

# Equal Pay for Work of Equal Value? Iceland and the Equal Pay Standard

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Job evaluation systems have a history of being critiqued as upholding gender inequality. Paradoxically, however, the Icelandic Equal Pay Standard (IEPS), a novel and publicly praised gender equality policy, is based on a job evaluation tool. The aim of this article is to stipulate an initial analysis of how key stakeholders in the Icelandic context view and assess the strengths and weaknesses of the IEPS so far. Drawing on organizational literature and feminist institutionalism, the findings show how equal pay for work of equal value can be achieved. At the same time, the article highlights the need for more emphasis on and awareness of the value of feminized work within organizations, which remains underrecognized in the IEPS.

## Introduction

Gendered patterns of pay have endured despite the introduction of regulatory reforms aimed at equal pay for men and women around the world. As a result, there is ongoing international interest in the range of factors that contribute to the persistence of a gender pay gap. At the policy level, the tenacity of unequal wages for work of equal value has led to numerous initiatives designed to reduce practices contributing to discriminatory labor market practices. This article provides the first analysis of how key stakeholders view the consequences of a recent, novel equal-pay legislation by the Icelandic government—the Icelandic Equal Pay Standard (IEPS) (IST 85:2012).

The IEPS is, in essence, a job evaluation system. Job evaluation systems are human resource management (HRM) tools that involve systematically determining the value of a job within an organization or in relation to other positions within the organization. Their main purpose is to rate the job itself, not the person doing it. The IEPS was designed for companies to use voluntarily to evaluate whether they are paying their workers equal pay for work of equal value. In 2017, changes in the political landscape<sup>1</sup> combined with rigorous

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public discussion on gender inequality (Thorsdaron 2018), led the Icelandic government to make use of the IEPS mandatory (the policy was passed in June 2017 and took effect in January 2018). The policy makes Iceland the first country in the world to require that companies and institutions with more than twenty-five employees who are employed full-time with contracts of at least a year prove that they pay men and women equally for the same job by obtaining certification from the centralized IEPS system for their equal-pay system. The aim of this gender equality legislation is to eradicate wage inequality at the firm level. The Icelandic government received national and international praise for implementing this pioneering policy, which contributed to its image of being “the best place in the world to be a woman” (Heertz 2016).

However, job evaluation systems have a long history of upholding, instead of eradicating, gender inequality at the company level (Acker 1989; England 1992; Koskinen Sandberg 2017; Rubery and Koukiadaki 2018; Steinberg 1992). Paradoxically, therefore, a job evaluation tool is now at the center of a cutting-edge and publicly praised gender equality policy (Bjarnason and Hauser 2018; Morad 2018). This again raises the larger question of how job evaluation tools, and this one in particular, impact the gender pay gap. In this article, I examine how key labor market actors view the IEPS. How do their perspectives reflect on the IEPS’s impact on equal pay for work of equal value as well as gendered occupational segregation?

The aim of the article is to provide an initial analysis of how key stakeholders at the organizational level in Iceland view and assess the strengths and weaknesses of the IEPS so far. Based on these insights, the article explores the impact of formalized job evaluation practices in reducing gender bias in pay, or whether gender bias may still be embedded within formalized job evaluation practices. Key stakeholders for the purposes of this paper constitute (i) labor market actors of the tripartite coalition of the Icelandic Confederation of Labor (ASÍ), the Confederation of Icelandic Enterprise (SA), and the Ministry of Welfare involved in designing the job evaluation system, as well as (ii) human resource (HR) managers who implemented the IEPS at the company level. Do they assess the IEPS to be meaningful to achieve equal pay for equal work? What do they consider needs to be done to ensure that an organization’s pay system is compatible with equal pay for work of equal value? The investigation of the critical case of the IEPS, through interviews with key stakeholders, reveals that job evaluation tools limit managerial discretion when it comes to gender pay equity, but a gendered effect emerged when it comes to how feminized jobs are being valued in the first place within organizations.

The IEPS is an unusual gender policy instrument in the sense that it was developed as a HRM tool but later adopted by the government as part of a mandatory policy to strengthen gender equality. Moreover, its implementation is an ongoing process, building on a long and complex policy design

phase. While the insights presented here are necessarily preliminary, this focus on IEPS is meaningful for feminist institutionalism and organizational perspectives and their cross-fertilization. It contributes to the growing literature on the implementation of gender equality policies. Assessing the policy's implementation along the lines of recent strands of gender equality policy research (see [Engeli and Mazur 2018](#); [Saari et al. 2019](#)) is premature, as a proper evaluation can only be made five to ten years post-adoption ([Engeli and Mazur 2018](#)). However, old gender perceptions are most likely to impact policy change during the initial period of the implementation ([Macdonald and Charlesworth 2018](#)), making this period vital in analyzing the potential to progress gender equality.

