Pay and Employment Equity

Reviews & Response Planning for Unions

PaEE
Unions Achieve Equality

NEW ZEALAND
COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

Foreword

This manual is designed to accompany the training programme delivered by the New Zealand Council of Trade Unions (CTU) on Pay and Employment Equity Reviews and Response Planning for Unions. The programme and manual have been developed using funding from the pay and employment equity contestable fund, administered by the Department of Labour.

Women's average earnings are lower than men's – in March 2006 they stood at 86%. The gender pay gap is narrowing, but very slowly. In 20 years the gap has narrowed by less than 9%.

Unions have been in the forefront of campaigns around pay equity, employment equity and the gender pay gap. As well as individual unions achieving successes in bargaining around fair and equitable pay, this campaigning resulted in the Government establishing a Task Force, which investigated and made recommendations on closing the pay gap. These recommendations have led to the Government has initiating a five year Plan of Action within public service, public health and public education. Pay and employment equity reviews will be undertaken in many establishments within these targeted sectors. These reviews will involve unions and employers working together to identify areas of gender inequity within workplaces, and jointly agreeing a plan to deal with them.

The CTU training programme and manual have been designed to broaden and deepen levels of awareness and understanding of pay and employment equity issues, reviews and response planning within unions.

Helen Kelly
Vice President

New Zealand Council of Trade Unions
July 2006

Acknowledgements

This handbook is for unions engaged in pay and employment equity. It can be used to accompany training or as a stand alone resource. The New Zealand Council of Trade Unions (NZCTU) Pay and Employment Equity Project team developed the handbook as part of the activities funded by the Department of Labour Contestable Fund 2005 – 2006. The aim of the pay and employment equity project is to build union capacity and capability for unions to engage in the pay and employment equity processes and in particular pay and employment equity reviews in the state sector.

The materials used in this handbook have been drawn from various sources. In particular, the Department of Labour Pay and Employment Equity Unit (PEEU) training manuals and pay and employment equity review guidelines have provided an important basis for ensuring consistency of information. The PEEU has produced useful training and materials to support and facilitate the engagement of employers and unions in pay and employment equity processes. Material relating to the role of unions has been drawn from the Pay Equity Public Service International resource package, "Pay Equity Now", and the "Pay Equity How", Resource Kit, produced by Education International. The section on gender neutral job evaluation incorporates material from Janice Burns, Top Drawer Consultants. The PSA has contributed material and examples from their experience with pay and employment equity reviews.

The NZCTU Vice President, Helen Kelly, and the pay and employment equity project working group members have shared their considerable knowledge and understanding on pay and employment equity, along with support and direction for this handbook.

Philippa Branthwaite of Working Wisdom contributed to this manual and designed the accompanying training programme.

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Introduction

This handbook is for union organisers, delegates, and members involved in the pay and employment equity reviews. The aim is to build the capacity and capability of unions to fully engage and participate in workplace change around pay and employment equity. As a resource, the handbook will provide unions with an understanding of pay and employment equity and a practical understanding of the tools for participation in the pay and employment equity workplace review processes and responses.

Learning objectives

- To understand pay and employment equity concepts and issues arising from female workplace participation.
- To understand the importance of pay and employment equity and the role of unions.
- A familiarisation with the government pay and employment equity plan of action, pay and employment equity processes and tools.
- A familiarisation with pay and employment equity review processes and response planning.

This handbook can be used to

- Assist the participation of unions and delegates in pay and employment equity reviews and processes.
- Develop union policies and strategies on pay and employment equity.
- Build capacity and develop training for unions.
- Raise awareness around pay and employment equity in unions, government and agencies.
- Build pay and employment equity campaigns and coalitions.

Suggested learning methods

- Interactive and participative.
- Individual and small group activities.
- Self-directed.

Overview

Pay and employment equity is rapidly becoming a priority for unions due to the current focus by the government on the issue. This follows a 20-year pay and employment equity campaign by unions and women's groups. Unions are building up strategies, knowledge, and resources and building pay and employment equity into 'business as usual' activities.

This handbook defines pay and employment equity for women in New Zealand as a goal and not yet a reality. A key indicator of this is the gender pay gap which can be a measure of how far we have yet to go before pay and employment equity can be achieved.

The New Zealand government has renewed a commitment to address pay and employment equity for women in the state sector and to take action on what is recognised as the systemic inequalities in employment.

This handbook outlines the five-year Plan of Action for public service, public health and public education, the pay and employment equity reviews and the implementation of response plans within each organisation as the strategy to close the gender pay gap. It describes the pay and employment equity review process for unions and participation on the review committees. It also discusses pay investigations/ remedial pay settlements and the Gender Neutral Job Evaluation Tool (GNJE).

Pay and Employment Equity – what is it?

'Pay and employment equity' refers to the elimination of gender-based discrimination in employment and pay.

It comprises:

- Equality of opportunity to jobs, workplace rewards, benefits and working conditions.
- Equal pay for equal or the same work when identical jobs are compared.
- Equal pay for work of equal value/comparable worth for jobs that are not identical but are of equal value.
- Ending discrimination in pay systems.

THE GENDER PAY GAP

The gender pay gap is the difference in the average rate of pay between men and women. Women in paid employment in New Zealand receive only 87.3% as an average of the hourly rate earned by men. In 2005 a woman working full-time earned approximately $210 per week less than her male counterpart. Although since the 1970s the gender pay gap has been decreasing, progress is slow and uneven. For instance, the female-to-male hourly earnings gap in New Zealand narrowed by 4 percentage points between 1997 and 2003. In the 20 years from 1984 to 2004 the gap has narrowed by 8.4% (at the rate of 0.4% per year). At that rate it would be another 45 years before women receive equal pay.

The gender pay gap is calculated as an average of an hourly, weekly, or annual wage rate. Calculations on the weekly and annual rates of pay provide information on the gender pay gap of all workers including full-time, part-time, and casually employed workers. Because significantly more women than men are likely to be in part-time and casual employment this gives a broader picture of the differences in average income between men and women. For example, a more specific indicator of the gender pay gap is obtained from the hourly rate calculations, and when the pay of workers in part-time and full-time work is calculated separately rather than combined.

Female Participation in Employment and the Factors Contributing to Inequality

There are four main contributing factors that affect women's pay and employment equity:

- Occupational segregation. Women are employed in a limited range of occupations, (for example, nursing, teaching, clerical, cleaners, call centre operators, caregivers, and shop assistants). These are often lower status and have fewer opportunities for advancement. Women also tend to have a lower share of the highest paid occupations.
- Vertical segregation. Women are concentrated within the lower levels of the occupational and professional hierarchies. Women experience what is sometimes referred to as the "glass ceiling" or the "sticky floor". Men tend to progress through the occupational levels at a faster rate than women.
- The way work is organised and structured. This is the relationship between paid work and family care responsibilities and the effect on women's choices, opportunities and responsibilities.
- Discrimination – This happens when a women is treated differently from another person in the same or similar circumstances. There are two types of discrimination:

  - Direct Discrimination occurs where people are disadvantaged because they are treated differently by reason of one or more of the prohibited grounds under the Human Rights Act and the Employment Relations Act. An example of this is that women are often appointed at lower starting salaries than men, even when the same qualifications and experience apply (for example, new graduates).

