

Federal Office for Gender Equality FÖGE

Impact of the Swiss Confederation's wage equality reviews Concluding report

Zurich, 16 July 2018

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Publication details

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Zurich, 16 July 2018

180828_Schlussbericht Lohngleichheitskontrollen_en_gutzumdruck.docx

Contracting authority

Federal Office for Gender Equality

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Key facts

The Swiss Confederation has been carrying out wage equality reviews in public procurement since 2006

The Swiss Confederation carries out reviews to check compliance with the provisions of the Federal Act on Public Procurement in regard to observance of equal pay for men and women. The Federal Office for Gender Equality (FOGE) has been entrusted with conducting these reviews. The FOGE reviews around 30 companies each year. The majority of the companies reviewed – around 90% – fulfil the requirements in procurement. The 10% of companies at which the gender pay gap significantly exceeds the tolerance threshold are required to take corrective measures within 12 months and submit proper proof of observance of wage equality.

This survey investigates the impact of the wage equality reviews

By the end of June 2018, 104 wage equality reviews had been completed. To ascertain the impact on the reviewed companies, 77 companies at which wage equality reviews had been completed by August 2017 were asked whether they would be willing to be interviewed. Between October 2017 and March 2018, the research and consultancy company INFRAS surveyed 46 of those companies. These are companies from nine different sectors with between 50 and 5,000 employees. The percentage of female employees varies between 5 and 70%.

Prior to the review, 40% of the companies had already analysed wage equality. Since the review, 60% have been carrying out analyses

Although observance of wage equality is a mandatory award criterion in procurement, prior to the wage review by the Swiss Confederation only around 40% of the surveyed companies had already conducted a wage equality analysis.

Following the review, the percentage of companies conducting wage equality reviews rose from 40 to 60%. The vast majority (four fifths) have been doing this on a regular basis since the review. The main model used for analysis is the Swiss Confederation's standard analysis model (Logib).

70% of the companies report that the reviews have brought about changes

At a little over two thirds of the companies surveyed, the wage equality reviews by the Swiss Confederation have had an impact. The reported effects vary greatly, ranging from greater awareness to actual wage adjustments. Changes to the maintenance of employee data are frequently cited. Various data are required in order to carry out a wage equality analysis using

Logib, among them data on the highest level of educational attainment¹. A number of companies report that they now routinely record these data, so that they are prepared for the next wage equality review. Half of the companies surveyed also believe that the review by the Swiss Confederation helped raise awareness of the issue of wage equality at the company. This may mean that wage equality is taken into account when conducting annual wage negotiations, in promotions and during recruitment. A few companies report, for instance, that they now make sure that women and men are offered equal pay when recruiting new members of staff, irrespective of their negotiation behaviour.

More than 60% of companies communicate the results of the wage review

More than 60% of the surveyed companies have communicated the results of the wage equality review, either internally or in tenders. Several companies attach the FOGE's confirmation of observance of wage equality to their bids. A few companies also share the results in annual reports or sustainability reports. As regards internal communication, employees were mostly informed about the results on the Intranet, at staff meetings or during trainings.

20% of the reviewed companies have implemented wage adjustments

Roughly 20% of the companies made wage adjustments following the review, for individuals or groups of people. Obviously, this includes those companies which, in statistical terms, significantly exceeded the 5% tolerance threshold applicable to public procurement. They had to increase the wages of women in order not to be excluded from the public procurement process. However, companies that were found to be within the tolerance range also report wage adjustments. One company, for example, has implemented a basic sum for women. Rather than making immediate adjustments, a number of companies implemented wage adjustments as part of the annual pay review process. One company even overhauled its entire wage system following the review and performed a function analysis for all roles within the company.

¹ The information should actually be available in the payroll accounts. Participation in the Swiss Earnings Structure Survey (ESS) by the Federal Statistical Office is mandatory and a full survey is conducted at companies with 50 or more employees.

1. Introduction

The principle that women and men have the right to equal pay for work of equal value has been enshrined in Art. 8(3) of Switzerland's Federal Constitution since 1981. Enacted in 1996, the Swiss Gender Equality Act (GEA) gives concrete form to this constitutional principle and is intended to enable enforcement of the right to equal pay (Art. 5 GEA).

In public procurement, observance of wage equality is one of the procedural principles set out in Art. 8 of the Federal Act on Public Procurement (PPA), along with compliance with health and safety regulations and working conditions for employees. This means that the contracting authority will only award the contract to bidders who guarantee gender equality in regard to wages for workers who work in Switzerland. Bidders who do not satisfy these principles must be excluded from procurement procedures. There are two means by which the Swiss Confederation ensures observance of wage equality in public procurement:

- Self-declaration: Bidders submit with their offer a self-declaration in which they confirm compliance with working conditions, health and safety provisions and equal pay for men and women.
- Reviews: On behalf of the procurement authorities, since 2006 the Federal Office for Gender Equality (FOGE) has been conducting reviews of observance of wage equality, based on the Federal Ordinance on Public Procurement (see also Art. 6 PPO).

The FOGE carries out around 30 wage reviews each year on behalf of the Swiss Confederation

Each year, the FOGE carries out around 30 federal wage equality reviews. By the end of June 2018, 104 wage equality reviews had been completed. The companies at which the discrimination coefficient significantly exceeds the 5% tolerance threshold in statistical terms must submit proof of observance of wage equality within 12 months. We do not know the internal impact of the reviews at any of the other companies.

