

# EQUAL PAY GUIDE

WOMEN  
INC  
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# ABOUT THE EQUAL PAY GUIDE

## WHAT IS THE EQUAL PAY GUIDE?

A growing number of employers want to make sure they are rewarding their employees equally. But how do you research that? The Equal Pay Guide is the go-to tool for employers who want to provide equal pay in their organization. In the Equal Pay Guide, several forerunners share their experiences with equal pay research. Benefit from the tips, and inspiring examples provided by employers who have undertaken this process.

## WHO IS THE EQUAL PAY GUIDE FOR?

The Equal Pay Guide is the go-to tool for employers (with a workforce of 150 or more employees) who want to ensure equal pay in their organization.

## INITIATORS

The Equal Pay Guide was developed by WOMEN Inc. with input from eight different employers who, as forerunners, conducted research on equal pay in their organizations. The Equal Pay Guide was funded by the Ministry of Social Affairs and Employment.

## LEGISLATION REGARDING EQUAL PAY

The right to equal pay is regulated by law. However, the current legislation seems inadequate when it comes to tackling the problem of unequal pay. Therefore, there is a European legislative proposal to reinforce equal pay. With this proposal the burden of proof shifts further from the employee to the employer: the employer must be transparent about salaries and able to prove that there is equal pay in their organization. For a good and inclusive employer, it is essential to research the pay gap and to make sure the employees in your organization are rewarded equally.

## THE GENDER PAY GAP, OR UNEQUAL PAY?

The gender pay gap is the disparity between the average gross hourly earnings of all employed men and women in the Netherlands. This pay gap is uncorrected and can partly be explained by factors such as industry, age, and managerial position. However, part of the gender pay gap cannot be explained by these factors. Different studies suggest that this part of the gender pay gap is related to unequal pay: men receive higher pay than women for the same job and the same number of hours. This has been prohibited by law since 1980. Apart from the fact that part of the gender pay gap can be accounted for does not mean it should not be addressed. After all, explanation does not always equal justification.

Eager to learn more? Read our employer magazine [Zo werkt het - Een eerlijk loonbeleid](#) (in Dutch).

# THE FORERUNNERS

The forerunners are eight employers of different sizes and from various sectors who have researched equal pay in their organizations. Additionally, they have drawn up an action plan to ensure a fair pay policy in the future. Most employers recognize that it can be challenging to research equal pay, but they also agree that ‘knowledge is power’. Read more about their motivation for researching equal pay and being a forerunner on this topic.



*“It’s worth doing proper research and investing in it because it provides the opportunity to have a good conversation about equal pay that is not just based on a feeling.”*

- GASUNIE (2000 EMPLOYEES) -

*“We never hesitated to start the research, nor did we fear a negative outcome. Mostly because we thought: if this is the case, we want to know and we are going to work on it.”*

- PWC (6000 EMPLOYEES) -

*“Equal pay is an important issue for Van Lanschot Kempen. We had our wage policy examined externally. Based on this report, objectives have been set to ensure equal pay in our organization.”*

- VAN LANSCHOT KEMPEN (1750 EMPLOYEES) -

*“Based on the recommendations that followed from the survey, we started looking into what we’re already doing, which areas we could pay more attention to, and what steps we should take. We turned that into an action plan.”*

- GEMEENTE ENSCHEDE (1800 EMPLOYEES) -

*“Most importantly, I think you should always examine: how are we doing things? Are we doing them with respect for others and can we justify what we are doing?”*

- SDU (300 EMPLOYEES) -

*“Oxfam Novib is about equity, this also applies to gender and equal pay. This research is a powerful kick-off to achieve equity on all fronts.”*

- OXFAM NOVIB (300 EMPLOYEES) -

*“Thanks to the survey, we have a better position, and we feel even more strongly that equal pay is a keystone of our organization. This is what we represent, it’s right, and we can hold ourselves accountable.”*

- KIT ROYAL TROPICAL INSTITUTE (170 EMPLOYEES) -

*“When we started researching the gender pay gap, we hoped that it would not reveal that we pay unequally of course. Fortunately, that wasn’t the case. But if it had been, it would be good to know so we can fix it.”*

- UNILEVER (2500 EMPLOYEES) -



## PREPARING FOR AN EQUAL PAY STUDY

*“In this day and age, especially in engineering, it’s very important to attract talent and to have the courage to think differently, across all kinds of domains. That’s one of the reasons we’re working on this.”*

- GASUNIE -

### MOTIVATION

The reason for conducting research can be different for each employer, as can the motivation: intrinsic motivation that your remuneration policy is in order, correct, and fair. Or extrinsic motivation due to developments in society or questions from clients or employees. Read more about the motivation of the forerunners.

