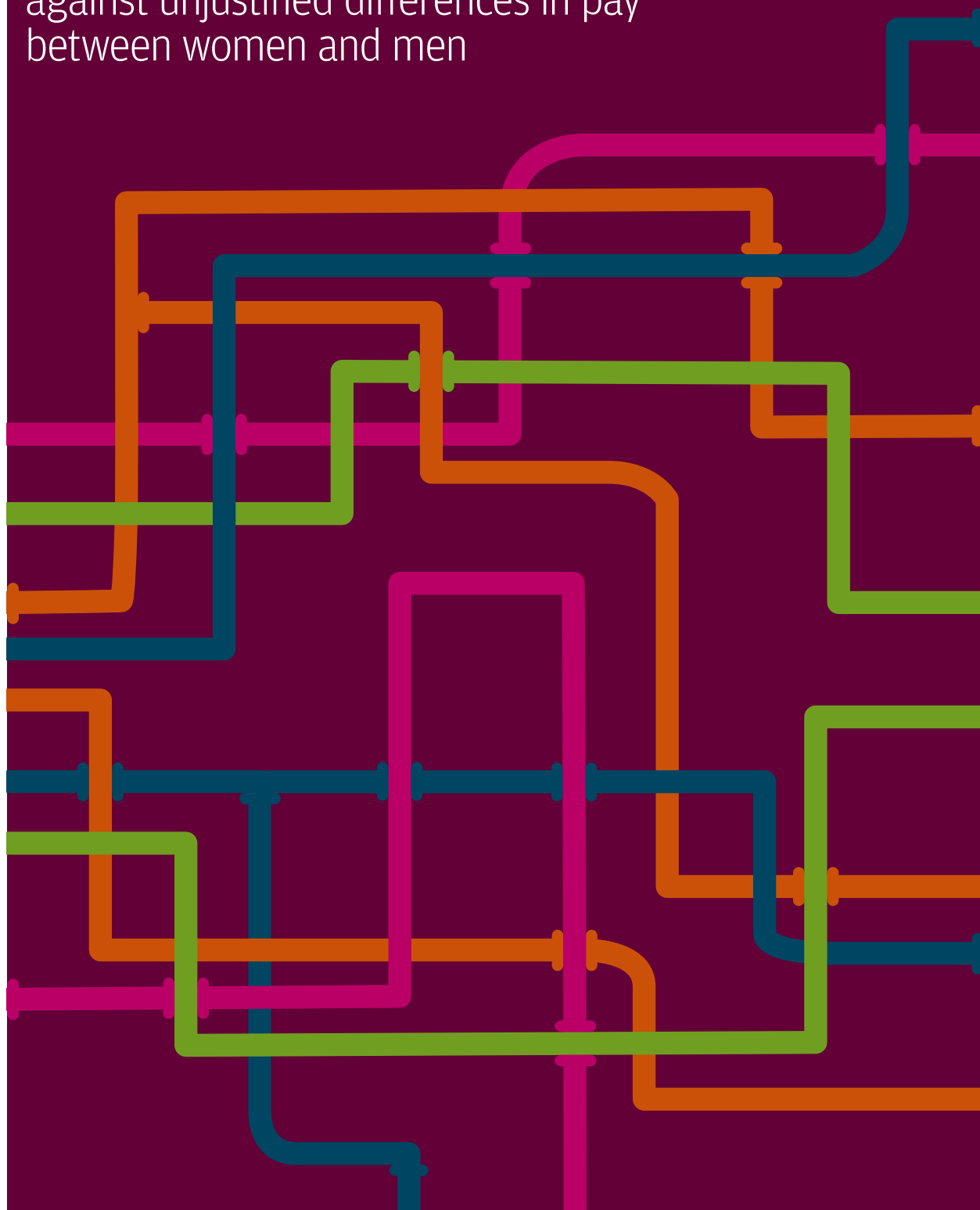


# Justified pay difference or related to gender?

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A summary of an analysis of employers' work  
against unjustified differences in pay  
between women and men





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The complete report, titled “Sakligt motiverad eller koppling till kön? En analys av arbetsgivares arbete med att motverka osakliga löneskillnader mellan kvinnor och män”, is only available in Swedish.

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Diskrimineringsombudsmannen (DO)  
© DO  
S2 ENG 2016 PDF  
ISBN 978-91-88175-11-3

## Summary

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### Discrimination Act requirements for employers to counteract unjustified pay differences between women and men

The Swedish Discrimination Act (2008:567) forbids sex discrimination when setting pay. This Act also requires employers to conduct active and goal-oriented work to discover, rectify and prevent unjustified pay differences based on gender.