This report provides a more detailed picture of the impact of the wage reviews

It is conceivable that the wage equality review prompts many companies to pay much more attention to the issue of wage discrimination, for example by critically examining their own wage system even if no evidence of discrimination above the tolerance threshold was found. To learn more about the impact of the wage equality reviews, the FOGE commissioned research and consultancy firm INFRAS with carrying out an in-depth analysis of a sample of the companies reviewed thus far. The findings of this analysis are presented in this report.

A total of 46 companies were surveyed for the report

In September 2017, the FOGE wrote to 77 reviewed companies and told them about this planned report and the upcoming interviews. Of the companies contacted, 51 replied to the FOGE (response rate: 66%). INFRAS contacted those companies between October 2017 and March 2018 to arrange an interview date. In total, representatives of 46 companies were interviewed for this report.

The results of the interviews have been summarized in this report. Furthermore, to illustrate the results, anonymized company portraits were prepared (see the blue boxes in the report).

2. Methodology

How were the reviewed companies surveyed and what typifies the companies whose representatives were interviewed for this report? The next chapter briefly outlines the methodological procedures and the sample.

2.1. Interviews

The empirical basis for this report comprises 46 interviews with companies at which a federal wage equality review was conducted between 2006 and the end of August 2017. The interview format is that of a qualitative telephone interview. The interviews were conducted according to a guideline issued beforehand to the interview partners. The interviews were conducted in German and French.

The interviews were recorded for subsequent analysis of their content. INFRAS fully anonymized the interview data, to prevent identification of the companies surveyed. The contracting authority (FOGE) only received anonymized results.

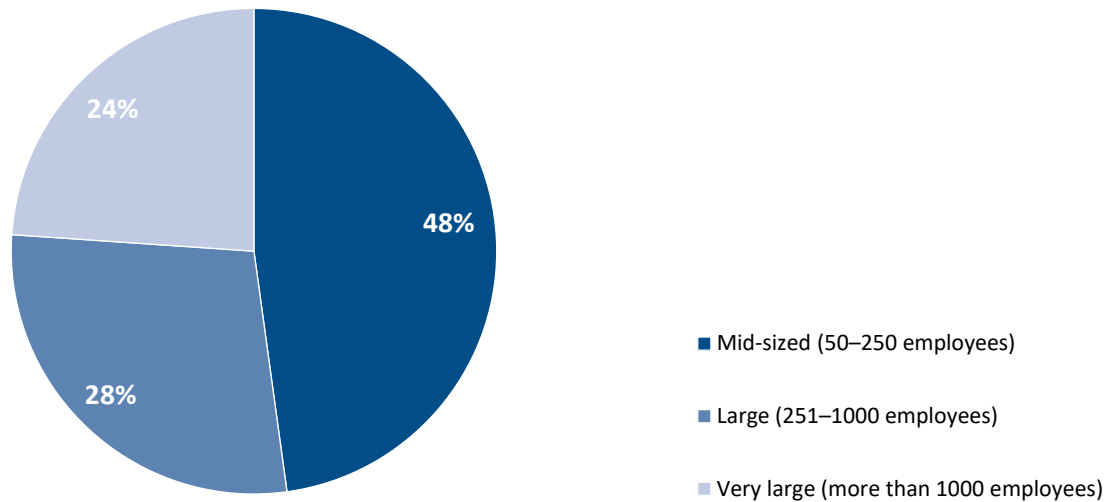
2.2. Overview of the sample

Four fifths of the interviewees work in HR

The majority of respondents work in HR at the respective company: in total, more than four fifths of the interviewees stated that they work in HR. Most of them have a professional background consistent with this. Of the surveyed company representatives (n=46) 17 percent are members of the executive management and 72 percent occupy a managerial role in HR.

Around half of the surveyed companies have between 50 and 250 employees

Of the 46 surveyed companies, around half have between 50 and 250 employees. Around a quarter of the companies interviewed are “large” companies (251–1000 employees) and another quarter “very large” (more than 1000 employees). The median size of the companies surveyed for this report is 310 employees.

Figure 1:**Company size**

n=46

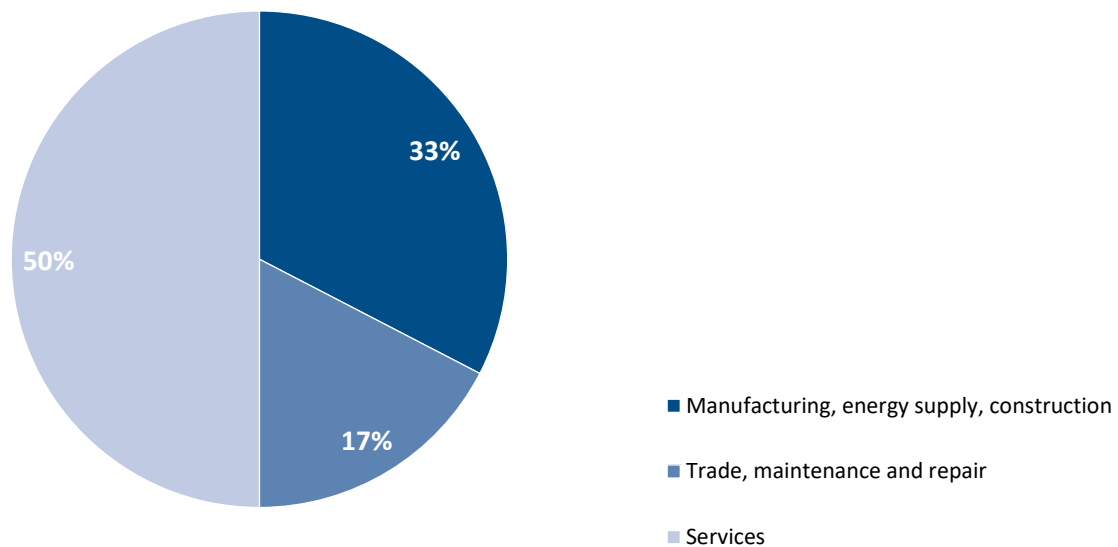
INFRAS graphic. Source: Company interviews (October 2017–April 2018).

