

# Pay Equity Review

**Submission to the Pay Equity Task Force  
by the Canadian Bankers Association (CBA)**

November 2002



**CANADIAN BANKERS ASSOCIATION**

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*Building a Better Understanding*

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# CBA SUBMISSION TO THE FEDERAL PAY EQUITY TASK FORCE

## EXECUTIVE SUMMARY

Canada's largest banks have been working with the principles of pay equity since the *Canadian Human Rights Act (CHRC)* was passed in 1977, 25 years ago. In 1986, when the *Equal Wages Guidelines, 1986*, were published, the banks refined their job evaluation and compensation systems against the new guidelines to ensure they were compliant. The banks achieved the goal of equal pay for work of equal value at that time, and they are committed to maintaining equitable, gender neutral pay practices on an ongoing basis.

The banks and their employees do not have issues with the current regulatory system governing equal pay for work of equal value and do not have specific, first-hand problems to address. However, our participation with other major stakeholders in the consultation process administered by the Pay Equity Task Force, has made it clear to us that some improvements in the system would be useful. In this paper, the Canadian Bankers Association (CBA) offers some recommendations for the consideration of the Task Force. In doing so, we urge the Task Force to consider adopting some fundamental principles that have guided our thinking in this matter:

- A new pay equity regime will need to be flexible enough to take into account the wide range in the size of workforces within the federal jurisdiction, the variety in the type of businesses represented, significant differences in corporate structures and in workforce composition, the degree to which pay equity has already been achieved, and varying degrees of unionization.
- A new regime should make use of existing structures and precedents where possible. We do not believe that a separate pay equity commission or a separate act are necessary.
- The focus of a new federal pay equity regime should be, not on closing the wage gap, which, studies have shown, is caused by a number of well identified legitimate factors; the part of the gap not identified may or may not include bias or discrimination. The objective should be to eliminate systemic discriminatory practices in pay systems.
- Separate the *human right* (i.e., the right to freedom from gender discrimination in pay) from the practical *process* which employers implement in order to achieve gender neutrality in compensation systems. Several precedents for this approach already exist.
- The establishment of a new regulatory regime for pay equity should not mean that all employers under federal jurisdiction must develop new pay equity plans. Many federally regulated employers have been working on pay equity for 25 years and have well established, gender neutral systems in place that are the result of previously developed plans as well as much effort.

## **A New Regulatory Model**

Pay equity should continue to be governed by two statutes. The first is the *Canadian Human Rights Act (CHRA)* which protects the right to freedom from gender discrimination in pay. We recommend, however, that the legislative and regulatory requirements for implementing equal pay for work of equal value that currently reside in the CHRA and the *Equal Wages Guidelines, 1986*, be moved to the *Canada Labour Code, Part III*. Part III already empowers the Labour Program to conduct inspections and audits with respect to pay equity.

The duty to implement pay equity on the part of the employer should be incorporated in Part III of the Code. Such a requirement should be broad but clear: it is the employer's duty to establish: (1) a gender neutral compensation system, and (2) the mechanisms for maintaining the system on a going forward basis.

## **Oversight Agency**

The CBA recommends that the existing Pay Equity Unit at the Labour Program should have full responsibility and accountability for the legal requirements of and for overseeing the implementation of pay equity in the federally regulated jurisdiction. The Pay Equity Unit's mandate should continue to include monitoring compliance through inspections and audits as it does now; it should also provide substantive education and assistance. In the performance of their current role, Labour Program officers have built up well over ten years of expertise and experience related to compensation issues in the private sector. It would be both cost effective and reasonable to build on the existing structure and knowledge base that is available at the Labour Program.

