

A research study on existent equal pay tools in Europe and the development of technical specifications for the equal pay tool

Tender Ref No. DT-NCPE/01/2018



Rights, Equality and Citizenship Programme 2014-2020
Project part-financed by the European Union
Co-financing rate: 80% EU funds; 20% National Funds



Research Study



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Provide an **evidence-driven framework** for constructing an **equal pay tool for Malta** that assesses **equal pay for work of equal value between women and men within the same organisation**, with a view of assigning the **Equality Mark Certificate**.



Guiding Principles

Building on existing equal pay tools and literature

- Equal pay tools available are 'tried and tested'.
- Building on the strong foundations, based on both literature and on methods used to measure GPG and gender discrimination.
- Focus was on gender discrimination, giving special attention to existing EPT that measure against this.

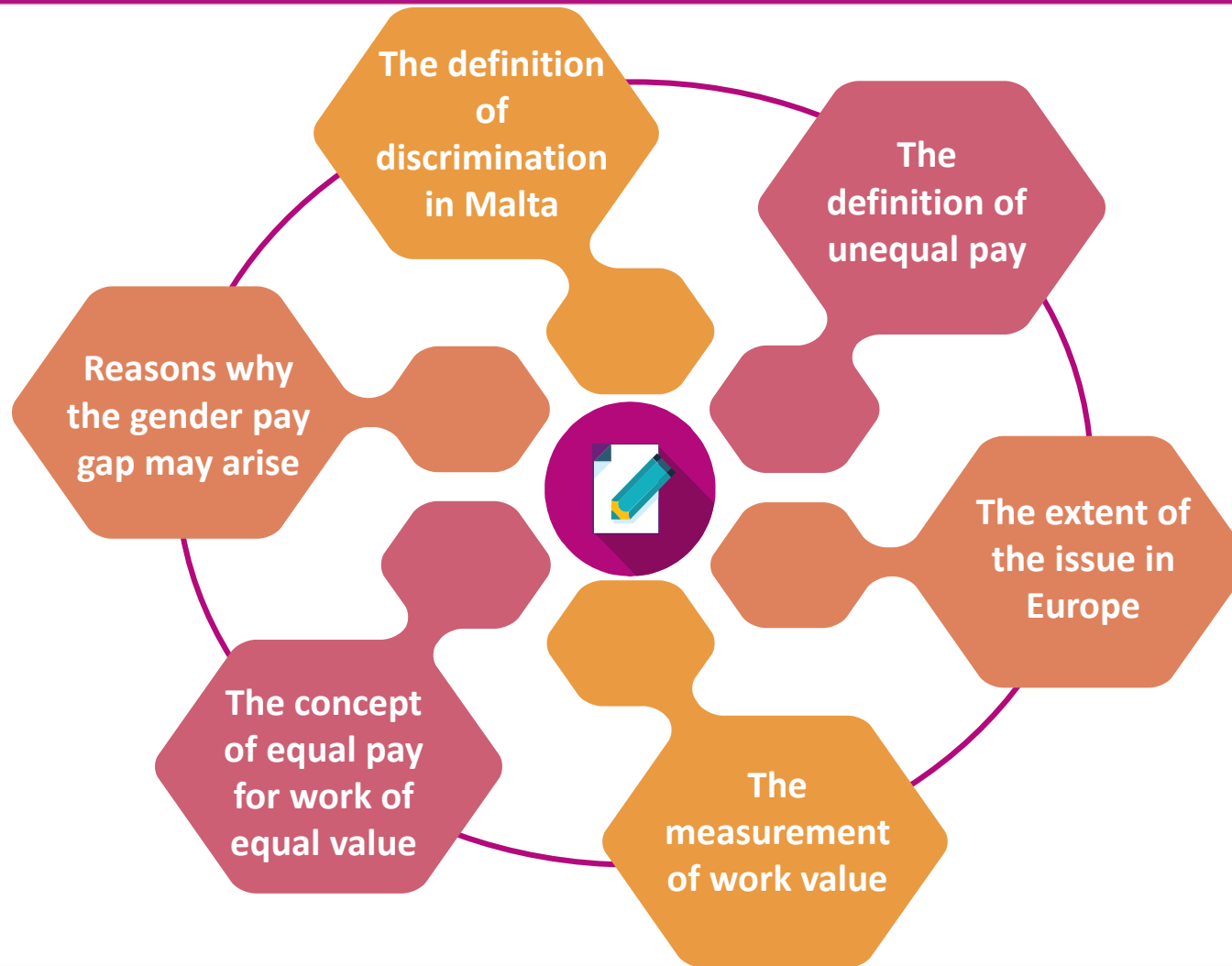
Flexibility and Contextualisation

- The majority of businesses are small or micro-enterprises.
- Sophisticated data is not always collected by these kind of entities.
- A complex tool requiring large amounts of data, or complex data, would exclude most Maltese businesses.
- A simple tool would probably generate high-level results which do not adequately inform upon gender discrimination within the organisation.

Equal Pay for Equal Work OR Equal Pay for Work of Equal Value

- Salary, is the market-determined value of human resources, thus intrinsically linked to the value being generated by an employee.
- The notion of value is far more difficult to appraise compared to work done.
- Concept of work value goes beyond assessing work which may be defined by specific sets of skills and qualifications.
- Emphasis of this project was to provide suggestions for creating a measure that evaluates value.

Literature Review



Equal Pay Tools in other jurisdictions

Austria



Company Income Reports

- **Income report with the following data:**
 - Wage gap between genders of entire payroll
 - Mean or Median for all male/female employees
 - Total remuneration incl. basic pay, bonuses etc.
- **Organisations are required to provide reasons for any wage differences**
- **Salary Calculator – Calculates the average gross monthly earnings of different industries, and average income disadvantage of women compared to men**

UK



Gender Pay Gap Regulations

- **Government does not offer tool. Organisations with 250+ employees must publish GPG data from commercially available software**
- **Few inputs required to extract necessary data**
- **Does not take into account factors such as job level and training to produce output**



Equal Pay Tools in other jurisdictions

Switzerland



