



Emploi et Développement social Canada



Taking action on your employment equity data

You have submitted your data. Next, your data will be published on Equi'Vision – the Government of Canada's data visualization website.

As you know, the Government of Canada has introduced new pay gap reporting measures for private-sector employers subject to the *Employment Equity Act* (the *Act*). Your company's pay gap and representation data will be publicly available online on the Government of Canada's new platform, Equi'Vision. The data submitted is based on the previous calendar year's information for the organization.

On Equi'Vision, people will be able to view and interact with your representation and pay gap data online.

Click <u>here</u> for examples of what people will see on Equi'Vision.

The Workplace Equity Information Management System (WEIMS) is an important tool for employers. It allows you to understand your data before it is published on Equi'Vision. Take advantage of WEIMS to ensure your data is accurate, understood and addressed by your organization.

What do you need to do?



Make sure you <u>submit accurate data</u> to WEIMS every year.



Review and understand your data once it's aggregated in WEIMS.



Make a plan to reduce your pay gaps based on your analysis of the data, as applicable.



Help the public <u>understand your context</u> – including your plans and commitments to improve employment equity and reduce any gaps.



Using your data to improve employment equity

Your data may reveal patterns regarding employees from designated groups under the *Act*, such as gaps in hourly wage, bonus pay, and overtime pay.

These gaps <u>may</u> stem from employment policies and practices (e.g., hiring and promotion processes) that constitute employment barriers for these groups.



Our new guide, "How to improve workplace equity" summarizes actions that have been shown to improve workplace outcomes (and those that haven't) for women, Indigenous peoples, persons with disabilities and members of visible minorities.

For example, making expectations around salaries and negotiation clear, and increasing transparency of promotion, pay and reward processes have each been found to improve workplace equity for certain groups.

Take advantage of the guide and use the best available evidence to address your pay and representation gaps.

Reviewing and understanding your data in WEIMS

<u>WEIMS</u> helps employers subject to the <u>Legislated Employment</u> <u>Equity Program</u> (LEEP) meet their employment equity obligations.

WEIMS calculates hourly wage gaps, bonus pay gaps, overtime pay gaps, overtime hours gaps, proportions of employees who received bonus pay and proportions of employees who received overtime pay.

Below is an example view of pay gap information for women in WEIMS.

Not sure how to access this view of your data in WEIMS? Follow the steps in the "Employer Workshop: How to interpret your Form 2,

Parts D to G" document available at this location.

What is a pay gap?

A pay gap is the difference between what two groups earn. A percentage shows the difference by which one group earns more or less than the other. The difference between what men and women earn is the gender pay gap. Other pay gaps also exist, such as those that affect Indigenous peoples, persons with disabilities and members of visible minorities.

More information can be found here.

	Wage Gaps Subjec	Women		
Occupational Groups	Comparison Group Comparis	son Men		
Overall	Mean Wage Gap (%)	1 6.1		
If the % is positive , the subject group makes less than the comparison group.	Median Wage Gap (%)	2 0.0		
	Mean Bonus Pay Gap (%)	67.7		
If the % is zero , the subject group makes the same as the comparison group.	Median Bonus Pay Gap (%)	70.8		
	Mean Overtime Pay Gap (%)	68.6		
3 If the % is negative , the subject group makes more than the comparison group.	Median Overtime Pay Gap (%)	84.9		
	Mean Overtime Hours Gap (hours)			
	Median Overtime Hours Gap (hours)	85.4		
Senior Managers	Mean Wage Gap (%)	9.0		
	Median Wage Gap (%)	3 -5.7		
	Mean Bonus Pay Gap (%)	57.6		
	Median Bonus Pay Gap (%)	39.3		

- On average, when looking at hourly wages, women earn 6.1% less than men in this organization. Expressed differently, on average, for every dollar a man makes per hour, a woman makes \$0.94. Refer to thissaummary resource (section 3.1) or this detailed employer resource for more information on how pay gaps are calculated.
- On average, when looking at bonus pay, women earn 67.7% less than men in this organization. Expressed differently, on average, for every dollar a man makes in bonus pay, a woman makes \$0.32.