## **Implementation**

In setting out the regulatory requirements for implementation, the Code should support flexibility by establishing the essential, regulatory framework that needs to be in place for achieving equal pay for work of equal value, but it should not be prescriptive or dictate the methodologies that an employer should use to achieve the objectives of pay equity. Guidelines and best practices could be developed to assist employers regarding development of a plan; selection of a job evaluation system and its application; identification of male-dominated and female-dominated job classes; application of an appropriate comparison methodology; wage adjustment where necessary; participation of employees in the process; and maintenance.

## **Job Evaluation**

Job evaluation provides the foundation for building equitable compensation systems. Criticism of job evaluation usually consists of the accusation that it allows too much subjectivity. There is no bias in the data collection tool itself. Subjectivity can, however, creep into the *application* of the job evaluation process, and this is where controls are necessary. For example, a job evaluation process should be applied by personnel who are well trained for the purpose. The program must be screened regularly to

ensure the consistent use of standardized vocabularies of gender neutral language and meanings. Then the process must be applied consistently and universally throughout the establishment.

## **Role of Employees**

There are a variety of effective and legitimate ways for employees to express their views, and to access information with respect to compensation systems and pay equity. However, there is no one-size-fits-all approach to obtaining employee input and participation. Also, the view that non-union employees do not have a voice within their organizations is untrue. The essential point is that participation must exist in all types of environments, although the nature of that participation may differ.

## **Maintenance**

The CBA recommends that maintenance of pay equity under a new regulatory regime should be managed through a self audit process conducted on a regular basis by the employer. Criteria for self audits should be transparent, consistent and developed in consultation with employers. Employers should document the process and results of the internal review noting what changes have taken place in jobs and job content during the period covered, what kind of reviews were conducted, the degree of employee input, and confirming that all processes relating to job evaluation and compensation are gender neutral.

## **Conclusion**

Moving the pay equity implementation process to labour standards legislation does not diminish the fact that freedom from discrimination in pay is a human right in Canada. In fact, in our view, moving the pay equity *process* to labour standards legislation will have a long-term positive effect. By situating the pay equity process within the *Canada Labour Code, Part III*, it becomes a more concrete requirement that can be seen not only as a human right, but also as an employment standard that can be measured in practical terms. We are convinced that this approach will help all employers to ensure that gender neutrality is embedded in their compensation systems.

## **CBA SUBMISSION TO THE PAY EQUITY TASK FORCE ON THE REVIEW OF PAY EQUITY IN THE FEDERALLY REGULATED JURISDICTION**

### **Introduction**

The Canadian Bankers Association (CBA) is pleased to submit to the Pay Equity Task Force comments on the federal government's review of pay equity. Our comments are based on the experience of the large domestic banks that have been working with the principles of pay equity since the *Canadian Human Rights Act (CHRC)* was passed in 1977, 25 years ago. The banks are confident they achieved the goal of equal pay for work of equal value during this time, and they are committed to maintaining equitable, gender neutral pay practices on an ongoing basis. They are also committed to ensuring equal opportunities for women who constitute just over 71% of the industry's workforce. Over 50% of middle management and of professional positions are occupied by women, and over 25% of senior executive jobs are held by women. The advancement of women in the banking industry has been steady since 1987, the first year the banks reported on workforce composition under the *Employment Equity Act*. It is our view that pay equity cannot be achieved in isolation, but must be accompanied by equal opportunity and fair and equitable total compensation systems.

Because the banks do not have issues with the current regulatory system governing equal pay for work of equal value and are confident that their systems are gender neutral, we do not have specific, first-hand problems to address in the context of this legislative review. However, our participation with other major stakeholders in the consultation process

administered by the Pay Equity Task Force, has suggested to us that some improvements in the system are called for. Thus, over recent months we have been giving much thought to the kind of changes in the federal regulatory regime for pay equity we believe would be appropriate and effective. We are convinced that if changes are to be workable and if the ultimate objectives are to be achievable, a new pay equity regime will need to be flexible enough to take into account the wide range in the size of workforces within the federal jurisdiction, the variety in the type of businesses represented, significant differences in corporate structures and in workforce composition, the degree to which pay equity has already been achieved, and varying degrees of unionization. We think changes should also be made with the future in mind - how can we build a new regulatory regime that will be workable for the next five to ten years?

