



European Project
on Equal Pay



Why ABB joined the European Project on Equal Pay



ABB Sweden has taken part in the European Project on Equal Pay (PEP) for the purpose of determining whether the Pay Equity Guide developed by the Swedish Equal Opportunities Ombudsman might be a useful aid in the company's wage surveys and analyses. Another aim has been to develop on the company's behalf proposals for a Quick Reference Guide to ensure that the work of surveying and analysing wages and formulating an action plan is of high quality and conducted in a consistent and efficient manner.

Procedure

During the autumn of 2002 and the spring of 2003, a working-party representing the two divisions of *ABB Sweden*, Automation Technologies and Power Technologies, has tested the Equal Opportunities Ombudsman's Pay Equity Guide as follows:

Nine jobs were selected from two separate *ABB* divisions

The aim was to select jobs that were female-dominated and male-dominated and jobs where there was a good mixture of the sexes. The jobs were chosen from among those most commonly found in the *ABB* divisions taking part in the project.

The Pay Equity Guide was adapted to *ABB*'s specific needs

This meant eliminating one factor and introducing another. All levels in each factor were formulated in such a way as to match the requirements imposed by *ABB Sweden*.

Job evaluation of the selected jobs was implemented

Here, the *ABB* working-party brought in the PEP Project Manager as a quality checker and discussion facilitator. The aim was to ensure that the evaluation would be as objective as possible, i.e. that subjective assessments of employees would not disrupt the evaluation of a given job.



Review of and grounds for weighting the 8 factors were completed

For any group relationship it is worth noting that weighting should be the same for each legal entity as comparisons of equal work and work of equal value under the Equal Opportunities Act must be performed in each legal entity separately.

In addition, we have tested the PEP analysis tool The Pay Box. The tool provides a good picture of the basic structure of wage surveys. Its graphs offer a good platform for deciding what questions need to be asked and what matters need to be considered if the analysis phase is to be implemented in a consistent and efficient manner.

Wage surveying as an auditing process

During the spring of 2003, we have given much thought to the question of how we can ensure that the evaluation of a job in one part of our operation might be compared with a job in another part. There is a clear risk that an assessment group in one undertaking might be excessively restrictive in its job evaluation while the corresponding group in another undertaking might be over-generous in its evaluation of equal work or work of equal value. This risk might lead to unnecessary discussion concerning the grounds for evaluation in the vital analysis phase.

In order to minimise this risk and avoid less constructive discussions on whether or not pay differentials are caused by the grounds for evaluation, *ABB Sweden* plans to handle the wage surveying as an auditing process.

Wage survey auditors

One idea we are considering at present is the appointment of a handful of *ABB* 'wage survey auditors' whose task would be to ensure that wage surveying, the analysis phase and the development of an action plan are of high quality and conducted in a consistent and efficient manner.

The purpose of appointing wage survey auditors would be to create the best possible basis for high quality comparisons of equal work and work of equal value at *ABB Sweden*.



Basic evaluation of jobs

To ensure the elimination over time of unwarranted differences in pay at *ABB Sweden*, we believe the main emphasis should be placed on the analysis phase, on the development of a plan for remedial action and on a continuous and detailed follow-up of the action plan's implementation.

One way of minimising work input in the evaluation phase, which tends to be time-consuming, is to carry out a basic evaluation of the jobs that are common to the various parts of the operations at *ABB Sweden*. In our view, approx. 75 per cent of all jobs in *ABB Sweden* fall into this category.

This basic evaluation approach is to be at the core of each ABB division's job evaluation programme. The divisions can then decide locally, proceeding from sound motives and well-founded arguments, whether they wish to deviate from the basic evaluation of a given job.

The aim of this approach – providing a basic evaluation of the majority of all common jobs – is to ensure that the quality of total job evaluation at *ABB Sweden* is as even as possible and to avert unnecessary discussion of whether or not differences in the grounds for evaluation between ABB divisions caused gender pay differences.

Continuity ensures that unwarranted pay differences are not present

The goal is to make the above process, aimed at ensuring that we do not have unwarranted pay differences at *ABB Sweden*, so simple and straightforward that it may be undertaken in a manner that is consistent and conducive to high quality on an annual basis.

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