

28 October 2019



Equal Pay Certification

| **Government of Iceland**
Prime Minister's Office





Implementation in 4 steps

Obligatory equal pay certification is to be implemented in stages over a period of 4 years. Before 2020, 285 companies and institutions have to have an equal pay certification. Today, **108** organizations have been certified.

1. 250+ employees / December 31st, 2019 => 86 companies and institutions
Governmental owned organizations with 25+ employees / Dec 31st 2019 => 185 institutions
2. 150-249 employees / December 31st, 2020 => 57
3. 90-149 employees / December 31st, 2021 => 86
4. 25+ employees / December 31st, 2022 => 800+

Around 1.200 employers with about 147 thousand employees
(about 80% of Icelandic workforce)



Survey - Implementation of Equal Pay certification

The Department of Equality in the Prime Minister's Office in Iceland made a [survey](#) on the implementation of equal pay certification among the 76 organizations that received equal pay certification before the end of April 30. The response rate was 76.5%.

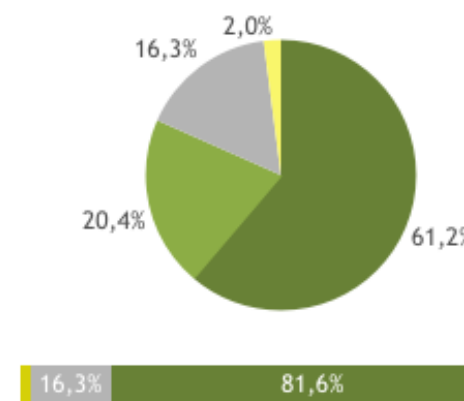
Second survey was made in June among 204 organizations that were in the implementation process or had not begun the process.



How **content/discontent** were you about **implementing** the standard?

- 1. ■ Very content
- 2. ■ Rather content
- 3. ■ Neutral
- 4. ■ Rather discontent
- 5. ■ Very discontent

Fjöldi	%
30	61,2%
10	20,4%
8	16,3%
1	2,0%
49	100,0%
9	15,5%
58	100,0%

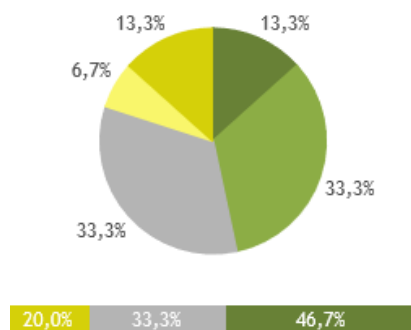


81% were content about implementing the standard!

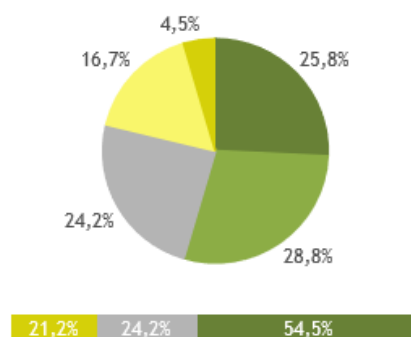
How positive/negative are you towards implementing the standard?