Moreover, gender equality policy research has contributed to shifting analytical focus from the politics of policy adoption to the politics of implementation to determine the conditions under which policymaking contributes to the achievement of gender equality ([Engeli and Mazur 2018](#)). In this approach, the focus remains mainly on policy actors. I take this investigation further and bring the firm and labor market actors back in ([Huffman et al. 2010](#)) to examine the extent to which labor market actors and HR managers are important agents of change ([Dobbin 2009](#)). Feminist institutionalism perspectives, which the gender equality and public policy debate is embedded in, give weight to the influence of labor market regulation and labor market actors in designing and implementing regulation. Organizational perspectives draw attention to job evaluation and grading schemes at the company level, as well as how wage regimes are awarded to different groups of workers, thus helping to explain the mechanism through which a certain standard is intended to deliver more equal wage outcomes at the firm level. While legal enactment puts pressure on firms to update their practices, organizational perspectives regard HR managers as more effective agents of change than public officials ([Dobbin 2009](#)). The article will, therefore, examine both the policy deliberation phase and how HR managers view the actual functioning of the IEPS, which was originally created for their use.

The study highlights several issues that have played a role in shaping new policy through the lens of qualitative, in-depth, semi-structured interviews with the key actors. These issues arise in discussions of how to define value, different stakeholders' understandings of the core of the IEPS, and HR managers' reflection on the job evaluation standard and its impact on the gendered nature of roles within organizations. The findings show that part of the solution for closing the gender pay gap at the company level lies in questions of not only how equal pay for work of equal value can be assessed but also how gendered tasks or jobs are valued. While the former is addressed by the IEPS, the latter is not. As a result, the IEPS advances equal pay at the organizational level by mandating to evaluate equal pay for work of equal value, but at the same time negates another large part of the gender pay gap—that of the gendered nature of jobs, which means a loss in pay and status. Therefore, to assess

the overall policy dimensions, it is crucial to examine how actors such as HR managers understand wages related not only to the same jobs but also to gendered jobs (see [Rafnsdottir and Weigt 2019](#)).

The article proceeds as follows. It begins with an overview of the literature on organizational studies of job evaluation tools and feminist institutionalism. The next section outlines the research methods and considers the findings. The final section links the empirical findings to the larger discourse on how pay is understood in relation to work of equal value and particularly to for male- and female-dominated jobs.

## Job Evaluation and Gendered Valuations of Jobs and Performance

Job evaluation systems are one set of organizational practices to promote equal pay and a practical technique designed to enable trained, experienced evaluators to judge the value of one job relative to another. Many studies have examined existing job evaluation systems and criticized them for methodological inadequacy and gender bias ([England 1992](#); [Koskinen Sandberg 2017](#)). Initially, job evaluation systems were devised to replicate market wages, rather than to correct gender inequities. Job evaluation systems tend to follow mainstream economics, which understand the gender pay gap as reflecting market factors that result from differences between the human capital of men and women ([Mincer 1958](#)). A feminist institutional approach, however, recognizes gendered patterns of work and pay as socially constructed patterns of behavior ([Figart et al. 2002](#)). In contrast to mainstream economic analyses, a feminist institutional approach does not predict that wage differences between individual workers will closely reflect differences in the value of their productive contribution. Rather, it accepts the divergence of wage outcomes from the value of workers' contributions as a standard prediction, based on an understanding that market institutions can fail to adequately value the commodities produced by different groups of workers ([Jefferson and Austen 2015](#)). Feminist institutional analyses of the gender pay gap focus on institutional characteristics that can result in negative wages and other outcomes for women. This perspective interrogates how job evaluation systems frequently prioritize the content of male-dominated work and, in doing so, exclude and devalue much of the content of jobs typically performed by women ([Saari et al. 2019](#)). Because women carry out reproductive labor and related caring responsibilities in the private sphere without remuneration, the work that they conduct and feminized jobs have historically been undervalued. This devaluation of work is manifested in instances in which female-dominated occupations, or positions within a firm, have lower pay levels than male-dominated professions with comparable working conditions ([Mills et al. 2014](#)).

In an analysis of the Hay system, for example, [Acker \(1989\)](#) highlighted how the system continued a traditional discounting and devaluation of women's work and concluded that value judgments hidden in technical decisions undermined end-result equity. Following Acker's critique, the literature has been split on whether job evaluation systems help or hinder the eradication of unequal wages for work of equal value. [James \(1995\)](#) argues that since Acker's study, more has been learned about constructing gender-neutral systems and their policy implications and, hence, job evaluation systems have been altered or reconstructed to adequately value women's work. However, a main critique remains that job evaluations from earlier eras may transport outdated criteria into new labor market contexts ([Steinberg 1992](#)). Recent studies demonstrate that policies do not achieve the desired outcome in reducing wage inequality when the evaluation-based pay system is not designed with equal pay in mind ([Koskinen Sandberg 2017](#)).