  - Indirect Discrimination occurs where any condition, requirement or practice has the effect of treating a person or group differently on one or more of the prohibited grounds of discrimination. It can reflect cultures and practices, either formal or informal, that impact on a number of people. It can often be recognised statistically. The people (or systems/practices) doing it often do not intend to discriminate and do not know they (or their systems/practices) are doing it. A way to understand whether indirect discrimination is occurring in the workplace is to ask the following questions in order:

    - ☐ Was the worker (selected for redundancy or prevented from getting promotion etc) because of his/her inability to meet a certain requirement or condition at that time?
    - ☐ Was it compulsory to meet the requirement or condition in order to avoid redundancy or gain promotion etc?
    - ☐ Was the requirement or condition one which proportionately fewer women than men could meet?

SECTION TWO

The Case For Pay and Employment Equity

SOME OF THE BENEFITS OF PAY AND EMPLOYMENT EQUITY

- Widening the pool of workers available by including more women.
- Recognising that people work best when they achieve a balance between work, family and social life by introducing some flexible work arrangements.
- Utilising women at their appropriate qualification, experience and skills level.
- Women and their dependants have access to more money.
- Enhancing the status of women's work in the state sector.
- Increasing productivity through motivating staff and creating quality workplaces.
- Avoiding court action by implementing a fair and transparent pay system.
- Improving workplace culture so workers are confident of being treated fairly and with respect.
- Using the state sector as a role model or benchmark for good employment practices and transparency.
- Promoting human rights by contributing to the empowerment of women, increasing their self esteem and their financial independence.
- Reducing the gender pay gap will make a major contribution to the eradication of poverty. Women who receive fair and decent wages are less likely to be dependent on income support from government.

WHY IS PAY AND EMPLOYMENT EQUITY IMPORTANT FOR UNIONS?

- Unions are an important force for workplace equality and pay and employment equity is integral to the work of unions and industrial relations.
- Low pay is used to drive down the rates of base pay for everyone.

- Collective bargaining can narrow the pay gap - research in Canada and elsewhere found the gender pay gap was smaller in the unionised sector than in the non-unionised sector.
- Pay and employment equity is an organising issue. It builds and strengthens the position of unions in the workplace.

In summary, the link between pay and employment equity and productivity cannot be ignored either as a key to employment policy, or as a 'window of opportunity' for unions and employers to close the gender pay gap. Likewise pay and employment equity cannot be treated in isolation from social, economic and labour market policies. All are crucial to the achievement of gender equality at work and to women's lives in general.

Current Directions and Initiatives

THE GOVERNMENT PLAN OF ACTION

The impetus to address pay and employment equity for women has been based on the social and economic interest ensuring that the wider economy benefits from the education and work skills of a female workforce. The government adopted a five-year plan of action to address pay and employment equity within the state sector.

The Pay and Employment Equity Plan of Action was based on the recommendations and outcomes of a tripartite task force involving government, employers, and unions set up in June 2003.

The task force terms of reference were to identify:

- how particular factors contribute to the gender pay gap
- how they each apply to the public sector
- how they impact on any particular group of employees

Several pieces of research were undertaken to understand what patterns and issues impacted on equal pay and female workplace participation. As a result of this the task force recommended that the focus for addressing pay and employment equity should be, in the first instance, implemented within public service, public health and public education .

The overall aim of the Plan of Action is to make steady and measurable progress towards the goal of addressing pay and employment equity.

Phase one of the Plan of Action involves the development of government policies for addressing pay and employment equity and the placement of clear expectations and accountabilities on state sector employers.

To set the scene the Department Of Labour, Pay and Employment Equity Unit (PEEU) has:

- Developed a communications plan including education and training to raise awareness and understanding of pay and employment equity.
- Set up and implemented pay and employment equity review processes for use within each government organisation.

- Planned a roll-out of pay and employment equity reviews across the state sector with many organisations already engaged in the process.
- Developed a gender-neutral job evaluation process for comparing jobs and identifying comparator occupational groups.
- Administered a contestable fund set up for the purposes of assisting stakeholders to build capacity to undertake pay and employment equity reviews. See www.dol.govt.nz/services/payandemploymentequity for more information on the fund.
- Developed a process to enable the government to respond to remedial settlement of pay equity claims.
- Developed guidelines for pay investigations.

Phase two of the Plan of Action will be further considered in late 2006. It covers the extension of the Plan of Action to crown entities, state owned enterprises, and government funded contracted workers. Phase three of the Plan of Action is to address pay and employment equity in local bodies and the private sector.

STAKEHOLDERS AND THEIR ROLES

As part of the Plan of Action several groups and accountability structures have been set up to ensure that the objectives of the plan are implemented.

The Pay and Employment Equity Steering Group

The purpose of this group is to:

- Inform policy development and give effect to the Plan of Action.
- Provide guidance to the PEEU in developing and implementing a work plan.
- Monitor, evaluate and report on progress towards achieving the objectives of the Plan of Action.
- Advise the Department of Labour on best practice approaches and tools, and the criteria and distribution of a contestable fund.

Membership of the Pay and Employment Equity Steering Group reflects the tripartite relationship between government, employers, and unions and is made up of a chair (independent of stakeholder groups), the EEO Commissioner, three state sector employers, and three union representatives each from public health, public education and public service. The Director of the PEEU is an ex-offico member. Members are expected to provide leadership in their sectors. The steering group gives advice to the Secretary of Labour.

The Sectors

Three state sector groups (public health, public education and public service) are represented by sector leaders (the State Services Commission, Ministry of Education and Ministry of Health) as key stakeholders at all levels.

Background

For more information obtain a copy of the taskforce report – 'Report of the Taskforce on: Pay and Employment Equity in the Public Service and the Public Health and Education Sectors' 1 March 2004 or visit www.dol.govt.nz/services/payandemploymentequity

WHAT ARE UNIONS DOING?

