

TO:	CHAIR AND MEMBERS OF CORPORATE SERVICES COMMITTEE MEETING ON SEPTEMBER 26, 2017
FROM:	WILLIAM C. COXHEAD MANAGING DIRECTOR, CORPORATE SERVICES & CHIEF HUMAN RESOURCES OFFICER
SUBJECT	Pay Equity Update

RECOMMENDATION

That, on the Recommendation of the Managing Director, Corporate Services & Chief Human Resources Officer the following Report **BE RECEIVED** for information purposes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND

This Report is submitted in response to two resolutions of Municipal Council:

At its meeting on September 14, 2016, Municipal Council passed the following resolution:

That the Civic Administration BE REQUESTED to provide a report , at a future meeting of the Corporate Services Committee, outlining what processes and practices The Corporation of the City of London has in place to ensure that provincial legislation regarding pay equity is being met, identifying gaps that are currently in place, advising what enhancements and steps Municipal Council could take to address any gaps and the timelines to address those gaps, it being noted that the City of London must demonstrate leadership in this area for employers across the city. (6/20/CSC)

Subsequent to this resolution, Municipal Council passed the following resolution at its meeting on October 26, 2016:

5. *That the following actions be taken with respect to the 9th Report of the London Diversity and Race Relations Advisory Committee from its meeting held on September 15, 2016,*

- a) *the following actions be taken with respect to the Pay Equity Report being developed by the Civic Administration:*
- i) *the Civic Administration BE REQUESTED to attend a future meeting of the London Diversity and Race Relations Advisory Committee (LDDRAC) to provide a presentation and hold a discussion with respect to the processes and practices that will be included in the pay equity report.*
 - ii) *the civic Administration BE REQUESTED to investigate and report with respect to the intersectionality of race to gender, in pay equity; and,*
 - iii) *the Civic Administration BE REQUESTED to include the LDDRAC in the development of the Pay Equity Report and provide the draft report to the LDDRAC prior to submission to the Corporate Services Committee (and Municipal Council).*

It being noted that the LDDRAC has a significant number of people available to assist and support with the development of the above noted report;

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Consultation with DIAAC

Further to the above resolutions dated October 26, 2016, Civic Administration consulted with members of the Diversity Inclusion and Anti-Oppression Advisory Committee (DIAAC) [formerly the London Diversity and Race Relations Advisory Committee] regarding the October 26, 2016 resolution, including the Policy and Planning sub-committee. In consultation with the Policy and Planning sub-committee, it was agreed that Civic Administration would attend a DIAAC meeting to review the information in this Report and provide an opportunity for discussion and feedback. This meeting occurred on June 15, 2017.

Ontario's Pay Equity Act

Ontario's *Pay Equity Act* ("PEA") came into effect in 1987 and required all public sector employers, and private sector employers with greater than 10 employees, to develop pay equity plans for their management employees and for each bargaining unit. For municipalities, pay equity plans were required to be posted on January 1, 1990.

Compliance with the *PEA* involves two stages. The first stage is the achievement of pay equity which was to have occurred shortly after the pay equity plans were posted in 1990. Once pay equity was achieved, the obligation was to ensure that pay equity was maintained thereafter.

The Achievement of Pay Equity

In order to develop a pay equity plan, employers were required to go through a series of steps in order to identify and compare job rates for female and male job classes in accordance with the provisions of the *PEA* and determine whether any pay equity adjustments were required. Where there was a bargaining agent, the steps had to be negotiated with the union. Separate pay equity plans were required for management employees and each bargaining unit.

Once any identified adjustments were paid out, pay equity was achieved for the female job classes in question. Thereafter, the *PEA* obliges an employer to ensure that pay equity is maintained.

Maintaining Pay Equity

The obligation to maintain pay equity is that of the employer and is ongoing. Although not required by the *PEA*, some organizations adopt processes that are joint in nature or involve their respective bargaining agents in the maintenance process.

Current Processes and Practices

The Corporation has processes and practices in place for each of its employee groups for the purposes of maintaining pay equity. Those processes and practices include the following:

1. CUPE Local 101

The Corporation and CUPE Local 101 have negotiated and incorporated into the terms of their Collective Agreement a Gender Neutral Job Evaluation Plan which they specifically note “has been designed for the purpose of maintaining Pay Equity and Internal Equity by establishing equivalency and relationships between jobs performed by men and women.” The Plan provides for a joint job evaluation process by which new job classes are evaluated and existing job classes that have significantly changed are re-evaluated for wage rate purposes by a joint committee made up of equal numbers of union and management representatives. In circumstances where an existing job has significantly changed, either the Corporation or incumbents may bring the job forward to the joint committee for re-evaluation. In the event the committee is unable to reach agreement on the appropriate rating, there is a dispute resolution process that provides for arbitration.

