



# The comprehensive guide to salary surveys

*And how to master doing it quickly and digitally*



# Contents

<b>01</b>	<b>What is a salary survey and why is it important?</b>	3
<b>02</b>	<b>What does the law say about salary surveys and discrimination?</b>	4
<b>03</b>	<b>Who needs to conduct a salary survey?</b>	5
<b>04</b>	<b>What are the benefits of conducting a salary survey?</b>	6
<b>05</b>	<b>What are the consequences of not conducting a salary survey?</b>	7
<b>06</b>	<b>How can a salary survey system help?</b>	12
<b>07</b>	<b>Recommendations</b>	13







# What is a salary survey and why is it important?

***A salary survey is an annual process that all companies are required to carry out. The purpose is to identify and counteract any unfair salary differences, such as gender discrimination. It is an important tool for ensuring fair and equal salaries within the organization. In addition, it is a way to review a company's salary structure and create an attractive workplace.***

By law, companies with at least 10 employees must conduct a salary survey every year. This is a legal requirement aimed at promoting equality in the workplace and preventing discrimination.

In this guide, we will go through everything you need to know about salary surveys, how to conduct them, and the steps required to ensure a fair and equal salary process.

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*"Salary surveys are an important part of the work to create an equal labor market. Salary surveys are not just a matter of legal requirements, but also a matter of fairness and creating an attractive and competitive workplace."*



**Elin Malmström**

Senior Business Developer, Heartpace



# What does the law say about salary surveys and discrimination?

In Sweden, salary surveys and anti-discrimination measures are regulated by the Discrimination Act, which aims to prevent and combat various forms of discrimination. The goal is to promote equal rights and opportunities regardless of ethnic background, gender, religious affiliation, sexual orientation, or age.



According to the law, all employers are required to conduct a salary survey every year. Companies with more than ten employees are also required to document their salary survey work. The purpose is to identify, remedy, and prevent unfair gender pay gaps. In addition, other employment conditions, such as company cars, housing or travel benefits, bonus systems, and the like, must be included in the salary survey.

As of January 1, 2017, all employers are also required to continuously map and analyze gender pay gaps. Companies with more than 10 employees must document and map pay gaps annually to ensure that they are reduced over time.





# Who needs to conduct a salary survey?

Previously, the law stipulated that salary surveys should be conducted every three years. However, as of January 1, 2017, this must be done annually. In addition, companies with at least 10 employees are required to clearly document their salary surveys.

For many companies, this may seem like a demanding and time-consuming task, but with an efficient and flexible salary survey system, the process can be simplified.

The pay survey should also be included in the company's gender equality plan, either in its entirety or in summary form, to ensure transparency and comply with legal requirements.





# What are the benefits of conducting a salary survey?

There are many reasons why companies should value both the process and the results of a well-conducted salary survey.

***One of the most important reasons is that it is a fundamental human right not to be discriminated against on the basis of gender. By proactively conducting salary surveys and analyses, it is possible to prevent unequal pay and create a workplace characterised by equality and fairness, where all individuals are given equal value.***

In addition to the moral and ethical aspects, there are also clear legal requirements and regulations that require annual salary surveys. These laws and guidelines are linked to sanctions in the form of fines for companies that do not meet the requirements for equality and fair wages.

The benefits of conducting a salary survey extend beyond maintaining legal requirements. It also provides in-depth insight into the company's salary structure and creates a stable foundation for salary setting and recruitment.

## Some of the concrete benefits include:

- 1 Promoting an equal and healthy workplace environment.
- 2 Provides a reliable basis for salary reviews and adjustments.
- 3 Reduces the risk of fines and penalties by complying with legal requirements.
- 4 Strengthens the employer brand and attracts talented employees.
- 5 Serves as a strategic tool for improving the company's overall performance and competitiveness in the labor market.



# What are the consequences of not conducting a salary survey?

The consequences of violating legal requirements are significant. The Discrimination Ombudsman (DO) has the authority to issue fines and impose measures to correct inequalities. The DO is the authority responsible for monitoring that salary surveys are carried out and that salaries are equal.

In addition to legal penalties, there is also a significant media risk for companies that do not comply with legal requirements. Organizations that do not meet the requirements risk being in the spotlight in the press and are often criticized as less equal workplaces. This can damage the company's reputation and affect its relationship with both current and potential employees and customers.

Having equal and fair wages is not just a matter of complying with legal requirements; it is also crucial for creating a healthy and harmonious work environment where individual performance and work effort are properly recognized. This creates a sense of security among employees and makes the company more attractive, which in turn contributes to positive employer branding and long-term success in the labor market.





# What are the consequences of not conducting a salary survey?

## 1 *Data collection and preparations*

The first step in salary mapping is to collect data and prepare the material. This involves compiling information on factors that directly affect employees' salaries and benefits, such as collective agreements, bonus policies, reward models, and other relevant criteria. These salary-determining factors are then analyzed from a gender equality perspective to ensure equal conditions for both women and men within the organization.

