

Industrial relations and social dialogue

Equal value, equal pay: Concepts, mechanisms and implementation towards gender pay equity



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Abbreviations

BAS	position and job evaluation system (Sweden)
CITE	Commission for Equality in Labour and Employment (Portugal)
EIGE	European Institute for Gender Equality
EU	European Union
HR	human resources
IFIC	Institute for Function Classification (Belgium)
ILO	International Labour Organization
NGO	non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
SVPT	Sistema/herramienta de valoración de puestos de trabajo (job evaluation system/tool) (Spain)
UK	United Kingdom
US	United States

Executive summary

Introduction

In the context of a slowly reducing gender pay gap and reinforced policy efforts to address the issue, one key measure focuses on systemically addressing the undervaluation of jobs typically performed by women. The principle of equal pay not only ensures that workers doing the same job have the right to be paid the same but also extends to work of equal value. Work of equal value in principle means that when two jobs can be regarded as equivalent in terms of skills, effort, responsibilities and working conditions, they should be remunerated equally. Individual differences due to seniority, qualification or performance may still justify pay differentials.

This report takes a deep dive into how the principle is implemented in practice in the EU, moving from contexts and concepts to practice, and based on 16 real-life cases, exploring how gender-neutral job evaluations are applied in different settings. The case studies examine tools and methodologies, collective agreements, companies' approaches and cases related to supports, controls and certifications, to illustrate how the 'work of equal value' principle has been implemented in a gender-neutral way, and where this implementation may have fallen short.

The report is intended for all those (social partners, company managers, governmental institutions and others) working to eliminate the structural undervaluation of women's work and direct and indirect pay discrimination.

Policy context

The principle of equal pay for equal work or work of equal value has evolved significantly within the EU's legal framework over more than six decades. Established in Article 119 of the 1957 Treaty of Rome (now Article 157 of the Treaty on the Functioning of the European Union), the 1970s saw a pivotal expansion with the Equal Pay Directive (Council Directive 75/117/EEC), which introduced the concept of 'work to which equal value is attributed' (Article 1) and provided the first detailed operational framework for EU Member States. This was followed by transformative developments, including the Treaty of Amsterdam (1999), which elevated gender equality to a fundamental EU objective, and the Charter of Fundamental Rights of the European Union (2000), which explicitly prohibited gender-based discrimination. Directive 2006/54/EC consolidated the existing legal framework, bringing together various

equal treatment provisions for clarity. However, implementation challenges persisted across Member States. The 2013 and subsequent 2020 Commission evaluations identified persisting critical gaps, particularly around the absence or lack of clarity in the definitions of 'work of equal value' and difficulties in their practical application, especially within collective bargaining frameworks. In response to these continuing challenges, the Pay Transparency Directive (Directive (EU) 2023/970) was adopted. This directive requires Member States to support and guide the assessment and comparison of the value of work allowing objective, gender-neutral and bias-free job classifications and pay structures to be established. It requires Member States to ensure employers implement pay structures that ensure equal pay for equal work or work of equal value based on four essential factors: skills, effort, responsibility and working conditions.

Key findings

- Ensuring equal pay for the same work is a well-understood and well-established principle in compensation systems. However, extending this to work of equal value – whereby different jobs with comparable skill, effort, working conditions and responsibility receive equal pay – is not yet widely understood or applied. Indeed, the difficulty in identifying relevant case studies illustrating the implementation of gender-neutral compensation systems to achieve equal pay for work of equal value suggests that these practices remain uncommon.
- In the selected case studies, the implementation of the concept of work of equal value was driven by a mixture of motivations: legal compliance (EU and national legislation); the need to modernise outdated pay structures (mainly in collective agreements) and reduce fragmentation of pay setting; internal organisational values in companies; and, in some cases, proactive efforts to address gender pay gaps. However, in many cases, gender neutrality was not the primary motivation but rather a secondary outcome of broader pay structure reforms.
- The process of developing gender-neutral compensation systems consists of five key stages: plan, design, implement, monitor and report. Genuine gender neutrality requires deliberate safeguards at each stage, including representative participation, gender equality training, inclusive criteria and regular audits.

- Although analytical and criteria-based job evaluation methods are widely deemed more objective and reliable than others, they do not automatically guarantee gender neutrality. Their effectiveness depends on the careful selection and weighting of evaluation criteria, the inclusion of competencies and responsibilities typical of jobs traditionally held by women, and the avoidance of gendered assumptions in both language and process.
- Active measures to ensure gender neutrality – such as representative participation, equality training and regular reviews of job descriptions – were present in some cases but often lacking in others. Where proactive approaches were taken, more robust safeguards and corrective actions were implemented.
- The implementation of gender-neutral job evaluation systems led to the identification and, in some cases, rectification of unjustified pay gaps, particularly where the process included a focus on female-dominated roles. However, the rectification of collective underpayment was often slow, especially in sectors reliant on public funding or complex and long collective bargaining processes. Company-level initiatives tended to address individual pay gaps more rapidly but often did not extend to structural comparisons between different job categories.
- Key challenges to implementation included resistance to the idea or denial of the existence of pay gaps, technical difficulties in job evaluation, subjectivity in scoring and weighting, lack of comprehensive data and (material and financial) resource constraints.

Policy pointers

- Classifying jobs based on objective criteria is a necessary condition to achieve equal pay for work of equal value, but not sufficient in itself. Objective criteria also need to be chosen and scored through a gender lens, ensuring that factors that are typically more associated with women or men are not valued differently, double-counted or omitted, simply because of that association. The transposition of the Pay Transparency Directive into national law should ensure that this gender lens is taken into account, and that practical, accessible analytical tools and guidelines are provided to support employers and social partners.
- At the same time, social partners can become active promoters of this approach and support their members in various ways to meet the Pay Transparency Directive's requirements. This includes promoting a shared recognition of the issue, providing capacity building and training on the principle of equal pay, and offering practical support to align approaches with proven or agreed standards. Such initiative can help reduce companies' costs and their reliance on external providers.
- The most important lever that social partners have is to ensure that sectoral (or models for company) collective bargaining agreements include up-to-date job classifications that are guaranteed to be gender neutral. Endeavours to reduce the fragmentation in pay setting, thus moving to more encompassing agreements and increasing worker coverage, can support the further reduction of equal-value-driven pay gaps.
- Good practices should be collected and assessed. When their effectiveness is established, they should be promoted by governments, equality bodies and social partners. An example of such good practice is formally and directly involving people who represent a good balance of genders, levels and roles in the design, implementation and periodic review of job classification and evaluation schemes, in close collaboration with workers' representatives. Any updates to EU guidelines by the European Commission – as foreseen in Article 4(3) of the Pay Transparency Directive – will set an important standard in this regard.

Introduction

Despite six decades of legal protection and policy initiatives, only slow progress has been made in general in the EU on decreasing the pay gap between men and women. In 2023, women's gross hourly earnings were still 12.0 % below those of men across the EU (Eurostat, 2025). This gap varies across EU Member States, with Luxembourg having the smallest gap, at - 0.9 %, and Latvia the largest, at 19.0 %.

The literature has identified numerous interconnected drivers of these persistent disparities. These include occupational segregation and the systematic devaluation of feminised work (Anker, 2001; Blau et al., 2017); the 'child penalty' and career interruptions for care responsibilities (Kleven et al., 2025); differences in working-time arrangements and part-time employment patterns (Matteazzi et al., 2018); sectoral concentration, with women disproportionately employed in lower-paying industries and smaller firms (Card et al., 2016); weaker collective bargaining coverage in female-dominated sectors (Williamson et al., 2025); and the sorting of women into lower-paying establishments than their male counterparts (Zwysen, 2024). Another potential culprit is the secrecy attached to pay, which prevents the detection and remediation of inequitable compensation practices (Bennedsen et al., 2023). Pay transparency instruments have emerged as an increasingly popular policy solution to dismantle pay secrecy and promote equitable compensation structures⁽¹⁾. Beyond addressing gender pay disparities, transparency measures can also contribute to high-quality jobs and increased competitiveness, through enhancing talent acquisition, streamlining recruitment, fostering trust-based work cultures and facilitating technological adoption (Eurofound, 2025a). The Pay Transparency Directive (Directive (EU) 2023/970) was adopted in 2023, and Member States are required to incorporate it into national law by mid-2026. It represents a pivotal development that extends beyond transparency requirements alone. Critically, the directive introduces a renewed emphasis on implementing the fundamental principle of equal pay for equal work or work of equal value (or, for short, 'the "principle of equal pay"', recital 4), reaffirming the need to address systemic gender pay inequities. As noted in recital 11 of the directive, the application of this principle has been significantly impeded by 'a lack of legal certainty on the concept of work of equal value', among other systemic barriers.

The main objective of this report is to improve the shared understanding of the **concept of work of equal value** and examine its **implementation challenges**. The concept of equal value refers to the principle that jobs should be compensated equally when they are of comparable worth, regardless of the gender of the individuals performing them. This principle aims to support the elimination of gender-based pay disparities by ensuring that payment for jobs traditionally held by women, which may be undervalued, is the same as that for jobs of equal value typically held by men. While the principle clearly does not address simultaneously all the factors contributing to gender pay inequality (e.g. occupational segregation or career interruptions due to caring responsibilities), it has the capacity to challenge gendered norms embedded in wage-setting practices, enabling assessments across different types of work and thus the redress of pay injustices (Whitehouse et al., 2020).

The implementation of the principle of equal pay for work of equal value is highly dependent on the wage-setting systems through which it is implemented. Translating the principle of equal value into practice, therefore, implicates a series of complex questions. How does this actually work in practice? How can organisations prevent the systematic undervaluation of female-dominated occupations? How can traditional job evaluation systems, which may inadvertently favour characteristics associated with male-dominated occupations, be redesigned to properly value competencies that tend to be more associated with female work (e.g. emotional labour or interpersonal communication)? How can genuinely gender-neutral job hierarchies be established? What safeguards prevent the undervaluation of women's work?

A note regarding the concepts of gender and sex: while Eurofound acknowledges that they are different, in this report, unless otherwise stated, gender is used to denote female and male characteristics. Terms such as 'female-dominated' and 'male-dominated' describe the sex composition of occupations based on workforce statistics, while the analysis of these recognises that the undervaluation of work typically performed by women results from gendered social processes and stereotyping.

⁽¹⁾ The implementation experiences and outcomes of pay transparency measures are comprehensively analysed in a series of companion research papers examining further experiences with pay transparency initiatives (Eurofound, 2018, 2020, 2025a).

Answering the questions outlined above extends beyond individual organisational responsibility, requiring national authorities to clarify the concept of work of equal value and provide guidance. In sectors where remuneration is determined through collective bargaining agreements or public sector regulations, there is also a role for social partners to ensure that equal pay principles are appropriately reflected in job classifications, that pay grids are objective, gender-neutral and free of bias within collective agreements and that they continue to be so when work and jobs are changing over time.

The report is structured in three main chapters. Chapter 1 establishes the legal and policy background for work of equal value, tracing its evolution at the EU level through to its inclusion in the Pay Transparency Directive, provides a comparative analysis across Member States and concludes with a discussion of the role and limitations of collective bargaining. Chapter 2 moves the discussion on from principle to practice by examining the evolution of job evaluation systems, then analyses compensation management systems and their gender equity outcomes. Chapter 3 presents empirical findings from 16 case studies across 13 Member States, showcasing varying degrees of successful implementation. The report concludes with key findings and policy recommendations for policymakers.

1 Work of equal value: context and concepts

This chapter examines the evolution and implementation of the principle of equal pay for work of equal value across the EU, comparing established national approaches with the framework introduced in 2023 by the Pay Transparency Directive. Particular attention is paid to the criteria used to determine equal value and their interpretation across different contexts, with special consideration given to justifiable differences based on seniority, performance, skills development and market conditions, recognising the nuances and challenges in balancing equal pay considerations with varying contextual and economic considerations. This examination reveals that significant variation exists in how Member States determine and incorporate the concept of work of equal value in their national legislation and case-law, with some substantial gaps in implementation, notwithstanding that the Pay Transparency Directive introduces a minimum level of standardisation on the matter.

Legal and policy background

The principle of equal pay for equal work or work of equal value between women and men means that men and women should receive equal remuneration not only when they perform identical or similar jobs (equal work) but also when they perform work that, while different in nature, is deemed to be of equal value. This principle was first established in the 1957 Treaty of Rome, Article 119 of which established the fundamental principle of equal pay between male and female workers. The inclusion of this principle was largely due to pressure from the French government, which had already enshrined the principle of gender equality in the preamble to its 1946 Constitution and was concerned about potential competitive disadvantages in labour costs compared with other Member States (van der Vleuten, 2007; Ghailani, 2013). The definition of equal pay was taken from the International Labour Organization (ILO) Equal Remuneration Convention, 1951 (No 100), and reflects the simpler forms of pay structures then prevalent. However, little attention was given to the systematic implementation of this principle.

It was only during the 1970s that Article 119 came to life, following significant enhancement of the protection of women's rights through several pivotal directives. The Equal Pay Directive (Council Directive 75/117/EEC) strengthened implementation of the principle of equal pay, stating in Article 1 that it also included 'work to

which equal value is attributed', marking the first detailed operational framework for implementing this principle in Member States' legal systems. It specifically referred to job classification systems and collective agreements as key implementation mechanisms that must operate free from gender discrimination.

A major advancement, however, was only possible thanks to the Treaty of Amsterdam (signed in 1997 and effective from 1999), which elevated gender equality to a fundamental objective of the EU under Article 2 and introduced a mainstreaming obligation for promoting gender equality into the European Commission's activities (Article 3(2)). Article 141 also amended the original Article 119 of the EEC Treaty, reinforcing equal treatment provisions in the workplace and reaffirming the principle of work of equal value, enabling positive action. In 2000, the Charter of Fundamental Rights of the European Union further strengthened these principles through Article 21(1) and Article 23, which explicitly prohibited gender-based discrimination and recognised equality between women and men across all areas, including employment, work and pay.

The Treaty on the Functioning of the European Union (signed in 2007 and effective from 2009) further codified these principles. Article 153(1) establishes the Union's actions to support and complement those of Member States in pursuit of gender equality in labour market opportunities and working conditions, and Article 153(2) empowers the European Parliament and Council to adopt measures supporting equal opportunities and treatment. Article 157 further reinforces the principle of equal pay for work of equal value. In 2006, a comprehensive framework was consolidated through Directive 2006/54/EC on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. As stated in the directive's recital 1, this consolidation was undertaken 'for reasons of clarity' to bring together 'in a single text the main provisions existing in this field as well as certain developments arising out of the case-law of the Court of Justice'. The directive incorporated CJEU case-law developments and repealed and consolidated several earlier directives (Directive 75/117/EEC, Directive 76/207/EEC, Directive 86/378/EEC and Council Directive 97/80/EC) that had regulated equal opportunities and treatment between men and women in areas such as access to employment, vocational training, working conditions and occupational social security schemes.

In 2013, the Commission published a comprehensive report (COM(2013) 861) assessing Member States' incorporation of the novel features of Directive 2006/54/EC into national law and evaluating the effectiveness of the directive's application and enforcement. The report identified significant implementation challenges, concluding that, despite national legal frameworks prohibiting pay discrimination, the practical application of the equal pay principle remained problematic across the EU. While direct discrimination in identical jobs became less common, substantial difficulties persisted in evaluating work of equal value, particularly where such evaluations occurred within collective bargaining frameworks. The Commission highlighted a critical gap: the absence of an EU-level definition of 'work of equal value' and clear assessment criteria for comparing different occupations. While stakeholders hold varying views on whether closing this specific gap will meaningfully impact gender pay gaps, it should be noted that a lack of clear frameworks has been a barrier to procedural consistency in equal-value assessments⁽²⁾. Most Member States' legislation failed to clarify what constituted work of equal value, leaving interpretation to national courts and creating uncertainty for both employers and potential claimants. The report emphasised that including a clear definition in national laws could significantly benefit victims of pay discrimination by facilitating claims before national courts. To address these deficiencies, the Commission identified gender-neutral job evaluation and classification systems as a primary method for determining work of equal value. Recognising the importance of practical guidance, the report was accompanied by a Commission staff working document containing four annexes, including a dedicated section on gender-neutral job evaluation and classification systems to promote and facilitate better application of equal pay provisions in practice (SWD(2013) 0512 final).

The outlook on the matter was further supported by the European Pillar of Social Rights, proclaimed in 2017 under the Juncker Commission and jointly endorsed by the European Parliament, the Council and the Commission. The pillar enshrines among its fundamental principles both equality of treatment and opportunities between women and men and the specific right to equal pay for work of equal value.

A further evaluation in 2020 (SWD(2020) 50 and 51) revealed that the directive's lack of binding definitions of 'same work' and 'work of equal value' – concepts referenced only in recitals 9 and 10 – remained a significant obstacle to enforcement. Despite the 2014 recommendation to Member States to clarify these concepts using objective criteria such as educational requirements, skills, effort, responsibility and working conditions (Commission Recommendation 2014/124/EU, Article 10), implementation remained inconsistent and incomplete. The evaluation found that several Member States provided no legal definition, while others that did include definitions faced practical problems with clarity and understanding. In addition, where definitions existed, they varied substantially between Member States. The evaluation also identified gender segregation in labour markets as a core structural problem, particularly highlighting the difficulty of comparing work of equal value across different sectors, especially in female-dominated ones such as care and education, which are systematically undervalued compared with male-dominated sectors such as construction and transport. The evaluation also noted that in some Member States this challenge is compounded where the wages in female-dominated sectors are established within the public sector, while those in male-dominated sectors are more often set within the private sector. This sectoral segregation was further compounded by situations where strong sectoral social dialogue (or, the present authors would add, strong sector-level collective wage bargaining) serves as the primary determinant of wage-setting mechanisms in individual sectors, with limited space for cross-sectoral collective agreements. As a result, equal pay concepts are only applied within the same occupation or sector, rather than across sectors. The evaluation concluded that employees are prevented from obtaining the necessary evidence to pursue successful equal pay claims.

In response to these and other implementation challenges identified, the Pay Transparency Directive (Directive (EU) 2023/970) was introduced. This directive, which entered into force on 6 June 2023, addresses issues such as unclear pay systems and difficulties in establishing work of equal value, and aims to strengthen the application of the principle of equal pay for equal work or work of equal value through increased

(2) The Organisation for Economic Co-operation and Development (OECD) analysis confirms that 'the absence of a more explicit definition of the concept of work of equal value ... can be an obstacle to initiating legal proceedings' (OECD, 2021, p. 36). Similar considerations can be found in court judgments (the German Federal Labour Court explicitly deplored the lack of objective criteria for definitions of work of equal value in 1995; judgment 5 AZR 942/93) or legal experts' reports, such as on how the Estonian Gender Equality Act lacks a definition of work of equal value and has no relevant national case-law to provide guidance (European Commission, Directorate-General for Justice and Consumers, 2017, 2019), and Cyprus likewise offers no specific criteria for applying equal pay principles (European Commission, Directorate-General for Justice and Consumers, 2019).

pay transparency and stronger enforcement mechanisms by focusing predominantly on the company level. The directive draws attention to the potential undervaluation of traditionally female-dominated jobs across companies, pay-setting entities or sectors, but its influence in this regard is arguably weaker: see more reflections in the sections ‘Gender pay gaps among jobs of equal value across sectors’ and ‘The role, potential and limitations of collective bargaining on gender pay equity’ later in this chapter.

Equal-value provisions in the Pay Transparency Directive

Focusing on the principle of equal pay, recital 17 of the Pay Transparency Directive crucially introduces a significant definitional advancement by establishing that different pay for the same work or for work of equal value may be justified only through criteria that are **simultaneously objective, gender-neutral and bias-free** – a clarification that recognises objectivity alone as insufficient protection against discrimination (see Box 1).

The directive’s insistence on simultaneous compliance with all three standards reflects the fact that gender discrimination can manifest through multiple channels that must be jointly addressed. For example, a criterion can be objective but gender-biased, such as the physical capacity to lift heavy weight being valued more highly than the repetitive lifting of smaller weights – think of a nursery teacher having to lift multiple children multiple times a day for years, or housekeeping staff continuously handling, moving and lifting cleaning supplies, linen and equipment.

This framework is further developed through recital 26, which requires employers to establish pay structures enabling the comparison of job values within organisational hierarchies, supported by **gender-neutral evaluation** systems based on four essential factors: **skills, effort, responsibility and working conditions** (then recalled in Article 4). The directive clarifies in recital 35 that **pay progression criteria** can include **individual performance, skills development and seniority**, and that they must be made accessible to workers. The directive acknowledges in recital 31 both the risks and the opportunities presented by job classification systems, recognising their potential to perpetuate gender stereotypes while simultaneously serving as effective tools for detecting indirect discrimination when applied in a gender-neutral manner. It also emphasises Member States’ obligation to ensure that training and specific tools are made available to support employers in assessing work of equal value, as stated in recital 30.

Box 1: Objective, gender-neutral and free of bias: definition attempt in the context of equal pay for the same work and work of equal value

Objective criteria form the methodological foundation, requiring evaluation to be based on measurable, verifiable factors rather than opinions, avoiding subjective perceptions. The requirement for objectivity ensures that pay decisions can be documented, verified and defended through concrete evidence rather than opinion or assumption.

Gender-neutral criteria must adequately reflect the characteristics and demands of all jobs regardless of traditional gender associations, preventing the systematic neglect or undervaluation of job elements typically required in female-dominated occupations. This extends beyond simply avoiding explicit gender references, to encompass the more subtle challenge of eliminating gendered assumptions about what constitutes the value of a job. Gender neutrality recognises and fairly values the demands of work both traditionally performed by women and traditionally performed by men.

Bias-free criteria avoid systematic prejudice based on irrelevant characteristics, such as gender, which often operates unconsciously and reflects societal stereotypes or traditional assumptions about work roles.

The framework is complemented by the directive’s articles, which provide the concrete legal instruments and procedural mechanisms necessary to transform these principles into enforceable requirements. Article 4 represents the most relevant provision regarding equal value.

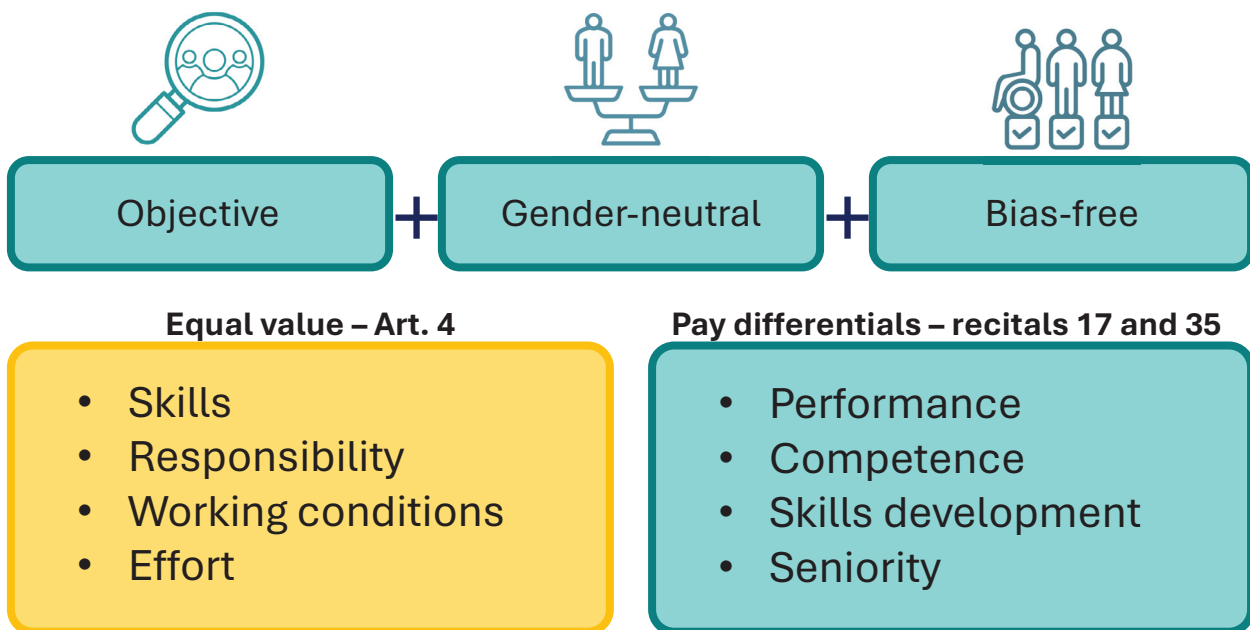
1. Member States shall take the necessary measures to ensure that employers have pay structures ensuring equal pay for equal work or work of equal value.
2. Member States shall, in consultation with equality bodies, take the necessary measures to ensure that analytical tools or methodologies are made available and are easily accessible to support and guide the assessment and comparison of the value of work in accordance with the criteria set out in this Article. Those tools or methodologies shall allow employers and/or the social partners to easily establish and use gender-neutral job evaluation and classification systems that exclude any pay discrimination on grounds of sex.

3. Where appropriate, the Commission may update Union-wide guidelines related to gender-neutral job evaluation and classification systems, in consultation with the European Institute for Gender Equality (EIGE).
4. Pay structures shall be such as to enable the assessment of whether workers are in a comparable situation in regard to the value of work on the basis of objective, gender-neutral criteria agreed with workers’ representatives where such representatives exist. Those criteria shall not be based directly or indirectly on workers’ sex. They shall include **skills, effort, responsibility and working conditions**, and, if appropriate, any other factors which are relevant to the specific job or position. They shall be applied in an objective gender-neutral manner, excluding any direct or indirect discrimination based on sex. In particular, relevant soft skills shall not be undervalued.

(Emphasis added)

Figure 1 summarises the directive framework for work value determination, illustrating how both equal-value assessment criteria (Article 4) and pay differential justification factors (recitals 17 and 35) must simultaneously meet the three-part requirement of being objective, gender-neutral and bias-free.

Figure 1: Criteria for establishing the value of work and justifying pay differentials



Source: Authors.

More details on the criteria can be found in the guidelines included in the Commission staff working document accompanying the report from the Commission to the Council and the European Parliament on the application of Directive 2006/54/EC (SWD(2013) 0512 final).

- **Skills and competencies** include knowledge, abilities and attitudes required for job performance. They span three key domains: cognitive (knowing how to learn), psychomotor (know-how) and behavioural (knowing how to behave). Notably, these skills can be acquired through various pathways, including formal education, practical experience or self-directed learning, and the evaluation focuses on both the breadth of the skills required and the depth of their application.
- **Responsibility** extends beyond formal hierarchical authority to include actual operational accountability across multiple domains. It includes responsibility for people (including health and safety, coordination and supervision), goods and equipment (e.g. machinery, products and tools), information management and financial resources. Importantly, the guidelines recognise that actual responsibility may differ from formal responsibility and can be shared or exercised temporarily.
- **Effort** represents the employee's response to the assigned workload, where 'workload' includes all workplace influences affecting the individual. The assessment considers both physical and mental demands of the role, recognising the diverse ways in which effort manifests across different job types and contexts.
- **Working conditions** include the physical and environmental aspects of the workplace that affect how employees perform their duties. The assessment explicitly considers workplace discomfort arising from physical, psychological or social environments, alongside risks of injury or illness stemming from either the tasks themselves or the environment in which they are performed. The evaluation accounts for the duration and frequency of exposure to these conditions, and the employee's capacity to influence or mitigate them, all within the context of established health and safety regulations.

