



**DISCRIMINATION ACT**

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**EQUAL WORKING CONDITIONS?**

**Nyckeltals  
Institutet**



Report from Nyckeltalsinstitutet 2022:01

# Does legislation lead to more equal working conditions?

For 20 years, Nyckeltalsinstitutet (The Institute of Human Resources Indicators Limited) has been measuring and reporting data on gender equality in more than 300 companies and organizations, both private and public. When reporting data, it also includes documenting to what extent each organization complies with the regulation regarding gender equality regulated in the Discrimination Act. Gender equality among participating organizations, measured in gender structures among employees and managers, pay structure, sick leave, tenure, etc. varies - from very equal to extensive challenges in gender inequality. The extent of compliance with the regulations also varies, from complete compliance to extensive deficiencies in the active measures.

We want to examine how the obligations according to the regulations covaries with gender equality in organizations. Do companies that fully comply with the Act also have more equal conditions for men and women? Do organizations with extensive deficiencies in compliance also have poor results in gender equality key performance indicators? In case of any covariation, which questions in the regulations have the greatest impact on the result? And on what key figures? When analyzing the results, we must consider that the documentation of compliance is based on self-assessments by the respective organizations.

## What is the Act of Discrimination?

According to the Discrimination Act, all employers are obliged to counteract discrimination and promote equal rights and opportunities. Employers are required to apply active measures by continuously examining, analyzing, and evaluating the guidelines and routines within their framework of activities. The active measurements include all seven grounds of discrimination, but we have selected the issues concerning gender equality since it is central to Nyckeltalsinstitutets' mapping on gender equality.

Nyckeltalsinstitutets' checklist includes 16 questions encompassed by the Discrimination Act Chapter 3, sections 1-13, and describes the employer obligations. Participating companies and organizations answer YES or NO on the respective question if the measures are met. We have not prioritized which question is most important and, therefore, YES gives 1 point on every question.

# Gender Equality Index

Nyckeltalsinstitutets' Gender Equality Index Jämix® provides facts on gender equality within an organization regarding working conditions, working environment, and employment conditions. The index comprises nine key areas, which have been developed after conversations with the former Equality Ombudsman, and the key performance indicators shed light on essential aspects of gender equality. Respective KPI in the index is valued and scored – the higher score, the better. For instance, a more even gender balance among board members results in higher points in the Gender Equality Index.

The key performance indicators included in the index and the analysis are Occupational Groups, Management, Equal Opportunity, Pay Differences, Differences in long-term sick leave, Differences in parent leave, Difference in employment rate, and Differences in tenure.

## Gender Equality Index





## Examination

We have examined 130 companies and organizations that have provided information on working conditions and documentation over fulfillment of the checklist in the Discrimination Act. These companies are not randomly sampled but constitute the entire population that submitted complete information. We assume that this is a positive selection from the database and in the Swedish labor market in general. These companies and organizations may have come further in their gender equality work than an average company in Sweden.

We hypothesized that employers who comply with the regulations of discrimination and equality also achieve a better result when measuring equal working conditions and equal workplaces. We base the assumption on the commitment of those who actively measure their working conditions and strive to achieve gender equality and consider it a serious issue.

We have performed correlation analyses between the separate questions in the checklist with respective KPI: s in Gender Equality Index. The correlation analyses will show how the compliance of regulations covaries with how equal the working conditions are in an organization.

# Findings

In the analyses, we found no covariation between the extent of compliance with regulations and measured equality. In other words, complying with the Discrimination Act shows no effect in achieving gender equality in management and wage structure, forms of employment, and other areas that Nyckeltalsinstitutet measures in the Gender Equality Index. However, there is a sign of a tendency in the difference in taking parental leave between women and men to be somewhat less in organizations that, to a large extent, analyze praxis and regulations regarding pay and terms of employment. Also, there is a covariation between pay analyses linked to gender and parental leave. The covariation implies that organizations that do not perform wage analyses have a greater difference in taking parental leave between men and women. It is correlations of 0.2-0.3, which indicates that on the one hand, there is a covariation between the differences in parental leave and active measurements, but, on the other hand, too weak to draw any reliable conclusions from the result. Instead, it may be a coincidence or other underlying factors that could explain these correlations. As previously mentioned, the documentation of active measures are self-estimates, which risk measurement errors that could eliminate any covariations that exist. Therefore, we should be careful in the interpretation of the relatively weak correlation in our analysis.

QUESTIONS CHECKLIST <sup>1</sup>	r
11	0,23
12	0,24
13	0,2
14	0,25

*Table 1 Correlation coefficients with the KPI Differences in taking parental leave*

<sup>1</sup> See questions in appendix

## Analysis and insights

What can we conclude from the result of no covariation between active measures according to legislation and the degree of gender-equal workplaces measured in the Gender Equality Index? It is possible that there are other factors in addition to the active measures that affect and drive gender equality in an organization. Although the active measures may have an effect, the effects are not visible due to other factors that, to a greater extent, affect gender equality. Another conclusion is that the work with active measures in many organizations primarily is to comply with the regulation rather than achieving any meaningful impact on gender equality. Perhaps the legislation is too tame, i.e., for efforts to have an effect, much sharper initiatives are needed than required by the Act. The regulations may have become hygiene factors and are no longer sufficient to meet the requirements we have for a gender-equal organization today.

### *4N Model*

Yet, why should we still follow the regulations? An obvious answer is that organizations must do it; it is the law. If that is the only answer, there is a risk that we will consider regulations simply as a necessary evil. A way to approach the question is to develop a broader perspective on why we do something. Therefore, we introduce the 4N model.

