PAY EQUITY OFFICE

BUSINESS PLAN 2015-2016

STRATEGIC PLAN 2016-17 to 2017-18

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INTRODUCTION

In March of 2014, the work of the Pay Equity Office (PEO) in redressing gender compensation discrimination was recognized in the Legislature by both the Minister of Labour and the Minister Responsible for Women's Issues. In recognizing Equal Pay Day as April 16, 2014, the Ministers acknowledged the need to develop a broad gender wage gap strategy to find ways to ensure that women be more fully integrated into the economic fabric of Ontario.

To mark Equal Pay Day in 2014, Minister Flynn requested the PEO to convene stakeholders to commence a dialogue around the causes of the gender wage gap. Stakeholders representing business, unions, advocacy groups and academia were invited to attend. Dialogue centered around five themes: workplace discrimination, occupational segregation, caregiving responsibilities, personal choice, and business culture. A summary of the dialogue was shared with the Ministers and with participants.

In September of 2014, the government publicly released its mandate letters to Cabinet. The Minister of Labour, with support from the Minister Responsible for Women's Issues, has been tasked with the development of a wage gap strategy to close the gap between men and women in the context of the 21st century economy. PEO's Business Plan is focused on ensuring that its responsibility to enforce the PEA is met, augmenting its outreach and research activities to cover pay equity and the gender wage gap and on providing support as needed to the Ministry in addressing this mandate.

The strategic objectives that were developed last year have been adapted to meet these commitments.

ABOUT THE PAY EQUITY OFFICE

The Pay Equity Commission (PEC) was established by section 27 of the *Pay Equity Act*, 1987, S.O. 1987, c.34 and is continued by subsection 27(1) of the *Pay Equity Act*, R.S.O.1990, c.P.7. (the Act) as amended. The Commission consists of two separate, independent parts: the Pay Equity Office (PEO) and the Pay Equity Hearings Tribunal (the Tribunal). The PEO is responsible for administering and enforcing the Act. The Tribunal is responsible for hearing and deciding all questions of fact and law arising under the Act. The PEO is classified as a regulatory agency. The PEHT is a quasi-judicial tribunal governed by the *Adjudicative Tribunals Accountability and Governance Act*. This Business Plan relates only to the PEO.

To carry out its enforcement mandate, the PEO investigates pay equity complaints, attempts to resolve disputes and makes such orders as are necessary to effect compliance. The PEO also monitors employers to assess compliance levels. The PEO provides education and general advice in both official languages to assist employers, employees and bargaining agents in achieving and maintaining pay equity in their workplaces.

The *Act* also specifies that the PEO may conduct research and produce papers concerning any aspect of pay equity and related subjects and make recommendations to the Minister on these matters. Our research capacity has been expanded so that this aspect of the PEO's mandate can be more effectively carried out.

The most recent Memorandum of Understanding (April 2011), re-affirmed September 2014, sets out the PEO's accountability to the Minister of Labour and the Government of Ontario and the parameters of its independence from the Ministry of Labour. Our strategic objectives, as set out in our Business Plan, are aligned to the Ministry's mission and mandate.

PEO Vision

Advance gender economic equality in Ontario.

PEO Mission

The Office promotes the principles of gender economic equality by ensuring compliance with the *Pay Equity Act* through enforcement, effective case and complaint management; understanding gender wage gap through research; and promoting awareness of the economic position of Ontario's working women.

STRATEGIC DIRECTION

For 2015-2018, the Pay Equity Office will continue its work in three key areas :

Strategic Objective I: ***Foster collaborative partnerships to identify initiatives that will advance gender economic equality in Ontario***

Outcome Goal: Strategic initiatives that provide a framework for addressing pay equity issues and support the reduction of the gender wage gap in Ontario.

Working with ministry partners and stakeholders, the PEO will focus on identifying workplace barriers to gender economic equality, negatively impacting Ontario's productivity. Relying on evidenced-based research, the agency will seek a better understanding of root causes and solutions. Partnerships with key stakeholders will leverage opportunities for outreach and awareness.

Strategic Objective II: ***Support compliance across Ontario workplaces, with targeted enforcement.***

Outcome Goal: Innovative compliance programs and integrated enforcement influenced by research findings and reactive trends.

The PEO will continue to deliver effective compliance and monitoring programs, based on identified priorities, that incorporate concepts of self-management within a risk-based framework. The PEO will continue to leverage its robust e-learning platform to ensure that resources are available and accessible.

Strategic Direction III: ***Run a Modern, Accountable and Efficient Organization***

Outcome Goal: Excellent and consistent service through a skilled and diverse workforce and effective systems.

The PEO will ensure its mandate is delivered with high performing, trained, engaged and committed staff, leveraging contemporary methods of education and enforcement to achieve its goals.