The surveyed companies operate in nine different sectors

The companies surveyed (n=46) operate in nine sectors in total according to the NOGA (General Classification of Economic Activities) categories (FSO 2008). In summary, the following picture emerges: half of the companies can be assigned to the “Services” segment, 33 percent to the “Manufacturing, energy supply and construction” group and 17 percent to the “Trade, maintenance and repair” group.²

Figure 2:

Sector



n=46

The groups cover nine different sectors in total to which the surveyed companies belong.

INFRAS graphic. Source: FOGE 2017.

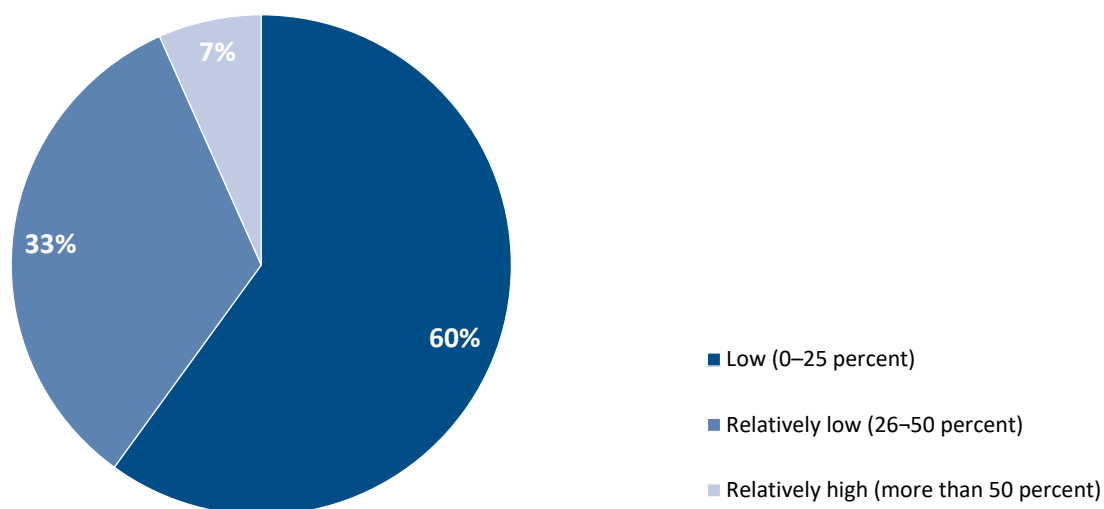
² Services (NOGA categories: J, K, M, P and R), Manufacturing, energy supply, construction (NOGA categories: C, D, F), Trade, maintenance and repair (NOGA category: G).

60 percent of the surveyed companies have a workforce in which women make up no more than 25%

At nine out of the ten of the interviewed companies, less than or at most half of the employees are female. The majority, 60%, has a female share of no more than one quarter. Just 3 of the 45 surveyed companies have a workforce of which more than half is female. The median share of female employees at the companies surveyed is around 21%.

Figure 3:

Share of women



n=45

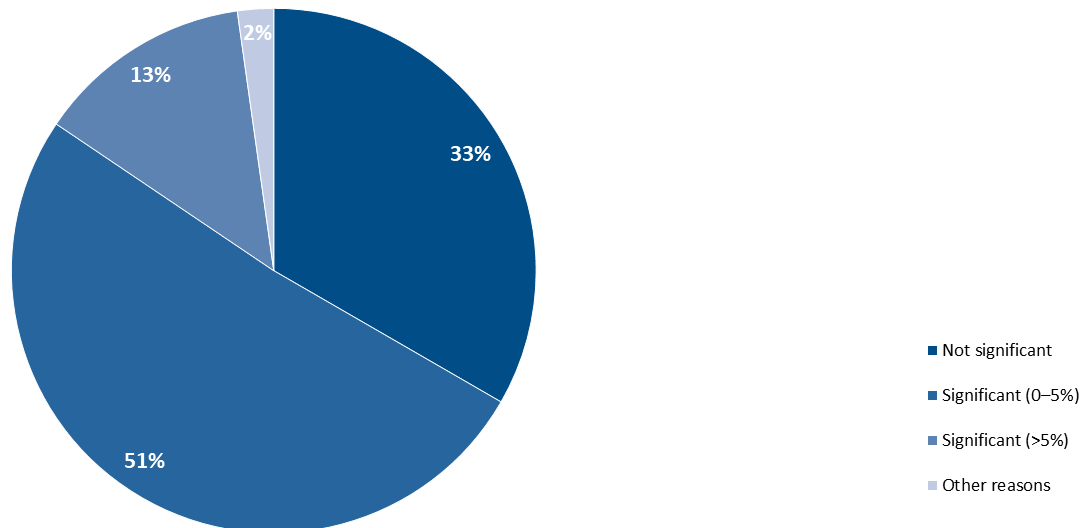
INFRAS graphic. Source: Company interviews (October 2017–April 2018).

13% of the companies in the sample do not satisfy conditions in procurement

According to the first wage equality review by the FOGE, the majority of companies whose representatives were interviewed for this report observed wage equality for men and women within a tolerance range of up to 5%: at one third, the review identified no systemic problems; at around a half, certain problems were found with wage equality.^{3,4} At 13% of the companies surveyed, the first review ascertained a gender pay gap between men and women of more than 5%.⁵ In these cases, the companies had to make improvements.