Furthermore, in our view, there are no clear, successful models. The Ontario experience with what is called "proactive" pay equity legislation is the only Canadian experience that has been in place for a substantial length of time - long enough to allow for realistic assessments. While we have not undertaken an exhaustive review of the Ontario system, we have found in the literature that the Ontario model has not been entirely successful. Wage adjustments have not been as large as anticipated by some groups, the wage gap has not altered significantly, smaller employers have found it difficult to comply, and the government has scaled back on resources for the Pay Equity Commission. These facts suggest to us that any

new federal model should have very clearly stated and well understood goals, should be flexible enough to apply effectively in differing corporate circumstances, and should be cost effective to implement for both government on the one hand, and the organizations being regulated on the other.

We have developed some recommendations for the consideration of the Pay Equity Task Force that we believe could work well in the federal jurisdiction if implemented. Collectively they add up to what essentially could be called an audit model. They make use of several well established precedents in federal employment law, and they combine some features of both the complaint based approach and the proactive approach (as those terms have been used in the recent consultations).

## Basic Principles

- The banking industry supports the principle put forward by the Hay Group Limited in their June 2002 submission to the Task Force that “equal pay for work of equal value should be a cornerstone of employment practices in our society. It is not optional.”
- Although the banks have no direct issues with the present system, the CBA is open to reasonable change in the regulation of pay equity at the federal level. Our participation in the consultation process has made it clear that some improvements would be useful .
- A new regulatory regime should build in flexibility. This is a case where one size does not fit everyone.

- A new regulatory approach should be cost effective to the extent possible, making use of existing structures and precedents.

## Objectives

- The objectives of a new federal regulatory regime should be to: (1) eliminate systemic gender discrimination in pay practices, and (2) ensure that equal pay for work of equal value becomes embedded in the employment practices of federally regulated industries.
- The elimination of gender bias in pay practices is not the same thing as closing the so-called “wage gap”. While the *Canadian Human Rights Act (CHRA)* currently prohibits gender discrimination in pay, it also specifically recognizes that there are reasonable factors other than discriminatory factors that may cause differences in pay between men and women. These factors are listed in Section 16 of the *Equal Wages Guidelines 1986*.
- The “wage gap” has been the subject of much analysis and comment, academic and otherwise. Study after study has demonstrated that the gap is attributable to a number of identifiable and quantifiable factors that do not arise from discriminatory practices. One of the most recent studies<sup>1</sup> by Statistics Canada uses new data collected in the *Workplace and Employee Survey (WES)* for 1999. It reports that women were paid an average of 80 cents for every dollar earned

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<sup>1</sup> The “Who, What, When, and Where” of Gender Pay Differentials, published in June 2002 in Statistics Canada’s Evolving Workplace Series.

by men, a higher figure than has been seen before. Analysis of the 20 cent gap identifies and quantifies factors that represent up to 61% of the wage gap - again, a higher proportion than studies were previously able to determine. The study notes that 38.8% of the male-female wage gap could not be identified - but without being able to determine precisely the components of the 38.8% portion of the gap, it cannot be said that it is necessarily attributable to discriminatory factors either in whole or in part.

- The identified factors described by Statistics Canada generally fall within the orbit of the “reasonable factors” enumerated in the *Equal Wages Guidelines* and may be considered acceptable. Thus, when talking in terms of a wage gap, the specific objective of pay equity should be to eliminate that portion of the wage gap that may be attributable to discrimination. The focus of a new federal pay equity regime should not be on closing the gap, but on eliminating systemic discriminatory practices in pay systems.

