



Redistributing the Wage Cake – Beyond Living Wages to Gender Equal Pay

Research Concept

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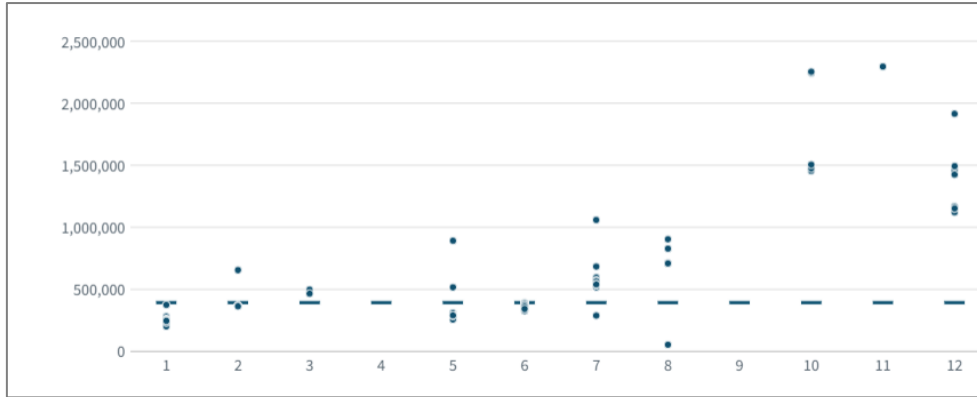
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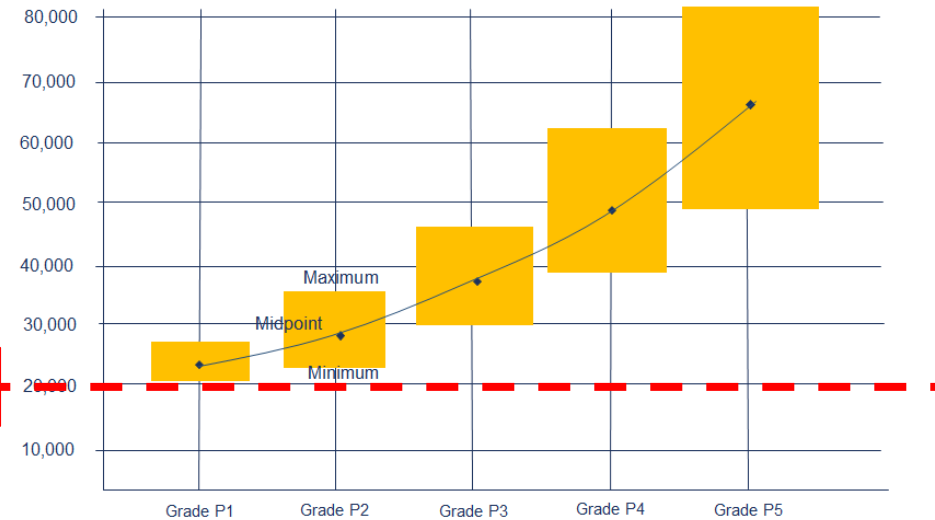
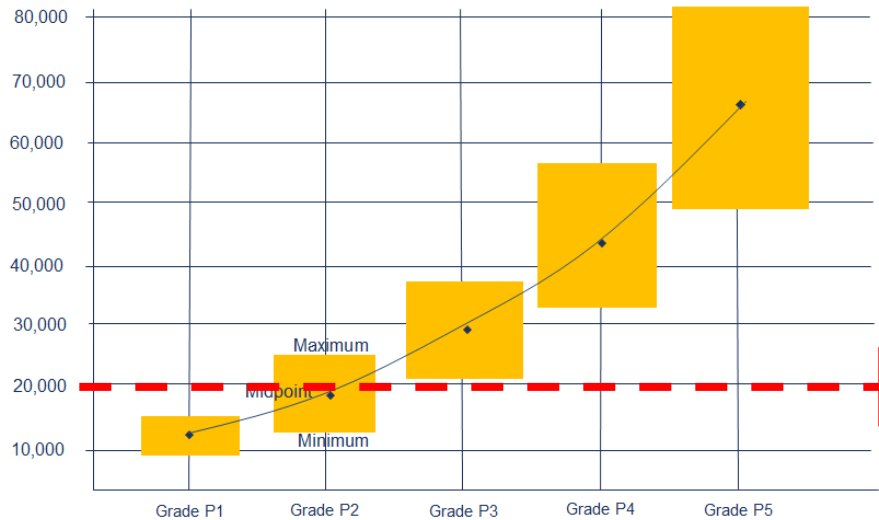
**SOS CHILDREN'S
VILLAGES**

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Introducing Living Wages irritates pay structures



- Negating existing pay differences (maybe justified)
- Reduces difference to employees on higher levels
- If zero-sum game: motivational risks, turnover



— How can organisations adjust their pay structures?

- Condition: maintain equity and transparency as well as financial sustainability
- EU Pay Transparency Directive: pay structures should allow for the comparison of the value of different jobs within the same organisational structure
- Accompany introduction of Living Wages in an organisation with 3 activities:
 - 1) Review of job evaluation approach & grade structure (equal pay for work of equal value)
 - 2) Review of pay bands (min-max) per grade & criteria for pay progression within bands
 - 3) Communication of Living Wages standard to stakeholders (incl. review of borderline cases)
- Aim: arrive at recommended formula of adequate pay for all jobs at and above Living Wage



— Research concept (1/2)

1) Review of job evaluation approach & grade structure

- ILO Guide (2008): analytical factors Qualifications, Responsibility, Effort, Working Conditions
- Link grade structure of organisation to layers within managerial hierarchy
→ *Investigate the number of relevant grades in the selected country organisation.*
- Categorise jobs (for gender pay gap, and link to career paths and skill dev't), e.g. ESCO/ISCO
→ *Investigate the relevant categories of jobs in the selected country organisation*
- Use existing scales for factors, e.g. EQF/Europass (Knowledge, Skills, Responsibility, Autonomy)
→ *Create gender-neutral factor descriptions for each grade in the country organisation*



— Research concept (2/2)

2) Review of pay bands per grade & criteria for pay progression

- Living Wages will create compressed pay ranges (assumption of no additional wage budget)
→ *Develop a formula for the selected country organisation to calculate pay bands*
- EU Directive: make criteria to determine pay levels & pay progression accessible
→ *Create transparent pay progression criteria for selected country organisation*

3) Communication of Living Wages standard to stakeholders

- Consider impact on stakeholders' perceptions on procedural justice (inside and outside org.)
→ *Create stakeholder analysis with tailored messaging*
- EU Directive: gender pay gap reporting incl. proportion in each quartile of the pay band
→ *Investigate different forms of gender pay gap analysis, create exec summary for action plan*

