaches

Table 22: Company approaches to implement work of equal value: Comparative overview of process and safeguards for gender neutrality to implement work of equal value principles

	PLAN			DESIGN			IMPLEMENT JOB CLASSI- FICATION	ANALYSE, MONITOR and RECTIFY PAY GAPs		REPORT		OVERALL ASSESSMENT
	Involve representatives of all levels and genders, and provide equality training	Develop a work plan and choose a systematic/objective method	Identify the data needed and what jobs are female or male dominated, or gender balanced	Decide on criteria and subfactors, establishing scoring and weights, ensuring that these are objective, gender neutral and bias free.	Collect the data necessary for pay equality analysis	Revise job descriptions, ensuring that these are gender neutral	Conduct the job evaluation and document processes	Identify, analyse and explain pay gaps for equal value jobs	Plan and implement adjustments	Produce comprehensive reports on methods, findings and actions undertaken.	Plan for continuous monitoring and reporting and continue the review over time.	
<b>Philip Morris ČR: Hay Methodology and EQUAL-SALARY Foundation's pay audit, Czechia</b> Objectivity was guaranteed through the selected method. There was no mention of the identification of female and male dominated jobs, and it could not be established if there was a mechanism to run and utilise equal value analysis for closing pay gaps between jobs of equal value. The audit identifies unexplained pay gaps, but likely not on work of equal value.	●	●	●	●	●	●	●	●	●	●	●	●

The practical implementation of the work of equal value principle: Case studies.

<p><b>Refyne, Denmark: Total pay transparency</b></p> <p>The case of a small company with a different approach. Equity reflections were a core driver, and a pay scheme was developed in-house. In contrast to the other schemes which evaluate the jobs, here also individual worker's characteristics / performance are included ('energy, drive and ambition'), and there is a question to what extent all criteria are 'objective', as some require more subjective assessments ('cultural fit', 'social contributions at work'). Some considerations to ensuring (gender) neutrality are included and one safeguard to reduce bias is the involvement of a wider managerial/appraisal group, but employee (representative) involvement was not reported. There was no evidence for a pay gap analysis between male and female dominated jobs, which might have been not possible due to company size and lack of job classification. The system is developing, highly dynamic and combines elements of basic pay, pay progression and performance pay. The company experienced some difficulties in communicating effectively their pay equity efforts but reports to have successfully changed its approach.</p>												
<p><b>Swedbank group Lithuania, Lithuania</b></p> <p>A closing of the company's gender pay gap was a core motivation. An objective method has been applied, gender training for managers' is extensive. No information on the set up of the group developing the job classification and to what extent it represented different employees and genders. It could not be assessed to what extent the job classification outcome was reviewed in relation to male-female dominated jobs and to what extent pay equity analysis also investigated outcomes in relation to work of equal value for male and female dominated jobs, beyond individuals of the same gender belonging to the same job family.</p>												

## Other approaches

Table 23: Other approaches to implement work of equal value: Comparative overview of process and safeguards for gender neutrality

	PLAN			DESIGN			IMPLEMENT JOB CLASSI- FICATION	ANALYSE, MONITOR and RECTIFY PAY GAPs	REPORT		OVERALL ASSESSMENT	
	Involve representatives of all levels and genders, and provide equality training	Develop a work plan and choose a systematic/objective method	Identify the data needed and what jobs are female or male dominated, or gender balanced	Decide on criteria and subfactors, establishing scoring and weights, ensuring that these are objective, gender neutral and bias free.	Collect the data necessary for pay equality analysis	Revise job descriptions, ensuring that these are gender neutral	Conduct the job evaluation and document processes	Identify, analyse and explain pay gaps for equal value jobs	Plan and implement adjustments	Produce comprehensive reports on methods, findings and actions undertaken		Plan for continuous monitoring and reporting and continue the review over time
<b>Non-governmental efforts, Hungary</b> Lack of official government guidance and widespread limited recognition of the issue. Insufficient supporting initiatives prevented effective implementation of actions assessing pay gaps linked to jobs of equal value. This case study lacked concrete in-depth examples that could be further analysed.	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
<b>Żabka Polska: EQUAL-SALARY Foundation, Poland</b> This case study demonstrates strong foundational elements, as the core focus is on ensuring fair pay and as the audit identifies unexplained pay gaps, but likely not on work of equal value. The main focus is a pay audit/salary analysis of all components of pay, but the certification process's focus is wider than pay. The described certification approach/based on the company example Zabka did not include the review of the existing job classification scheme or the setup of a new scheme. Involvement of various managers and employees via focus groups and surveys is guaranteed, but formal	<div></div>	<div></div>	<div></div>	<div></div>		<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

