

Promoting Pay Equity through Gender-neutral Job Evaluation: A step-by-step guide by Marie Thérèse Chicha: A review

CHICHA, Marie-Thérèse (2006), *A Comparative Analysis of Promoting Pay Equity: Models and Impact*, Geneva, ILO. (DECLARATION/WP/49/2006), [on line] Available at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/comparativ_wp49.pdf

ILO (2007), *Equality at Work: Tackling the Challenges, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*, Geneva, ILO, [on line] Available at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/equality_07.pdf

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Gender discrimination in remuneration: a persistent problem

Ever since they entered the labour force, women have, in general, been paid less than men. At one time, in many countries this was an expressed policy. The underlying assumption was that women did not need to earn a «living wage» as their husbands were the «breadwinners», and women were «secondary earners». Over the years, the policy of setting different pay rates for men and women who do the same or similar jobs has been discontinued almost everywhere. But differences in pay between male and female jobs for work of equal value persist everywhere. As a result, women's average pay continues to be generally lower than men's in all countries and for all levels of education, age groups and occupations.

Pay equity: a fundamental labour right and a key dimension of gender equality

The persistence of gender discrimination in pay results in women devoting lesser hours to paid work than men and putting more hours in domestic chores

and in taking care of their families. This reduces the range and quality of jobs that women may be offered or may be able to accept, thus reinforcing their segregation in a smaller number of occupations at the lower end of the pay scale. Pay discrimination also translates into high turnover rates, little attention to the productivity and quality of women's jobs and low training expenditure. Finally, it can undermine the capacity of certain enterprises to attract and retain the best qualified people.

The Equal Remuneration Convention, 1951, No.100, one of the eight core international labour standards¹, seeks to address discrimination in remuneration by establishing that remuneration rates are to be fixed without consideration of the sex of the worker. It also requires that women and men receive equal remuneration not just for the same or similar job, but for work of equal value. This principle is fundamental to the achievement of gender equality as a large proportion of women do different jobs than men.

ILO Convention No. 100: a pioneering international labour standard

The notion of «equal pay for work of equal value» was a pioneering feature of Convention No. 100. The European Community Equal Pay Directive recognized this principle only in 1975 and the United Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) did so in 1979.

Ensuring «equal pay for work of equal value» or promoting pay equity is not about changing the work that women do, but about redressing the undervaluation of jobs that women typically perform, and rewarding them according to their value.

Convention No. 100 requires States that have ratified the Convention to ensure the respect of this principle when they are directly involved in wage-fixing; when they are not, States are requested to promote the observance of the principle. States have also the obligation to cooperate with employers' and workers' organizations to implement the Convention and must involve them in the establishment of job evaluation methods. The effective application of this principle is an obligation also for employers' and workers' organizations.

¹ The other seven Conventions are: the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105), the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87); the Right to Organize and Collective Bargaining Convention, 1949 (No. 98), the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No.182), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

The challenges of making pay equity a reality

Convention No. 100 has been ratified by over 180 countries, including Portugal, but its implementation is not exempted from difficulties. One major problem relates to the non-understanding of what «equal pay for work of equal value» means and what it takes to achieve it. In many countries, for instance, laws and regulations continue to give a narrow interpretation to the equal pay principle, as they refer only to «identical» or «similar» work. In other countries, provisions for equal pay apply only to the basic or ordinary wage, thus allowing for sex-based differences in respect of the flexible part of wages. In yet other countries, the payment of additional allowances, including family allowances, is foreseen only for men, regardless of whether or not women are the head of the household².

Where the content of the law may be in order, implementation may be lax. This is often due to concerns about the cost implications of promoting pay equity, especially among small and medium-sized enterprises (SMEs), and the perception that adjustments in the wages of typically female occupations would not lead to any tangible benefits for labour productivity. The lack of sex-disaggregated data on wages at macro and micro (establishment) levels adds to the challenge by making it difficult to monitor trends in the size and causes of persisting pay gaps between men and women. The absence of sound job evaluation methods is another factor.

Job evaluation methods free of gender bias: a key means to address sex-discrimination in pay

Determining if two jobs that differ in content are equal in value requires some means of comparing them. Job evaluation methods are the tools that help to establish the relative value of jobs and their corresponding pay. The establishment of methods that ensure a fair and objective assessment of the value of different jobs not only contributes to the elimination of sex discrimination in pay; it also helps develop more transparent and efficient pay determination systems, while improving recruitment and selection procedures³.