Figure 4:

Result of wage review



n=45⁶

INFRAS graphic. Source: Company interviews (October 2017–April 2018).

INFRAS graphic. Source: FOGE 2018.

³ The findings are comparable to those in other sectors. During reviews as part of the accompanying measures, violations were identified in around 10% of cases in tripartite reviews and in around 30% of cases in joint reviews. Reviews to combat illegal employment uncover suspicious facts in around 35% of cases.

⁴ Findings do not differ from 0 to a statistically significant degree: No issues with wage equality.

Findings differ from 0 to a statistically significant degree: Certain issues with wage equality.

Findings exceed the 5% tolerance threshold to a statistically significant degree: Conditions in procurement are not met.

⁵ Statistical significance reveals whether there is a significant probability of systematic wage discrimination at a company. The 5 percent tolerance threshold is designed to allow for non-discriminatory factors which are not recorded by the Confederation's standard analysis model (Logib) but which might influence the pay gap.

⁶ For one company, the findings of the wage review were not known.

The interviews conducted are systematically analysed below, in order of the interview questions. In each case, the statements by smaller and larger companies or companies with a high or lower female share were examined to identify any distinctions between them and ascertain any differences between the sectors or between companies that emerged in a good or less favourable light from the wage review.

3. Results of the interviews

What impact did the federal wage equality review have at the companies? Were they aware of the issue of wage equality beforehand and how do the companies now deal with the issue? These, and other questions are answered below.

3.1. Situation prior to the review

60% of the companies had not conducted a wage equality review prior to the review

Although the Confederation provides for a self-declaration, 60% of the companies had never conducted a wage equality analysis prior to the review by the Confederation. Around 40% of the surveyed companies (20 of n=46) have already performed wage equality analyses on their own initiative. Some of the reasons cited for this were involvement in public procurement, wage comparisons within the sector or a review of the wage system. There are no discernible anomalies in terms of company size, sector, share of women and outcome of the wage review; in other words, the expressions of these attributes were roughly equally represented, proportionally speaking, in the sample of companies which carried out wage equality reviews prior to the review by the Swiss Confederation.

25% of the companies were already familiar with Logib prior to the review

One quarter of the companies surveyed (12 of n=46) state that they were already familiar with Logib prior to the review by the Confederation. Of those companies that were already aware of Logib before the review, no trends can be identified in regard to the share of women, sector, company size or the findings of the wage review.

15% of the companies surveyed had already used Logib prior to the review

Of the 20 companies that had carried out wage equality reviews prior to the wage review, eight used Logib. This equates to 15% of all companies surveyed. Other methods mentioned were the company's own, non-statistical methods (8 mentions), Landolt & Mächler (2 mentions), visisal/cepec and Hay (1 mention each).

Portrait 1: Tech Science AG*

Sector



Services

Company size



Very large
(more than 1000 employees)

Share of women



Relatively low
(26–50 percent)

“We have been using Logib regularly since the review. It’s also good for communicating externally.”

Prior to the Confederation's wage review, the company was not familiar with analysis tool Logib. Since the review, however, it has been used annually for wage equality analyses, as a supplement to the existing methods. Because the company did carry out wage equality analyses prior to the Confederation's review.

But what prompted the company to voluntarily use Logib? Two factors were, it says, crucial: Firstly, wage equality between men and women is consistent with its internal values. Secondly, it's useful to be able to spread the word outside the company that you're using the Confederation's analysis tool – and that the results are in the green range. In addition to Logib, the company also continues to use other internal analysis methods and the findings are in line with the Logib results.

The surveyed company believes that the wage equality review itself had little impact: the individual review, it says, did not give rise to any specific measures. For instance, the company has not made any independent changes to its wage system, not least because the outcome of the review was positive.

Generally speaking, however, the interviewee felt that wage equality analyses could lead to measures being taken should the need be identified. The Logib self-test makes it possible to inform individual departments about developments if, for example, they are too close to the tolerance threshold. Overall, the company feels that Logib is a very “pragmatic” analysis tool.

* Fictitious name; company name has been invented and anonymized.

Portrait 2: Stadt und Land AG*

Sector



Manufacturing, energy supply,
construction

Company size



Very large
(more than 1000 employees)

Share of women



Low
(0–25 percent)

“The review created awareness of the problem. Wages of all women have been increased.”

The Confederation's review at the company greatly enhanced awareness of the issue of wage equality for men and women, says the company. Subsequent to the review, the company says, it immediately took a number of measures.

Two examples: During the review, it was found that certain data on employee training were missing. The company carried out a wide-ranging internal data collection campaign to try and remedy this. Educational level is now routinely recorded for new employees. Moreover, the wages of all women have been increased with a basic sum. This decision was made to avoid getting into a negative situation in regard to wage equality.

According to the interviewee, prior to the wage equality review by the Confederation the company used annual pay reviews to compare wages, but not in as much detail as it now does. The company plans to regularly analyse wages using Logib, and has already done this on a voluntary basis. Its primary motivation is to be an attractive employer who pays fair wages. To this end, it is important to identify any discrepancies, so that potential problems can be tackled.

* Fictitious name; company name has been invented and anonymized.