Logib

- Runs on Microsoft Excel
- Organisation with a minimum of 50 employees, having more than 10 per gender
- Requires a large number of inputs (see lit. review) and must be available for all employees
- Outputs several statistical results incl. % difference in earning between genders, differences in relation to other factors such as training

Germany



Logib - D

- Web Tool
- Not applicable to small organisations
- Requires a large number of inputs (see lit. review) for all employees
- Outputs adjusted/unadjusted GPG as well as how other factors affect the GPG (such as education and potential years of employment)



Equal Pay Tools in other jurisdictions

Germany






Eg-Check.de



- Developed in 2010, updated twice: in 2014 and 2019 and run by the Federal Anti-Discrimination Agency
- Focuses on the equal pay for equal value principle, as well as gender pay discrimination laws
- Amongst other functions, tool is used to ensure that that private and public entities are in line with national and EU legal requirements when it comes to paying their employees
- Made up of three different tools, that can be used at the same time or separately:
 - Regulation checks
 - Pay comparison
 - Statistical comparison (used to test for gender discrimination)
- **This tool utilises a job evaluation system that is comprised of 4 criteria:**
 - Knowledge
 - Responsibilities
 - Psycho-social demands
 - Physical demands
- **A value from 1 to 10 for each of the criteria is assigned to the occupation being compared. The summation of the values assigned to each criteria is then used to identify the value for that particular occupation**
- Can be utilised by small organisations
- Can be used among all employees or certain categories
- Companies and institutions can receive a certificate from the Federal Anti-Discrimination Agency for testing with eg-check.de. Any potential insufficiencies are identified and addressed through measures for improvement.



Job evaluation for measurement of work value

-  Determining “Value” of work done through Job Evaluation Methods (JEM)
-  Job evaluation is a methodology that established the value of a particular job to the organisation
-  The International Labour Organisation lists four basic factors to be included in any JEM - qualifications, effort, responsibility, and work conditions
-  We are proposing a tool that encompasses a job evaluation method that draws from a variety of JEMs and our own experience in the field
-  We used concise and simple language to describe each JEM pillar and its relevant sub-criteria

Personal Background

This measures education and relevant experience required to execute the job.

Interactions

This measures inter and intra-departmental cooperation, and the job-holder's capability of building a network and engaging within that network.