The mandatory evaluation-based pay system presented here, the IEPS, was designed to advance equal pay and correct gender inequities. This policy is thus different from earlier Icelandic regulations ([Alpingi 2017](#)), but it also incorporates several features that various scholars have previously noted as lacking in equal-pay legislation. For example, [Castilla \(2015\)](#) shows that when a company increases accountability and transparency in the performance award system, differences in pay are reduced. Importantly, the IEPS shifts the burden of proof from the employee to the employer, thereby obliging companies to create more transparent systems for valuing different jobs. [Rubery and Koukiadaki \(2018\)](#) demonstrate how equal-pay certification schemes can only be effective when strongly enforced. The new Icelandic gender legislation mandates that employers undergo an external certification process that checks whether their salary system pays equally for work of equal value. In the case of non-compliance, the state issues a daily fine.

Experiences with other voluntary employer job evaluation schemes suggest that these added tools of the IEPS are indeed important in closing the gender pay gap at the company level (for an overview of similar schemes in different countries across the European Union, see [Rubery and Koukiadaki 2018](#), 65). Voluntary measures in Canada, for example, point to the importance of an effective enforcement system to limit the deterrent effect of the legislation. Discussing the Canadian measures, [Rubery and Koukiadaki \(2018\)](#) highlight the positive effect that trade union involvement has on enforcement. [Koskinen Sandberg \(2017\)](#) also draws attention to the positive workings of evaluation-based equal-pay systems when equal pay is the main objective of the evaluation (as it is in the case presented here).

On the one hand, therefore, the IEPS includes many features pointed out as missing in previous job evaluation schemes, which led to their ongoing critique. On the other hand, unlike previous systems, it is not a voluntary organizational tool but a mandatory public gender equality policy, which thus has wider implications for the labor market. Applying insights from job evaluation

system research, we would expect to find a positive impact on the valuation of equal pay for work of equal value. Drawing on feminist institutionalism, however, this article explores how gendered jobs in particular are affected by the IEPS. In considering how actors reflect on this institutional innovation, feminist institutionalism provides a framework for considering how “old” gender practices, norms, and expectations in new institutional rules might impact on the gender reforms (Mackay 2014).

The article does not aim to provide a comprehensive analysis of the implementation of this gender equality policy. However, early conceptions of the IEPS by key labor market actors are important for understanding a period in which the adherence to traditional gender practices and expectations is most likely to constrain the possibilities for change (Macdonald and Charlesworth 2018). Therefore, examining this period is vital to further analysis of the potential for this policy to progress gender equality.

Before turning to the empirical analysis, this article next discusses the context in which the IEPS evolved, as this political and societal context is crucial to understanding the informants’ views on the policy.

## Context: Gender and Working Life in Iceland

The development of the feminist movement in Iceland is intricate (for an overview, see Johnson 2018). For the purposes of this article, it is important to highlight that it has been illegal to discriminate between men and women who perform the same work since 1961, as well as the significance of the reform of the Equal Pay Act 1973 and the first Gender Equality Act in 1975. The latter was the result of the largest outdoor gathering in Iceland’s history, during which women stopped their activities at work and at home to demonstrate their collective power. This so-called Women’s Day Off was repeated in 2005 and 2010, with a focus on the gendered wage gap (James 2018). By the late 1980s, the Icelandic Women’s Movement consisted of insider allies and the radical core, which together have been stated to be essential in advancing the feminist agenda (Htun and Weldon 2012).

The Networking Women’s Empowerment conferences became popular forums for discussing gender equality matters and attracted a wide participation of women from all sectors of society (Thorgeirsdóttir 2019). The conferences’ resolutions called for special gender equality measures, increased pay transparency, and female quotas in boardrooms (Thorgeirsdóttir 2019). The formal ban on pay discrimination was judged to be insufficient and special measures were called for to place pressure on companies while also giving them tools to verify that they were performing in accordance with the objectives of gender equality laws (Thorgeirsdóttir 2019).

Other vital parties in the Icelandic labor market and for the formulation of the IEPS include the Icelandic Confederation of Labor (ASÍ) and Business

Iceland (SA). The Icelandic labor movement is highly organized and centralized in confederations, with a great capacity for cooperation and coordination. The labor market in Iceland has a high level of union density, a high labor force participation rate, long working hours, and late retirement (Ólafsdóttir and Ólafsson 2014). A higher proportion of women are in paid employment (85 percent) in Iceland than in any other European country, though this figure should be understood in the context of Icelandic men having a higher employment rate (91 percent) than those in other European countries (Eurostat 2018). However, the Icelandic labor market is still highly divided in terms of gender. Though the proportion of women in male-dominated occupations is higher in Iceland than in other Nordic countries, 46 percent of men work in male-dominated sectors and 11 percent in female-dominated sectors, while 42 percent of women work in female-dominated sectors and 18 percent in male-dominated sectors (Nordic Council of Ministers 2016). Moreover, a large percentage of women are employed in part-time work. The high proportion of women working part-time and the highly gender-divided labor market indicate that there are many barriers to equal pay for the work of equal value at the company level. This labor context, which the IEPS is being implemented in, is also the background for the following empirical analysis.