How to read pay gap data

For hourly wage gaps, bonus pay gaps, and overtime pay gaps:

- a positive percentage figure (more than zero) and a dollar figure smaller than \$1.00 reveal that designated group employees (subject group) receive lower hourly wages, bonus pay or overtime pay than non-designated group employees (comparison group)
- a zero-percentage figure (equal to zero) and a dollar figure equal to \$1.00 reveal no gap between the hourly wages, bonus pay or overtime pay of designated group employees (subject group) and non-designated group employees (comparison group)
- a negative percentage figure (less than zero) and a dollar figure larger than \$1.00 reveal that designated group employees (subject group) receive higher hourly wages, bonus pay or overtime pay than non-designated group employees (comparison group)

Bonus pay reporting includes proportions of employees who received bonus pay during the reporting year. At present, the evidence on differentials in bonus pay for designated groups is largely anecdotal. The ability to analyze bonus pay gaps by occupations could reveal important differences across the designated groups, based on subject and comparator group comparisons.

Overtime pay reporting includes proportions of employees who received overtime pay during the reporting year. Overtime hours reporting includes gaps in the mean and median annual number of overtime hours worked among employees who received overtime pay during the reporting year.

This data will help to see the proportion of annual earnings that comes from overtime. This will reveal specific patterns regarding overtime and whether there is a difference in the earning capacity between the different subject and comparator groups.

How to interpret (and act on) pay gap data

Pay gaps may come from a complex interplay of societal factors that form outside of the workplace, including but not limited to:

- historical discrimination (i.e., unfair or prejudicial treatment of individuals or groups based on certain characteristics);
- occupational segregation (e.g., the division of men and women into different occupations, industries or roles);
- labour market dynamics (e.g., a surplus of workers in a particular sector that might drive down wages);
- educational differences (e.g., levels of educational attainment, and fields of study); and
- implicit bias (e.g., deeply ingrained stereotypes that can lead a manager to unknowingly favour one demographic over another).

Importantly, pay gaps <u>may</u> also result from employer practices and policies (e.g., how raises and promotions are determined, lack of transparency in pay, unequal access to mentorship). Employers have an important role in identifying and mitigating barriers that may exist in their workplace as a result of these practices and policies.

Employers subject to the *Act* must review their employment systems, policies and practices to identify employment barriers in their organization (commonly referred to as an employment systems review, or ESR).

Guidance on how to conduct an ESR is available here.

How to read pay gap data (continued)

Looking at the **mean and median**¹ together provides a more balanced overview of an employer's overall pay gaps. For example, when the **median pay is lower than the mean pay** in a group of employees, this implies that, while there are some high earners in this group, **most of its employees earn less than the mean** (or average) pay.



What is a mean pay gap?

Mean pay gaps measure salary differences by comparing average salaries of groups. This is the most common method for determining a central tendency in a group and is a good overall indicator of pay gaps.

Example: Mean bonus pay gaps can be useful when employees of both groups compared in an organization receive a bonus according to a similar distribution. With this method, very large or small values can distort the final result. In some cases, 1 or 2 employees among designated group members might receive exceptionally high bonus pay. If that were to happen, the bonus pay gap may appear smaller than it actually is. This would make the mean bonus pay gap less useful on its own.

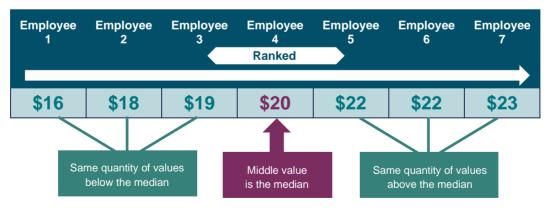


What's a median pay gap?

Median pay gaps measure salary differences by comparing salaries of employees to the middle of the salary distribution of their group. This can be described as the 'typical' situation in an organization and can be useful when the hourly wages of employees of both groups is similar across the distribution. While they are not distorted by very large or small values, the median pay gaps may not highlight all pay gap issues.

Example: If employees that are paid the least amount among designated group members are paid much less than employees that are paid the least amount among non-designated group members, the hourly wage gap may appear smaller than it actually is. This would make the median hourly wage gap less useful on its own.