### **Cooperation procedures**

At the beginning of the salary survey process, the employer usually invites employee representatives to participate in discussions and planning. It is important that employee representatives are given the opportunity to participate in the survey, analysis, and development of any action plans. According to the Co-determination Act (MBL), the parties involved are bound by confidentiality once cooperation procedures have been established. There are no strict rules on how cooperation should be carried out, but it is common to hold a kick-off meeting where information about the upcoming salary survey is presented.

In order to create a rough timetable and understand the steps of the process, it is important to take into account the specific needs and circumstances of the company.

### **Usually, the following steps can be identified:**

- Preparation and collection of data
- Initial collaboration and planning
- Implementation of the salary survey itself, including analysis and evaluation
- Development of any action plans based on the results of the survey
- Follow-up and evaluation of measures implemented

**Cooperation usually takes place throughout the entire process, with regular meetings and discussions between the employer and employee representatives to ensure openness, transparency, and participation in the decision-making process.**





## 2 *Job evaluation*

Job evaluation is a method for assessing whether different types of work within a company are equivalent. This process assesses whether two different job roles can be considered to generate equivalent value, despite differences in tasks and responsibilities.

Accurate job evaluation is a central part of salary surveys. Although job evaluation can be complex, it can be made considerably easier with the help of a [salary survey system](#).

There are no statutory guidelines for assessing work requirements, but it is important to base your assessment on the following criteria:

- Level of knowledge and skills
- Degree of responsibility and independence
- Working conditions and working environment
- Physical and mental effort required to perform the work

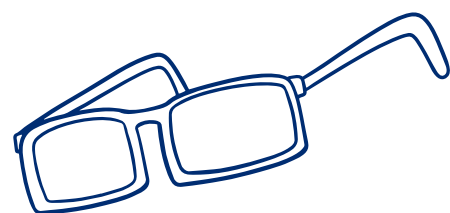
According to the Discrimination Ombudsman (DO), job evaluation focuses solely on job requirements and not on individuals' personal qualifications. This takes place during the actual salary setting process if the company applies individual salary setting.

## 3 *Female-dominated professions*

An important step in the pay survey is to identify female-dominated occupations, where at least 60% of the workforce consists of women. This is done to investigate whether there are unjustified pay differences related to gender. The pay levels for these jobs are then compared with equivalent or lower-valued jobs that are not female-dominated in order to assess any unjustified pay differences.

## 4 *Implementation of the salary survey*

Once all relevant data has been collected and evaluated, the actual salary survey is conducted. It is at this stage that an investigation is carried out to determine whether there are any unjustified salary differences between women and men performing equivalent work, both within the same group and between different groups.





## **5 Analysis of wage differences and implementation of active measures**

After completing the pay survey, the next step is to analyze any pay differences and evaluate whether they can be linked to gender. If there is a clear correlation between gender and pay differences, measures must be taken to rectify this.

Active measures aim to prevent and promote gender equality in the workplace through concrete actions aimed at eliminating injustices and promoting gender equality.

which enables all necessary information to be gathered in one place. During the analysis, relevant pieces of information are documented and shared, which then form the basis for the action plan.

An important aspect of the action plan is that wage adjustments are implemented as quickly as possible, within a timeframe of three years. The action plan should include the following points:

- Reporting and evaluation of previously implemented measures for equal pay.
- Presentation of the results and analysis from the current pay survey.
- Description of decisions regarding pay adjustments and other measures.
- Cost estimate and timetable for equalizing pay differences and implementing the planned measures.

## **6 Written action plan (for companies with more than 10 employees)**

Companies with more than 10 employees are required to draw up a written action plan. This plan should include a report on the results and analysis of the current pay survey, as well as any pay adjustments and other measures taken to achieve equal pay for work of equal value. With the help of effective system support, the documentation can be done digitally,