For an objective and fair assessment of jobs, however, job evaluation methods must be free from gender bias; otherwise key dimensions of jobs typically per-

² ILO: *Equality at Work: Tackling the Challenges*, ILO Geneva 2007, p. 55. The report may be also consulted on the ILO web site (www.ilo.org/declaration). There is also available in portuguese on ILO Lisbon Office web site (www.ilo.org/lisbon) at http://www.ilo.org/public/portugue/region/eurpro/lisbon/pdf/igualdade_07.pdf

³ M.T. Chicha: *A Comparative Analysis of Promoting Pay Equity: Models and Impact*, DECLARATION/WP/49/2006 (Geneva, ILO, 2006).

formed by women risk being disregarded or evaluated lower than those typically performed by men. The process whereby job evaluation methods are developed and applied is at least as important as the technical contents of these methods, as possible and unintended gender biases may arise at any stage in their design and use.

But developing JEMs free from gender bias is not an easy task; it requires a good understanding of how and why sex discrimination in pay occurs, and a good command of JEM development techniques. Very few, if any, are the publications that provide easy-to-understand guidance on how to carry out and apply a JEM without gender biases. When they exist, they are commonly written in a language that only pay equity specialists can follow. Moreover, the existing guides tend to focus on the preparation of the tools needed to identify the existence of indirect discrimination; they do not indicate how to measure and correct wage disparities due to discrimination.

In view of the difficulties associated with the implementation of Convention No. 100 and the lack of comprehensive, easy-to-understand and practical manuals to trace and address sex discrimination in pay, the ILO decided to produce a user-friendly and practical guide on how to develop and apply a job evaluation method free of gender bias.

A step-by-step-guide to ensure fair wages to women and men

The guide *Promoting Pay Equity Through Gender-neutral Job Evaluation: A Step-by-step Guide* has been prepared as part of the ILO's Action Plan on the Elimination of Discrimination (2004-2007), following up on the first Global report on the subject entitled *Time for Equality at Work*. The guide is aimed at workers' and employers' organizations, officers of Equal Opportunity Bodies and human resource managers, gender specialists and pay equity practitioners. It is meant to respond to a growing demand from ILO's constituents for technical assistance in this area, and is available in 4 languages: English, French, Portuguese* and Spanish.

The guide has been written by Prof. Marie Thérèse Chicha from the School of Industrial Relations of the University of Québec, a well-known Canadian pay equity specialist and practitioner. The publication is based on a comparative review of the job evaluation methods, guides and other materials that have been developed and used in different countries, as well as on case studies and research in gender studies and in human resources management. The guide has been tested and validated in several training activities organized by the Interna-

* The Equal Portuguese Project «Revalorizar o Trabalho para Promover a Igualdade», carried out by CGTP-IN, ARESP, FESAHT, ACT, CITE, CESIS, OIT and CIES/ISCTE (Evaluation team) have developed this methodology under restauration and beverages sector.

tional Training Center of the ILO (TURIN) for tripartite constituencies from developing and transition economies throughout 2007.

The guide is divided in 8 chapters. The first chapter explains the causes and manifestations of wage discrimination and outlines the goals and content of the guide. The following chapters correspond each to a distinct phase of the process geared towards removing unjust wage differences between male and female-dominated occupations. These are as follows: Establishing the pay equity committee; selecting which jobs to compare; selecting the job evaluation methods to be used; gathering information on the jobs selected for comparison; examining the results of the job evaluation; determining the value of the selected jobs; analysing and adjusting score outcomes; and measuring and correcting the wage gaps.

Each chapter displays the same structure: it opens with an outline of its content and concludes with a checklist for quick reference for users. A brief mention of the benefits associated with each phase is also added at the end of most chapters. These explain in a clear and succinct manner the goals and the different tasks to be carried out under each phase and, most importantly, they alert the reader about the possibility of introducing, inadvertently, gender biases, and provide tips about how to prevent this.

At the end of the guide, a very useful list of sources of information used as reference material for the guide and a glossary are appended.

This publication fills a clear gap and will help shed light on a complex and often misunderstood problem.