Difficulty

This measures the variety of tasks in the work performed, the extent of effort required in the tasks that have been recognised as needing to be completed, as well as the extent to which the job holder is working independently of others.

Supervision

This measures the extent to which the job-holder takes on supervisory responsibilities. The diversity/complexity of the activity of the people under supervision is also taken into consideration.

6 Key Pillars

Influence

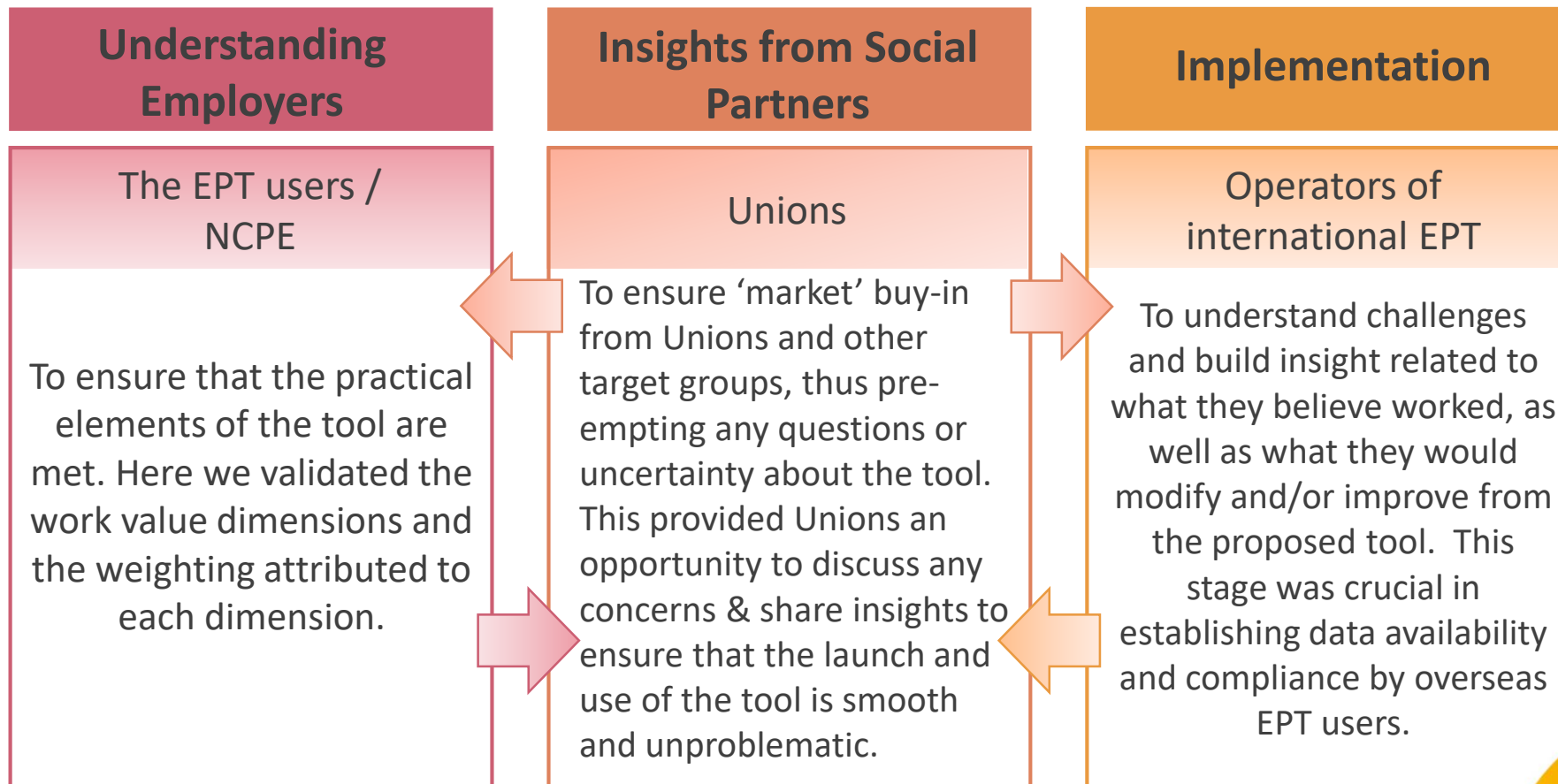
This measures the extent to which the job-holder's work influences the current and future performance of the company, its people, and its reputation.