Article 4 tries to harmonise the approach across Member States and provide guidance on how to implement these principles. Criteria must not be directly or indirectly related to the worker's sex, and soft skills are expressly among the skills to be considered (Article 4(4)).

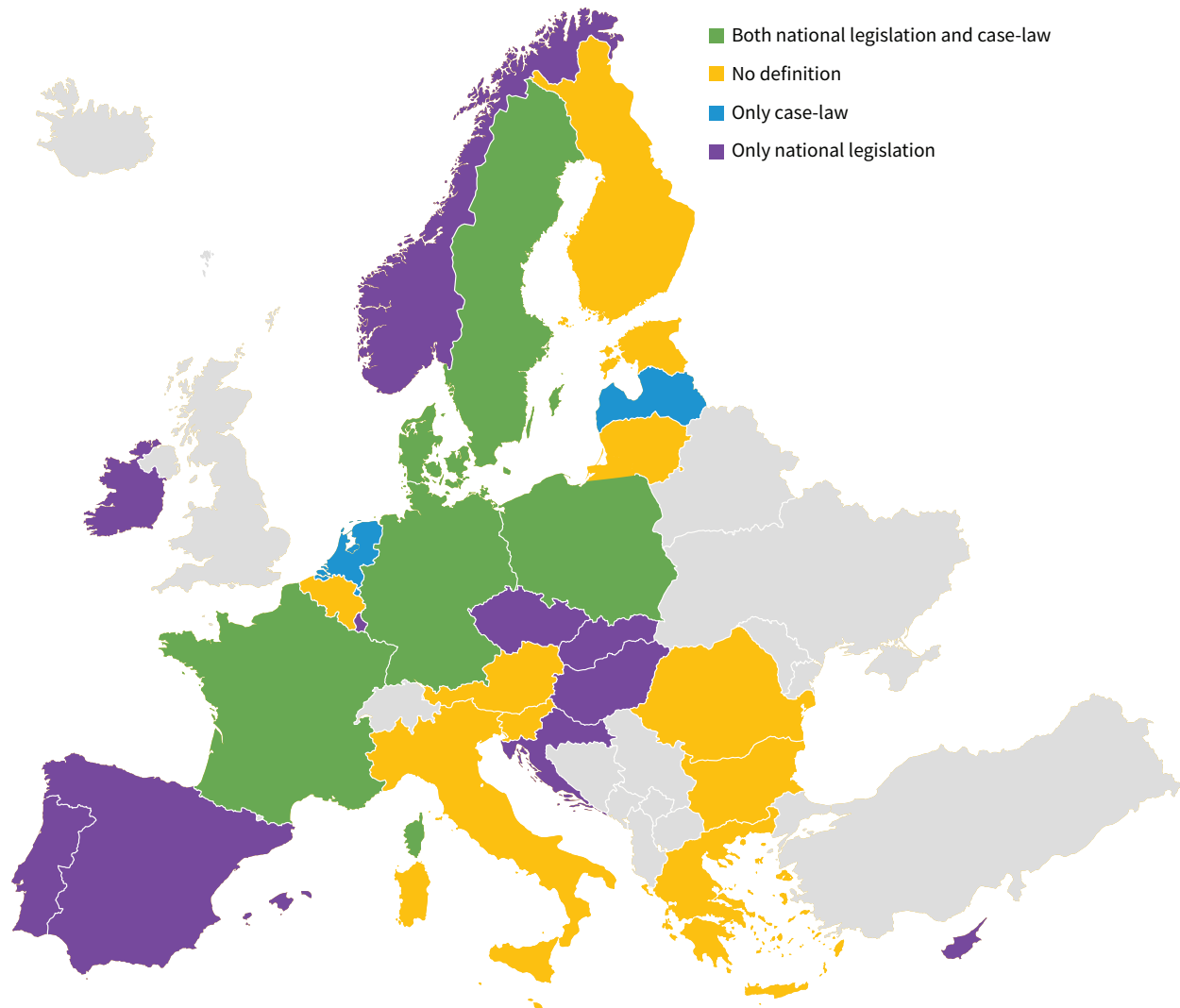
However, prior experiences in Member States with the practical conceptualisation of the principle of equal pay for work of equal value are also likely to pave the way to incorporating these elements of the directive into national law.

When discussing work of equal value, it is also important to briefly digress and distinguish between the comparative value of a job (established using standardised assessment criteria) and the economic returns it generates for an organisation. The value of work refers to the fundamental requirements and demands of the role itself, rather than the financial contribution it makes to company profits. This distinction is essential for fair job evaluation, as roles may have equivalent inherent value while generating different economic outcomes owing to organisational context rather than job complexity. For instance, a human resources (HR) specialist and an operations manager may hold positions of equal value in terms of required competencies and responsibilities, even though their departments may contribute differently to organisational revenue streams.

National approaches to work of equal value

The definition of work of equal value varies significantly across Member States, with distinct legal framework approaches. Eleven Member States, namely **Austria, Belgium, Bulgaria, Estonia, Finland, Greece, Italy, Lithuania, Malta, Romania** and **Slovenia**, have no explicit definition in their national legislation. Most Member States have established definitions through national legislation, with varying levels of detail in their criteria. Among these, five (**Denmark, France, Germany, Poland** and **Sweden**) have further enhanced their legislative frameworks through significant case-law that provides practical interpretation and application of the principles. Nine Member States (**Croatia, Cyprus, Czechia, Hungary, Ireland, Luxembourg, Portugal, Slovakia** and **Spain**), plus **Norway**, rely primarily on their legislative definitions without substantial interpretative case-law. Notably, only two Member States (**Latvia** and **the Netherlands**) predominantly rely on case-law, with Latvia's interpretation significantly influenced by a 2023 Constitutional Court ruling on teachers' pay equality.

Figure 2: Legal basis for defining equal work and work of equal value across the EU



Note: More detailed information underpinning this figure is presented in Eurofound (2025b).

Source: Authors, based on the 2023 country reports on gender equality produced by the European Network of Legal Experts in Gender Equality and Non-Discrimination (<https://www.equalitylaw.eu> – search for ‘gender equality 2023’), complemented by information provided in 2024 by the Network of Eurofound Correspondents and desk research.

The definitions typically list criteria, though their scope and level of detail vary greatly. The criteria used to define work of equal value can be classified into different categories, as shown in Table 1. These categories are ordered by frequency of appearance in national legislation and case-law across Member States, with the four most common criteria (highlighted in red) corresponding to those established in Article 4 of the Pay Transparency Directive.

Some Member States (**Czechia, France, Spain**) provide more detailed criteria, while others (**Ireland, Latvia**) remain more general in their definitions. This could reflect different approaches (leaving interpretation to the courts versus listing as many criteria as possible in the law) or varying levels of maturity in addressing the issue (some Member States have more experience with

criteria and job evaluations at the national level or have invested more than others in research and initiatives). Neither approach can be definitively said to be superior to the other, in the absence of evaluative and comparative studies.

As mentioned, the criteria set in Article 4 of the directive align with those set by Member States. Skills, together with qualifications and experience emerge as the most cited category, including both formal qualifications, such as diplomas and education, and practical competencies. Research confirms that skills and knowledge are the primary determinants of job evaluation outcomes, prompting criticism that evaluations focus on individual capabilities rather than job content (Arthurs, 2015).

Table 1: Classification of criteria used to define work of equal value across Member States

Class of criteria	Criteria listed (other than the class itself)
Skills, qualifications and experience	Education level Professional qualifications Diplomas/titles Practical knowledge Skills (including social, organisational and managerial, but also care and attention) Abilities Competencies Dexterity Meticulousness Attention to detail Conflict resolution capacity Professional experience Seniority Length of service
Responsibility	Degree of responsibility Areas of responsibility Economic responsibility Responsibility for people's well-being Organisational responsibility
Working conditions	Physical environment Arduousness and difficulty Forced postures Repetitive movements Isolation Complexity Autonomy
Effort	Physical effort / strain Mental effort / strain Sensory strain
Performance and results	Work performance Quality of work Quantity of work
Market factors	Labour market conditions
Other factors, more general descriptions	Type of work Job functions Tasks assigned Variety of professional duties

Note: Red text highlights criteria singled out in recital 26: 'To facilitate the application of the concept of work of equal value, especially for micro, small and medium-sized enterprises, the objective criteria to be used should include four factors: skills, effort, responsibility and working conditions. Those factors have been identified by the existing Union guidelines as being essential and sufficient for evaluating the tasks performed in an organisation regardless of to which economic sector the organisation belongs.'

Source: Authors, based on national reports. See more in Annex A1 of Eurofound (2025b).

In the listed criteria, there is also attention to actual work performance and results, balancing potential with demonstrated ability. As previously seen, the directive's recitals 17 and 35 address the role of performance in

determining pay and pay progression. The text explicitly recognises that employers may differentiate pay for workers performing the same work or work of equal value based on performance and competence as long as these considerations are objective, gender-neutral and bias-free. The same holds for pay progression, where individual performance, alongside skills development and seniority, can be a valid determinant.

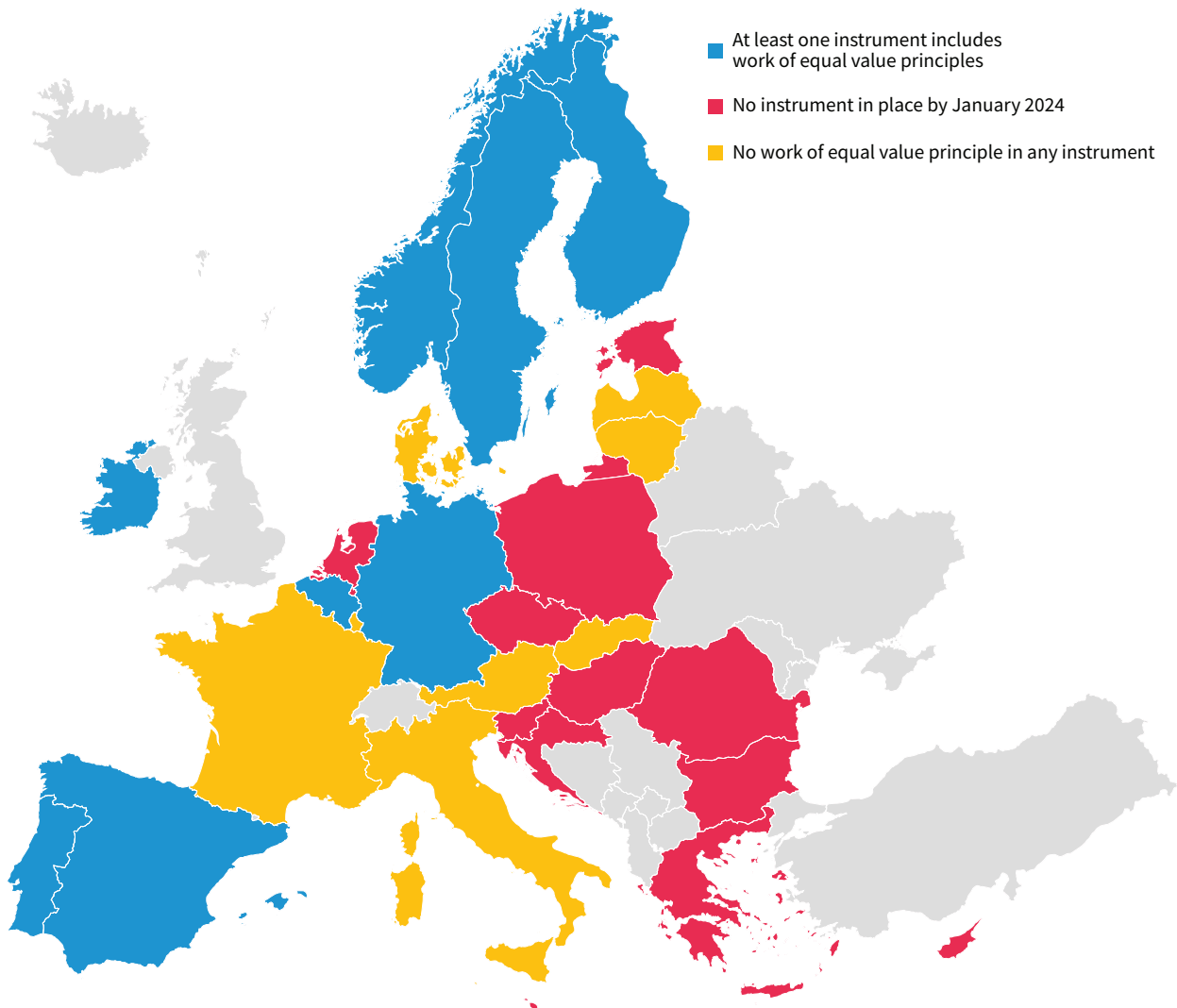
The inclusion of both physical and mental effort in national definitions, along with various types of responsibility, acknowledges that work value is not solely about visible output but also about the demands placed on workers. This is particularly relevant when it comes to gender biases and predominantly female occupations, such as care work. For example, care workers are often only evaluated on specialisation and skills, whereas evaluations should also reflect their ability to anticipate and respond to individual needs and circumstances (Hallee et al., 2024). Nevertheless, within the group of criteria relating to working conditions, physical aspects of work dominate.

The work of equal value principle in pay transparency measures

The directive requires Member States to introduce a range of pay transparency measures. Among them are gender pay gap reporting (Article 9) and a joint pay assessment if unjustified and unremedied gaps are detected (Article 10). Both instruments (together with Article 4 and recital 39) require companies to adhere to work of equal value principles, as employers must 'have pay structures ensuring equal pay for equal work or work of equal value' (Article 4(1)), and must then report on, among other points, 'the gender pay gap between workers **by categories of workers**' (Article 9(1)(g), emphasis added; see Box 2). In the event of unjustified and unremedied gaps of more than 5 % for any category of workers, the joint pay assessment (in cooperation with workers' representatives) seeks to 'identify, remedy and prevent differences in pay between female and male workers which are not justified on the basis of objective, gender-neutral criteria' (Article 10(2)). In particular, measures arising from the joint pay assessment shall include 'an analysis of the existing gender-neutral job evaluation and classification systems or the establishment of such systems' (Article 10(4)).

As of 2024, and hence before incorporating the directive into national law, 16 Member States had introduced at least one pay transparency instrument. More detailed information on these instruments and their effectiveness can be found in Eurofound (2025a). Only half, eight Member States, have included the work of equal value principle expressly as part of these instruments (Figure 3). Most of them – unsurprisingly, as this is part of their definition – are found within the

Figure 3: Overview of countries with at least one pay transparency instrument that includes work of equal value principles, 2024



Note: More detailed information underpinning this figure is presented in Eurofound (2025a).
Source: Authors, based on national legislation valid in January 2024.

pay-auditing measures⁽³⁾. Moreover, the ‘right to obtain information’ measures typically allow for comparisons not only with workers doing the same jobs but also with equivalent jobs. In only a few exceptional cases, the current pay-reporting requirements refer to the need to compare not only the same jobs but also jobs that are equivalent in value. This is the case in Norway and Spain, where larger companies are required to carry out

an audit. Public transparency requirements to report pay (ranges) in job advertisements are, by their nature, related to single jobs and not comparative. However, even in Member States where the pay transparency instruments do not explicitly consider work of equal value principles, the principles are part of the regulations, typically in a more declarative way.

⁽³⁾ While boundaries in the terminology are blurred and no national instrument resembles that of another Member State, these measures can be mainly equated with the directive’s ‘joint pay assessments’.

Box 2: What are categories of workers in the context of the Pay Transparency Directive?

The Pay Transparency Directive defines in Article 3(1)(h) the term ‘category of workers’ as ‘workers performing **the same work or work of equal value** grouped in a non-arbitrary manner based on the **non-discriminatory and objective gender-neutral criteria** referred to in Article 4(4), by the workers’ employer and, where applicable, in cooperation with the workers’ representatives in accordance with national law and/or practice’ (emphasis added).

This definition applies to the entire directive and the related pay transparency instruments, including Articles 7 (right to information), 9 (pay gap reporting), 10 (joint pay assessment) and 24 (equal pay in public contracts), and implies in turn that any breakdowns used in the reporting, etc. must already ensure that work of equal value principles have been followed.

Why is this distinction important? The example in Table 2 shows how **the categorisation of workers** in the gender pay gap reporting requirements **can mask the extent of pay gaps** between men and women if the job categorisation scheme and pay structure has not been set up from the work of equal value perspective. Assume there is a cleaning company with three categories of staff and an agreed remuneration scheme as follows: supervisors get 150 pay units per period, caretakers 120 and cleaners 100. The company has a staff of eight, composed of four women and four men. The supervisory positions are gender-balanced, whereas the role of caretakers is dominated by men and that of cleaners by women. The company is very conscientious about remunerating equal work the same: all workers in the same job category receive the same pay, irrespective of their gender. The gender pay gap reporting therefore shows no gap when breaking the figures down by the category of workers as per the current pay structure, but a total gender pay gap of 4 %

in the company. This, the company argues, can be explained by the fact that women tend to work more often as cleaners, in other words in lower pay grades than men.

What if an objective and gender-neutral job evaluation concluded that the activities carried out by cleaners and caretakers are comparable in terms of the skills, responsibilities, efforts and working conditions and should both be grouped under a single category of equal value, such as the job family of ‘operative staff’? If the company had used these categories of work of equal value in the gender pay gap reporting (prior to any changes to its pay structures), the reporting would have shown a gender pay gap within the category of operative staff (6 %), which could explain the cause of the company’s total pay gap of 4 % as undervaluation of cleaners’ work. The categorisation of jobs and associated pay structures therefore matter for the ability of pay reporting to detect unjustified gaps.

Table 2: Example of the possibility of detecting and explaining pay gaps in pay reporting depending on differences in job classifications

Category	Women		Men		Gender pay gap (%)
	Number of employees	Average wage per worker	Number of employees	Average wage per worker	
Breakdown by job category prior to job evaluation					
Supervisors	1	150	1	150	0
Caretakers	1	120	2	120	0
Cleaners	2	100	1	100	0
Total	4	118	4	123	4
Breakdown by work of equal value categories					
Supervisors	1	150	1	150	0
Operative staff (caretakers + cleaners)	3	107	3	113	6
Total	4	118	4	123	4

Note: The example is based on the assumption that the pay structure has not changed.

Source: Authors.

Comparing the information provided in Figure 2 and Figure 3, it is clear that only a handful of Member States (**Germany, Ireland, Portugal, Spain, Sweden**), plus **Norway**, have incorporated both work of equal value definitions and pay transparency tools in their national legal frameworks. This highlights a substantial implementation gap, with a continuum in the degree of preparedness across the EU, with numerous Member States lacking definitions of equal value and pay transparency instruments (**Bulgaria, Estonia, Greece, Malta, Romania, Slovenia**).

In view of the ongoing process to transpose the Pay Transparency Directive by June 2026, and considering the progress made as at September 2025, the picture is uneven, with considerable work still to be done (Eurofound, 2025c).

Overall, the directive's approach to pushing forward the implementation of the concept of work of equal value represents a harmonisation response to the fragmented approach across the EU. Rather than introducing a new framework for the implementation of this principle, the criteria are based on CJEU case-law, creating a common ground, while allowing for the incorporation of additional elements if needed (see recital 26). In this context, Member States with more detailed frameworks can provide those who are lagging behind with valuable insights into implementation.

Justifications for pay differentials in equal-value work

Justifying individual pay differences focuses not on the job itself, but rather on how pay relates to the individuals performing the work. This distinction is explicitly acknowledged in recital 17, which recognises that employers may differentiate pay for workers performing same work or work of equal value based on performance and competence, as long as these are objective, gender-neutral and free from bias. Similarly, recital 35 addresses pay progression mechanisms, identifying individual performance, skills development and seniority as legitimate factors influencing differentials in compensation advancement over time. These areas merit specific discussion, together with labour market conditions, which are likewise frequently referred to as justifications for pay differentials.

Seniority

The concept of seniority is debated, particularly in case-law but also in academic research. This debate is reflected in the varied approaches across Member

States, with **Cyprus, Hungary and Portugal** explicitly including seniority or experience within their legal frameworks for determining work of equal value. While seniority normally reflects an employee's length of service and accumulated experience, it is important to note that alone it does not automatically translate to higher work value – simply being part of a company or an institution for many years does not inherently translate to higher value and higher compensation. This concern is particularly evident in **German** case-law, where the Federal Labour Court (8 AZR 488/19) has specifically warned that applying seniority-based pay differentiation is challenging and places the burden of proof on employers to demonstrate that seniority correlates with professional experience and improved job performance. Similarly, **Poland's** Supreme Court (judgment of 22 February 2007, I PK 242/06) has accepted length of service as a justified reason for pay differentiation, but only when professional experience demonstrably translates to improved work quality (European Commission: Directorate-General for Justice and Consumers, 2019).

Nonetheless, experience and seniority represent the most common justifications for salary differences, regardless of whether those differences favour men or women, and, while they are in decline, they are still common in many Member States, in both the private and public sectors (Eurofound, 2019). This is particularly true in unionised workplaces and regions with strong preferences for tenure-based systems, and typically more common in countries with higher bargaining coverage, where sectoral agreements tend to include seniority-based pay progression (Fischer, 2008; Zangelidis, 2008; Eurofound, 2019, 2024) ⁽⁴⁾.

While experience seems objective, an analysis of pay audit reports from **Sweden** revealed that it cannot be directly measured through objective factors, with age and length of employment serving as a proxy (Salminen-Karlsson et al., 2024).

Seniority-based pay can also add to pay differentials ⁽⁵⁾ when periods of leave that are more likely to be taken by women (maternity and parental leave) do not count towards seniority. This is recognised in the directive, as joint pay assessments must also consider 'the proportion of female and male workers who benefited from any improvement in pay following their return from maternity or paternity leave, parental leave or carers' leave, if such improvement occurred in the relevant category of workers during the period in which the leave was taken' (Article 10(2)(e)).

⁽⁴⁾ The Eurofound (2024) study analysed 692 collective agreements from low-paid sectors and showed that seniority was the second most common pay scale differentiator (following profession) and found in 43 % of the agreements. Skills, the complexity of tasks and the level of responsibility followed, likewise in around 38 % to 41 % of the agreements.

⁽⁵⁾ More generally, it can add to pay differentials in jobs with higher turnovers and less permanent employment, particularly when seniority is defined as length of service at the same employer.

Individual performance

Individual performance is arguably one of the most widely recognised and accepted criteria for justifying differences in pay at the company level. For example, under the German Pay Transparency Act, performance and work results may justify differences in pay, provided that the principle of proportionality has been observed (European Commission: Directorate-General for Justice and Consumers, 2019). This justification also stands the test of courts: in **Croatia**, the Zagreb Municipal Labour Court (Pr-1433/12) and County Court (Gžr2213/14), and the Constitutional Court (U-III-1711/2015), accepted that a pay difference between a female worker and a male worker resulted from a ‘correction of salary (based on performance, work quality, additional tasks, etc.)’ (European Commission: Directorate-General for Justice and Consumers, 2019). Recent debates reflected on how pay for performance can be incorporated in a mindset of equality, and concluded that, as long as performance is rewarded fairly (by having an objective performance measurement and reward system in place) and communicated transparently, it should not pose any threats to achieving pay equity (Avdul et al., 2024). Warnings about pay transparency reducing the amount of pay for performance have also been raised (Obloj et al., 2022), but others have shown that pay transparency does not reduce average performance. Rather it tends to make pay more precisely linked to observable performance metrics, signalling a shift towards more objective measurement of performance itself (Gutierrez et al., 2025).

Skills development

With skills being the first set of criteria listed in the Pay Transparency Directive, it naturally follows that skills development is a suitable justification for pay differentials. When workers enhance their capabilities through on-the-job learning, formal training or credential attainment, their contributions to the organisation may also be improved, and, if that is the case, this should lead to justifiably higher pay. This aligns with the EU’s view that lifelong learning and continuous skills development are essential to maintain a competitive and sustainable economy. This approach links to skills-based pay, which links compensation to the acquisition and maintenance of skills (Ledford et al., 2011).

A debated case: labour market conditions

Labour market conditions operate as external economic factors that are sometimes referred to as justifications for pay differentials for work of equal value through two primary mechanisms: **geographic cost variations** that

necessitate location-based salary adjustments and **labour supply constraints** that create wage premiums for scarce skills. The first mechanism concerns employers adjusting salaries to reflect regional differences in the cost of living and local economic conditions. These location-based adjustments recognise that identical salaries may have vastly different purchasing power across different geographic areas. **Hungary** is unique among Member States in explicitly acknowledging that labour market conditions affect work evaluation. Its legislation specifically recognises that pay can legitimately vary across regions based on the local context, provided that these differences are determined through objective criteria.

This reasoning has become increasingly relevant with the rise of remote and hybrid work, with recent research suggesting that geographically adjusted pay models, whereby remote workers are compensated based on cost-of-living differentials, have gained significant traction (Mas et al., 2020). Examples from big multinationals like Google and Facebook show how location-based salary adjustments are used to balance fair pay standards while optimising labour costs (Josh Bersin Company, 2021).

The second mechanism involves supply and demand dynamics, whereby the scarcity of workers with specific skills creates wage premiums to attract and retain qualified personnel. An example from Sweden (Labour Court Case 2001 No 3) provides significant insights⁽⁶⁾. The case concerned a wage discrimination claim by two female midwives who were paid less than a male medical technician. The court conducted a thorough assessment of work value based on knowledge and skills, responsibility, working conditions and effort, concluding that the midwives and hospital technicians were performing work of equal value. However, the court accepted the wage difference as justified by external labour market conditions, specifically the availability of higher-paying job opportunities for medical technicians.

Other rulings, in **Norway**, have covered the issue of labour market conditions⁽⁷⁾. Case LKN 2001-2 concerned a dispute between a hospital nurse and an engineer. The tribunal critically examined the employer’s justification for wage differences. The key finding was that broad, unsubstantiated claims about recruitment challenges were insufficient to justify pay disparities. Another case (LKN 2002-5) addressed pay differences between three female municipal support workers and a male municipal craftsman. While craft roles traditionally command higher wages, the municipality struggled to demonstrate that the

⁽⁶⁾ For further information, see Eurofound (2001).

⁽⁷⁾ The Complaints Board for Equality (Klagenemnda for likestilling, LKN) and the Equality and Anti-Discrimination Ombud (Likestillings- og diskrimineringsnemnda, LDN) are the two bodies that have analysed the reported equal pay disputes in Norway. The cases were retrieved from Nordic Council of Ministers (2024a).

craftsman's above-standard pay level was necessary for recruitment. Notably, two other craftsmen with comparable skills had applied for the position, and the original job advertisement had specified a lower pay level. In a third case (LDN 23/2008), the tribunal evaluated pay differences between two hospital nurses with supervisory responsibilities and four hospital engineers in supervisory or coordinating roles. After a thorough examination of market considerations, the tribunal concluded that the existing pay differentials could be objectively justified. Although these cases are based on Norwegian labour law, it is likely that courts in the EU would reach similar conclusions given the general alignment with EU legal principles, notwithstanding that the application of the same principles might lead to markedly different outcomes, particularly regarding how courts interpret market justification for pay inequalities.