ACTIVITIES INVOLVING STAKEHOLDER GROUPS

External Organizations

The PEO liaises and communicates with external organizations to exchange information relevant to their particular communities. In this regard, the agency will continue to liaise with relevant external organizations e.g. Catalyst, Human Resources Professionals Association (HRPA), Chambers of Commerce, Business and Professional Women Canada (BPW) and individual unions to explore and leverage mutual opportunities to advance gender economic equality. The PEO will leverage its contacts in academia by encouraging the incorporation of pay equity into economic areas of study.

Intra-governmental Partnerships

The PEO seeks out Ontario Public Service (OPS) ministries and agencies that share common stakeholders, to explore opportunities for joint education activities or initiatives, and encourage the development and maintenance of links to the PEO website from other government or agency websites.

The PEO will continue to connect with Ministry partners to ensure that outreach and education partnerships are maintained (Ministry of Labour, Ministry of Economic Development Trade & Employment/Research and Innovation, Ontario Women's Directorate, Service Ontario, Social Enterprise Ontario). The agency will also reach out to companion agencies (Ontario Human Rights Commission, Ontario Securities Commission) for opportunities to collaborate.

Inter-governmental Activities

The PEO continues to expand its contacts with representatives from other Canadian and international jurisdictions engaged in broader wage gap initiatives and exchange best practices. The PEO is in regular communication with counterparts in Quebec, New Brunswick, Australia, and various states in the US to exchange information of mutual interest.

OVERVIEW OF CURRENT AND FUTURE STRATEGIC PROGRAMS AND ACTIVITIES

Review Services

Current enforcement activities include investigating complaints and pro-active monitoring. The Office continues to develop tools and implement operational policies to support Review Officers in finalizing decisions in a timely manner. Currently, the PEO's performance commitments include issuing decisions in complaint files within 24 months and in monitoring files within 36 months of the case being opened.

In 2014/15 the PEO advanced its monitoring priorities in the areas of the public sector agencies and investigating employers with an apparent wage gap from the PEO's 2011 Wage Gap Pilot Program. For 2015/16, the Office will be investigating select employers who have been in business for approximately three years and were part of our 2014/15 outreach and awareness initiative.

The Office will build on a business process review exercise to identify improvements to the electronic case management system for more efficient program delivery.

Outreach and Education

Outreach and Education is a key factor in informing employers, employees and unions about their roles, rights and responsibilities under the *Act* and the first step in a compliance continuum.

The PEO is known for its advanced use of web-based tools making education more widely available to employers, unions and employees alike. User-friendly interpretation guides, case studies, and the mini-kit, available to the public, enable employers to implement pay equity without having to engage outside consultants. All resources are available in both official languages and are *Accessibility for Ontarians with Disabilities Act* compliant. Key documents are regularly updated and the PEO constantly re-evaluates current delivery methods and products to ensure they meet today's workplace needs in terms of content and format.

In addition to educational tools, the Office identifies outreach campaigns by targeting specific audiences. Last year, the Office sent out a letter and brochure to new employers (in business for three years). Options for an outreach campaign for 2015/16 are underway.

Finally, the Office continues to maintain a presence at large trade conferences – providing information and education through presentations.

Research

<u>Gender Wage Gap Grant Program</u>

In 2014, the PEO inaugurated the Gender Wage Gap Grant Program, issuing a call for research proposals based on the following priorities:

- Actions/research addressing Ontario's gender wage gap
- Actions/research promoting gender balance in the workplace

PEO received 18 proposals that were assessed by committee on alignment with strategic priorities, relevance and impact, originality and capacity to deliver within the timeframe. Three projects were selected. Completion of the projects is targeted for the spring of 2015.

In 2015/16, it is anticipated that the call for proposals will be based on priorities aligned with the provincial wage gap strategy.