Job Risk

This measures the job-holder's physical exertion and potential exposure to physical danger in day-to-day operations.



Tripartite Consultation Analysis



NCPE Equal Pay Tool



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Multi-Tier Approach

Tier 1

- Basic data entry
- Salary, Gender, Hours worked
- Allows for compilation of Gender Pay Gaps

Tier 2

- Added layer of data
- Qualifications, job type, occupation, tenure
- Allows for more sophisticated like-with-like analysis
- More in line with EPEW

Tier 3

- Extra layer of data
- Data on job value–score
- Allows for indications of pure gender discrimination



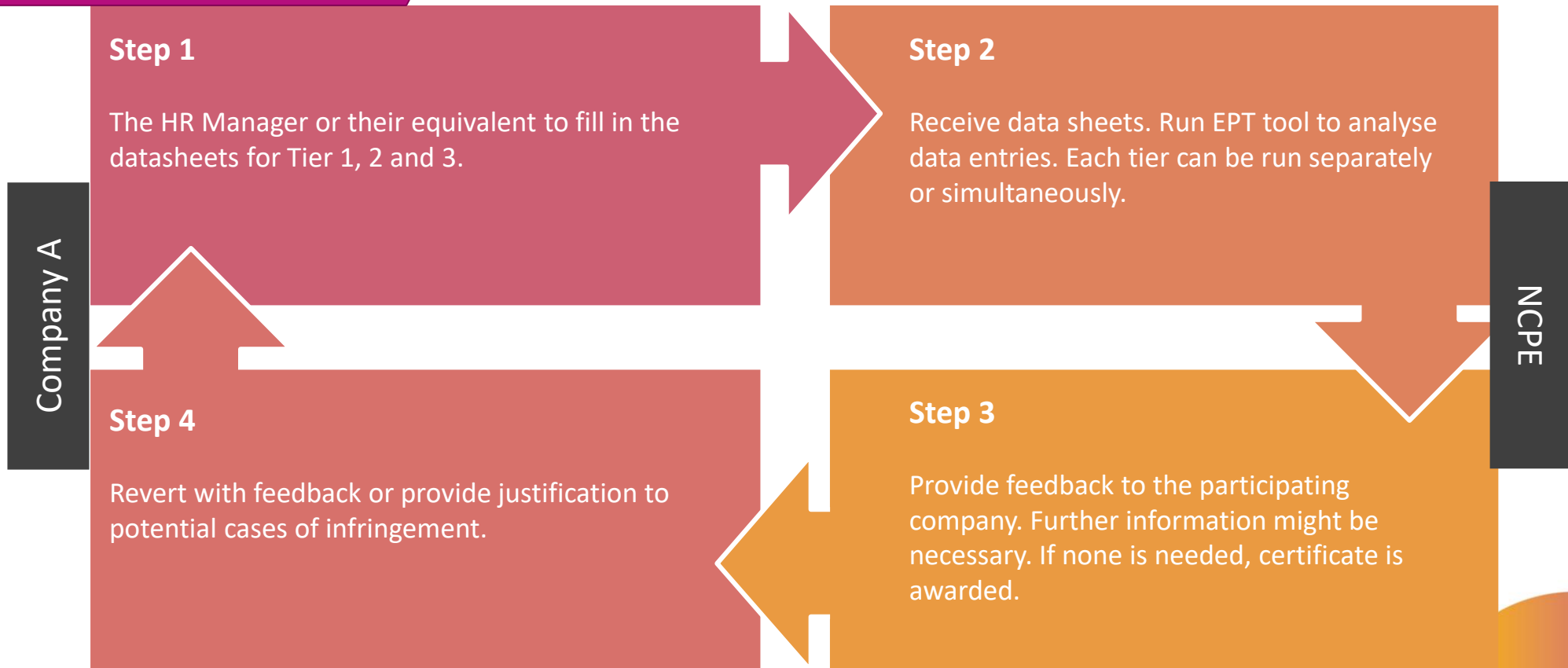
What is the NCPE EPT?