These cases illustrate how and when judges have (or have not) regarded market conditions as legitimate justification for pay differentials. They have been deemed valid only when they are objective and verifiable, when there is concrete evidence supporting the market-based pay differential and when the conditions are directly relevant to the specific role and context. However, rebuttals of the claim of market forces have been made, as they only appear neutral on the surface. Their application, in fact, raises concerns, as they are often paired with arguments around individual bargaining power, a process known to disadvantage women under certain conditions. Research demonstrates that women face structural disadvantages in salary negotiations, not because of capability differences but owing to contextual factors, including power dynamics, societal expectations and differential treatment of negotiation strategies. Studies show that, while women ask for raises as frequently as men, they are significantly less likely to receive them (Artz et al., 2018), suggesting that the problem lies not in women's negotiation behaviour but in how their requests are received and evaluated. Even when women do initiate salary negotiations, they encounter systematic barriers that reduce their success rates compared with male colleagues (Kugler et al., 2018). These disparities reflect broader workplace dynamics whereby identical negotiation behaviours are interpreted and rewarded differently based on gender, undermining the neutrality of labour market arguments.

Another study from **Sweden** analysed municipal gender pay audit reports by means of a critical discourse analysis and showed that the market was often used by evaluators to justify detected pay differentials. This was more often the case when explaining pay differences between male- and female-dominated occupations than those between individuals in the same occupation. In the audits analysed, the market was accepted as gender-neutral and pay differences (between jobs of

equal value) were considered justified with reference to pay on the market (Salminen-Karlsson et al., 2024).

Gender pay gaps between jobs of equal value across sectors

The gender pay gap and its drivers have been extensively analysed, including at the EU level (European Commission: Statistical Office of the European Union, 2022) and in the form of an international meta-study (Weichselbaumer et al., 2003). These studies typically apply regression models to decompose the pay gap into an explained part and a residual, unexplained part. The explained part is due to measurable differences between men's and women's earnings, such as education, work experience, occupation and working hours. The unexplained part is the remainder that cannot be explained by any of the factors included in the analysis. It may reflect unmeasured variables, such as individual performance, unequal treatment or discrimination. However, explained or observed factors – like the fact that women tend to cluster in other jobs than men – fall short of accounting for the degree to which undervaluation of such jobs can occur (for more extensive critiques, see Rubery et al., 2005; Eurofound, 2010). Hence this type of statistical analysis – while valuable and interesting in itself – cannot be used to investigate the degree of unequal pay for equal work or for work of equal value.

Applying the concept of equal pay for work of equal value is the next natural step to attempt to identify avenues for closing the elusive remaining gender pay gap. An analysis of the differentials in pay between jobs of equal value would provide additional insight – which is currently lacking – into systemic undervaluation patterns and the true magnitude of undervaluation of female-dominated jobs. A recent study from **Norway** examined **possible ways to measure work of equal value** by comparing a large set of requirements, tasks and efforts in occupations, grouped into five main factors. The study compared the levels of competence, responsibility/leadership, physical effort, physically demanding working conditions and mental stress between female-dominated and male-dominated occupations. To calculate wage gaps, the researchers compared men's average hourly wages in female-dominated occupations with men's average hourly wages in male-dominated occupations within groups of occupations with equal value according to the five aforementioned factors. Developing a single indicator for measuring work of equal value is challenging, in that it involves numerous normative and ideological considerations, particularly regarding how much weight to place on each main factor. Rather than proposing a single indicator, the researchers provided several different examples with unequal weights on the five factors to illustrate how the estimated wage gap varies

with different weights. Using the example indicators, they found between 11 % and 20 % lower average hourly wages in female-dominated occupations than in male-dominated occupations of equal value. Regardless of how the indicators were defined, the wage gap was larger when comparing female-dominated and male-dominated occupations of equal value than when comparing all female- and male-dominated occupations and than when comparing men and women performing the same work (Hoen et al., 2024).

In Sweden, an indicator of work of equal value was developed, and 13 groups of jobs were identified as being of equal value (Swedish Gender Equality Agency, 2022). This classification system was created using a method aligned with the Swedish Discrimination Act's criteria for evaluating work of equal value: knowledge and skills, responsibility, effort and working conditions. The 429 occupations in the Swedish labour market were grouped into categories labelled A–M, with each group containing jobs deemed to have equivalent requirements. When comparing wages within these groups, the analysis revealed that female-dominated occupations (in which women constitute more than 60 % of workers) earn nearly 20 % less than other occupations with equivalent qualification requirements. This aggregate measure (based on 2019 figures) represents the structural pay differential across the labour market as a whole (Swedish Gender Equality Agency, 2022). The groupings provide revealing insights into occupational segregation by gender. At the highest executive level, no female-dominated occupations exist, while in terms of senior management roles women are concentrated in HR and personnel management, and men in sales and marketing. Moving through the middle tiers, female-dominated roles in healthcare, social work and education are matched with male-dominated positions in finance, engineering and technology. Gender segregation intensifies in lower groups, where female-dominated caregiving, service and cleaning roles contrast sharply with male-dominated technical, construction and manufacturing occupations.

In Germany, similar exercises were carried out in 2016 and 2018, followed by a more recent study (Lillemeier, 2016; Klammer et al., 2018, 2022). These studies developed a **comparable worth index** using the methodology from the eg-check.de job evaluation system provided by the Federal Anti-Discrimination Agency, applying it to pay data based on the International Standard Classification of Occupations. The 2022 follow-up study revealed that almost three quarters of Germany's gender pay gap results from the systematic undervaluation of female-dominated work.

This finding is particularly significant given that German pay formation is largely determined by industry-level collective bargaining negotiations (Nordic Council of Ministers, 2024b).

The role, potential and limitations of collective bargaining on gender pay equity

An important part of wage formation in the EU is established in collective negotiations at or above the company level. With about 60 % of employees in the EU covered by collective bargaining (Eurofound, n.d.) (ranging from nearly full coverage in some Member States to less than 20 % in others), collective agreements can play a significant role in advancing pay equity.

The Pay Transparency Directive's Article 19 and recital 29 set out that, in line with the Court of Justice's rulings, in cases of alleged pay discrimination, the assessment of whether workers are in a comparable situation regarding the same work or work of equal value is **not limited to workers working for the same employer** but it 'shall be **extended to a single source establishing the pay conditions**' (emphasis added). Such single sources setting pay elements across different establishments could be statutory pay regulations but also collective agreements⁽⁸⁾ relating to multiple employers. In cases of alleged pay discrimination, however, it is up to the courts to assess whether workers from different entities under the same central pay-setting source (the 'single source') are in a comparable situation.

In addition, recital 45 says, 'It is important that the social partners discuss and pay particular attention to matters of equal pay in collective bargaining'. It adds that 'Member States ... should take appropriate measures to encourage the social partners to pay due attention to equal pay matters, which may include discussions at the appropriate level of collective bargaining, measures to stimulate and remove undue restrictions on the exercise of the right to collective bargaining related to the matters concerned and the development of gender-neutral job evaluation and classification systems.'

This practice is known as gender equality bargaining, whereby employment terms and conditions are specifically negotiated to advance workplace gender equality, with implications and effects extending beyond the individual firm (Williamson et al., 2014; Bruno et al., 2021). It comprises several mechanisms, some particularly relevant to equal pay for work of

⁽⁸⁾ However, in cases where employers deviate from the collectively agreed minimum rates, the collective agreement will not be considered the single source (unless the difference in pay can be attributed to the part of the pay set by the collective agreement).

equal value (Heery, 2006). These primarily involve reforms to job evaluation, pay scales and career progression, such as introducing new job evaluation schemes to ensure equal value, revising existing schemes, regrading jobs performed largely by women, and reviewing recruitment and promotion procedures to facilitate the appointment of women to higher-paying positions.

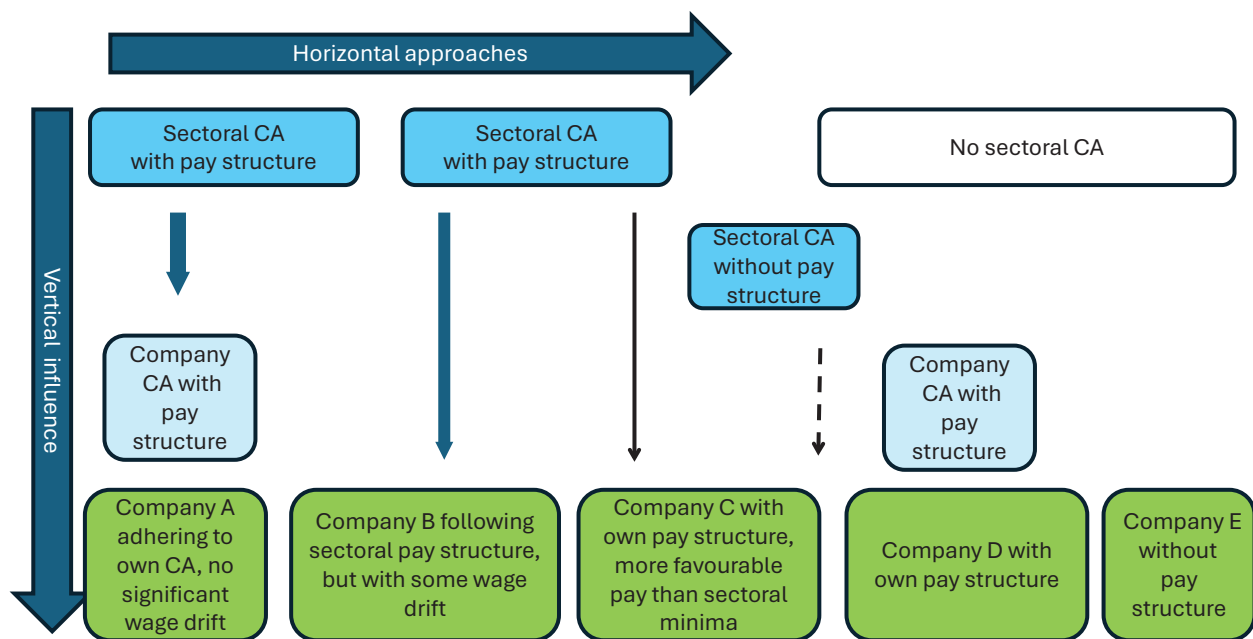
According to Pillinger (2014), based on union responses, most Member States have provisions in labour codes and equality/anti-discrimination legislation on non-discrimination covering collective agreements, among others⁽⁹⁾. However, as social partners have autonomy over bargaining itself, few Member States **mandate collective bargaining on gender equality**. In **Luxembourg**, following the implementation of the Law of 30 June 2004 concerning collective labour relations, all collective bargaining agreements must incorporate provisions upholding the principle of gender pay equity (Article L. 162-2(4)4.). Specifically, each agreement requires the development of a dedicated equality framework addressing workplace and compensation parity between men and women (European Commission: Directorate-General for Justice and Consumers, 2019). In **France**, firms with more than 50 employees must commit to reducing gender inequalities through collective agreement negotiations every year (or every four years if a collective agreement so provides) – an obligation that has existed since 2001,

though sanctions for non-compliance were only introduced in 2012 (Bruno et al., 2021).

Bargaining structures, pay setting in collective agreements and influence on gender pay equity

The extent to which collective agreements can influence and advance gender pay equity can be regarded through two lenses. On the one hand, they can exert ‘vertical influence’, when higher-level collective agreements include gender-neutral job classifications and pay structures that guide companies in setting up their pay structures. On the other hand, ‘horizontal influence’ exists when actors coordinate bargaining and pay setting across several collective agreements or other pay entities. In this section, we outline our thoughts around these two influences and their potential and limitations to support equal-value pay, and then provide examples of each dimension in the following sections. Taking both dimensions together, we argue that the larger (in terms of worker coverage) and less fragmented the collective agreements and the more closely they are followed by companies in their pay setting (with limits to individual increases), the bigger their potential role in ensuring pay equity. In addition, the degree of coordination among the social partners (across sectors) and the societal and personal commitment to address equality are drivers that can influence how much pay equity is advanced.

Figure 4: The role and influence of collective agreements in advancing pay equity for jobs of equal value



Note: CA, collective agreement. The size of the arrows reflects the degree of influence sectoral collective agreements may have on company-level pay equity outcomes. Source: Authors.

⁽⁹⁾ For example, Section 6 of Germany’s 2017 Transparency in Wage Structures Act calls upon parties to collective agreements and worker representatives to collaborate in achieving equal pay for equal work or work of equal value between women and men (OECD, 2021), and Cyprus and Ireland have specific provisions aimed at prohibiting discriminatory job classification systems and collective agreements (Pillinger, 2014).

Vertical influence: equal value within higher-level collective agreements

The directive primarily aims to get companies to set up pay structures based on gender-neutral job evaluation or classification schemes. Collective agreements could thus serve as blueprints for such pay structures that companies can implement and reduce the need for them to develop their own systems. This is depicted in Figure 4 as the **vertical influence of sectoral collective agreements on company pay structures**.

However, **there are limitations**, as the extent to which collective agreements can be used as leverage to advance pay equity in the context of the directive and advance the principle of equal pay for work of equal value will vary considerably by country, sector, bargaining context and company pay policies.

Having a higher collective bargaining coverage, and thus a larger number of workers covered, is strongly associated with sectoral collective bargaining being the predominant bargaining level, often combined with mechanisms for extending collective agreements to companies that are not affiliated to signatory parties to the collective agreements. This is the case mainly in the pre-2004 Member States⁽¹⁰⁾, sometimes combined with company-level bargaining (e.g. in Denmark and Sweden), while Greece and Ireland are exceptions. Company-level bargaining with a much lower coverage is the predominant form in most of the post-2004 Member States (with Slovenia being an exception).

Where sectoral-level agreements are in place, they can include pay structures based on job classifications, **but not all do**. A recent Eurofound (2024) study analysed a sample of nearly 700 collective agreements related to low-paid sectors and showed that about 70 % of agreements had some kind of structured pay scales, whereas the others contained single minimum pay rates, referred to the statutory minimum wage or contained no wage rates at all. The latter group of cases typically occurred in the central and eastern European Member States, but ‘numberless’ sectoral agreements delegating the pay setting to individual negotiations are also common in Sweden (p. 50).

Furthermore, even in cases where sectoral collective agreements include pay structures, these define minimum pay rates, not actual pay. Apart from a few

exceptions, a favourability principle is most commonly in place, which guarantees that workers can only be paid higher wages. The extent to which companies pay above the collectively agreed rates (**‘wage drift’**) again varies between companies, sectors and countries, and **a higher wage drift will limit the collective agreements’ ability to ‘govern’ or influence companies’ pay structures and pay levels**.

In addition, **companies’ job classifications and pay structures may deviate** from those set in the collective agreements. The binding character of the collectively agreed pay rates simply relates to ensuring that the minimum pay laid down for a worker in a particular job category is adhered to, and for this purpose an individual worker must be appropriately assigned to the group within a collective agreement. This may be grounded in legislation, as in a French law dating back to 1950, whereby collective agreements cannot modify the legal agreement between an employee and their employer (i.e. not to the employee’s detriment) and thus the governability of new pay structures in a sectoral agreement can be limited – as presented in the French case study (described by Eurofound, 2025b).

Ultimately, these factors together determine the extent to which sectoral agreements can influence pay equity outcomes within companies and for individual workers. Where higher-level collective bargaining is limited and worker coverage low, where agreements do not contain job classifications and pay grids, and where wage drift is high, individual negotiations at the company level are frequent and companies adapt their own job classifications, **the ability of collective agreements to govern pay equity is limited**. Where this is the case, the company pay-level policies gain a greater role. Also here, collective wage bargaining at the company level is a possibility to which companies can resort, with negotiated pay scales as opposed to scales that are implemented solely by management. In the extreme case, companies have no (transparent) schemes in place or they have a large proportion of individually negotiated pay.

Box 3 provides examples of the ‘vertical approach’ showing the potential of higher-level collective agreements to govern companies’ application of equal pay principles’ and the limitations thereof.

⁽¹⁰⁾ The pre-2004 Member States are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden. (The United Kingdom is excluded, as it left the EU in 2020.) The post-2004 Member States are Bulgaria, Croatia, Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

Box 3: Examples of equal pay for work of equal value within collective agreements

In **Austria**, a gender-neutral job evaluation was carried out in 2019. An assessment commissioned by the state equality body and the trade union Vida specifically compared wage groups in the industrial cleaning collective agreement, examining the disparity between predominantly female ‘maintenance cleaners’ (wage group 6, EUR 9.38 / hour) and predominantly male ‘special cleaners’ (wage group 3, EUR 10.38 / hour). Following a comprehensive evaluation of qualifications, work tasks and application areas, the work was deemed equal, resulting in an agreement to equalise wages at the higher rate. This case highlighted several systemic issues, including the need to introduce non-discriminatory criteria for job classification (Mayr, 2019; see also Pillinger, 2021). Further research by Eurofound’s correspondent showed that the latest text of the agreement (2024) continues to refer to both groups with distinct rates.

A court case involving the Helsinki Fire Department in **Finland** (Helsinki District Court, L 706/2022/7380, January 2024) involved a senior safety trainer – the sole woman in her work team – whose compensation differed from that of male colleagues serving as senior fire inspectors and control planners, all working in the same team. Following a comprehensive evaluation of job content and requirements, the district court determined the roles to be of equal value, and therefore that they should have been remunerated at the same level, rendering the employer culpable for pay discrimination. The ruling suggested that collective agreement provisions alone may not sufficiently justify pay differentials, and that the principle of equal pay for work of equal value takes precedence over negotiated wage differences.

Another example relates to an unsuccessful attempt at implementing a job evaluation methodology. It stems from **Lithuania** in 2005. The national social partners signed an agreement establishing a ‘Methodology for the assessment of jobs and positions’, based on eight evaluation factors. While the agreement was designed to serve as a model for company-level collective agreements, it ultimately failed to achieve its intended impact. The agreement eventually lapsed, having had no significant impact on bargaining practices. This failure was compounded by a fundamental lack of methodological guidance on salary structuring, with bargaining parties failing to incorporate gender-specific considerations into their approaches (European Commission: Directorate-General for Justice and Consumers, 2019).

Horizontal influence: equal-value pay across collective agreements and pay-setting entities

A large part of the economy-wide gender pay gap stems from horizontal segregation. Women tend, on average, to work in lower-paid sectors, lower-paid jobs within sectors and lower-paying firms. In the section ‘Gender pay gaps among jobs of equal value across sectors’ some studies were presented that investigated economy-wide gender pay gaps from the perspective of work of equal value. However, pay gaps across sectors also reflect different abilities to pay, market conditions and the bargaining powers of workers within the sectors. Workers across sectors are covered by different collective bargaining agreements (pay-setting entities) – if at all. Consequently, identical functions may receive different compensation depending on their sectoral context, as demonstrated in, for example, the German case study (see Chapter 3), in which equivalent

commercial roles across different industries covered by the same union receive varying wage levels based on sector-specific economic realities rather than job evaluation scores alone.

Attempts to **promote pay equity across sectors or other pay entities through collective bargaining** are therefore limited by the degree of fragmentation of collective bargaining. This also determines the number and size of agreements; the number of those involved and their interests and strategies; the extent to which coordination between them on pay equity issues can be realised; and whether they have an interest (including their members’ support) in doing so and the ability to. Low-productivity sectors or governmental sectors with budgetary constraints will have less leeway to increase pay for groups of workers in undervalued positions than those with more ability to pay or operating in a context of labour shortage.

Box 4: Examples of equal-value pay across collective agreements

In **Finland**, most healthcare professionals (92 %) are women. Tehy – the largest trade union for health and social care professionals, with 160 000 members – has pursued strategic collective bargaining to address gender pay inequalities. Following the 2016 competitiveness pact, which disproportionately affected women in low-paid healthcare positions through wage freezes and increased working hours, Tehy developed a two-pronged approach: negotiating an **'equality allowance' for female-dominated sectors** and **separating nursing staff from general collective agreements**. In 2021, Tehy successfully extracted 180 000 municipal health and social care professionals from general agreements, securing a separate collective agreement that better addresses the specific characteristics of nursing work. While the equality allowance remains a goal for future negotiations, Tehy economists estimate that an additional 1.8 % annual salary increase for the health and social care sector could potentially eliminate Finland's gender pay gap within a decade (Scottish Government, 2021).

In **Denmark** in 2018, public service unions in the municipal and state sectors successfully negotiated the establishment of a specific fund to tackle gender pay inequality, securing first DKK 85 million (approximately EUR 11.5 million) and then a further DKK 56 million (approximately EUR 7.5 million) in 2022 for implementing pay rises in female-dominated jobs. However, unions maintain that the allocated funds are insufficient to fully address the undervaluation of work in feminised sectors. This was notably demonstrated in 2021, when the Danish nurses' union (DSR) rejected a proposed agreement for local and regional governments, citing the fact that nurses' pay had fallen behind that of other workers despite their education, responsibilities and additional duties during the COVID-19 pandemic (Pillinger, 2021).

A court case from **Finland** suggests potential limitations in using different collective agreements as the sole basis for justifying pay differentials (although both employees worked for the same employer). The District Court of South-West Finland in 2019 compared the roles of a female social manager and a male culture manager working for the same municipality but covered by two different collective agreements, and found their work was of equal value. The pay being determined by collective agreements was not a justification for pay discrimination; equal-value considerations came first (Nordic Council of Ministers, 2024a).

In **Sweden**, a so-called gender equality pot (*Jämställdhetspotten*) was centrally negotiated and set up by social partners in 2007. The idea was that a wage pot would provide for extra pay increases in lower-paid, female-dominated sectors, thus contributing to equalising pay differentials across sectors and addressing the aggregate gender pay gap. The contributions were collected based on a central collective agreement but distributed in lower-paid workplaces via local bargaining (Eurofound, 2010; Erikson, 2021).

Most examples of attempts to reduce gender pay gaps across sectors or professions covered by different collective agreements stem from the Nordic Member States, which, alongside a **high societal focus on equality questions**, have a **highly coordinated wage formation system** that serves as a vehicle to address cross-sectoral pay equity issues. The setting-up of dedicated wage funds to grant additional increases to roles predominantly held by women, such as the Danish public sector example or the Swedish gender equality pot described in Box 4, was attempted in Nordic Member States but (to the best of our knowledge) not actively continued or taken up by other countries.

According to Erikson (2021) the genesis of the Swedish gender equality pot was possible based on a unique interplay of contextual and institutional factors: a favourable economic climate, strong union coordination and a flexible setting for institutional bargaining made it possible to set up the fund in 2007. Subsequently, however, weaker coordination between unions, including **disagreements between the male-dominated industrial unions and female-dominated**

ones, and strengthened employer coordination together with a strong industry norm (whereby the exporting sectors set the benchmark for pay increases) appeared to hinder further gender equality initiatives. Notably, a union interviewee, in the same article, suggests that 'It was easier before we started working from the perspective that women's salaries were wrongly valued. As long as we talked only about special low-salary increases, everybody supported us.'

An alternative mechanism is to ensure that bargaining outcomes in (female-dominated) lower-paid sectors are more favourable than elsewhere. Where bargaining coverage and power are low, trade union strategies concentrated on national-level negotiations to ensure higher national legal minimum wages (Pillinger, 2014). As women are over-represented among minimum wage earners, uprating the national minimum wage can contribute to promoting the reduction of the gender pay gap (see, for example, Eurofound, 2021a). This is now reinforced through legislation, as the EU Minimum Wage Directive (2022/2041) has the reduction of the gender pay gap as one of its central objectives.

Effectiveness of equality bargaining

Beyond anecdotal accounts, systematic evidence of what works and what does not work in equality bargaining (which goes far beyond the focus on work of equal value) remains very limited.

Pillinger (2014) conducted a survey among the European Trade Union Confederation's affiliated unions regarding their actions and strategies to address gender pay inequalities in general and analysed collective agreements on gender equality. The report identifies the trend in favour of individual negotiations as one of the greatest challenges and suggests that '**centralised and sectoral bargaining**, which has an impact across the whole economy, **is the most effective way** that unions can implement actions to reduce pay inequalities between women and men' (p. 27, emphasis added). Unions' strategies to address equalities were, however, more often broader and multifaceted. Employers were reported to be more willing to agree on 'softer' areas (like work-life balance, and training and career development) than pay-related matters, so company-level bargaining in these areas too, or on company pay audits / surveys, was found.

Only two further significant studies were identified that provide insight into these mechanisms: an earlier one from the United Kingdom based on a survey of paid union officers (Heery, 2006) and a more recent one from France based on administrative data about representative samples of French establishments and survey data on labour relations (Bruno et al., 2021). The study from the United Kingdom, where company-level bargaining is predominant except mainly for the public sector, suggests that equality bargaining is significantly more likely in public sector employment owing to 'model employer' traditions and receptive public policies, with **centralised negotiations covering multiple employers** also proving more conducive to equal pay bargaining.

Crucially, an **officer's personal commitment to equal pay emerges as a stronger predictor of involvement than their gender**, while access to training and specialist equality officers and committees significantly facilitates engagement. However, the study also identifies important limitations: engagement tends to be 'broad but fairly shallow', with unions achieving more success on procedural issues that are 'relatively cost-less from the perspective of the employer' rather than substantive concessions, and equality actors often operate in 'union silos' separate from mainstream bargaining structures. The French study provides complementary but sometimes counterintuitive findings, showing that contexts of gender diversity in the workforce – in other words, where women and men are nearly equally represented – are most favourable for initiating collective bargaining on gender equality, with the relationship forming an inverted U-shape, whereby both under-representation and over-representation reduce the likelihood of negotiation. The introduction of financial penalties for non-compliance in 2012 significantly increased the propensity to negotiate, particularly in male-dominated establishments, though, paradoxically, the chances of reaching agreement are significantly lower in highly feminised bargaining environments, possibly because employee representatives in such contexts have more ambitious demands. While both these studies provide interesting cues for reflection and argumentation around the topic, they represent limited evidence that cannot be generalised across the EU. Hence, they are a start for further investigation on the role of collective agreements in achieving equal pay for work of equal value through equality bargaining.

2 From principle to practice: instruments to realise equal pay for work of equal value

Beyond establishing objective, gender-neutral and bias-free criteria, realising equal pay for work of equal value requires the use of systematic instruments. These instruments include job evaluation systems, analytical tools, pay structure frameworks and supporting guidelines that translate theoretical equal pay concepts into concrete assessment methodologies. However, as acknowledged in recital 31 of the Pay Transparency Directive, these tools can either worsen or help solve gender pay gaps, depending on their design and practical implementation: when they rely on traditional gender stereotypes, they perpetuate gaps, but when designed to be gender-neutral, they effectively prevent direct and indirect discrimination.

This chapter begins by examining the historical development of job evaluation systems and tracing how this legacy continues to influence contemporary practice. It then examines compensation management systems and their key components – including job evaluation processes, pay structures, analytical methods and tools, and supporting guidelines – that organisations use to implement equal pay principles. Before concluding, it examines the role of collective agreements and the extent to which they can act as a lever to promote the principle of equal pay for work of equal value.