- NZCTU is part of the steering group
- The NZCTU has successfully achieved funding to establish the pay and employment equity project
- Three unions participated in pilot pay and employment equity reviews that informed the now established review process and protocols
- Union personnel including national secretaries, presidents, senior industrial officers, regional secretaries, policy officers, educators, and organisers attended a pay and employment equity forum in February 2006
- Nine state sector unions have been engaged in mapping their female demographic and identifying pay and employment equity indicators and issues
- Action plans have been developed with each union as a precursor to involvement in the pay and employment equity reviews
- Communication established through a range of media including the development of media packs for unions and leaflets for distribution to the wider membership
- Participating in reviews
- Engaged in Department of Labour training, NZCTU training
- Developing and delivering a range of training at conferences, forums, executives, and to members, organisers, staff and delegates
- Public health and public education are part of joint union/employer strategic planning at sector level

FORTHCOMING ACTIVITIES INCLUDE:

- Coaching of a key union person on the analysis of pay review data; conducting research, data collection, and analysis of cross sector male comparator groups to provide reliable evidence and data for remedial pay claims and collective bargaining.
- Providing workshops to unions on the use of the remedial pay settlement process and on strategies for embedding pay and employment equity into collective bargaining.
- Representation of unions on the Standards NZ project for the development of protocols for the use of the Gender Neutral Job Evaluation Tool (GNJE).
- Working jointly with the Department of Labour and the State Services Commission to provide a training resource on the GNJE.
- A DVD aimed at broadening the base of awareness and understanding of pay and employment equity.

SECTION FOUR

The Gender Profile in the State Sector

SOME FACTS ABOUT THE GENDER PROFILE IN THE STATE SECTOR

- Women comprise more than half (59%) of the public service sector work force compared to their participation within the wider labour force (45%).[1]
- In 2005, in the public service 52% of women earned less than $40,000 compared with 33% of men, while 5% of women earned more than $80,000 compared with 12% of men.[1]
- In the public service 20,300 women are employed compared to 14,900 men where the pay gap is 16% with an improvement of 6% since 1999.[2]
- In public health 41,500 women are employed compared to 11,100 men where the pay gap is 36% and has improved only 1% since 1999.[2]
- In primary education 27,000 women are employed compared to 6,500 men and the gap is 7% with a deterioration of 6% since 1999.[2]
- In secondary education 16,000 women are employed compared to 10,100 men with a 7% gap and a deterioration of 4% since 1999.[2]
- In the tertiary sector 18,600 women are employed compared to 13,400 men and the gap is 20% with 1% deterioration since 1999.[2]
- The overall pay gap across primary, secondary and tertiary education is 14%[2].

SOME FACTS ABOUT GENDER AND UNION DENSITY[3]

The public sector, including public health, public education, public service, local government, and essential services has a high rate of union density, a dominance of the trade union movement and high female membership.

- 62% of workers in this sector belong to a trade union compared to 12.4% of private sector workers who belong to a trade union.

1 Career Progression and Development Survey, 2005, State Services Commission

2 Taskforce on Pay and Employment Equity in the Public Service and Public Health and Education Sector, Project 1: Literature and data search and high level analysis, Deborah Jones with Rae Torrie, 2004

3 Unions and Union membership in New Zealand: Annual Review for 2004. Industrial Relations Centre, Victoria University of Wellington.

- Of all wage and salary earners 21% are members of a trade union and of this number 52% are women.
- In a recent survey[4] just under half the unions report union density at 80%, or more and overall the unions across public health, public education and public service have over 51% union density.
- In public education union membership is spread across 155 occupations of which 47 (30.3%) are female dominated and 55 (35.4%) male dominated.
- 85% of the union membership within compulsory education is female.
- Male dominated occupations in public education are concentrated within the tertiary sector.
- Within public service union membership is spread across 116 occupations of which 37 (31.8%) are female dominated and 40 (34.4%) are male dominated.
- In public health union membership is spread across 72 occupations of which 41 (56.9%) are female dominated and 18 (25%) are male dominated.
- Unions in the public health report a very high rate (97%) of union density amongst the female intensive occupations.

4 'NZCTU Pay and Employment Equity, Mapping – Report and Analysis', February 2006

Pay and Employment Equity Reviews

Pay and employment equity reviews are the key to achieving sustainable equity outcomes for women. Each public service organisation is required to undertake pay and employment equity reviews.

The review process and protocols provide a formalised and managed approach to explore, uncover, and analyse an organisation's gender equity profile and to develop a response plan.

The review requires the survey and consideration of past actions and current status and, in order to ensure the findings and outcomes of the review have validity, the methods require a systematic and structured assessment.

The reviews only focus on gender and do not explore other equity issues such as ethnicity, sexuality, age or disability unless there is also a gender aspect.

ROLE OF UNIONS IN THE PAY AND EMPLOYMENT EQUITY REVIEW

Unions have a key role in the review process and in the development and implementation of the response plans. The reviews will address pay and employment equity issues at the sector and organisational level. In additional unions will also need to consider occupational issues across the sectors as well as union specific, sector specific, and cross sector issues. Some of this information has already emerged as a result of the mapping and action planning activities carried out. Union personnel involved in the reviews are expected to participate in pre-review training and to become familiar with pay and employment equity issues and gender impacts.

The review process will usually involve the appointment of a project manager. This will be the first priority and jointly undertaken between the union and CEO, or equivalent.

A review committee will need to be established, comprising employer and union representation.

The next priority will be to set the time frames for the review meetings and activities. The time period of a review will vary depending upon the size and complexity of an organisation, the availability of data and supporting information, and the availability of the personnel who will be part of the review process. However, an estimation of time is that it will

take between four and six months. The decision on time frames will be made with the union and CEO. Try to avoid times that will cause a resource conflict for personnel required to gather the relevant data, or participate on the review committees, or at a time when a change management programme is scheduled in the organisation.

If at all possible, it would be useful to conduct a review at the stage of strategic planning particularly in the human resources area.

Unions may find that conducting a review during employment negotiations will place some constraints on organisers and delegates in terms of availability and setting priorities. Although parties may try to have the review completed before beginning negotiations this is not always possible. If negotiations are happening consider developing a clause for the collective agreement that identifies an agreed method of including any items from the response plan at a later date, see below for an example[5].

RESOURCES AND ADVICE FOR UNIONS

When the timeframe has been set down contact the Department of Labour Pay and Employment Equity Unit who can provide advice and information to assist the review. They will also provide education and training for all participants in the review process.

They have produced a workbook outlining the two important components to a review:

- The first is an initial gender pay and employment equity stock take and analysis. It will be a process for identifying how gender affects employment within each organisation including areas already performing well. Workplace data will be collected, collated, analysed and reviewed for the purpose of identifying, and addressing any pay and employment equity disparities and discrepancies caused by workplace gender inequalities and/or discrimination.
- The second is the development and subsequent implementation and monitoring of a response plan. This is the plan to remove barriers to EEO and to ensure remuneration is free of gender bias.
- The workbook also makes recommendations on the role of pay and employment equity project managers and identifies how to set up pay and employment equity review committees.