## Legislation and Regulation

- The approach we recommend is a variation of the existing legislative approach to pay equity in that pay equity should continue to have two legislative components: a prohibition against discrimination in pay in the *Canadian Human Rights Act*; and a requirement to implement equal pay for work of equal value which, we recommend, should be moved to the *Canada Labour Code, Part III*.

- This approach differentiates clearly between the *objectives* of pay equity, i.e., freedom from gender-based discrimination in pay as a protected human right (CHRA, Section 11 (1)), and the *process* required to achieve it, i.e., the implementation of equal pay for work of equal value. The CBA recommends that new legislative requirements for implementation of pay equity build on already existing provisions in the *Canada Labour Code, Part III, Division III (Equal Wages)*.
- Such dual treatment has at least two precedents in federal human rights law. The CHRA prohibits discrimination in employment (Sections 7 through 10), and the *Employment Equity Act* gives effect to this by establishing the processes for eliminating discrimination in the workplace. The CHRA also prohibits sexual harassment in employment (Section 14). In this case, the *Canada Labour Code, Part III*, sets out the legal requirements that an employer must follow in order “to ensure that no employee is subjected to sexual harassment” (Sections 247.1 - 247.4). In both of these cases, the implementation requirements have been seen to be separate from the statements of the principle. The CHRA, rightly in our view, has generally not been considered by our legislators as the appropriate vehicle for implementation and process. Thus, Subsections 11 (2) through (7) and the *Equal Wages Guidelines, 1986* should be removed from the CHRA.
- The employer’s duty to implement pay equity should be incorporated under Division III. Such a requirement could be broad yet proactive in nature to the effect that it is the employer’s duty to establish: (1) a gender



neutral compensation system, and (2) the mechanisms for maintaining the system on a going forward basis. This could be followed by broad parameters for implementation (see below), making use where appropriate of existing provisions in the *Equal Wages Guidelines*. This approach is similar to the approach taken in Section 247.3 of Part III for sexual harassment.

- Moving pay equity (the process) to labour standards legislation does not diminish the fact that freedom from discrimination in pay is a human right in Canada. In fact, in our view, moving the pay equity *process* to labour standards legislation will have a long-term positive effect. By becoming part of the labour standards framework it establishes a standard for human resources practices which are essential to the elimination of systemic gender discrimination in pay practices.
- The banking industry does not support the development of a separate act for pay equity. Given the approach outlined above, we believe it is neither necessary nor appropriate.

## **Oversight Agency**

The CBA recommends that the existing Pay Equity Unit at the Labour Program should have full responsibility and accountability for the legal requirements of and for overseeing the implementation of pay equity in the federally regulated jurisdiction.

- The Pay Equity Unit currently has the authority to inspect and audit employers' compensation policies and practices for pay equity purposes. In the performance of that role, Labour Program officers have built up well over ten years of expertise and experience related to compensation issues in the private sector. It would be both cost effective and reasonable to build on the existing structure and knowledge base that is available at the Labour Program.
- As noted, Part III of the Code already provides the Labour Program with several tools for monitoring compliance with the standard of equal pay for work of equal value. Any alterations or clarifications in those powers should be developed through a formal consultation process. For example, criteria for inspections and audits should be transparent - developed in consultation with and well understood by stakeholders. Audits should only be conducted when an employer has introduced pay equity for the first time, when a routine inspection discloses that bias exists in an employer's compensation system or when an employer fails to conduct a self audit in a timely way. Employer self audits, conducted according to agreed upon criteria, could act as the maintenance tool for employers who have achieved pay equity. Self audits could provide a framework for assessing their compensation policies and procedures on an ongoing basis for purposes of pay equity.
- The CBA does not support establishment of a separate agency to oversee pay equity. Such a development would require new

infrastructure, staffing, and time to work through an initial learning curve.