Origins and evolution of job evaluation

The origins of systematic job evaluation can be traced to the First World War era, when the practical need to match personnel capabilities with position requirements on a large scale first emerged. The industrial psychologist Walter Dill Scott developed the initial ‘job analysis’ framework for the classification of US Army personnel, establishing the first systematic approach to evaluating work roles. This foundational work was influenced by Frederick Taylor’s principles of scientific management, which emphasised labour division for optimal efficiency and contributed to the establishment of four primary evaluation factors that remain influential today: **skill, responsibility, effort** and **working conditions** (Hallee et al., 2024). In 1925 the introduction of a 13-factor evaluation method for US metallurgical companies was the next step in job evaluation practice. The late 1930s marked crucial progress with points-based evaluation systems,

primarily focused on male-dominated industrial environments where physical capability was central to the nature of jobs. These wage-setting practices reflected contemporary social values, positioning men as primary breadwinners while considering women’s wages supplementary (Hallee et al., 2024). The post-war economic expansion facilitated the widespread adoption of analytical methods, particularly Merrill Lott’s point method and Eugene J. Benges’s factor comparison method (Hallee et al., 2024).

These Taylorist-rooted evaluation methods were designed to eliminate subjective wage-setting practices in male-dominated industries such as metallurgy and rail transport, where physical strength and manual labour were primary job requirements. Current wage systems continue to be based on these century-old industrial models, making them misaligned with modern labour market realities. This misalignment stems from fundamental changes in the modern workplace. First, **significant demographic and societal shifts** have substantially altered **workforce composition and labour market participation patterns** (Eurofound, 2021b). Women’s labour force participation in Europe has increased substantially, rising from approximately 55 % in the early 1990s to more than 70 % in 2024. Second, the **evolution of work organisation** has created employment arrangements that traditional job evaluation cannot adequately capture. Modern labour markets are characterised by increased non-standard work arrangements, including part-time job sharing, platform work and hybrid roles (Eurofound, 2022; EIGE et al., 2023), as well as project-based work structures and cross-functional responsibilities.

For example, the Hay system, developed by Edward N. Hay in the 1950s and also known as the Hay guide chart–profile method, represents one of the most widely used job evaluation systems globally and has made significant contributions to revealing sex discrimination and social prejudices in the assessment of women’s work. However, in past applications, research identified some challenges in how the system captured the full value of women’s work, suggesting that technical frameworks may inadvertently affect equity outcomes (Acker, 1989). For example, in the Oregon study, applying a modified Hay methodology, technical and managerial know-how dominated the scoring (contributing 60.9 % and 17.3 % respectively), while human relations skills – critical to many female-

dominated roles – contributed minimal points (Acker, 1989). In addition, despite recommendations to broaden the human relations scale to capture interpersonal competencies better, Hay consultants adopted a de facto three-level framework that could not distinguish between vastly different types of human interaction, such as a secretary managing relationships with multiple bosses compared with a highway maintenance worker coordinating with crew members (Acker, 1989).

Since the introduction of job evaluation methods, experts have continuously debated whether they help or hurt equal pay efforts. One fundamental criticism is whether the inherent worth or comparable value of jobs can be assessed at all, and whether wages can be determined irrespective of supply and demand market factors (see Blomskog, 2007, for a critical discussion). Even if the principle and methods are accepted, the major criticism that older evaluation systems may bring outdated criteria into today's workplaces still stands (Steinberg, 1992), with recent studies showing that policies do not reduce wage inequality when pay systems are not designed explicitly with equal pay for work of equal value as a core goal (Koskinen Sandberg, 2017).

While some argue that criteria-based methods offer greater objectivity by evaluating positions through technical factors, these approaches do not inherently guarantee neutrality. These structured systems are often contrasted favourably with 'global methods' that classify jobs without explicit criteria, instead relying on direct comparisons or predetermined classification frameworks. However, research demonstrates that even methodically designed criterion-based evaluation systems can perpetuate gender bias despite their appearance of objectivity (Bender et al., 2017). The argument in favour is that many flaws in job evaluation can be overcome by redesigning systems to meet the needs of modern organisations and legislative pay equity requirements through analytical, transparent and participative approaches, which also provide a defence against legal action (Arthurs, 2015).

Understanding the role of compensation management systems

Organisations use compensation management systems to manage the full spectrum of remuneration, including not only basic wages but also variable and complementary components such as bonuses, benefits and other compensation elements⁽¹¹⁾. This is part of the HR management function, with its scope and complexity varying significantly between organisations. Variation also depends on the organisation's commitment to equitable compensation practices and its response to external pressures towards pay equity, whether these come from legislative mandates, industry standards or societal expectations. Briefly, compensation management systems consist of the following.

- **Job evaluation** is the process of assessing and comparing jobs within an organisation to determine their relative value and establish a fair and equitable pay structure, particularly where different jobs may be equally valued. It involves assessing jobs based on predetermined criteria, and therefore it is based on the assumption that the components of a job can be separated into elements worthy of remuneration (Arthurs, 2015). Job evaluations are key to creating a hierarchy of jobs that reflects their relative importance and complexity, irrespective of the individuals occupying those roles or their gender. However, in practice, disentangling the role from the individual performing it can be difficult (Arthurs, 2015). After jobs are evaluated, the next step is to create a **job classification** that groups similar jobs together in common grades or categories, based on the evaluations carried out in the preceding phase.
- Next, **pay structures** are built upon job evaluation and classification results. Pay structures are frameworks that outline the ordering of pay rates for jobs or groups of jobs within an organisation. Well-designed, gender-neutral pay structures ensure internal equity by aligning compensation with job value. Job evaluation, job classification and pay structure should provide a rational and objective basis for compensation decisions, helping identify and address pay disparities that may disproportionately affect women or other under-represented groups. These systems should also facilitate clear, gender-neutral career progression paths for all employees.

⁽¹¹⁾ Article 3 of the Pay Transparency Directive defines pay as 'the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which a worker receives directly or indirectly (complementary or variable components) in respect of his or her employment from his or her employer'. This means that compensation management systems as a whole are relevant to the directive's scope, as they oversee the same comprehensive range of remuneration components.

- Analytical methods and tools** are systematic approaches, often enhanced or operationalised in software solutions, that support job evaluation, job classification and the creation of pay scales. Analytical methods and tools require inputted information to produce insight into how to shape job classifications and pay scales, or to flag issues in their implementation. Methods and tools process job and pay data through statistical models and other analytical frameworks. These tools enable regular analysis of pay patterns, helping organisations identify emerging disparities, track the effectiveness of pay equity initiatives and ensure continuous compliance with equal pay principles.
- Guidelines and checklists** serve as resources to provide fundamental background and establish a baseline understanding of pay equity and its implementation, looking, for example, at what should be in place in terms of processes, who should be involved, when, how to implement policies and how to monitor them. While other tools are oriented towards specific detail, guidelines and checklists offer an overarching perspective.

Figure 5 illustrates how these different parts are related to each other. The following sections review, in detail, job evaluation and classification, analytical methods, tools, guidelines and checklists, and their gender outcomes⁽¹²⁾.

Job evaluation and classification

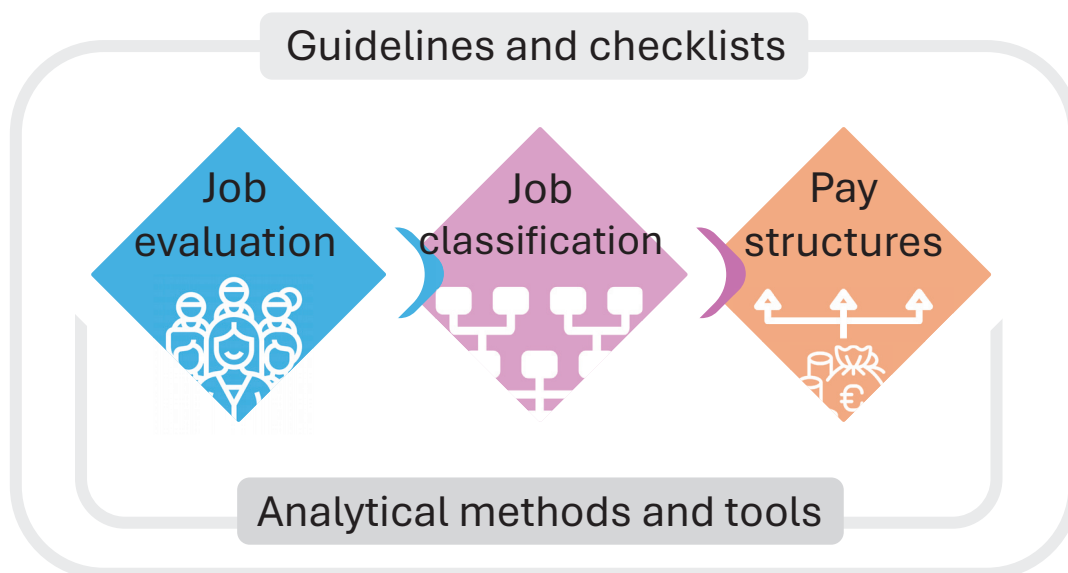
A well-designed and genuinely gender-neutral job evaluation and classification system, when properly implemented, can effectively prevent wage discrimination by ensuring equal compensation for work of equal value, potentially eliminating the need for legal action over pay equity disputes.

Job evaluation committees are often used to increase employee acceptance and support, with recommendations for balanced composition and adherence to professional codes of practice. Various methods, both analytical and non-analytical, are employed in job evaluation (for more details, see ‘Analytical methods and tools’).

According to the United Kingdom’s Equality and Human Rights Commission, a job evaluation needs to have the following characteristics to withstand an equal-value claim, as established through cases under the UK Equal Pay Act 1970 and the Equality Act 2010.

- Analytical.** The evaluation must assess each position according to specific criteria such as effort, skills and decision-making. Methods that only consider the overall role without breaking it down into these distinct components do not meet this requirement.

Figure 5: Representation of the compensation management systems



Source: Authors.

⁽¹²⁾ While pay structures are an essential component of compensation management systems and crucial for translating principles into actual pay equity, this report focuses on their precursors, as these determine how pay structures are established.

- **Thorough and impartial.** The assessment must provide an objective measurement of work value, minimising opportunities for personal bias to influence outcomes. Evaluation systems lacking robust mechanisms to prevent subjective judgement will be deemed inadequate.
- **Reliable.** The system must maintain overall dependability and currency. This excludes evaluations using outdated methodologies, those relying on obsolete assessment data or incomplete evaluations.
- **Gender-neutral.** The evaluation system must be objective, be free from discrimination, give equal recognition to skills regardless of whether they are typically associated with men or women and be applied consistently and without bias. An evaluation showing gender bias at any stage – whether in planning, design, implementation or evaluation – will not satisfy this requirement.

In the literature, there has been criticism of how job evaluations display gender biases, in particular in the selection of evaluation factors and sub-factors, weighting systems and procedural approaches, with a general undervaluation of work predominantly performed by women. This appears to be a legacy of systems that were developed and used for decades, primarily to evaluate male-dominated jobs systems (Hallee et al., 2024). A list of gender bias risks in job evaluation processes follows (based on the Equality and Human Rights Commission classification and expanded with further reflections).

- **Skills recognition and evaluation.** Competencies frequently found in female-dominated roles, such as manual dexterity, interpersonal communication and emotional labour management, are often discounted under the assumption that they represent innate feminine traits rather than professional capabilities requiring formal recognition and compensation.
- **Working conditions assessment.** Traditional job evaluation frameworks frequently exhibit a narrow interpretation of challenging working conditions, predominantly focusing on physical aspects common in male-dominated sectors. Unlike predominantly male jobs, female-dominated jobs are perceived as being performed in an environment free from dust, noise, potentially harmful chemical products and uncomfortable temperatures, and therefore free from any hazards. This approach fails to adequately acknowledge equally demanding conditions in female-dominated professions.
- **Responsibility.** Predominantly female jobs are perceived as involving little responsibility. However, female-dominated jobs (e.g. nurses or teachers) usually have responsibilities towards people, but these are either omitted or

undervalued. On the other hand, typically male occupations have responsibilities for financial resources, equipment or materials, which find greater space and emphasis in job evaluation systems (Bender et al., 2017; Chordiya et al., 2023).

- **Experience and qualification metrics.** The conventional approach to measuring experience and qualifications often disadvantages women through inflexible criteria. Continuous service requirements have a disproportionate impact on those with career interruptions due to caring responsibilities, while an overemphasis on formal academic qualifications may undervalue equivalent expertise gained through alternative pathways. This creates systematic barriers to fair assessment and career progression.
- **Factor weighting and scoring.** The methodology for weighting different job factors can perpetuate gender bias when systems disproportionately reward characteristics typically associated with male-dominated positions. This becomes a particular problem when factors predominantly found in female-dominated roles receive lower weightings without objective justification, creating a compound effect that systematically undervalues these positions.

According to the guidelines included in the Commission staff working document accompanying the report from the Commission to the Council and the European Parliament on the application of Directive 2006/54/EC (SWD(2013) 0512 final), several practices in job evaluation and classification systems should be avoided because they may be a source of indirect pay discrimination:

- using different evaluation systems within a company,
- failing to examine whether the requirements include those generally associated with typically male as well as typically female jobs,
- failing to evaluate typically female job requirements, such as psychosocial competencies and responsibilities,
- using different evaluation criteria for male- and female-dominated tasks,
- double assessment of the same requirement,
- disproportionate weighting of the requirements typical of male-dominated jobs,
- defining the responsibility of a job solely by hierarchical position,
- ambiguous definition of requirements that could be interpreted as disfavouring female-dominated jobs,
- linking requirements – for example, ‘special responsibility’ is only assessed if the requirement ‘specialised knowledge’ is evaluated,
- assessment of requirements only if they account for a certain share of the whole working time.

Experiences of promoting gender-neutral job evaluations can be found across the EU, although they are not widespread. Seven Member States (**Belgium, Finland, France, Germany, Portugal, Slovakia and Spain**) mandate job classification systems ‘to be explicitly gender-neutral if job classifications are used by companies and/or they are used to fulfil pay-auditing obligations’, but job classifications are not mandatory in the first place (OECD, 2021, p. 35). In Member States with equal-pay auditing systems, job classification systems are often used to help identify pay discrimination. **Finland, France, Portugal, Spain and Sweden** embed job classifications as part of pay-auditing processes, which helps ensure that job classifications become more widespread (OECD, 2021).

While interest in job evaluations and gender equality among policymakers has been increasing steadily, a recent literature review by a team of Dutch researchers and practitioners has shown that academic interest in job evaluations peaked between 1980 and 2010, with a notable decline in studies since then. This decrease in academic attention comes at a critical time when significant changes in work content, organisation, labour market conditions and public policies are affecting how jobs should be evaluated. While grey literature indicates that institutions, governments and international organisations are seeking innovations in job evaluation tools and methods, there is a concerning lack of recent research to support these developments (van de Glind et al., 2025).

Analytical methods and tools

Job evaluation methods and tools are the instruments that allow the implementation of job evaluation, classification and pay scales. They are essential for establishing the relative value of different roles within an organisation and determining whether their corresponding remuneration is equitable. The ILO recognises these methods as fundamental instruments for ensuring fair pay (Oelz et al., 2013). Analytical job evaluation methods, characterised by their systematic and comprehensive approach, offer greater potential for reducing discrimination than non-analytical alternatives (SWD(2013) 0512 final). For this reason, they are widely recognised, but their effectiveness is not automatically guaranteed, and various safeguards must be implemented.

Analytical methods and tools can be classified using two primary frameworks: classification by **methodological approach**, which focuses on how the evaluation process is conducted, and classification by **development origin**, which considers who created the method or tool and for what purpose.

Following the methodological approach, analytical methods and tools can be classified as follows (based on an adaptation of the gender pay review methodology developed by the Irish Business and Employers’ Confederation (IBEC, 2013)).

- **Market-based methods and tools** establish job worth and position in a hierarchy based on market value for core or benchmark jobs. Then, non-core jobs are slotted into the benchmark job structure based on which benchmark role they most closely relate to in terms of either market pay or job content.
- **Non-quantitative whole-jobs methods and tools** evaluate positions as complete entities rather than breaking them down into component parts. They can be further classified.
 - **Global or ranking methods.** These rank jobs overall, but without determining the difference in value between them.
 - **Job slotting.** This method compares new jobs with those that are already in place, and slots new jobs into the same grades as those with similar overall worth.
 - **Job classification.** The number of grades in the structure has already been established and defined in language suited to the company. Each grade is assigned a set of generic jobs that fit into that grade and grade descriptor. Other jobs are then assigned to grades based on which description they fit best.
- **Quantitative factor evaluation methods and tools** assess jobs by breaking them down into measurable components or factors, assigning scores based on the presence and importance of each factor. These methods provide a detailed, data-driven approach to comparing job value across roles. They can be further classified.
 - **Point allocation methods.** These break jobs down into components or factors and attribute points to them. The processes typically involve identifying the generic or tailored factors, perhaps weighting them on the basis of what is most important to the organisation, and evaluating the jobs by assigning them points reflecting the extent to which the job requires the factors for proficient execution of the role.
 - **Factor comparison methods.** A job is compared with another job rather than against an independent scale. Different approaches include comparing a number of factors in different jobs on a simple scale to see if they are the same, smaller or bigger (called graduated factor comparison) and comparing the content of jobs against a set of factor descriptions arranged in order of difficulty (called analytical factor comparison).

The classification by development origin identifies the following types of analytical methods and tools.

- **Proprietary** methods and tools are commercially developed systems that represent significant investments by consulting firms in creating standardised, marketable job evaluation methodologies. Examples include systems developed by major consulting houses such as Hay, Mercer, Watson Wyatt, ORBA, Berenschot and Compass, which offer the advantage of established credibility and extensive benchmarking data, though often at higher implementation costs, but also the Swedish BAS (position and job evaluation system) or the Swiss Abakaba (job evaluation system, more commonly used in German-speaking countries).
- **Institutional** methods and tools are developed by institutions and organisations that serve broader societal interests rather than commercial objectives. These can emerge in different ways, for example through independent development by research institutions or government bodies, often those focused on gender equality, or from collaboration with or between the social partners. These systems generally reflect national approaches to pay equity, often for sector-specific uses, and may incorporate specific legal or regulatory requirements. Examples include collaborative social dialogue products such as Sweden's BESTA-vägen for the central government administration sector, Belgium's Institute for Function Classification (IFIC) system, Spain's SVPT tool and the United Kingdom's local government single status job evaluation scheme (known as the NJC scheme) (see Chapter 3 for more details on some of these examples).
- **Customised** methods and tools are adapted versions of existing evaluation systems, modified to better suit specific organisational needs while maintaining the core elements of the method. Examples are the adaptation of the NCJ scheme for Austria's FABA system⁽¹³⁾ and the Swiss Evalfri, an adaptation of the Abakaba system to evaluate public sector roles.
- **Tailor-made** methods and tools are explicitly designed for (and sometimes by) individual companies or institutions to meet their specific needs, based on their organisational culture and operational context.

Each approach to job evaluation systems has distinct advantages and disadvantages (Department of Labour, 2008). **Proprietary commercial systems** provide the

benefit of being thoroughly tested and backed by extensive implementation experience, often done in several countries and across diverse industries. They often come with valuable extras like pay databases and software solutions for implementation and monitoring. However, they may not always align perfectly with all organisation types and needs. They can create ongoing dependency on external providers, with knowledge and expertise residing outside the implementing organisation. **Institutional systems** have similar benefits and drawbacks, with the additional benefits of being perceived as neutral and having public or shared legitimacy, as they are designed to align with national legislation and equality frameworks or are the product of consensus between social partners. However, they can be slower to adapt to contextual changes, as they need to undergo lengthier approval processes. **Tailor-made systems** offer the closest alignment with organisational values and needs. When they include a participative design process, they generate stronger internal buy-in. The trade-off comes in the form of a significant investment of time and resources required for development. In addition, unless the organisation has internal expertise, external support may still be needed during the development phase. Furthermore, maintaining and updating these systems creates ongoing costs that many organisations might not be able to afford as time goes on. However, without proper maintenance and revisions, tailor-made systems risk becoming obsolete as job roles evolve, industry standards shift and legal requirements change. **Customised systems** strike a middle ground by building upon existing frameworks while allowing for organisational adaptations. The main challenge lies in careful implementation to avoid both the pitfalls of proprietary and tailor-made systems and the risk of inconsistent design elements that do not work well together.

Guidelines and checklists

Several guidelines and toolkits exist to support the application of equal pay for work of equal value, particularly regarding gender-neutral job evaluations. These resources have been developed at various levels, by individual Member States, as in Belgium, or international organisations like the ILO (Chicha, 2008). At the EU level, the European Commission has produced guidelines contained in the Commission staff working document accompanying the report from the Commission to the Council and the European Parliament on the application of Directive 2006/54/EC (SWD(2013) 0512 final). Notably, Article 4(3) of the Pay Transparency Directive specifically provides that the

⁽¹³⁾ Ranftl et al. (2004) applied it to the job evaluation of a regional social care company, which ultimately laid the foundation for the job classification in a sectoral collective agreement.

Commission may update these Union-wide guidelines in consultation with EIGE. The existing EU guidelines describe key aspects and identify essential gender-neutral factors and sub-factors for evaluating tasks across all economic sectors. The guidelines also address the critical process of weighting these factors, acknowledging that this process can be subjective and potentially influenced by gender stereotypes.

Building on this foundation and in line with Article 4 of the Pay Transparency Directive, EIGE is currently updating these EU-wide guidelines. The updated

guidelines will provide practical guidance and tools for employers, incorporating evidence-based approaches and practical examples from across the EU and beyond⁽¹⁴⁾.

A selection of guidelines at the Member State level is given in Table 3, drawn from desk research together with the data collected under EIGE's project EIGE/2024/OPER/04 'Boosting compliance with the principle of equal pay through evidence-based practical guidance and tools on gender-neutral job evaluation and classification systems'.

Table 3: Examples of job evaluation guidelines and checklists across Member States

Member State and year	Guideline name and link	Authoring organisation	Brief description
Belgium, 2010	Checklist – Gender neutrality in job classification systems	Institute for the Equality of Women and Men (IGVM-IEFH)	This checklist was developed to verify the gender neutrality of sectoral job classification systems. If classifications are not gender-neutral, they are included on a published 'name and shame' list.
France, 2013	Guide pour la prise en compte de l'égalité entre les femmes et les hommes dans les systèmes de classification (Guide to taking gender equality into account in classification systems)	Higher Council for Professional Equality between Women and Men	Designed for those taking part in collective bargaining, labour inspectors and gender equality advocates, the guide provides a structured methodology to objectively assess female-dominated roles that have historically been undervalued. The guide emphasises establishing an evaluation committee with joint employer and employee representation, training the members of the committee and adopting transparent approaches to foster trust. While primarily designed for sector-wide collective bargaining, it also helps individual employers audit and correct potentially discriminatory pay practices.
Ireland, 2022	Code of Practice on Equal Pay	Irish Human Rights and Equality Commission (IHREC)	This code provides practical guidance on identifying and eliminating pay inequality, conducting effective pay reviews and managing complaints. It carries legal weight, as its provisions are admissible as evidence in court proceedings. Its broad interpretation of 'work of equal value' enables meaningful comparisons between entirely dissimilar jobs based on equivalent skills, requirements, responsibilities and working conditions, potentially establishing equal value despite significant differences in job content.
Luxembourg, 2009	Actions Positives – Un guide pour les petites et moyennes entreprises pour l'égalité de salaire entre femmes et hommes au travail (Positive actions – A guide for small and medium-sized enterprises for achieving gender pay equality at work)	Ministry of Gender Equality and Diversity (MEGA)	The guide helps small and medium-sized enterprises identify and close gender pay gaps by encouraging employers to assess whether salary differences are justified by objective factors or reflect gender bias. It recommends involving gender equality delegates and provides a step-by-step approach – analysing policies, diagnosing disparities, creating action plans and implementing changes – with practical tools like checklists and surveys to ensure long-term pay equity.
Netherlands, 2020	Je verdiende loon! Handreiking gelijke belonging (You deserve it! Equal pay guide)	Labour Foundation	The guide distinguishes between neutral criteria (e.g. work experience and performance-based growth) and non-neutral practices (e.g. arbitrary negotiations or undervaluing part-time work) that perpetuate gender pay disparities. It provides adaptable guidance for organisations of all sizes, encouraging transparent evaluation methods without prescribing a formal scoring system. A key strength is its focus on manager training to help decision-makers understand and mitigate gender biases while ensuring consistent pay practices.

⁽¹⁴⁾ The guidelines are available on EIGE's Gender Mainstreaming Platform, in the section dedicated to [step-by-step toolkits](#).

Member State and year	Guideline name and link	Authoring organisation	Brief description
Portugal, 2022	Guia para Avaliação de Postos de Trabalho, com base em critérios objetivos, comuns a homens e mulheres (Guide for job evaluation, based on objective criteria, common to men and women)	Commission for Equality in Labour and Employment (CITE)	This is a comprehensive guide to ensuring equal pay using an analytical points method based on four key factors: competencies, efforts, responsibilities and working conditions. It includes a structured implementation process and addresses gender bias by highlighting traditionally undervalued characteristics in female-dominated jobs.
Spain, 2022	Herramienta de Valoración de Puestos de Trabajo (Job evaluation tool)	Institute of Women and the Directorate-General for Labour	This comprehensive analytical tool promotes gender-neutral job evaluations across all sectors and company sizes. Created with input from trade unions, employer organisations and equality experts, it uses a point-scoring system to assess roles based on tasks, requirements, experience and working conditions. The tool incorporates traditionally undervalued ‘female’ skills like emotional labour and mental effort, using a grading system with predefined weights and precise definitions to ensure objectivity and prevent gender bias.

Gender equity outcomes and challenges

While compensation management systems are designed to create efficient and equitable compensation structures, their implementation can lead to a variety of outcomes, some more successful than others in achieving gender pay equity. They do not automatically guarantee objective, gender-neutral and bias-free outcomes. This section examines how compensation management systems can either advance or undermine gender equity objectives.

Language in job descriptions

Gender neutrality is first challenged in the language used for job titles and descriptions, whether these are used in internal documents and systems, or in communications with the outside world, particularly in job postings. Research consistently shows that men’s work tends to be characterised using active, technical and agentive language with terms such as ‘implement’, ‘decide’, ‘organise’, ‘lead’, ‘responsible for’ and ‘edit’, conveying decisiveness and authority. In contrast, women’s work is often described with passive or supportive language like ‘assist with’, ‘recommend’, ‘coordinate’, ‘facilitate’, ‘contribute to’ and ‘proofread’, subtly positioning this work as auxiliary or less skilled (Chicha, 2008; Department of Labour, 2008; Gaucher et al., 2011). The marked tendency to use more technical and commanding terminology when describing traditionally male occupations, regardless of whether the actual work requires greater technical expertise or authority, can create an impression of greater

complexity or skill, potentially influencing how the work is valued. When these linguistic biases permeate job documentation, they create foundational inequities that can be difficult to overcome, even in objective systems (Oelz et al., 2013). Several examples of the impacts of gendered language are available in the literature: research on job advertisements shows that male-dominated fields tend to use more masculine-coded words, which subtly discourage female applicants, even though they often remain unaware of this influence. In contrast, feminine-coded wording appears less frequently, creating an asymmetric bias that reinforces male-dominated domains (Gaucher et al., 2011). Reference letters also reflect gendered norms, with women more often described using work-ethic-related attributes (e.g. hardworking, diligent) than those that emphasise skill or potential, a tendency that has been shown to affect their academic and professional outcomes negatively (Eberhardt et al., 2023). Notably, a study from Sweden analysing municipal gender pay audit reports revealed that language used to justify higher salaries in male-dominated occupations often implicitly framed male work as inherently more valuable (Salminen-Karlsson et al., 2024). For another example, see Box 7 of this report, from the report of a labour inspectorate.