- A flexible tool tailored to entity size and complexity which is still evolving
- A tool that allows for the compilation of GPG per entity (Tier 1)
- A tool that can produce comparisons of salaries between genders (filtered by qualification, job designation, etc.) (Tier 2)
- A tool that can show potential cases of gender discrimination based on work value (Tier 3)

And what it isn't...

- A precise measuring instrument
- A tool which is used to penalise infringing organisations
- A static tool which does not evolve

How does it work?





Equal Pay Tool

Version 1.0

Organisation Registration

Company Name	<input type="text" value="XYZ Ltd."/>
Address	<input type="text" value="Industrial Estate"/>
Contact Person Full Name	<input type="text" value="John Borg"/>
Contact Number	<input type="text" value="79999999"/>
E-Mail	<input type="text" value="johnborg@gmail.com"/>
Year	<input type="text" value="2019"/>
Number of Employees	<input type="text" value="51"/>
Number of Full Time Equivalents	<input type="text" value="45"/>
Sector	<input type="text" value="Financial and insurance activities"/>



Employee ID	Basic Gross Pay Per Annum (€)	Overtime Pay Per Annum (€)	Taxable Fringe Benefits Per Annum (€)	Non-Taxable Fringe Benefits Per Annum (€)	Bonuses Per Annum (€)	Gender	Working Time	Normal Hours Worked Per Annum	Overtime Hours Worked Per Annum
1	15500	2000	0	0	0	Female	Full-Time	2080	140
2	17000	0	0	0	1500	Male	Part-Time	1040	0
3	26000	0	0	0	0	Female	Reduced	1560	0
...

Employee ID	Age (Years)	Tenure (Years)	Qualifications	Job Type	Occupation
1	18	1	MQF 4	Technicians and Associate Professionals	Accounting Associate Professional
2	20	1	MQF 4	Clerical Support Workers	General Receptionist
3	19	0.5	MQF 5	Managers	Finance Manager
...



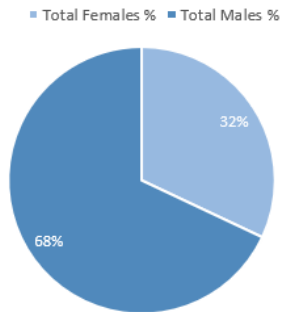
Score Help - Criteria 1	Personal Background <i>This measures education and relevant experience required to execute the job.</i>
Score	Description
1	<ul style="list-style-type: none"> No educational tuition. Relevant experience less than 3 years.
2	<ul style="list-style-type: none"> Education up to MQFREQ Level 4. Relevant experience of 3 to 5 years.
3	<ul style="list-style-type: none"> Education up to MQFREQ Level 6 or job relevant certifications. Relevant experience of 6 to 10 years.
4	<ul style="list-style-type: none"> Education up to MQFREQ Level 7 or job relevant certifications. Relevant experience of 11 to 14 years.
5	<ul style="list-style-type: none"> Education up to MQFREQ Level 8; or MBA, Master degree with specialization, and relevant job technical certifications. Experience: 15 years and over

Job Type _ Occupation	Criteria 1 Personal Background - Score	Criteria 2 Task Difficulty - Score	Criteria 3 Influence - Score	Criteria 4 Interactions - Score	Criteria 5 Supervision - Score	Criteria 6 Job Risk - Score
Clerical Support Workers_Senior Lead Agent	2	2	2	2	2	1
Clerical Support Workers_Lead Agent	2	2	1	1	15	1
Clerical Support Workers_Summer workers	1	1	1	1	1	1
Clerical Support Workers_Executive	2	3	3	3	2	1
Clerical Support Workers_Agent	1	1	1	2	1	1
Clerical Support Workers_Senior Executive	3	3	3	3	3	1
Professionals_Senior Manager	4	4	4	4	4.5	1
Managers_Senior Manager	4	4	4	4	4.5	1
Managers_Manager	3	4	4	3	3.5	1
Professionals_CO	5	5	5	5	5	1
Professionals_Bod	5	5	5	5	5	1
Clerical Support Workers_Office Attendan	1	1	1	1	1	1
Clerical Support Workers_Apprentice	2	1	1	1	1	1
Clerical Support Workers_Bod	5	5	5	5	5	1
Clerical Support Workers_Summer Worker	1	1	1	1	1	1