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The practical implementation of the work of equal value principle: Case studies.

employee representatives (where they exist) are deliberately excluded. Linear regression models are used for the pay analysis, which are likely to identify pay gaps among workers in the same jobs, but equal value analysis for closing pay gaps between jobs of equal value were not identified based on the provided information. It could not be assessed to what extent job descriptions are revised. When unjustified pay gaps are found their rectification must be explained in Management reviews.												
<b>Labour Inspectorates, Slovakia</b> Labour inspectorates in Slovakia in principle are required to check for equal pay which includes both for equal work and work of equal value. The assessment is based on job descriptions and documentations provided by workers, but only in relation to equal work, as there is no legal basis for an objective evaluation method to be applied. There was also no information obtained to what extent labour inspectors receive gender training.	●	●	●	●		●	●	●	●	●	●	●

The practical implementation of the work of equal value principle: Case studies.

## A4: Interview guidelines and template

The following interview guidelines, data collection and reporting templates were developed and provided to the NEC to ensure consistency and comprehensiveness in information collection across all selected case studies. The guidelines served as a structured framework for conducting interviews with key stakeholders, including employers, trade union representatives, government officials, and other relevant actors involved in the implementation of work of equal value principles, depending on the case study at hand. The accompanying template was designed to include: the profile of interviewees (with strict data protection protocols), the motivation and drivers behind equal value initiatives, detailed case descriptions and definitions of work of equal value, the processes and methodologies used for assessment, outcomes and main findings from job evaluations, learning experiences and stakeholder assessments, follow-up actions, and any other relevant points.

### Interview guidelines

The project aims to investigate, how the 'Equal pay for work of equal value' principle is implemented in practice in a gender-neutral manner. One general definition from the Equal Pay International Coalition (EPIC) is as follows:

#### *EQUAL PAY FOR WORK OF EQUAL VALUE*

*"This means ensuring that women and men working in identical or similar jobs receive the same pay. It also means that women and men should get equal pay when they do work that is completely different but can be shown to be of equal value, when evaluated based on objective criteria."*

Eurofound would like to understand better – based on case studies of companies, collective agreements and tools and methodologies, how the work of equal value principle is implemented in practice, how job evaluations are done, pay scales in collective agreements reviewed.

The main research questions of the overall project are:

- How did the actors (management, social partners, government...) approach the task?
- What were the greatest difficulties and stones of contention, and how were they approached?
- What was the final agreement between the actors?
- Which learning points can be passed on from this experience to other actors, and which ones might be transferable?
- Which are the entities in which the work of equal value principles have been adequately implemented?
- Are there any hindrances that deter actors from applying the principle more widely?

At the end of the interviews, the correspondent should be able to provide the following information within the interview template (separate for each interview):

#### **Profile of the interviewee**

Organisation/their role/ their involvement in the process/implementation/review of the methodology, etc.

#### **Motivation and drivers**

1. What was the driver for applying the 'work of equal value' principle/adapting gender-neutral pay? (I.e. legal obligation/own motivation/top-down vs bottom-up request/specific individual case...)
2. When and how was the decision made to review the job classification/review the pay scale?
3. Which actors actively supported the process? Was there resistance from other actors in the initiation phase/ throughout the process?
4. Did any actors/stakeholders involved voice any concerns about the implementation of the process?
5. Were clear objectives established in advance?
6. Who was involved in the different phases of the case
7. Depending on the type of case, different phases could relate, for example:
  - the reflection phase if an adaption of the pay scheme is required (for company cases/collective agreements);
  - the phase when the actual review and new job evaluation are done or when the methodology/tool was developed;
  - the phase of the decision whether the newly developed job classification scheme should be implemented;
  - the phase when potential individual and collective pay reviews are carried out;
  - the evaluation of the case (for example, evaluators/social partners...)
8. Who were the participants involved in the process? Where different people involved in different stages of the process or the same throughout? Were consultants brought in? Was a proportional and balanced representation of gender, and if applicable job, involved?
9. It is interesting for Eurofound to know who was involved (as in what profiles/roles) and in what capacity (why they were involved). For instance, if multiple stakeholders were involved, if the collective agreement, company guidelines, tool, or methodology was created with one or multiple points of view, and if it underwent testing, revision, and stress tests...
10. Definitions of 'work of equal value', description of the case, and what methods were applied
11. Definitions of "work of equal value" as used in the collective agreement, company guidelines, tool or methodology.
12. Did the actors resort to existing definitions/methods for assessing the work of equal value, or did they develop their own definitions and adapt methods to their case? Was there an agreement on the definition, or was a consensus built during the process?
13. Methods commonly used in job evaluations are for, example, the 'Hay method', ABAKABA, NCJ,...
14. Criteria used in defining "work of equal value" for gender-neutral job classifications and details provided for these criteria. Both the list of criteria and a description should be provided.
15. How the methods applied in evaluating work of equal value are implemented.