More importantly, research has shown that, when job evaluators know the job title, it significantly influences the results of the job evaluation (Smith et al., 1990; Arthurs, 2015). It follows that if the job title is not gender-neutral there is a risk of job evaluations being influenced by it. Table 4 lists examples of gendered job titles.

Table 4: Illustrative gendered job title comparisons

Female job title	Male job title
Shop assistant	Salesman
Manager's assistant	Assistant manager
Operator	Technician
Librarian	Information manager
Typing supervisor	Office manager
Seamstress	Tailor
Air hostess / stewardess	Flight attendant
Secretary	Personal assistant
Secretary	Administrator
Cook	Chef
Cleaner	Janitor
Receptionist	Front desk manager
Dinner lady	Cafeteria worker
School nurse	School healthcare coordinator
Hairdresser	Hairstylist

Source: Authors, based on Oelz et al. (2013), with additions.

Criteria and sub-factor selection

I liked the questionnaire because it covered all aspects of care. It's not just about how heavy are the people you lift, whether it causes back pain, or not, but also how long do conversations with relatives take after a patient's death.

(Quote taken from Ranftl et al. (2004, p. 59), who carried out three-hour-long face-to-face interviews in a social care sector organisation in Austria for a job evaluation)

Another element that hinders gender neutrality is the selection of criteria, factors and weights used for job evaluation. Gender neutrality in job evaluation is at risk when assessment systems contain many characteristics typical of 'male' jobs, such as physical strength, while overlooking qualities common in 'female' jobs, such as visual attention to detail or manual dexterity. Problems also arise when evaluation schemes double-count some characteristics, for instance when 'strength' essentially duplicates 'sustained physical effort', or when they overemphasise conditions traditionally associated with male-dominated occupations, such as physical environment hazards, while minimising psychological or emotional demands.

Many evaluation systems fail to adequately consider knowledge and skills prevalent in female-dominated roles, including emergency care procedures, computer and database management, cultural sensitivity, cross-cultural interaction management, documentation skills, complaint handling, medication dispensing, task prioritisation, non-verbal communication and crisis counselling (Table 5). Similarly, responsibilities common in women's work are often undervalued, including organisational representation, staff supervision, consequence management, financial handling, training, maintaining cleanliness and organisation, preventing equipment damage, coordinating schedules, ensuring product quality and managing records. Working conditions frequently encountered in female-dominated occupations – such as restricted movement or awkward positions, exposure to corrosive cleaning substances, continuous noise exposure, disease exposure and dealing with death – receive insufficient recognition in many job evaluation frameworks. The same applies to various forms of effort, including prolonged concentration, frequent bending and lifting, managing difficult interpersonal situations, providing emotional support, dealing with upset or hostile people and handling sensitive complaints (Chicha, 2008; Pillinger, 2021; Chordiya et al., 2023). Another example is physical strength requirements, which are typically recognised and valued in predominantly male occupations such as construction and industrial work, while being overlooked in female-dominated professions. Predominantly female healthcare roles that involve moving patients, particularly in geriatric care, demand considerable physical exertion, yet this aspect is rarely acknowledged. This discrepancy stems from the perception that such physical demands are simply 'natural' components of women's caregiving role. Historically, the distinction between 'light' and 'heavy' work became one of the bases for unequal pay (Arthurs, 2015). In addition, job evaluation systems often fail to account for psychological strength – the resilience required when managing difficult interpersonal situations (Bender et al., 2017).

Table 5: Factors overlooked in female-dominated jobs and factors emphasised in male-dominated jobs

Category	Factors often overlooked in female-dominated jobs	Factors typically emphasised in male-dominated jobs
Knowledge and skills	<ul style="list-style-type: none"> ○ Emergency procedures for care ○ Computer and database skills ○ Cultural knowledge and sensitivity ○ Manual dexterity (injections, typing) ○ Cross-cultural interaction management ○ Writing and editing for others ○ Complaint handling ○ Task prioritisation ○ Non-verbal communication ○ Crisis counselling ○ De-escalation techniques ○ Institutional knowledge management and transfer 	<ul style="list-style-type: none"> ○ Technical expertise ○ Physical strength ○ Mechanical aptitude ○ Leadership skills ○ Logical reasoning
Responsibility	<ul style="list-style-type: none"> ○ Organisational representation ○ Staff supervision and development ○ Financial handling (petty cash) ○ Training and orientation ○ Cleaning and organisation ○ Equipment damage prevention ○ Schedule coordination ○ Records management ○ Emotional care responsibilities ○ Workplace community maintenance (including recognising and handling staff life events) ○ Mentoring and onboarding ○ Cultural interpretation between departments 	<ul style="list-style-type: none"> ○ Budgetary control ○ Managing equipment ○ Strategic planning ○ Technical decision-making ○ Project management
Working conditions	<ul style="list-style-type: none"> ○ Restricted movement / awkward positions ○ Exposure to corrosive cleaning substances ○ Working in noisy environments (e.g. classrooms) ○ Disease exposure ○ Dealing with death and illness ○ Lack of privacy in work area ○ Constant interruptions ○ Exposure to verbal abuse ○ Task switching ○ Emotional contagion (absorbing others' stress/emotions) 	<ul style="list-style-type: none"> ○ Outdoor exposure ○ Physical hazards ○ Chemical exposure ○ Extreme temperatures ○ Heavy machinery operation
Effort	<ul style="list-style-type: none"> ○ Prolonged concentration ○ Frequent bending / lifting of people (including children) ○ Regular light lifting ○ Managing difficult interpersonal situations ○ Providing emotional support ○ Dealing with upset or hostile people ○ Multitasking under pressure ○ Stress from handling sensitive complaints ○ Workplace memory (remembering details about clients/colleagues/projects) 	<ul style="list-style-type: none"> ○ Heavy lifting ○ Operation of tools/machinery ○ Physical endurance ○ Travel requirements ○ Risk-taking

Source: Authors, based on Chicha (2008); Pillinger (2021); Chordiya et al. (2023), with additions.

To exemplify the concepts described above, we create an example of a job evaluation of a female-dominated job (healthcare worker, i.e. nurse) and a male-dominated job (waste management operative, i.e. refuse collector).

Table 6 presents a gender-biased evaluation system, where each factor is scored on a scale from 1 to 10, and for simplicity no weights are applied.

Table 6: Example of a gendered job evaluation, based on a biased selection of sub-factors

Criterion	Sub-factor	Healthcare worker (nurse)	Waste management operative (refuse collector)
Skills	Technical knowledge	6	5
	Education/training	8	3
	Equipment operation	4	7
Responsibility	Supervision of others	4	2
	Financial responsibility	2	1
	Equipment responsibility	8	6
Effort	Physical strength	6	8
	Sustained physical effort	5	7
Working conditions	Outdoor exposure	1	9
	Health and safety risks	7	8
	Irregular hours / shift work	7	5
Total score		58	61

Source: Authors.

The sub-factors listed in Table 6 are not gender-neutral because responsibility sub-factors concentrate on equipment and physical assets rather than responsibility for people's well-being. Effort is more oriented towards its physical aspects (strength, lifting, sustained effort), while mental effort and emotional effort are omitted. Working conditions focus primarily

on outdoor hazards, neglecting other stressors, in particular psychological ones.

A gender-neutral choice of sub-factors would try to balance differentiating characteristics across the four criteria, in order to produce a more equitable outcome (Table 7).

Table 7: Example of gender-neutral job evaluation, where inclusive sub-factors were added

Criterion	Sub-factor	Healthcare worker (nurse)	Waste management operative (refuse collector)
Skills	Technical knowledge	6	5
	Education/training	8	3
	Equipment operation	4	7
	Interpersonal skills	8	5
Responsibility	Supervision of others	4	2
	Financial responsibility	2	1
	Equipment responsibility	8	6
	Confidentiality and data protection	8	2
Effort	Physical strength	6	8
	Sustained physical effort	5	7
	Cognitive effort	8	5
	Emotional effort	9	4
Working conditions	Outdoor exposure	1	9
	Health and safety risks	7	8
	Irregular hours / shift work	7	5
	Psychological stressors	9	5
Total score		100	82

Source: Authors.

This fictive example, albeit imperfect and simply pedagogical, illustrates how evaluation systems can produce vastly different outcomes depending on which sub-factors are included for each criterion. A balanced evaluation recognises both technical knowledge and interpersonal capabilities as valuable skills, rather than privileging one type over another. A fair assessment considers responsibility for people alongside responsibility for equipment and materials and acknowledges that effort can be physical, mental or emotional, with each form demanding fair recognition. Last but not least, a more gender-balanced view recognises both physical hazards and psychological stressors as legitimate workplace challenges.

Scoring

When scoring mechanisms are gendered, with traditionally female-associated sub-factors consistently receiving lower scores in job evaluations, gender pay equity is undermined. This can manifest through two distinct channels. The first involves the **underweighting of sub-factors typically associated with female-dominated roles**. While such factors may be included within the evaluation criteria, they are assigned disproportionately low maximum point values compared with factors associated with male-dominated work. Referring to the pedagogical example listed above, a factor such as ‘confidentiality and data protection’ might be allocated

an arbitrary maximum of only 5 points when 10 points are given to other factors, effectively devaluing skills predominantly found in female-dominated occupations. The second channel operates through the **biased application of the same evaluation factors across different jobs**. Here, identical factors are scored inconsistently depending on the gender composition of the occupation being evaluated. Referring back again to the pedagogical example above, physical effort might receive high scores for the waste management operative due to the obvious requirement to lift heavy weights, yet be scored poorly for the healthcare worker despite the equally demanding physical requirements of lifting multiple patients throughout each shift. The role of those implementing the scoring is also crucial in this regard, together with the extent to which the selected seemingly ‘objective’ criteria are intersubjective or require subjective assessments (Blomskog, 2007).

Examples of jobs of equal value

Numerous real-world examples where traditional job evaluation systems have systematically undervalued female-dominated occupations are available. The ILO has documented many such equivalent positions, and various European court cases have confirmed these findings. Table 8 presents such instances.

Table 8: Female- and male-dominated jobs of equal value

Female-dominated jobs	Male-dominated jobs	Source
Wardens in accommodation for the elderly	Security guards	ILO guidelines
School meal supervisors	Park supervisors	ILO guidelines
Caterers and cleaners	Gardeners and drivers	ILO guidelines
Social and community service workers	State and local government employees	ILO guidelines
Social affairs managers	Engineers	ILO guidelines
Speech therapists	Pharmacists	European Court of Justice case
Librarians	Refuse collectors	ILO guidelines
Account clerks	Letter carriers, mail handlers and sorters	ILO guidelines
Manufacturing workers – white goods	Manufacturing workers – automotive sector	European Trade Union Confederation checklist
Midwives	Hospital technicians	Sweden – court case
Hotel housekeeping staff	Hotel bar and kitchen staff	Spain – court case
Mushroom packers	Packers loading trucks	France – court case
Resources, legal and office department managers	Finance and commercial affairs department managers	France – court case
Maintenance cleaners	Specialist cleaners	Austria – legal opinion
Home-care workers	Caretakers	Sweden – pay audits
Clerical assistants	Paper keepers	Ireland – court case

Source: Authors based on Oelz et al. (2013), with additions.

Not all claims for equal pay for work of equal value succeed in court, as those reported in Table 8 did. In Denmark, a 1997 labour arbitration decision involving workers on the Elsinore ferry examined whether roles within the gastronomy group constituted work of equal value. The comparison focused on predominantly female sandwich makers versus predominantly male hot dish cooks. The court determined that cooks required higher levels of knowledge, skills and responsibility, and that most sandwich makers lacked sufficient qualifications to perform cooking duties, thus justifying the pay difference (Nordic Council of Ministers, 2024a). More recently, in February 2024, Danish labour arbitration board ruled on a case at Novozymes involving predominantly female laboratory assistants and predominantly male technicians. Despite both roles involving enzyme production and biomass handling, the arbitration board found that technicians required greater autonomy and responsibility, legitimising a 12–16 % pay differential. Similarly, in Finland, a 2022 administrative court case in Rovaniemi Municipality rejected a female development manager's equal pay claim against male security and culture managers, finding significant differences in duties and responsibilities that precluded comparability (Nordic Council of Ministers, 2024a).

Gender neutrality safeguards

Past experiences, reflections and guidelines from a variety of institutions and organisations have indicated how to safeguard gender neutrality in compensation management systems. Most have been included in several national or international guidelines (see 'Guidelines and checklist'), and others have been published by EIGE in support of the incorporation of the Pay Transparency Directive into national law⁽¹⁵⁾. A first line of reflection on the relevant gender neutrality safeguards is as follows.

- To safeguard **gender-neutral language** in job titles and job descriptions, attention must be paid to linguistic choices that can inadvertently signal different job value. Job descriptions should consistently **employ agentive verbs** such as 'implement', 'decide', 'organise' and 'lead' across all positions, **avoiding passive or supportive terminology** like 'assist with' or 'facilitate' that can diminish perceived job complexity. Equally important is **eliminating devaluing terms** such as 'routine', 'basic' or 'simple' that systematically undermine job requirements. Organisations must ensure **comparable detail and precision** in task descriptions across all roles, recommending the **same number of tasks per job description**
- regardless of gender composition. In addition, gender-specific pronouns should be avoided entirely, with descriptions referring neutrally to the jobholder.
- To safeguard gender-neutral **criteria and sub-factor selection**, first and foremost, the choice must be tied to **work-related characteristics**, and never to worker-related characteristics. Skills, effort, responsibility and working conditions, despite their limitations, remain a good basis, but reflection should be careful when selecting sub-factors. Criteria must identify and **reflect all significant demands of a job**, ensuring that those predominantly found in female-dominated jobs are not overlooked. Skills evaluated should also include **soft skills and recognise qualifications regardless of how they were acquired** (informal training and work experience, not only formal academic qualifications). Effort sub-factors should be broadened beyond traditional physical demands, to include **mental, psychosocial and emotional effort**. Physical effort should also not be neglected for demands common in female-dominated jobs, such as repetitive movements, bending, standing for hours or lifting patients. Likewise, responsibility should include **responsibility for people**, not just materials or finance. Working conditions too should follow a similar approach, **encompassing adverse conditions typically found in traditionally female occupations**, such as exposure to disease, high noise levels from children or constant interruptions. Overall, **avoiding double-counting** of some sub-factors should always be guaranteed.
- To safeguard for gender-neutral scoring, the **number of levels within each factor should be similar** for both predominantly male and predominantly female job characteristics to prevent one gender's jobs from achieving higher scores simply because they have more detailed rating scales. Scoring values should be equal across factors unless there is objective justification for differences. Since the weighting of factors is a subjective process prone to gender discrimination, assigning disproportionately high or low weights to factors found exclusively or predominantly in jobs performed by one gender should be avoided. Instead, **weighting** should be **justified by the overall importance** of the factors to the organisation's mission.

Effective safeguards also require broader adjustments at the organisational level. All jobs must be evaluated using the same method, avoiding the use of different

⁽¹⁵⁾ The guidelines are available on EIGE's Gender Mainstreaming Platform, in the section dedicated to [step-by-step toolkits](#).

evaluation systems for different groups, like professionals and non-professionals. Furthermore, during the evaluation process, scoring should be assigned for one sub-factor at a time across all jobs, rather than evaluating job by job, in order to avoid halo effects (when an evaluator’s overall opinion of a job influences individual factor scoring). Importantly, job evaluation systems must be regularly updated, reviewed and audited to reflect changes in job contents and ensure that biases do not subtly re-enter the system over time.

From compensation management systems to gender pay gap analysis

A primary goal of gender pay gap analysis is to ensure equal pay for equal work and work of equal value. In fact, employers, according to the Pay Transparency Directive, must report gender pay gaps by categories of workers, meaning workers performing the same work or work of equal value grouped in a non-arbitrary manner based on non-discriminatory and objective gender-neutral criteria (referred to in Article 4 and defined in Article 3(1)(h)). This creates a fundamental dependency between compensation management systems and pay gap analysis: **if the underlying job classification and evaluation processes have not achieved gender neutrality, the resulting pay gap analysis will necessarily be flawed.** Essentially, biased systems will produce misleading pay gap statistics, potentially masking true disparities, creating false impressions of equality or even showing a pay gap when there is none, though underestimation is particularly concerning, as it may mask existing inequities. For instance, if jobs predominantly held by women are systematically assigned to lower functional categories while jobs predominantly held by men are correctly categorised or

even placed in higher categories, the calculated pay gap by category of workers would appear smaller than the actual disparity (see section ‘The work of equal value principle in pay transparency measures’ for an example). This, in other words, would happen because women doing work of equal value are placed in lower categories and never compared with men doing work of the same value. Therefore, the quality and reliability of gender pay gap analysis are directly contingent upon the gender neutrality of the compensation management system that determines how jobs are classified and valued in the first place.

Five stages to gender-neutral compensation

Drawing from the extensive description and discussion in this chapter, a synthesis of the process to approach gender neutrality can be done by identifying five distinct phases (planning, designing, implementing, monitoring and reporting), each comprising several steps, with the final objective of developing gender-neutral compensation systems in any organisation (Table 9). Specific steps also represent what can be described as a ‘gender bias safeguard’, a critical intervention point designed to guarantee real gender neutrality (indicated with a teal dot in Table 9). It is also important to note how, within this process, both the key elements of job evaluation and pay equity analysis are present. The true value of a well-implemented gender-neutral job evaluation lies in its ability to ensure pay equity, where issues of pay gaps between work of equal value are identified and plans to address them are laid out, but also where good practices are reinforced and sustained.

Table 9: Summary of the five-stage process for the development of gender-neutral compensation systems

Stage	Step	Key activities	Gender bias safeguard
Plan	Establish a committee	Establish a representative committee that reflects organisational hierarchy and gender diversity, and includes representatives from female-dominated roles.	●
	Perform equality training	Provide comprehensive gender equality and unconscious bias training to all committee members and any others involved in the process before commencing any evaluation activities. In particular, managers with direct and indirect compensation responsibilities should participate.	●
	Develop a work plan	Create a detailed plan for the remainder of the process, with clear timelines, roles and responsibilities. Conduct risk assessment and establish review checkpoints throughout the process.	—
	Choose an analytical method for job evaluation	Select an analytical, non-discriminatory, factor-based evaluation method that can objectively assess job value. The method must be universal for the organisation, meaning that different methods cannot be chosen for different jobs.	—
	Identify the data needed	Determine comprehensive data requirements, including current job descriptions, information on actual work and tasks being carried out within the roles, pay scales, employee demographics, organisational charts and historical pay data. Ensure that data collection complies with data protection regulations.	—

Stage	Step	Key activities	Gender bias safeguard
Plan	Identify female- and male-dominated jobs	Analyse workforce composition to identify jobs where one gender represents 60 % or more of incumbents. This segregation analysis is crucial for identifying potential structural pay inequities and establishing comparison groups.	●
Design	Decide on criteria and sub-factors	Establish job evaluation criteria that capture the full value of work, including skill requirements, responsibility levels, effort demands and working conditions. Ensure that criteria are gender-neutral and value traditionally female-dominated skills appropriately.	●
	Establish a scoring system and factor weightings	Develop a transparent scoring methodology with clear point allocations for each factor. Weight factors appropriately to reflect their relative importance while avoiding gender bias in the weighting system.	—
	Check and revise for objectivity, gender neutrality and freedom from bias	Conduct a thorough review of all evaluation criteria, scoring systems and weightings to identify and eliminate potential impediments to objectivity, gender neutrality and freedom from bias.	●
	Design questionnaires and interview guidelines	Develop structured data collection instruments that capture missing information identified during the planning phase.	—
	Collect the data needed and identify information gaps	Collect the data as established during the planning phase, including missing data for integration. Collective employee input (e.g. through interviews or surveys) may be very relevant here to establish whether the actual tasks carried out by job holders in certain roles align with the current job descriptions or have changed over time. Ensure that the employee sample of respondents reflects the gender distribution within the job roles.	—
	Integrate data with information from questionnaires and interviews	Synthesise information from all sources to create comprehensive job profiles. Resolve any discrepancies through additional consultation and ensure data completeness and accuracy.	—
	Revise job descriptions	Update job descriptions based on data gathered to ensure they accurately reflect current job requirements and are free from gender-biased language or assumptions.	●
Implement the job classification	Do the job evaluation, apply scores and group jobs into families	Apply the evaluation methodology consistently across all jobs, scoring each position against the established criteria. Group jobs into families of equal value.	—
	Document processes and decisions	Maintain comprehensive records of all evaluation decisions, scoring rationales and methodology applications. Documentation should be sufficient to demonstrate transparency and enable audits, but also to stand litigation.	—
	Test and check for gender neutrality by distinguishing between male- and female- dominated roles	Conduct additional verification to ensure the evaluation process has been applied consistently and without gender bias, by clearly distinguishing between female-dominated, male-dominated and gender-balanced roles.	●
Monitor and adjust, review pay	Identify gaps	Analyse pay data to identify instances where jobs of equal value show significant pay disparities, also including a focus on gender-dominated roles.	●
	Establish causes and assess discrimination	Investigate root causes of identified pay gaps. Document findings and assess legal compliance obligations.	—
	Propose pay adjustments	Develop recommendations for addressing identified pay inequities. Calculate adjustment costs.	—
	Plan for adjustments	Create a detailed implementation strategy specifying timelines, budget requirements and change management processes. Clearly communicate what adjustments are possible.	—
	Implement the plan	Execute the adjustment plan systematically. Monitor implementation progress and address any emerging issues promptly.	—
	Follow up the plan	Establish an ongoing monitoring system to track pay equity progress and identify emerging gaps.	—
Report	Report on results, processes and actions	Produce a comprehensive report documenting methodology, findings, actions taken and outcomes achieved.	—
	Plan for continuous improvement	Establish a schedule for regular pay equity reviews (typically every two to three years or when significant organisational changes occur). Develop systems for ongoing monitoring and early identification of emerging pay gaps. Create feedback mechanisms for continuous methodology refinement.	—

This table is not presented as a definitive approach or the only one. While other frameworks are available, or will become available, with varying levels of granularity or procedural steps, this synthesis is instrumental for this report as a summary and as a tool against which the case studies in the next chapter are compared.

Note also that the process presented is more focused on the case of individual companies; the process of reviewing job classifications and pay structures in collective agreements will share similarities, and the main elements could be similar, but the necessary adaptation to the different context must be kept in mind.

3 Implementation of the work of equal value principle in practice: a case study approach

This chapter presents the results of the primary research carried out within this project. Based on 16 exploratory case studies, covering tools and methods, collective agreements, companies and other cases, the project sought to gain an insight into how work of equal value principles are currently being implemented in practice. It looks at those involved, their motivations and the timing of the initiatives, and compares the processes, with a focus on how and what safeguards were built in to ensure a gender-neutral outcome that is free of bias. It also summarises if and what kind of unjustified pay gaps were detected, and if and how they were addressed. Based on the experiences of the participants, the main challenges for implementing gender-neutral job structures are summarised, and the chapter concludes with a section on the possible transferability of approaches.

Methodology and overview of cases

The nature of the case study design is situated between being descriptive and exploratory. The aim was to gain an in-depth insight into how the work of equal value principle is implemented in practice – mainly through gender-neutral job classifications and structures. In the first place, based on information from semi-structured interviews, a descriptive comparison of approaches was applied. The analysis was then expanded to also cover the contextual background and the motivation of the actors and how this shaped approaches and outcomes, with a view to arriving at some reflections on transferability to similar and different contexts. It needs to be stressed that the analysis does not evaluate the effectiveness of the applied measures. This would require different designs, which enable causal analysis, and require more substantive data.

Selection of cases

The selection of case studies followed a systematic multistage filtering process, beginning with input from the Network of Eurofound Correspondents, who were tasked with identifying relevant case studies, providing brief justifications for each selection and suggesting potential key informants for interviews. This initial screening yielded 67 potential cases from 25 Member States, while none could be located in 2 Member States.

The cases were then evaluated based on their relevance. Upon closer inspection, **nearly half of the proposed cases did not (specifically) tackle the issue of work of equal value** as initially assessed, but rather focused on gender gaps in the same type of work, or addressed broader gender equality concerns such as work–life balance, diversity and inclusion policies, or general equal treatment measures.

In the next step a thematic filter was applied, specifically focusing on sectoral collective agreements and company-level initiatives, with less importance given to tools and methodologies. This was in line with Eurofound’s competencies and interests. To ensure research efficiency and prevent duplication of efforts, we coordinated with parallel research groups conducting similar investigations, eliminating overlaps in scope. Budgetary constraints were also included, as only a limited number of case studies was feasible. Within these boundaries, the selection aimed to ensure good geographical coverage and a fair distribution between contexts, sectors and approaches.

This filtering yielded 15 cases from the original long list, across 13 Member States. One case study was regarded as unfeasible during contact with potential interviewees and replaced with another in the reserve list. In addition, we independently identified one supplementary case study that provides a broader perspective on consultancies’ approaches, bringing the total to 16 cases.

Overview of the selected cases

The selected cases are briefly described in Table 10 and are organised into four groups:

- tools and methodologies to implement work of equal value principles,
- implementation of work of equal value principles in sectoral collective agreements,
- implementation of work of equal value principles at the company level,
- other cases – support, inspections and certifications.

Full case studies, together with the research instruments used (interview template and reporting template), as reported by the Network of Eurofound Correspondents, are available in a separate working paper (Eurofound, 2025b).

Given the types of cases examined, meaningful comparisons are often best made within each category rather than across all cases, owing to their distinct characteristics, though broader lessons and policy insights can be drawn from the collective findings.

The colour-coded assessments reflect the authors’ analysis of available information, indicating what becomes evident from this research exercise rather than definitive judgements. Detailed elements of this comparison are available in the annex to Eurofound (2025b).