One way to reason why organizations do as they do is to combine two opposing pairs. One opposite pair has to do with ambition. Imagine people in organizations do things (or rather - argue why they do things) because they believe it is the right decision. This so-called deontological approach implies that certain things organizations do, do not need to be argued. An example could be that gender equality is something that the organization should strive to achieve. It departs from the so-called teleological approach, which builds on the idea that members of the organization do something to achieve something else. For instance, it could be considering gender equality work as a way to expand their recruitment base.

The second opposite pair in the 4N model deals with where the driving force originates. In organizations, the driving force can come from within (for example, the owners, board, or management), but it can also come from outside (such as laws and regulations). We can now connect ambition and drive and construct the following four-field model:

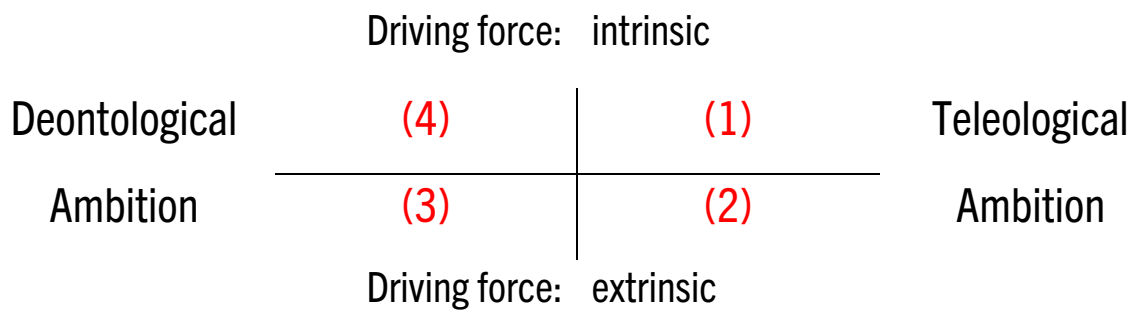


Figure: 4N Model

- (1) In this square (1) – which is called BENEFIT (*Nytta*) - the driving force to the action (or arguments) derives from the organization, and the ambition is to achieve something beyond the addressed issue. Gender equality issues, in this respect, is an issue that is important because it leads to something good (for example, profit, reputation, or lower costs).
- (2) In the second square (2) – called NEED (*Nöd*) – the driving force to action comes from other actors than the organization, for instance, pressure from regulations (such as the above example). But also from customers, subcontractors, or the media. Gender equality issues are an issue that is important because it helps the organization to avoid problems.
- (3) In quadrant (3) – NORM (*Norm*) – the driving force comes from the outside and is perceived as “right”. It could mean that gender equality issues are not an “issue” but a matter of course. It is thus a norm in society that the organization accepts without any active decision: “That’s how we do it here!”
- (4) Quadrant (4) – BELIEFS (*Nöje*) – the driving force comes from within and the ambition to do what they believe is right. Here, the organization makes decisions and acts consciously on gender equality issues based on what they perceive as good. It is not necessarily profitable, a requirement, or an endeavor to do as other organizations.

The 4N model is, of course, an ideal model – which means it is a simplification of a situation. But the model can help an organization understand which quadrant is the most important. It is, of course, unlikely that all decisions and all actions end up within one quadrant (N): We do things for many different reasons all the time.

## Conclusion

Our conclusion is that gender equality in workplaces is considerably more complex than simply complying with the regulations in the Discrimination Act. Becoming a gender-equal employer requires a stable foundation with equal working conditions, equal pay structures, heterogeneous structures, and equal career opportunities. In addition, it is about creating a culture, norms, and leadership that fosters and develops gender equality in organizations. By that, become a workplace that attracts the right skills, develops, and retains its employees regardless of gender. Ultimately, a Gender equal workplace is a part of organizational success.



More information about Nyckeltalsinstitutet

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# Appendix

## Checklist

### Section 3: Active measures within all seven grounds of discrimination

1. Work on active measures is to be conducted continuously. Measures are to be scheduled and implemented as soon as possible.

### Section 4: Employer's work on active measures

2. Within the framework of their activities, employers are to work on active measures in the manner indicated in Sections 2 and 3. Investigating risks, analyze the causes of any risks, taking preventions and promote measures, and monitoring and evaluating measures.

### Section 5: Employers' work on active measures is to encompass

3. working conditions
4. Provisions and practices regarding pay and other terms of employment
5. Recruitment and promotion
6. Education and training, and other skills development
7. Possibilities to reconcile gainful employment and parenthood

### Section 6:

8. Employers are to have guidelines and routines for their activities to prevent harassment, sexual harassment and reprisals referred to in Chapter 2, Section 18.

### Section 7:

9. Employers are to promote gender balance in different types of work, among different categories of employees and in management positions by means of education and training, skills development and other appropriate measures.
10. Employers are to follow up and evaluate the measures taken under the first paragraph.

### Section 8: Employer's work on pay surveys

11. Annually survey provisions and practices regarding pay and other terms of employment.
12. Annually analyze provisions and practices regarding pay and other terms of employment.
13. Annually survey and analyze unfair gender differences in pay in work that is to be regarded as equal or of equal value.

### Section 9 & 10:

14. Annually assess whether existing pay differences are directly or indirectly associated with gender.

### Section 11 & 12: Cooperation

15. Employers and employees are to cooperate in work on active measures in collective agreement.

### Section 3: Employers who employed 25 or more workers as of the beginning of the calendar year

16. are to document in writing in the course of the year their work on active measures under Sections 4–10.