- We also oppose leaving oversight of the pay equity implementation process with the Canadian Human Rights Commission (CHRC). Compensation is not an area in which the CHRC has - or should need to acquire - expertise. On the other hand, the Labour Program's mandate is devoted to maintaining appropriate standards across the entire range of employee relations including employment equity. Oversight of pay equity fits well within their existing mandate. Also, whatever agency is established must be neutral and should be seen by all parties to be impartial, objective, and fair. We are concerned by the adversarial and confrontational context that exists around much of the CHRC's work. Furthermore, the LaForest report on the review of the *Canadian Human Rights Act* (June 2001) further concerns us by painting a future role for the CHRC as that of an advocate and participant in complaints, clearly not an impartial or neutral role.
- We should note that employees in the federally regulated jurisdiction would continue to have the right to launch complaints with the CHRC with respect to perceived discrimination in pay should the need arise.

### **Education and Assistance**

- The CBA supports the widely held view expressed by stakeholders during the consultations that education should be a major responsibility of the oversight agency. The Labour Program should be proactive in

disseminating educational information through its website, through seminars, and manuals. For example, a useful manual called *Guide to Pay Equity and Job Evaluation: A Summary of Experience and Lessons Learned*, is currently posted on the Canadian Human Rights Commission's website. At present the Labour Program website carries only a brief description of the Pay Equity Unit mandate.

- Seminars could be targetted to particular groups with similar characteristics, e.g., bring employers in the same industry together, or in a similar size range, or within a geographical region.

### **Implementation Requirements**

- In setting out the regulatory requirements for implementation, the Code should support flexibility by establishing the essential, regulatory framework that needs to be in place for achieving equal pay for work of equal value.
- The Code and its regulations should not be prescriptive or dictate the methodologies that an employer should use to achieve the objectives of pay equity.
- Guidelines and best practices could be developed to assist employers with implementation and maintenance of gender free compensation systems. Information that is made available could provide an overview of the objectives and the scope of pay equity. It could make very clear that in implementing pay equity one size does not fit all. In describing the different ways in which pay

equity may be implemented, achieved and maintained and outlining various proactive steps such as developing plans, conducting job evaluation, and comparing male and female job-classes, it should encourage employers to find the solution most appropriate in their circumstances. In providing best practices, it could assist employers in making decisions about what methodologies work or don't work in specific types of organizations or under differing conditions.

## Plans

- Plans are essential tools for enabling employers to implement equal pay for work of equal value successfully. Plans are necessary when pay equity is being introduced in an establishment. They should be accompanied by appropriate communication strategies that will ensure that all employees understand the concept, are informed about the process and are able to obtain timely answers to questions.
- Beyond establishing the broad requirements for plans, we believe the law should not prescribe their specific content. Plans will differ substantially depending on the size of the workforce, the structure of the business, and the presence of jobs that are predominantly male or predominantly female. Guidelines and best practices would be more effective in assisting employers with respect to plans.
- The establishment of a new regulatory regime for pay equity should not mean that all employers under federal jurisdiction must

develop new pay equity plans. Many federally regulated employers have been committed to pay equity for 25 years and have well established, gender neutral systems in place that are the result of previously developed plans as well as much effort.

- Depending on the nature of the organization, plans can be substantial and complex documents involving many people and divisions. They may be subject to modifications or change as they are implemented. Often they are likely to contain competitive information (such as the development of new business divisions or changes to existing ones).
- The CBA does not support the posting of pay equity plans or the submission of plans to the oversight agency. However, they should be made available to pay equity inspectors or auditors from the pay equity oversight agency, but they should not be removed from the employer's premises.
- Some years ago, in the case of employment equity, the CBA successfully made the case that employment equity plans should not be posted or submitted because they also contain strategic business information. Federal legislators ultimately agreed that the *Employment Equity Act* should not require the posting or submission of employment equity plans.

## Job Evaluation

- Job evaluation provides the foundation for building equitable compensation systems.