Table 10: Overview of selected case studies and comparative assessment on work of equal value and gender neutrality

Member State	Main topic studied	Interviewees	Researchers’ overall comparative assessment
Tools and methodologies			
Cyprus	A job evaluation tool for hotels, free from gender bias , was piloted for four occupations in 2014–2016 but never implemented beyond that. The basis was a research project, funded by the EU Progress programme. The evaluation method, initially developed for the Portuguese restaurant and beverages sector, followed the ILO approach. The selected jobs were not found to be of equal value and the conclusion was that pay differences are justified. Sectoral social partners participated in an advisory committee for the research and were strongly involved in setting up and piloting the tool.	The lead researcher of the project drafted the case study. No further interviews were held.	●
Sweden	BAS , a proprietary tool, owned by Aon AB, was developed in the 1980s with input from the manufacturing industry. Initially implemented for job evaluations and wage setting in the private and public sectors, it is now also used for mandatory gender pay audits, as it fulfils the formal requirements. There are two uses for BAS. One is evaluating a new role or position within an organisation; the other is the general salary mapping that employers carry out once a year.	Professional utilising BAS; Head of Unit HR System of a regional public sector entity.	●
Sweden	BESTA-vägen is a public sector tool to carry out analyses of the wage structure in the workplace as per the legal pay-auditing requirement. It was developed jointly by the national-level social partners for the public sector in 2011, to improve gender pay auditing at the local level. The case study also presents an application example of a regional public sector entity. The gender pay gap in the public sector is very low, 1 percentage point unexplained.	Chief of statistics and negotiator (both from an employer organisation); union negotiator, HR professional; statistician (formerly of an employer organisation).	●
Global	The Mercer approach to job evaluation and pay equity provides the perspective of a consulting company. The company provides several tools for companies, such as the International Position Evaluation, whereby jobs can be evaluated and scored based on an international database of job descriptions. Further pay equity analysis helps to separate (gender) pay gaps into an ‘identified’ and a ‘not-yet-identified’ component. Mercer is faced with a high and growing demand for these services and also recently investigated companies’ motivations for investing in fair pay schemes.	Mercer’s Europe + UK Rewards Practice Leader; Senior Principal, Diversity Equity and Inclusion and Pay Equity Europe Leader.	●
Collective agreements			
Belgium	The care sector collective agreement covers about 274 000 employees and 9 700 employers. The job classification and pay structure were reviewed based on the sectoral ‘IFIC method’ between 2002 and 2020. Following the inclusion of the sector on a ‘name and shame’ list of sectors that have failed to complete the mandatory review as per the gender pay gap legislation of 2014, the sector was taken off the list in 2021. Full implementation of the review is pending in 2025.	Function classification expert from a trade union; negotiator from the employers.	●
Belgium	The food industry collective agreement covers about 64 000 employees and 3 700 employers. A review of the pay structure was based on the ORBA method. Following the inclusion of the sector on a ‘name and shame’ list published in 2019 for failing to complete the mandatory review as per the gender pay gap legislation of 2014, the first changed function classification was published in the same year. All gender-related changes were completed by 2021, when the sector was removed from the list.	Government expert from Federal Public Service Employment, Work and Social Dialogue Ministry; trade union staff official.	●

Member State	Main topic studied	Interviewees	Researchers' overall comparative assessment
Collective agreements			
France	The metallurgy industry agreement covers about 1.6 million employees in 42 000 companies. The negotiation of one integrated sectoral collective agreement started in 2016, bringing an end to the fragmented bargaining in the sector by 2022. The review and introduction of a new job classification scheme was particularly emphasised by the unions, as the 'backbone of any collective agreement'. The updated text of 2024 focused specifically on professional equality and eliminating gender pay gaps. The social partners made efforts to support companies in the implementation of the new pay scale and to increase transparency.	President of a sectoral union; general secretary of another sectoral union; manager of the project to change the job classification scheme; the head of European affairs and the international directorate; and the president of the main sectoral employer sub-federation.	●
Germany	The chemical sector agreement covered about 480 000 employees in 2023. About 34 % of employees are women. A job-evaluation-based pay structure was implemented in 1987 and is regularly reviewed in line with the General Equal Treatment Act. A summary assessment method for classifying jobs was applied, not further specified but essentially based on formal occupational training requirements.	Head of Collective Bargaining Law Department from the sectoral union; a representative from the sectoral employer organisation reviewed the case study but did not consent to an interview.	●
Portugal	The footwear, components, bags and gloves sector agreement covered about 1 638 companies and 35 054 employees in 2009, about 62 % of them women. The pay structure was reviewed in 2017 following a study (2010–2012) that pointed out that some job categories, which had become feminised over time, seemed to be undervalued compared with the job requirements and with male-dominated categories. A points method (based on the ILO's methodology) was applied and 19 out of 39 professional categories reviewed. Pay inequalities in the sector were addressed in three annual negotiation rounds between 2015 and 2017.	Group interview with the national board coordinator, the former project coordinator and a member of the technical team that conducted the study; all interviewees from the sectoral union.	●
Spain	The footwear industry text of 2023 (covering 2 024 companies and 29 998 employees) newly includes clauses on pay transparency, which companies are obliged to follow to identify direct and indirect discrimination, particularly those due to incorrect job evaluations. It replicates the legal requirements. No recent review of the sectoral agreement's job classification has taken place. The study – based on an analysis of companies' gender equality plans – also shows examples of how the SVPT, a job evaluation scheme for mandatory pay audits, has been applied by companies. It concludes that these companies are 'at an early stage' of applying the work of equal value principle. Information on the implementation of pay registries and pay audits within companies in the sector is not publicly available, as these documents remain private.	National delegate of the sectoral union; the General Director of the sectoral employer organisation provided written input. Both were directly involved in the negotiation of the 2023 agreement.	●
Companies			
Czechia	Philip Morris ČR's equal pay assessment is based on the Hay methodology and certification from the Swiss Equal-Salary Foundation. A global company's approach to pay equity and the local implementation of it, is presented as pioneering in the Czech and Slovak context. The company is a multinational with about 1 100 employees in Czechia and Slovakia.	People Engagement, Diversity, Equity & Inclusion Senior Manager.	●
Denmark	Refyne , a small start-up IT consulting company (21 employees), established a highly transparent way of determining pay and pay progression for its employees and for prospective employees. Internally information on pay levels and bonuses is shared at the individual level.	Managing partner.	●
Lithuania	Swedbank group Lithuania (2 855 employees in Lithuania), a subsidiary of a Swedish joint stock company, implemented the corporate goal of eliminating its gender pay gap by 2018. A job grading based on the Hay method has been set up and gender pay gaps for the same type of work are regularly monitored. In addition, the company implements a range of gender equality, diversity and inclusion policies.	HR professional working in payroll.	●

Member State	Main topic studied	Interviewees	Researchers' overall comparative assessment
Other cases			
Hungary	In an environment where the existence of gender pay gaps is often denied or regarded as 'natural', the study presents non-governmental efforts to prepare for gender pay transparency requirements. This case study combines desk research with information obtained from interviewing the leader of a tech company (with about 1 800 employees), a representative of a trade union and a gender equality advisor of a non-governmental organisation.	Leader of a tech company, trade union representative, gender equality advisor of a non-governmental organisation.	●
Poland	The Equal-Salary Foundation's voluntary certification process is applied in Żabka Polska , a convenience store chain founded in 1998 in Poland. A salary analysis is carried out based on a linear regression model to calculate the adjusted (for gender and/or ethnicity) pay gap for different pay components. The foundation's focus is on identifying pay gaps through audits that determine whether men are remunerated with higher salaries than women in comparable roles. The principle of work of equal value is not explicitly analysed within the scope of the audits.	A representative of the Equal-Salary Foundation was interviewed and the press office of Żabka provided written input.	●
Slovakia	During 2019–2023 between 12 and 24 cases of violations of the equal pay for equal work and work of equal value principle were detected per year. The study sought to establish how the Slovak labour inspectorates detect violations of the work of equal value principle. A key finding of this study is that the inspectorates do not have the means and tools (based on a legislative mandate) to objectively assess whether employees are paid in accordance with the work of equal value principle.	Representative of a regional labour inspectorate, information verified by the national labour inspectorate.	●

Note: The colours indicate the following: teal – a promising approach to pay equity, in which sufficient elements appear to have been considered to support equal pay for work of equal value; grey – key elements are unclear or missing, but the approach has potential that could be developed to ensure gender-neutral equal-value outcomes; purple – some essential elements are missing and substantial changes are required.

The correspondents were asked to engage in desk research to gather information about the cases, and then carried out interviews with the relevant actors in each case (at least one or two interviews depending on the complexity and type of case), ensuring a balanced approach between all those involved, based on a standardised semi-structured interview template with guiding questions (available as an annex to Eurofound (2025b)). Alongside the summary of the interviews, they were also asked to provide a more analytical assessment of the cases, again based on a structured reporting template.

Participation in interviews

Overall, nearly 100 potential interviewees (in particular, managers, employee representatives and experts) were approached, with two case studies accounting for almost half of these (29 individuals approached for the Swedish BESTA-vägen, and 12 for the Spanish footwear industry collective agreement). Only one third of these resulted in interviews, with explicit refusals to participate accounting for a minority of unsuccessful attempts, while the majority were silent non-responses. Several challenges were encountered during the engagement and interview phases. First, reaching and accessing individuals was a problem due to difficulties in identifying the appropriate contacts, with no available directories for experts in charge, especially for trade unions. Furthermore, despite

efforts to ensure a balanced approach for collective agreements, the number of interviews secured with trade union representatives exceeded the number of interviews secured with representatives of employer organisations. In some cases, the latter provided written input or reviewed the case study. Company case studies included only employer representatives, while the remainder of the case studies featured more diverse perspectives, including government officials, union representatives and various experts. In some case studies, representatives asked if they could submit written contributions as an alternative to interviews; in such cases, interviewers flagged them as limiting the scoping and probing opportunities during the fieldwork. Organisational barriers also proved to be substantial, with concerns related to intellectual property limiting the disclosure of methodologies and internal processes. This was particularly, but not exclusively, true of companies (it was also recorded for collective agreements). In addition, as many of the cases had been implemented several years before, turnover in key roles and a lack of recordings of discussions and processes led to a loss of organisational memory, further complicating the collection of relevant information.

Please note that verbatim responses from those interviewed are presented throughout this chapter in quotation marks but not always attributed to specific interviewees.

Context: motivation, actors and timing

Different actors can drive the adoption of pay transparency measures and the implementation of work of equal value principles, for different reasons and with timings that can also be quite heterogeneous. This section provides a comparative overview examining the key motivations, actor roles and interactions, and implementation timelines across the cases.

Motivation and drivers

Based on the case studies, the motivations for and drivers of implementing work of equal value principles are diverse and include:

- meeting legal obligations;
- improving pay-auditing quality while reducing costs and time demands;
- modernising outdated job classifications and pay scales in collective agreements;
- reducing fragmentation in pay settings;
- reducing the need to resort to external consultants;
- for companies, advancing ethical values and competitive positioning.

Complying with legislation

One of the primary drivers for the implementation of equal-value principles in the EU is complying with EU or national legislation. At the level of **EU directives**, beyond the Pay Transparency Directive, which firms cited as an anticipatory driver, or the recast Directive 2006/54/EC, other directives mentioned included the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464), encouraging pay transparency, and the Anti-Racism Directive (Council Directive 2000/43/EC) and Equality Directive (Council Directive 2000/78/EC), establishing foundational anti-discrimination principles, all of which are implemented through national legislation. **National laws and regulations**, which can precede but also implement EU law, are further drivers mentioned. In **Belgium**, the Gender Pay Gap Act of 2012 requires the social partners to regularly review pay structures in collective agreements regarding gender-neutral outcomes, and both cases selected relate to this requirement. In **Germany**, the General Equal Treatment Act implements EU anti-discrimination directives, requiring organisations to ensure pay equity. In **Sweden**, organisations are required to carry out annual pay audits (Discrimination Act 2008:567), which must also analyse work of equal value, and both Swedish tools analysed support this requirement. In **Spain**, Royal Decree 902/2020 mandates equal pay between men and women, leading to the inclusion of wage transparency mechanisms in collective agreements, such the footwear sector agreements presented, which expressly include in Article 72 of the 2023 text a reference to this legislation.

Improving the quality of pay auditing, reducing cost and time and promoting internal expertise

The two tools from Sweden included in this study (BAS and BESTA-vägen) are both **used to implement mandatory gender pay auditing**. However, that was not the primary motivation for BAS, which was developed in the 1980s and initially intended, according to one interviewee, to ‘get more control over the wage structure’ by having a system to base wage setting on. The tool used in central government administration, BESTA-vägen, in contrast, stemmed from a compromise of social partners signatory to the collective bargaining agreement in the sector. In 2006, the government of Sweden decided that pay audits should be done once every three years, rather than every year. The trade union side argued to keep the pay audits annual in the central government sector, but the employer side did not accept this. Instead, the social partners agreed to develop a methodology with the intention of **improving the quality of local pay audits for gender equal pay. Reducing the time and cost intensity of the audits and lessening the need to engage external consultants** were further motivating factors in this case.

The development of the Cypriot job evaluation tool for hotels, meanwhile, was motivated by a **research interest** in contributing to the development and implementation of innovative methods to eliminate the gender pay gap.

Modernising outdated job classifications and pay scales in collective agreements

In most of the **cases of collective agreements** analysed, the impetus to review job classifications and pay structures came from the social partners themselves, responding to the need to modernise and update outdated job classifications to better reflect the current work situation, or to integrate a multitude of fragmented pay scales into one more comprehensive collective agreement. Gender considerations were in most cases not the driver but a by-product of the review.

Only in a few cases did the social partners respond to legal requirements regarding pay equity measures. In **Belgium**, some sectors ended up on a governmental ‘name and shame’ list, as their sectoral agreements were not in line with the Gender Pay Gap Act of 2012. The revision of such sectoral agreements was, however, mainly driven not by the requirements of the Gender Pay Gap Act but by broader considerations on the function classifications being outdated. For example, the care sector revision started in 2002 and was completed in 2020, but the main driver was a cyclical update. The same was true of the food sector, where classifications were several decades old and no longer reflected the reality of the industry. Possibly being included on the ‘name and shame’ list might have been an element to expedite the (slow) process. In the case of the **Spanish** footwear sector agreement, no review of

the pay structure was done within the sectoral agreement itself, but the agreement replicates the legal requirement for companies to carry out such reviews at the company level, thus reinforcing the legislation. The job classification and pay scale review and renegotiation of the **Portuguese** collective agreement is the only case among the agreements studied in which the motivation for the review was primarily driven by what was first an observational belief, and then empirically established fact, that several female-dominated professional categories were underpaid compared with some male-dominated categories, and it also responded to the detection of gender pay gaps among workers carrying out the same type of work.

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.

(Group interview with sectoral union representatives in Portugal)

Reducing fragmentation in pay setting

Other reviews of collective agreements by the social partners were instead motivated by streamlining the decentralised pay setting, and broader equality principles were considered in these reviews rather than specific gender assessments. In **Germany**, social partners in the chemical industry established the nationwide sectoral collective agreement in 1987 primarily to **standardise practices** across different collective bargaining areas. While anti-discrimination was not the initial focus, the positive effects on gender equality were welcomed. The motivation was to eliminate differences that arose from very fragmented regional bargaining and create a consistent pay system applicable nationwide. Likewise, in the **French** metallurgy sector, the initial motive to sign one sectoral agreement was to overcome the fragmentation of collective bargaining agreements within the sector. It had also been requested by governments but principally pushed by unions in the mid-2010s: ‘for the metallurgy sector, we decided to take action ourselves, reducing the 78 agreements to 1’ (union interviewee, France).

The French interviewees also reported that companies had adopted complementary classification systems, such as the Hay or Mercer method, which **created further complications** for employees and HR managers. Many of these agreements were outdated, dating back to the 1970s, and ill equipped to address contemporary challenges. This ‘plethora of texts’, as it was referred to by one interviewee, created confusion and disagreements, negatively affecting 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. Having one transparent job

classification scheme for the entire sector was an important motivating factor, according to trade union representatives.

Company drivers

Organisations increasingly recognise the **competitive advantages** of pay equity and transparency. For example, in Czechia, Philip Morris ČR stated clearly that equal remuneration is seen by the organisation as a competitive differentiator. However, the company interviewee acknowledged a critical challenge in this area, explicitly stating that ‘in the field of remuneration it is **difficult to prove that the company rewards its employees fairly**’. According to Mercer experts, enhanced productivity is often linked to fair pay practices, providing a **performance-based rationale** for equity measures. This approach is reflected in voluntary certifications, such as the Equal-Salary Foundation’s certification process, in which both Philip Morris ČR and Żabka Polska engaged, or the entirely voluntary approach to pay transparency by Refyne. These company cases highlighted that pursuing pay equity goals was a natural extension of their **organisational culture based on solid values** rather than a response to legal requirements.

It’s unambitious not to follow [the Pay Transparency Directive]. 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, Danish case study)

Consulting companies offer further arguments as motivation to expand and introduce pay equity strategies. According to Mercer, many organisations recognise that pay equity and transparency align with broader corporate social responsibility objectives, particularly following the COVID-19 pandemic, which **heightened awareness of fairness issues**.

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.

(Company representative, Danish case study)

According to the interview with Mercer’s representatives, and supporting documents from the consulting firm, ensuring pay equity and transparency is considered ‘the right thing to do’ by organisations, and their leaders, that choose to go beyond mere compliance, focusing on pay equity commitments and broader sustainability initiatives. Companies have

become aware that addressing pay equity and transparency can affect an organisation's reputation and build trust among stakeholders and shareholders, contributing to a more equitable society. There is **increasing pressure from investors** for companies to demonstrate their commitment to inclusion and diversity through transparent pay practices, as these are increasingly viewed as indicators of sustainable business models.

Companies are also looking to go beyond compliance and embed pay equity and transparency as part of their **brand to attract and retain a diversity of talent**, showcasing their commitment to inclusion. For example, insights from consulting firms indicate that many candidates do not apply for positions without visible pay ranges. Complete internal transparency within Refyne was argued to **work as a safeguard against unjust salary practices** – for example, in situations such as urgent recruitment, providing a 'sense of security' for employees, reducing dissatisfaction with pay and promoting trust in the fairness of the process. Ensuring gender-neutral pay at the **stage of recruitment** was also described by a HR representative interviewee in Sweden as being of central importance from the point of view of **preventing gender pay gaps from arising**.

Actors' roles and interactions

Based on the case studies examined in this report, multiple actors contributed to implementing equal pay for work of equal value across Member States, either on their own or in collaboration with many others.

Social partners at different levels

The case studies of collective agreements were selected to investigate the 'vertical' influence that sectoral collective agreements can exert on company-level pay structures (see 'The role, potential and limitations of collective bargaining'). For all **collective agreement cases** studied here, social partners (including public sector employers' representatives) were the key players. However, their exact involvement at the various levels of bargaining and their specific roles in the development, negotiation and implementation of job classifications and pay structures varied in line with the national and sector-specific bargaining contexts.

National/sector-level social partners are the core actors in renegotiating the agreements and reviewing the pay structures, but company-level actors or social partners at different bargaining levels have a more prominent role in some cases than in others, depending on how closely companies must, or decide to, follow the sectoral agreement in question.

When devising (sectoral) job classification schemes for a collective agreement, some social partners sought more technical expertise – some of it external – than others. In the **Belgian healthcare sectoral** agreement, when pay scales were negotiated, the roles were clearly divided

between the more technical stages of reviewing the job classification part and the more political part, but again with technical expertise in one case coming from a bipartite social partner body. In the French **metallurgy case**, likewise, there was a division between the more technical working groups and the more political plenaries. The considerable number of social partner organisations involved (as the sector-related agreements were reduced substantially) also implied that different views could affect the process, but external input facilitated the discussions. The social partners also had a strong influence on the implementation and roll-out of the new job classification scheme. In the case of the **Portuguese** collective agreement, the job classification review and pay scale renegotiation was entirely in the hands of the sectoral social partners (with financial support from the technical assistance operational programme of the European Social Fund). It is, however, the only case among the collective agreements in which an equality body (the Commission for Equality in Labour and Employment (CITE)) was directly involved to advise on the gender neutrality of the scheme.

A division of responsibilities linked to the bargaining structure was also in place in the **German chemical industry case**, where the sectoral job classification and the basis for determining the methodology for wage setting are in the hands of the national-level sectoral agreement and the social partners negotiating it, while the pay scales are set in 'district wage agreements', thus influenced by regional social partners and influential companies. For the individual classification of an employee into a pay group for a specific position in a company, the works council (or a specialised subcommittee in larger companies) plays a role due to its statutory co-determination right in classification (as provided for by the Works Constitution Act). The **Spanish case of the footwear industry** also has two levels involved: the sectoral agreement includes the job classification and pay structure, but sector-level actors have a weaker form of involvement than in the previous cases, as the main focus is on the review of the pay structure taking place at the company level, as mandated by Spanish legislation, within the equality plans and wage registers. The sectoral agreement text studied here repeated and reinforced the legal requirement for companies, but no discernible review of the job classification scheme within the agreement itself was reported. When implementing such reviews at the company level, employee representatives (unions or 'personnel delegates', i.e. works councils) are involved.

Social partners were less involved in the other case studies selected. An exception is the **Swedish BESTA-vågen** tool, which emerged from collaboration between several social partners affiliated to the bipartite Social Partners' Council (Partsrådet), and sectoral social partners were also included in piloting the job

evaluation tool for the **Cypriot hotel sector** as part of an advisory committee.

Looking at the **actors at the company level**, none of the three selected company cases suggested that there had been significant involvement of employee representatives⁽¹⁶⁾ in the review of job classifications or a workplace-level social dialogue around it. Only in the Lithuanian case was the works council reportedly involved in the process of reviewing pay scales and monitoring information on the gender pay gap, but not in the regular gender pay gap monitoring/control process.

However, employee representative involvement was suggested to be regular at the company level in the implementation of the Swedish pay-auditing cases (where unions are legally required to represent non-members too), the Spanish company-level pay-auditing case and the roll-out of the new pay scheme in the French metallurgy case.

Management and company-level actors

Within the company-related case studies, key players in initiating the pay equity programmes were senior management and leadership teams, as seen in the examples of Swedbank and of a Hungarian tech company, where the chief executives' support ensured the dedication of necessary resources, or in the Danish case of Refyne, where the impetus for the company's transparent pay policy came from strategic decisions among the team of founders.

Besides strategic initiation, HR departments are key to these initiatives, as they typically analyse payroll data, prepare documentation and collaborate with external auditors to implement equal pay measures. Together with HR, middle management plays a critical role in embedding fair pay practices into everyday operations, including communicating pay audit results, performance appraisals, the outcomes of individual negotiations on wages and much more to the employees.

Consulting firms and external certifications

In addition to external social partner bodies or governmental institutions, as mentioned above, external expertise also comes from consulting firms such as Mercer, which offer specialised knowledge of setting up or reviewing job classifications, data analytics, benchmarking and change management to support organisations in achieving pay equity. Consulting firms also tend to be developers and/or proprietors of the tools and methods used to implement

objective job classification schemes. The cases included some: the Swedish BAS system was developed by a private consulting company (Aon Hewitt AB, now Aon); and the widely applied Hay method (Korn Ferry), ORBA (Optimor) and Abakaba (Abakaba AG) are also proprietary, and consultants are typically involved in their implementation. The French employer organisation in the metallurgy sector hired external consultants – known for their balanced approach – to support them in the more technical aspects of the review of job classifications.

Voluntary **certification** is another way for companies to highlight that their pay scales are fair. Companies providing such certificates can be non-governmental, such as the German Fair Pay Innovation Lab, or non-profit-oriented, such as the Swiss Equal-Salary Foundation, as presented in the Czech and the Polish cases. In the latter case, an external audit is carried out by a private auditing company.

Government bodies and equality institutions

Government involvement varies among the selected cases, with some demonstrating more active participation in regulatory enforcement. The Belgian Federal Public Service Employment, Work and Social Dialogue Ministry was a key player behind the scenes, driving the general review of the pay structures in the collective agreements. It supported social partners in this process by offering instruments to set up and screen function classifications. Following the review of the collective agreement, it checked the results and provided feedback and recommendations to the social partners.

Labour inspectorates in general, such as the one presented in the case of Slovakia, monitor compliance with equal pay legislation. **Equality bodies** provide additional oversight and support. They include, for example, CITE in Portugal, which monitors workplace equality legislation, and the Equality Ombudsman in Sweden, which contributed to developing the BESTA-vågen methodological tool. **Non-governmental organisation (NGO) leadership** becomes particularly important when government guidance is insufficient. In Hungary, for example, NGOs provide guidance to companies preparing for gender pay transparency requirements.

Multi-actor approaches

The most promising approaches to pay transparency and equal pay involve **collaboration between multiple actors** from the categories described above, plus

⁽¹⁶⁾ For the Czech case it is known that a company-level trade union exists, but no involvement was reported. The Danish company, being very small, engaged directly with its employees.

Box 5: Involving employees directly: balancing inputs and influence

Job design and evaluation can be implemented unilaterally by employers or with varying levels of employee participation (Arthurs, 2015). When employees are involved, this can take several forms and it can be a source of both opportunities and challenges. The Cyprus case study described a situation in which employees were involved in the development of the job evaluation questionnaire through interviews. In Belgium, employees contributed directly to job descriptions for collective agreements through field research with role holders, providing detailed information about job titles, content, number of full-time equivalents and individuals involved. This input enables comparison of roles with similar content and helps distinguish between sectoral roles and unique positions. The rationale behind direct involvement is that **job descriptions become more accurate**, particularly in capturing aspects of work that are typically undervalued in female-dominated positions. In other instances, like Swedbank Lithuania, active employee involvement is not contemplated, with a preference to limit the exercise to HR representatives and managers, **‘to maintain objectivity and avoid potential biases’**, as the interviewee explained.

Other organisations involve employees in exercises **to gauge their perceptions around pay equity**, rather than directly in job evaluation processes, as seen in Poland, where Żabka used these methods in its certification process. Philip Morris in Czechia created functional employee groups and inspirational networking groups that communicate problems and propose solutions, complementing company-wide satisfaction surveys.

The question remains whether direct employee involvement is necessary for appropriate evaluation of equal work and equal value or it is detrimental to objectivity. The available literature suggests that both pros (enhanced fairness perception, improved organisational responsiveness, increased employee well-being and alignment with equity goals) and cons (potential bias and subjectivity, resistance and misunderstanding, and implementation challenges) exist and **balancing the factors is the way forward** (Fransson et al., 2006; Williamson, 2008). As a concluding remark, legal scholars and experts suggest that pay equity schemes are unlikely to be considered fair or legitimate when employees or their representatives lack meaningful input in their development. While procedural fairness requires employee participation, it alone is insufficient – specialised knowledge of job evaluation methodologies and potential discrimination pitfalls is also essential. Even when employees possess this expertise and identify issues, individual grievances rarely carry enough weight to influence established systems, highlighting the importance of collective representation in the design phase (Gilbert, 2004).

involvement of employees to create the empirical basis (Box 5). This is because **joint efforts can provide legitimacy** (once contentions can be overcome), while multiple perspectives could **reduce biases and omissions** and **promote shifts** in the recognition of the concept towards ensuring equal pay for work of equal value.

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.

(Swedish interviewee, statistician)

Involving more actors also **increases collective knowledge** of jobs and how they function within a specific environment.

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.

(From the author of the Cypriot case study)

When these collaborative efforts take place, the underlying understanding is the recognition that pay equity affects every stage of the employee life cycle,

from recruitment through to retention, requiring an approach that addresses the root causes of pay gaps rather than merely their symptoms, and acknowledging that different competencies and perspectives are needed to achieve the set goal.

Timing and duration of implementation

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.

(French union representative, negotiator of the collective agreement in the metallurgy sector)

The **timing** and duration of pay equity and transparency initiatives vary greatly, with distinct patterns emerging for both the introduction and the maintenance of these measures. The case studies reveal how timing is influenced by various external and internal factors, leading to different implementation schedules.