3.2. Impact of the review

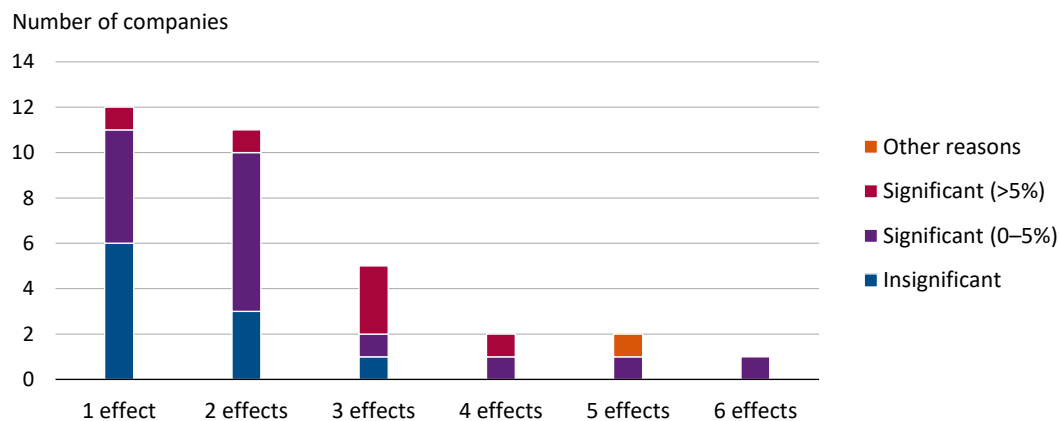
Nearly 80% of the companies surveyed can still recall the outcome of the wage review

The vast majority of the people surveyed say they remember the results of the wage review (36 of n=46). Three of these 36 companies surveyed state they were surprised by the result. At the three surprised companies, a gender pay gap of over 5% was identified during the review. Rather than being surprised by the outcome of the review, the other 33 companies felt that it bore out their existing wage practice. Those companies say, for instance, that wage analyses were carried out prior to the review or that the company's wage policy is deliberately neutral in orientation.

70% of the companies report that the reviews have brought about changes

Nonetheless, the federal wage equality review has had a discernible impact at over two thirds of the companies surveyed (33 of n=46). 23 companies report one or two effects in the interview and 10 companies cite three or more effects.

Figure 5: Number of reported effects of the wage equality reviews



The figure shows the number of effects reported by companies in the interviews, broken down by outcome of the wage equality review. Five companies report that the review had 3 effects. For one of those five companies, the outcome of the review was insignificant.

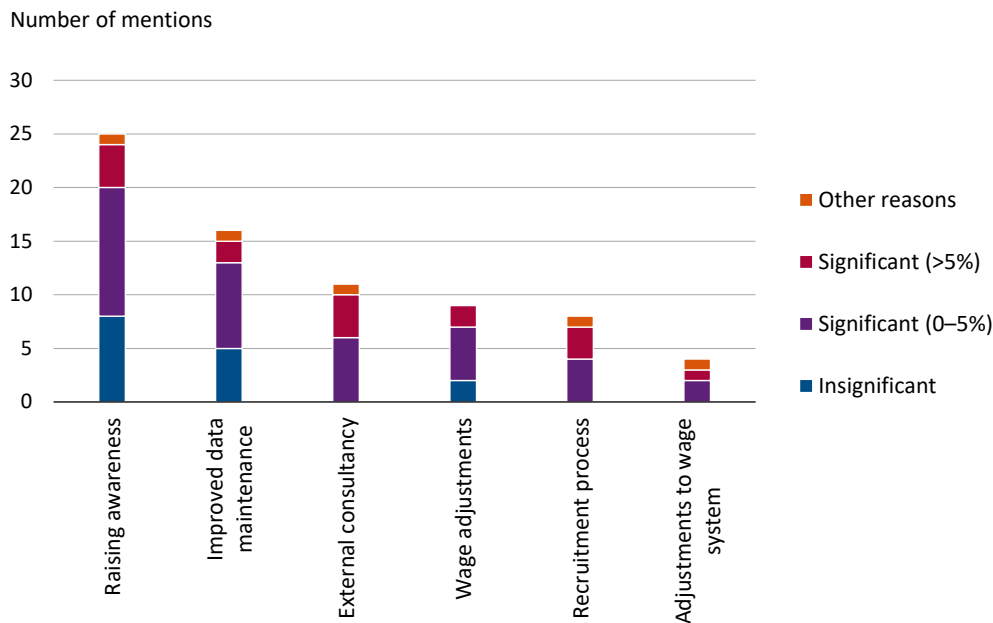
INFRAS graphic. Source: Company interviews (October 2017–April 2018).

The figure shows that the companies for which the review outcome was insignificant tend to report fewer effects than the companies with a significant result below or above the tolerance threshold.

Wide range of effects, from greater awareness to wage adjustments

The range of effects reported in the interviews is wide and ranges from increased awareness of the issue to actual wage adjustments. The figure below illustrates that companies which achieved an insignificant outcome in the wage review feel that its main impact was greater awareness of the issue and better maintenance of employee data. Despite this, two of these companies made wage adjustments following the review. At companies with a significant review outcome, be it above or below the tolerance threshold, effects are discernible in other areas too. This includes hiring external consultants and adjustments to the recruitment process and to the wage system in general. The interviewees were asked about training and professional development courses run on the subject of wage equality, but none of the companies confirmed that such courses had taken place.

Figure 6: Reported effects of wage equality reviews by the Confederation



The figure shows the number of companies, broken down by outcome of the wage review, that reported a particular effect in the interviews. Multiple responses were possible. Example: Of the companies that have made adjustments to their wage system, 2 had a significant outcome (gender pay gap of 0-5%) and 1 a significant outcome with a gender pay gap of >5%.

INFRAS graphic. Source: Company interviews (October 2017–April 2018).