Median



Need more help?

For more help understanding your pay gap data in WEIMS, see this resource.

¹ The mean is an average, and the median is the middle value if all the values are listed in numerical order.

Explaining pay gaps: general themes

Self-identification

Under employment equity, employees must voluntarily self-identify as belonging to a designated group. However, some employees may choose not to for various reasons. As a result, representation numbers in a given workforce may not accurately reflect the true number of employees from designated groups.

While human resource data may be used to identify women, employers are also encouraged to introduce self-identification campaigns to employees. These campaigns can inform employees of the process and reasons to self-identify, including assurances of confidentiality.

Representation gaps

Representation rates and pay gaps are intrinsically aligned. For example, if a company has low representation of Indigenous peoples in a certain occupation, but these members have higher salaries than non-designated groups, it could result in a negative mean hourly wage gap, in favour of the designated group.

Pay gaps may decrease as designated group representation increases, which can be supported through recruitment and promotion of more employees from designated groups.

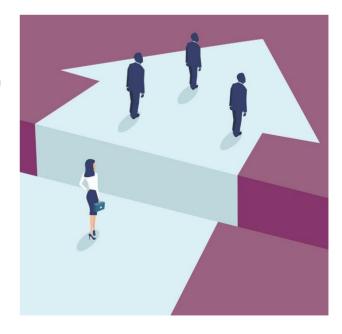
Factors that could influence or explain some pay gaps

- Representation rates of the designated groups in occupational groups
- Occupational segregation (e.g. lower paid roles held predominantly by women)
- Educational and experience requirements; licensing requirements for specific roles; seniority
- Regional and geographical factors
- Voluntary self-identification process
- Employees who did not work a full year (affecting the bonus pay, overtime pay and overtime hours included in pay gap calculations)
- Union and non-union positions in the same occupational group with different compensation programs (e.g. different bonus and overtime eligibility).

Women and occupational segregation

The representation of women in specific occupational groups also contributes to pay gaps. For instance, occupational segregation may occur when an organization has more women in clerical roles that are lower paid compared to other operational roles. Occupational segregation may also impact overtime pay gaps for women. Male dominated operational roles may have more overtime opportunities, given the nature of these roles to address urgent issues.

While these factors can negatively influence pay gaps, increasing the representation of women in higher paid, male dominated positions can help reduce the effects of occupational segregation and equalize pay. Such positions include, airline pilots, truck drivers, skilled trades, management, and senior management.



Service or seniority

Seniority, or years of service, may impact pay gaps. Many compensation structures reward employees for their progression in a role and for time their spent with the company through pay increases. Likewise, collective agreements may have hourly rates, or salary steps, that increase based on seniority in the role. Consequently, this may result in pay gaps if employees from the designated groups have less service.

Pay gaps based on service in roles may decrease over time once more employees from designated groups enter different occupations and gain service.

Seniority may also impact overtime pay gaps. Some collective agreements specify that overtime be offered to unionized employees based on seniority, with the most senior receiving the first overtime opportunities. Again, if employees from the designated groups have less service, they may be offered less overtime opportunities.

Reviewing elements such as seniority, performance, salary band levels, skill sets, etc. is recommended to help determine how they might affect identified pay gaps within an organization.

Employment Equity Occupational Groupings (EEOG)

Employers use the National Occupational Classification (NOC) system, the nationally accepted classification system for occupations in the Canadian labour market, to code the various jobs in their workplaces. NOC codes distinguish both skill type and level (e.g. based on required roles and associated responsibilities). The different NOC codes that they assign to their organization's occupations are aggregated into the 14 EEOGs. In this way, the groupings comprise comparable occupations. For instance, the occupational group called Professionals includes engineers, lawyers, and accountants. It is important for employers to properly assign NOC codes to each employee to ensure the data is accurately reflected in each EEOG.

Occupational groupings do not distinguish whether a job is unionized or not. An occupational grouping with both union and non-union jobs may highlight pay gaps influenced by different compensation arrangements. For example, union roles may not have a bonus program, and non-union roles may not be eligible for

The data on Equi'Vision is displayed by **Employment Equity Occupational Groups.** There are 14 different occupational groups, such as (but not limited to):

- Senior Managers
- Middle and other managers
- Professionals
- Supervisors
- Administrative and senior clerical personnel
- Skilled crafts and trade workers
- Clerical personnel
- Semi-skilled manual workers.

overtime. Also, the jobs in an occupational group may include roles in the organization from different business segments, with varying compensation arrangements.