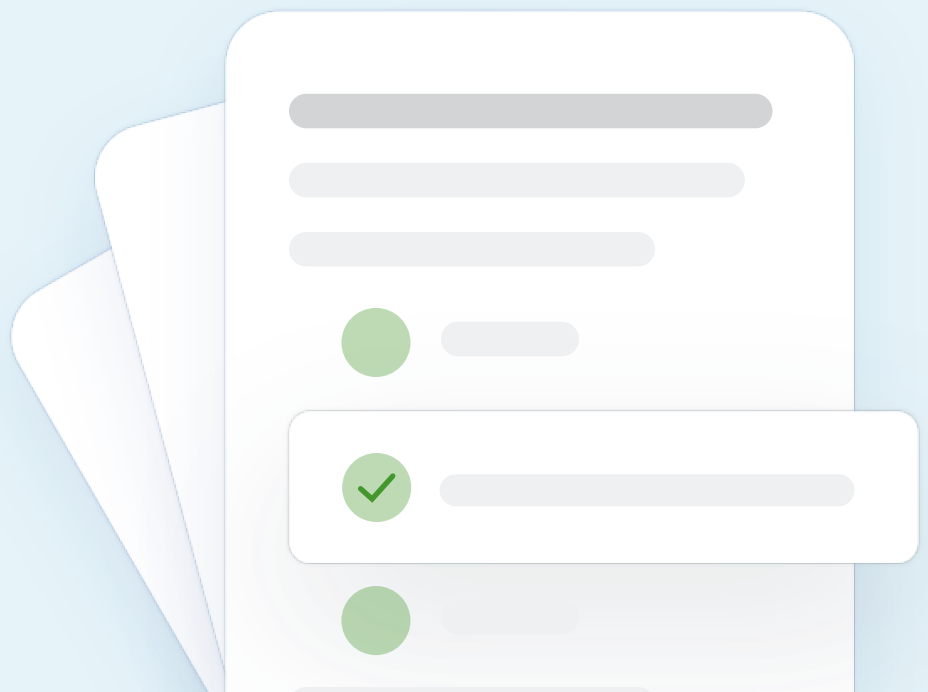




## 7 ***Reporting & Documentation***

The final step in the pay survey process is to report the results, analyses, and proposed measures either in the organization's gender equality plan or as an appendix to the action plan. It is crucial that the pay survey is documented and presented in a clear manner to clarify what measures have been taken and how cooperation has taken place. Information should be presented in a clear manner and include a description of how the conditions for cooperation have been handled.

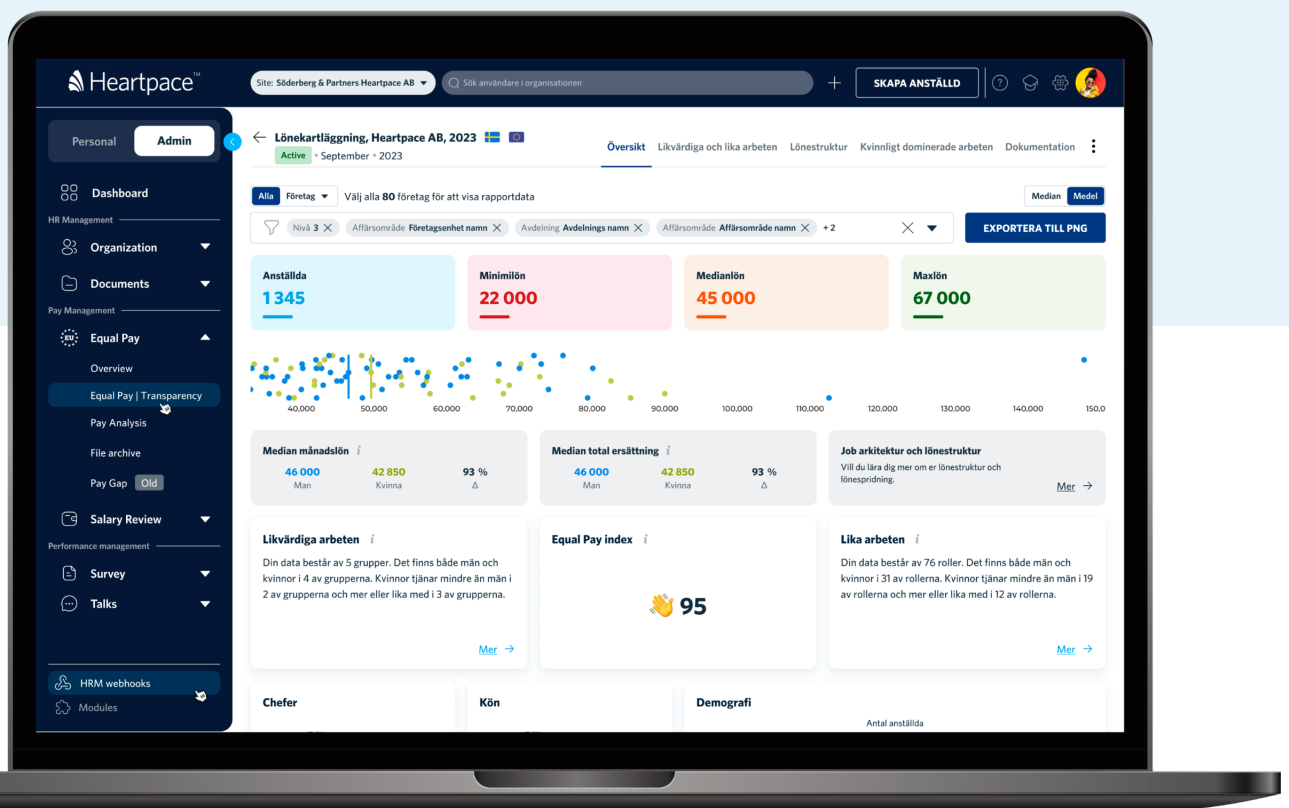
It is also important to clearly describe how salary practices and benefits have been reviewed and evaluated. In addition, the documentation should include excerpts from existing salary and agreement policies and other relevant provisions. Any recommendations or proposals for changes in, for example, salary practices should also be documented in writing to strengthen equality in the business.