#### Intrinsic motivation

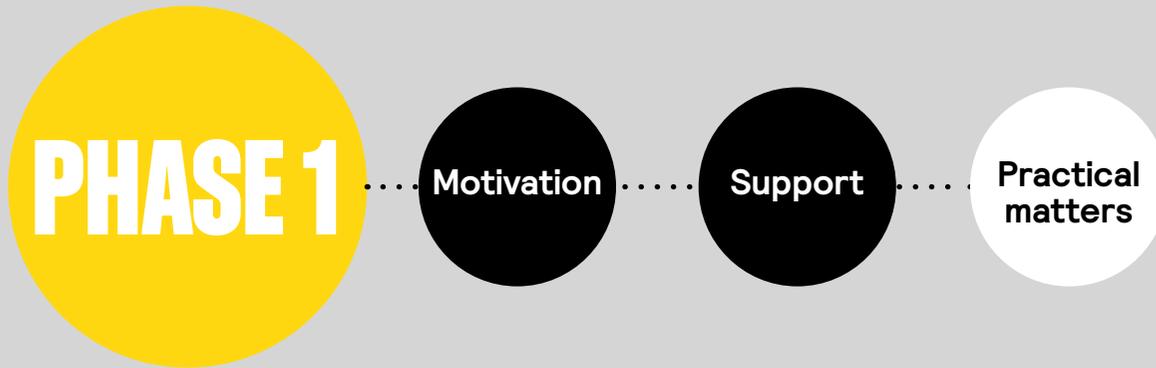
All of the forerunners stress the importance of intrinsic motivation: researching equal pay should be done primarily because you care about the topic and want to do right by your employees.

- If you want to make your organization more inclusive, equal pay is one of the main themes.
- By paying attention to equal pay, you can attract new talent.
- Attention to equal pay is integral to good employership.

#### Extrinsic motivation

In addition to intrinsic motivation, employers can also be motivated to address equal pay by external factors. This includes requirements from clients, societal developments, or legislation.

- Clients or other external parties may ask about equal pay or make it a condition for collaboration.
- Equal pay can benefit the quality of your products and services.
- Social developments call for more attention to issues such as equal pay.
- There is a European legislative proposal for more transparency around equal pay. Employers can get ahead of the introduction of this bill and start working on equal pay now.



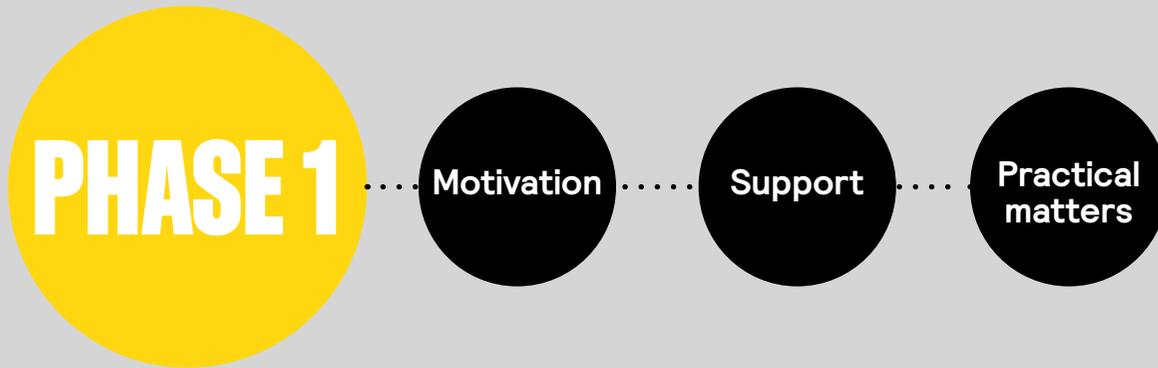
*“From the very beginning it requires all of the team to be committed because otherwise, implementation will fail.”*

- KIT ROYAL TROPICAL INSTITUTE -

## SUPPORT

Equal pay research does not stand alone. It is vital to have the support to take steps based on the outcome to lead to sustainable change in the organization. Read about the forerunners’ experiences and their tips for creating support to conduct equal pay research.