The occupational groupings are a framework for comparing the salary structure for similar occupations. They are often the first level of employer analysis. Employers may segregate similar occupations within the occupational grouping when conducting an internal compensation review to examine pay gaps. This internal review allows for a more focused analysis. The results will help to determine if additional measures or specific organizational strategies are required to address the pay gaps identified at the EEOG level.

Q Going forward

Examining pay gaps and identifying explanations for them is an important first step in reducing them. There are a few compensation strategies to address pay gaps, such as:

- conducting compensation audits (including pay equity)
- developing new compensation frameworks
- establishing new pay scales
- making appropriate salary adjustments, along with ensuring pay practices are transparent and equitable.

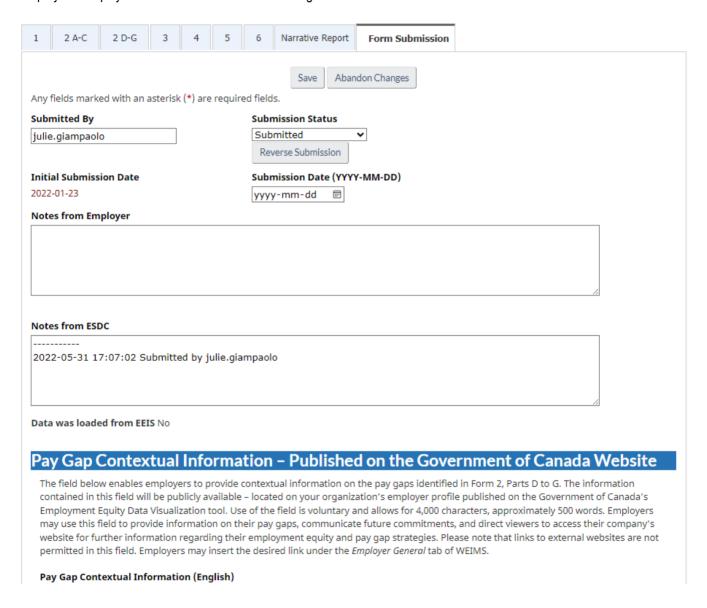
It is advisable to engage your organization's compensation team, if available. They can provide valuable insights to help understand the data, verify the numbers, and look at company-wide compensation practices to determine their impact on the designated groups and the potential impacts on the identified gaps (e.g. planned pay equity measures).

Communicating your pay gap data

Communication is an important element in your action plan. It allows the public, your customers, employees, and future employees to understand what causes your pay gaps and how you will address them.

Communicating to the public

When you submit in WEIMS, you have the option to provide information about your organization that can help the public understand your data. You can also describe any plans you have to address pay gaps in your organization. This information, while voluntary, should be included in the Pay Gap Contextual Information Box (see image below) before submitting your employment equity data at the "Form Submission" stage in WEIMS.



Your communication plan may also consider the best ways to express your pay gap data externally. Communicating your commitment to actions that will reduce pay gaps may enhance your company's reputation and help attract talent.

Communicating to your employees

Under the *Act*, employers must inform employees about the purpose of employment equity, the measures planned and undertaken to advance it, along with the progress made. If you have taken measures to address your pay gaps or made progress on that matter, you must inform your employees. You must consult employee representatives on how they can assist you in communicating to their colleagues as well.

Communicating about pay gaps may help educate and engage your workforce, and retain talented employees.

More information is available <u>here.</u>

Communicating to the government

In your annual employment equity report for the government, you must include a narrative report about consultations you have held, measures taken, and results achieved, including related pay gap activities or outcomes. As addressing pay gaps is part of the employment equity process, these can be included in the measures and results sections of WEIMS.