In order to be able to ascertain whether there is a connection between pay differences and gender, employers shall, pursuant to the Discrimination Act, survey and analyse these pay differences between women and men who perform work that is equal or of equal value. Employers shall also set up an action plan to ensure equal pay. In the action plan employers shall present any pay adjustments and other suitable measures to adjust and prevent pay differences related to gender.

The work by employers to establish equal pay as outlined in legislation aims to discover, rectify and prevent the portion of pay differences between women and men that are deemed to be unjust within an individual organisation. Per the legislative history of the Discrimination Act, this work is intended to counteract the occurrence of sex discrimination in relation to pay.

### Analysis of how employers work against unjustified gender-based pay differences

The aim of this report is to provide an insight into how employers approach the requirements in the Discrimination Act to discover, rectify and prevent unjustified pay differences between women and men who perform work that is equal or of equal value. This insight is vital to be able to develop the necessary support with a view to strengthen the work in counteracting an unjustified gender pay gap, as stipulated by law. The report presents a qualitative analysis of documents on this matter produced by a selection of employers.

The documentation analysed was sent to the Equality Ombudsman (DO) in connection with the Ombudsman’s supervision of work carried out by employers in counteracting an unjustified gender pay gap following the requirements in the Discrimination Act. The selection comprises all 21 Swedish County Councils and Regions and 94 private and medium-sized labour organisations from different industries. This report neither presents nor discusses to what extent employers have fulfilled the requirements in the Act. Instead, the report is based on how employers have interpreted their responsibilities as set out in the Act.

## **The results show broad variation in employer procedures**

The results presented in the report highlights several similarities regarding how employers interpret legislation and approach work to counteract unjustified gender pay gap. However, the main conclusion is that actions by employers vary considerably. This was expected and, according to the intentions of the legislator, the work to counteract unjustified gender-based pay differences must also be adapted to different businesses and organisations. However, in certain contexts, broad variation creates different prerequisites for employers to discover, remedy and prevent unjustified gender-related pay differences. A selection of examples follows.

## **Variation in which wages are included from the survey into the analysis**

Employer procedures differ in areas such as the choice of which employees' wages are included in the survey, how pay differences are measured, and how equal work or work of equal value is distinguished. Their different procedures affect which pay differences that the employers analyse and how their analyses of whether the pay differences are gender-related are carried out. In conclusion, the various procedures used by the employers give rise to variations as to which and whose wages are deemed unjustifiable or justifiable.

How well the employers' procedures achieve discovery, rectification and prevention of unjustified pay differences depend on how the employers design the work with the survey, analysis and action plan, respectively. The result of the work also depends on the way employers will work step-by-step to progress from surveying to analysis and finally to identification of any measures that can adjust and prevent unjustified pay differences. For example, employers can present the pay surveys where the gender pay gap can be seen in several groups of equal work or work of equal value. They then fail to, or believe they need not, analyse some of these pay differences.

## **Variation in the distinction of equal work or work of equal value**

There are clear differences in the way employers divide work into groups of equal work and work of equal value. Therefore, the content of these groups also differs. The results show that employers face certain challenges when dividing the work into groups that are so homogenous that their content is equal or almost equal in work tasks or equal in requirements. The report includes specific examples of the various ways employers have solved these problems.

The way in which the employers divide the work into equal groups or groups of equal value greatly impacts subsequent work, as it determines which pay differences the employers analyse and how they explain the differences.

## Varying content of action plans for equal pay

It is not always clear whether the employers have established if the pay differences are indeed related to gender. Upon discovering unjustified pay differences, employers tend to take different approaches, such as which pay adjustments and other identified measures that they present in their action plan for equal pay.

The follow-up of measures planned in the previous action plan for equal pay are either missing or appear only partly in the documentation of several of the employers. This may indicate a disconnection between some employers and their work for equal pay, or that the employers fail to document the follow-up.

At the same time it is clear that many employers do the pay survey and the analysis of the pay differences in such a way that they identify a number of measures they intend to implement in order to counteract unjustified pay differences between women and men, and otherwise contribute to gender equality in pay.

## Similarities and differences in how employers explain pay differences between women and men

The results from the employers included in the analysis further show that women's average pay is often lower than that of men in work that is equal or of equal value. Employers' analyses of pay differences between women and men in equal work and work of equal value show that there are both similarities and differences in what they believe to be objective explanations for these pay differences.

The predominant explanations given by employers address how the market influences the pay differences in addition to the historical and current organisation and division of the particular type of work, responsibility and tasks that lead to higher pay. According to the employers, other factors that influence the pay differences include the employee's performance. Another commonly recurring explanation involves the employee's investment into education and vocational orientation.

The employers' estimates of which pay differences are unrelated to gender and can be viewed as being objective, subsequently become decisive to which pay differences may be suitable for adjustment or other appropriate measures.