## Empirical Findings

### The Icelandic Equal Pay Standard

In 2012 the development of the IEPS was finalized and the system was ready to be used by large companies as a voluntary measure during a pilot phase. The IEPS obliges employers to obtain certification to show that their decisions on wages refer to the company's predefined considerations, rather than gender. For example, the standard highlights four main criteria—expertise, responsibility, effort, and work environment—that the company is required to consider in the implementation stage (IST 85:2012). These criteria must be given content, and sub-criteria must be formulated and weighted in ways that suit each company or institution. After the implementation process, accredited certification bodies evaluate whether a company's equal-pay system meets the IEPS requirements, and documentation must be presented at least once a year. The IEPS requires certification bodies to receive accreditation from at least three different accreditation offices in Iceland or a comparable authority in the European Economic Area (IST 85:2012). If a workplace does not obtain certification by the deadline, it will receive a fine of up to ISK 50,000 (approximately €397) per day.

The first companies and institutions received the certification on a voluntary basis in 2015 at the end of the pilot phase. From then on, the IEPS became available for use by companies on a voluntary basis. The center-right



coalition government of 2017, with Thorstein Viglundsson as the Minister of Welfare, introduced amendments to the Gender Equality Act No. 10/2008 that made the voluntary IEPS mandatory. The law came into force January 1, 2018, and the deadline for companies with more than 250 employees to obtain this certification was scheduled to be end of 2019.<sup>2</sup>

## Data and Methods

The analysis in this article draws on in-depth, semi-structured interviews with key actors in government, business associations, trade unions, and HR managers in Iceland, as well as international management standards experts sampled through the snowballing method. The interviews lasted one to two hours and were conducted either at the interviewees' offices or via telephone. The main objective was to review the interviewees' experiences and attitudes toward the IEPS so far. The interviewees were asked to explain their viewpoints and thoughts about the standard, the way it came about, how the implementation process at the company level was working so far, its effectiveness, and whether they think it can contribute to closing the equal-pay gap. Qualitative interviews are well-suited to examining content, attitudes, and experiences (Kvale and Brinkmann 2009, 116), and their purpose is to understand the meaning the informants add to their daily experiences (Warren 2001, 83). This explorative approach is useful when the participants are diverse actors and the issue at hand is unexplored (Warren 2001).

The interviews were recorded, transcribed, and coded thematically in NVivo. They were partly coded deductively, guided by key themes from the interviews. These themes comprised the following: the development of the standard (important stakeholders, points of discussion, and the change from a voluntary to mandatory tool), the job evaluation tool (how value is attached to tasks), and attitudes of managers at the organizational level toward the processes of the job evaluation implementation. The interviews were also coded inductively, with an openness to unanticipated themes (Braun and Clarke 2006), such as how the IEPS is intertwined with unexpected gender bias in its evaluation and rewarding of employees in different job categories.

Because the article analyzes qualitative interviews, its intention is not to draw firm, generalizable conclusions. At the same time, this case exemplifies how newly designed job evaluation tools structure how managers evaluate jobs of equal value and gendered job categories. The study, therefore, aims to explore how job evaluation tools contribute to an evaluation and reward system that influences not only equal pay for work of equal value but also whether and how jobs are gendered (Koskinen Sandberg 2017). In the interviewees' accounts I found issues and questions closely related to the problematics discussed by Koskinen Sandberg (2017) on job evaluation systems as well as Saari et al. (2019) on comparable worth discrimination which will be useful for generalizing to theory (Gerring 2004).



The HR managers were selected based on their involvement in and completion of the IEPS implementation process. For reasons of anonymity, the article refrains from giving details about the companies other than stating that all have a separate HR department, previous experience with implementing international management standards, and an overall employee number of 150 or more. These organizations have undergone the IEPS certification process and received the certification logo. Hence, this study furthers understanding of how large employers implement the standard.

The empirical section proceeds as follows. First, it discusses the attitudes of the key actors directly involved in initiating the design and development of the IEPS. It highlights discussions on how to define value, the social partners' perspectives on the IEPS's core features and aim, and the shift from its voluntary to mandatory policy. Second, it explores the attitudes of HR managers toward the job evaluation process and its gendered nature.