As regards the reported effects of the wage equality reviews, no trends can be observed in terms of sector. On average, larger companies report having implemented a greater number of measures than smaller companies (mid-sized companies: \bar{x} 0.8 measures implemented; large companies: \bar{x} 2 measures implemented, very large companies: \bar{x} 1.1 measures implemented).

Companies with a larger percentage of women also tend to report implementing a greater number of measures (low female share: \bar{x} 1.3 measures implemented; relatively low female share: \bar{x} 1.8 measures implemented; female share >50%: \bar{x} 3.6 measures implemented).

Awareness-raising is the most commonly cited effect

More than half of the companies surveyed (25 of n=46) believe that the review by the Swiss Confederation helped raise awareness of the issue of wage equality at the company (see Figure 6). Five companies stressed that raising awareness among managers is particularly important to them (multiple responses possible). Three companies make clear that fair wages are very important to them within the business. Because of this, they value the endorsement of this by the review. One company felt it was very important for wage equality to be reviewed by an independent body.

Good data maintenance reduces level of effort required for further wage equality analyses

The second most reported effect is improved maintenance of employee data. Among other things, the highest level of educational attainment must be recorded in order to carry out a wage equality analysis using Logib. Sixteen companies report that they now take a more systematic approach to recording data on things such as education and training. The chief motivation cited by the companies is the desire to be better prepared for the next wage equality analysis.

Nearly a quarter of the companies seek external support

Eleven companies report having sought external support with conducting the wage equality analysis, carrying out a follow-up review or implementing improvement measures (such as adjusting the wage system).

20% of the companies made wage adjustments following the review

Nine of the 46 companies surveyed claimed to have made wage adjustments based on the results of the wage equality review. One company implemented a wage increase in the form of a basic sum for women, raising all women to a higher wage level. At another company, one department was found to have far lower wages for women; therefore, following the review, those women received above-average pay rises over a three-year period. At the same time, the wages of a few men in the department concerned were frozen. No companies reported having to adjust men's wages downwards. Of the nine companies that made wage adjustments, two

had to adjust wages because they significantly exceeded the tolerance threshold. Of the remaining 7 companies, 2 had no issues and 5 had certain issues with wage equality.⁷

More than 15% of the companies have made changes to the recruitment or employee development process

This may mean that wage equality will now become a focus of the annual wage negotiations, promotions and recruitment. A few companies report, for instance, that they are now committed to ensuring that women and men are offered equal pay when recruiting new members of staff, irrespective of their negotiation behaviour. One company now systematically addresses wage equality in all wage negotiations and another ensures that women are given sufficient consideration for promotions.

8% of the companies have adjusted their wage system in response to the review

Four companies report adjustments to the wage system following the review. One of these companies has undertaken a function analysis and written a job profile for each employee. Changes to the profiles are updated annually. The resulting work priorities are incorporated in the pay bands at the time of the annual wage adjustment.

More than 60% of companies communicate the results of the wage review

More than 60% of the surveyed companies have communicated the results of the wage equality review, either internally or in tenders. Several companies attach the FOGE's confirmation of observance of wage equality to their bids. A few companies also share this information in annual reports or sustainability reports. As regards internal communication, employees were mostly informed about the results on the Intranet, at staff meetings or during trainings.

⁷ No issues with wage equality: Findings do not differ from 0 to a statistically significant degree.
Certain issues with wage equality: Findings differ from 0 to a statistically significant degree.
Conditions in procurement are not met: Findings exceed the 5% tolerance threshold to a statistically significant degree.

Portrait 3: Söhne und Töchter GmbH*

Sector



Manufacturing, energy supply,
construction

Company size



Mid-sized
(approx. 50–250 employees)

Share of women



Relatively low
(26–50 percent)

“We hadn't previously carried out a wage equality analysis.”

By the company's own admission, the review by the Confederation raised awareness of the issue of wage equality. As well as wage equality for men and women, it says that there is now greater awareness of the importance of wage equality for people with similar areas of responsibility. From the company's perspective, the review highlighted two aspects in particular: Firstly, the possibility that companies can be audited for wage equality and secondly, how important observance of wage equality is to the Confederation and cantons.

Although the outcome was in line with the company's expectations, it was a little nervous in the run-up to the review. The company felt that the working relationship with the Confederation during the review process was positive and believes that the result of the analysis provides a foundation for, among other things, explaining wages to employees. The review made clear that the existing wage system was yielding good results. The company can say with a clear conscience that there is wage equality between men and women. There have been no changes to wages or the wage system as a consequence of the review.

However, a number of things are now done differently: prior to the review by the Confederation, the company had not carried out any wage equality analyses of this kind. Since the review, it has been using Logib to conduct regular analyses of wage equality. The results are used in external and internal communication, such as during wage negotiations or at staff events.

* Fictitious name; company name has been invented and anonymized.

Portrait 4: Services AG*

Sector



Trade, maintenance
and repair

Company size



Large
(251–1000 employees)

Share of women



Low
(0–25 percent)

“The review had a direct impact on the next round of wage negotiations.”

According to the interviewee, the review by the Confederation most definitely helped raise awareness of the issue of wage equality at the company: It quickly had a relatively major impact and the review had direct implications for the next round of wage negotiations.

During the annual wage cycle, the company looked in depth at each of its teams, to ascertain each individual's situation and identify any discrepancies. The evaluation was gender-neutral; prior to this, there had been no focus on wage equality between men and women. The company was not familiar with the self-test tool Logib prior to the federal review.

A number of measures were taken following the review. Women's wages were specifically re-examined and adjustments and improvements were made during the wage negotiations.

One major insight gained was the need to focus more on women's pay bands when making new appointments. Furthermore, wage equality is now routinely discussed during reviews. The company can envisage using the self-test tool Logib in future.