Tier 1 Results

Total Employee Count	Total Males Count	Total Males %	Total Females Count	Total Females %	Mean RPH (€)		Mean RPH (w. Overtime) (€)		Median RPH (€)		Median RPH (w. Overtime) (€)		GPG 1 - Mean RPH		GPG 2 - Mean RPH (w. Overtime)		GPG 3 - Median RPH		GPG 4 - Median RPH (w. Overtime)	
					Male	Female	Male	Female	Male	Female	Male	Female		%		%		%		%
50	34	68	16	32	10.42	9.29	10.45	9.34	9.45	8.49	9.45	8.49	0.89	11	0.89	11	0.90	10	0.90	10

% of Female and Male Employees



Count of Female and Male employees per Job Type



Tier 2 Results



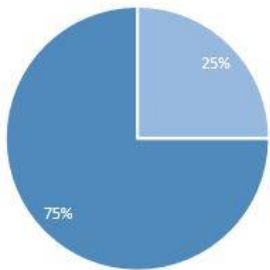
Filter By	Qualifications	Job Type	Occupation in the Organisation
	MQF 6	Technicians and Associate Professionals	

FILTER	CLEAR
	VIEW

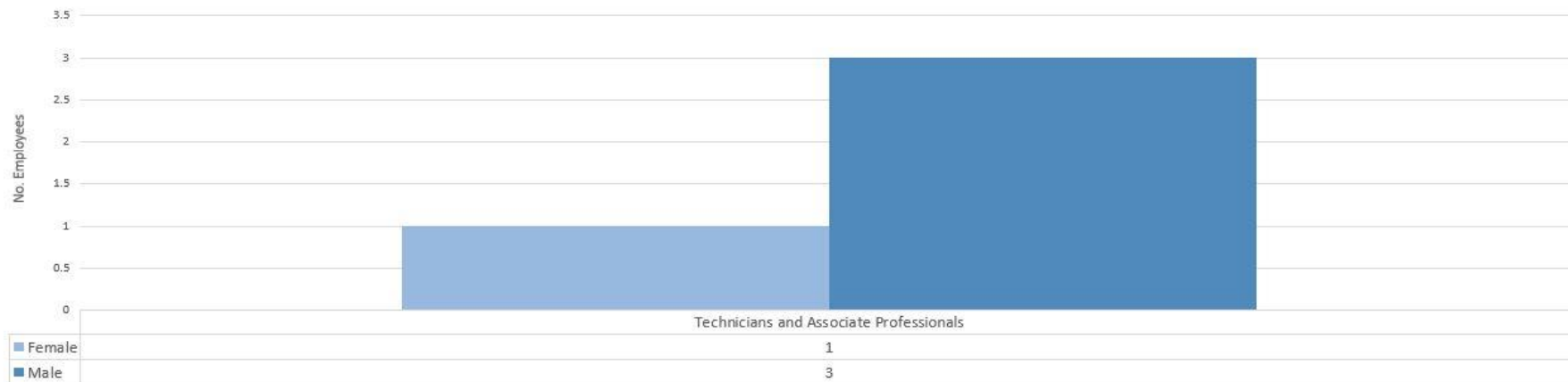
Total Employee Count	Total Males Count	Total Males %	Total Females Count	Total Females %	Mean RPH (€)		Mean RPH (w. Overtime) (€)		Median RPH (€)		Median RPH (w. Overtime) (€)		GPG 1 - Mean RPH		GPG 2 - Mean RPH (w. Overtime)		GPG 3 - Median RPH		GPG 4 - Median RPH (w. Overtime)	
					Male	Female	Male	Female	Male	Female	Male	Female		%		%		%		%
4	3	75	1	25	10.90	10.38	10.90	10.38	10.19	10.38	10.19	10.38	0.95	5	0.95	5	1.02	2	1.02	2

% of Female and Male Employees

■ Total Females % ■ Total Males %



Count of Female and Male employees per Job Type



Tier 3 Results									
Adjusted R ²		P-Values		Coefficients					
0.937		Gender	0.767	Gender	-0.005				
		Score	0.000	Score	0.013				
		Intercept	0.000	Intercept	1.836				