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5 The parties to this agreement have a commitment to pay and employment equity and to undertake a pay and employment equity review by *[add the completion date]* using the process developed by the Department of Labour. Should pay and employment inequities be found as a result of the operation of current policies and practices in this *[department/agency/enterprise/organisation/workplace]* and if – in order to address these inequities - provisions in this agreement need to be changed, the parties will vary this agreement during its term to address those inequities. (PSA, July 2006).

REVIEW PROCESS AND COMMITTEES

The steps and activities involved in uncovering employment and pay inequities.

Activity: Understand the gender composition of the workplace

1. Get a breakdown of all employees based on gender, job title, grade, working hours, whether they have permanent contracts, or casual / fixed term contracts. Find out if there are any performance based payments, or bonuses in cash or kind. Identify the percentage of women and men in each occupational group or grade. Identify which jobs are male dominated (60%) and which jobs are female dominated (70%).

Activity: Identify the inequalities and inequalities – use the baseline data

2. Explore experiences of staff regarding participation, respect and fairness. Identify bonuses paid to employees who work a certain number of hours, or in certain occupations; benefits such as transport allowances or healthcare insurance provided to workers in certain occupations; consider access to promotion, education and training especially by part-time workers, and women's occupations.

Activity: Analyse the data

3. Identify the indicators and research the causal links; find out if there are any explainable and justifiable differences; identify patterns within gender based disparities and differences.

Activity: Prepare a Review Report and Response Plan

4. Where any areas of difference or disparity exist identify which ones relate to pay and employment equity. Select priority areas in relation to cost effectiveness, impact, sustainability etc. Devise strategies for addressing each area of change, assign a person responsible for tasks. Present review report and response plan to CEO.

Activity: Monitor progress on the Response Plan

5. Recommend allocation of responsibility to someone to monitor, review and evaluate progress and outcomes. Establish a group to monitor action.

COMMUNICATION

In setting up the review processes an important first task is to develop a communications strategy and plan. The objective is to build awareness, support, and acceptance of the review and to encourage engagement

among all key audiences for example, human resources staff, payroll, communications/PR staff, union members, non-union members, and to avert employees from drawing the wrong conclusions about it, or setting unrealistic expectations about what it should achieve.

Implementing a well thought out communications plan will:

- Help manage members' expectations regarding the review.
- Ensure the methods used for joint communication will be most effective for union members to be involved.
- Provide relevant, accurate, timely and consistent information at all times.
- Generate and sustain enthusiasm and support for the review.

DURING THE REVIEW:

Significant Differences

The review asks committee members to find out if the identified significant gender differences are explainable and justifiable. If they can be explained but not justified then they should be considered for the response plan.

Explainable Differences

A gender pay difference or the different allocation of work based reward or other employment experience may be comprehensible and understandable. However, for the explanation to be a justifiable and acceptable difference the probable causes/s must be explored, identified, and made plain.

Justifiable Differences

In some circumstances and situations a gender pay or employment experience difference may be justifiable. To ascertain this, adequate grounds must be provided to establish the validity of the difference. Caution must also be exercised even where it is within the law to treat women differently, because some treatments and practices may be lawful but still found to be unjustifiable.

ASSUMPTIONS UNDERPINNING PAY AND EMPLOYMENT EQUITY REVIEWS

The assumptions that apply to the undertaking of pay and employment equity reviews are:

Equal pay for the same work - for example, where men and women doing the same job, or occupational role, get the same pay rate.

Pay equity is equal pay for jobs of equal or comparable value even though they may be different jobs. This includes the recognition and valuing of women's work.

Pay includes base pay, bonuses or allowances, benefits of cash such as superannuation payments by the employer, and benefits of non-cash value such as paid and unpaid leave entitlements.

Employment opportunities describes the removal of barriers to equal participation for women in paid employment, and equal access and allocation of employment opportunities, rewards and benefits including non-remunerative ones.

Gender discrimination must not be a factor in determining pay or employment opportunities.

Pay systems - inequalities and discrimination will be exposed and removed by making them transparent and open to scrutiny.

Pay Investigations

Pay investigations will only apply to occupations or occupational sub groups consisting of 70% or more females, or were at 70% when equal pay was introduced through legislation in 1960 and 1972 and are in public service, public health and public education.

A review can expose or reveal a gender based anomaly or disparity in pay. A pay investigation can draw on this and it may be included in an organisation's response plan. However, it is a separate process and it is an action or activity that is not included in the scope of the review process itself.

The gender neutral job evaluation tool, developed by the Department of Labour, can be applied to evaluate jobs for the purpose of establishing remuneration during a pay investigation.

When a pay investigation substantiates a pay inequity then the next step is to negotiate a remedial pay settlement. There will be some processes in place for this and it will be managed through protocols set up by the State Services Commission, the Ministry of Health and the Ministry of Education. However, this does not prevent claims for female intensive occupations being addressed through the process of collective bargaining.

During the review process gender pay differences may be discovered in occupations which do not meet the 70% threshold. These may warrant further investigation or action, but they do not fall under the technical term "pay investigation" and may be agreed to in the response plan or negotiated in the collective agreement.

Gender Neutral Job Evaluation

Job evaluation is a widespread workplace practice. Job evaluation systems can form part of pay setting processes and some have been used in the past to establish pay equity cases. However, their use has also in the past been found to contribute to establishing or maintaining a lack of pay equity. This is why the Task Force recommended the development of a gender-neutral job evaluation tool.

The International Labour Office (ILO) defines the purpose of job evaluation as:

"….to identify, using good judgement and analysis, the key characteristics of a position, based on how demanding the position is and how much it contributes to the organisation as a whole. Judgement and analysis are used consistently within a framework of common criteria".

The guidelines for job evaluation have included the following parameters:

1. Judgement and analysis must be systematised and based on criteria

2. Evaluation must be based on the requirements of the position and not the characteristics of incumbents

3. Job value must be based on the job's contribution to work being undertaken and is justified by the contribution towards objectives.

EASILY OVERLOOKED SKILLS

For the purposes of pay and employment equity gender neutral job evaluation is a method of "job sizing" which includes all the overlooked aspects of women's jobs in the evaluation process. This work is often service sector work and is often not given the same emphasis in job evaluation systems that more male dominated work is, such as management.

Call centre work is an example of work where important skills are often overlooked; it is often classified as routine and evaluated low in factors such as knowledge or responsibility. However it involves accuracy, intense concentration and responsible follow up, and must be accompanied by relaxed chatting with customers combined with the ability to work at speed in order to keep queues manageable.

ELIMINATING BIAS

The purpose of using a gender neutral comparison system is to eliminate gender bias in determining the position of one job relative to another in a wage or salary hierarchy. It is a tool that can determine if two jobs are of equal value or size.