* Fictitious name; company name has been invented and anonymized.

3.3. Situation after the review

60% of companies have been conducting wage equality analyses since the review...

Nearly two thirds of the companies surveyed (29 of n=46) again have carried out one or more wage equality analyses since the Confederation's review, as is required in procurement. Of those, 18 used the Confederation's standard analysis model, Logib. The other companies use different tools, such as ABAKABA (1 mention), "L&M-Aba-24" wage equality analysis (4 mentions) or their own processes (6 mentions).

...75% of them at regular intervals

Three quarters of the companies that have conducted further wage equality analyses since the review (22 of n=29) perform these at regular intervals or are planning to carry out further analyses on a regular basis. Thirteen of the twenty-two companies that carry out further analyses at regular intervals do so annually. Four companies say that they follow a two-year cycle and 3 carry out the review every three years. Two companies are unable to provide specific information about the cycle.

Involvement in public procurement is the primary motivation for performing voluntary wage equality analyses

The companies cite many different motives for voluntarily conducting further wage equality analyses since the review (multiple responses were possible). Involvement in public procurement was the most frequently cited motive (14 mentions). Another oft-cited reason was that many companies want to be modern employers, so are keen to eradicate any discrimination (8 mentions). Three company representatives stress that they perform the wage equality analysis primarily to confirm that nobody is being treated unfairly. Two companies mention that they require an in-depth wage analysis in order to give account to the parent group or to establish a wage system. One company mentions that the results of the wage equality analysis are important for communication.

"No need" as the main reason for not carrying out further analyses

Of the companies that have not undertaken further wage equality analyses since the review by the Confederation, four state that they have no need for further analyses. Two companies cite lack of time as the main reason. Two companies say that they plan to carry out an analysis in the near future and one company stated that the result of the wage review by the Confederation is currently still valid.

One third of the companies that carry out further analyses report improved results

Of the companies that have performed further wage equality analyses since the review, one third (10 of n=29) report that the outcome of the wage analysis (gender pay gap) has since continued to improve towards 0%. Five of these companies are from the services sector, five from manufacturing, energy and construction. Six have a low percentage of female employees (between 0 and 25%), three a relatively low percentage (between 26 and 50%) and one a very high percentage (over 50%). Among the reasons cited for the improved outcome are wage adjustments (4 mentions) and changes to the employee structure (fewer managers, 1 mention; latterly women at executive management level, 1 mention). Four companies give no reasons for the better outcome.

For another third, the unexplained pay gap remains in a similar range

At nine of the 29 companies that have carried out further wage equality analyses since the review, there has been no change in the gender pay gap since the review. Seven companies indicate that their outcomes are in a similar range and they remain satisfied with the result. One company reports annual fluctuations in wage discrimination of around 2.5 percentage points. Only one company indicates that there is still a wage discrepancy between the genders.

Portrait 5: Nature Style AG*

Sector



Services

Company size



Mid-sized
(approx. 50–250 employees)

Share of women



Relatively low
(26–50 percent)

“It's a wake-up call and makes you question yourself more.”

The Confederation's review, says the company, raised a number of questions about gender equality: Should we promote women more? Do we need different structures within the company, firstly to more fairly distribute the burden and secondly to offer better opportunities to ambitious people, regardless of their gender? The wage review apparently triggered debate throughout the company on these issues. The company feels it has been a wake-up call. The interviewee sees the process of self-questioning, which intensified following the wage equality review, as a positive.

No specific wage-related measures have been implemented in response to the review. However, greater care is now taken to consider everyone when proposing people for promotions. In open discussions with various levels, the company works through the entire workforce each year. The aim is to give each and every employee the opportunity to progress.

With all the media reporting, the issue of gender equality is constantly in the spotlight. However, whilst the company mostly believes it is doing well, it must set itself a deadline for taking a detailed look at the developments. Otherwise, there is a risk that the issue will drop off the radar. The interviewee envisages, for instance, that even more key figures will be gathered in future on the issue of equality.

* Fictitious name; company name has been invented and anonymized.

Portrait 6: Fairplay AG*

Sector



Trade, maintenance
and repair

Company size



Mid-sized
(approx. 50–250 employees)

Share of women



Relatively low
(26–50 percent)

“It was good to get the wage equality analysis done and to have our impressions officially endorsed.”

The wage equality analysis found that there was no discrimination. As might be expected, the company was happy with the result. However, it fully expected this outcome. The fact that so much attention is paid to the individual departments of the company, on account of the small group sizes, undoubtedly contributed to the positive conclusion.

Consequently, there have been no wage adjustments. The company already has very structured salary reviews, which are certain to pick up on such issues, if they have not come to light sooner. Data on employees, however, have been updated as part of the wage analysis.

Overall, the review helped raise awareness of the issue of wage equality, particularly at senior management and HR level. Although the analysis was a laborious process, the interviewee nonetheless felt the experience was a valuable one and that it was good to have the company's impressions endorsed.

* Fictitious name; company name has been invented and anonymized.

4. Conclusions

Reviews showing results

The survey of the companies that had undergone reviews presents a pleasing picture, by and large. Although no violations of the requirements for public procurement were identified at the majority of the companies surveyed, the review did have an impact on nearly three quarters of the companies. Initially, many respondents in the interview denied that the review had brought about any changes at their company. However, on closer questioning, a wide range of effects became apparent: Around 20% of the companies surveyed for this report made wage adjustments following the review. Others have since made efforts to pay greater attention to wage equality during the recruitment process and yet others intend to generally rethink and optimize their wage system. In our view, another important effect of the reviews is the increased awareness of the issue of wage equality. Several HR managers mentioned, for example, that the external review by the Confederation generally enhanced the status of wage equality within the company, giving them opportunities to treat the issue as a higher priority.