How to interpret

- **Adjusted R squared:** Goodness of fit measure. The closer it is to 1, the better
- **P Values:** level of marginal significance. The smaller the p value (less than 0.05 is ideal), the better.
- **Score coefficient:** by how much does salary vary if score goes up by 1
- **Gender coefficient:** by how much does salary vary if female.
 - Negative value = potential female discrimination
 - Positive value = potential male discrimination

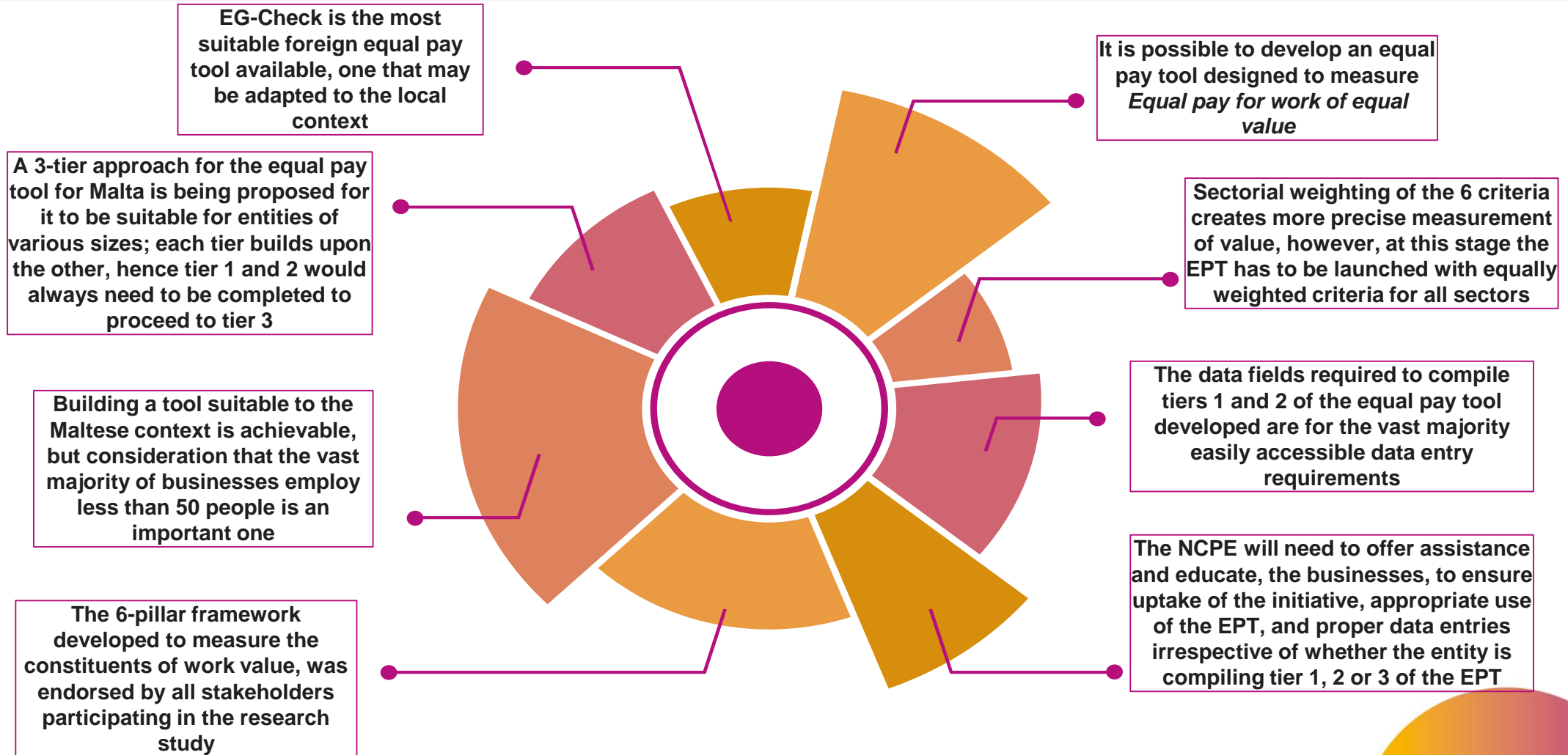


Key Takeaways



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