

# EQUAL PAY FOR WORK OF EQUAL VALUE

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## Abstract

The most important and critical issue in the companies is Unequal pay which is also known as 'Pay Gap'. When unequal treatment is given to the equals then Discrimination arises. History tells us that man always accepted the concept that the place of women was in the home. Because of low level of pay work of women, they are always undervalued. Prior to the Equal Pay Act in 1970, two conclusions have come from collective agreement.

a) Having one pay rate for women workers

b) Having no differences in grades of work or levels of skills.

From the 19th Century, the entry of women in the profession has been increased. A gradual change in the climate of discrimination has come due to the arrival of high pressures for women's rights. Basic pay is not only the input to equal pay but other benefits and allowances are also the important part of the equal pay.

Organisations have a legal obligation to provide equal pay for equal work that is free from gender bias. The principle of Equal Pay for Equal Work was first considered in *Kishori Mohanlal Bakshi v. Union of India* in the year 1962 where the Supreme Court declared it incapable of being enforced in the court of law. However, it received due recognition only in 1987 through *Mackinnon Mackenzie's* case. Here the issue of concern was a claim for equal remuneration for Lady Stenographers and Male Stenographers. This was ruled in favour of lady stenographers as the Court was in favour of equal pay.

Equal pay for work of equal value means that every employee has to get equal remuneration, without any bias, when work is same or similar.

**Keywords:** Equal pay, work of equal value, Equal Pay for Equal Work, Gender pay gap

## REASONS OF THE GENDER PAY GAP

The research (2001) which is conducted by The National Institution of Economics and Social Research into the causes of gender pay and have identified the key factors which are as follows:

1. Differences in Human Capital
2. Part time working
3. Travel patterns

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4. Occupational segregation
5. Workplace segregation

**Differences in Human Capital:** Differences in Human Capital happen when the differences arise from educational levels and work experience. Women are more likely to have breaks from paid work to take care of their children and other dependents. These breaks in between work affect their work experience which in turns impacts on their pay rates.

**Part-time working:** Large numbers of women work part-time, this is one of the major contributors to the gender pay gap.

**Travel Pattern:** Most of the women prefer their jobs in the nearby locality where they live which may leads to lower wages for these jobs. On an average, woman prefer less commuting than men

**Occupational Segregation:** There are some occupation which are women concentrated (major percentage of employees are women). And such female dominated are often the lowest paid.

**Workplace Segregation:** High concentrations of female employees are linked with relatively low rates of pay.

There are some other factors which also affects gender pay gap which are as follows:

1. Reward System
2. Job Grading Practices
3. Appraisal systems
4. Retention measures
5. Wage setting practices

External comparison, which is also called market rates, is one of the important factors for setting wage levels and can contribute to unequal pay for women within the organization simply because of the market rates.

### **THE EOC CODE OF PRACTICE ON EQUAL PAY**

Equal opportunities Commission has reissued The Code of Practice on Equal Pay in December 2003. Few points are as follows:

- How to conduct equal pay reviews.
- How individual can raise equal pay matters with their employers.
- The scope of equal pay act.

### **EQUAL PAY CLAIMS**

Following are the points which should be considered for equal pay claims:

1. Same or similar work (like)
2. Work rated as equivalent under the job evaluation ‘ study’
3. Equal value of work.

If the tribunal finds that work is of like category, it can invoke the equality clause.

## **AVOIDING DISCRIMINATION IN JOB EVALUATION**

To avoid discrimination, following points can be considered:

1. The scheme should be analytical.
2. The scheme should be appropriate for the jobs.
3. The factors should operate fairly.
4. The factors should cover all important job demands.
5. The methods of scoring for each factor should be reasonably similar.
6. There should not be double-counting of factors.
7. Variation between points should reflect real differences in demand.
8. The weighting system should not favour men or women.

## **Conclusion**

1. One reason of unequal pay is the break of paid work
2. Women prefer less commuting jobs than men which is one of reason of unequal pay.
3. Weighting system are based on non biased factors.

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