A GNJE tool addresses the problem of gender bias by developing and applying practices, protocols and standards to avoid a distortion in measures and outcomes. This can include addressing limitations of the scheme itself relating to the failure of job factors to measure the work in question, or the ability to measure some factors more consistently than others. Factors may reflect existing organisational hierarchies of value and/or be narrowly defined so that the breadth and depth of a job is not accurately identified. Poor communication across the organisational levels, lack of preparation, planning and monitoring, inadequate quality assurance and protocols for checking for gender bias, and the lack of expertise and training may all contribute to inequality.

GNJE TOOL

The GNJE tool provides a structured process to determine the 'size' of different jobs within an organisation, and across organisations and/or industries. The tool is designed to examine, or measure four key job components. These are:

- Knowledge and skill.
- Demands.
- Responsibilities.
- Working conditions.

Each of the job components is broken down into job factors. The scheme measures the knowledge and skills required to competently perform the job and not the competency or abilities of a current or prospective job holder.

Skills often include problem solving/analytical skills, interpersonal and communication skills, or physical skills (which would include co-ordination and dexterity.)

The **Demands** component relates to the demands of the job, (physical, emotional or mental), and the potential impact of these on an employee.

Responsibilities or accountabilities required of the job can include responsibility for financial or physical assets, responsibility for staff management and leadership, or responsibility for services to people.

Working conditions are defined as conditions under which the work needs to be performed. This can include working in extremes of weather, in noisy environments, and the demands of intense concentration, for example.

Levels and Weightings

Job factors can be further structured into sub-factors and the level of performance required for the job is then assigned to each sub-factor. Weightings are then given to each factor/sub-factor according to how important and how directly related each is to the work being undertaken.

JOB DATA

Benchmark jobs are selected for the purposes of conducting an evaluation exercise. These job evaluations therefore serve as a 'benchmark' for other jobs. The collection of information about the selected jobs for 'sizing' requires accessing information from various sources – not only relying on one source. This may include: job holder description, supervisor/manager description, formalised job descriptions, peer/colleague description, observation or role plays. Formalised job descriptions may tend to describe traditional male-based management styles and not reflect current practices or the requirements of a job such as interactional, co-operative skills involving the use of influence rather than formal authority. These skills may need to be extrapolated from practice, rather than job descriptions that may be out of date.

Job information may be collected through questionnaires, or face to face interviews. Whatever approach is used the job holder should always be involved in providing information. The manager of the job holder will usually be the person who validates the job data. Where there are any major differences between the manager and the job holder then this will require discussion and resolution.

Language can influence how a job is perceived and create a gender bias. This makes it important to recognise whether aspects of a job are described accurately or with diminishing language. Some examples of this are to *'assist with'* rather than *'implement'*. Or, to *'facilitate'* as opposed to *'lead'*, *'contribute to'* rather than *'be responsible for'*. On the other hand, sophisticated language can be used to falsely convey the complexity of a job and care should be applied to ensure that men's jobs are not being described in more technical terms than the same job requirements carried out by women.

A job holder's gender can also influence the use of gendered language. This creates a consistent difference in the way the job is described and results in a difference in the way the jobs are evaluated.

GENDER NEUTRAL JOB EVALUATION – JOB FACTOR EXAMPLE

This is an example of one type of hierarchy of knowledge.

Skill is a key component of work. It includes knowledge as a job factor. It takes into account the breadth, diversity and range of knowledge and the depth and complexity of the understanding required.

Knowledge as a job factor may have been acquired through formal education, life experience, on the job training or experience, self-directed study or some combination. However, formal education need not determine the assessment of the level of knowledge required.

Knowledge as a job factor includes the requirement to remember facts or information and also the knowledge of how to access or retrieve information from relevant sources or places.

The highest level of **knowledge** required by the job is treated as the most pertinent and relevant to measuring the job factor. How often the knowledge is used is not taken into account.

The different types of **knowledge** required by the job include technical knowledge, knowledge specialisation, procedural, contextual, product and organisational knowledge, numeracy and literacy; knowledge of equipment and machinery; knowledge of concepts, other cultures or languages, theories, techniques, policies, procedures and practices.

Description

Level 1

Understanding a small number of routine work procedures that could be gained through a short induction period, or on the job training.

Level 2

Understanding of a range of routine work procedures possibly outside immediate work area, that would generally require job training and period of induction.

Level 3
Understanding a range of work procedures and practices, some of which are complex and require a base level of theoretical knowledge. This is generally acquired through formal training, or equivalent experience.

Level 4
Understanding of a range of work procedures and practices, the majority of which are complex and that require more advanced theoretical knowledge. This knowledge is generally acquired through formal training, or equivalent experience.

Level 5
Understanding a range of work procedures and practices that require expertise within a speciality or discipline, underpinned by theoretical knowledge, or relevant practical experience.

Level 6
Specialist knowledge across a range of work procedures and practices underpinned by theoretical knowledge and relevant practical experience.

Level 7
Highly developed specialist knowledge across a range of work procedures and practices underpinned by theoretical knowledge and relevant practical experience.

Level 8
Advanced theoretical and practical knowledge of a range of work procedures and practices, OR
Specialist knowledge over more than one discipline/function acquired over a significant period.

Unions Achieving Pay and Employment Equity

This section focuses on ways that unions can use pay and employment equity strategically. The focus is only on gender equity issues. Other equity issues will become apparent in the review process and it is important to include these in the review report and for unions to raise those issues with the employers in other appropriate forums. This review and response process can be used as a model for other inequities or particular groups.

RELEVANCE OF PAY AND EMPLOYMENT EQUITY TO UNIONS

Unions have a crucial role in promoting pay and employment equity. In the first instance, it has been demonstrated that women who belong to unions are more likely to receive equal pay and to earn wages higher than women who are employed in similar or equivalent work and who are not unionised.

Secondly, as an organising issue, pay and employment equity is a persuasive driver for building union membership and capacity. If unions show a commitment to taking on the problem of pay and employment equity as a core union objective this can be an important lever to the recruitment of women into unions. It makes the union relevant to the workers especially so in female intensive occupations.

Thirdly, pay and employment equity benefits all workers. It can assist in overcoming the levelling down of wages and it will promote the enhancement and value of work for all.

There are many different ways for unions to engage in pay and employment equity and there is no one or single approach to achieving this. There are a wide range of strategies and many of them may need to be multi faceted.