- At the beginning of the project, ensure sufficient support within the organization. This creates the groundwork needed to implement follow-up steps at a later stage.
- A memo can be a good way to request the board to work on this issue. It should describe your mission, purpose, the people and resources needed, as well as your hypothesis for the study.
- Generate support within the organization as broadly as possible. Consider a working group instead of having one person in charge of the project. This ensures continuity, for example, if one of the people involved leaves the organization. Involve management as well, so that the responsibility does not lie solely with HR. If possible, provide an ambassador in upper management.
- Make sure it is clear who is responsible for the research and the actions that follow from it. HR must have a leading role because they are close to the shop floor and the actual implementation.
- The first time you conduct research, there is a lot involved: contracts, data collection, bringing together relevant people (such as a data privacy expert, ensuring budget and support), etc. Therefore it can be useful to appoint a separate project leader for the study.



## PRACTICAL MATTERS

Equal pay research requires an investment from the organization in terms of time and money, as well as appointing a responsible project leader. How do employers approach this?

### Time

- Accept that equal pay research takes time, especially the first time. Reserve adequate time for reviewing and signing contracts, as well as approvals from various departments.
- Data collection takes time. Help from an external party could save time.
- Be aware of certain factors that can lead to a longer project running time. Consider privacy laws and additional workload, for example.

### Cost

- Equal pay research costs money, and it is a recurring expense. Keep this in mind for your annual planning.
- As a small organization (with more than 150 employees), it may be beneficial to start a conversation with the data analysis firm that conducts the research. Often they can adjust their price for SMEs because the research is less extensive than for large organizations.

*“We recognize that it will take time to realize our ambitions. Working with a large number of stakeholders on a dynamic process takes time. Support from within the organization is essential for success.”*

– VAN LANSCHOT KEMPEN –

# CASE STUDY: THE EQUAL PAY RESEARCH

## How does an equal pay research work? What variables are factored in? HR Analytics Bureau AnalitiQs explains how they operate.

An Equal Pay Research by AnalitiQs starts with a kick-off workshop that focuses on two questions that form the basis of the research:

- What constitutes equal pay?
- What constitutes equal work?

To determine 'equal pay', we will consider what components the salary consists of. This can include gross monthly salary, holiday pay, 13th month, personal allowances, or bonuses. Which components are relevant and which data are available can vary per organization.

Regarding 'equal work', in most cases, a job classification system is used, and more specifically job scales. To classify jobs into scales, the Hay Guide Chart is commonly used. The expectation is often that employees within a particular job scale are rewarded (more or less) equally. The results of the equal pay research show whether this is actually true.

Once equal pay and equal work are defined, we will consider which variables to include in the study. This too will differ with each organization. Experience shows that the larger the organization, the more variables there are. The main variables included in the research are:

- Gender
- Age
- Duration of employment
- Job level
- Job category
- FTE %
- Hours per week
- Managerial position yes/no

When available, the following variables are also included:

- Years worked in the position
- Management level (none/low/middle/high)
- Work location
- Organizational hierarchy

Based on the available data, we will examine whether there is a nominal pay gap (difference in the average salary of men and women) for each variable. For this, we will calculate both the mean and the median (the 'middle' salary). The median is particularly useful for smaller groups because it corrects for deviations.

# PHASE 2

Collecting data

Analysis

Results

## HOW DOES EQUAL PAY RESEARCH WORK?

### COLLECTING DATA

Collecting data is an important part of equal pay research. What are the considerations, what about privacy laws, and what are the advantages of conducting the research externally or internally? Read about the experiences of our forerunners.

