

High time to assess the “value of work” under the Directive 1/13/25



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According to the Pay Transparency Directive 2023/970 (“Directive”), the concept of work of equal value covers four aspects: skill set, accountability, necessary effort and working conditions. As the Directive is to be implemented by June 2026, these aspects have become topical. This article deals with the legislature’s guidance.

Value of work

The concept of “value of work” was implemented in the Latvian legislation back in 2002, when the Labour Law came into force. In the European Union (EU) framework, this concept has been topical since the 1970’s¹ and has also been widely assessed in EU case law².

Although the concept of “value of work” is not new, employers are only analysing it now in the light of the coming into force of the Pay Transparency Directive. Judging the value of the work, employers have come to the realization that they do not really know how to calculate it. This can be understood because job value estimates have not been at the top of employers' priority list before. It is true that the EU legislature has assessed this issue fairly broadly³, allowing an insight into the future and a sufficiently reliable forecast of what aspects will need to be considered.

1. Skill set

A skill comprises the knowledge, abilities and attitudes required to do the job. The three most important skills concern learning:

- cognitive skills (knowing how to learn);
- psychomotor skills (know-how); and
- behavioural skills (knowing how to behave).

The International Labour Organisation⁴ states that these skills can be assessed through an analysis:

- an academic or vocational education, certified by a diploma;
- experience in the labour market;
- acquired non-formal education;
- voluntary work.

1. Accountability

There is formal and informal accountability, and both types need to be assessed, as responsibility is often not always assumed by the formally accountable person. Actual accountability requires knowledge of the way a task is carried out and often involves physical effort or activity. There can be different types of accountability for:

- for people, such as health and safety, coordination, supervision, cooperation and work

organisation;

- for goods and equipment - equipment, items used in different stages of the work process;
- for information;
- financial resources.

1. Effort

Effort is the reaction of an employee to the workload assigned to them. The term “workload” means all effects to which people are exposed at the workplace. In addition to physical strain, mental and emotional strain must also be assessed.

4. Working conditions

This criterion includes all characteristics of the work process (e.g. the task to be performed, the means required to perform the work, the work results, etc.) as well as the effects on the environment of the person performing the task. In addition, the discomfort caused by the work, the physical, psychological and social environment and the risk of injury and illness caused by the tasks or the working environment, as well as the duration of the effects of these factors, should be taken into account, provided that workers comply with existing occupational health and safety regulations.

¹ <https://eur-lex.europa.eu/eli/dir/1975/117/oj/eng>

² For example: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:61993CJ0400>; see also <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:61985CJ0237>

³ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2013:0512:FIN:EN:PDF>

⁴ https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_122372.pdf