Survey 2=>

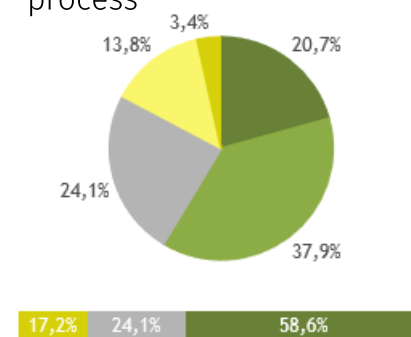
Have not begun



Have started the process



Have come a long way in the process



The **emotional** scale of implementation

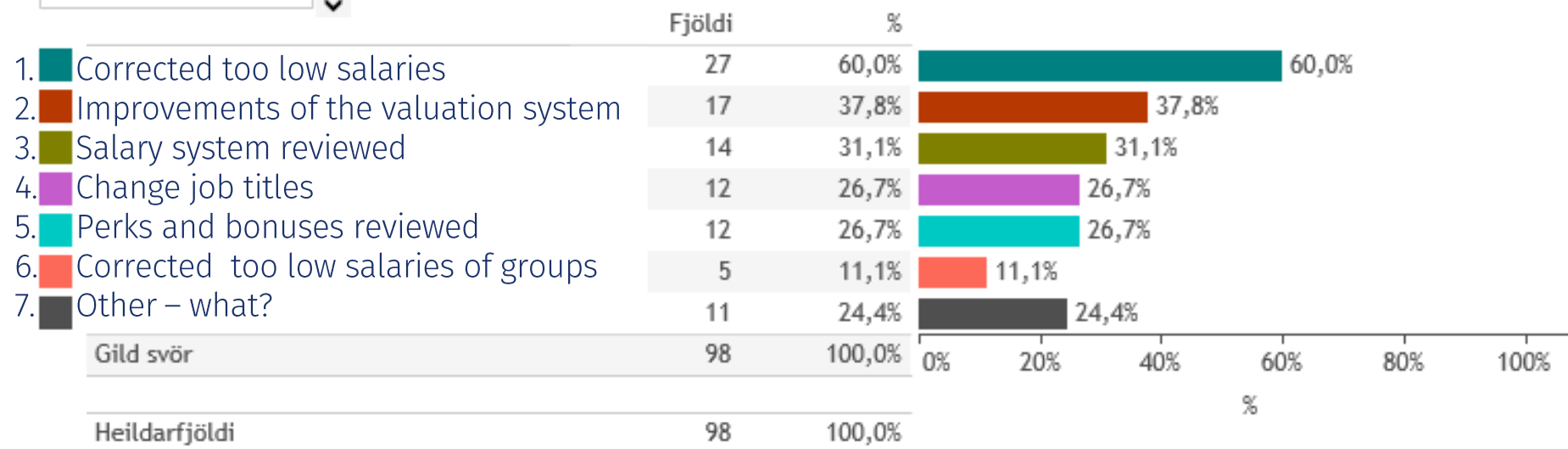




How were the outcomes of the pay analyze used to improve the EP system?

Veldu rekstrarform:

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Other outcomes - Effects

- 64% of respondents felt that equal pay certification had a positive effect on job satisfaction, while 36% considered the certification to have no special effect.
- 75% of respondents felt that the introduction of the equal pay scheme would increase their visibility and efficiency.
- One-third of respondents looked at more equality factors than was expected from the standard, e.g. number of women's administrators, appointment to boards and committees, gender ratio in job classification, retraining etc.
- 51% of respondents had not previously obtained management or quality standard certifications. And over 30% did not previously have any written procedures or quality system.



Challenges and benefits

- **Lack of experience** – New system, no former models to build on. Many unknown factors. Has to be developed in the process (trial and error).
- It's a big undertaking – success demands good human resource management
Requires support of top management
- **Cost, time and effort**
- For now, the standard works within each company, but not across the labour market. Closing the pay gap between gender segregated labour markets would be the biggest challenge in the long run.
- Increase quality in human resource management and salary decisions
- Transparency
- Creates better understanding of business models among directors and managers
- Pride, image and brand
- Consistency between job and salary
- Overview over recruitment
- Puts equality on the agenda



- Lack of experience – New system, no former models to build on. Many unknown factors. Has to be developed in the process (trial and error).
- Lack of infrastructure: In the first year there were too few accredited certification bodies. It takes time for the certification industry to meet all requirements.
- Lack of time: Underestimate the time factor for the process, and therefore run out of time before the deadline => Lack of experience.
- Costs and effort. It depends on resources in the companies from the beginning of the process: knowledge, documentation, quality/management standards, company culture and so on. Experience and knowledge is gathered by “learn by doing”.
- First edition of the Standard – complains about complexity and unclear instructions. Improvements in the second edition.
- Compliance monitoring: That part of the law has not yet been taken into action.



The Equal Pay Symbol