2. CUPE Local 107

Similar to the processes and procedures in place with CUPE Local 101, the Corporation and CUPE Local 107 have negotiated a Gender Neutral Job Evaluation Plan, the terms of which are set out in a Job Evaluation Booklet which forms part of the Collective Agreement. Although historically and currently there are no female dominated job classes in the bargaining unit, the parties specifically note in the Job Evaluation Booklet that the “Gender Neutral Job Evaluation Plan has been designed for the purpose of maintaining Pay Equity and Internal Equity by establishing equivalency and relationships between jobs performed by men and women.” They further note that the Plan “strives to ensure that all aspects of its usage are free of gender bias. By evaluating jobs in a manner that shows the true value of the job, pay equity relativity will be maintained.”

As with the CUPE Local 101 joint job evaluation process, the CUPE Local 107 Job Evaluation Booklet establishes a process by which job classes, both new and significantly changed, are evaluated/re-evaluated for wage rate purposes by a joint committee made up of equal numbers of union and management representatives. Either management or incumbents may bring a job forward to the joint job evaluation committee for re-evaluation if it is believed there has been a significant change to the job that may affect the rating. In the event the committee is unable to reach agreement on the appropriate rating, there is a dispute resolution process that provides for arbitration.

3. London Professional Fire Fighters Association (LPFFA)

All job classes are evaluated using a gender neutral comparison system. The Collective Agreement provides for a process by which changes to jobs and/or new jobs are to be reviewed with the LPFFA and if the parties cannot come to an agreement, the matter may be referred to arbitration.

4. Unifor

A gender neutral job evaluation system continues to be used to evaluate any job classes that are new or significantly changed. The Collective Agreement provides for a process by which new jobs are to be reviewed with the Union and if parties cannot come to an agreement, the matter may be treated as a grievance and pursued through the grievance and arbitration processes.

5. SEIU Clerical

A gender neutral job evaluation system continues to be used to evaluate any job classes that are new or significantly changed. The Collective Agreement provides for a process by which new jobs are to be reviewed with the Union and if the parties cannot come to an agreement, the matter may be treated as a grievance and pursued through the grievance and arbitration processes.

6. SEIU RN

A gender neutral job evaluation system is used to evaluate any job classes that are new or significantly changed. The Collective Agreement provides for a process by which new jobs are to be reviewed with the Union and if parties cannot come to an agreement, the matter may be referred to arbitration. Where the Corporation makes a substantial change to a job, it will meet with the Union on request with respect to appropriate rate of pay.

7. Management

A gender neutral job evaluation system is used to evaluate any job classes that are new or significantly changed.

Intersectionality of Race to Gender in Pay Equity

Civic Administration was also requested to investigate and report on the intersectionality of race and gender in pay equity.

Intersectionality is a term that can be viewed as the inter-connected nature of social categorizations such as race, class and gender as they apply to the given individual and group, regarded as creating overlapping and interdependent systems of discrimination or disadvantage. This is a term that can be used to describe the overlapping or intersecting social identities and related systems of oppression, domination, or discrimination.

In terms of the links of intersectionality and pay equity, it is important to understand that the main objective of the *PEA* is to ensure that female dominated job classes are paid the same as, or at a better level of compensation, than its male comparator job class. The *PEA* does not, however, address issues related to compensation that may be influenced by other social categorizations such as race.

Ongoing research continues, however, by academics endeavouring to explain the wage gap that exists between men and women and the role that various attributes, including race, education and socio-economic background have in the creation of that gap and the challenges faced in reducing it. Currently, however, there is no legislation that specifically addresses those issues.

Having said that, any potential discrimination or disadvantage related to race, among the many other prohibited grounds under the Ontario *Human Rights Code*, is addressed by the Corporation's policies related to diversity and human rights in combination with its obligations pursuant to the Ontario *Human Rights Code*.

Conclusion

Pay Equity legislation has been in place for almost 30 years. The City of London took appropriate steps to achieve pay equity at the time it was implemented in compliance with the *Pay Equity Act*. The City of London also has appropriate processes in place to maintain pay equity and address any issues of which it becomes aware. While intersectionality of race and other social categorizations is a potential factor in equity issues, legislation and tools to assess and/or address any impact it may have on pay equity do not currently exist.

PREPARED BY:	PREPARED BY:
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cc: R. Hussain – Chair, Diversity Inclusion and Anti-Oppression Advisory Committee (DIAAC)