1.8

Benefits of providing contextual information

- Allows employers to communicate and explain pay gaps in their company. For instance, are there unique circumstances that contribute to pay gaps in your company, industry, or sector? Your explanation can make these factors clear to the public.
- Provides employers with the opportunity to communicate their commitment to employment equity, diversity, and addressing pay gaps in the future.
- Gives employers a way to leverage their website
 as a resource for the public to learn about their
 employment equity initiatives. Housing this
 information online allows employers to make timely
 adjustments and to quickly react to any emerging
 issues. A comprehensive document on your
 website may also provide viewers with greater
 context, awareness, and education.
- Allows employers to proactively manage their organization's reputation and image regarding diversity, inclusion, and employment equity.
 A positive reputation may help your organization attract and retain talented employees and engage your workforce in future initiatives.



Other benefits of communicating pay transparency

- Your organization likely has many stakeholders, such as employees, customers, media, and the public.
 Honest disclosure and transparency about pay gaps and future employment equity strategies may lead to greater trust among your stakeholders.
- In addition to your contextual information, developing and publishing a comprehensive communication plan
 for your organization may help to identify and organize the best methods of communicating your efforts

 both internally (employees, management) and externally (public, including potential recruits and
 consumers).
- The public may view **proactive communication as positive**. Reactive communication may be viewed as defensive.
- Communication with employees is required to meet your **employment equity obligations**. These include informing employees about the purpose of employment equity, the measures planned and undertaken, along with the progress made.
- Communicating future commitments may ensure your organization remains focused and accountable to achieving the desired outcomes.

What your data will look like on Equi'Vision

Pay gap and representation data reported by employers through WEIMS will be published on the government website. It will highlight employers who are leading in equitable practices while keeping others accountable, as well as empower the public to make the right decisions about their employment.

Equi'Vision can also be used by employers as an additional analytical tool. Your Employment Equity Reports (contained in WEIMS) include all the representation and pay gap data that is reported in the tool. The functionality included in Equi'Vision allows employers to access and review the data in a visual report format. Comparisons can also be easily made between subject and comparator groups (e.g., persons with disabilities and persons without disabilities) within the organization with a few clicks of a button. In addition, your company's information can be compared with other employers of your choice.

Additional analysis can be undertaken at a broader level, such as by Sector and Location.

Sample View: Employer Overview

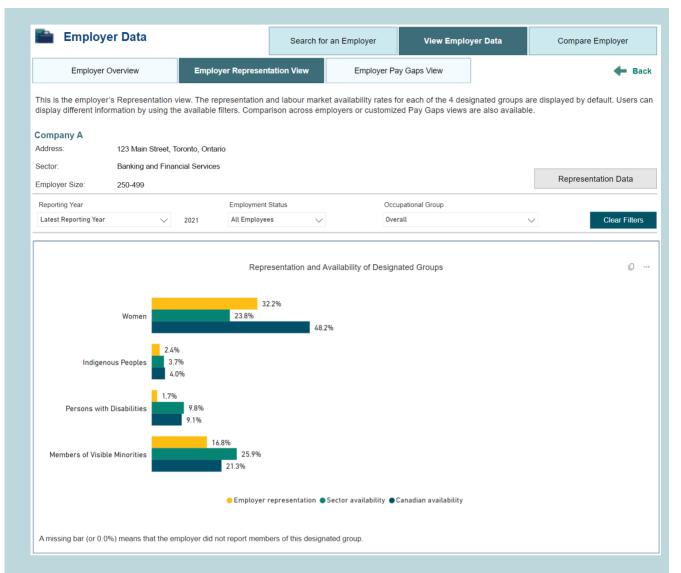


What does this data tell us?

In this organization:

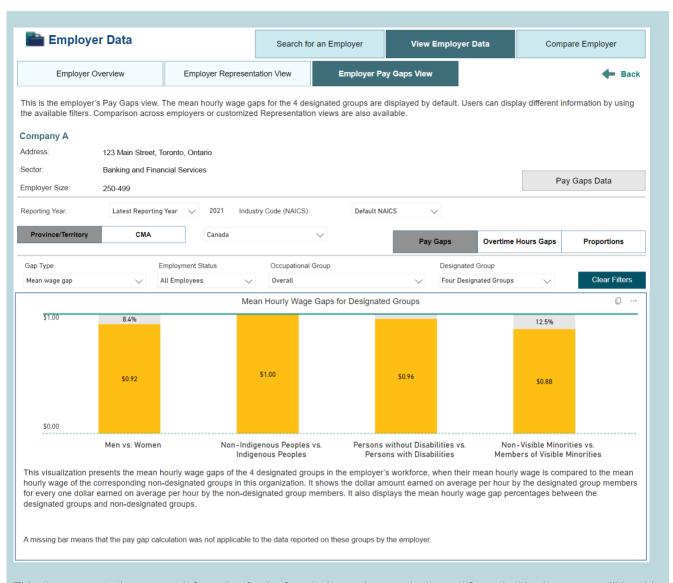
- **Women** earn 92 cents for every dollar earned on average per hour by men. In other words, women earn 8.4% less than men.
- **Indigenous peoples** earn 1 dollar for every dollar earned on average per hour by non-Indigenous peoples. In other words, Indigenous peoples earn the same hourly wages (0% gap) as non-Indigenous peoples.
- **Persons with disabilities** earn 96 cents for every dollar earned on average per hour by persons without disabilities. In other words, persons with disabilities earn 4.0% less than people without disabilities.
- Members of visible minorities earn 88 cents for every dollar earned on average per hour by persons who aren't members of visible minorities. In other words, persons who are members of visible minorities earn 12.5% less than people who aren't members of visible minorities.

Sample View: Employer Representation View



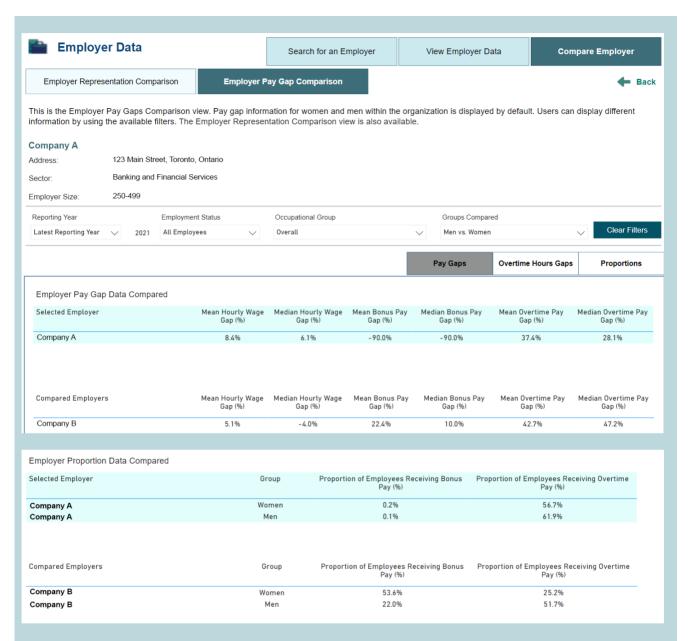
This view presents representation and availability of the four designated groups in the workforce. The public will be able to filter by year, employment status, and occupation. In this employer's workforce, 16.8% of employees identify as a member of visible minorities. This is below the availability in the Canadian workforce of 21.3%.

Sample View: Employer Pay Gaps View



This view presents the pay gap information for the four designated groups in the workforce. In this view, users will be able to filter for more specific information (e.g. gap type, employment status, occupational group, designated group). In this example, persons with disabilities peoples earn 96 cents for every dollar earned on average per hour by persons without disabilities. In other words, persons with disabilities earn 4.0% less than persons without disabilities.

Sample View: Compare Employer Data



Users will be able to compare pay gap and representation data across employers. In this example, Company A is being compared to Company B. When comparing mean wage gaps between men and women, Company B has an overall smaller wage gap than Company A. When comparing mean overtime pay gap, Company B's gap is larger than Company A.

It should be noted that not all occupations within separate organizations can be compared equally. Some occupations may include different roles and responsibilities while still falling within the same EEOG. These can vary greatly between organizations and should be considered as a general reference point in comparing pay gaps that exist between different organizations.

Jsers will be abl	e to compare pay of be updated once	gap and represer	ntation data of incailable.	dividual employer	s across multiple	years. The
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