### **Attitudes of the Trade Unions Association and the Employer Association toward the IEPS**

It took around ten years to advance the discussions and design of the IEPS into the structure it has today. In 2007, the Icelandic Parliament prepared the revision of the Equal Pay Act for its fiftieth anniversary. As a response to this occasion and because of the persistence of the gender wage gap, ASÍ and SA proposed creating a toolkit for companies to check whether they were discriminating or had bias in their pay systems (author interview, SA representative, February 2018). The development of the standard itself took four years, from 2008 to 2012, with over one hundred official meetings of the working group and countless unofficial meetings (author interview, ASÍ representative, February 2018). Parties involved in the IEPS's initial formulation consisted of a tripartite coalition of the ASÍ, SA, and the Ministry of Welfare. The main intention of the trade union as well as the employer association was to establish a voluntary toolkit.

The first phase of discussions explored what kind of tool the social partners should use to determine how to value work (author interview, ASÍ representative, 2018). A representative from SA explained that “we looked at the model of other international standards, like environmental standards, management standards, and quality standards, and we used that framework to develop the Equal Pay Standard” (author interview, SA representative, 2018). Icelandic Standards (IST) agreed to supervise the project and a technical committee<sup>3</sup> was established. According to ASI, IST was the best-qualified body to support the design of the standard because it could act as “a neutral zone, and they have experiences with other management systems, like ISO standards on the environment or ISO standards on security” (author interview, ASÍ representative, 2018). It was also IST's first time developing a management standard to evaluate equal pay.

While both the trade union and the employer association mentioned that the discussions were smooth overall, the trade union referred to one occasion that stalled the meetings and the process of developing the tool (author interview, with ASI representative, February 2018). The impasse resulted from discussions about how to define value within a job evaluation tool (author interview, ASI representative, February 2018). This was especially important from the trade unions' perspective because of how companies may value jobs differently depending on whether men or women are overrepresented and how individual managers' cultural bias may affect different workgroups (author interview, ASI representative, February 2018). However, the social partners could not agree on a common definition of job value, which nearly jeopardized the project altogether. The trade unions decided it was more important to continue the talks instead of insisting on a definition of value in relation to gendered jobs, and the meetings proceeded. This development in the path toward establishing the IEPS highlights a crucial moment. The standard does indeed mandate companies or institutions to make a connection between how a certain value relates to a job or task. The organizations have to explain how they arrive at a certain valuation for a job, irrespective of the person performing it. However, the standard does not mandate that organizations consider how traditional male or female jobs are valued and whether there is a difference in their valuation based, for example, on a cultural bias that may affect different workgroups.

In subsequent discussions, the trade union and employer association representatives emphasized different aspects as the core feature of the IEPS. When referring to the IEPS and its development, the trade unions highlighted gender and discrimination against minorities as the core aim (author interview, ASI representative, February 2018), while the employer association explained the standard purely as a job evaluation system. Even though these aspects are not mutually exclusive, the latter understanding is underpinned by the notion that the abstract concept of the "job" can be separated from gender, class, or ethnicity in the first place. This is important because the parties that designed the IEPS had different implicit understandings about the nature of the job evaluation system, with one highlighting its sensitivity to gender and the other party stressing its attention to the "job". To some extent, therefore, there is an inherent underlying uncertainty as to the standard's goal or at least a division between the parties that were the main facilitators of its development.

The 2016 elections put the voluntary nature of the IEPS on a different path. In the 2016 elections, in an unexpected turn of events, the new Reform Party became the third-largest party and part of the 2017 coalition government. In the run-up to the elections, the Reform Party (market-oriented and pro-European Union) pledged to make the IEPS mandatory if it became part of the new government. Reform Party member and former Minister of Welfare and Equality Viglundsson<sup>4</sup> believed the standard would contribute to

closing the equal-pay gap because the lack of guidelines within companies was a major reason for the gender differences in wages. He stated:

[T]he standard forces you to show more responsibility. . . . You need to be able to prove that you are paying in accordance with your pay system. In the end this is what the standard is really requiring. (author interview, Thorsteinn Viglundsson, February 2018)

This point of view is similar to that expressed by the employer association. It describes the problem of unequal pay as one that can be fixed by administrative rigor and leaves aside societal value systems that define wages equally. The sudden proposal to make the IEPS a mandatory policy created a dilemma for the social partners. For the employer association, the precondition for participation in designing the IPES had been that it would remain a flexible, nonburdensome, voluntary measure (author interview, SA representative, February 2018). The trade union association was in an odd position because even though it fully supported the IEPS, the newly appointed Minister of Welfare and Equality was the former director general of the employer association, sparking concerns about his motives (author interview, ASÍ representative, February 2018). For the trade union it was also not clear how the IEPS would interact or be combined with collective bargaining. During the design period, this issue had never been a point of discussion because of the standard's voluntary nature. However, at that time the support for the IEPS was so substantial that it was difficult to oppose or criticize it because a large proportion of the population, as well as the partners involved, considered it favorable for gender equality (author interview, SA representative, February 2018; author interview, Viglundsson, February 2018). After the national adoption of the IEPS, there was overwhelming support for promoting this new legislation, which now had to be tested at the organizational level in the labor market at large.