Pay and employment equity is an issue to campaign and build support around:

- It can increase member participation and union ownership through including people who may not have identified the union as their “place”
- It can raise the profile of the union in the workplace

- It is an opportunity to identify, recruit and develop activists and delegates
- It provides opportunity for the union to work with the employer on a positive joint project
- It is an opportunity to expand the membership base
- Unions can deepen their understanding of commitment to gender equality

ADDRESSING PAY AND EMPLOYMENT EQUITY STRATEGICALLY

Some of the ways unions can be engaged in addressing and promoting pay and employment equity are:

- Integrating pay and employment equity into collective bargaining – some unions have already placed a clause into their collective agreements as a flag to employers that the issues will be addressed (see earlier example).
- Enhancing the value placed on women's work through gender neutral job evaluation to address discriminatory grading systems and to uncover the hidden assumptions made about the value of women's work and skills and jobs.
- Addressing occupational segregation where women are clustered into female intensive occupations and the lower paid job categories or grades.
- Improving access to higher paid jobs typically occupied by men through skill development training and other forms of career development, including debunking any myths about men's roles and women's lack of skill and ability to do them.
- Linking pay and employment equity issues into other activities and campaigns such as work life balance initiatives, productivity, public health and safety, and with the wider social actions to eradicate poverty.
- Leveraging for a higher level of minimum wage as this can have an impact on pay equity for women.
- Promoting equality bargaining by acknowledging that traditional negotiations can be gender biased.
- Actively engaging in the policies and processes relating to the provision of funding in order to close the gender pay gap, and supporting the argument for specific allocations to do so. This can be tied in with a challenge to the overall under-funding of public services.

- Building capacity, raising awareness, and providing training on pay and employment equity to union activists and delegates.
- Building union organisation and membership around pay and employment equity.
- Campaigning for pay and employment equity at organisational, sector, national and international level.
- Agreeing an Equal Pay policy and evaluating equal opportunities policies within the organisations.

UNION TOOLS

Collecting Union Data

A barrier to identifying pay and employment equity is the availability and accessibility of good data on gender. Unions may consider it is important to collect their own data as an initial first step. At the early stages it does not have to be representative or comprehensive, and therefore a simple approach may be all that is required to reveal areas of interest to be followed up on in more depth. To identify some of the key pay and employment equity issues and trends surveys can be conducted in the workplace. These might be based on questionnaires, focus group discussions, or work diaries. Along with this, case studies can be constructed by asking a worker in a typically female and a worker in a typically male job what their conditions of employment are, their basic rate of pay and bonuses, opportunities for promotion or increased work responsibilities etc. These can be useful in demonstrating detail and differences in women's and men's work.

Training

Training for pay and employment equity is essential if unions are to build their own capacity and that of women members to advocate for pay and employment equity and end gender based discrimination in the workplace.

Gender Proofing Collective Agreements

Collective agreements can be reviewed to identify if there are any discriminatory clauses, negative assumptions about valuing women skills, working conditions that impede women's access to jobs, or monetary or non-monetary benefits that favour male dominated jobs, or assign lower rates of pay to women's jobs.

ORGANISING FOR PAY AND EMPLOYMENT EQUITY

How do Unions Start?

- Identify the pay and employment equity review timetable for the organisation.
- Work in partnership with organisations to select the project manager and review committee members.
- Talk with women in the workplace or find out what their concerns and perceptions are – how do they rate their work, their conditions, their opportunities, are they experiencing pay discrimination?
- Map the union membership by gender and occupation, noting any sub groups within occupations that may be differently valued.
- Map the workplace.
- Draw up an internal union action plan to address pay and employment equity.
- Develop strategies to address pay and employment equity in the workplace–canvass the ideas women may have.
- Integrate pay and employment equity into core union activities and decision-making structures.
- Train and empower a group of key staff in the union to become pay and employment equity advocates and build their expertise so they can pass it on to others.
- Build coalitions with other organisations, allies, and advocates of pay and employment equity in order to build up strength, share resources and pool information and expertise.

The Role of Unions in the Pay and Employment Equity Review

The pay and employment equity review process is an opportunity to work with the employer to identify areas of inequity and to use a problem solving approach to develop a Response Plan. It is not a bargaining environment but an opportunity to explore in an open, transparent and "no blame" fashion the historical and current gender inequities and to consider how they are impacting on women today.

The union role **before** the review is to:

- Set up a joint union/employer strategic structure to oversee the review process, monitor the implementation of the response plan and develop ongoing initiatives in pay and employment equity.

- Participate equally with management in setting up the review process.
- Get the "right" representatives on the review committee- use the membership and organisational maps to identify members and the groups of women who might need representation, consider using members with a range of skills- data analysis, problem solving and relationship building skills. These may be members who have not played an active role before.
- Educate representatives on the role of the union representative, stressing the balance of representing the small group and the wider union membership.
- Conduct training on pay and employment equity, the review process and the role of the union.
- Attend joint union/management pay and employment equity review committee training.
- Develop a membership communication process to use throughout utilising both joint committee communications and using communication channels processes.
- Develop constructive relationships with management that emphasise a problem-solving approach.
- Identify other ongoing Human Resources projects that might need to interface with the review. For example, remuneration, performance management, bargaining and job evaluation projects. Discuss and agree on the project's interfaces.
- Get agreement and commitment on how members will be released for meetings, and how to get time from their normal job to do the work of the committee.
- Read the Department of Labour "Working towards Pay and Employment Equity for Women" workbook thoroughly.

The union role **during** the review is to:

- Develop an agreed 'parking and follow-up issues' sheet for the wider general issues and equity issues that apply to both men and women and to other particular groups. Record the other issues in the review report. You will keep seeing these. Establish a different agreed joint forum to discuss these.
- Work with the data.
  - Analyse the data - both hard and soft.
  - Don't be intimidated by the data.
  - Set time aside prior to the meetings to go through the data. The amount of time should match the actual meeting time.

- The person who raises the issues from the data has the most influence, so make it a union voice.
- Look for things that don't look right - ask yourself "what is happening here , what is going on, check out and explore a number of possibilities-stay with "what" for a while and do not go straight to "why".
- Use the Workbook to guide you on what differences are significant - 5% for pay rate difference and 20% for distribution difference.

- This is action research rather than pure research. You won't get a definitive answer on things - it will be based on getting a good "sense" of something. For some organisations that have a research base this will need to be emphasised or the process will grind to a halt in too much research. The data is just one indicator of what could be going on. Adequate data might not be available.
- Raise and explore the issues the data is suggesting, keep asking for the data to be "cut" in different ways to uncover the differences. Input from people can contribute to understanding what is happening.
- Use local membership knowledge to find out stories about workplace inequities otherwise you miss out on the real issues. No one else at the table has that knowledge. These issues can be well hidden. If it feels wrong, say something.
- Communicate with your members to:
  - Tell them what is going on and what you are finding out.
  - Encourage them to tell you more stories about their experience of work. Their stories give life to your data.
- Manage members' expectations. This is a review and will not instantly answer all equity issues in the organisation.
- Use focus groups. These are important because they give you the stories to reinforce the data. Do the focus groups early and use the union networks to get a good turn out. Personal contacts work to get a good turn out too. Do you want to hear from a particular type of worker, or do you want to hear what people generally think?
- Manage inter-membership conflict. Uncovering inequities can cause tension between members as traditional relativities are challenged. Stress that just because someone else might gain from the process does not mean that others 'lose'.
- Focus on the significant differences. Identify this review as the first part of an ongoing regular review and focus on the *significant differences* or the Committee will be swamped.

