

Pay Equity

Background and Theory

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Background and Theory

GENDER, WORK AND PAY

Gender, Work and Pay

- Brief Historical Overview

“A woman’s place is in the home...The weaker but more virtuous sex...Subservient to men...Working for pin money...Biding her time until she finds her true calling of marriage and child rearing.” Toronto Star, 1894

- In the early 1900s, women’s rights were severely restricted
- Paid work limited to jobs seen as extension of women’s work in the home: domestic servants, caregiving, teaching, etc.
- Roots for occupational segregation laid
- Women’s pay rates approx. half of men’s pay rates
- Gradual evolution over time, but the effects of history lingers in today’s society
- Women now comprise approx. 49% of the workforce; earn 78% of men’s pay
- Gender pay discrimination continues: How do we address it?

Explaining Gender Pay Discrimination: Focus on the Gap

- Some of the Reasons for the Gap
 - **Occupational Segregation:** women have made strides in education and labour market experience yet they dominate low paid occupations
 - **Gender Role Theory and History:** women's role socially constructed; this influences occupational "choices"; the confluence with history; time in employment

Explaining Gender Pay Discrimination: Focus on the Gap

- **The role of “choice”:** women can fashion their own identity (and they do) but the research suggests that they can be negative organizational consequences
- **Discrimination:** overt and systemic

Addressing Gender Pay Discrimination at the Organizational Level

- Diversity Management

- This is a broad approach targeted at all diverse groups – differences by age, gender, sexual orientation, national origin, race, etc; the focus is on inclusivity and all aspects of discrimination

- Employment Equity (EE)

- Focus on race, gender, persons with disabilities, and Aboriginals; seeks to address occupational segregation

Addressing Gender Pay Discrimination at the Organizational Level

– Pay Equity

- Pay equity applies specifically to women and their pay in organizations
- It recognizes that women's pay has historically been lower and that part of the gender pay gap is discriminatory
- The legislation is aimed at ensuring 'equal pay for work of equal value'

Addressing Gender Pay Discrimination at the Societal Level

- While pay equity legislation is necessary, it is not be sufficient to fully address gender pay discrimination, nor close the pay gap significantly
- There are societal issues that should be addressed as well, such as:
 - Childcare and eldercare
 - Use of parental leave
 - Women in politics

Ontario Pay Equity: The Ongoing Challenges

Carolyn Kay
January 29, 2015

Achievement of Pay Equity

- Required in the early 1990s, or
- Date began operating in Ontario if after that

Steps to Achieve Pay Equity

- Identify all job classes and their gender dominance in each establishment
- Gather job data
- Evaluate all job classes using a gender neutral comparison system

Steps to Achieve Pay Equity

- Compare the job rates of the female job classes with male job classes of equal or comparable value (or through the application of the proportional value or proxy methods where required)
- Develop and post pay equity plans
- Make required pay equity adjustments to current and former employees in eligible job classes

Range of Employer Compliance

- Never achieved pay equity
- Believes pay equity was achieved but have no evidence to confirm
- Has documentary evidence to confirm pay equity achieved but failure to maintain subsequently
- Has evidence to confirm pay equity achieved and maintained to date

The Financial Consequences

- Retroactive entitlements to effective date of plan
- 1% limit on pay equity expenditures do not apply
- No time limits under the Act
- Potential for interest
- Past and present employees eligible

The Obligation to Maintain Pay Equity

- Is the Employer's obligation
- Requires a process but not a joint one with the Union
- Retroactive entitlements to date pay equity was to have been achieved and ongoing thereafter

Maintenance of Pay Equity: The Simple Requirements

- Ongoing comparison of female job class rates to male comparator rates
- Evaluation of new job classes and setting of pay equity compliant job rates
- Evaluation of significantly changed job classes
- Monitoring of ongoing existence of male comparators

Triggers of More Complicated Maintenance Considerations

- Amalgamations, mergers, sale of a business, new locations
- Unionization and decertification
- Hiring of new employees
- Collective bargaining
- Introduction of new compensation structure

Incentives to Confront State of Compliance

- Retroactive financial liability
- Involvement of the Pay Equity Commission
 - Gender Wage Gap Program
 - Audits
 - Complaints
- Platform for unionization
- Agenda for collective bargaining