Pressure on companies is conducive to introducing regular wage equality analyses

The reviews in the Confederation's procurement operations force more companies to tackle the issue of wage equality. A few that did not previously carry out analyses now review wage equality on a regular basis. In this sense, the pressure of government wage equality reviews encourages the introduction of voluntary wage equality analyses. These have enabled many companies to further improve on the result of the first review and they are now striving for the smallest possible gender pay gap. Generally speaking, the interviews give the impression that many companies are aware of the importance of a fair wage system to their image as an employer. A few companies that fared well in the review consider it a positive that they now have official endorsement of their wage equality. They are also keen to share the results. Roughly two thirds of the companies communicate the results of the review internally and/or externally.

Motivation and the provision of proper information to the companies are important

Based on the results of this analysis, we conclude that government wage reviews are an effective tool for improving wage equality. In our opinion, it is vital that the companies are properly informed about the background to the reviews and the analysis method, so they are motivated to conduct a wage equality analysis at regular intervals after the review; once the data have

been prepared in the required form, the task of performing a repeat wage equality analysis using Logib is perfectly manageable (see INFRAS 2015⁸). It is important that the companies recognize the benefits of wage equality and so remain committed to the issue.

⁸ Regulatory Impact Assessment of the planned measures for achieving wage equality, Zurich 2015. Study on behalf of the Federal Office of Justice.

Portrait 7: Zukunftstechnologie AG*

Sector



Manufacturing, energy supply,
construction

Company size



Large
(251–1000 employees)

Share of women



Low
(0–25 percent)

“We’d never had such a good result as last year – we were pretty much bang on target.”

The outcome of the Confederation's wage equality review was in line with the company's expectations. The key factor was that the company was already using the self-test tool Logib, on its own initiative, before the federal review. The review showed that, having previously restructured its wage system, the company had achieved its self-imposed targets. The company is now seeking to obtain an equal salary certification, independently of the wage equality review.

It is committed to wage equality during wage negotiations and the issue is also discussed in performance reviews; the review did not prompt this, however. Data maintenance has been improved. The internal employee database has been overhauled and, in future wage equality analyses, the data will be more readily available.

The company carries out annual wage equality analyses. These are also based on Logib data. The results have steadily improved over time. Gender equality is a top priority for the company. Equal pay is imperative for fairness. What's more, the company wants to attract more women. Discovering that the tools used are keeping the company on the right track provides impetus. The results have been communicated internally and in annual reports.

* Fictitious name; company name has been invented and anonymized.

Portrait 8: Familieninnovation AG*

Sector



Manufacturing, energy supply,
construction

Company size



Mid-sized
(approx. 50–250 employees)

Share of women



Relatively low
(26–50 percent)

*“It's not just about male or female,
but about all employees.”*

Although the wage equality review brought wage equality per se to the fore again at the company, it was not a catalyst for any major changes. This is how the interviewee describes the impact of the review at the company. Undoubtedly, the review helped raise awareness of the issue of wage equality.

Thanks to annual adjustments prior to the review, which would have taken place irrespective of the imminent review, the company was able to undergo the wage equality reviews with a clear conscience. The interviewee believes that the process raised awareness both of the situation with regard to men and women and, in a more general sense, of wage equity for all employees, regardless of gender. Basically, the review helped bring the issue back to the table. The wage equality analysis also motivated the company to take a closer look in future at the results across the various departments and areas.

The staging of the review itself was relatively resource intensive and time-consuming, as the company's own wage software did not contain all the data needed for the review. At the time of the interview, the company had not yet actively communicated the results of the wage equality analysis. However, it was planning to inform employees of the results at the earliest opportunity.

* Fictitious name; company name has been invented and anonymized.

Portrait 9: Happy Life AG*

Sector



Services

Company size



Large
(251–1000 employees)

Share of women



Relatively high
(more than 50 percent)

“We want to take a closer look at the whole wage structure.”

In HR in particular, the Confederation's wage equality review prompted the company to take specific steps, including during the recruitment process. If women's wage expectations are below the amounts in the wage bands, they will be offered the amount from the wage band. The interviewee felt that this measure is already having an impact.

Moreover, there is a set budget available for taking measures for people who are below the wage scale. The company intends to take a closer look at the whole wage structure and is currently busy developing a new remuneration system. The new system will focus particularly on gender equality. Improvements are currently being made to the maintenance of employee data.

* Fictitious name; company name has been invented and anonymized.

Portrait 10: Hightech AG*

Sector



Services

Company size



Mid-sized
(approx. 50-250 employees)

Share of women



Low
(0-25 percent)

“Wage bands will now be regularly reviewed by HR.”

Specific wage equality analyses, distinguishing between the genders, were not conducted prior to the review by the Confederation. Wage bands were, apparently, job-based; no distinction was made between men and women. The company was not familiar with the self-test tool Logib.

When the analysis was underway, the company quickly realized that there are no major differences between the wages of men and women. The outcome of the wage review showed only minor discrepancies and that wages are based on job roles. This endorsed the company's existing practice.

Consequently, no substantial measures were taken following the review. Among other things, the review was taken as an opportunity to update personnel statistics. The wage review did help raise awareness to a degree, in that wage bands will now be regularly reviewed by HR. This will be supervised by the executive management and measures will be taken if necessary. They also serve as a tool which can be used, for example, in staff recruitment.

* Fictitious name; company name has been invented and anonymized.