The *Hay Guide Chart-Profile Method* of universal job evaluation is used by many banks, while others use very similar factor comparison or factor rating systems. The Hay Method is used by corporations worldwide to assess the relative value of all types of positions within their organizations, from executives to customer service representatives. All of the factors and sub-factors in the template are gender-neutral, and they are consistent with the elements of job value currently provided in the *Canadian Human Rights Act* and the *Equal Wages Guidelines*.

Criticism of job evaluation often consists of the accusation that it allows too much subjectivity even where there is no bias in the data collection tool itself. Subjectivity can, however, creep into the *application* of the job evaluation process, and this is where controls are necessary. For example, the program must be screened regularly to ensure the consistent use of standardized vocabularies of gender neutral language and meanings. Then the process must be applied consistently and universally throughout the entire establishment.

## Role of Employees

- The CBA does not support a prescriptive - or a one-size-fits-all - approach to the employees' role in pay equity. For example, there was discussion about the need to have pay equity committees during the consultations. Use of committees is only one method - and possibly not even the best one in all cases - for obtaining employee input. The banks would not support a legal requirement to establish pay equity committees. An employer may wish to establish a pay equity committee if such a committee is appropriate to their circumstances and objectives. But the law should not specifically require it.
- The CBA is confident that there are a variety of effective and legitimate ways for employees to access information and to express their views with respect to compensation systems and pay equity, and a number of them are set out below. The view that non-union employees do not have a voice within their organizations is untrue. In fact, employee involvement in some non-union establishments may surpass unionized organizations where, for example, only a few spokespersons are involved in the process, while the tools used by many banks, for example, seek *individual* input and responses across the entire organization.
- Employees are key players in the pay equity process, especially at the front end. Their participation is essential in the job evaluation process. Employees need and have a right to access information about the job evaluation and compensation systems that affect them. Employers must ensure that job evaluation and compensation policies and practices are transparent and accessible.
- Employees have a key role in the job evaluation process. They provide input in the data collection phase, review drafts of job analyses and job descriptions as they are being developed and later when they are being reviewed. There may be routine internal reviews of jobs every few years; or some jobs change due to changes in the business.

Affected employees need to be consulted for input when the nature of their jobs change.

- Regular, anonymous employee surveys are an effective way of acquiring employee views on a range of human resources issues. Some banks, for example, survey employees twice a year. Surveys include questions about compensation, the degree of employee satisfaction regarding fairness and comprehensiveness in their total compensation package, and the degree to which the employee believes his or her compensation is appropriate to effort and performance.
- Focus groups provide another effective approach for obtaining employee input. Some banks conduct focus groups on a regular basis. They may be system-wide or they may be conducted in selected areas of the organization as issues or businesses shift and change or the employer wishes to launch a new initiative and is seeking employee input as part of the process.
- Internal web-based services such as Intranets may be used with a view to ensuring human resource policies and practices are transparent. Intranets are a viable method of providing employees with information about organizational structure, structures of whole job families, job descriptions within each group; electronic posting of job openings including the job's position in the organization and its salary range.
- Employees have numerous avenues for acquiring information, asking questions, and

submitting complaints. Employers need to establish environments in which employees know that their concerns or questions will be taken seriously, and addressed appropriately and in a timely way. For example, all of the large banks have well established, confidential, internal inquiry services and complaint processes. Some banks have senior executive ombudspersons. Such highly structured systems may not be necessary in smaller companies, but processes must be available to handle queries and complaints internally.

- The essential point is that participation must exist in all types of environments, although the nature of that participation may differ.

### **Coverage**

- The legal requirements for pay equity should apply to all part-time and full-time positions in the establishment.
- Positions that are seasonal, casual or temporary should be treated equitably, but because of their short-term nature and fluctuating duties, should be excluded from formal job evaluations or enumerations that determine gender predominance.

### **Maintenance**

- The CBA suggests that an effective means of ensuring maintenance of gender neutrality in compensation systems would be through a self-audit process conducted on a regular basis by the employer.