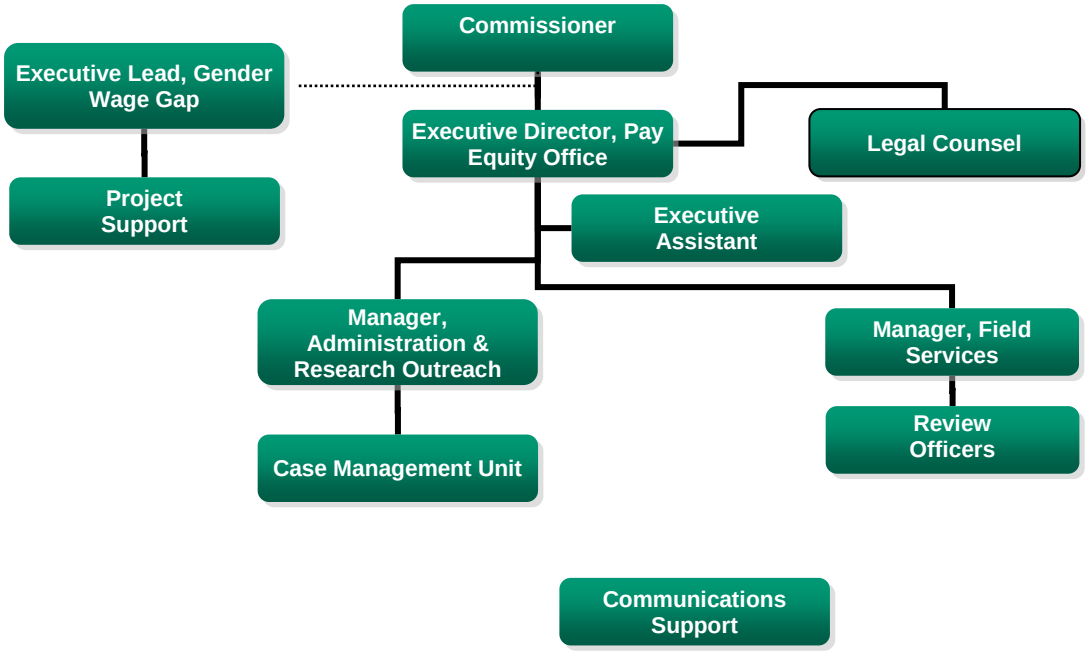
PEO support to Government's Wage Gap Strategy mandate

In 2015/16, the PEO will continue to support ministry partners in advancing Ministry of Labour's mandate to develop a wage gap strategy, through a small project team. The level of engagement will emerge in the Spring of 2015 however, the agency continues to be the subject matter experts as planning for this initiative continues.

ORGANIZATIONAL STRUCTURE

In 2014, a temporary project team was identified to assist with planning for a provincial wage gap strategy.

Organizational Structure (2015/16)



Total FTE Complement: 26

ENVIRONMENTAL SCAN

External Factors

1. **Government mandate for a wage gap strategy**
   The PEO is actively engaged with ministry partners to form a provincial wage gap strategy. As the scope of the strategy emerges, the direct and indirect impacts for the agency will be identified.

2. **Provincial Economic Outlook**
   Ontario is slowly emerging from the downturn of the manufacturing sector, with the loss of primarily male jobs in this sector likely narrowing the gender wage gap temporarily during 2008-2011. The most recent Statistics Canada figures for Ontario show that Ontario's gender wage gap ranges between 12.2% (hourly) and 31.5% (average).

   Families rely on the incomes of both parents to meet basic economic needs and more and more families are headed by women as the sole income-earner. Despite this economic reality, many women who may have been out of the workforce for a number of years or who are moving from part-time to full-time status, may choose lower paying positions in local small business due to their dual roles as primary income earner and home provider. These jobs are precarious in that they often do not provide benefits and typically continue to be undervalued and underpaid. Even women who have achieved higher levels of education and hold senior management positions are paid substantially less than their male counterparts, making the wage gap issue one that affects women in all sectors at every level of employment.

   Ontario businesses have identified skill and talent shortages/mismatches even as women, who make up one-half of the educated labour force, are seeking advancement. New generations of male and female workers have different expectations around compensation, working conditions and leadership. This, combined with economic downturns in various sectors, will require significant adjustments to workplace cultures, with a greater emphasis on equity and fairness, openness and transparency.

3. **Age of the legislation**
   The *Pay Equity Act*, though innovative in its time, has not been amended since 1993, when the proportional value and proxy methods of comparison were first introduced. The proxy method was rescinded in the mid-1990s and returned following the successful Charter challenge before the Ontario Divisional Court. To date, proxy provisions are not included in the *Act,* making it difficult for Broader Public Sector (BPS) organizations to identify and understand their obligations. Public sector wage restraint programs have further frustrated pay equity achievement resulting in ongoing litigation at the Tribunal level.

   The *Act* does not set out time limits for initiating complaints, and there is no cap on retroactivity of adjustments that might be required to comply. These issues present significant and ongoing barriers to timely enforcement, making stakeholder engagement and compliance difficult.

   There have been no regulations passed pursuant to the *Act* and there are no legislative rule-making provisions that would assist in clarifying, operationally, many of the positive employer/union statutory obligations.

Internal Factors

1. **Fiscal Responsibility**
   The PEO continues to focus on measures that will promote operational excellence while working within its fiscal envelope. This is in keeping with government commitments to innovate public services at all levels, to generate efficiencies and savings. Changes to operational policies continue to be made to improve turnaround times of Review Officer decisions, enable our resources to reach more employers, target those employers with the highest likelihood of non-compliance and provide adjustments to those who are entitled to receive.