- Support and resource committee members throughout the review.
- Challenge explanations of gender differences. If they cannot be justified then consider including them in the response plan.
- Develop a response plan. This is the focus the review is working towards. Make it meaningful. Part of a response plan may be a pay investigation and parts will be immediate responses. Try to get as many immediate "things to do "into your response plan rather than just doing more research but do include in your response plan ongoing data collection by gender to track progress or lack of it.
- Use the interest of particular groups in the pay and employment equity review as a membership recruitment tool.

The union role **after** the review is to:

- Monitor the implementation of the response plan using an ongoing joint structure.
- Review equity data as part of the ongoing union work in that organisation or sector.
- Meet to discuss any leftover general issues that have arose in the review process itself.

SECTION NINE

Patterns and Indicators of Pay and Employment Inequity

INDICATORS

Indicators or alerts are the questions that come up as you go through the data. They are the:

- Things that do not make sense based on the individuals' knowledge of the work area.
- Data that is counter-intuitive.
- Patterns, trends, or themes which show up a difference or anomaly between the genders.

Indicators are an alert that further inquiry needs to take place.

SIGNIFICANT DIFFERENCES

The indicators or alerts will raise a range of differences. The review process asks the committee to focus on significant differences. There are not the resources to focus on all differences, only the significant ones. Then the job is to assess if the significant difference can be explained or justified. If it cannot be justified then it should be considered for the response plan.

For each significant gender difference, find out the causal relationship, what is contributing to the different outcomes for women and men. We need to ask if it is:

- explainable – can we explain why it happened?
- justifiable – we can explain why it happened, but can it be justified to continue happening?
  Evidence to support the position will need to be examined.

A pay and employment equity review committee will be responsible for carrying out the analysis and the inquiry into causal links. This may mean that the committee consults a pay data analysis expert or utilises some of the local or organisational knowledge to help interpret the data disparities.

A review committee will also need to agree on what degree of difference between male and female pay rates, or levels of female representation will be considered statistically significant to warrant further investigation. For example, a 5% difference may be considered an important basis for follow up, and there is a pattern of differences of 3% per cent that may be regarded as significant and merit an in-depth investigation. Whatever the percentage of difference is it should be applied consistently and it should be a difference that is acceptable to all parties involved in the pay and employment equity reviews and processes.

There are three key areas of paid work that need to be considered as part of any analysis. Within each of these areas there are several components of analysis. These are:

Workplace Rewards

- Base pay rates.
- Other benefits and rewards.
- Advancement or progression to higher organisational levels.
- Advancement or progression to higher rates of pay.
- Representation at senior levels.

Workplace Participation

- Representation across all occupations and work areas.
- Training and career development opportunities.
- Active contribution to ways that provide advice and influence to important organisational areas.
- Work/life balance support at all organisational levels.

Respect and Fairness

- Risk of discrimination, harassment and bullying is minimised.
- Fairness of performance management system.
- Fairness of human resource policies and systems.
- That workplace cultures do not create barriers.

Refer to section E of the DoL 'Working Towards Employment Equity for Women' handbook for a comprehensive list of possible patterns and causes.

TYPES OF DATA

A pay and employment equity review will need to consider two types of data. The first is quantitative or hard data based on statistical information that identifies the numerical distribution and representation of males and females both organisationally and occupationally, and the rates of pay associated with each role, rank, and position. The second type of data is qualitative and may be obtained from previous surveys or reviews, monitoring reports, climate surveys or focus groups, or organisational experience and observations. Specific surveys or discussions may be needed.

SOURCES OF DATA

There are several sources where the data may be located:

- Pay data
- Collective Employment Agreements
- Human resource management records such as recruitment, selection, and performance management records
- EEO monitoring reports
- Staff HR manuals and policies
- Human Resource Capability Survey Report 2004, State Services Commission
- Consistency 2000: Report on Human Rights Compliance
- Career, Progression and Development Surveys, State services Commission
- New Zealand Census of Women's Participation in Governance and Professional Life, Human Rights Commission, June 2006

Glossary

This section contains a pay and employment equity glossary. You are encouraged to build on this section as you come across important definitions and concepts.

Bullying

Bullying can be considered a form of harassment. There is no legal definition, and definitions in the research literature are many and various. The behaviours below have been drawn from a number of sources.

Overt bullying can include: threats; intimidation; stand-over tactics; coercion; verbally abusive or degrading language or gestures; shouting or yelling or screaming; unexplained rages; unjustified criticism and insults, nit-picking and fault finding without justification; constant humiliation; belittling remarks; unjustified threats of dismissal or other disciplinary procedures; and punishment imposed without reasonable justification.

Covert bullying can include acts such as: deliberately overloading an employee with work and imposing impossible deadlines; sabotaging an employee's work by withholding information that is required to fulfil tasks; hiding documents or equipment; constantly changing targets or work guidelines; not providing appropriate resources and training; isolating or ignoring an employee on a consistent basis; and changes in the duties or responsibilities of an employee to the employee's detriment, without reasonable justification.

Bullying between staff may include teasing, practical jokes, gossiping, excluding co-workers and criticising co-workers on a regular and systematic basis.

Discrimination

This happens when a women is treated differently from another person in the same or similar circumstances. There are two types of discrimination:

- Direct discrimination occurs where people are disadvantaged because they are treated differently by reason of one or more of the prohibited grounds under the Human Rights Act and the Employment Relations Act. An example of this is that women are often appointed at lower starting salaries than men, even when the same qualifications and experience apply (for example, new graduates).

- Indirect discrimination occurs where any condition, requirement or

practice has the effect of treating a person or group differently on one or more of the prohibited grounds of discrimination. It can reflect cultures and practices, either formal or informal, that impact on a number of people. It can often be recognised statistically. The people (or systems/practices) doing it often do not intend to discriminate and do not know they (or their systems/practices) are doing it.

As well as sex being a specific ground of unlawful discrimination, a number of other grounds also apply to women: marital status, pregnancy, parental status.

Equal Employment Opportunities

Describes the removal of barriers to equal participation for women in paid employment, and equal access and allocation of employment opportunities, rewards and benefits including non remunerative ones.

Equal Pay

Describes the situation where men and women doing the same job, or occupational role, get the same pay rate. The same job is interpreted to mean that where the work of male and female employees is substantially similar and calls for the same or substantially similar degrees of skill, effort and responsibility and is done under similar conditions.

Equality

Equality refers to being treated equally or the same with no differentiation.