## Explanations related to market influence and historical and current gender division of labour and organisation of work

According to several employers, one reason that women tend to have lower pay than men is that men are more likely to belong to the areas of the labour market in which their work is considered to be of higher market value. These areas are considered more competitive and therefore problematic in terms of recruitment.

The reasons given by the employers also show that pay differences can, to a fairly great extent, be linked to the fact that more often than women, men are allocated the type of favourable working tasks and assignments that, according to employers, warrant higher pay. It may be a case of specialist tasks, unique work roles, particularly important (managerial) responsibility and so on.

The results show that the gender pay gap can be linked to the distribution of highly valued tasks and responsibilities as well as how work is distributed between the men and women of the organisations. The historical gender division of these highly valued work tasks also influences the gender pay gap as employees often continue to receive the same wage even if they are no longer responsible for the same tasks as they once were.

## **Knowledge base for development of work to counteract unjustified pay differences between women and men**

The Discrimination Act requires that employers actively undertake measures to counteract unjustified gender pay gap. This means that the responsibility lies with those who can bring about change, such as an equalisation of pay differences between women and men.

This report is intended to be a knowledge base for the way in which different actors develop support and tools for countering unjustified gender pay gap and the existence of sex discrimination related to pay within organisations. For example, the report identifies a few steps that are crucial for having the conditions to be able to discover, rectify and prevent an unjustified gender pay gap. The way that the division into groups of equal work or work of equal value is carried out and how the analysis is conducted are both of particular importance.

The employers' explanations for the gender pay gap show that there is a great value in developing the coordination of the efforts made by employers to combat the gender pay gap, with the other required efforts following the legal requirements for active measures. The results indicate that, in order to be able to neutralise the gender pay gap, it is particularly important to review the working conditions, the assignment of certain type of work to women and men, respectively, and the sex composition in a certain employee category at a place of work. This result is also supported by previous studies.

Forthcoming changes to the regulations for active measures mean that the action plan for equal pay and gender equality plans will be replaced with a general requirement for written documentation which, according to the intentions with the amendments to these regulations, would be able to facilitate the on-going work. Facing these changes in legislation, the results in this report can provide one of several important sources of information concerning the challenges and solutions in documentation of work for equality as required by the law.



the 1990s, the number of people who are employed in the service sector has increased in all countries. The increase is most pronounced in the United States, where the service sector has become the dominant sector of the economy. In the Netherlands, the service sector has also become the dominant sector, but the increase is less pronounced than in the United States.

The increase in the service sector has led to a decrease in the number of people who are employed in the manufacturing sector. This is true for all countries. The decrease is most pronounced in the United States, where the manufacturing sector has become the second largest sector of the economy. In the Netherlands, the manufacturing sector has also become the second largest sector, but the decrease is less pronounced than in the United States.

The increase in the service sector and the decrease in the manufacturing sector have led to a change in the composition of the labor force. The labor force is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the service-oriented labor force has become the dominant labor force. In the Netherlands, the service-oriented labor force has also become the dominant labor force, but the change is less pronounced than in the United States.

The change in the composition of the labor force has led to a change in the demand for skills. The demand for skills is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the demand for service-oriented skills has become the dominant demand. In the Netherlands, the demand for service-oriented skills has also become the dominant demand, but the change is less pronounced than in the United States.

The change in the demand for skills has led to a change in the supply of skills. The supply of skills is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the supply of service-oriented skills has become the dominant supply. In the Netherlands, the supply of service-oriented skills has also become the dominant supply, but the change is less pronounced than in the United States.

The change in the supply of skills has led to a change in the wage structure. The wage structure is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the wage structure has become the dominant wage structure. In the Netherlands, the wage structure has also become the dominant wage structure, but the change is less pronounced than in the United States.

The change in the wage structure has led to a change in the income distribution. The income distribution is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the income distribution has become the dominant income distribution. In the Netherlands, the income distribution has also become the dominant income distribution, but the change is less pronounced than in the United States.

The change in the income distribution has led to a change in the social structure. The social structure is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the social structure has become the dominant social structure. In the Netherlands, the social structure has also become the dominant social structure, but the change is less pronounced than in the United States.

The change in the social structure has led to a change in the political structure. The political structure is now more service-oriented than in the past. This is true for all countries. The change is most pronounced in the United States, where the political structure has become the dominant political structure. In the Netherlands, the political structure has also become the dominant political structure, but the change is less pronounced than in the United States.

The Equality Ombudsman  
(Diskrimineringsombudsmannen, DO) works  
to promote equal rights and opportunities  
and combat discrimination regardless of sex,  
gender identity or expression, ethnicity,  
religion or other belief, disability,  
sexual orientation or age.

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Switchboard +46 8 120 20 700  
ISBN 978-91-88175-11-3  
[facebook.com/Diskrimineringsombudsmannen](https://facebook.com/Diskrimineringsombudsmannen)