### **Description and assessment of the process/methodology**

1. Provide information on how the job evaluation/ pay review process was set up and carried out:



2. Which jobs were included, which were excluded and why? Was there an objective reason why jobs were left out?
3. In the job evaluation, were all job characteristics considered relevant to the evaluation criteria? Were these criteria not open to interpretation and gender neutral?
4. Were steps taken to avoid prejudice when applying and describing the evaluation criteria?
5. Were steps taken to avoid typical male characteristics and achievements being given a higher evaluation than female characteristics?
6. Was a check carried out using a pairs comparison of predominately male and female jobs?
7. Was a quality and consistency check carried out by an independent expert?
8. ...
9. What were the most difficult hurdles to overcome in the process?
10. Which aspects were easy and straightforward to identify, agree on and implement?

### **Outcomes of the job evaluations – Main findings**

1. Retrieve examples of jobs of equal value and what considerations were made to determine their equality. Examples of jobs that, after evaluation, were not deemed of equal value are also of interest. Such examples are of high value to Eurofound because they exemplify an abstract concept new to many stakeholders. Good examples allow us to clearly explain what we intend for work of equal value, and it can inspire reflections from stakeholders.
2. Were there any other factors detected that hindered the gender neutrality of pay scales, beyond the work of equal value considerations? For example: Were women or part-time workers or workers with care obligations found to be less likely to be promoted into higher paying positions, and less likely to participate in job-relevant training? More likely to miss out on seniority allowances due to career interruptions (at the same employer or across employers?), less likely to obtain performance-related pay components, etc
3. Did all actors agree on the findings? Was there a shared understanding? What were the stones of contention?

### **Learning experiences, assessment of interviewees**

1. What was their greatest learning experience in relation to the exercise? If they had to do the process of pay review/ job evaluation again, what would they do differently?
2. What advice would they give to others embarking on such a process?
3. Which aspects of the applied 'work of equal value' definition/methods were easy/hard to apply?
4. Do they think that other organisations/actors could apply a similar approach? For which (types of) organisations/collective agreements would that be suitable (or not)? In which other contexts could a similar review work (or not)?
5. What was the main recipe for success or reason for failure in their view?
6. Were there any unintended (negative or positive) effects from the initiative?

### **Follow up actions**

1. Investigate if any monitoring activities are in place to evaluate the subject of the case study.
2. Collect any further documentation that the interviewees are willing to share to complement the desk research results and corroborate and support their claims during the interview.
3. Implementation status and effectiveness of the subject of the case study. Outline a timeline of the history and future of the collective agreement, company guidelines, tool or methodology. Include any evaluation study or report done, or report if planned for the future. Include any actions planned for the maintenance of the classification system, including if and when revisions to job description and evaluation are scheduled.
4. Are the interviewees aware of any other entities implementing a similar approach to gender-neutral pay scales? If so, who?

## **Interview template**

- Profile of the interviewee
- Motivation and drivers
- Case description, work of equal value definition
- Process, methodology and assessment
- Outcomes of the job evaluations – Main findings
- Learning experiences and assessment of interviewees
- Follow up actions
- Any other points of relevance

## **Reporting template**

### **Background info on the case**

- A basic case description (explain briefly the collective agreement, company, tool or methodology). When describing the organisation/company, provide essential details such as the year of funding, size (as in number of employees or number of members), and industry. For collective agreements, include the signatory parties, how often they are renewed, when reformed, covering which workforce, general bargaining context, etc... For methodologies who devised them, commissioned it, when etc...
- Identify the commissioning body/entity and the purpose of the activity. If possible, the motivation behind the commissioning would also be interesting for Eurofound to assess: was it voluntary or required by law? Was it responding to a call coming from unions or legislators...?
- Which actors were involved?

### **How the work of equal value principle was implemented in practice**

- Definitions and methods applied
- How the process was set up
- Actors involved at different stages in more details

### **Main results of the implementation of work of equal value**

- Main gaps identified, main changes made to the systems
- What follow-up actions were taken to the pay system?
- What other follow-up actions/measures were taken to ensure pay equity?

### **Main conclusions regarding the practical implementation**

- Obstacles and what was easy to implement?
- Stones of contention between the actors?
- What could be done better/differently in future?
- Main learning point they would give to others
- Reflections on transferability

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