#### Variables

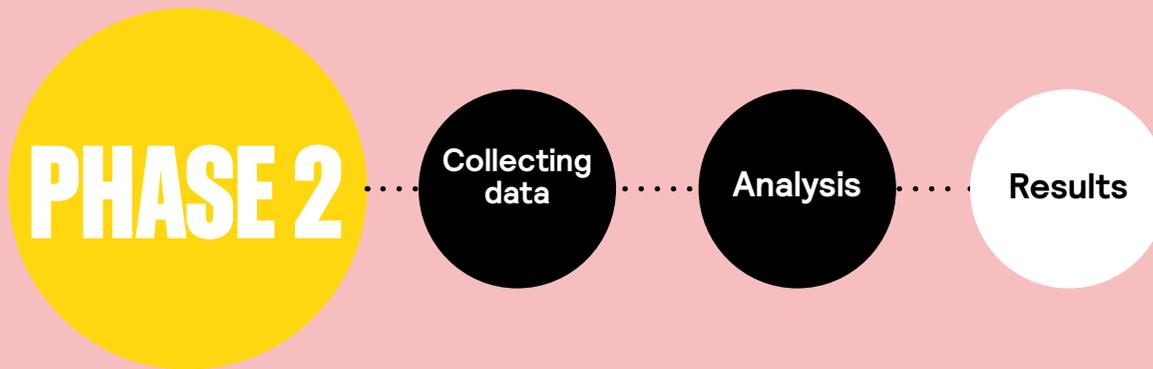
This study requires a variety of data. In addition to salaries, consider variables such as gender, age, duration of employment, years worked in the position, job level, job category, managerial position, FTE, type of contract, job scale, and bonuses. In addition, there may be variables relevant to your organization, such as level of education, or years of work experience.

- Take the time to discuss which variables to include in your research. You can also discuss this with the data analysis company. Remember to consider privacy laws as well and think about variables you may not yet be recording, such as years of work experience or how long someone has been in a position.
- Make sure to involve a data specialist in addition to HR when collecting the data. This simplifies the process and ensures that you collect the right information.

#### Privacy laws

As an employer you will need to consider privacy laws: when sharing or extracting data, it is important to research the rules and guidelines on this in advance. It is also important to take steps to ensure data cannot be traced back to individuals. An external data analysis agency or a data privacy officer can advise you on this.

- Keep the GDPR regulations for processing personal data in mind. In some cases, it is permitted to record additional personal data, such as cultural background, provided that the employee volunteers this information. It is up to the employer to motivate and communicate this to employees.
- If you are working with an external party, it is important to anonymize the data so that in the event of a data breach, the data cannot be traced back to individual employees. Alternatively, you can run the data collection through an external agency.
- Start thinking about your communication strategy concerning employee privacy. How do you plan to share the results of the study, both internally and externally?



## ANALYSIS

The equal pay study can be done by an external research firm as well as internally if the organization has the necessary expertise in-house. A data analysis firm can formulate the method of the research and outline the criteria in advance. Consider which variables will be included in the research, for example. The agency can also advise on the process of data collection and transfer in a way that safeguards employee privacy. It is also an option to conduct this research in-house. Read how employers have made this choice [here](#).

### Outsourcing research to an external firm or in-house research

Employers state that outsourcing research to an external agency has several advantages over conducting the study in-house. For example, employers perceive external research as more reliable and independent. In addition, it saves time. With the right expertise in-house, you can also conduct the research internally.

- An external agency contributes to the credibility and objectivity of the results.

- With the help of an external party, you can save time. For instance, they can advise on what data to provide and how to collect it.
- Choose a data analysis firm that operates in the Netherlands (or in Europe). This will prevent you from having to deal with privacy laws from different countries.
- If you have sufficient data expertise in-house, you can also conduct the equal pay study internally. In that case, it is important to involve people from different departments. For example, in addition to HR, you should involve Communication as well as a data expert in your research.

*“Because we outsourced it to an external party, it also took less time. You still have to provide certain data, of course, but that was not the bulk of the work.”*

- GASUNIE -

# PHASE 2

Collecting  
data

Analysis

Results

## RESULTS

The research is completed, and you have the report. What do you do with the results? Read about employers' initial insights after receiving the results of their equal pay study [here](#).