### **Management Attitudes toward the IEPS**

*Management attitudes of the job evaluation process.* The initial steps that organizations take during the implementation phase are to define their own equal-pay policy and evaluate or re-evaluate the jobs of all employees accordingly. In this process, the organizations must consider every task performed within the company or institution, regardless of the employee carrying out the job. To do so, the organization is required to have a formal system for how employees are rewarded for individual attributes, such as achievement or education. In principle, other elements may also be important, such as the market situation. Given a situation in which a business requires a software engineer but a suitable one is not available on the market, it is possible to design a system that affords this position far higher value than other positions. The standard is also flexible as to how companies and institutions

design their payroll systems as long as they establish a formalized system for their pay decisions. The main intention is to make pay—and any differences in pay for similar work—more transparent.

At the company level, HR managers found discussions on how to evaluate a task and job, irrespective of personal attributes such as education level, to be the most time-intensive and arduous task. This is in part because managers are used to evaluating the job or task in the context of the employee's personal attributes. One HR manager recalls that discussing each job category was crucial because:

what you find is that somebody reads something into the tasks or job, and a different person reads something else into it. This understanding is often connected to the person doing the job because they [the manager and the employee] work close together. I would say that you really have to put time into this part of the project because you want to make your criteria right and disconnect them from the personal attributes. (author interview, HR manager B, February 2018)

This comment points to the difficulty that managers face in assigning value to different tasks irrespective of personal criteria because of the close contact they have with the employees. It also highlights how job valuations often relate to each manager's subjective understanding of what is valuable about the job or task. Before the introduction of the IEPS, the difficulty of agreeing on how to value jobs created an ambiguous system in which job categories were defined very broadly. One HR manager reflected on the importance of narrow job criteria:

[During the IEPS implementation process they started to] look at every single job of the 250 employees because what had happened through years was that quite different jobs had the same title. For example, we had the title of "representative," which could mean a representative sitting in a service function, or which could mean a representative is going out and doing some work in collection. So, it was a very broad span. So, we had to kind of look at that and narrow that down a bit. (author interview, HR manager A, February 2018)

Being required to reflect on how their organizations, and they themselves, arrived at job categories and attached importance to tasks forced managers to be specific and transparent in their job valuations. HR managers viewed this implementation period as task-intensive but eventually beneficial for the corporate culture and their payment structure.

After deciding on preliminary definitions for job titles, the next step in the IEPS implementation process is to attach personal criteria to these positions and begin the review of jobs and wages within the organization. During this stage the company uncovered unequal pay between males and females doing the same work. An HR manager explained:

[W]hat we found here was we had a legal analyst and we had . . . what's called a statistical analyst. Their jobs were classified as having the same points, so it was of the same worth. But when we then did the job analysis, we found out that we were paying the legal analyst more than the statistical analyst, and it so happened that the statistical analyst was a woman and the legal analyst was a man. And then we raised the salary of the statistical analyst to be the same as that of the legal analyst because the classification had shown when you've gone through all the criteria, that the points were the same for these two jobs, so they were of equal value and should then have the same pay. (author interview with HR manager C, March 2018)

By rethinking the relative worth within the same job and aiming to detach personal criteria from the job, the institution uncovered unequal pay.

Differences in pay between men and differences in pay between women performing the same job of equal value were also discovered, leading to instances in which the salary of one employee had to be lowered or the inequality in pay had to be justified. Thus, unequal wages for the same work are permitted as long as they can be sufficiently explained. The difference in pay was justified, for instance, due to the employee's seniority or previous management experience. The information as to why person A had a higher salary for a job with the same number of points as that of person B is accessible to all employees. As one HR manager pointed out, in future it will be crucial to observe whether the certification bodies are able to evaluate instances of just or unjust unequal pay for the same work (author interview, HR manager A, February 2018).

After this internal process is complete, the certifying agency compares the pay structures to the requirements of the standard. Amongst other verification measures, specific questions as well as random and specific tests of employees and the accounting department are conducted relating to how the jobs are classified, how the salary analysis is performed, and its outcome. After a positive evaluation, the companies receive the Equal Pay logo.