# How does a salary survey system help?

*A pay survey system can significantly facilitate the pay survey process and ensure that your business complies with legal requirements. By using such a system, the process can be carried out more quickly and efficiently, while also becoming more engaging for the parties involved.*



With [Heartpace Equal Pay](#) the salary survey can be completed in half the time compared to other systems. In addition, the data collected can be used to inform salary reviews, recruitment, and promotions, providing HR and management with a better basis for fact-based decisions.

Furthermore, as the system is cloud-based, it provides easy access to information regardless of time and place, making it easier for both staff and management to handle the salary survey process efficiently.



# Recommendations

In addition to salary adjustments and benefits, there are other measures that can promote equal pay development. These may include skills development to give employees greater opportunities to influence their salary situation.

Now that we have reviewed the meaning of salary surveys and the requirements imposed on companies, it is a good time to discuss some recommendations that can facilitate the salary survey process.

## Value communication between the parties

The first and perhaps most important thing to remember is to be clear and open in your communication within the organization. Salary issues can often be sensitive and intimidating to bring up. If an employee has felt that their salary has been too low for a long time, it is important to communicate this in a constructive way.

It is also important to emphasize that the salary survey is intended to strengthen equality and attractiveness in the workplace. It is not just an administrative task but an important part of ensuring the success of the workplace both now and in the future. Seeing it as an opportunity to improve and develop the workplace is crucial to engaging both employees and management in the process.

## Create collaboration between HR and managers

During the salary survey, it is often the HR department that is responsible for driving and implementing the process. To ensure correct grouping and accurate analysis, it is extremely important that HR works closely with managers and other responsible parties.

## Don't be afraid to tackle inequalities

Identifying inequalities in pay can be challenging, but it is crucial to address them when they are discovered. This may involve, for example, certain managers setting salaries based on personal preferences or skills being incorrectly assessed. It is important that these inequalities are highlighted and discussed with the relevant managers in order to correct any inaccuracies.



In these situations, it is necessary to have a clear and well-established salary policy that can be used as a guideline for dealing with such issues.

## Difficulties in evaluating results versus experience

Balancing the assessment of an employee's competence and experience can be a tricky task. For example, how should education and historical experience be weighed against performance? Is it reasonable for a newly graduated employee with high results to receive a higher salary than a more experienced colleague who performs less well?

There are no absolute answers to these questions; it is up to each organization to make its own assessments. The important thing is that the criteria and principles for job evaluation used are consistent and applied equally to everyone in the organization.

## Take your time and do it thoroughly

The first time you conduct a salary survey can be particularly challenging. However, over time, the work becomes easier, as it is usually based on the same structure and principles. By clearly establishing job evaluations and group divisions, the salary survey work becomes more manageable. If you encounter difficulties, it may be worth considering investing in a system support that can guide you through the process.



**Heartpace Equal Pay** is a system that helps you smoothly, smartly, and securely carry out all parts of the salary survey.

***99% of Heartpace customers identify and address salary differences in their organization using their system. And at the same time, they gain more valuable insights.***

*Source: Heartpace customer survey 2024*



*"By using a digital platform, it becomes easier to review needs, make value-based decisions and create better forecasts for the future."*



**Elin**

Senior Business Developer

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*"A cloud-based and scalable program means that all important information is saved in one and the same place. And adequate information about employment, salaries, overtime, absence, skill needs, development, training is gathered in one and the same place. By using a digital platform, it becomes easier to review needs, make value-based decisions and create better forecasts for the future."*



**Elin**

Senior Business Developer



### Inspired by the possibilities?

Inspired by the possibilities of digital HR but not quite ready to book a demo with one of our experts? Then we suggest you click on 'Read More' to visit our blog, where we continuously update with knowledge, tips, guides, and other valuable information for you and your organization on the path to a digital and thriving organization!

**LÄS MER**

### Ready for digital HR?

Are you curious about how digital HR works in practice in everyday work? Book a demo with us at Heartpace and see concrete examples of how our digital HR platform can transform your organization. During a demo, we also offer valuable insights and practical tips that can help you on your journey toward a successful HR transformation.

**BOKA EN DEMO**

## Heartpace is one of Sweden's highest-rated HR systems