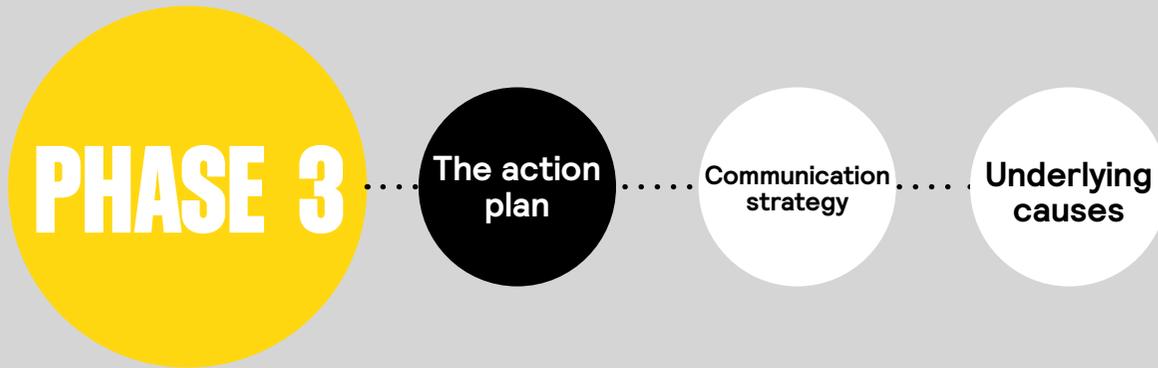
- Look beyond the surface and address the underlying causes as well. One variable that often affects equal pay is job level: if men are overrepresented in higher-level positions, on average they tend to earn more than women.
- Keep in mind that if on average there is no pay gap in the organization, there may still be a pay gap in a particular department.
- The outcome of the study provides an opportunity to benchmark your organization against other organizations in the same industry that have openly communicated about their equal pay research.

*“We were surprised to find that a certain department has lower-level positions on average. We never realized that was where the lower-level positions are, and that’s precisely where most of the women work. That was a real eye-opener.”*

– OXFAM NOVIB –

*“That may be one of the shortfalls in the analysis: there could be an imbalance in a team that is not picked up on in the results. When you are looking at all employees, there is no pay gap, but within a team there still could be.”*

– VAN LANSCHOT KEMPEN –



## WORKING WITH THE RESULTS

### THE ACTION PLAN

The results are in, but how to proceed? The first step is to draw up an action plan. Provide a plan with concrete steps, and be sure to include the underlying causes of the gender pay gap.

- Wherever possible, use concrete tools to create your action plan, such as recommendations from the company that conducted the research.
- Define an equal pay policy for the entire organization. This includes policy on influx and promotions, but also performance reviews and the broader diversity and inclusion policy.
- Review the impact of gender distribution throughout the organization on the gender pay gap.
- Ensure support in the organization in order to successfully implement the action plan. (See also Phase 1: Support.)
- Offer training to managers and employees in decision-making positions. Consider training on the influence of unconscious biases in pay scaling and promotions or inclusive language for texts and job postings.

*“We started writing an equal pay policy: what benchmarks do we use? What methodology do we use? And a policy on opportunities for advancement: what are the criteria for advancement from junior to mid-level to senior? We have now broken that down and published it on our intranet so that it is transparent to everyone.”*

- KIT ROYAL TROPICAL INSTITUTE -

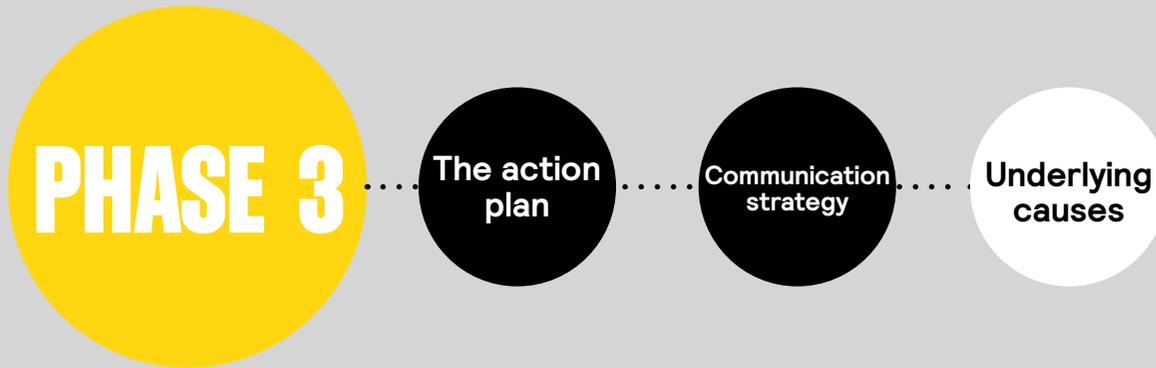
# THE ACTION PLAN: EXAMPLES

**What does an action plan look like? It is not necessary to write a extensive action plan right away. Many employers choose to work more agile in a constantly changing organizational environment and adjust as they go. Forerunners share some of their insights on creating an action plan.**