The **timing for introducing** pay equity measures is determined by either **external** motivators or **internal** organisational decisions. As we have already seen, external factors such as legislation and collective agreements' validity dates often drive the timing of initial implementation. In Belgium, the renewal of

function classifications and accompanying wages does not follow a fixed schedule but is performed when social partners within the sector deem it appropriate, and the duration of the process can span many years. The Gender Pay Gap Act of 2012 served as a national legislative stimulus for such updates regarding gender aspects. Likewise, the French case of negotiating a new pay structure spanned from 2015 to 2022, including, according to one interviewee, ‘hundreds of hours of discussions’, and was then significantly interrupted by the COVID-19 pandemic. The renegotiation of the agreement text in the Spanish footwear industry was swifter, as the inclusion of the new provisions on wage transparency and equal treatment was added to the regular renegotiation round of the text; after several months of discussions between the social partners it was ultimately signed in January 2023. However, the professional classification system set in the sectoral agreement, which was established in 2002, has remained unchanged since. For reviews of job classifications in collective agreements that are not mandated by law, the timing is **in the hands of the negotiating partners**. In such cases the separation of the technical process from the regular (annual) renegotiation of the rates and agreement can also mean that technical discussions may not have to be put on hold (and thus the timing prolonged) when disagreements arise in other, unrelated, negotiating areas (see more on timing in the section ‘Rectifying unjustified pay gaps’).

The Pay Transparency Directive also creates timing pressure for **organisations**. As noted in the case studies, if companies are to report in 2027 under the directive, the data used will be from 2026, meaning pay structures would ideally need to be aligned with requirements well in advance, while the national legislation transposing the directive is not in place yet in many Member States.

Some organisations, however, proactively implement pay equity measures based on internal decisions, even if they do not fall under some of the legislative reporting requirements. In Denmark, the company Refyne advocates a gradual ‘soft launch’ approach to pay transparency over a period of three to five years. This company-driven timing allows organisations to strategically address salary formation early and manage potential issues that may arise.

Once implemented, pay equity and transparency measures require **regular maintenance**, with timing again determined by either external frameworks or internal organisational strategies. External frameworks often establish specific schedules for ongoing compliance, such as end dates for collective agreements, regular renegotiation rounds or certification cycles. In Belgium, once the review has

been completed, signed collective agreements are submitted to government services for comprehensive validation covering all necessary checks, including but not limited to gender, with feedback provided on areas for improvement. However, sectoral social partners are not obligated to address these comments immediately, allowing flexibility in timing for refinements, and they may happen only years later when the next agreement is signed. The Equal-Salary Foundation’s recertification takes place every three years, with companies required to submit monitoring reports to auditors during this period. In Sweden, pay audits are currently required annually, establishing a clear cycle for reviewing and addressing pay disparities. Some organisations establish their own maintenance schedules based on internal needs and strategies: Swedbank in Lithuania monitors pay gap indicators even more frequently, namely every month, and shares them with HR business partners, allowing the rapid identification of and response to emerging disparities. The national-level social partners that developed BESTA-vägen in Sweden recommend that work processes for pay transparency be documented in guidelines to ensure continuity of procedures from year to year, enabling organisations to maintain consistent approaches over time.

When it comes to timing, the case studies highlight that effective timing strategies for pay equity and transparency initiatives **balance compliance requirements with organisational readiness and capacity**. External frameworks provide structure and accountability, while internally determined schedules allow organisations to adapt implementation to their specific contexts and resources. Internally customisable schedules are also advocated by external structured initiatives, demonstrating the need for a balanced approach in which proactivity and the internalisation of the promoted principles are key to successful implementation.

How the work of equal value principle was implemented (or not)

*And then, of course, you need to have a framework, you need to have some kind of a system in place, you need to have it measurable, **you need to see the numbers**.*

(Company representative, Czech case study)

If both employees are in [the] same job level, 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 level.

(Company representative, Lithuanian case study)

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.

(Company representative, Lithuanian case study)

While analytical methods aim to provide more structured approaches to job evaluation than comparative systems, it is important to note that the use of quantitative measures and criteria alone does not automatically ensure gender neutrality. The effectiveness of these methods in promoting equal pay for work of equal value depends significantly on how criteria are defined, weighted and applied. These processes are inherently subjective assessments and may be prone to bias. Particular attention must be paid to ensuring that skills and responsibilities traditionally associated with female-dominated roles are adequately valued within these frameworks. The full case study reports provide a detailed description of the processes and approaches, and a comparative assessment of the processes that were followed and the criteria to which those involved adhered (see the annex to Eurofound (2025b)). In addition, there is a comparison of the approaches to ensuring gender neutrality and non-biased outcomes of job evaluations and pay schemes.

As the cases were specifically selected to illustrate how the work of equal value principle can be implemented in practice, by design most cases showed that **objective job classification tools and methods were resorted to**. In principle, if applied correctly, these methods grouping jobs into job categories of equal value that are paid the same should ensure that the work of equal value principle is adhered to. Likewise, most cases incorporated the necessary process elements of a gender-neutral compensation system. This can be read as an indicator of awareness of best practice requirements. However, in the view of the authors and based on the available information (which may have been partially incomplete), **many case studies fell short of truly embracing all elements of ensuring gender neutrality** in their approaches to equal pay. The involvement of a representative selection of all levels, main jobs and genders was frequent, but not extensive, with some cases clearly choosing to involve only managerial staff and to deliberately exclude either employees or their formal representatives. Across the board, **the principle of evaluating the job, not the person, was embraced**, but too often referred to argue that it was already the main guarantee of gender neutrality (which by itself it is not). The **identification and comparison of jobs that are female- or male-dominated** was explicitly reported **only in a handful of cases** (footwear, components, bags and gloves sector,

Portugal; BAS and BESTA-vägen, Sweden, as part of the legal requirement; hotel industry pilot, Cyprus). This in turn means that the process for assessing structural pay gaps between jobs of equal value could arguably not be carried out completely, as this identification is fundamental to determining which roles should be compared and where potential gender-based pay discrimination might occur. Thus, when it came to assessing pay gaps, only some cases applied methods that were conducive to detecting **structural pay gaps** relating to groups of undervalued workers, while others focused more on **preventing individual underpayments** (see more in ‘Outcomes: Were gaps found and addressed?’).

Safeguards for gender neutrality

*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.*

(Company representative, Czech case study)

***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.*

(Union representative, Portuguese case study)

*We didn’t ask ourselves the question [about reviewing jobs through a gender lens], **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.*

(Union representative, French case study)

Gender neutrality is often assumed to be implicit in the process of implementing job classifications and pay schemes, since they are based on objective criteria and no overtly discriminatory principles appear in these frameworks. However, this passive approach falls short of ensuring genuine equity. True gender neutrality requires active, deliberate safeguards rather than the assumed absence of explicit bias. Our analysis of case studies reveals that **many implementations lacked the full set of proactive measures to ensure gender neutrality**. In the few cases where organisations did take an active approach to safeguarding against gender

bias, they incorporated specific mechanisms. In this section we review the safeguards as presented in ‘Five stages to gender-neutral compensation’ (Table 9), plus discuss further considerations. It should be acknowledged that this analysis is based on the authors’ assessment of the information provided by the authors of the case studies based on the interviews and is partially supplemented with publicly available material and explanations received during further interviews or upon request regarding those methods that were not investigated in a dedicated case study in this research. Importantly, while the initiatives are among the best practices in the field, their practical effectiveness remains to be seen.

Recognition of the issue and adequate representation

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.

(Labour inspectorate representative, Slovakia)

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 [sectoral trade union federation] board [at the time composed mostly of men].

(Portuguese union representative and addition by author of the case study)

In the first stage towards gender-neutral compensation highlighted in Table 9 (‘Plan’), the first safeguard requires the involvement of representatives of all levels and genders, and the provision of equality training. Women’s representation in politics and policymaking in general has been found to lead to better and more inclusive outcomes, as ‘more inclusive legislation is passed when women are in Parliament, Minister positions, and other political roles. These laws often ensure that women (and men) are protected from discrimination, which typically increases opportunities for women to participate in the economy’ (Women Political Leaders, 2023). For job evaluation schemes, it is generally recommended as good practice to ensure adequate representation of all stakeholders in the project team when developing a job evaluation scheme, in particular a representative sample of people from the jobs covered by the scheme, including a fair representation of women – the ILO recommends 50/50 – and other groups, should the analysis go beyond gender monitoring (Department of Labour, 2008; Oelz et al., 2013).

The case studies pointed to several such practices. In Germany, the chemical sector union implemented a quota system ensuring at least 30 % representation of women on collective bargaining committees, to incorporate diverse perspectives into negotiations. In Portugal, the technical team carrying out the evaluation was mostly made up of women, coordinated by a man on the union side and by a woman on the employer side, who was also the person responsible for sectoral collective bargaining. The French employers’ representative interviewed highlighted that both women and men were represented in the joint technical groups, which according to him suggests ‘that **gender could have been raised as a concern if it had been deemed important**’⁽¹⁷⁾.

This leads to another key point: it is essential that **those involved are motivated** and that they **recognise the problem**, which will influence their readiness to initiate a process, engage in it seriously by seeking to identify structural pay inequalities, and subsequently go further to rectify any differentials (see Heery, 2006, for evidence that union officers’ motivation rather than gender was a better predictor of equality outcomes).

The potential of a job evaluation and pay review initiative (be it within collective agreements or at the company level) to be initiated and successfully implemented will be also strongly influenced by the recognition of the problem at higher levels. An example of setting the tone at the higher level was provided in the Hungarian case study. 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 that are **at best unsympathetic to the goals of the equal-value work drive**. An example of this is a widely distributed video message by the then minister for families, later President of Hungary, Katalin Novák, in 2020, in which she urges women to accept that they were ‘born to take a larger burden and make more sacrifices for family’ and that women should not compete with men for better jobs and better pay (Novák, 2020). It was also in the Hungarian case that three out of five large company representatives approached for an interview responded by saying that there was no discrimination at their companies regarding pay; men and women were paid the same for the same job. The quote from the Slovak case above (similar quotes were also found in other national contributions) also suggests that there may be **misunderstandings or misconceptions** of the issue: again, having a single pay source to refer to (e.g. a public sector pay scale or a collective agreement) without separate scales for men and women (or for

⁽¹⁷⁾ To provide further context, the gender pay gap in the metallurgy sector is low (3 % in 2024), compared with the average of 14.9 % in France, according to the National Institute of Statistics and Economic Studies, while the share of women employees is under the national average. Employer organisations and trade unions are, therefore, focused on increasing the attractiveness of the sector for women and ensuring their career promotion.

clearly gendered jobs, as they existed in the past) does not guarantee gender neutrality. While this is anecdotal, similar **perceptions among managers** were also recorded in larger-scale surveys, for example a European Commission public consultation conducted in 2019, in which only 3 % of companies and businesses believed that men and women are not paid equally for the same work or work of equal value in their Member States (SWD(2020) 51 final), or more recently among German companies when the pay transparency law was evaluated and 63 % of managers surveyed in private sector (and 78 % in public sector) establishments reported that there were no issues regarding equal pay. Reference to the existence of a collective agreement was most commonly made by private sector employers, and the survey among employee representatives resulted in similar perceptions (Federal Ministry for Education, Family Affairs, Senior Citizens, Women and Youth, 2023).

Training

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.

(Company representative, Lithuanian case study)

Still in the first stage towards gender-neutral compensation, training is considered a foundational element. Organisations that successfully address gender neutrality typically invest significantly in developing expertise at various levels. In **Portugal's** footwear sector, the sectoral union conducted comprehensive preparation for the job evaluation process. The technical team attended specialised training sessions provided by CITE, covering gender equality in the labour market and the ILO methodology for gender-bias-free job evaluation. This theoretical foundation was complemented by practical input from trade union leaders, workers and business owners to ensure a thorough understanding of job content across different roles. The hotel industry in **Cyprus** likewise invested in training all researchers involved and emphasised that advisory committee members involved in job evaluation should possess relevant training and/or experience in gender equality. Similarly, **Spain's** footwear industry collective agreement highlights that negotiating committees responsible for equality plans should have appropriate training and might seek specialised external support on workplace gender equality issues. **Lithuania's** Swedbank provides

particularly comprehensive training initiatives. Since 2014, it has conducted over a hundred workshops with management teams, including practical exercises designed to help participants recognise unconscious biases in their thinking processes. The organisation emphasises continuous education on gender equality for all employees, with special attention to management training. Crucially, education for HR professionals leading equal pay initiatives proved essential to the programme's success, equipping them to effectively support managers and address equal pay questions. The BAS system, as seen in the **Swedish** private sector case study, has a structured training regime. BAS experts conduct targeted training sessions for the organisation's managers, covering the system's principles, factors, scoring methodology and application for job evaluation. Recognising potential gender bias risks, educational courses on BAS emphasise practical gender-neutral implementation. BAS authorisation groups receive training that uses examples to demonstrate that factors like physical exertion or psychological strain should be evaluated objectively, regardless of traditional gender associations.

Proactivity and gender neutrality as a core focus

The third safeguard highlighted in Table 9 in the first stage towards gender-neutral compensation requires pinpointing where potential issues of equal pay might exist by identifying female- and male-dominated jobs and by reflecting on the data needed to carry out such an assessment. This step can only be carried out if the approach is intentional, with **gender neutrality as the key focus of the evaluation exercise** rather than welcomed as a by-product, requiring actors to be proactive in their commitment to achieving equitable pay structures.

The most proactive case in our research was the gender review by the social partners in **Portugal** of the job classification scheme in the footwear sector, where initially the sectoral employer organisation expressed doubts about the existence of pay discrimination, which were countered with an agreement to develop a study to assess whether there was discrimination or not. In addition, there was, according to one interviewee, 'a concern to design all the work and data collection instruments adopting inclusive and non-discriminatory language', demonstrating an additional layer of sensitivity around the topic. Language was also a concern for Mercer's International Position Evaluation, as the methodology employs standardised language and definitions to minimise subjective interpretations that could introduce bias into the evaluation process. The same method also pays attention to including elements such as caregiving, multitasking, repetitive movements and more.

The hotel sector job evaluation tool in **Cyprus** was specifically designed to compare predominantly male with predominantly female occupations. To achieve this the research group consulted extensively with key stakeholders and selected specific pairs for comparison: Headwaiter B (male-dominated) versus Housekeeper B (female-dominated), and Chambermaid (no rank, female-dominated) versus Storekeeper B (male-dominated), based on the assumption that they were of equal value despite unequal pay grades in collective agreements. The conclusion was that the jobs were not of equal value, and the study demonstrated how robust methodologies can clear biases in either direction.

Similarly, in **Spain**, the primary objective was to correct possible injustices and discrimination in pay scales by analysing the functional content of different professional categories and assessing their value, with one specific objective being to 'evaluate possible pay discrepancies between male-dominated and female-dominated professional categories', as explained by one interviewee.

From the case studies under assessment, it appeared that **proactivity led to more safeguards** being put in place **and more corrective actions** being implemented as a conclusion to the process.

Establishing criteria for job evaluation beyond objectivity

In the second stage towards gender-neutral compensation ('Design'), the first safeguard is the establishment of criteria, ensuring that these are objective, gender-neutral and bias-free. One of the most misunderstood safeguards is objectivity when considered as a guarantee for gender neutrality.

Objectivity does not necessarily directly imply gender neutrality, as what appears to be objective may still reflect established patterns that have historically undervalued women's work. The typical elements and skills found in female-dominated occupations can still be overlooked or minimised in evaluation systems, not through explicit discrimination but because traditional frameworks were designed around male-dominated job characteristics and may have perpetuated these biases through institutional inertia. In this regard, selecting the appropriate criteria and sub-factors for job evaluation is essential. Even so, **organisational cultures can continue to replicate evaluation biases**: within the Hungarian case study, a trade union representative was interviewed who reported that, although during her training and consultations she introduced company executives to the Hay method of job evaluations, this was never strictly followed, and cited the example of the railway sector, where engine drivers are in such high esteem that they always top the list – and the pay grade scale – as a result of **company management adjusting the system to reflect company culture**.

In Cyprus, the tool emphasised job content rather than individual skills and deliberately highlighted typically overlooked competencies often found in female-dominated roles, such as management of conflict or the number of interlocutors with whom to communicate. Development involved extensive consultation with trade unions and careful review of sectoral agreements. The weighting system for evaluation factors was determined through an inclusive process with an advisory committee comprising trade unionists, HR managers and women's organisation representatives. The tool's user guide included specific **cautionary texts about gender biases**, particularly highlighting the emotional demands in female-dominated professions that are frequently undervalued. Similarly, Spain's job evaluation tool (SVPT) was purposefully designed to eliminate gender bias in position assessment. Its accompanying guide contained **explicit warnings to evaluators** about recognising and accounting for gender biases, with special attention to the emotional demands inherent in jobs predominantly performed by women. For example, the guide suggests:

*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.*

(Ministry of Labour and Social Economy, 2022)

In the case of the Danish company, which sets pay according to individual contributions, it has been acknowledged that it is 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. Another example is the application of the IFIC method in Belgium, where the criterion of 'non-hierarchical team-management' specifically addresses the **management of internal collaborators** in the context of task delegation, a common practice in nursing. The 'communication' criterion also considers the **capacity to listen and support others**, highlighting the empathy required in many care roles. In the BAS system in **Sweden**, while it was not possible to assess the gender neutrality considerations behind the choice of factors, sub-factors and assigned grades, some sub-factors that are typically neglected in job evaluation were included, such as **psychological strain**.

Still, in some instances, some criteria used for job evaluation could present issues around objectivity and gender neutrality. Leadership, included in the Belgian case study using IFIC, could be tricky if not carefully elaborated, as women and men tend to be judged differently on leadership abilities (Smith et al., 2019; Paustian-Underdahl et al., 2024). In the Danish case

study, cultural fit might be difficult to assess in an objective manner. Moreover, the criterion ‘drive’ was flagged as potentially gender coded, but the company explained that it is not narrowly defined by what might stereotypically be considered a masculine form of energy – such as aggressively pushing things forward. In Refyne’s evaluation and individual pay setting, 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 are the people who get things done and are ready for more. That too, is drive’, according to the interviewee.

Overall, however, it was not possible to assess to what extent the sub-factors for each criterion were genuinely inclusive of those typically female job demands and skills, as the available documentation did not provide sufficient detail on this critical aspect.

Review and oversight

Revisions and checkpoints are further safeguards that can be implemented at different stages of the process of establishing compensation. Often these involve internal (to the system or organisation) neutral parties and serve as checks and balances in the evaluation process, helping to identify and address potential biases that might otherwise go unnoticed. In **Germany’s** chemical sector, the sectoral union highlights the importance of nuanced analysis in identifying gender equality issues. It notes that examination must occur at multiple levels, as industry-wide data can mask segment-specific disparities. Within this context, the works council plays a critical mediating role, exercising statutory co-determination rights in job classification decisions on individual workers. Larger companies often establish specialised subcommittees within works councils, specifically focused on equal pay issues, providing dedicated attention to gender-based wage disparities. Swedbank **Lithuania** demonstrates another practical mediation approach through a designated position responsible for the monthly monitoring and analysis of pay equity. This specialist collaborates closely with the HR department, which works directly with managers. When pay gaps are identified, the process requires managers to explain any discrepancies before implementing an action plan. This accountability mechanism ensures that only objectively justified differences remain, with salary adjustments made when no legitimate justification exists. For quality assurance, the Swedish BAS model promotes the establishment of BAS authorisation groups within the organisations applying this method. The groups consist of HR

personnel who receive specialised training in the system. These groups review and authorise completed valuations, engaging in clarifying dialogues with HR consultants when necessary.

Auditing, certification, public accountability and controls

A labour inspector does not evaluate the value of the employee’s work as part of the labour inspection.

(Labour inspectorate representative, Slovakia)

When organisations choose to participate in **external or internal auditing or certification activities**, they make efforts to ensure objective and gender-neutral pay outcomes, by adding further checkpoints.

Companies like Philip Morris (**Czechia**) and Żabka (**Poland**) have undergone audits by the Equal-Salary Foundation, which employs a structured process beginning with the statistical analysis of anonymised pay data, comparing men and women in identical job positions, complemented by qualitative research. However, it is important to highlight that the methodology employed for this certification – as described in this case study⁽¹⁸⁾ – appears to be aimed not at investigating equal pay for work of equal value, but only at investigating equal pay for equal work.

Other (**voluntary**) **private certification** providers also exist in other countries, such as the Certification of Gender Equality (*Certificazione della parità di genere*) in Italy (a tool designed to address gender gaps in professional growth and wage transparency), the German Universal Fair Pay Check® (which addresses the legal requirements of Icelandic, Swiss and UK legislation; see von Platen, 2024) and the Swiss EDGE Certification (assessing an organisation’s policies, practices and data across several areas, including pay equity), to name just a few. For this study, no further insights into these tools and processes were available; in particular, we were unable to determine to what extent the analytical pay reviews are also able to detect underpayment in relation to equal-value work. In the context of the Pay Transparency Directive, we refer to the importance of enhancing transparency and verifying that the certification processes are aligned with the directive’s requirements, to prevent ‘genderwashing’ and ensure compliance with minimum standards (Degoli, 2024; Ciucciovino et al., 2025).

The Belgian practice of the governmental ‘name and shame’ list, of committees whose collective agreements maintain outdated job classifications with gender-implicating titles and descriptions, can be regarded as a **public accountability mechanism**. Another relevant

⁽¹⁸⁾ According to the Equal-Salary Foundation’s [website](#), the methodology was designed to allow companies around the world, in every field, to address the difference between inequality and discrimination, to ensure that all employees are paid equally **for the same work**. However, the website also states that companies can verify and communicate the fact that they pay their female and male employees equally for the same job or for **jobs of the same value**. Further clarification was sought from the foundation but had not been obtained by the time of publication.

Box 6: Portugal's new standard: the equal pay management system

The standard 'Equal pay management system for women and men' (NP 4588:2023) defines the requirements for an organisation to implement, maintain and manage a system for equal pay for women and men, helping to eliminate discrimination based on sex and promote equal pay for women and men in the context of paid employment.

NP 4588:2023 was drawn up by the Technical Committee for Standardisation CT 216 'Equal pay for women and men', as part of the 'Equality platform and standard' project, led by CITE, with social partners being part of the group. It was published by the Portuguese Institute for Quality (Instituto Português da Qualidade), the national standardisation body, in mid-2023.

The standard can be used for certification purposes or simply as a reference for implementing a management system for equal pay for women and men. It applies to organisations of all types, sizes, complexities and legal natures, covering all job ranks, areas of activity, organisational units, locations and forms of subordinated work. The standard suggests, in an informative (i.e. not mandatory) annex, the use of a checklist of procedures for applying the methodology for evaluating jobs without gender bias – analytical point method. As developed by the ILO (Chicha, 2008), point methods of job evaluation include four basic factors: qualifications, effort, responsibility and the conditions under which the work is performed.

Source: Portuguese contribution.

example for companies is the French 'gender equality index', a scoring method in which organisations undertake their review (see Cleff Le Divellec, 2024). In Iceland, since 2020 companies have been required to obtain an equal pay certification, designed under a standard that explicitly includes reference to jobs of equal value. Inspired by this, more recently Portugal has introduced a new standard for equal pay management systems, with the active involvement of the social partners (see Box 6).

Besides the voluntary auditing and certification that some companies pursue, the question of the **enforcement of the principle** of equal pay for the same work or work of equal value – which is part of EU and national law – is pertinent. Our case study-based research could not go deeper into this area, but one promising case was commissioned from Slovakia, based on a nationwide labour inspection in 2015 that focused on discrimination and gender equality in labour-law. It had pointed to a high degree of non-compliance and seemed to have also investigated non-compliance with the work of equal value principle. See Box 7 for a report on the outcomes of this inspection.

Box 7: Results of a dedicated inspection of equal pay in Slovakia

During a nationwide inspection focused on discrimination and gender equality in labour law relations by the labour inspectorates in 2015, 39 out of 157 violations of regulations (in 165 inspected entities) concerned provisions governing the principles of equal treatment and equal pay. The violations detected most frequently concerned the obligations 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 to inform employees of the provisions on the principle of equal treatment.

The inspection also showed the disparity in work performed: while women usually performed **monotonous jobs demanding fine motor skills and concentration**, or jobs requiring communication with clients and patience, men more frequently performed **dynamic, highly technically demanding work** or work that required physical strength. Regarding job positions that, 'based on the abilities and characteristics of both sexes, could be occupied by either men or 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, Slovakia, 2016, p. 14).

Note: **Emphasis** added by the authors of this report to exemplify the cross reference to the section 'Language in job descriptions'.
Source: Slovak case study.

Based on the interviews carried out with representatives from the inspectorate as part of our current research, it became clear that the inspections in general only focused on equal pay for the same work, that is, employees in the same positions, performing the same type of work, with the same job description. According to Slovak labour law, 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 it, like inspectorates in general, does not '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'.

It added that the legislation does not offer any system (e.g. 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.

Outcomes: were gaps found and addressed?

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.

(Union representative, French metallurgy sector)

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.

(Union representative, German chemical sector)

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.

(Union representative, Portuguese footwear industry)

Detecting unjustified pay gaps

The final portion of the process requires the effective analysis, monitoring and rectifying of the gender pay gaps, be these for the same work or for work of equal value. The kinds of gaps detected within the case studies depend very much on the focus of the study, its key motivations and the processes applied. We can broadly distinguish between **collective underpayments**, which relate to a group of workers, and **individual underpayments**.

The first was found in the case studies whose main objective was gender equality and addressing the potential undervaluation of female-dominated work, including the cases from Belgium, Portugal and Sweden and examples from the Spanish gender equality reports. In these cases, **comparing female-dominated professions with male-dominated professions was part of the evaluation method**. Table 11 provides examples of pay differences that were detected. In the Cyprus hotel industry, a similar evaluation did not identify any undervaluation of the selected female-dominated versus male-dominated professions – comparing chambermaids with storekeepers, and housekeepers with head waiters/waitresses – and the existing collectively agreed pay differentials were considered justified. Likewise, in the Belgian food industry, none of the interviewees could find any recent examples of changed job classifications because of problems with gender neutrality. While the interviewees admitted that in the past there have been job descriptions that were 'blatantly sexist', this has not been the case for several years. The lowest-paid category – belt workers – used to be a female-dominated profession but is now a gender-balanced group and continues to be the lowest-paid. Similarly, in the Spanish case, where the analysis of work of equal value is already an integral part of the gender equality plans, the four plans analysed remained rather generic. In one case, a pay gap was found but could not be attributed to gender differences.

Table 11: Examples of collective underpayments for groups of workers doing work of equal value

Case	Comparatively lower-paid groups		Comparatively higher-paid groups		Outcomes
	Female-dominated	Male-dominated	Female-dominated	Male-dominated	
BAS system, Sweden	Assistant nurses	—	—	Park workers	Initially in the same group, now assistant nurses are ranked higher (example from one region).
	Librarians	—	—	—	Now ranked higher. No information on comparison group.
BESTA-vägen, Sweden	University professors in humanities	—	—	University professors in other fields (not further specified)	Now ranked higher.
	Sign language interpreters	—	—	IT-related work (not further specified)	In the same group, but the sign language interpreters were paid less. Higher pay for IT was explained by market prices for IT personnel.
Healthcare sector, Belgium	Assistant nurses / nursing assistants / care assistants	—	—	—	Upgraded, but only in the Walloon region and subject to budget availability.
Footwear industry, Portugal	Assembly assistant operator 1st, finishing operator 2nd, sewing operator 2nd and sewing operator 1st	Assembly operator 2nd	—	—	In this case, gender pay differences were also found within groups of professions (i.e. for individuals doing the same work).
Footwear industry, Spain	Purchase managers		Sales managers		Both groups are gender-balanced. Differences are attributed to commissions received by sales managers, not related to gender.