*Management attitudes toward the IEPS's impact on gendered jobs in their workplaces.* The previous section noted that managers find it difficult to separate the person currently in a certain position from the job or tasks to be evaluated as a first step in the job evaluation process. The IEPS does indeed mandate that organizations are supposed to attach value to individual jobs or tasks. However, there is no mention of how managers should evaluate traditionally male or female jobs when implementing the IEPS. Yet this consideration is especially important given the managers' subjective bias during their job evaluations and how this may affect their evaluation of different workgroups. For instance, having gone through the certification process, a female HR manager asked:

[D]oes the job evaluation in place give us the true reflection of the worth of the jobs? It might just reflect the notions of society of certain positions. The concept of society is often that the predominantly male positions are something that is of more worth than the ones filled by women. I think this is something that people generally think about, and think that this is maybe not the direction we should be going in, still, after all these years. (author interview, HR manager A, February 2018)

The criticism is that the IEPS does not address how value is attached to male- and female-dominated jobs in its job classification system. As this HR manager pointed out, this often results in female jobs being given a lower value than jobs dominated by men. For example, the same female HR manager described clear gender segregation in her institution, with males working in outside posts and on shift work and females working in office environments in administration. In fact, 80 percent of the office workers were women, while 80 percent of the employees in outside posts were men. The male-dominated jobs provide a higher salary than the female-dominated jobs. Hence, at this institution, women are still paid less than men because most of them are office workers.

A male HR manager of another organization offered another example of how jobs in differently but gendered workgroups are valued. According to him:

[T]here is a difference in responsibility, and we try to divide that. I mean, if you are in bookkeeping with no responsibility, then it is, of course, lower than someone in taxes working as a specialist. And that's a higher risk. We sell our service to our customers usually per hour. So if I can sell a tax specialist on some amount per hour that is related to his or her, you could say, value. And the value should be explained or reflected to the salary. (author interview, HR manager B, February 2018)

In this example, males dominate the positions in the department while females dominate the bookkeeping positions. In the example above this one, the female HR manager challenged gendered jobs within the company and the lower value attached to them. Here, however, the male HR manager presents gendered jobs and their respective valuations as a given. When individuals or teams at the company level do not challenge underlying norms that are historically attached to jobs and tasks, these norms and biases cannot be uncovered by the formal rules of the IEPS.

Nevertheless, one female HR manager stresses the positive potential of the IEPS: "I think it is a good tool to have. It's not going to solve all our problems, but it's a step in the right direction" (author interview, HR manager C, 2018). The IEPS has paved the way for more open discourse not only about equal

pay for work of equal value but also on issues relating to the kinds of jobs that males and females choose when entering the job market or considering a job change. As one HR manager pointed out, “We’re actually trying to open our minds toward it, and to rethink the criteria, and ask, ‘Is it really so that it’s going to be more worth to be in an outpost than in an office environment?’” (author interview, HR manager A, February 2018). At the initiative of this HR manager, the company held focus groups with the women working at desk jobs to ascertain what would motivate them to move into the better-paid, male-dominated positions that involve shifts and outside work. The focus groups aimed to discern the boundaries preventing women from applying for the male-dominated jobs. The reasons given related to issues such as the long and inflexible shift-work hours. This organization is currently in the process of looking into revising the shift system by providing shorter, more flexible shift hours to make these positions more attractive to female staff.

## Discussion and Conclusion

The analysis of the IEPS in this study is preliminary because of its ongoing implementation. Yet, it provides a lens to study the complexity of evaluating equal pay for work of equal value. Studying this unusual but innovative gender policy instrument at the intersection of organizational approaches to equal pay and feminist institutionalism can advance our understanding of how such a tool affects equal pay for work of equal value as well as the gendered jobs at the workplace.

The Icelandic case is interesting because a novel policy, along with strong public support and a comparatively small gender pay gap, has resulted in Iceland’s classification as a “world leader” in gender policy. This “world leader” status enables an examination of the extent to which Iceland is also leading the way—or falling behind—in the application of a framework for equal-pay evaluation. This atypical case study thus allows an initial exploration of gender-sensitive policymaking; it may help to inform policy and practice nationally and internationally by highlighting the early views of key stakeholders.

Taken in light of critiques embedded in discussions on job evaluation systems in the organizational literature the findings show that the IEPS addresses several gaps in equal-pay policy (see [Castilla 2015](#); [Koskinen Sandberg 2017](#); [Rubery and Koukiadaki 2018](#)). It shifts the burden of proof from the employee to the employer and it creates a system of checks and balances with third-party enforcement institutions empowered to levy fines in the event of noncompliance. Moreover, the IEPS creates a supportive institutional system in which employees and employers, as well as outside certification bodies, have a transparent overview of how jobs and tasks are evaluated. According to [Dobbin et al. \(2015\)](#), these measures will advance gender equality because



they increase information for job-seekers and employees as well as accountability for decision-makers. The IEPS has put pressure on organizations to update their pay practices but, as [Dobbin \(2009\)](#) has argued, the HRM profession has been a more effective agent of change than courts or public officials.