- Set priorities. It is not feasible to formulate 50 action items and work on all 50. Choose five, for example, and make those your focal points.
- Introduce transparency in pay scaling. This demonstrates to the organization that you are committed to putting this into practice as well.
- When reviewing the remuneration system, consider whether it is equal for all employees. For example, do employees who work part-time have the same opportunity for bonuses and promotions as employees who work full-time?
- Look closely at the gender distribution within the organization and different departments. Through research, some organizations found that the gender pay gap is caused by the fact that a lot of senior positions are held by men and that the organization has a problem with advancement instead of unequal pay.
- Work on your hiring policy to ensure equal gender distribution within the organization. Consider inclusive language and where the job listings are advertised.
- Conduct a random hiring survey. How are new employee salaries scaled and how do their profiles compare? Is this consistent with the policy in place?
- Stating the obvious: even though the gender pay gap generally favors men over women, it is also considered unequal pay if the women in the organization earn more than the men.

*“We are going to use external training to give our executives a ‘refresher’ on unconscious bias. This can also play a role in scaling pay. We want to provide a proper way to classify people that is as objective as possible.”*

– GEMEENTE ENSCHEDE –



## COMMUNICATION STRATEGY

Think about your communication strategy: do you want to share the results externally or internally? And if so, what information do you share and what not? For example, you can choose to share the entire report; or, only the gender pay gap percentage, the action plan, or even a combination of these findings. By communicating clearly, you can increase support and employee engagement.

### Internal communication

- By communicating the results, you can dispel any feelings or assumptions about unequal pay in the organization. Provide clear, transparent explanations.
- Make sure you have a good grasp of the results yourself before sharing them with the organization. This also prevents employees from getting lost in the details.
- Carefully decide at what point you want to communicate internally about the study.
- Make sure employees can react to the results; for example, through short questionnaires.
- When communicating, consider possible pushback.

### External communication

- Provide a clear storyline and include equal pay as part of your broader D&I policy.
- A good moment to communicate results can be a specific occasion or event. For example, International Women’s Day, Equal Pay Day, or the company’s annual report.
- Communicating externally shows that your organization cares about equal pay. This way, you can help other organizations and contribute to closing the national gender pay gap.

*“We always try to take a pioneering role in the Netherlands and therefore also communicate on this subject. Not to show that things are perfect everywhere because we also have areas that could use improvement, but to show that you can and should take action where necessary.”*

– UNILEVER –

# PHASE 3

The action plan

Communication strategy

Underlying causes

*“You can’t over-communicate about it. Is there enough structure in communication and do our policies match how our people view them? Our Inclusion & Diversity team advises on this.”*

- PWC -

## UNDERLYING CAUSES

**In the short term, you can work with the results, for example by increasing awareness, but in the long run, it is important that as an organization you tackle the causes of wage differences in the long run. The forerunners share their insights to get you started.**

- Provide regular evaluation moments; for example, by including the research in the annual plan. This will prevent it from being a one-time activity and emphasize the urgency of equal pay within the organization.
  - Do your own “MOT” and follow up on the research yourself. An external agency can help with this by providing a template that allows you to execute the follow-up research yourself.
  - In addition to regular follow-up research, continue to monitor if the intended actions are being implemented. Evaluate what the actions have accomplished, and to what extent they are contributing to the objective. Adjust the next steps as necessary.
  - Choose a suitable time frame for your organization to conduct the follow-up research. Consider the effects of onboarding, mergers, or other developments in the organization. For example, it may be (temporarily) necessary to conduct the study annually or biannually.
- Make a plan to complete any missing data on relevant variables in your system. A student worker can potentially help collect or complete any missing data. For the next phase, work on a plan to automate this process. For example, make sure you capture data on education or years of work experience for each new employee. You can then include that information in follow-up research.
  - Make equal pay part of an integral policy within the organization by embedding it in the D&I policy. Make sure it is not a standalone policy, but connect it to existing objectives and focal points. That way, the topic of equal pay is given a higher priority and its urgency is underlined. Set KPIs and include equal pay in the budget so that there is a budget for follow-up research and further actions.
  - Create awareness in your hiring policies. When hiring new employees, make sure there is always an extra pair of eyes to check for unconscious biases. In addition, make the parameters of the hiring policy explicit and objective: when do you decide to hire someone or not, what are the limits of what you can offer someone financially?