Source: Case studies, authors' compilation.

In other cases where job classifications were set up in collective agreements (metallurgy in France and the chemical sector in Germany), **no structural gender pay gaps were detected, as this was not part of the exercise.**

According to French interviewees, gender was not the primary focus of the discussions when establishing these schemes, but rather setting up an objective and unified job classification was the core concern initially⁽¹⁹⁾. According to the interviews, studies ‘**could be conducted**’ to assess whether the distribution of men and women across job classifications reflected the overall percentage of women in the sector (23 %) within each of the 18 classification levels, particularly in higher tiers. One interviewee suggested that analysing individual job classifications at the industry level might prove difficult due to the sheer number of positions, but 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. This type of company-level analysis, now voluntary in some instances, will become a legal requirement under the Pay Transparency Directive, in cases of detected unjustified and unrectified pay gaps among categories of workers.

Likewise, in the German chemical sector case, a gender pay (equity) review was not part of the process. According to the trade union interviewee, the system generally works well regarding gender equality issues and equal treatment; there is a smaller but still existing gender pay gap. One important factor in this regard is the issue of seniority pay, whereby women often miss out on seniority steps when they take more extended maternity/parental leave (Box 8). In addition, there is an annual collective allowance that depends on the length of service during the year, supposed to reward and motivate continuous service, which introduces some differentials.

⁽¹⁹⁾ The main difficulties related to the roll-out of the new sectoral job classification, promoting the (correct) adaptation across companies and dealing with (individuals') frustrations on seeing their roles downgraded compared with their previous gradings.

Box 8: Are differences justified and what needs to be rectified: the current outcome or the underlying issue?

Determining which pay differentials are justified is a fundamental question that will inevitably confront organisations performing job evaluations and joint pay assessments.

The union interviewee from the German case study raised an interesting perspective by noting that employees who have not taken parental leave, whether male or female, have accumulated more professional experience and demonstrated continuous work performance. This creates a complex interpretive challenge: is a pay system that rewards accumulated experience inherently discriminatory because women disproportionately take parental leave, or does it represent a gender-neutral approach to measuring work performance that would eliminate discriminatory outcomes if **parental leave were equally distributed** between the sexes? Related arguments – to focus on changes in the underlying causes rather than the current outcomes – were also made by the HR interviewee from the Czech case study, where the possible influence of gender-stereotypical thinking on 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 checks it, especially within the framework of talent management or at higher positions in the company. A similar point of view – beyond the company level – is conveyed by the EU-level employer organisation (Business Europe, 2025), which (while not elaborating on gender pay gaps) suggests ways to deal with the root of gender inequalities to promote female labour market participation: addressing stereotypes from an early age, improving child care availability, affordability and quality, and reducing gender segregation in professions, among others.

The Lithuanian company case, in contrast, shows that the annual salary review includes staff on parental leave, to ensure that their salaries keep pace with those of their colleagues and not create a gap. The measure has reportedly made a substantial contribution to achieving pay equity and reducing the unjustified pay gap between people in the same job to less than 1 %.

Within the Pay Transparency Directive, the view is that such pay gaps arising from parental leave are not justified. The provision relates to Articles 15 and 16 (respectively ‘Return from maternity leave’ and ‘Paternity and adoption leave’) of the recast directive (Directive 2006/54/EC) and to Article 10 ‘Employment rights’ of Directive (EU) 2019/1158. The aim is to uphold the principle of equal treatment for parents taking such leave. No one should be discriminated against, including in relation to salary matters, for having taken such leave. Recital 25 of the recast directive says, ‘For reasons of clarity, it is also appropriate to make express provision for the protection of the employment rights of women on maternity leave and in particular their right to return to the same or an equivalent post, to suffer no detriment in their terms and conditions as a result of taking such leave and to benefit from any improvement in working conditions to which they would have been entitled during their absence.’

The same approach is found in recital 38 and Article 10 of Directive (EU) 2019/1158. Article 10 also provides that the employment relationship is to be maintained during parental leave.

Therefore, a pay system that rewards accumulated experience but excludes periods of maternity/paternity/parental/carer’s leave from such experience in an organisation puts persons using such leave in a disadvantaged position and is discriminatory (ultimately against women, since they tend to take such leave more often than men).

The second type of pay disparities – **individual underpayments** – was the main focus of analysis conducted in the company case studies. The information on outcomes obtained from the three company cases remained generic in this regard, but the available information suggests that no checks for pay differences between predominantly female- and male-occupied positions were carried out. The analysis primarily focused on workers performing the same type of job (or jobs that belonged to the same job family that was considered as being of equal value) and whether pay differences between individual workers were justified based on objective criteria. The application of

an objective scale and pay review was regarded as a guarantee ensuring gender neutrality.

Rectifying unjustified pay gaps

Limited concrete information is available from the case studies on the rectification of unjustified pay gaps. However, where pay gaps were identified within the analysis of collective agreements and understood as unjustified, they were addressed in the reported cases. The most concrete information came from the Belgian and Portuguese cases, which both show that the **time required to rectify collective underpayment through collective bargaining can be very lengthy** – on top of

the already lengthy analysis and evaluation processes. The entire process spanned more than a decade in each case.

In Portugal, the analysis and evaluation phase, initiated in 2005, ended in 2012. However, during 2012 and 2014, in the aftermath of the financial and economic crisis, **collective bargaining was blocked nationwide**. The sector union therefore sought to continue an informal dialogue with the technical team and the management of the employer organisation and discussed a proposal in 2016, but it was only after three formal annual negotiations, between 2015 and 2017, that the sectoral social partners ‘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’. The 2017 collective agreement provided for an average 3.45 % increase in the pay bill for the sector, but this was not distributed equally, as the female-dominated categories⁽²⁰⁾ had an average increase of 5.3 %. According to one union interviewee ‘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’.

In the case of nursing assistants in the Belgian healthcare sector the process likewise has been slow and was incomplete at the time of writing. This is because the rectification and uplift require public funds, which are distributed in separate (political) processes, in combination with the specific regional governance structure of the sector. In the case of affected healthcare sector workers, some functions are not yet receiving the new pay scales, but instead receive their old pay scales and a percentage of the difference between their old and new pay scales. 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 category 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 in category 11 (although the aim of IFIC was to harmonise the scales).

The process of **rectifying individual underpayments** is arguably much faster in companies, within annual pay reviews. In the Lithuanian case, it was reported that, when pay gaps are identified, HR works 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 of 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, whereby the company 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.

Main challenges

The actors need to speak the same language.

(Union representative, Hungarian case study)

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, Czech case study)

The market governs this. Much of the pay gap 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.

(Tech company leader, Hungarian case study)

This section summarises the challenges faced in implementing work of equal value principles, as retrieved from the case studies, but complemented with further information and interpretation by the authors. The overarching challenges have already been alluded to in part in other sections; the focus is here more on the technical and practical challenges.

Overarching challenges

One of the main overarching challenges is either **scepticism or denial that (unjustified) gaps could exist** or, more overtly, a **generalised resistance** to pay equity initiatives, particularly in traditional and hierarchical workplaces. One company representative in Hungary (who subsequently declined to be interviewed) responded that ‘the existence of some pay difference is natural’ (see also ‘Recognition of the issue and adequate representation’).

In addition, when organisations partially embrace the pay equity approach, they may implement objective job evaluation systems but still rely on market rates to determine final compensation levels, potentially undermining all the benefits achieved by the system for gender pay equity. In the Hungarian case study, a company leader described following the international

⁽²⁰⁾ According to the best knowledge of the authors of the case study, the male-dominated category found to be comparatively underpaid did not receive an additional increase. While applying the principle of work of equal value primarily addresses historical disparities that have affected women, men can and should also benefit from these assessments, as gender neutrality works both ways and seeks to eliminate all forms of systematic undervaluation regardless of gender composition.

parent company's system based on the Hay method. While praising it as 'a nuanced system of job classification', they noted that 'it is very important that different job families are examined separately, as their market values are very different', hinting at a market mechanism as the final determinant of pay levels.

Another major obstacle flagged in the case studies was related to **entrenched gender biases**. Swedbank's approach in Lithuania highlights the importance of training sessions focused on unconscious bias to combat these tendencies. Last but not least, government decisions regarding pay, when made without involving social partners, can create significant obstacles in implementing equal-value principles. In Belgium, a reform of the nursing profession was introduced without anticipating the impact on the IFIC model, causing substantial **implementation challenges**.

Managing subjectivity in scoring and classifying the jobs

*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 weight different factors? What weighs most heavily in this particular context, in our business, this type of work? **So it's not an exact science, but something that you have to discuss.***

(Employer organisation representative, Swedish public sector case study)

The **subjective nature of job evaluation** creates significant challenges for consistent implementation. Evaluators may assess elements differently based on personal preferences, resulting in inconsistent scores and ratings. The case studies demonstrate that, while some criteria, like education level, can be assessed relatively objectively, others, such as a role's impact or influence, are far more difficult to quantify consistently. For example, the Swedish BESTA-vägen case study highlights the difficulty in **translating abstract concepts like 'level of difficulty' and 'complexity' into measurable criteria**, such as knowledge and skills, when aligning job evaluation with anti-discrimination legislation.

Even with more classic criteria, however, there are still challenges. Job classification based on **qualifications or seniority** emerges as a particularly sensitive issue, as flagged in the French case study.

Differentiating between **academic qualifications and workplace learning** presented further difficulties, as did factors related to **exertion and work environment**. Specific points of contention included whether **monotony** should merit higher scores in exertion assessments, and how to incorporate **physical demands** fairly across different types of work. However,

the fact that the tool has been developed collectively by social partners represents a significant strength in addressing these subjective challenges, as this gives BESTA-vägen **legitimacy**. The tool and the process itself no longer need to be debated at the local level between employers and unions, as the methodology has already been established through social partnership.

Determining appropriate weights

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.

(Trade union interviewee, Swedish public sector case study)

Challenges also revolve around **how to weight criteria**. This issue was highlighted in the Cyprus hotel sector case study, where researchers conducted two additional exercises using alternative weighting systems to assess how evaluation results might vary. To remove this burden/challenge, in Spain, the SVPT incorporates an automatic (non-modifiable) weighting feature for each factor and sub-factor, based on 100 points, ensuring balance between minimum and maximum levels.

Establishing regular reviews

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.

(Management representative, Swedish public sector case study)

Updating job descriptions in collective agreements or within companies to **reflect actual roles** presents another challenge, particularly as technological advancements and multi-skilling transform work requirements. Employer organisations (or companies) may resist these updates due to their potential implications for salary revisions. This was the case, for example, in Belgium and Spain, where the need for revision was explicitly acknowledged by trade unions, which requested updates to reflect evolving roles, but employer organisations were **concerned about the financial implications** of wage increases that would accompany more accurate job classifications.

Ensuring data availability and infrastructure

Multiple cases highlight **inadequate data infrastructure an infrastructural barrier**: the footwear industry case study in Spain explicitly notes that organisations often lacked ‘comprehensive databases that separated information by gender, employment contract, job role, or professional group’, while the Equal-Salary Foundation certification requires extensive data collection across multiple variables, indicating that data readiness is often a prerequisite that many organisations might not have.

Achieving consistent application

Furthermore, whether the method is proprietary (e.g. Mercer or Hay), institutional (e.g. BESTA-vägen) or custom-designed, there is always a **risk of inconsistent application between organisations or over time**. This means that maintaining historical memory by documenting processes and producing reports is essential, and that these must be available and transparent to ensure continuity and accountability in pay equity assessment. This is also true in the case of collective agreements where the results and scores from analytical job evaluation phases are subject to negotiations among social partners to establish accompanying wages and benefits. This **negotiation phase** depends on numerous contextual factors including the strength of social partners, sector profitability, historical precedents and broader economic conditions. Through this process, **non-objective factors may be introduced**, meaning that, at the end of the day, the final remuneration outcomes could be different from what the analytical evaluation results would suggest.

Securing adequate resources

Allocating **appropriate human and financial resources** across various areas of the organisation to carry out activities to implement equal-value principles and adjust job classifications and pay after a job evaluation exercise is essential. **Building internal competencies** is important so that organisations are not perpetually reliant on external consultants. Even if not all the budget is available, staggered approaches to fixing disparities have been highlighted as a solution for budget constraints in the case of the Belgian healthcare sector.

Ongoing commitment

The case studies demonstrate that the implementation of equal pay for work of equal value principles depends on organisations’ ability to navigate both technical complexities and failure or refusal to recognise the concept of work of equal value, within the national and EU legal frameworks, while maintaining a long-term perspective on pay equity as an **ongoing commitment**. As summarised in the Spanish case study, ‘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.’

Transferability and wider, longer-term impact

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.

(Company representative, Czech case study)

The cases presented in this report can be considered (with a few exceptions) good practice, and they were particularly selected to demonstrate how companies and social partners within collective agreements can ensure that adherence to equal pay for work of equal value is objective, gender-neutral and free of bias. To what extent are these approaches transferable to other companies or sectoral agreements that operate in similar or different environments?

Companies and gender-neutral pay structures

For **companies**, size and the existence and resourcing of an HR function are probably determining factors, but organisational culture is likely to be even more important. Two of the cases here relate to multinational companies with extensive HR functions and developed approaches to pay structures. While we do not have a vast amount of evidence, it can be safely assumed that, while maturity levels and gender motivation focus will vary, other companies of similar sizes are also likely to have objective pay structures in place. What distinguishes the selected companies from the average case is their **commitment to gender equality and fair pay, values that are not (easily) instilled or created by legislative requirements**.

For smaller companies, where HR functions are less well resourced or non-existent and pay structures may not be in place, the case of the Danish start-up shows that organisational culture and commitment are indeed key. This case – a less conventional scheme – demonstrates that reflecting on fair pay can also be done in smaller companies. The interviewee believes that the wage transparency model 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. According to the interviewee, the company's model fits well with environments where the work is easily quantifiable and tied to individual performance or measurable contributions.

EIGE and the European Commission are currently developing a practical step-by-step toolkit to support organisations in implementing gender-neutral job evaluations across the EU. The tool considers companies of different sizes and recommends three distinct approaches based on company size that vary in terms of resource requirements. Based on the case studies, the present authors believe that gender-neutral job evaluations can be done by companies of all sizes and in different contexts with tailored approaches. How well they will be implemented – as a tick-box exercise to fulfil legal requirements or with a genuine interest in ensuring equal pay for work of equal value by detecting and rectifying structural and individual underpayment – is another question and not linked to company size.

Collective agreements and gender-neutral pay structures

For **collective agreements**, the question on **transferability is more complex to answer**. The key points are the bargaining context and coverage, sectoral social partners' strategic approaches and company practices in orienting themselves towards the rates and job classifications contained in collective agreements, together with the extent to which social partners decide entirely autonomously within their collective agreements, or if it is the practice in the country for legislators to intervene in collective bargaining and mandate certain elements. The section 'The role, potential and limitations of collective bargaining' has introduced our reflections on the extent to which agreements and bargaining can influence pay equity and in which contexts.

From Belgium, two case studies of collective agreements were deliberately selected, as the legislative requirement to review the job descriptions and pay structure led to the practice being more widespread than in other countries. But this legislative requirement – which is probably regarded as too far-reaching in other country contexts, as it could be rejected as interference with social partners' autonomy – is combined with the **unique Belgian bargaining system** of near full coverage, highly centralised bargaining coordination, in which cross-sectoral agreements provide a binding margin for wage increases across sectors, and a low degree of wage drift at the company level. Thus, the Belgian system **is conducive to agreements to achieve both a horizontal and a vertical reduction of pay inequities**, possibly contributing to one of the lowest gender pay

gaps in the EU (see more in Marx et al., 2018; Vanderkerckhove, 2024; Centrale Raad voor het Bedrijfsleven, 2025). The transferability of the Belgian approach and the impact it can have can therefore be regarded as limited, at least in the short and medium terms and based on the assumption that changes to bring bargaining systems closer to the Belgian model would require a long time, or that they are unlikely to happen at all.

In Sweden, where social partners' autonomy, as in other Nordic countries, is regarded as very high and pay setting (while coordinated across sectors) is often delegated to the company and individual levels, the government's **legal intervention focused on company-level pay-auditing** requirements. Here the **social partners' strategies** were rather to **support their members in developing and agreeing on tools and methods** to carry out the audits. This type of support is probably **easier to transfer to other bargaining contexts**, including those where sector-level agreements are not in place or have a more limited role in steering pay. See also the Spanish case – with its focus on mandating companies and supporting them by means of a nationally developed gender-neutral tool – where no review of the sectoral agreement's pay structure took place.

The Portuguese case was remarkable, as it was **the only case** identified among the collective agreements where the **evaluation method continued to be applied in other sectors** covered by the union, namely in the textile and woollen industries, largely around the first decade of the millennium, and more recently, since 2020, in the clothing and leather industries, all in partnership with the respective sectoral employer organisations. The union reckons that '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, at neither the national level nor even the European level is the union interviewee aware of other organisations carrying out similar studies.

This leads to the question of **how widespread** gender-neutral job evaluations of pay structures within collective agreements are. While there is no hard evidence of prevalence, the difficulties encountered by Eurofound's national correspondents in identifying relevant collective agreements in which such a review has taken place lead the authors to consider the practice to be very rare.

Job classifications in collective agreements tend to be very stable, and reviews can take a long time, as evidenced by the Belgian, French and Portuguese cases. See also Eurofound (2024), where the coding of pay rates in nearly 700 agreements showed very limited change of job categories over time. Both the French and German cases, however, pointed to the capacity that sectoral agreements have for advancing (horizontal)

pay equity, when the fragmentation of pay bargaining and wage setting can be reduced and more subsectoral entities fall under a single pay agreement. These cases can be **inspiring for actors operating in fragmented bargaining contexts**.

In the context of a constantly and quickly changing world of work, with jobs and their contents continuously evolving, taking a long time to review outdated pay scales may be regarded as concerning. However, the more positive take on it is that **the stability of sectoral pay structures is desirable once**

they can be regarded as proven to be gender-neutral and free of bias and if regular reviews establish that this continues to be the case. In practice, and again depending on pay-setting contexts, companies use a great degree of flexibility in further negotiating wages collectively and individually. Where sectoral agreements provide reliable, objective, gender-neutral, bias-free, proven pay structures, it will be easier for companies to fulfil their legal obligations to ensure equal pay for the same work and work of equal value.

Conclusion

The causes of the persistently high pay gap in total and hourly earnings for men and women are multifaceted and require an arsenal of policy actions at different levels to address them. Besides the facts that (on average) women tend to work fewer hours, in less well-paid sectors and jobs and lower-paying companies, have more frequent career interruptions due to care obligations, and are less likely to advance into higher-paid roles, ask for higher pay or have their request positively answered, the structural undervaluation of jobs traditionally held by women has been named as a further important root cause.

While acknowledging all these contributing factors – each of which opens a set of policy responses, including, for example, advancing gender equality in general through increasing women’s economic activity, and fighting gender stereotypes, as proposed by Business Europe (2025) – this report took a narrower view and focused specifically on addressing structural undervaluation through the implementation of equal pay for work of equal value – a principle that extends beyond the same type of work to encompass work that may be different but of comparable worth. Although this principle is well established in EU legislation, its practical implementation – both for individuals and collectively for groups of workers – remains uneven and fraught with challenges.

Some of the problems arise from the individualistic nature of European and national equality legislation, rooted in principles of individual rights, compared to the collectivist nature of collective bargaining which has the objective to set pay rates and progress equality across the economy and on the basis of ‘class action’.

(Pillinger, 2014, p. 27)

A key strength of this report is its recognition that equal pay for equal work typically addresses individual discrimination; in contrast, equal pay for work of equal value tackles systemic discrimination that affects groups or categories of workers. With this understanding, the report aims to support the implementation of the principle of equal pay for work of equal value, starting by examining the requirements of the Pay Transparency Directive and also investigating the role of social partners in targeting collective underpayments.

The directive establishes a minimum level of standardisation by mandating, among other things, that Member States take the necessary measures to ensure that employers have pay structures ensuring equal pay for equal work or work of equal value, and support companies in setting up pay structures based on

objective job classification schemes that are gender-neutral and free of bias. Alongside presenting and comparing tools and methods and investigating how companies approach the implementation of gender-neutral job evaluation, a key focus of the study was to investigate the principles and practices of how social partners can ensure gender-neutral job classifications within sectoral collective agreements.

Together with desk research, a comparison of 16 case studies forms the core methodology in this report. The cases can be mainly regarded as descriptive and explorative, as we sought to present and interpret them within the specific (wage-setting, industrial relations and legal) context and reflecting on their potential transferability. It should also be stressed that the evaluation of the effectiveness of the approaches presented at reducing pay inequities was not part of the research. That would require a more rigorous causal-analytical research design.

The role of sectoral collective agreements in ensuring equal pay for work of equal value

Sectoral collective agreements have the potential to ensure gender-neutral job classifications and pay structures, serving as backbones and overarching frameworks for companies. This ‘vertical’ approach is the focus presented in the Pay Transparency Directive, which ultimately requires companies to have gender-neutral pay structures in place. However, the practical ability of these agreements to influence or govern company pay practices can be constrained. Overpayments or ‘wage drift’ above negotiated minimums, coupled with a broader trend towards individualised pay negotiations, can reduce the influence of sectoral agreements on a company’s pay (equity) outcomes. The broader bargaining context can also weaken the impact of sectoral agreements. Their effectiveness is particularly limited where collective bargaining structures are fragmented, agreements do not extend to all companies in a sector or pay scales are absent altogether. In cases where pay structures do exist, they may be outdated and may unwittingly enshrine gender biases.

Examples of good practice, documented in a limited number of case studies, demonstrate that social partners can successfully collaborate to evaluate and redesign job classification and pay structures at the sectoral level. Nonetheless, it is notable that gender neutrality is not always the central impetus for these efforts and, where it was not, potential pay gaps were usually not investigated. The processes involved are lengthy and complex, sometimes extending over more than a decade.

As different sectors may be covered by different agreements (if at all), cross-sectoral coordination would be required to also address ‘horizontal’ pay inequalities: those that emerge from the concentration of women in certain lower-paid, female-dominated sectors, which are covered by other agreements (if any). While the report highlights some examples from Nordic Member States, where higher pay rises were granted to female-dominated industries or jobs, these remain highly context-specific and have seen no broader adoption or continuation.

Likewise, the difficulty faced by Eurofound’s correspondents in identifying recent examples of collective agreements that could illustrate how (gender-neutral, bias-free) job classifications can be implemented or reviewed suggests that the practice is rather rare. It remains to be seen what influence the Pay Transparency Directive will exert on gender-neutral job classifications and pay structures in collective agreements in the medium run.

Experiences with gender-neutral job classifications

At the company level, cases of successful gender pay gap rectification tend to be more agile, largely thanks to the possibility of annual pay reviews that enable timely interventions in mainly individual pay gaps.

Often born as efficiency management systems, compensation structures might generate equal-value outcomes only as a by-product, rather than an intentional achievement. Many implementations seen in the case studies, in fact, lack the full set of gender-neutral safeguards, often assuming them to be implied in a system that is based on objective criteria and lacking overt discrimination. The same case studies showed promise, with many elements that ensure genuine protection of the principle of equal pay for work of equal value already in place, and further sets of measures to promote gender equality more holistically. Despite this, some room for improvement remains, especially when the extra step of carrying out a full pay equity assessment is taken: extensive training, improved and balanced involvement of employees and robust data infrastructure are all elements that can bring lasting results.

Tools and methods to identify gender pay gaps between jobs of equal value

In the report, several tools and methods were described, each with its own approach. This diversity could also be seen in the selection of criteria for job evaluation, which will require revision to align with the Pay Transparency Directive. This presents a valuable opportunity, as some tools may still use outdated criteria or criteria that do not fully embrace an equal-value perspective. This alignment process will benefit from policy debates on more complex criteria

(e.g. seniority and market conditions), comprehensive training and efforts to foster a culture that supports gender neutrality.

In addition, while some tools and methods operate transparently, others remain opaque due to intellectual property considerations. While this is understandable, it prevents assessment of how fit for purpose they really are. How to balance these competing interests remains an open question. The updated EU-wide guidelines on gender-neutral job evaluation and classification systems, which the European Commission is currently developing in consultation with EIGE, will establish the most important standards in this area.

Tools and methods must also promote pay equity analysis with gender neutrality at its core, critically examining male- and female-dominated job categories to assess whether their value is evaluated correctly and appropriately remunerated. Although companies will only be obliged to conduct such assessments when unjustified pay gaps are identified and not immediately rectified through joint pay assessment, incorporating these checks into routine pay monitoring would bring the right to equal pay for work of equal value to fruition.

Opportunities offered by the Pay Transparency Directive

To capitalise on the opportunity to strengthen the principle of equal pay for work of equal value offered by the Pay Transparency Directive, several actions should be considered.

One of the ambitions of the directive is to embolden the role of equality bodies in advancing pay equity. The directive recognises equality bodies as ‘instrumental in effectively applying the principle of equal pay’ (recital 47), mandating that they have adequate powers to address gender-based pay discrimination and represent workers facing barriers. Article 4 also requires Member States to consult equality bodies when developing analytical tools for gender-neutral job evaluation systems. Evidence from the case studies revealed a gap between the directive’s expectations and reality, and suggests that, wherever possible, equality bodies should be provided with sufficient resources, expertise, independence and opportunities for structured collaboration and consultation between bodies, but also with social partners and any other stakeholders at the sector, national and European levels (see also Genevey, 2024).

Consulting firms have geared up to offer their services to companies to support them in meeting the legal obligations. Those going the extra mile will also pursue voluntary certifications to validate their pay equity efforts through external auditors or other certifying bodies. However, the reliance on external experience raises a fundamental question that emerged consistently throughout the research as a realisation of

all those involved: who ensures the credibility and effectiveness of these products and certifications, and what standards do they uphold regarding work of equal value principles? Can ‘gender-washing’ be prevented? A solution could be to revise the role of equality bodies in this light too, introducing common standards for certification. As a minimum, policymakers should start a debate on this topic. In addition, EIGE is creating a toolkit to support companies of different sizes to set up gender-neutral evaluation systems without relying on consulting firms.

Last but not least, there is a pervasive need for evidence to demonstrate that the interventions presented in this report succeed in reducing the gender pay gap – including the one relating to equal value. The same evidence would also be fundamental for discerning what works and what does not, and under what conditions positive effects can be achieved. After the directive is incorporated into national law, efforts should be made to gather and analyse such data, for the benefit of all stakeholders.

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This report presents an in-depth compilation of evidence and analysis on how the EU's principle of equal pay for the same work and work of equal value can be implemented in practice, with a particular focus on work of equal value – thus, pay equity. According to this principle, when two jobs can be regarded as equivalent in terms of skills, effort, responsibilities and working conditions, they should be remunerated equally. But how can such equivalence be established? Beyond general guidance provided by national legislation and court interpretations, the EU Pay Transparency Directive, to be incorporated into national law by June 2026, requires companies to ensure that, among other key obligations, their pay structures are based on objective, gender-neutral and bias-free job evaluation methods. This report moves from principle to practice by bridging legal requirements, best practices and workplace realities, drawing on 16 case studies that examine the practical application of tools and methods, company-level initiatives and the role of social partners in implementing job classification reviews within sectoral collective agreements. Although the report highlights success stories, significant challenges persist.

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