2. **Pay Equity Hearings Tribunal (PEHT) decisions**
   Significant decisions arising from both Charter challenges and Tribunal applications can significantly impact the caseload levels of the office. In addition, the complexity of those decisions impacts whether to recruit at a junior level, with significant long-term training, or to recruit at a senior level.

3. **Turnover of PEO Staff and Knowledge Transfer**
   While staff turnover resulting from retirement has been an issue in the recent past, the Office continues to recruit according to its human capital plan and manages staffing risks as they arise. Due to the complex nature of the *Act* and complexity of contemporary workplaces, a significant amount of time is spent on training and ongoing learning to ensure high quality decisions and currency in compensation practices.

4. **Fluctuating number of Applications**
   The number of complaint applications has fluctuated in the last few years making it difficult to anticipate caseload inventory.

HUMAN RESOURCES PLAN

The agency's most valuable asset are our people. As the PEO builds operational plans to execute its strategic objectives, management will capitalize on staff talents and leverage partnerships to deliver programs.

The PEO has a mix of new and experienced staff. This shifting culture continues to be supported by formal technical training and informal training through mentoring, job shadowing, in-class training and external seminars on contemporary compensation systems. Maintaining staff engagement will be a key priority as the strategic and operational plans are rolled out.

INFORMATION TECHNOLOGY/ELECTRONIC SERVICE DELIVERY PLAN

Information Technology

The PEO uses a customized version of FileMaker Pro for its case management. In 2014/15, the software will be upgraded which will allow for greater functionality. Productivity improvements will be made based on business review process analysis and reporting requirements will be identified.

The Office delivers a robust education program through its e-learning platform and will continue to capitalize on all available features. As part of the communication plan, the agency continues to leverage social media to build awareness.

Electronic Service Delivery

The agency's popular website has been recently streamlined and modernized. The agency will continue to update information on a timely basis and ensure that all forms and guides are accessible to its clients. The agency has met its *Accessibility for Ontarians with Disabilities Act* (AODA) requirements.

COMMUNICATION PLAN

The PEO will be reviewing communication strategies for 2015/16 for the following initiatives:

1. Gender Wage Gap Grant Proposal (broad outreach on application requirements)
2. Equal Pay Day 2015 (event/partnership)
3. General outreach to targeted audiences (Employer/General Public)

A communication plan will be developed for each initiative identifying audience, approach and messaging.

APPENDIX A – FINANCIAL RESOURCES

		FY 2015-16 ($000)						
Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Services	Supplies & Equip.	Total ODOE	TOTAL
Pay Equity Office	*26.0*	2,410.7	273.9	50.0	132.2	20.0	202.2	2936.8
Lease					234.3		234.3	234.3
Grand Total	***26.0***	2,410.7	273.9	50.0	***366.5***	20.0	***436.5***	***3,171.1***

		FY 2016-17 ($000)						
Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Services	Supplies & Equip.	Total ODOE	TOTAL
Pay Equity Office	*26.0*	2,410.7	273.9	50.0	132.2	20.0	202.2	2,936.8
Lease					234.3		234.3	234.3
Grand Total	***26.0***	2,410.7	273.9	50.0	***366.5***	20.0	***436.5***	***3,171.1***

		FY 2017-18 ($000)						
Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Services	Supplies & Equip.	Total ODOE	TOTAL
Pay Equity Office	*26.0*	2,410.7	273.9	50.0	132.2	20.0	202.2	2,936.8
Lease					234.3		234.3	234.3
Grand Total	***26.0***	2,410.7	273.9	50.0	***366.5***	20.0	***436.5***	***3,171.1***

APPENDIX B – PERFORMANCE MEASURES REPORTING

Outcome	Measure	2015-2016 Target	2016-2017 Annual Targets*	2017-2018 Annual Targets*
Employers, unions and employees work collaboratively to address emerging pay equity issues	Percentage of cases where compliance achieved without Order, no contraventions, settled.	85%	85%	85%
	New: Percentage of cases where Apparent Wage Gap found and employer proactively implemented pay equity	10%	10%	10%
Employers take corrective action to become pay equity compliant	Number of pay equity cases resolved.	340	340	340
Program services are delivered in a timely professional, knowledgeable and cost effective manner	1. Time spent to resolve complaint cases[1]	90%	90%	90%
	% of closed complaint cases resolved within 24 months[2]	80%	80%	80%
	Percentage of closed complaint cases resolved within 24-36 months	10%	10%	10%
	2. % of cases where Review Officer decisions were not changed by Pay Equity Hearing Tribunal	90%	90%	90%

**Targets may be shifted based on the inventory of caseload and new strategic priorities (focus on education/outreach). Targets will be reviewed and may be updated in 2015-16.*

1 This measure may be replaced by the below measure (# of complaint cases resolved within 24 months)

2 In 2012, the complaint case timelines were moved from 36 months to 24 months. The agency continues to look at its processes to shorten these timelines.