# PHASE 3

The action plan

Communication strategy

Underlying causes

- Ensure diversity in your selection committee when hiring new employees. If the selection committee is homogeneous, there is a greater risk – partly due to unconscious bias – of hiring someone who resembles the person who previously held the position. Gender balance and diversity among employees contribute to equal pay.
- Keep a close eye on the underlying causes. The gender pay gap is often not just about equal pay, but also about other issues, such as advancement, onboarding new employees, and safe, inclusive company culture.
- Accept that change takes time. If there are several employees in your organization with relatively long duration of employment, it can significantly impact the gender pay gap. As an employer, you can pay attention to employee advancement and makeup, but this process takes time.

*“JAs a next step, we will see whether we can make a difference in specific departments. For example, if it turns out that there are two people who are disadvantaged in salary, then that is something you can easily and quickly solve. If it comes out that you still have a predominantly male department, then that asks for a long-term plan.”*

- UNILEVER -

*“There is the 80/20 rule. 80% are easy-going and agree. Then there’s 10% who want it very badly and are going to put pressure. And 10% will resist. The risk is that you pay a lot of attention to the 10% that resist, but don’t forget the majority.”*

- SDU -

# TIPS AND TRICKS

Regardless of the gender pay gap revealed by the study, all employers stated that they are pleased to have researched equal pay. Knowledge is power. Here are some more tips and tricks from the forerunners. Use them to conduct equal pay research in your organization!

*“Just do it, it doesn’t have to be perfect right away. Start somewhere, keep monitoring and adjust your policies as needed.”*

– GASUNIE –

*“Do not be afraid to face the findings. Don’t look for explanations to justify it, but act on it.”*

– OXFAM NOVIB –

*“I think the next step is for this process to be viewed as ‘business as usual’. To no longer consider it as a project, but to embed it in our yearly process to review equal pay.”*

– VAN LANSCHOT KEMPEN –

*“Start registering additional data and gathering information early on.”*

– GEMEENTE ENSCHEDE –

*“The most important thing is to always stay focussed on your plans with a department in terms of growth and development, and to factor that into your policy.”*

– SDU –

*“The pay gap percentage is important, but I think the qualitative research we did alongside it is just as important because this goes deeper into the underlying factors of equal pay. With interviews within the organization, we try to find out if the policy gets implemented and how it is part of our processes in practice.”*

– PWC –

*“Thanks to the study, we have something solid that we can rely on. It helps that we made it so transparent and put the results on the record.”*

– KIT ROYAL TROPICAL INSTITUTE –

*“Look at how other companies organize pay research and what you can learn from that.”*

– UNILEVER –

# MAKE EQUAL PAY WORK!

Feeling inspired and eager to get started on equal pay research yourself? Check out the [LOKET Inc. website](https://www.loketinc.nl) for details or contact us at [loketinc@womeninc.nl](mailto:loketinc@womeninc.nl).

## WANT TO FIND OUT MORE?

- In our employer magazine, [Zo werkt het - Een eerlijk loonbeleid](#) (in Dutch), you will find more information about equal pay as well as case studies from other employers who have conducted research in their organizations. Read the [FAQ](#) about the gender pay gap.
- Do you want to know more about inclusive employment? Visit our [Toolkit Inclusief Werkgeverschap](#) (in Dutch) for knowledge, cases, and tools to get started right away.
- Is your organization looking for training and advice on diversity and inclusion? Check out our label [LOKET Inc.](#) We have the knowledge so that you can put it into practice.
- Does your organization want to contribute to the acceleration of inclusive employment? Sign up for the [INCubator network](#).

## COLOPHON

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