Equity

Equity refers to being just, fair or impartial. It is also a concept that recognises gender in that the allocation and distribution of rewards including pay can be applied differently to men and women.

Explainable

A rationale for a situation can be articulated to account for why it is happening, so it is properly understood. Considering whether a situation is explainable is a necessary step before an organisation considers whether a situation is justifiable.

Female/Male Dominated

Jobs are considered female dominated when 70% of the workers are women. Jobs are considered male dominated when 60% of the workers are men.

Full-time Employment

This is regarded as 30 hours or more a week by the Department of Statistics, who collect a number of the survey data, they consider part-time employment to be less than 30 hours a week.

Harassment

Harassment is unwanted and unwarranted behaviour that a person finds offensive, intimidating or humiliating and is repeated, or significant enough as a single incident, to have a detrimental effect upon a person's dignity, safety and well-being. Various legislation (such as the Human Rights Act 1993, the Employment Relations Act 2000 s103, s108, s109 and s117, the State Sector Act 1988 s56(2) and the Public health and Safety in Employment Act 1992) covers differing aspects of harassment.

Some behaviours that may constitute harassment are:

- A generally hostile work atmosphere of repeated put-downs, offensive stereotypes, malicious rumours, or fear tactics such as threatening or bullying
- A general work atmosphere of repeated jokes, teasing, flirting, leering or sleazy "fun"
- An isolated but significant incident, such as a violent attack or sexual assault
- Comments or behaviour that express hostility, contempt or ridicule for people of a particular sex, race, age, etc.
- An employee/employer is offered special treatment in return for sexual favours

Further guidance on behaviours that may contribute to harassment, bullying or discrimination is in the State Service Commission publication 'Creating a Positive Work Environment'.

Job Evaluation

A structured process to determine the 'size' of different jobs within an organisation, or between organisations, by examining skills, knowledge, responsibilities and working conditions. Establishing internal relativities between jobs (their 'size' relative to each other) in an organisation contributes to establishing pay rates and grading structures. The measurement process generally involves a number of factors and results in a numerical score.

Justifiable

Adequate grounds can be provided to establish that a practice is right, reasonable or valid. One important reference point in this review for considering whether something is justifiable is whether it is lawful and consistent with the government's goal to ensure gender is not affecting opportunities or remuneration. Relevant consideration in determining whether any conduct, practice, requirement or condition (including policies or behaviour) is unlawful are:

1) Whether the policy, practice or behaviour is based on sex, if so

2) Whether the employee(s) or applicant(s) is being disadvantaged, if so

3) Whether an exception in the Human Rights Act or Employment Relations Act applies, for example:

- Different treatment based on gender may be a genuine occupational requirement.

4) Whether measures to address or resolve the disadvantage based on sex would unreasonably disrupt the employer's business. Relevant considerations would include:

- The effect on capacity to accomplish the organisation's purpose.
- Other employees' workload or conditions.

However, some practices and treatments that are within the law may still be found to be unjustifiable. More information on discrimination and the Human Rights Act is available at www.hrc.co.nz.

Market Surveys

Once a job evaluation exercise is completed, or when a new job is established in an organisation, use is often made of market surveys to assist the fixing of the pay range for particular jobs. There are databases that are commercially owned (most frequently by companies who sell job evaluation) that record the salaries paid to jobs of a particular numerical 'size'. This is often described as 'the market rate' – the range of pay those particular jobs are attracting across organisations. Often the market will be segmented into particular sectors or industries to make the comparison more relevant. Any biases (gender or otherwise) inherent in the job evaluation systems from which the job size was derived will be reflected in and perpetuated through the market surveys.

Pay and employment equity

Pay equity and employment equity, combined, indicate the outcome of a systematic approach to identifying, and eliminating unjustifiable causes of inequity to provide fair and productive workplaces.

Pay Equity

Describes the situation where women get the same pay as men do for similar and comparable work.

Performance Pay

Performance pay is money paid to reward employee performance at work. Sometimes called merit pay, it may take the form of an increase in pay or a bonus one-off payment. It is generally paid on an individual basis. In some organisations, performance may be rewarded through non-cash means. This can include vouchers, gifts or extra leave.

Remuneration

Remuneration is the sum of all direct and indirect cash payments to an employee. It can include cash and non-cash rewards such as base pay, allowances, public health insurance, childcare allowance, personal use of a company car, superannuation contributions and bonus payments.

Components of remuneration include:

- Annual base salary – gross per annum amount
- Annual base pay, allowances (higher duties, extra duties, etc.) and overtime payments
- Total remuneration – includes base salary, additional non-cash benefits (employer-subsidised superannuation, reserved car parking, special allowances, and personal use of other employer-provided benefits) that are regularly received, plus any performance pay
- Hourly rate – based on the annual salary average hourly earnings – based on the annual salary, regular taxable allowances, overtime payments
- Typical weekly or fortnightly pay – based on the annual salary.

Statistical Terms

Deciles and Quartiles

Calculations to examine the range in more detail.

Using the example of quartiles, the lower quartile is the values up to the observation that is 25% of the way through the range, the second quartile is the values from 25% to 50%, the third quartile is 50% to 75% of the range and the upper quartile is 75% to 100% of the range.

A decile is a 10% slice of the distribution of values.

Mean

The simple average of a number of observations. It is the sum of all the observations divided by the number of observations in the dataset or group.

The mean is a useful tool for analysis when the range of data is fairly evenly distributed – there are about the same number in the top and bottom quartile.

Means can obscure the range of values within the data set. For example, one salary value of over $100,000 can substantially lift the average of a set of salary figures that are mainly around the $30,000-$40,000 range. It is always useful to examine the range of the data. Clustering data into quartiles, quintiles or deciles can offer a clearer picture. It is then possible to examine the gender occupancy of the upper and lower ends.

Mode

The score that occurs most frequently.

Range

A measure of variability within the group or dataset. The range is calculated by subtracting the lowest observation from the highest. For example, when the top salary in an organisation is $120,000 and the lowest is $20,000 the range is $100,000.

Median

The central value in a set of data that has been arranged in order of size. For example, where the salaries have been listed in ascending order, the median of the salaries of 41 people is the 21st value. Where there

is an even number of salaries (40) the median is the average of the value 20 and 21. The salaries of some people in these datasets may be the same (for example, there may be eight people on $36,000 and ten on $45,000). These are counted as eight or ten values, not one.

The median is a more useful measure when the data is not evenly distributed – as with salaries in organisations where most people will be in the lower to middle pay groups and fewer will be at the top.

Regression Analysis

This is a statistical method for determining the relationship between a dependent variable such as gender and one or more independent variables, or predictors such as education, age, experience etc.

Work/life Balance

Work/life balance is about accommodating the interaction between paid work and other activities, including unpaid work in families and the community, leisure and personal development.