While organizational perspectives draw attention to job evaluation schemes for particular groups of workers, institutional perspectives give greater weight to the policy itself, and its formulation. Hence, actors embedded in both the policy and organizational levels have also been explored in this article. The combination of these perspectives offers two important insights. First, at the level of policy deliberation the tripartite coalition was split on the core aim of the IEPS. Whilst ASI supported the IEPS as a gender discrimination tool at its core, SA and the Minister for Welfare believed that the problem of unequal pay could be fixed by administrative rigor and without the interference of societal value systems in the job evaluation process. These points raised at the policy level were mirrored by some HR managers, in the sense that the IEPS narrows job titles, forces managers to discuss job evaluation, helps them to disconnect the job from the current employee, and reduces individual gendered behavior. Insights presented by the literature on job evaluation systems on how to improve the labor systems are certainly reflected here.

Second, despite the positive aspects of the IEPS, the discussions both within the tripartite coalition and the HR managers show that the IEPS in no way mandates consideration as to how traditional male or female jobs are evaluated during the job evaluation process. As discussions within the tripartite coalition during the conception of the IEPS's conception revealed, forcing the parties to agreeing on having the IEPS consider not only equal pay for work of equal value but also on how male- and female-dominated jobs are valued differently may have undermined the whole endeavor. One HR manager pointed out that this often results in female jobs being valued lower than male jobs. This failure at the policy formulation phase to agree on how value is attached to gendered jobs thus now affects how gender norms shape the managers' job evaluation at the organizational level. One manager's example demonstrates that within the IEPS managers often attach lower value to work that is considered to be lighter, performed inside, clean, safe, physically undemanding, often monotonous, and dull. Female HR managers pointed to the fact that in this process, female jobs were remunerated at lower rates than male jobs. This exemplifies the importance of recognizing who is implementing the rules, as [Gains and Lowndes \(2015\)](#) observe, since the female and male HR managers had different perspectives on how value is attached to tasks and jobs.

Feminist institutionalism draws attention to the characteristics equated with women's work ([Bradley 1989](#)). "Men's" work is described as being performed outside, involving "moving", specialization and training ([Bradley 1989](#)); thus, it resembles the examples mentioned in this study, in which the

work of workers in outside posts, dominated by men, are given higher pay than the jobs of administrative workers, dominated by women. Gendering within organizations is thus visible in the way that wages are settled for the same work but also in how work is evaluated between different jobs. As the literature shows, definitions of qualifications and skills are ideological and social constructs (Dijkstra and Plantenga 2013). Complementing organizational literature on job evaluation systems with the literature on gender equality policy is useful because within a feminist institutional framework gendered pay gaps cannot be explained by different occupational choices but warrant investigation and explaining (Jefferson and Austen 2015).

Combining these two perspectives is useful in understanding both the usefulness of job evaluation tools and their constraints, especially when newly designed. The discussions of the tripartite coalition indicate how gendered understandings have been embedded in the IEPS from the outset (Mackay 2014). The discussions in these forums provide the best chance for new policy to demonstrate its potential for positive change to progress gender equality, according to Macdonald and Charlesworth (2018). However, this early period of implementation is also the time when adherence to old gender practices, norms, and expectations are likely to limit the possibilities for change. While this study's findings do not comprehensively evaluate the success or failure of the IEPS, they do highlight gendered notions within a novel job evaluation system, which are important for the further analysis during its implementation and possible re-evaluation.

Future research should explore how experiences with the IEPS will differ according to company and sector size, including in companies that have no HR department or previous experience with implementing management standards. Another relationship still to pass the test of time is that between the IEPS and collective bargaining, which was not taken into consideration during the development of the standard. Several interviewees expressed concerns about a potential tension between the IEPS and collective bargaining which may become an issue in the future in workplaces that negotiate collective bargaining agreements with various trade unions. Moreover, while considerable resources are being put into establishing a new profession of trained accreditation bodies, the effectiveness of these new agencies and the impact of the trade union's absence in the enforcement process must be explored in future studies. Relatedly, the ability of accreditation bodies to verify whether employers are justifying an unfair difference in pay through the value of work should also be interrogated. Finally, it will be interesting to see whether and how the IEPS is implemented in other countries, given different institutional contexts, labor markets, and gender policies. These are scenarios that have yet to be experienced and explored.

## Notes

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1. Induced through the formation of a new political party, the Reform Party, and elections in 2016.
2. A regulation issued by the Minister of Equality in November 2018.
3. The technical committee included the sponsors of the project, as well as representatives of the Center for Gender Equality, the Ministry of Finance, the Federation of State and Municipal Employees, the Association of Academics, the Icelandic Association of Women Entrepreneurs, the Association of Local Authorities in Iceland, as well as a couple of private companies.
4. Thorsteinn Viglundsson, who was the head of the employer's association and intimately familiar with the Equal Pay Standard, decided to embark on a political career as a member of the Reform Party. Viglundsson became a key driver in legislating the voluntary Equal Pay Standard and made it mandatory for all businesses of a certain size.

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