- Using established, agreed upon criteria, employers should conduct an internal review, noting where changes have taken place in jobs or in the compensation system in the period covered, and assessing them to ensure that gender biased language, actions and decisions have not crept back into the system.
- The self audit should note what changes have taken place, what kind of review was conducted, and should confirm that all processes relating to job evaluation and compensation are gender neutral. The self audit should be documented so that the results could be made available to the regulator if needed.
- If and when a new regulatory regime for pay equity is introduced, employers that have already achieved equal pay for work of equal value should not be required to develop new plans. A reasonable approach would be to require those employers to conduct a self audit the results of which could be made available to the regulator if necessary. This would allow the regulator to focus resources and attention where it is needed most in the start-up of the new regime.

## Definitions

### Establishment

- It is important to the major banks that have numerous business lines, some very different from others, that the definition of establishment be flexible enough to allow for more than one establishment within one “umbrella” organization. This could mean

that, where it makes sense, a bargaining unit could be an establishment. Or, it could mean that a particular business unit such as a treasury operation that functions very differently from other parts of the organization, may need to be dealt with as a separate establishment. The current definition in section 10 of the *Equal Wages Guidelines, 1986*, is therefore not inappropriate for the banking industry.

### Compensation

- While the current definition of compensation does not appear to have resulted in a significant number of disputes, clarity is always helpful, particularly when there may be significant differences in employment relationships and types of compensation or remuneration that are attached to various jobs.
- When conducting compensation analysis, some discussion of the basis on which the compensation comparison is made could be helpful. For example, when looking at job classes, what should be the benchmark? Highest potential salary? The employer should have the flexibility to consider potential methods and to choose the most appropriate method for the establishment.

There is a need to find a way to establish market competitive rates where the marketplace within Canada or globally requires companies to pay differently than would be indicated by the internal job evaluation process. Currently this is permitted under the *Equal Wages Guidelines, 1986* reasonable factors (labour shortage).

Organizations must be able to balance internal equity and the external competition in order to attract and retain the appropriate skilled workforce. A recent example of this challenge would be recruitment of Information Technology resources at the time of Y2K readiness.

- Additionally, all differences in compensation between jobs of equal value based on an internal comparison should not be considered to be due to gender discrimination. An allowance for the fact that a significant part of the difference may be due to non-discriminatory factors needs to be included as a fundamental element in the legislative framework. Also, compensation must allow for increasing usage of commissioned and highly incentive pay where the major portion of compensation is based on performance or risk.
- Benefits should be included in the analysis of compensation differences only to the extent that they confer an advantage to one gender dominant employee group over another. Where access to benefits is gender neutral, it is not necessary to account for differences in actual benefits received. Similarly, where benefits are directly pay related, separate benefits valuing does not need to be addressed.

## Concluding Comments

In conclusion, we would like to note the obvious, that pay equity is not new. Many employers started working on pay equity after the *Canadian Human Rights Act* was passed in 1977. The publication of the *Equal Wages*

*Guidelines, 1986* added clarity to the concept, and at that time the major banks implemented major reviews of their compensation systems to ensure they were compliant with the guidelines. These reviews led to wage adjustments in some cases. We believe that bank systems are currently gender neutral and equitable. We urge the Task Force not to recommend that employers who have achieved pay equity be required to start implementation all over again under new regulatory requirements.

In this context we would like to note our recommendation, stated at the beginning of this paper, regarding the objectives of a new pay equity regime. We noted that a key objective should be to ensure that equal pay for work of equal value becomes embedded in the employment practices of federally regulated industries. A number of corporations in the federal jurisdiction have done this. Furthermore, we believe that by situating the pay equity process within the *Canada Labour Code, Part III*, it becomes a more concrete requirement that can not only be seen as a human right, but can be measured in practical terms as an employment standard. We believe that this, along with some of the other recommendations we have made, will help all employers to ensure that gender neutrality is embedded in their compensation systems.